



# **Glenbrook Visitor Information Centre**

**Business Case April 2005**

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## **Introduction**

Blue Mountains City Council (BMCC) has in its Management Plan (2001/2002 - 2003/2004) Year 3 the Principal Activity of promoting Economic Development and Supporting Tourism.

This will serve to:

- ♦ Provide Business Information
- ♦ Collect and analyse statistical information
- ♦ Co-ordinate and encourage Cultural and Tourism Development
- ♦ Provide Tourist Information
- ♦ Service visitors to region through the Visitor Information Centre
- ♦ Operate Caravan Parks

The Blue Mountains City Council Tourism Branch is the division within the Blue Mountains City Council whose responsibility it is to achieve the objectives related to tourism. The operation of Caravan Parks is the responsibility of Corporate Property Management and Governance.

Blue Mountains Tourism Limited (BMTL) is a membership based non-profit organisation. It has approx 350 members who conduct joint marketing activities. BMTL has outsourced secretariat and marketing functions to BMCC Tourism Branch and supports the Phone Enquiry and Booking Call Centre as the call to action for all marketing campaigns.

The Blue Mountains Business Information Package shows that 25% of Tourism/Hospitality businesses are home based businesses, which highlights the importance of tourism as the third largest employer in the Mountains, compared with 5% and 4% in surrounding areas.

“13% of all people working in the Blue Mountains are employed in tourism related industries”.

8% growth in local employment through home based business, Tourism and the Arts and Crafts sector is a performance indicator for Promoting Economic Development and Supporting Tourism. This business case aims to demonstrate how the Phone Enquiry and Booking Centre can best be positioned to support meeting this objective. The purpose of the Phone Enquiry and Booking Centre is to increase overnight stays, focus on selling multiple products and examining other business opportunities that may arise as a result of the adoption of e-commerce amongst the operators.

## **Background**

The Glenbrook Visitor Centre opened on 8<sup>th</sup> November 1986. The local community did not support the idea of a visitor centre at Glenbrook originally. The thinking at the time was that they did not want an influx of tourists coming into their community.

As a compromise the building was designed to keep a low profile and blend in with the surrounds. By the early 90's the Gateway project had been initiated, this saw Glenbrook being promoted as the gateway to the Blue Mountains and the local community changed from their earlier position to now showing support for tourism in their area.

The centre was designed originally for information dissemination and as a building, which could house meetings and functions. A retail component was not considered in the design.

The centre also housed the admin and marketing team for a short period until late 1993 when a decision was made to move the admin/marketing team to the upper mountains.

For the first 13 years of operation, Glenbrook also answered all Blue Mountains telephone enquiries and sent out all mail responses. In 1999, Glenbrook Centre staff were finding it difficult to handle the increasing number of visitors, retail sales and the growing number of incoming calls to the centre. A decision was made and the phones were moved to their current location at Katoomba, in October 1999.

This move allowed staff to focus on providing an excellent level of customer service. Promote BMTL members product and increase retail sales as well as partially funding the obligations Council has to provide Tourist information services as highlighted in the BMCC Strategy for the Future.

To further assist in achieving the goal of becoming cost negative, in February 1999, an accommodation booking service was introduced. This was implemented slowly due to the reaction from accommodation providers to the introduction of commissions and for staff to move from a purely information service provision role to a sales role.

The General Manager of the Blue Mountains City Council and the Tourism Manager at the time, directed the Glenbrook Visitor Centre, to focus on becoming cost negative by growing retail sales. Retail Sales have grown steadily since the opening of the centre, and relate directly to the number of visitors to the region. Since 2001 this has been affected by a number of factors beyond our control, such as bushfires, SARS, September 11, War on Iraq, which have all affected visitors travel patterns and had an impact on the number of visitors to the region.

Glenbrook Visitor Centre is located at the start of the Grand Circular Tourist Drive and is the first point of contact for many visitors to the region. We provide visitors with information both free and saleable items such as maps, books and bushwalking guides which all enhance the visitor's experience. BMCC Tourism Branch staff are trained to give professional friendly service which can be measured by the large amount of positive feedback we receive and the minimal or no complaints received about the service.

Glenbrook Centre provides many local residents with information ranging from events, restaurants and wedding venues, to assisting finding accommodation for visiting relatives and friends. We also provide students of all levels with assistance on project material. We promote local businesses who support tourism in the mountains by becoming a member of the BMTL. We promote local events and the art and craft community of the Blue Mountains. We support the phone booking centre by handling all the telephone enquiries from 2pm on Saturday afternoons to 4.30pm on Sundays and most Public Holidays. We update the calendar of events to ensure that information is accurate and up to date for promotion by the marketing team and via the web site.

The staff of the Glenbrook Centre achieve all of the above with one aim in mind, and that is to maximise sales and grow bookings and to continue to look at new initiatives to work toward the Glenbrook Centre achieving a cost negative situation.

## **Competitors**

Whilst other regions surrounding Sydney are competitors of the Blue Mountains, the main challenge is the change of attitude that is required to alter the long held belief that Blue Mountains is a day tour destination from Sydney.

Glenbrook Centre staff are specialists on Blue Mountains product and are best placed to convert enquiries to bookings and to increase visitor's length of stay by pointing out the many features and attractions of the Blue Mountains as a Region, beyond the famous 3 Sisters and Scenic World.

Other competitors are:

Private information/booking centres within the Blue Mountains: these centres compete for accommodation bookings and the support of accommodation industry, which can impact on BMTL membership numbers and the potential to grow bookings.

Sydney tourism retail outlets: Such as Featherdale Wildlife Park which has a large souvenir outlet and most coach tours out of Sydney make this their first point of call eliminating the need to stop at Glenbrook.

## **GLENBROOK VIC – SWOT**

<b>SWOT ANALYSIS</b>	
<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<p>Location - Highway location - Gateway to Glenbrook Area and the Blue Mountains World Heritage Region.</p> <p>Community Art works –                      Bicentennial sculpture                      Bicentennial Quilt                      BMCC 50<sup>th</sup> Anniversary                      Message sticks and steps.</p> <p>Accredited VIC.</p> <p>Appropriate merchandise mix - apparel, souvenirs, maps, books, giftware and confectionery lines.</p> <p>Reasonable price points compared to Sydney CBD souvenir retail outlets.</p> <p>Product range features local, indigenous and Australian made lines.</p> <p>Free accommodation Booking service.</p> <p>Tourism Industry support.</p> <p>Accredited, trained staff.</p> <p>Intranet/Internet access.</p>	<p>Lack of signage from side car park &amp; Glenbrook village side.</p> <p>Lack of identity and recognition of yellow "I".</p> <p>Hidden location - Sandstone building blends with the environment.</p> <p>Lack of picnic tables outside building to attract coaches.</p> <p>Lack of upkeep of grounds surrounding the building.</p> <p>Bushfires impacting on visitation to the region.</p> <p>Reduced staffing levels causing conflict between information provision and the need to grow retail sales and accommodation bookings.</p> <p>Layout of the centre was not designed to maximise retail sales.</p> <p>Amalgamation of 2 PPTime staff positions into 1 FT Traineeship, resulting in the loss of supervisory capability and flexibility.</p> <p>Aging POS system needing replacement/upgrade.</p> <p>Manual processing of accommodation bookings.</p> <p>No high profile advertising for Visitor Centres.</p> <p>Lack of utilising internet for promotion of the centre.</p>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<p>Improve the visual profile of the centre by:</p> <p>a. Redesign the garden layout in front of the centre to not restrict the view of the centre from the highway/parking bay.</p> <p>b. Prominent signage on the exterior of the building from both front and car park side view.</p> <p>c. Utilise the yellow "I" which signifies accredited information.</p> <p>Raise the profile of the Visitor Centre by high profile advertising of the centre and its unique attractions.</p> <p>Develop retail/mail order online.</p> <p>Tap into the coach/tour operators market.</p> <p>Introduce a coffee vending machine.</p> <p>Remodel the retail layout of the centre to maximise retail sales.</p> <p>Improve the traffic flow through the centre to maximise retail sales.</p> <p>Update POS system to increase overall efficiency.</p> <p>Implement Be Easy reservation and Payment system.</p>	<p>Fierce competition for visitation from other Tourism regions.</p> <p>Increased competition from non accredited Information Centres/Booking Services within the Blue Mountains Region.</p> <p>Fluctuations and changes in tourism trends due to continuing global issues such as Terrorism, SARS and Sept 11.</p> <p>Impact on visitor numbers to the region due to environmental factors such as poor weather conditions, bushfires and drought.</p> <p>Restrictions of operating on Crown Land and under BMCC constraints.</p> <p>Reduction in visitor spending due to the Australian dollar appreciating in value.</p>

## **Current Position**

The current operation requires the following resources:

2 x 35hr positions	3 telephone lines
1 x 35 hr traineeship	1 fax line
1x 13 hr pptime	2 Networked, internet capable computer terminals
1 x 10hr pptime (vacant)	1 Point of Sale Cash register system
Pool of relief staff to call on in peak periods	Retail stock on hand

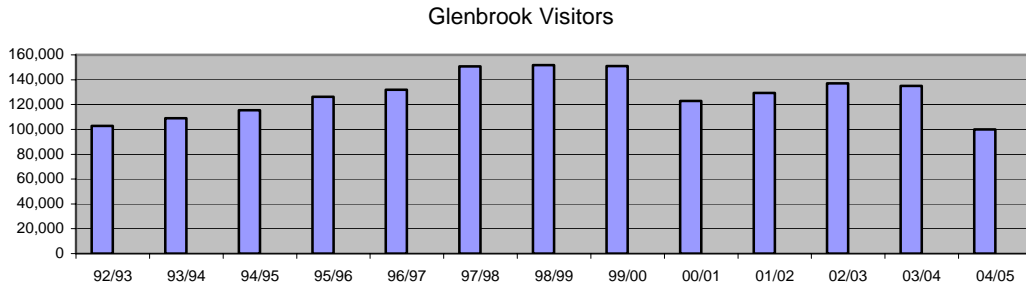
- ♦ Prime Real Estate (Crown Land) – Highway position.
- ♦ Availability of services from Monday to Friday 08:30 – 17:30 + Saturday & Sunday 08:00 – 16:30.
- ♦ Phone enquiries are handled by Glenbrook Visitor Centre from 14.00 on Saturdays, until 16.30 on Sundays.

The function of the Glenbrook Information Centre is to:

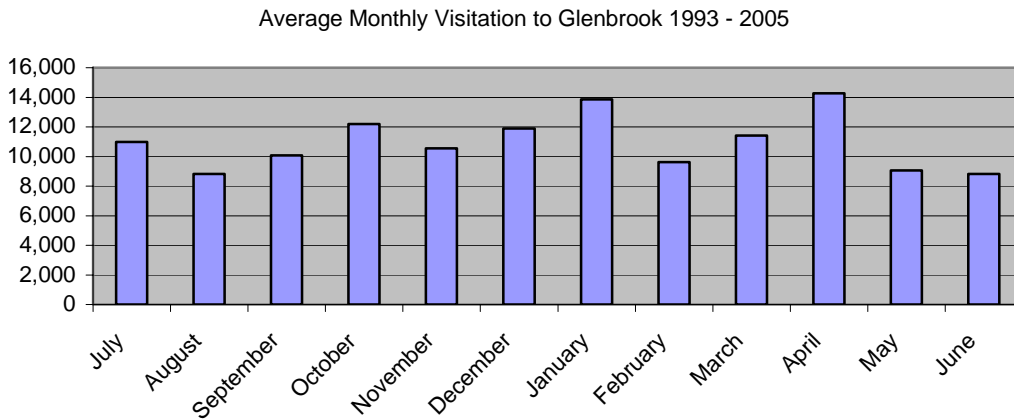
♦ Provide tourist information to visitors to the region	♦ Increase the number of overnight stays in the regions
♦ Provide information to residents	♦ Increase retail sales
♦ Promote Blue Mountains Tourism Ltd member's product or service to visitors	♦ Convert enquiries into bookings
♦ Promote regional events	♦ Support Phone Booking Centre
♦ Promote BMCC Tourism Branch's accommodation Booking service	♦ Support Admin/Headquarters
♦ Increase the duration of stay in the region	♦ Provide feedback and statistical information to marketing team

## **Glenbrook Visitor Centre Facts**

- Most visitors arrive not knowing where they are going or what the region has to offer other than the famous 3 sisters and scenic world.
- The main focus of the Glenbrook staff is to assist visitors enhance their Blue Mountains experience.
- Visitors to the Centre have grown from 102,000 in 92/93 to a peak of 151,000 in 99/00 a 48% increase. Then 2000/01 saw the visitor numbers drop to 117,000, since then, the numbers have gradually increased to 135,000 in 03/04.
- Retail sales directly corresponded to visitor trends as follows: \$157,000 in 92/93 to \$297,000 in 99/00, an 89% increase. In 2000/01 it dropped back to \$231,000 and has gradually increased with the visitation to \$237,000 in 03/04.
- Per visitor spending has increased from \$1.30 in 91/92 to \$1.97 in 99/00 and is now currently at \$1.84.
- Since February 1999 and from a very low base, the Glenbrook Visitor Centre has steadily increased the number of accommodation bookings from \$14,000 commission in 99/00 to \$20,500 commission in 03/04 a 68%.



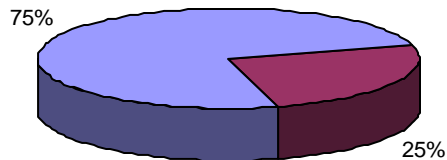
**NB: 2004/05 statistics available to March 05 only**



**NB: 2004/05 statistics available to March 05 only**

## Enquiries

### Types of Information Enquiries



- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Attractions</li> <li>Bushwalks</li> <li>Lookouts</li> <li>Waterfalls</li> <li>Restaurants</li> <li>Accommodation</li> </ul> | <ul style="list-style-type: none"> <li>Events</li> <li>Galleries, Art &amp; Craft</li> <li>Gardens</li> <li>Tours</li> <li>Adventure</li> <li>Directions for the next leg of their journey (after Blue Mountains)</li> <li>Student enquiries</li> <li>Assistance with NRMA calls and E Tag violations</li> </ul> |
|--|--|

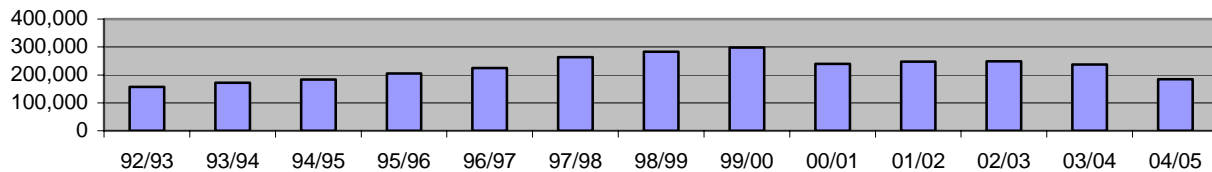
## Retail Income

Retail focus is on quality, Australian and locally made products. We support local businesses by wherever possible purchasing locally made products.

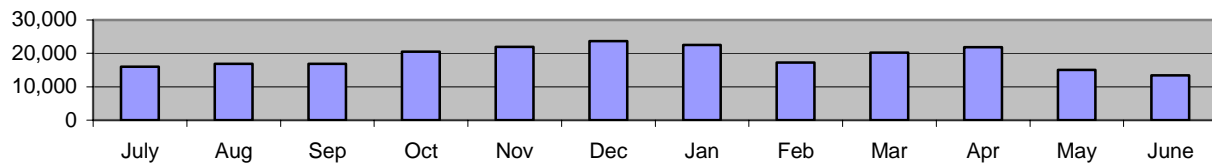
Local suppliers include:

Blue Mountains Honey – Honey products	Mountains Mist Books- bushwalking books
Sweeties - Confectionary	NPWS- bush walking guides
Bower Bird Books – Local Flora/Fauna/Bird and Aboriginal History Books	Paul Chantler- Blue Mountains photo prints
Des Lane Woodturning – Banksia products	Shamballa Cards – Blue Mountain cards
Jabiru Australia – Aboriginal products	Che Kookaburra– Australiana brooches
KV Enterprises – handmade Xmas decorations	Mr Bag Man – Bags & wrapping
Locomotion Productions – Railway history books	Yerranderie Village- Yerranderie book

**Glenbrook Retail Sales**



**Monthly Average Retail Sales 1992-2005**



The majority of our product range is Australian made. Our top ten performers shown below are all Australian products:

Top 10 sellers by profit:

<b>Date Sold Between 1 Apr 04 – 31 Mar 05</b>						
<u>Performer</u>	<u>Quantity</u>	<u>Sales</u>	<u>Profit</u>	<u>Margin on sale</u>	<u>Markup On sale</u>	
1	MAP GREGORYS BLUE MTNS	1429	\$9629.00	\$3650.00	39%	64%
2	WATER SMALL	2515	\$5016.00	\$3451.00	72%	263%
3	BLUE MTNS GLOVE BOX GUIDE	276	\$3027.00	\$2141.00	88%	780%
4	AQUARIUS JEWELLRY	566	\$3574.00	\$1737.00	57%	134%
5	BERTS DRINKS	913	\$2201.00	\$1361.00	69%	225%
6	MAP LPI BLUE MTNS	345	\$2325.00	\$975.00	48%	91%
7	POSTCARD STEVE PARISH	2049	\$1632.00	\$808.00	54%	120%
8	POSTCARD PETER LIK	1897	\$1480.00	\$683.00	45%	81%
9	KATOOMBA/LEURA WALKS NPWS	304	\$1824.00	\$664.00	40%	67%
10	WENTWORTH FALLS WALKS NPWS	303	\$1818.00	\$664.00	40%	67%

**Average gross profit margin for 04/05 = 53%**

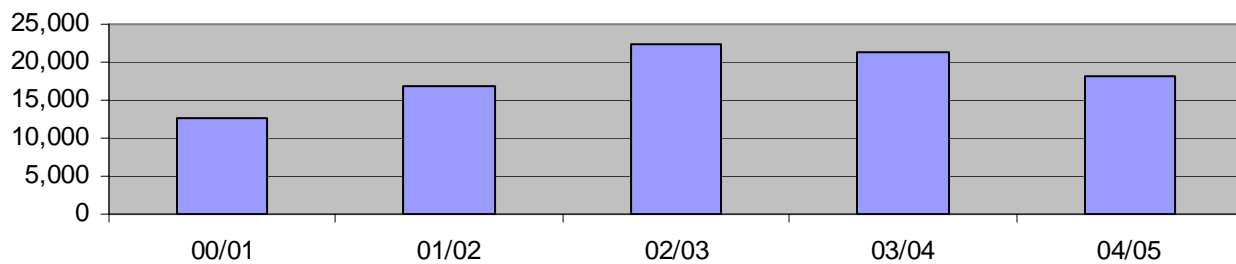
## Accommodation Commission

The introduction of an accommodation booking service has generated income, which was otherwise untapped. Previously phone calls were being made to check availability for visitors with no benefit to us. As a result of the introduction of the service, we are now generating income with very little outlay except for the cost of the phone call, small amount of photocopying and staff time.

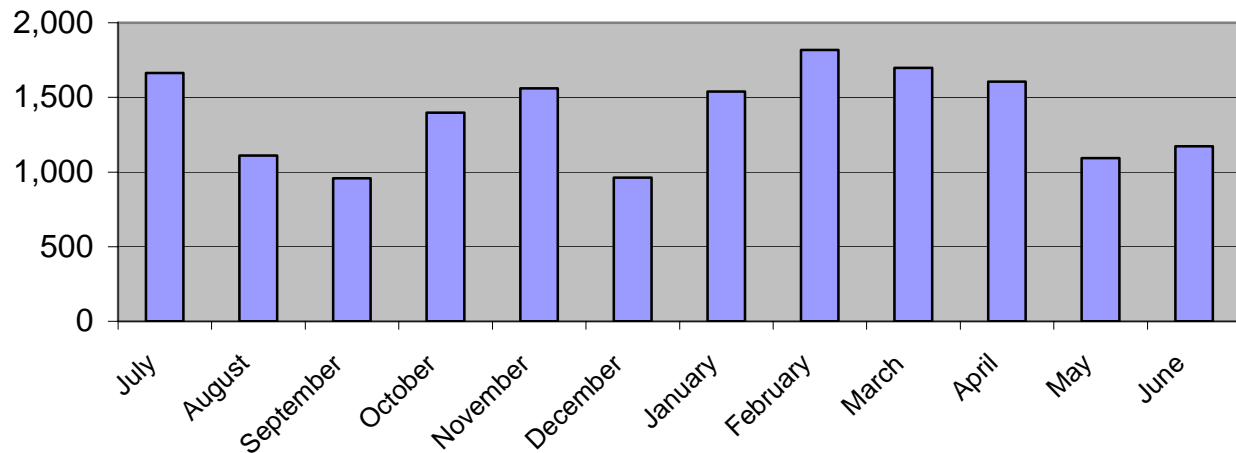
2003/04 financial year we achieved \$20,540 commission, which equates to \$250,400 worth of business to our accommodation operators.

NB: 2004/05 statistics available to March 05 only

### Glenbrook Accommodation Commissions

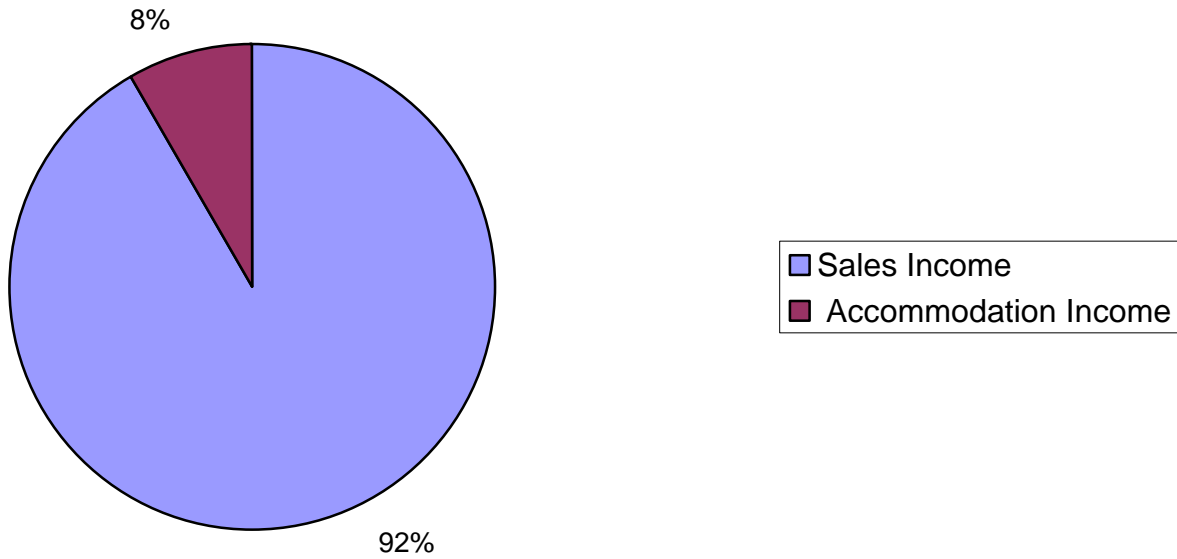


### Glenbrook Monthly Average Accommodation Commissions

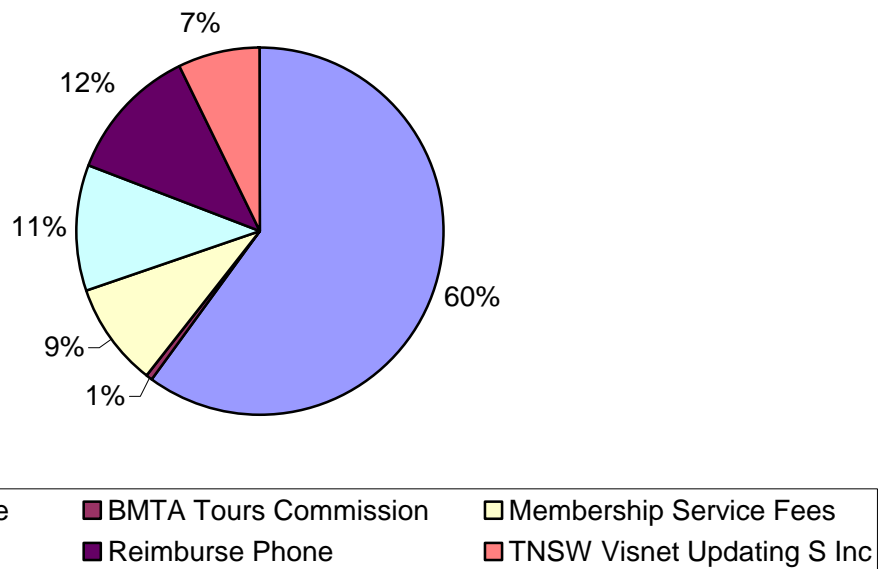


**NB: 2004/05 statistics available to March 05 only.  
Commission is 10% on accommodation booking value**

### Glenbrook Income Sources



### Booking Centre Income Sources



## **Summary and Options**

### **Glenbrook Centre Business**

Glenbrook Visitor Centre has been struggling to improve reduction in the bottom line deficit for some years, external influences has impacted on visitor numbers consequently reducing the ability to significantly improve income while fixed costs and overheads increased.

It was identified that a close look at the operations and opportunities for the Glenbrook Visitor Centre was needed with the view to reducing the consistent bottom line deficit and to improve the overall Tourism Branch financial position.

Visitor numbers would need to increase dramatically in order to increase revenue to achieve a breakeven position in the current operating environment of The Centre.

Additional to the above, the Phone Enquiry and Accommodation Booking Call Centre has not achieved income expectations due to a number of external influences like tourism downturn in both state and national market share and consumer booking direct via the internet. The tourism branch still has an obligation to service the approximately 50,000 phone enquiries received from consumers each year.

A number of options have been explored and indicative costs allocated with a streamline of two operations being finally recommended as the best outcome.

### **Key Activity**

A key activity of the Tourism Branch Business Plan is to improve the commercial viability of BMCC Tourism Branch operations, the measures are:

- ♦ Reduction in cost, and /or demonstratable increase in revenue, to achieve breakeven position.
- ♦ Streamline accommodation booking and payment systems.

The General Manager of Blue Mountains City Council requested a business case for options for improvement of Glenbrook Visitor Information Centre and Booking Centre Viability.

Following research and investigation into the Glenbrook Visitor Centre the following options were considered.

## **Options**

- 1. Retain the service in current format but look at new initiatives to raise income.**
- 2. Lease the Area separately and retain the Visitor Service and Retail.**
- 3. Lease the entire Glenbrook Visitor Centre site to a private operator to conduct tourism related business and carry out Visitor Information Services as a condition of the lease.**
- 4. Combine the Booking Centre and Glenbrook Visitor Information Centre and streamline operations to reduce overall Tourism Branch costs.**

## Implications of Options

### Option 1

**Retain the service in current format but look at new initiatives to raise income.**

Pros	Cons
<ul style="list-style-type: none"> <li>▪ Quality information service provided to both visitors and locals.</li> <li>▪ Retail component enhances the visitors experience.</li> <li>▪ Retail component also well used by locals.</li> <li>▪ Retail component helps offset the employment and operating costs</li> <li>▪ Accommodation booking service well received by visitors has potential to increase accommodation booking commissions with introduction of the 'Be Easy' reservation and payment system. Lower Mountains Community and in particular Glenbrook Village feels strong ownership and high regard for the Centre.</li> <li>▪ Increase Income by:                         <ul style="list-style-type: none"> <li>○ Improve the layout of the retail area and redirect traffic flow necessitating passing retail to get to information services (eg Echo Point).</li> <li>○ Introduction of a coffee vending machine.</li> <li>○ Introduce Be Easy booking and payment system.</li> <li>○ Investigate souvenir retail website.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Cost of Staffing and operating currently operating at a budgeted \$90,000 deficit/Revenue increase not guaranteed.</li> <li>▪ Current manual booking system time consuming and costly to retrieve commissions.</li> <li>▪ Industry and community reliance / expectations on BMTA to deliver service.</li> <li>▪ Revenue reliant on visitation - Domestic and international tourism visitation volatile due to global events.</li> <li>▪ Cost of refurbishing – Disruption to business activities.</li> <li>▪ Needs further investigation at this point and set-up costs for this site.</li> </ul>

Income for 2003/04 actual result \$256,665 but still a deficit of \$80,269.

Income for 2004/05 is tracking to achieve a budgeted result of \$267,000 with a deficit of \$99,435.

The improvements and refurbishment to the Glenbrook Visitor Centre if agreed would take place during 05/06, consequently anticipated increase in income and improved bottom line deficit would not occur until 06/07.

## **Option 2**

### **Lease the Area<sup>a</sup> separately and retain the Visitor Service and Retail**

<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>▪ Might attract \$10,000 for Area 1 and between \$25,000 and \$30,000 for Area 2<sup>b</sup>.</li> <li>▪ Retain Visitor Information Services.</li> <li>▪ Retain Retail Income.</li> <li>▪ Possible reduction of staff requirements.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Would require initial capital funding for internal partitioning and the provision of shared access to kitchen and toilets.</li> <li>▪ Limited space for Visitor Information Centre service and retail space.</li> <li>▪ Must attract suitable tourism related business.</li> <li>▪ Possible backlash from community, given original intention for Centre.</li> </ul>

Option one improvements and anticipated 10% increase in income would also provide a similar financial result, therefore this option is not considered to be viable.

## **Option 3**

### **Lease the entire Glenbrook Visitor Centre site to a private operator to conduct tourism related business and carry out Visitor Information Services as a condition of the lease**

<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>▪ No Staff requirements.</li> <li>▪ No Budget allocation required.</li> <li>▪ \$45,000 - \$50,000<sup>c</sup> Lease return.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No quality control over delivery of Visitor Information Service.</li> <li>▪ Possible political backlash from community.</li> <li>▪ BMCC not meeting the obligations Council has to provide Tourist information services as highlighted in the BMCC Strategy for the Future.</li> <li>▪ Negative impact on quality of visitor's experience.</li> <li>▪ Negative impact on lower Blue Mountains businesses and tourist attractions.</li> </ul>

Option 3 would depend on attracting a suitable operator prepared to pay a commercial lease cost as indicated by the Manager Corporate Property.

<sup>a</sup> Refer to [Appendix 3](#) for Plan of Glenbrook

<sup>b</sup> Based on advice from Manager Corporate Property

<sup>c</sup> Based on advice from Manager Corporate Property

## **Option 4**

### **Combine the Booking Centre and Glenbrook Visitor Information Centre and streamline operations to reduce overall Tourism Unit costs**

<b>Pros</b>	<b>Cons</b>
<ul style="list-style-type: none"> <li>▪ Proposed reduction in employment costs<sup>d</sup> of approximately \$95,171.</li> <li>▪ Streamlining of 2 current operations and budgets into one operation reducing combined deficit.</li> <li>▪ Multi Skilling of staff, enabling back up during during busy periods and ability to cover lunch periods without need for additional staff = effective utilisation of staff.</li> <li>▪ Potential commission revenue increase by on selling accommodation in Penrith/Sydney.</li> <li>▪ Expected increase in income due to improved retail space of 10% - \$26,500.</li> </ul> <p>Overall reduction in combined operations bottom line deficit resulting in potential savings of \$118,333.</p>	<ul style="list-style-type: none"> <li>▪ Would require initial capital funding to partition Booking Call Centre space and improve Information and retail space.</li> <li>▪ Approximate cost based on Echo Point Visitor Information Centre \$214,183<sup>e</sup>.</li> <li>▪ Loan taken out over 15yrs at an annual rate of 7.5%.</li> <li>▪ Staff disruption and concern regarding relocation and combining operations will need to be handled sensitively and recommendation to consultative committee.</li> </ul>

## **Recommendation**

**Following further investigation and assistance from the Property Manager Tan Vo the information attached in appendix 2 indicates support for the view that Glenbrook Visitor Information Centre and the Phone Enquiry and Accommodation Booking Centre should be combined to streamline operations.**

**This should be approved to take place as soon as possible and a case put to Council to borrow the necessary funds to improve Glenbrook Visitor information Centre.**

<sup>d</sup> Refer [Appendix 2](#)

<sup>e</sup> Refer [Appendix 1](#)

**APPENDIX 1**

<b>Glazed Sliding Door</b>	<b>18,000</b>
<b>Retail Counter</b>	<b>6,500</b>
<b>Information Desk</b>	<b>4,500</b>
<b>Vinyl &amp; Carpet</b>	<b>15,000</b>
<b>Internal Painting?</b>	<b>7,500</b>
<b>Carpentry</b>	<b>20,000</b>
<b>Components for Display stock</b>	<b>10,000</b>
<b>Air Conditioner</b>	<b>20,000</b>
<b>Security Gates</b>	<b>15,000</b>
<b>Fixtures and Fittings (To display Stock; incl. Slat wall, gondola and installation)</b>	<b>48,000</b>
<b>Regulatory Signage *</b>	<b>350</b>
	<b>164,850**</b>

\* External Signage will be an extra cost approx \$4,000.

\*\* Note: Provision needs to be made for:

Design Costs 10% of total cost approx \$16,485.00

Project Management 10% - 15% of total cost approx \$16,485 - \$24,727.00

Contingency (Unforeseen) – 5% of total cost approx \$8,242.00.

Total Indicative Cost \$214,183.00.

This costing is based solely on Echo Point refurbishment and would need to be investigated and costed fully following a design layout specifically for the Glenbrook Visitor Centre.

The above indicative cost is considered at this point without proper professional advice to be on the high side.

**APPENDIX 2**

**Glenbrook Visitor Information Centre Business Case**

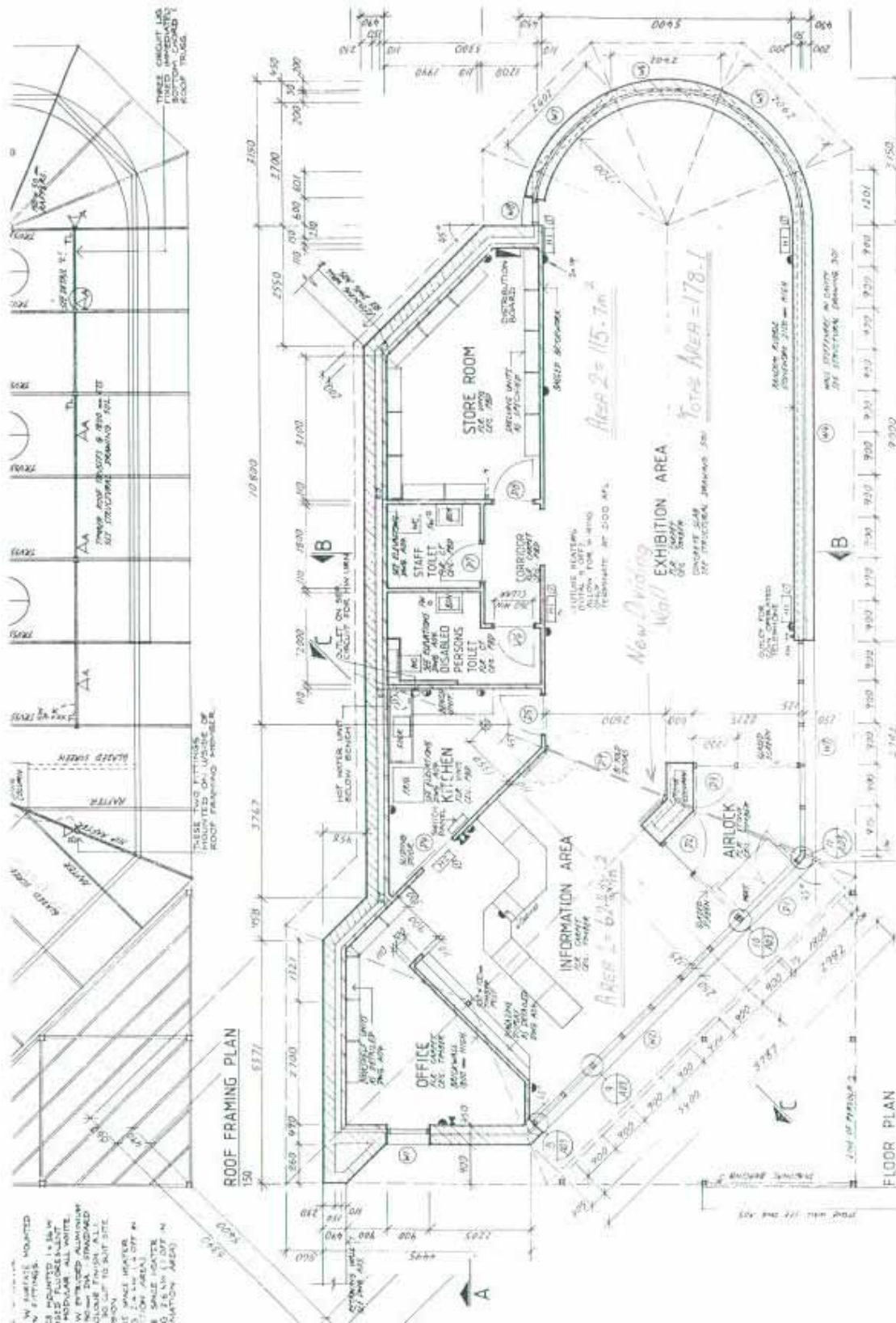
	Actuals 03/04	Current 04/05	Proposed 05/06
<b>Employment</b>			
Booking Centre	156,640	167,614	
Glenbrook	179,412	207,292	279,735
	336,052		279,735
<b>Operating</b>			
Booking Centre	33,781	35,000	
Glenbrook	157,522	159,143	197,085
	191,303	194,143	197,085
<b>Total Capital</b>			
	400	400	400
	400	400	400
<b>Total Expenses</b>	<b>527,755</b>	<b>569,449</b>	<b>477,220</b>
<b>Income</b>			
Booking Centre	-124,308	-110,500	
Glenbrook	-256,665	-267,000	-415,250
	<b>-380,973</b>	<b>-377,500</b>	<b>-415,250</b>
<b>TOTALS</b>	<b>146,782</b>	<b>191,949</b>	<b>61,970</b>

- NB :
- \*Proposed salary figure includes 3.5% salary increase set for November '05
  - \*Proposed operating cost included a projected 3% CPI increase
  - \*Combined income proposed figure includes a 10% expected increase due to improved retail and commission sales ability

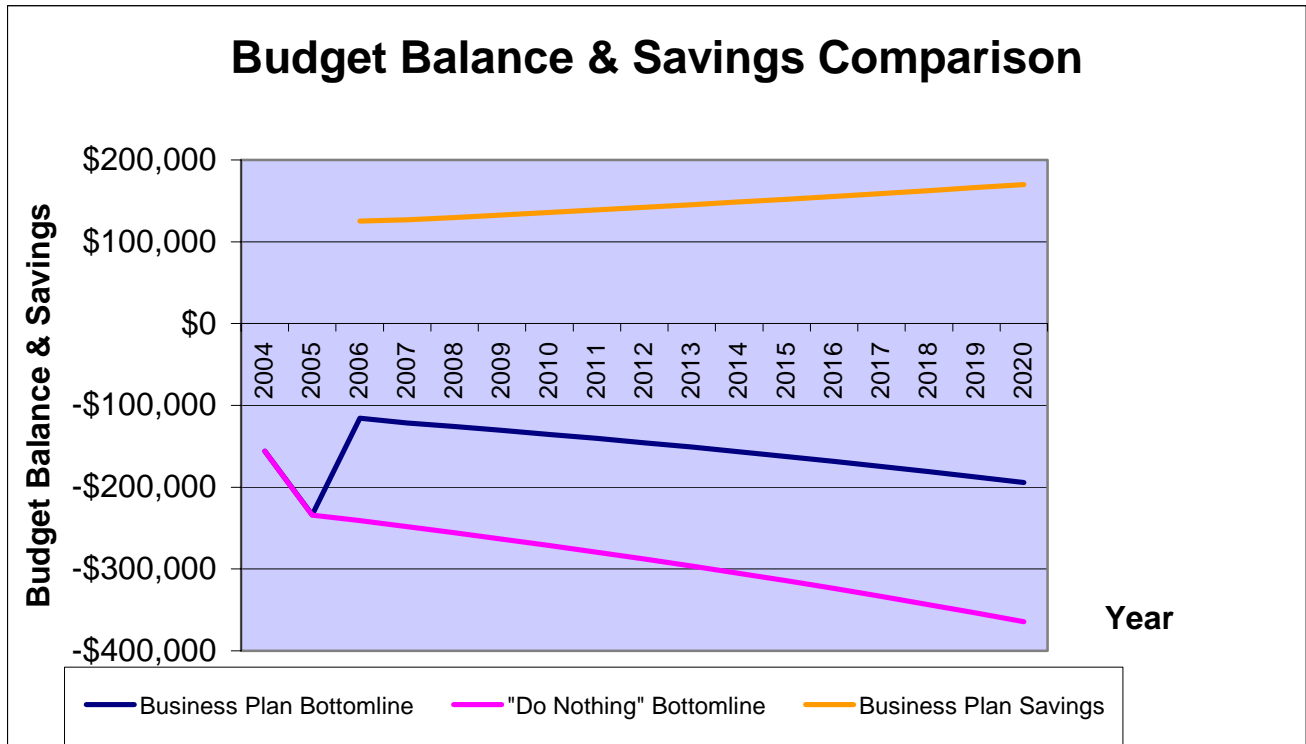
Calculation for loan costs involved in redeveloping Glenbrook VIC to allow combining of Booking Centre and Glenbrook:

Principal	\$214,000	@	Rate	7.50%	x	Term	15 Years =
Interest	<u>\$143,085</u>						
Total Payable	\$357,085	/	15	=		23,805.67	
	61,970 (proposed 05/06)					191,949 (current 04/05)	
	<u>23,806</u> (annual repayment)			=		<u>85,776</u> - (new bottom line)	
	<u>85,776</u>					<u>106,173</u> Potential Savings	

# APPENDIX 3



**APPENDIX 4**



## Tourism Analysis for Glenbrook and Option 4: Combine the Booking Centre and Glenb

### Business Improvement Plan

Streamline operations to reduce overall Tourism unit costs \$214,000

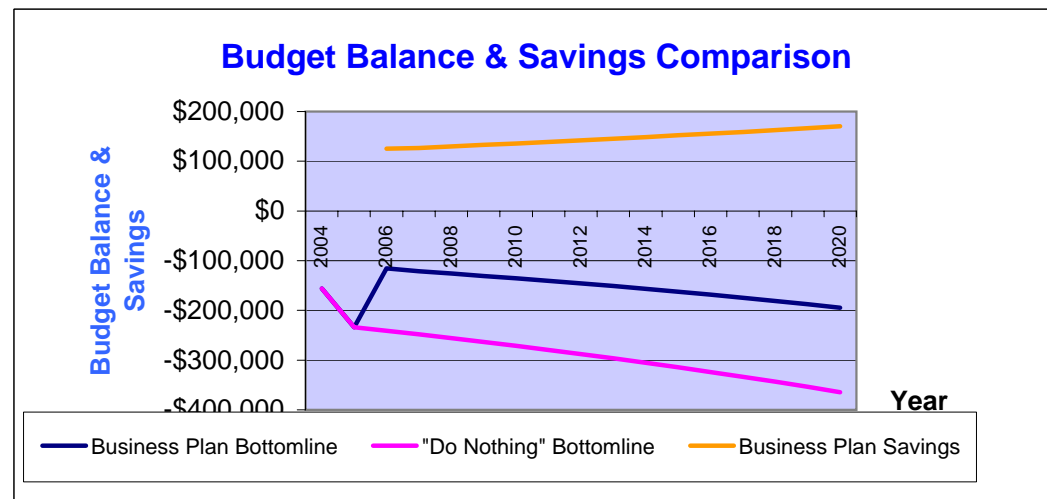
### Assumptions:

Interest Rate	7.50%
Fees & Charges Escalation	2%
Oper. And Maint cost escalation	3%
Loan Term	15
Depreciation	3%
Land Value Appreciation	3%

Details	2004	2005	2006	2007	2008	2009	2010	2011
<b>Balance after Capital Payment</b>	-\$155,982	-\$233,894	-\$115,561	-\$121,398	-\$125,913	-\$130,591	-\$135,436	-\$140,455
<b>Balance Without Business Plan</b>	-\$155,982	-\$233,975	-\$240,994	-\$248,224	-\$255,671	-\$263,341	-\$271,241	-\$279,378
<b>Potential savings</b>			\$125,434	\$126,826	\$129,758	\$132,750	\$135,805	\$138,923
<b>% of savings over base year expenditure</b>			53.61%	54.21%	55.46%	56.74%	58.04%	59.38%
<b>Building/Improvement Asset Value</b>	\$205,000	\$198,850	\$376,885	\$365,578	\$354,272	\$342,965	\$331,659	\$320,352
<b>Land Value</b>	\$115,000	\$118,450	\$80,803	\$83,227	\$85,724	\$88,296	\$90,944	\$93,673
<b>Total Asset Value</b>	<b>\$320,000</b>	<b>\$317,300</b>	<b>\$457,688</b>	<b>\$448,806</b>	<b>\$439,996</b>	<b>\$431,261</b>	<b>\$422,603</b>	<b>\$414,025</b>
<b>Yearly Return on Investment (ROI)</b>	-48.74%	-73.71%	-25.25%	-27.05%	-28.62%	-30.28%	-32.05%	-33.92%

NB: \* Maintenance expected to decrease slightly due to new airconditioning, lighting improvements etc.

\* Potential for additional income i.e. coffee vending machine



**d Booking Centre**

**Brook Visitor information Centre**

years

2012	2013	2014	2015	2016	2017	2018	2019	2020	
-\$145,654	-\$151,038	-\$156,613	-\$162,386	-\$168,363	-\$174,552	-\$180,958	-\$187,590	-\$194,454	-\$2,680,838
-\$287,760	-\$296,393	-\$305,284	-\$314,443	-\$323,876	-\$333,592	-\$343,600	-\$353,908	-\$364,525	-\$4,872,188
\$142,106	\$145,355	\$148,671	\$152,057	\$155,513	\$159,041	\$162,642	\$166,318	\$170,071	\$2,191,269
60.74%	62.12%	63.54%	64.99%	66.47%	67.97%	69.51%	71.08%	72.69%	
\$309,046	\$297,739	\$286,433	\$275,126	\$263,820	\$252,513	\$241,206	\$229,900	\$218,593	
\$96,483	\$99,377	\$102,359	\$105,430	\$108,592	\$111,850	\$115,206	\$118,662	\$122,222	
<b>\$405,529</b>	<b>\$397,117</b>	<b>\$388,791</b>	<b>\$380,556</b>	<b>\$372,412</b>	<b>\$364,363</b>	<b>\$356,412</b>	<b>\$348,562</b>	<b>\$340,815</b>	
-35.92%	-38.03%	-40.28%	-42.67%	-45.21%	-47.91%	-50.77%	-53.82%	-57.06%	



g Centre

for information Centre

2013 Year 9	2014 Year 10	2015 Year 11	2016 Year 12	2017 Year 13	2018 Year 14	2019 Year 15	2020 Year 16	Total
-\$267,433	-\$275,456	-\$283,720	-\$292,231	-\$300,998	-\$310,028	-\$319,329	-\$328,909	-\$4,432,736
-\$9,809	-\$10,103	-\$10,406	-\$10,718	-\$11,040	-\$11,371	-\$11,712	-\$12,063	-\$163,532
-\$10,276	-\$10,584	-\$10,902	-\$11,229	-\$11,566	-\$11,913	-\$12,270	-\$12,638	-\$170,023
-\$324,478	-\$330,967	-\$337,587	-\$344,338	-\$351,225	-\$358,250	-\$365,415	-\$372,723	-\$5,593,217
\$9,539	\$9,539	\$9,539	\$9,539	\$9,539	\$9,539	\$9,539	\$9,539	\$143,085
-\$11,307	-\$11,307	-\$11,307	-\$11,307	-\$11,307	-\$11,307	-\$11,307	-\$11,307	-\$189,981
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-\$613,763	-\$628,878	-\$644,382	-\$660,284	-\$676,596	-\$693,329	-\$710,493	-\$728,101	-\$10,406,402
\$476,992	\$486,532	\$496,262	\$506,187	\$516,311	\$526,637	\$537,170	\$547,914	\$7,939,564
\$476,992	\$486,532	\$496,262	\$506,187	\$516,311	\$526,637	\$537,170	\$547,914	\$7,939,564
-\$136,771	-\$142,346	-\$148,119	-\$154,097	-\$160,285	-\$166,692	-\$173,323	-\$180,187	-\$2,466,838
-\$14,267	-\$14,267	-\$14,267	-\$14,267	-\$14,267	-\$14,267	-\$14,267	-\$14,267	-\$214,000
<b>-\$151,038</b>	<b>-\$156,613</b>	<b>-\$162,386</b>	<b>-\$168,363</b>	<b>-\$174,552</b>	<b>-\$180,958</b>	<b>-\$187,590</b>	<b>-\$194,454</b>	<b>-\$2,680,838</b>
<b>-\$296,393</b>	<b>-\$305,284</b>	<b>-\$314,443</b>	<b>-\$323,876</b>	<b>-\$333,592</b>	<b>-\$343,600</b>	<b>-\$353,908</b>	<b>-\$364,525</b>	<b>-\$4,872,188</b>
<b>\$145,355</b>	<b>\$148,671</b>	<b>\$152,057</b>	<b>\$155,513</b>	<b>\$159,041</b>	<b>\$162,642</b>	<b>\$166,318</b>	<b>\$170,071</b>	<b>\$2,191,269</b>
62.12%	63.54%	64.99%	66.47%	67.97%	69.51%	71.08%	72.69%	
\$297,739	\$286,433	\$275,126	\$263,820	\$252,513	\$241,206	\$229,900	\$218,593	
\$99,377	\$102,359	\$105,430	\$108,592	\$111,850	\$115,206	\$118,662	\$122,222	
<b>\$397,117</b>	<b>\$388,791</b>	<b>\$380,556</b>	<b>\$372,412</b>	<b>\$364,363</b>	<b>\$356,412</b>	<b>\$348,562</b>	<b>\$340,815</b>	
-38.03%	-40.28%	-42.67%	-45.21%	-47.91%	-50.77%	-53.82%	-57.06%	