CONCEPT PLAN FOR

WALKA WATER WORKS

12 May 2025

DIAGNOSIS & PLANNING · PRODUCT DEVELOPMENT · FEASIBILITY STUDIES

Authorship

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

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Disclaimer

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

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Acknowledgement of country

We acknowledge the Wonnarua people of the hills and plains and the original inhabitants of the Maitland area and one of eight Nations and clans in the Hunter Region, which include the Worimi, Darkinjung, Kamilaroi, Geawegal, Gringal, Awabakul and Wiradjuri. Awabakal people as the First people of the Hunter region of NSW Council local government areas.

We acknowledge and pay our respects to these peoples as the Traditional Owners of the lands where we live, learn and work as well as across the lands and waters that we travel through. We also acknowledge Elders past, present and emerging.

Project acknowledgements

The team would like to acknowledge the support of Maitland City Council's Visitor and City Economy unit.

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Definitions

Aboriginal tourism: an interpretation of the wider concept of Indigenous tourism (see below) that involves tourism interpreting Aboriginal cultures and stories.

Brand: source of a distinctive promise for customers from a product, service or place. Everything the lead organisation does in collaboration with its partners and community should be orientated around delivering and constantly enhancing the promise. Not just a logo.

Business case: informs an investment decision of the Government by providing analysis of options, costs, benefits and risks associated with addressing an identified problem. The business case for larger projects typically follows a feasibility assessment.

Cost Benefit Anaslysis: compares different options by valuing each option in terms of its net benefit to society. It is an important tool when making resource allocation decisions where choices should be made between alternative uses of finite funds.

Cost estimation: the process for determining the costs associated with undertaking an investment proposal.

Ecotourism: Ecologically sustainable tourism with a primary focus on experiencing natural areas that fosters environmental and cultural understanding, appreciation and conservation

Experience: The emotions, feelings and sensations generated by the people met, places visited, activities participated in and memories created by travel, through watching, testing, smelling, touching, listening and being part of a culture or lifestyle that is distinctly different from the visitor's everyday life and that reaches an individual's deep needs and desires. An experience is not a product (which is the simpler / stripped back / commercialisation of an experience).

Feasibility assessment: the development of options that could help address a stated problem, which are assessed against criteria reflected a desired outcome to determine the optimum choice to implement.

Flagship attraction: the best or most important attraction owned or produced by an organisation. Its appeal is attributed to distinct qualities, including uniqueness, location, international reputation, and outstanding media attention, making it a 'must-see' attraction and relatively large in size and economic impact.

FTE: Full Time Equivalent employee / contractor, which can be made up of a greater number of part time and casual employees

Iconic attraction: a representative symbol, especially of a culture, landscape or a movement that evokes a powerful positive image among both tourists and local residents and is therefore worthy of admiration or respect. A flagship attraction evolves into an iconic attraction after long-term marketing and widespread recognition.

Indigenous tourism is generally regarded as tourism specifically to interpret Indigenous cultures and stories, but it can also include any of the following attributes: Indigenous people directly operating or investing in tourism operations; business partnerships between Indigenous organisations and tourism operators; Indigenous people employed in tourism operations; mainstream tourism incorporating Indigenous culture and stories to enhance their programs; and Indigenous input into the way tourism is managed.

Interpretation: an experience that enriches our lives through engaging emotions, enhancing experiences and deepening the understanding of places, people, events and objects from the past and present. Interpretation communicates ideas, information and knowledge in a way which helps people to make sense of their environment.

Investment lifecycle: the phases of investment from acquisition or creation, through management to exit by the funder.

Local Government Area: An LGA included in the ASGC LGA Structure is a spatial unit which represents the whole geographical area of responsibility of an incorporated Local Government Council. An LGA consists of one or more statistical local area level 2's (SLAs).

Marketing: the management process through which goods and services move from concept to the customer. It includes the coordination of four elements called the 4 P's of marketing: identification, selection and development of a product ; determination of its price; selection of a distribution channel to reach the customer's place, and development and implementation of a promotional strategy.

Nature-based tourism: any tourism in a natural area**.**

Operator: an individual or organisation that conducts a tourism activity which results in some degree of commercial return.

Product: a good or service (tangible or intangible) that an organisation offers to customers.

Regenerative tourism: travel that actively regenerates the health of degraded ecosystems, increases community wellbeing and promotes regional financial growth through a nature-based economic model

Risk: defined in ISO31000:2018 Risk Management as 'the effect of uncertainty on objectives'. An effect is a deviation from the expected outcome — positive or negative. Risk is often expressed as a combination of the consequences of an event and the associated likelihood of occurrence.

Target market: the portion of actual and potential visitors that an organisation most wants to attract to their destination or product. The target market is chosen because the needs of the market segments chosen most naturally fit what the destination or product can offer and offer the best return on any marketing investment to attract them.

Visitor (local): a person who comes from their home that is within 25kms.

Visitor (day tripper): a person who comes to a destination from outside 25kms, spends at least four hours, leaves in the same day and whose travel is not for regular work or study.

Visitor (overnight): a person who comes to a destination from outside the immediate local area and stays overnight within the same immediate local area.

WOW factor: a highly differentiated experience that is so distinctive that it is a primary motivator to visit a region.

Yield - The expenditure injections of tourists (sales revenues) or alternatively/differently the profitability of catering to different visitor markets. Yield can be defined purely from an accounting perspective (sales revenues per visitor) or the financial rate of return to operators, or gross operating surplus of different industry sectors. Alternatively, the profitability to the tourism industry of different market segments can be assessed.

1. Introduction

1.1 Background

This report for the Walka Water Works site follows on from reviews of a wide range of plans, stakeholder consultation, site analysis, tourism market and accommodation analysis and two master planning workshops with Council staff.

The Destination Management Plan for the Maitland LGA proposed that the Walka Water Works site be developed to become an iconic tourism attraction and suggested a wide range of proposals to achieve this. To determine which experiences could help achieve this, an Opportunity Analysis Report was produced. The report recommended testing the feasibility of hot springs, heated splash park, adventure park and restaurant and functions venue within the Pumphouse building.

Following a presentation of the Opportunity Analysis Report, Maitland City Council chose to scale back from achieving iconic tourism attraction and instead develop a concept plan for an adventure park and within the Pumphouse building, food and beverage, functions café, and simple health and wellness offer.

The scope of this Concept Plan also captures a range of recreation, interpretation and conservation works, as well as enabling infrastructure and services and remediation of contaminated land between the pumphouse building and the reservoir edge. Two key issues to be rectified at the Walka Water Works site includes contaminated soils and structural safety defects associated with the pumphouse chimney structure.

1.2 Purpose of this report

The purpose of this report is for the above proposed elements provide:

- a high-level outline of major initiatives sufficient for costing;
- a high-level staging plan for implementation;
- a high-level development cost breakdown;
- a potential financial model for funding the developments;
- a high-level visitation forecast;
- a high-level financial forecast (for commercial activities)
- potential governance arrangements for the commercial components;
- a risk analysis and mitigative measures to address them; and
- a conclusion to the proposal.

The preparation of this work is kept high-level in recognition that further detail would come later through the master plan, detailed design and from heritage and environmental assessment recommendations.

2. THE FOUR STAGED PROPOSAL

2.1 Underlying theme (brand)

Council staff report that the forthcoming Maitland Economic Development Strategy is likely to be positioned to promote the LGA as a healthy place to visit, work and live. It is proposed to establish a brand for the Walka Water Works based around health and well-being, supporting the potential brand. Having Walka Water Works deliver this brand would significantly improve the delivery of the Strategy and grow the community and economy. **Figure 2.1.1** presents the inter-related three components that could deliver the underlying theme / brand.

Figure 2.1.1 The inter-related three components that could deliver the underlying theme / brand for the Walka Water Works site

A tagline could be created, such as:

Walka – the heart of healthy Maitland

2.2 Target markets

It is proposed that that the target market for the Walka Water Works site should be leisure travellers and specifically the holiday and Visiting Friends and Relatives (VFR) segments.

Maitland's depauperate mid-week leisure market will require tourism businesses to target other markets to maintain business cash flow.

The potential visitor market segments to focus on for nature tourism are:

- *Rechargers*, as they often look for nature tourism as a driver of visitation; and
- *Discoverers/Learners* – nature tourism could be pitched more to this segment as an activity during their stay and for some a reason to visit.

Figures 2.2.1 and 2.2.2 provide a background to these segments.

Figure 2.2.1 Profile of nature tourism target market - Rechargers for Walka Water Works

Fundamentally, Rechargers are living busy and stressful lives

For many, there is a clear sense that their life is out of balance

The biggest factor in choosing a destination is the ability to unwind

Familiar destinations can facilitate quick, fulfilling relaxation

Figure 2.2.2 Profile of nature tourism target market – Discoverers / learners for Walka Water Works

This segment is shaped by a strong and innate sense of curiosity

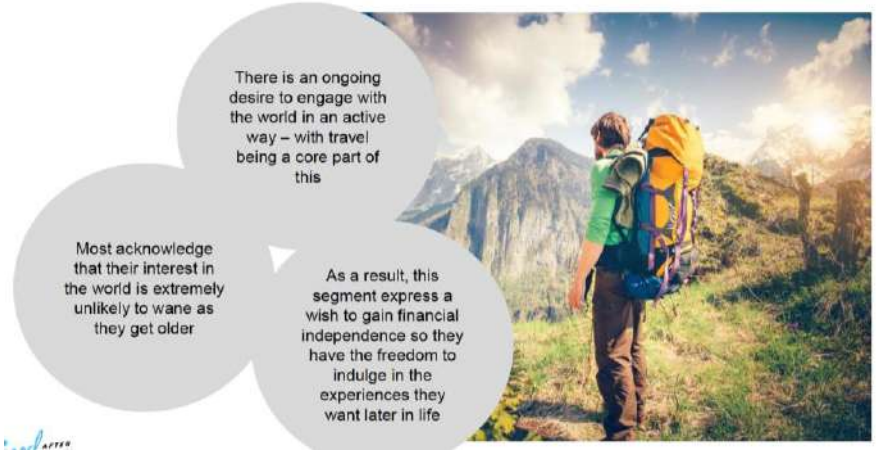
Discoverers and Learners claim to have a continual need to experience and understand the world and the people in it

Discovering and learning new things seems to provide a strong internal sense of fulfilment and satisfaction

They tend to have a broad range of interests, and like to know about a lot of things (the natural environment, history, other cultures etc)

It can be hard for this segment to truly fulfil their need to discover and learn, because daily life and routine simply gets in the way

Aspirations tend to centre on continuously having new experiences



Discoverers & Learners are mostly attracted to new destinations

Short break destinations they have not visited before are seen to most obviously satisfy their curiosity

A range of types of destinations is selected – so that not all breaks feel the same

But, they are happy to visit a destination again, provided each visit offers some sort of new activity or perspective

Activities are often at the heart of each short break

In some cases activities are structured and planned in advance to deliberately ensure a new experience will be had

In other cases activities can be more incidental and involve walking around the area, taking in the sights in a more exploratory way

Ultimately, activities allow this segment to get the most out of the experience, and walk away with a slightly different perspective

Generally, everything else falls into place behind the activities and is seen to be less of a priority

2.3 Introduction to the staged proposal

It is proposed to implement this concept plan using four stages over a 12 year period. Each stage has a focus and suite of components. Figure 2.3.1 summarises the staging plan.

Figure 2.3.1 Summary of the proposed staging plan for Walka Water Works site

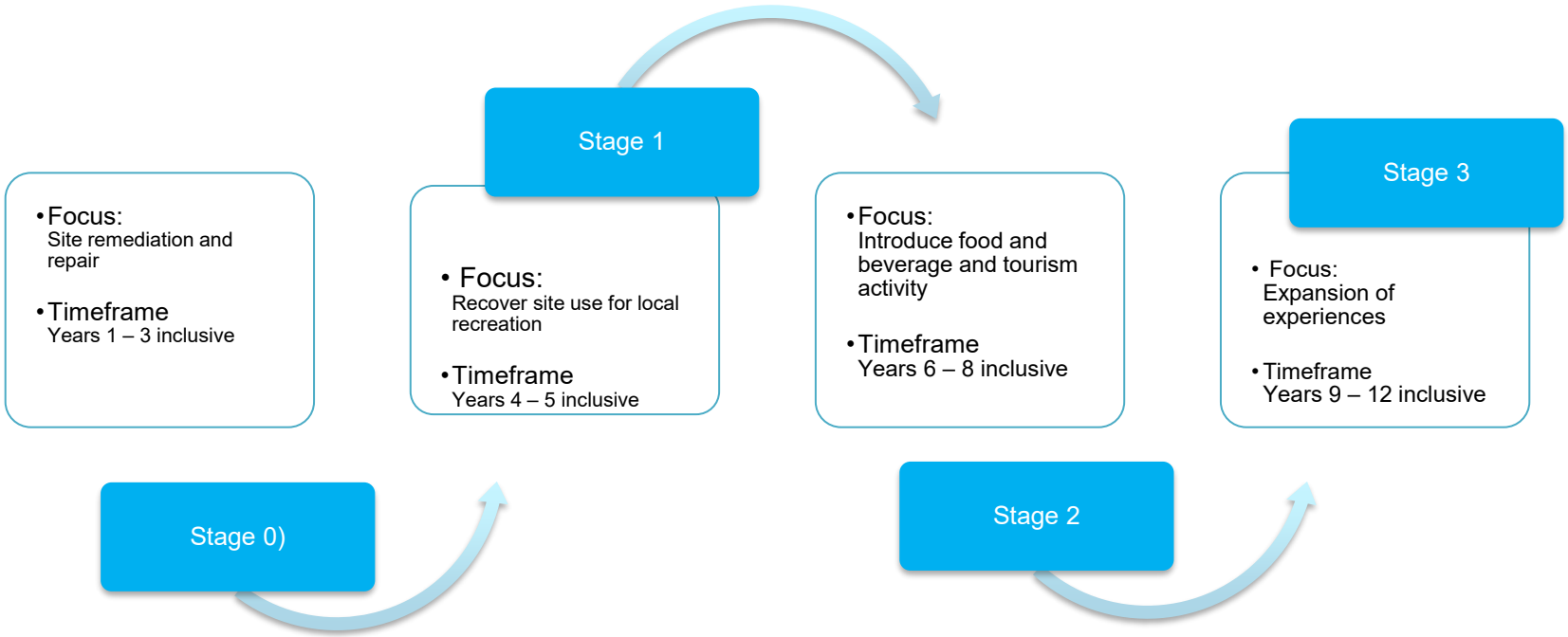


Table 2.3.1 lists the key components for each stage. **Figures 2.3.1** to **2.3.5** present concept plans for Stages 0 to 3 respectively, through to the completed site.

Similarly, **Figures 2.3.6** to **2.3.11** present concept plans for Stages 0 to 3 for the Pumphouse building (ground floor and top floors)

The remainder of **Section 2** provides an outline of the key proposals.

Table 2.3.1 Summary of key elements proposed across the 12 year staging program for the Walka Water Works site

Location	Stage 0 Site Remediation and Repair Years 1- 3	Stage 1 Recover Site Usage and Local Recreation Years 4-5	Stage 2 F&B and Tourism Activity Years 6-8	Stage 3 Expand Offering Years 9-12
Wider Site	Site remediation (asbestos). Site services Preliminary outdoor information point New entry statement and lockable gate South lawn: new turf surface and initial playspace Implement QR codes for heritage interpretation Initial upgrade of trail, path and passive recreation (continued throughout all stages) Tree/weed management (continued throughout all stages) Improve riparian areas (continued throughout all stages) Water quality remediation (continued throughout all stages) New emergency access Existing Scobies Lane as main access Utilise the existing road for temporary parking	Renovated and upgraded amenities Reinstate weddings (pop-up in outdoor spaces/marquees) Lawn area south of pumphouse with new turf surface Light-touch improvement to street in front of pumphouse Expansion of playspace including educational waterplay Forecourt with sculptural installation Reactivation of miniature railway North lawn as a bookable space with shade and BBQ facilities Continued tree/weed management, riparian improvements, water quality remediation Continued trail, path and passive recreation upgrades	East lawn area: new all-weather shade structures, access and lighting Extended pedestrian street in front of pumphouse with entry statement Interpretive landscaping around filter beds New offsite day visitor parking area Adventure park Create an inclusive and accessible space for all to enjoy New shared access point from west Embellish trail experience with interpretive signage Connection to Morpeth to Walka shared pathway New internal road within site (site entrance to adventure park carpark) Community garden Bird watching hides and integration of Ecology Bird App (in consultation with Hunter Bird Watches) Continued tree/weed management, riparian improvements, water quality remediation Continued trail, path and passive recreation upgrades	Pumphouse: wellness use on ground floor, flexible wellness space on top floor, outdoor covered areas, and a service area Adventure park expansion Miniature railway expansion to Stan Parkes Memorial Grove Sculpture/public art at Stan Parkes Memorial Grove New overflow parking area (north) Expansion of play space to district-level play space New pontoon for model yacht club Men's shed with community garden shed Continued tree/weed management, riparian improvements, water quality remediation

Pumphouse Building	Chimney stabilisation Enhance lighting for significant facades and chimney Video and image projections onto wall	Access to building Shop/Information centre with basic refreshments Services for future café kitchen Flexible space hire	Main function space Permanent café and pop-up activity space Kitchen, dry and coolstore Flexible wellness space on ground floor Staircase to top floor Amenities for café and function space	Wellness use (e.g. onsen) on ground floor Flexible wellness space moved to top floor Expanded north-facing outdoor F&B space Second outdoor F&B space for function breakout Covered area in front of café

Figure 2.3.1 Master Plan for Stage 0 (pre year 1)

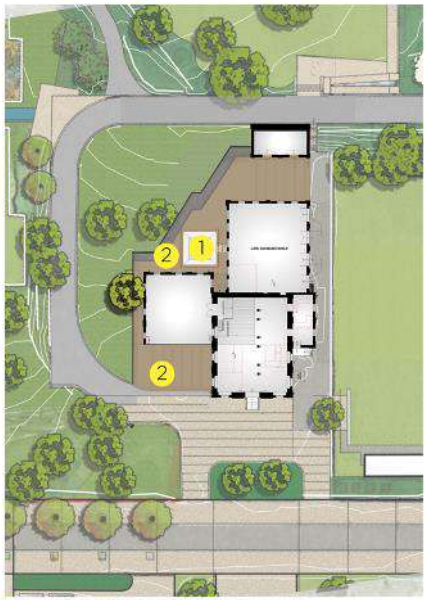
Figure 2.3.2 Master Plan for Stage 1 (years 1 – 3 inclusive)

Figure 2.3.3 Master Plan for Stage 2 (years 4 – 5 inclusive)

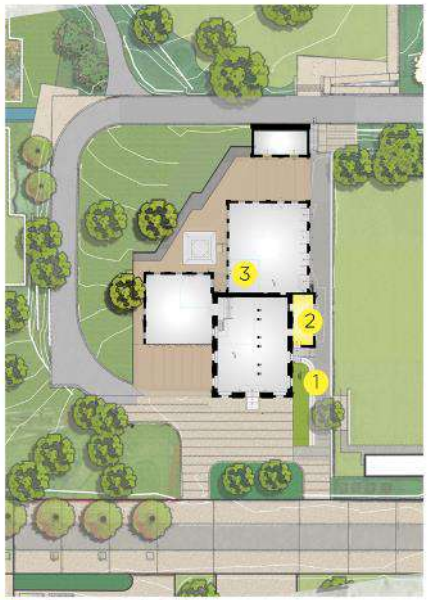
Figure 2.3.4 Master Plan for Stage 3 (years 6 - 8 inclusive)

Figure 2.3.5 Master Plan at completion (Year 9)

Figure 2.3.6 Pumphouse Building Staging



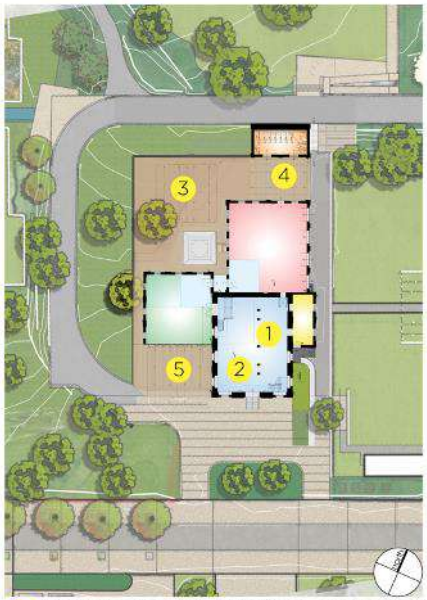
1. Chimney stabilisation
2. Enhanced lighting for significant facades and chimney



1. Access to building
2. Shop/Information centre with basic refreshments
3. Services for future café kitchen

1. Main function space
2. Permanent café and pop-up activity
3. Kitchen, dry and coolstore
4. Flexible wellness space on ground
5. Staircase to top floor

Amenities for café and function space



1. Wellness use (e.g. onsen) on ground floor
2. Flexible wellness space moved to top floor
3. Expanded north-facing outdoor F&B space
4. Second outdoor F&B space for function breakout
5. Covered area in front of café

2.4 Stage 0 proposals

The purpose of Stage 0 is to remediate and repair the site sufficient to then start developing recreation experiences and encourage greater visitor use.

Pumphouse: chimney stabilisation

Works will be undertaken to stabilise the pumphouse chimney and ensure safety in seismic events.

Pumphouse: lighting projections onto chimney

This initiative is to activate the site at night with a series of images depicting the values of the site (eg. historic images). It would require installation of power reticulation from the nearest source, foundation, outdoor projectors and housing.

Site remediation (asbestos)

The most immediate site works are the remediation of contaminated land where the former power station operated (between the Pumphouse building and the reservoir edge). It is envisaged that the contaminated material will be managed via an onsite cap and contain strategy. The design of the cap and contain strategy will consider future works and land use as planned for the revitalisation of the Walka Water Works site under the multiple stages proposed.

Extension and upgrading of site services

Establish trunk infrastructure for later stages during remediation earthworks. Consider use of existing pipe structures for services. Works include site preparation, stormwater, power and wastewater.

Preliminary outdoor information point

Visitors need information and advice to make the most of their visit. It is proposed to construct an outdoor information point to deliver visitor information, including a map of the site showing attractions, facilities and experiences. The facility will also support a critical need to inform visitors of the works and future plans, as a means of building awareness and support for the project.

New entry statement and lockable gate

Install new entry statement at the main access point to establish site identity and improve visitor orientation. The design will reflect the site's heritage character while providing clear wayfinding information. Lockable gates will allow the site to be secured during closures, maintenance, or remediation work, preventing unauthorised access.

South lawn: new turf surface and initial play space

The south lawn would be re-turfed and the first stage of a children’s play space constructed.

Implement QR codes for heritage interpretation

This initiative involves a simple form of interpretation of significant heritage landscapes and objects. It involves the identification of up to 10 heritage sites, research, writing, design, app build, QR codes on attractions or on posts alongside.

Initial upgrade of trail, path and passive recreation

This initiative involves improving the trail experience and involves upgraded drainage and a surface material that ensured all weather use. Along the trail seating and public art would be installed. Adding an interpretive experience around the reservoir would increase the value of the walking experience. Ideally, there could be more than one experience so that each experience could be targeted at a specific visitor sector (eg. one for children and one for adults).

Tree/weed management

Ongoing tree and weed management at Walka Water Works includes the removal of low SULE (Safe Useful Life Expectancy) and higher risk trees, elimination of invasive species, and removal of plants causing damage to structural walls. This activity begins in Stage 0 and continues through all subsequent stages.

Improve riparian areas

Improve riparian edge of reservoir with macrophyte extent and restore edges with specialist advice. This activity begins in Stage 0 and continues through all subsequent stages.

Water quality remediation

Water quality remediation is a potential component of the site's ecological restoration and overall design strategy. By implementing natural filtration systems, such as wetlands, biofiltration zones, or riparian planting, the project can improve water health while enhancing the aesthetic and functional value of the site. This activity begins in Stage 0 and continues through all subsequent stages.

New emergency access

Maitland Council is currently constructing a new road to provide improved level of service during flood events for the residents of Oakhampton Heights. There are plans for the ultimate design which will include an appropriate pavement thickness and a sealed wearing course. However, funding for the project is limited and a staged approach has been nominated that will result in the provision of a gravel access that can potentially be used in times of emergency.

Existing Scobies Lane as main access

Maintain the existing Scobies Lane as main access for visitors, management and contractors.

Utilise the existing road for temporary parking

The existing road will continue to be used for parking while new permanent parking solutions are developed.

2.5 Stage 1 proposals for site remediation and repair

The purpose of Stage 1 is to recover recreational site usage through providing passive recreational opportunities for local residents.

Pumphouse: access to building

This initiative includes the installation of an 18m accessible ramp with minor landscaping to provide barrier-free access to the Pumphouse building.

Pumphouse: shop / information centre with basic refreshments (allows for pop-up café)

Adaptation of a section of the Pumphouse building to provide visitor information and basic refreshments. This will serve as an information centre that provides orientation and interpretation of the site's heritage significance. Display panels and a counter service will allow volunteers to provide face-to-face guidance about visitor experiences and future site plans. The space will support guided tours and facilitated activities. Refreshment options will include auto dispensers or a drinks fridge and racks for long-life snacks, with payments processed by volunteers, allowing for a pop-up café operation.

Pumphouse: services for future café kitchen

Installation of water and drainage connections for sink, dishwashers and coffee machine. Power connections for fridge, freezer, EFTPOS, coffee machine and lighting to prepare the building for forthcoming food and beverage services.

Pumphouse: flexible space hire

Adaptation of space within the Pumphouse for community activities managed by Council for non-commercial use. This flexible space will support various community functions and small-scale events.

Renovated and upgraded amenities

There is an existing amenities building located just south of the site's entrance. This building requires renovation to serve as the primary amenities and toilet facility for picnics, recreational activities, and the popular park run events. The renovation will ensure that the building meets the needs of all visitors, providing a comfortable and convenient space for various outdoor activities.

The foreshore between the reservoir and Pumphouse building is the prime land for picnics and passive recreation. The land between the pumphouse and the reservoir presents an excellent opportunity for a contemporary, high-quality picnic area. This space can include a small, nature-themed play space designed to cater to people of all ages and abilities. Its proximity to the drop-off point, accessible car parking, and entry makes it an ideal location. The picnic area will feature paved and accessible pathways leading to picnic tables, shaded areas, BBQ facilities, rubbish bins, and a drinking fountain.

The inclusion of a small themed play space within the picnic area would give young children something to do and add another health and well-being dimension to the site.

Visitor information and kiosk

It is proposed to install an information booth at the edge of the carpark and beginning of the trail entering the site, to deliver orientation and introductory information about how to make the most of the site.

Reinstate pop-up weddings

It is proposed to offer grassed outdoor space on the reservoir edge for people to book for weddings (see **Figures 2.5.3 and 2.5.4**). A space for wedding ceremonies and a space to set up marquees to for receptions could be offered under Council's venue hire program.

Figure 2.5.3 Example of a pop-up wedding ceremony and function spaces

Figure 2.5.4 Example of pop-up wedding function spaces

This initiative could 'warm up' the wedding market in preparation for a purpose designed function venue in Stage 3. The purpose designed facility would replace the marquee location (but the ceremonial site could continue).

Light touch improvement to street in front of pumphouse

The proposed improvements include the creation of a new drop-off area for pumphouse and accessible parking spaces at the street in front, enhancing accessibility and convenience for all visitors. This upgrade will feature a smooth, level surface compliant with DDA standards, ensuring safe and easy access for individuals with mobility challenges. The addition of a designated drop-off zone will streamline traffic flow and improve safety for pedestrians and vehicles alike. These changes aim to modernise the site, making it more user-friendly and inclusive while maintaining the functionality and aesthetic of the surrounding area.

Expansion of play space including interpretive waterplay

The nature-themed play space can be expanded to include a subtle, educational water play area that emphasises the movement of water. This addition will provide an engaging and interactive experience for children, allowing them to learn about water dynamics through play. Features such as small streams, water wheels, and interactive pumps can be incorporated to demonstrate how water flows and moves. This extension will not only enhance the appeal of the play space but also offer a fun and educational element that caters to children of all ages and abilities.

Figure 2.5.1 Example of a playground concept being proposed

Forecourt with sculptural installation

The forecourt of the pumphouse building presents a unique opportunity to blend history with contemporary art, creating a dynamic space that honours the past while engaging the present. A sculptural installation could serve as a focal point, drawing inspiration from the building's industrial heritage, such as water, machinery, or the labour that once powered the site. For instance, an abstract metal sculpture resembling flowing water could symbolise the pumphouse's original function, while incorporating modern materials and design.

Surrounding the sculpture, the forecourt could feature interpretive plaques and subtle lighting to enhance the visitor experience. Native plants and permeable paving could be integrated to promote sustainability, creating a harmonious balance between art, history, and the environment. This approach would transform the forecourt into a welcoming arrival point, offering an engaging and educational experience for all visitors.

Reactivation of miniature railway

The miniature railway stood as one of the area's main attractions, offering a delightful twenty-minute train ride that wound along the edge of the reservoir, crossed a charming bridge, and meandered through native vegetation. Visitors of all ages were captivated by the sounds of the miniature locomotive chugging up the incline, making it a source of great enjoyment. Reactivating this ride could provide an ideal activity destination for families, giving children and parents alike a reason to visit the site and relish the unique experience of the railway.

Figure 2.5.2 The miniature railway

2.6 Stage 2 proposals

The objective of Stage 2 is to introduce additional experiences that broaden the appeal, range of visitors and use of Walka – principally via the introduction of commercially run adventure activities, health and well-being, functions and food and beverage.

Pumphouse: main function space

The rear larger room within the Pumphouse would be made good and adapted then fitted out as a function space. Approximately 240m^2 of the 280m^2 space would be allocated for function use, capable of supporting up to 150 guests across approximately 50 tables.

Figure 2.6.4 Example of function room in similar building

The fitout would include air conditioning and or large ceiling fans and heaters, as well as a waiter's station and storage for linen, serviettes and glassware.

The remaining 39m^2 would be allocated as a kitchen, servery and bar to support functions.

Outside at the rear could be used for stand-up drinks and as a breakout space to the functions room (in Stage 3 this is proposed to be covered and expanded).

Pumphouse: café and supporting function space

The front room to the left of the Pumphouse entry would be adapted into a café.

Approximately 146m^2 would be allocated to the café dining space, providing sufficient space for approximately 100 customers. The remaining 39m^2 would be allocated to a kitchen (including cool store, dry store, washup and waste management space.

To get better value out of the café space when demand is lower (weeknights and mid-week), it could be worth offering it as a smaller and more casual function space.

Ideally, the café would bake its own bread, as this can be a major attractor for customers and the café offer. The café could also sell with the bread meats, cheeses, olives and similar delicatessen produce – facilitating picnic procurement outside near the water edge.

In Stage 3 the café décor and offer could be refined to operate concurrently or solely as a tea house, to support a greater emphasis on health and well-being.

Amenities for the functions, café and wellness users would be provided through an adapted rear building (approximately seven cubicles).

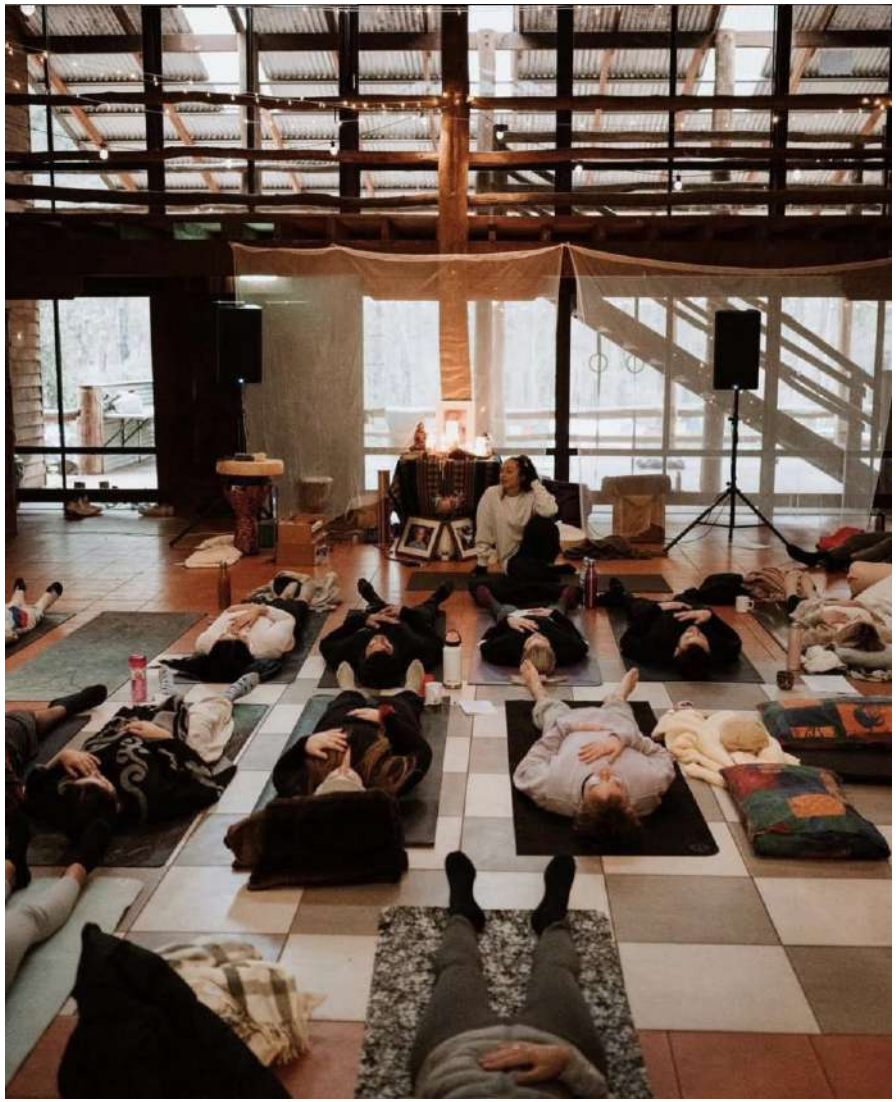
Deliveries would use the path to the left that travels around the rear of the building to enter alongside the chimney.

Figure 2.6.5 Examples of cafés in a similar building

Pupmhouse: flexible wellness space

It is proposed to repair and make good the central room within the Pumphouse building and offer expression of interest for one or several health and wellness businesses to deliver programs such as yoga, Pilates and meditation.

Figure 2.6.3 Wellness programs inside heritage buildings



The space will need to be made good and the flooring made an attractive highlight.

A staircase would be constructed to access the first floor, but this space is not proposed to be actively used until Stage 3.

There could also be programs that utilise grassed areas around the reservoir edge. Forest bathing could be offered..

Lawn area: new all-weather shade structures, access and lighting

Within the lawn area adjacent to the Pumphouse, a new all-weather shade structure would be installed. The facility would have an access path and lighting connections and provide a lockable storage space for weddings.

Extended pedestrian street in front of pumphouse with entry statement

Building upon the initial drop-off area and forecourt from Stage 1, the pedestrian street will be expanded along the front of the Pumphouse, creating an extended pedestrian-only zone that enhances the visitor arrival experience. The expanded area will feature additional trees to provide shade and define a flexible event space capable of accommodating small gatherings and outdoor functions. The entry statement will be further developed with improved wayfinding elements and lighting to highlight the Pumphouse façade and sculptural installation.

New offsite day visitor parking area

Good visitor management places the main carpark before the main pedestrian area. Constructing an offsite carpark near the entry to the site achieves this objective and removes congestion from the heart of the site where the current parking is located. A trail could then be constructed so that visitors can move into the site.

The new car park site will feature strategically planted trees to provide ample shade, enhancing user comfort while reducing the urban heat island effect. The

layout will prioritise pedestrian-friendly access, with clearly defined walkways, safe crossings, and seamless connectivity to the campus, ensuring a welcoming and accessible environment for all users. The parking will also emphasise security and manageability, incorporating lockable gates or barriers to control access and enhance site safety.

Adventure Park

The major attraction to activate visitation beyond passive recreation is adventure park, initially featuring a themed obstacle course and an indoor adventure centre. Some of the advantages of this proposal include:

- a product that appeals to teenagers and interactive gaming focused people aged 18 to 30 years, for which there are very few experience options that appeal to them, so this creates a 'blue sky' for these visitor markets;
- a product that delivers team building for corporates, and increases the appeal to the lucrative overnight businesses conference market, which in turn could help build the conference market in Maitland; and
- a product that can be themed to help tell stories related to the Walka Water Works brand.

Themed obstacle course

There are many tree-top adventures in Australia, making it a competitive market. Introducing another tree-based adventure concept into a crowded market may limit its feasibility. However, there are alternatives that have only just entered the market, that can be customised to Walka Water Works and provide a highly differentiated offer that could be much more feasible and a worthy addition to the site.

The proposed 1,500m^2 aerial obstacle course avoids contact with any of the trees. Instead, steel poles are cemented into the ground to support platforms and cabling between the poles for each challenge and zip line.

Two key opportunities to enhance the attraction's competitive edge are as follows:

1. **Immersive Storytelling**: Integrate cultural narratives through themed climbing structures that showcase both First Nations heritage and non-Aboriginal historical events, creating a journey of discovery with each circuit.
2. **Sound and Lighting**: Install reticulated power throughout the network to enable:
    - Atmospheric lighting on platforms for extended night operations and the creation of enchanting environments
    - Optional sound experiences featuring indigenous wildlife calls and Aboriginal singing that visitors can activate or enjoy in natural silence

Figure 2.6.6 Example of proposed aerial obstacle course (West Beach Adventure, Adelaide)

Adding local stories into the design can provide a strong point of differentiation for the course.

SMA Tourism and Thompson Berrill Landscape Design designed an interpretive concept for Wonga Wetlands (NSW). Each trail was given a real story from the local area. Then objects were chosen and the ropes course concepted to depict the story. For example, the course pictured in **Figure 2.6.7** presents the story of the Murray River's greatest recorded flood, when trucks, water tanks, fences and other objects were lifted up to the height of tree branches, and then when the water receded, they were left in situ.

In addition to the course would be an observation tower, accessed by stairs to allow customers to observe, photograph and encourage ropes course participants.

Indoor adventure centre

It is also proposed to develop an indoor adventure centre that can provide smaller scale adventure activities regardless of the weather. A large shed would be constructed to house a suite of adventure sets requiring a mix of skill, balance and a little adrenaline, such as bouldering, vertical climb and abseiling walls and therapy rock climbing walls.

The indoor adventure centre could also function at night-time for group pre-bookings and peak periods.

The existing shed on the proposed site is approximately 220m^{2} which is not large enough for the proposal. However, retaining this shed would greatly help support the construction by providing an all-weather space for receiving and storing goods, and conducting preparatory work out of the weather.

Carpark

A separate gravel carpark would be required to service the proposal. This would provide space and circulation for up to 120 cars, as well as several accessible spaces and two coaches

Figure 2.6.7 SMA Tourism concept for a themed ropes course for Wonga Wetlands (NSW)

Figure 2.6.8 Proposed indoor adventure activities (Momentum Bouldering Gym, Silver Street, Houston, USA)

Figure 2.6.9 Therapy Rock climbing wall

Ticketing, amenities and supporting buildings

It is proposed to allow approximately 600m^2 install fitted out shipping containers (or similar structure to the same effect) to provide the front and back of house operations. This would probably entail:

- one structure fitted out for ticketing;
- one structure fitted out for kiosk;
- one structure fitted out for amenities;
- one structure fitted out for equipment storage;
- one structure fitted out for maintenance; and
- outdoor picnic tables and umbrellas.

Structures chosen would reflect the existing heritage and cultural values of the site.

Total area proposed

It is recommended to set aside approximately 5,000m^2 for the facility, allowing for landscaping and space for expansion in Stage 3. The facility would allow a landscaped margin between its edge and the road / walking trail around the reservoir, to reduce visual impact for walkers.

Facilities and services to support people with disability needs

With demand increasing for greater accessibility, there is both a legal and moral obligation to improve accessibility in most places and facilities. This effort could become part of the brand and attract niche markets who often come mid-week when other markets cannot – strengthening the viability of on-site businesses. While parks and reserves are improving their mobility access, there is an increasingly unfulfilled demand from people with special processing needs to visit parks and undertake passive recreation in ways that are tailored to them.

It is proposed that Walka Water Works become a model attraction supporting people's recreation needs associated with dementia and autism and people with related illness.

Using experts associated with these sectors, along with interpretation specialists, it is proposed to adapt a section of the picnic area, small play space and the trail around reservoir to meet these needs and deliver interpretive and immersive experiences for these visitors with disability needs. **Figures 2.6.1** and **2.6.2** provide an example of these experiences at Ballarat and Brimbank Park, Victoria.

Figure 2.6.1 Interpretation exhibit on dementia friendly forest and sensory trail, Ballarat, Victoria

Figure 2.6.2 Extracts from social script to prepare children with autism to visit Brimbank Park,Victoria

I can play in the big bird's nest. I can go inside the bird's nest. Inside the bird's nest is quiet. I can go here if I need / want to be by myself

I can build a cubby. I can play in the cubby. Ican do this with my friends or family. I can go here if I need to be by myself

The reservoir trail would be designed to create something for people at all stages of dementia — from early on when mobility was fine, through to when people might need assistance. Paths would be made wide and sturdy enough to give access to people with wheelchairs or frames. At regular intervals seats and large nooks for groups to gather would be provided.

This starts with developing a 'social script' that is the equivalent of marketing material customised to the market. The social script contains photographs and simple text to show users what they may see and experience during a visit to a park. Carers can read them this resource to prepare themselves as well. Some social scripts allow carers to cut and paste printed out pages of the social script pages to create a story that best suits the user and planned park visit.

New shared access point from west

A new western access path will be established using either a purpose-built bridge or negotiated usage of the existing overhead railway bridge. This connection will provide an alternative to Scobies Lane, create direct access for nearby communities, and enhance the site's accessibility for pedestrians and cyclists while improving emergency access options.

Embellish trail experience with interpretive signage

Supporting the sculptures and interpreting other features along the trail would be up to 10 interpretive signs.

Connection to Morpeth-Walka cycle path

Council has started work on the Morpeth to Walka Water Works Shared Path. This scenic loop will provide improved access to the Hunter River, creating a continuous pathway for pedestrians. Funded by the NSW Government's Resources for Regions program, this project is part of a larger initiative to link Morpeth with the historic Walka Water Works, integrating modern infrastructure with the area's rich

heritage. As the pathway continues to develop, it promises to become a significant drawcard, linking various historical sites and enhancing the pumphouse's appeal as a destination for both history enthusiasts and outdoor lovers.

New internal road within site (site entrance to adventure park carpark)

The new entry point for the adventure park and community garden will help keep traffic separate, reducing congestion in the heritage area and avoiding clashes with restaurant traffic. The access will feature a tree-lined avenue for a welcoming entrance, with clear signage to guide visitors smoothly to their destinations.

Community garden

The site historically housed a nursery, presenting an excellent opportunity for redevelopment into a community garden that serves both residents and gardening enthusiasts. This space can be designed to propagate plants, fostering a sustainable source of native or adaptive species that can later be utilised for ecological restoration across the site.

Bird watching hides (3)

Birdwatching hides are proposed along the reservoir shoreline, designed to provide a safe and unobtrusive space for both birdwatchers and birds. These structures will be constructed using natural materials, such as timber or sustainably sourced wood, to blend harmoniously with the surrounding landscape.

Figure 2.6.10 Bird watching hide

2.7 Stage 3

The objective of Stage 3 is to further diversify and expand the health and well-being experiences. This should increase the brand profile of Walka and ensure the viability of its commercial operators.

Pumphouse: embellished health and wellness use

It is proposed to move the wellness space upstairs and adapt and fitout the ground floor to establish an onsen operation. The onsen could feature:

- Service counter and lounge area;
- Four four-person hot tubs;
- Two eight-person hot tubs;
- Two four-person saunas;
- Two one-person ice baths;

- Two showers, two toilets, change room, shared wash basins and shared locker storage area; and
- a heat pump, water treatment facility and storage area at the rear.

The onsen could be operated by one staff person and access a limited customised food and beverage service for guests.

Figure 2.7.3 Onsen in a heritage building in Japan with sunken baths

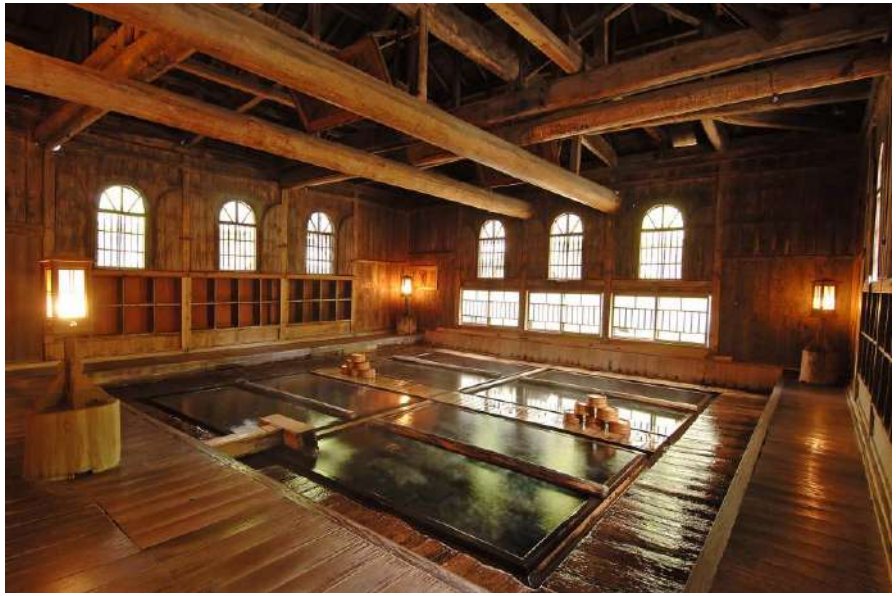


Figure 2.7.4 Example's of onsen featuring smaller tubs

Figure 2.7.5 Example of sauna and ice bath for onsen

Pumphouse: embellished functions and café operation

The existing café and function spaces will be enhanced with an expanded north-facing outdoor food and beverage area created by relocating the current retaining wall. Purpose-designed shade structures will be installed over this new space, providing weather protection and creating a comfortable year-round dining environment.

Adventure Park expansion

It is proposed that the adventure park operator expands their attraction by constructing two additional experiences that are more fun and more photogenic to generate social media-based marketing and increased profile of Walka Water Works – delivering a zip coaster and sky cycling

Zip coaster

The first proposal is a zip coaster, which combines the rapid free-flying sensation of a zip line with the ups, downs, and turns of a roller coaster. The zip coaster ideally needs a 6% drop over 30m. The length of the route can vary from 250m to 500m – the latter permitting 360 degree loops. The length, height, speed, meandering path, and ups and downs are custom-made to be more thrilling or safe, depending on the target market appetite for challenge and risk. There is also the opportunity for the line to dip visitors in water.

The zip coaster is capable of launching 60 riders per hour on a single-track system of 250 meters. Minimal labour is required to run and maintain rides, and costs are kept low by the low maintenance design and because the system requires no power for the ride to function.

Figure 2.7.1 Examples of the zip coaster

Sky cycling

Participants ride a bicycle suspended in the air by cables between two towers. The rider is positioned between 10 and 25m off the ground and the distance to travel can be built to range from 50m to 400m. This experience is a key photo opportunity to help marketing through social media posts. This experience does not appear to be offered in Australia.

Figure 2.7.2 Example of sky cycling and supporting towers

New parking area (north)

The proposed northern parking area will be strategically designed to serve the adventure park and its surrounding activities, ensuring convenient access while minimising visual and environmental impact. A smaller, dedicated section of the parking area will be allocated to the community garden, providing accessible parking for visitors and volunteers.

Expansion of play space (District)

The proposed local park and play space will be elevated to a District level by incorporating larger, nature-inspired play equipment and interactive water play features. The design will emphasise inclusivity, ensuring the space caters to all abilities and ages, creating a truly universal play environment. Enhanced shading structures, such as strategically placed trees or canopy installations and additional amenities, including seating, accessible pathways, and rest areas, will be integrated to improve usability and convenience.

Interpretive landscaping around filter beds

Boardwalk through the filter bed areas, seating, signage, planting or turf on filter beds, edge around the beds.

New pontoon for model yacht club

The introduction of a new pontoon for a model yacht club presents an exciting opportunity to enhance the site's recreational appeal and attract enthusiasts. As the water quality is proposed to be remediated, the pontoon would not only serve as a functional element but also as a dynamic focal point for community engagement.

Sculpture / public art at Stan Parkes Memorial Grove

Stan Parkes Memorial Grove is a great spot for a sculpture park that highlights both nature and heritage. The park would feature sculptures that blend into the landscape, creating a conversation between art and nature. An elevated tower could be the centrepiece, offering panoramic views. Seating areas made from natural materials would be placed to take in the best views, inviting visitors to relax and enjoy the surroundings. This park would turn the peninsula into a cultural and ecological destination, connecting people with the site's history, environment, and art.

3. Development costs

3.1 Approach to determining costs

In a new build most of the development costs would be determined through a fixed rate per area using Riders Digest annual cost rates. However, the majority of this Concept Plan involves unique components that would normally be costed after detailed design informs quotations for lump sum costing. In this instance, cost estimation was undertaken as follows:

- NSW Public Works for the cost of their recommended remediation approach;
- Estimation by Terras (project landscape architect) for ground and outdoor works;
- Estimation by EJE (project architect) for building works; and
- Estimation by SMA Tourism for commercial developments.

Without the detailed design, the cost estimator was unable to verify the cost estimations.

The proposed staging plan was used to allocate line item costs by stage. The cost escalations were based on 4.5% for the first 2-3 years and then reduced to 3.5% for the remaining years. Therefore costs for each stage have in-built escalation from 2025 to that period. The point of pricing for each stage was the final year of that stage.

SMA Tourism then applied the following assumptions for follow on margins and adjustments to each stage:

- 10% of total cost for preliminaries
- 7% of total cost for builders margin
- 10% of total cost for design contingency

The revised subtotal was then given:

- 30% for construction contingency
- 12% for professional fees

This generated a final subtotal per stage.

3.2 Total project costs

The total cost to implement the Concept Plan using the proposed Staging Plan is $44.8M. Approximately $3.3M (7%) of this could be contributed by the private sector lessee(s). The following subsections present the cost breakdown by stage. Further detail is available in the working spreadsheets.

Table 3.2.1 Summary of total project costs and potential proportional contribution by private sector lessee(s)

Staging	Total cost	Potential operator contribution	Proportional contribution
Stage 0	$26,542,093	$ -	0%
Stage 1	$2,445,271	$ -	0%
Stage 2	$9,945,079	$2,983,300	30%
Stage 3	$5,942,672	$315,000	5%
Total all stages	**$44,875,115.0**	**$3,298,300**	7%

3.3 Phase 0 costs

Table 3.3.1 Summary of total project costs and potential proportional contribution by private sector lessee(s)

Cost elements for site works	Subtotal
Asbestos Remediation	$6,000,000
Site services	$150,000
Preliminary outdoor information point	$52,000
New entry statement and lockable gate	$100,000
South lawn new turf surface	$144,000
South lawn new play space	$150,000
Implement QR codes for heritage interpretation	$50,000
Initial upgrade of trail, path and passive recreation	$400,000
Tree/weed management (continued through all stages)	$100,000
Improve riparian areas (continued through all stages)	$100,000
Water quality remediation (continued through all stages)	Excluded
New emergency access	Excluded (separate Council project)
Cost elements for Pumphouse building works	**Subtotal**
Pumphouse chimney stabilisation	$4,000,000
Lighting projections on pumphouse wall	$25,000
Subtotal Construction & Fitout Stage 0	$18,271,000
Margins and adjustments	
Preliminaries	$1,122,100
Builders margin	$261,625
Design contingency	$1,122,100
Construction contingency and professional fees	**Subtotal**
Construction contingency	$4,118,049
Professional fees	$1,647,219
Total construction and fitout cost Stage 0	**$26,542,093**

3.4 Phase 1 costs

Table 3.4.1 Summary of total project costs and potential proportional contribution by private sector lessee(s)

Cost elements for site works	Subtotal
Renovated and upgraded amenities- existing amenities buildings	$100,000
Reinstate weddings (pop-up in outdoor spaces/marquees)	
Lawn area south of pumphouse with new turf surface + initial stage of play space	$130,000
Light-touch improvement to street in front of pumphouse + create drop off area	$150,000
Expansion of play space including educational water play	$150,000
Basic improvement and a new drop off to street in front of pumphouse & accessible parking	$180,000
Forecourt with sculptural installation	$100,000
Reactivation of miniature railway	$150,000
Improve riparian areas (continued through all stages)	$150,000
Tree/weed management (continued through all stages)	$75,000
New emergency access	Excluded
Cost elements for Pumphouse building works	**Subtotal**
Access to building	$9,000
Shop/information centre with basic refreshments (allows for pop-up café)	$166,913

Services for future café kitchen	$2,000
Flexible space hire (managed by Council – non-commercial)	$98,450
Subtotal Construction & Fitout Stage 1	$1,461,363
Margins and adjustments	Subtotal
Preliminaries	$136,136
Builders margin	$17,964
Design contingency	$136,136
Construction contingency and professional fees	Subtotal
Construction contingency	$495,480
Professional fees	$198,192
Total construction and fitout cost Stage 1	**$2,445,271**

3.5 Phase 2 costs

Table 3.5.1 Summary of total project costs and potential proportional contribution by private sector lessee(s)

Cost elements for site works	Subtotal
Lawn area: new all-weather shade structures, access and lighting	$100,000
Extended pedestrian street in front of pumphouse with entry statement	$500,000
New parking area (offsite)	$180,000
Adventure park - obstacle course and supporting facilities	$2,379,000
Adventure park - indoor adventure centre	$830,000
Interpretive landscaping around filter beds	$200,000
Support for recreation experience users with disability needs	$175,000
New shared access bridge from west	-
Embellish trail experience with interpretive signage	$70,000
Connection to Morpeth-Walka cycle path	$5,000
Tree/weed management (continued through all stages)	$75,000
Improve riparian areas (continued through all stages)	$100,000
New internal road within site (site entrance to adventure park carpark)	$350,000
Community garden	$75,000
Bird watching hides	$60,000
Cost elements for Pumphouse building works	Subtotal
Main function space (220m^2 seating area)	$221,495
Permanent café and pop-up activity space (145m2 seating area)	$140,670
Kitchen, dry and cool store	$137,760
Flexible wellness space (yoga / Pilates / meditation) on ground floor	$33,413
Staircase to top floor (no use yet)	$25,000
Subtotal Construction & Fitout Stage 2	$5,657,338
Margins and adjustments	Subtotal
Preliminaries	$601,734
Builders margin	$36,292
Design contingency	$601,734
Construction contingency and professional fees	Subtotal
Construction Contingency	$2,177,129
Professional Fees	$870,852
Total construction and fitout cost Stage 2	**$9,945,079**

3.6 Phase 3 costs

Table 3.6.1 Summary of total project costs and potential proportional contribution by private sector lessee(s)

Cost elements for site works	Subtotal
Adventure park - roller coaster zip line	$656,512
Adventure park - sky cycle	$210,000
Miniature railway expansion to Stan Parkes Memorial Grove	$100,000
Sculpture / public art at Stan Parkes Memorial Grove	$300,000
New overflow parking area (north)	$75,000
Expansion of play space (District) providing nature and waterplay	$500,000
Tree/weed management (continued through all stages)	$75,000
Improve riparian areas (continued through all stages)	$100,000
New pontoon for model yacht club	$300,000
Cost elements for Pumphouse building works	**Subtotal**
Onsen on ground floor	$801,000
Flexible wellness space moved to top floor (install lift for accessibility)	$230,465
Expanded north-facing outdoor F&B space (move retaining wall to create 139m^2) for function breakout space	$265,000
Second outdoor F&B space for function breakout space (69m^2)	$10,000
Covered area in front of cafe (139m^2, 100m^2 operational space)	$25,000
Subtotal Construction & Fitout Stage 3	$3,647,977
Margins and adjustments	**Subtotal**
Preliminaries	$308,298
Builders margin	$87,520
Design contingency	$308,298

Construction contingency and professional fees	Subtotal
Construction Contingency	$1,136,128
Professional Fees	$454,451
Total construction and fitout cost Stage 3	**$5,942,672**

4. Potential governance, partnerships and financial model

4.1 Potential governance and partnerships

We assume that the current management agreement between the NSW State government and Maitland City Council to manage Walka Water Works site continue.

Day to day management of the site would continue to be the role of Maitland City Council.

In Stage 0 and 1 would involve Council managing all activities and any third parties using its venue management unit and existing licensing system. It is noted that Council's venue management unit currently markets and manages venue hire for some of its assets.

4.2 Engaging with and securing operators to deliver commercial activities

Model for the Pumphouse operations

We recommend an alternative governance model for the major operations associated with the Pumphouse building and the adventure park. The proposed food and beverage operation at the Pumphouse delivered in Phase 3 will require an in-situ food and beverage operator that integrates service across the café, functions, delicatessen food sales and future services to the onsen.

It is also recommended to offer the Pumphouse to a single business operating the Café, Functions and even the Onsen, if possible. Some of the reasons for seeking a single operator include:

- the Pumphouse is a relatively small area with shared access and services, so it is simpler if one operator can over issues such as noise, visual impacts and waste management;
- the functions business needs to share the food and beverage facilities to handle the larger groups and avoid over capitalising on infrastructure that otherwise is under-utilised;
- the functions business needs to share café staff to maximise the quality of service through maximising the use of full time over casual staff; and
- the onsen business is a solid profit generator that if integrated with the same operator running the functions and café can use the additional profit to fast track repayment of debt and reinvest in reinvigorating the business.

Process to attract suitable operator(s)

After Development Approval for the proposals is achieved, it is recommended to conduct an Expression of Interest to gather competitive proposals from alternative operators. The EoI would explain the product and business opportunity, the EoI assessment process and present transparent assessment criteria that proponents can address. These criteria might include:

- relevant experience similar to the proposed activity and associated demonstrated business success;
- proposed activity scope over laid on the lease area, showing what would be established and where;
- proposed investment offer (scope, costing, proof of available debt / capital);
- 10 year financial forecast for the activity, supported by assumptions;
- rental offer to Maitland City Council; and
- comments on draft lease, especially those that might enhance mutual benefits.

The EoI package would include the following attachments:

- Plan of Management;
- Site Master Plan;
- Concept Plan;
- Conditional Agreement to Lease; and
- Draft Lease.

The EoI could be distributed through Council's usual procurement channels, as well as relevant groups such as the Maitland Business Chamber, Newcastle Tourism Industry Group, Hunter Valley Wine Country and the Destination NSW weekly e-newsletter. There should be a site briefing for interested proponents. Proponents would generate an EoI for the products / business units that they wish to apply for as separate or combine proposition.

Establish legal instruments to support commercial uses in areas proposed

It is anticipated that the Plan of Management process would address suitable zoning and use provisions for the commercial activities.

It is recommended that Council use a commercial lease as the instrument to secure operator(s) to assist develop and operate the commercial activities. It is understood that Council may grant a lease over Community Land within the NSW Local Government Act of the Act for a term not exceeding 30 years (inclusive renewal or holding period). The longer the lease:

- the more reputable and committed operator is likely to respond;
- the easier it is for an operator to secure reasonable terms for debt to fund a share of the development scope supporting their commercial activity; and
- the more the operator will continue to invest in the business to improve quality and refresh the product.

The winning bid company(s) would be given a conditional agreement to lease, allowing the firms to commence detailed planning and securement of their funding. To facilitate joint development of the site, Maitland City Council could draft a joint development agreement that defined each party's scope of work and obligations

The first lease should include separate customised provisions to partner with in the development and funding of the activity. These provisions could be encapsulated in.

It is also proposed that lease activation might start from the proposed development start date for the development period (1 – 2 years), but not trigger lease payments until the development was completed and the business was open.

Council would undertake public consultation prior to granting a lease over community land and depending on legal advice, this may need to be conducted before or after the EoI process.

4.3 Funding model

It is anticipated that Council has a staff member with grant writing expertise. If not, it would be worthwhile giving an individual some training (eg. https://grantguru.com/au/learn) or seeking a professional to prepare larger value applications.

The funding model could be built around several of the following five options:

1. Council contributions from its annual budget
2. External grant funding, probably partially matched with Council funding)

3. A business case from Council to the State government for a large proportion of the funding needed, with seed funding from Council and promised private sector contributions to gear the funding model into a competitive position
4. Investment from the private sector operators chosen through EoI process
5. Borrowing against a future rental stream from on-site commercial activity

1. Council contributions from its annual budget

At this stage Council reports limited funds for investment into Walka Water Works site. It is assumed that at the completion of this project the planning process and subsequent planning documents would be used to make a case for commencement of a funding program, probably starting with the as yet un-costed remediation work. Council will probably need to make a report to Council to background the reports and make a recommendation to vote special funds into the annual budget for some of the proposed work. This vote should be more political acceptable with the Staging Plan prioritising works that will benefit local residents first and visitors some years later.

2. External grant funding, probably partially matched with Council funding)

It is impossible to build a funding model for implementing this Concept Plan that significantly relies on external funding programs, because they are continuously changing and because the Staging Program is longer than the lifespan of most programs.

One program reasonably well matched to this Concept Plan is the Crown Reserves Improvement Fund (CRIF). This program supports Crown land managers (CLMs) by providing funding for repairs, maintenance and improvements on Crown reserves. The funding aims to benefit the community, boost the economy and contribute to the cultural, sporting and recreational life of NSW.

This funding program has been run for the past three financial years and is likely to be run again in the FY 2025-26.

The 2024-25 funding round offered around $10m in grants to the highest priority projects. The minimum grant amount is $100,000 (inc GST) and maximum amount is $1,000,000 (incl GST). Loans are not available as part of this funding round for 2024/25.

The largest successful Crown Land Manager of the 2023/24 CRIF was Addison Road Centre For Arts, Culture, Community and Environment for building preservation works valued at $1M. There were only three other projects awarded above $500,000 from the total of $14,577,705 across 144 projects, Weddin Shire Council for completion of Stage 3 of the Taylor Park upgrades ($651,550), Gilgandra Shire Council for replacement of cement track wall at Gilgrandra Speedway Track ($525,154) and Dubbo Regional Council for new tennis courts and playground at Teamsters Park ($521,059).

The 2022/23 CRIF funding round awarded 267 projects for a total of $17,947,447. Only two projects were awarded above $0.5M, Bungendore Racecourse and Showground for upgrading electrical distribution ($550,000) and Belmont Wetlands State Park for stage 3 of the Master Plan ($502,895). 66% of the remaining grants were under $50k.

A second potential funding program is the NSW Heritage Grants Program. This program has $8.5M in funding available across four categories:

1. Aboriginal cultural heritage
2. Caring for State heritage
3. Activating State heritage
4. Local government heritage

The Caring for State heritage category could be the most timely to apply for and undertake conservation works for the Pumphouse building (as it is listed on the

State Register). This category offers up to $300,000 for heritage works. Local government can apply but if the asset is owned or managed by a State department, they become excluded. This clause appears to exclude Maitland as the site is State owned.

The Aboriginal cultural grants program is for conservation of declared Aboriginal sites – up to $80,000 for works. Local government can apply but if the asset is owned or managed by a State department, they become excluded. This clause appears to exclude Maitland as the site is State owned.

Council can apply for the Activating State heritage category, which offers one applicant $1M in funding - local governments must offer at least 10% or more. But this category seems premature for the site at this time.

The local government category is intended more for paying consultant fees than for implementing heritage works. The category can only receive one application per council and offers just $25,000. ABS data is used to determine if the applicant has to offer matching funding.

The current round requires pre-lodgement by 13 December 2024 and a full application lodged by 30 January 2025.

3. A business case from Council to the State government

A business case from Council to the State government could be prepared for a large proportion of the funding needed, with seed funding from Council and promised private sector contributions to gear the funding model into a competitive position. Further work could be undertaken to convert this Concept Plan into a business case. After completing the business case, Council would need to actively lobby to get a positive response.

4. Investment from the private sector operators chosen through EoI process

Some operators would be prepared to pay for part of the development costs associated with establishing their business on the site, providing that a long term lease with favourable conditions is offered to them.

Section 3.2 identified that approximately 33% of the total development costs could be paid by the private sector. While the private sector is reluctant to pay for costs associated with fixed to site works, they are familiar with paying for unfixed items that they can regard as their own – valued into their business and sold with their lease at some stage in the future.

5. Borrowing against future rental stream from commercial activity

Section 6.2 forecast a healthy rental stream from onsite commercial operators to Council as the landlord. These funds could be reinvested into Walka Water Works visitor experiences / site management, or initially used to pay back a Council low interest loan taken out to fund fixed site costs associated with its contribution to establishing the commercial facilities. While this option presents more risk than some Councils would be prepared to entertain, it has been used by some local and State governments when other options are unavailable, and they very much want to proceed to implement the opportunity. Inherent in this option is ensuring that the operators are profitable and deliver the forecast rental stream.

5. Visitation forecast

5.1 Assumptions supporting forecasts

We note there is no current visitation monitoring to capture current visits to Walka Water Works, but we can assume it is quite small, given that significant parts of the site and its facilities are closed. **Section 8.1** presents a suite of assumptions devised to determine how many unique visits might be expected to Walka Water Works over the next 15 years which includes:

- the timing of when an activity becomes available (following staged works);
- estimated visitation for a typical weekday versus a weekend day; and
- the operating hours and number of sessions that commercial activities operate within.

5.2 Forecast unique visitation

Visitation has been forecast by referencing visitation to comparable parks in regional areas and comparable commercial businesses in regional areas.

With multiple activities on offer, it is important to avoid over counting by not adding visitation to each activity and declaring the sum as the overall visitation to the Walka Water Works site. To avoid over counting visitation to the site, we apply unique visitation. Unique visitation is the number of visits to an activity which was the prime motivation to visit Walka Water Works site. For example, on a weekday the site might attract:

- 20 unique visitors principally coming to Walka for the café;
- 60 visitors choosing to walk around the reservoir and leave;
- 40 visitors coming to walk around the reservoir, but then choosing to visit the café; and
- 5 visitors that come for a yoga lesson, but then choose to visit the café.

In this example, we count 125 unique visitors to the site, but only 20 unique visitors to the café.

We forecast that this concept plan could lift annual visitation from 25,000 visits per annum to 227,000 visits per annum in Year 15. The following subsections describe how this is forecast to evolve and what drives the growth.

Figure 5.2.1 presents a graph of the forecast unique visitation to Walka Water Works over the first 15 years and **Table 5.2.1** presents the data from this forecast.

Stage 0 visitation

In Stage 0 (the first three years) we only expect around 25,000 visits per annum. The dominant user would continue to be park run participants (20,000) and a small number of passive recreation visitors not needing facilities.

Stage 1 visitation

In Stage 1 (years 4 and 5), with basic recreation facilities improved, we forecast annual visitation to lift to around 32,000 visits per annum.

Stage 2 visitation

In Stage 2 (years 6 to 8) there would be a further lift of 20,000 visits, resulting in around 53,000 visits per annum. The key source of increase continues to be passive recreation, as facilities are further improved, with a modest addition of around 1,800 visits from pop up weddings in the parkland.

Figure 5.2.1 Forecast unique visitation to Walka Water Works over the first 15 years

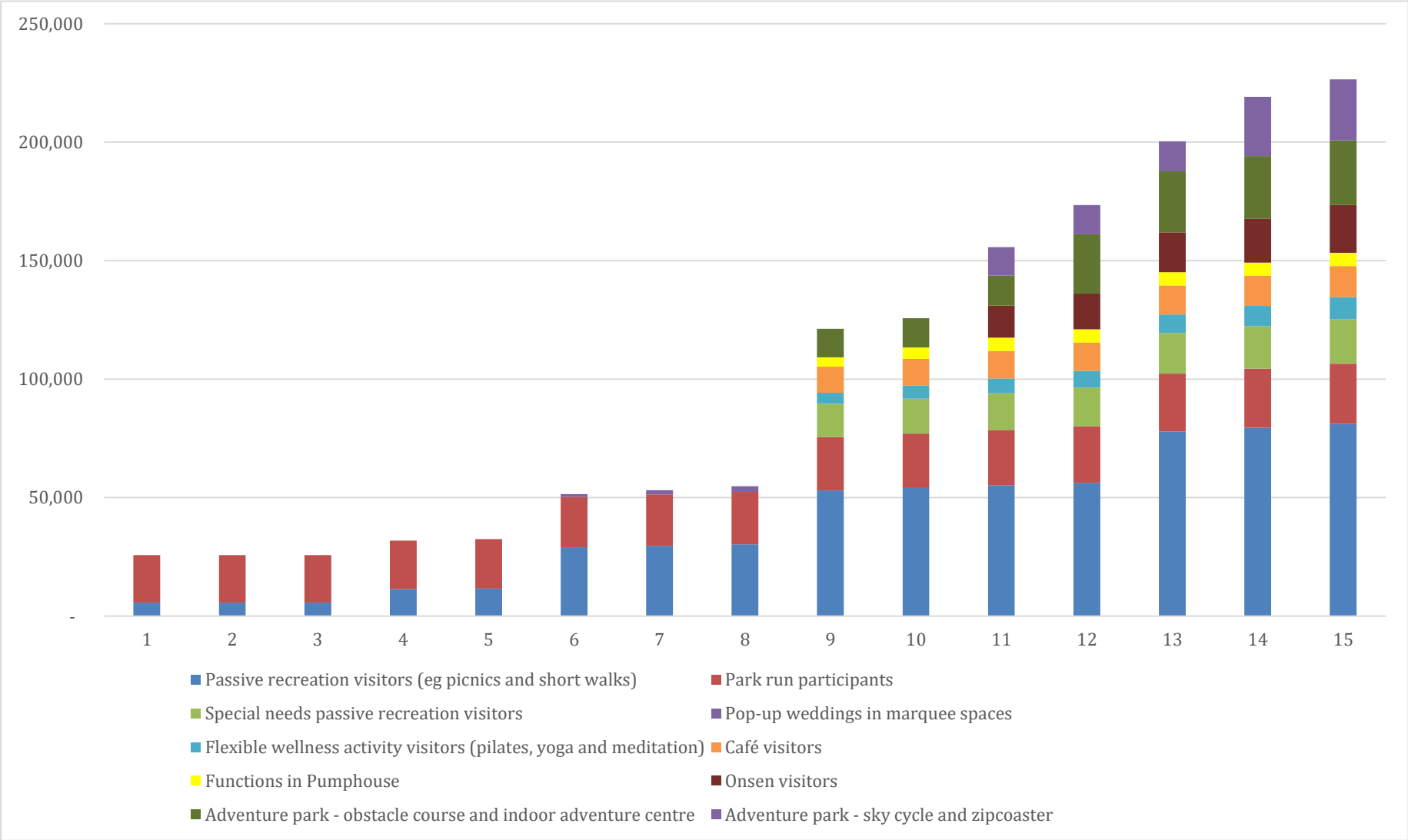


Table 5.2.1 Forecast unique visitation to Walka Water Works over the first 15 years (shaded area implies operation not started)

Walka Water Works- Unique visitation forecast	Stage 0			Stage 1		Stage 2			Stage 3					
Unique visitors	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Year 6 2030	Year 7 2031	Year 8 2032	Year 9 2033	Year 10 2034	Year 11 2035	Year 12 2036	Year 13 2037	Year 2038
Passive recreation visitors (eg. picnics and short walks)	5,720	5,720	5,720	11,440	11,669	29,120	29,702	30,296	53,040	54,101	55,183	56,286	78,000	79,5
Park run participants	20,000	20,000	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380	24,8
Passive recreation visitors with disability needs									14,040	14,742	15,479	16,253	17,066	17,9
Pop-up weddings in marquee spaces						1,200	1,800	2,400						
Flexible wellness activity visitors (Pilates, yoga and meditation)									4,680	5,460	6,240	7,020	7,800	8,5
Café visitors									10,950	11,279	11,617	11,965	12,324	12,6
Functions in Pumphouse									4,000	4,800	5,600	5,600	5,600	5,6
Onsen visitors											12,600	15,120	16,800	18,4
Adventure park - obstacle course and indoor adventure centre									20,000	20,600	21,218	24,960	25,709	26,4
Adventure park - sky cycle and zip coaster											12,000	12,360	12,731	24,9
Total unique visitors	**25,720**	**25,720**	**25,720**	**31,840**	**32,477**	**51,544**	**53,151**	**54,778**	**129,233**	**133,955**	**163,370**	**173,467**	**200,410**	**219,1**

Stage 3 visitation

In Stage 3 (years 9 to 15) annual visitation is forecast to more than double in the first year to 129,000 visits and continue to grow to more than 200,000 visits by Year 15. This significant increase in growth would be driven by the introduction of commercial activities, such as the Adventure Park, recreation visitors and food and beverage visitors with disability needs.

5.3 Accumulated visitation for the Café and Adventure Park.

Explaining accumulated visitation

To facilitate forecasting for commercial activities, it is important to combine unique visitation with the flow on visitation that comes from visitors that come for one activity then do a commercial activity. Accumulated visitation is the additional visits to an activity from visitors already on the site to do another activity. Accumulated visitation is determined using capture rates – a percentage of other visitors that might subsequently do a commercial activity. For example, on a weekday, the café might attract:

- 20 unique visitors (principally came to Walka for the café);
- 40 visitors that came to walk around the reservoir, but then chose to visit the café; and
- 5 visitors that came for a yoga lesson, but then chose to visit the café.

In this case, we would count 20 unique visitors to the café and an accumulated total visitation to the café of 65.

The café and the Adventure Park are two activities likely derive measurable additional visitation from visitors coming to Walka Water Works site for other reasons, but then taking up one or both of these, creating an accumulated visitation forecast. **Section 8.1** presents a suite of assumptions devised to determine how many accumulated visits might be expected to add to the unique visitors to the Cafe and the Adventure Park.

Visitation to the cafe

Figure 5.3.1 presents a graph of the forecast total visitation (unique and accumulated visitation) to the proposed cafe from when it is proposed to open in Year 9, through to Year 15. The forecast suggests the café would attract a total of 50,000 visits in its first year and grow to just under 80,000 visits by Year 15. **Figure 5.3.1** also shows the enormous role that accumulated visitation plays in supporting café visitation, generating 80% of the visitation in Year 1 and almost 90% in Year 15. The single largest driver of accumulated visitation is passive recreation, followed by passive recreation and the adventure park visitors having disability needs. **Table 5.3.1** presents the data from this forecast.

Visitation to the adventure park

Figure 5.3.2 presents a graph of the forecast total visitation (unique and accumulated visitation) to the proposed adventure park from when it is proposed to open in Year 9, through to Year 15. The forecast suggests the adventure park is able to generate almost of its visitors as unique visitors (95% unique visitation).

The introduction of the sky cycle and zip coaster double visitation by Year 15, demonstrating their significant value to business. **Table 5.3.2** presents the data from this forecast.

5.4 Monitoring future visitation

It will be important for Council to monitor future visitation, compare it to that forecast and after making allowances for what product has been implemented and when, evaluate actual visitation against forecast and determine what (if anything) should be done to enhance visitation.

A very basic start would be to install a vehicle counter near the entry that is capable of linking time and day with the count. This would then be calibrated against several days of observations of vehicles entering to determine an average number of visitors per vehicle (typically 2.7 is most used).

To develop a robust visitor monitoring program will require a visitor monitoring specialist to identify the different inputs and a method of measuring them. A data management system would be built to segment the data and allow for it to be manipulated. The third part of the specialists' scope would be to prepare a reporting and evaluation format, oversee procurement and establishment of the hardware and software, and train relevant staff in its use..

Figure 5.3.1 Forecast accumulated visitation to the Cafe over the first 15 years

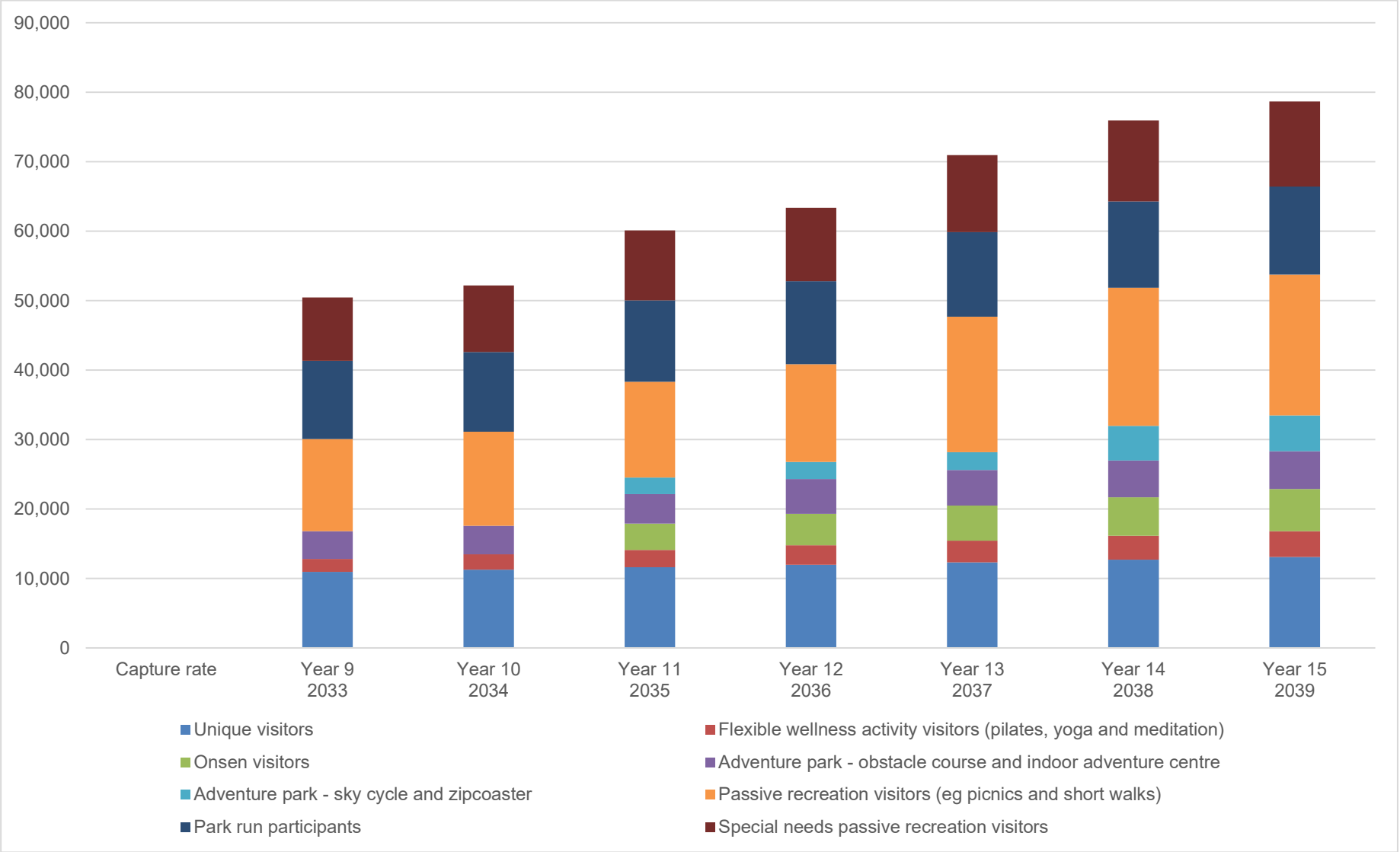


Figure 5.3.2 Forecast accumulated visitation to the Adventure Park over the first 15 years

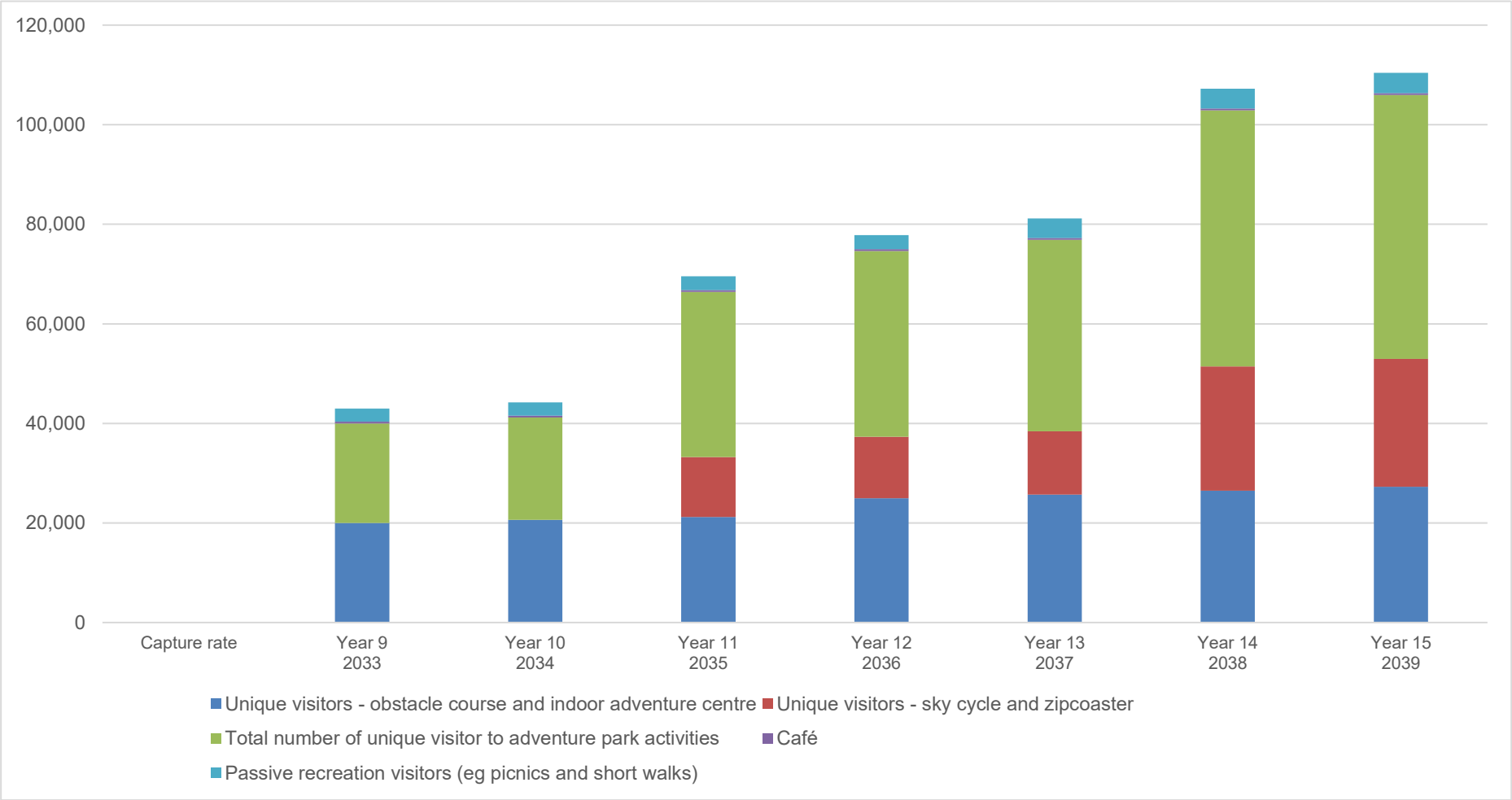


Table 5.3.1 Forecast accumulated visitation to the Cafe over the first 15 years (shaded area implies operation not started)

		Stage 3						
Café	**Capture rate**	**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Unique visitors		**10,950**	**11,279**	**11,617**	**11,965**	**12,324**	**12,694**	**13,075**
Flexible wellness activity visitors (Pilates, yoga and meditation)	40%	1,872	2,184	2,496	2,808	3,120	3,432	3,744
Onsen visitors	30%			3,780	4,536	5,040	5,544	6,048
Adventure park - obstacle course and indoor adventure centre	20%	4,000	4,120	4,244	4,992	5,142	5,296	5,455
Adventure park - sky cycle and zip coaster	20%			2,400	2,472	2,546	4,992	5,142
Passive recreation visitors (eg. picnics and short walks)	25%	13,260	13,525	13,796	14,072	19,500	19,890	20,288
Park run participants	50%	11,262	11,487	11,717	11,951	12,190	12,434	12,682
Passive recreation visitors with disability needs	65%	9,126	9,582	10,061	10,564	11,093	11,647	12,230
Total annual accumulated visitors to café		**39,520**	**40,898**	**48,493**	**51,395**	**58,631**	**63,235**	**65,589**
Total number of tickets sold to adventure park attraction		**50,470**	**52,177**	**60,110**	**63,360**	**70,955**	**75,929**	**78,663**

Table 5.3.2 Forecast accumulated visitation the Adventure Park over the first 15 years

		Stage 3						
Adventure park	**Capture rate**	**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Unique visitors - obstacle course and indoor adventure centre		20,000	20,600	21,218	24,960	25,709	26,480	27,274
Unique visitors - sky cycle and zip coaster				12,000	12,360	12,731	24,960	25,709
Total number of unique visitor to adventure park activities		**20,000**	**20,600**	**33,218**	**37,320**	**38,440**	**51,440**	**52,983**
Café	3%	329	338	349	359	370	381	392
Passive recreation visitors (eg. picnics and short walks)	5%	2,652	2,705	2,759	2,814	3,900	3,978	4,058
Total annual accumulated visitor to adventure park		**2,981**	**3,043**	**3,108**	**3,173**	**4,270**	**4,359**	**4,450**
Total number of tickets sold to adventure park attraction		**22,981**	**23,643**	**36,326**	**40,493**	**42,709**	**55,799**	**57,433**

6. Financial forecast (for commercial activities)

6.1 Assumptions supporting forecasts

There is no current commercial activity occurring at Walka Water Works, and no financial data has been provided from past Council managed function activity.

Section 8.2 presents a suite of assumptions devised to determine financial forecasts for the commercial activities. These assumptions consider:

- pricing / average spend per visitor;
- industry benchmarked rates for direct and indirect costs; and
- standard terms of a business loan to allow the operator to fund FF&E development costs through a debt facility.

In addition, all costs exclude GST.

As mentioned in **Section 4**, it is proposed that the development costs associated with commercial activity development would be split with:

- Maitland City Council covering fixed costs (eg. infrastructure and works to existing Pumphouse); and
- individual operator that has won the EoI to lease would fund fitout anything unfixed to the site.

We have assumed that operators would then take out a business loan to fund their share, and that this loan would be paid off through profit drawdowns from the respective business. Therefore, we have generated two profit line forecasts – an EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation) and then one after progressive debt payback.

6.2 Overall forecast profitability of each commercial activity

Section Table 6.2.1 presents a summary of the overall profitability of the proposed commercial activities (Café and Functions, Onsen and Adventure Park) at the EBITDA stage and Net profit after paying down debt.

All proposed commercial activities are profitable, even after paying down their respective debt. However, if Council was to expect the operators to pay the fixed costs associated with establishing the activities, then the subsequent debt load is likely to be too heavy for operators to want to develop and operate at Walka Water Works site.

Adventure Park profitability

The Adventure Park is likely to generate the strongest profit (EBITDA) with the greatest annual growth in profit. However, due to its significant development cost needing to be paid back, it will have a modest profitability until the debt is repaid. After debt payoff, the business would generate over $0.25M in net profit.

Combined café and functions operation

The combined café and functions operation is likely to make a smaller EBITDA than the Adventure Park, but due to lower borrowings, ends up with a similar net profit after debt. However, there is less potential for growth in profit over time.

Onsen

The Onsen is the most profitable operation of the three, because its direct costs are relatively low. The business has only a modest debt to recover so represents the highest net profit over time and the highest growth in profit. For this reason, it would make good financial sense to package the Onsen with the F&B operation.

Table 6.2.1 Forecast EBITDA and net profit after debt to from commercial operations at Walka Water Works site (excludes GST)

Commercial business unit	Year 9 2033	Year 10 2034	Year 11 2035	Year 12 2036	Year 13 2037	Year 14 2038	Year 15 2039
Café & function EBITDA	$219,929	$219,373	$228,508	$241,262	$261,927	$279,078	$293,029
Café and function net profit after debt	$98,929	$106,843	$162,038	$241,262	$261,927	$279,078	$293,029
Onsen EBITDA			$317,474	$431,638	$516,440	$605,941	$700,347
Onsen net profit after debt			$195,424	$268,132	$486,997	$605,941	$700,347
Adventure Park EBITDA	$349,304	$370,161	$506,336	$588,293	$641,249	$802,673	$850,834
Adventure Park net profit after debt	$94,574	$103,262	$158,120	$103,796	$140,667	$187,132	$278,380

Table 6.3.1 Forecast annual lease fees to Maitland City Council from commercial operations at Walka Water Works site (excludes GST)

Commercial business unit	Year 9 2033	Year 10 2034	Year 11 2035	Year 12 2036	Year 13 2037	Year 14 2038	Year 15 2039
Café	$188,194	$208,858	$245,477	$261,689	$289,681	$312,311	$330,049
Functions	$50,000	$61,800	$74,263	$76,491	$78,786	$81,149	$83,584
Onsen			$190,485	$196,199	$202,085	$208,148	$214,392
Adventure Park	$327,472	$347,026	$474,690	$551,525	$601,171	$752,506	$797,657
Total	**$565,666**	**$617,684**	**$984,914**	**$1,085,904**	**$1,171,723**	**$1,354,114**	**$1,425,682**

6.3 Forecast potential lease fees to Council from each commercial activity

All of the business except for the functions are proposed to pay Council 15% of their revenue as a lease fee for use of their lease area and maintenance of the wider site that generates accumulated visitation. **Table 6.3.1** presents the respective rental income to Council over years 9 to 15, and suggests that Council could capture revenue of approximately:

- $0.5M in Year 9
- $1M in Year 11 – 13; and
- $1.3M thereafter.

These funds could be reinvested into Walka Water Works visitor experiences / site management or initially used to pay back a Council low interest loan taken out to fund fixed site costs associated with its contribution to establishing the commercial facilities.

7. Risk analysis and mitigation

7.1 Risk rating system

Table 7.1.1 presents the risk rating summary used for implementing this Concept Plan, relating to the development and early operating periods. The risk assessment aligns with the principles of AS/NZS ISO 3100.

Table 7.1.1 Risk categorisation used for assessing risks of implementing the Concept Plan

Risk	Description
Extreme	Risk requires immediate treatment; may need to consider halting ADAPT if risk cannot be mitigated
Severe	Risk should be treated to reduce it to a more acceptable level
Moderate	Risk has the capacity to cause some disruption; treat if possible
Mild	Rating of little concern but risk does need to be monitored
Negligible	Rating represents no concern - risk does not need to be monitored or reported, barring significant change

7.2 Top 10 risks

Table 7.2.1 presents 10 top risks – other risks that received a Negligible rating were not presented. **Table 7.2.1** indicates that following the interplay of rating the likelihood and consequence, there is one risk rated as Extreme, one as Severe, five as Moderate and three as Low.

Extreme risk

The Extreme risk is the inability to secure the majority of funding from one major source (Commonwealth). A single funder provides the opportunity for greater product focus and integration, whereas a diverse patchwork mix of moderate funders pulls the project in too many different directions needed to support a myriad of funding objectives, resulting in a disaggregated product.

Severe risk

The Severe risk is insufficient creative input to the proposal, which sometimes happens during procurement when a contractor(s) is chosen for lower price or sells beyond their real capability. A dumbed down offer that fails to integrate theming, develop interesting and relative stories and interactive experiences will not be adequately differentiated to attract the forecast visitation and subsequent market and financial success.

7.3 Top 10 risk mitigations

Table 7.3.1 presents potential mitigative measures to reduce the risk rating of each risk. Some of the measures for the top three severe risks are currently being applied during the Business Case Phase. It is recommended that on receipt of funding, these mitigative measures be expanded into a more detailed Risk Management Plan.

Table 7.2.1 Top 10 risks facing the implementation of Concept Plan (listed from highest to lowest)

Risk type	Description of risk	Consequence	Likelihood	Risk rating
1. Core funding	Inability to secure the majority of funding from Council and external grant programs, resulting in delays to the staging program and delays to the forecast visitation and financial forecasts	Major	Moderate	Extreme
2. Late delivery	Delays due to remediation works, insufficient funding, delayed approvals	Major	Moderate	Severe
3. Minimal commercial experience development	Implementation focusses on passive recreation and fails to implement the more creative commercial opportunities, resulting in the attraction failing to differentiate itself, compete with other attractions and achieve forecast visitation	Major	High	Severe
4. Insufficient creative input	Experiences are not given creative interpretation, immersion and customer centric focus, resulting in the attraction failing to differentiate itself, compete with other attractions and achieve forecast visitation	Moderate	Moderate	Moderate
5. Cost escalations	Contractor and materials availability causes cost escalation that cannot be funded and requires scope reduction	Moderate	Moderate	Moderate
6. Approvals	Inability to secure development approvals (eg. heritage within the pumphouse) causes change in scope, late delivery & cost escalation	Moderate	Low	Moderate
7. Suitable lessees	Expressions of Interest fail to attract suitable lessees that have the entrepreneurial skills, capital to invest in the site, vision and ability to closely work with Council / adjacent operator on site	Moderate	Low	Moderate
8. Poor visitation	Potentially caused by inadequate marketing, economic contractions or negative reviews of existing experiences	Moderate	Low	Low
9. Mismanagement	Poor management decisions relating to finances, staff, risk, or fraud destabilises operation and reputation	Moderate	Low	Low
10. Accident	Accident triggers litigation and widespread negative publicity	Moderate	Low	Low

Table 7.3.1 Mitigative measures to address top 10 risks facing the implementation of the Concept Plan (listed from highest to lowest)

Risk type	Description of risk	Mitigation strategies
1. Core funding	Inability to secure the majority of funding from Council and external grant programs, resulting in delays to the staging program and delays to the forecast visitation and financial forecasts	▪ Prepare a business case to demonstrate value of investment by State government ▪ Conduct frequent briefings and thoroughly support the information needs of potential funders ▪ Identify and cultivate a high-level respected champion of the proposal to act as the public face ▪ Communicate the proposal and its benefits with stakeholders to gain their support
2. Late delivery	Delays due to poor planning, approvals, contractor and materials availability causes cost escalation	▪ Engage a Project Manager to program all tasks into project management software
3. Minimal commercial experience development	Implementation focusses on passive recreation and fails to implement the more creative commercial opportunities, resulting in the attraction failing to differentiate itself, compete with other attractions and achieve forecast visitation	▪ Ensure the project manager responsible for implementation understands the importance of commercial experience development and avoiding its delay ▪ Generate communications to stakeholders of the importance of the commercial experiences to raise profile and attract visitors from outside the LGA, which in turn increases the chances of procuring funding for the site and local experiences and services
4. Insufficient creative input	Experiences are not given creative interpretation, immersion and customer centric focus, resulting in the attraction failing to differentiate itself, compete with other attractions and achieve forecast visitation	▪ Set aside budget and engage special interest tourism and interpretation experts to shape the creative aspects of experience development and maintain them throughout the development and pre-opening phase to ensure a consistent and creative approach
5. Cost escalations	Contractor and materials availability causes cost escalation that cannot be funded and requires scope reduction	▪ Allocate substantial contingency and regional cost allowance in business case development budget ▪ Write into development contracts the requirement to choose materials and fittings that can be delivered in the project timeframe, and for products at risk, purchase in advance where possible
6. Approvals	Inability to secure development approvals (eg. heritage within the pumphouse) causes change in scope, late delivery & cost escalation	▪ Engage suitable planning and approval expertise to assist design the proposal to mitigate issues ▪ Involve approval authorities in concept development and design to address potential issues before approval process
7. Suitable lessee	Expressions of Interest fail to attract suitable lessees that have the entrepreneurial skills, capital to invest in the site, vision and ability to closely work with Council / adjacent operator on site	▪ Engage a tourism consultant and property consultant to assist Council design a lease and EoI and assist with its implementation ▪ Develop draft lease documentation that explicitly gives long term security ▪ Communicate with the regional visitor economy about the future opportunities to keep potential operators interested and prepared
8. Poor visitation	Potentially caused by ongoing pandemic restrictions, economic contractions or bypass reduces visitation	▪ Use the pre-opening and operational marketing budgets to raise and hold market interest ▪ Negotiate with the NSW Department of Roads to install sculptures and signage along the Muswellbrook bypass to raise visitation interest of passing traffic
9. Mismanagement	Poor management decisions relating to finances, staff, risk, or fraud de-stabilises operation and reputation	▪ Establish a thorough and transparent governance structure and supporting policies for the Board and staff ▪ Use the independent financial auditor to also annually review major decision-making processes and records
10. Accident	Accident triggers litigation and widespread negative publicity	▪ Prepare thorough OH&S policies and training procedures, conduct surprise audits

8. ATTACHMENTS

8.1 Unique visitation assumptions

This section provides assumptions to generate unique visitation for each activity proposed for Walka Water Works over the staging plan. A unique visitor is a person motivated to come for a particular activity. It is recognised that the majority of activities will only receive unique visitation (no capture from visitors participating in other activities:

- Passive recreation
- Park run
- Passive recreation visitors with disability needs
- Pop-up weddings
- Flexible wellness
- Functions in Pumphouse
- Onsen

Two activities are likely to receive unique and follow-on visitation from some other activities:

- Café
- Adventure park

So, these two activities have been given accumulated visitation forecasts (unique + capture). There may be some flow-on at a later date however they are not capture in the forecast as it is too speculative.

Passive recreation visitors (eg picnics and short walks)

Stage 0 – 10 visitors per day midweek, 30 per day weekends

Stage 1 – 20 visitors per day midweek, 60 per day weekends increasing by 2% pa

Stage 2 – 40 visitors per day midweek, 180 per day weekends increasing by 2% pa

Stage 3 – 80 visitors per day midweek, 360 per day weekends increasing by 2% pa

Park run participants

Stage 0 - 400 per week, 50 weeks per year

Stage 1 - 400 per week, 50 weeks per year increasing by 2% pa

Passive recreation visitors with disability needs

Stage 3 – 2*20 seater buses and 10 individual day midweek, 10 per day weekends increasing by 5% pa

Pop-up weddings in marquee spaces

Only operate in Stage 2 and thereafter are replaced by the indoor function within the Pumphouse building

Stage 2 – 10 functions per year increasing by 10 functions pa

Average of 60 pax per function

Flexible wellness activity visitors (Pilates, yoga and meditation)

Stage 3 – 6 sessions per week, average of 15 pax per session increasing by 1 session per week pa

Operating 50 weeks pa

Café visitors

Open Stage 3 (Year 9, 2033), 7am to 2pm, 364 days pa

30 unique visitors per day increasing by 3% pa

Functions in Pumphouse

Open Stage 3 (Year 9, 2033), starting with 50 functions per year increasing by 10 functions pa until Year 11, no increase after this.

Average 80 pax per function

The cost of fit out for the functions are and kitchen is covered in the loan facility attributed to the café.

Onsen visitors

Open Stage 3 (Year 9, 2033), operates 3 days per week, 7 hours per day, 5 sessions per day

Open 50 weeks a year

Maximum capacity per session is 42 pax = 210 per day

Year 11 40% increasing by 5% pa

Adventure park - obstacle course and indoor adventure centre

Stage 3 – operating 5 days per week, 7 hours per day, 4 sessions per day

Average 20 pax per session increasing by 3% pa

Year 11 operating 6 days per week, with average of 20 pax per session

Adventure park - sky cycle and zip coaster

Open Stage 3 – Year 11 operating 3 days per week, 7 hours per day, 4 sessions per day

Average 20 pax per session increasing by 3% pa

Year 14 operating 6 days per week, with average of 20 pax per session

8.2 Total visitation assumptions for each commercial activity

Café capture rates from other activities

Flexible wellness activity visitors (pilates, yoga and meditation)	40%
Onsen visitors	30%
Adventure park - obstacle course and indoor adventure centre	20%
Adventure park - sky cycle and zip coaster	20%
Passive recreation visitors (eg picnics and short walks)	25%
Park run participants	50%
Passive recreation visitors with disability needs	65%

Adventure park - capture rates from other activities

Café	3%
Passive recreation visitors (eg picnics and short walks)	5%

8.3 Financial forecast assumptions for each commercial activity

Pop-up weddings in marquee spaces

Function charge of $800 per function for a 24 hour access (based on benchmarking of comparable venues in Central Coast, Lake Macquarie and Newcastle parks)

Flexible wellness activity visitors (Pilates, yoga and meditation)

Lease fee from operator of $120 per session

Café

Average spend by unique visitors $30 per person increasing by 3% pa

Average capture visitor spend $15 per person increasing by 3% pa

The café / functions operator will borrow $300,000 from lease commencement to pay for non-fixed FF&E representing the following items:

- Fitout: for 150 pax 50 tables ($270 each) + 160 chairs ($180 each)
- Waiters station, crockery, glassware, utensils for 160 pax
- Artwork and building interpretation panels
- Entry furniture and soft furnishings
- Fitout: Tables and chairs for 100 pax
- Fitout: Waiters station, crockery, glassware, utensils for 100 pax
- Fitout: Coffee machine
- Fitout: One display, two drinks fridges, under bench fridge
- Fitout: Dishwashers, combi ovens, other equipment
- Fitout: cooking equipment

The cost of debt is loosely calculated at 7%pa including loan establishment and loan servicing fee. The loan is a 10 year facility (maximum loan period).

Council would fund building repairs, adaptation and services upgrade, costs.

Functions in Pumphouse

Average unique visitor charge $127 per person increasing by 3% pa (based on benchmarking of comparable venues at Historic Houses NSW, Easy Weddings and Tag Venue)

Lease fee to Council $1,000 per function (or 10% of revenue) increasing by 3% pa

Onsen visitors

Average unique visitor charge $95 per person increasing by 3% pa (based on benchmarking of comparable venues at Hepburn Springs Mornington Peninsula and Blue Mountains)

Lease fee to Council of 15% of revenue increasing by 3% pa (the business appears capable of funding the additional 5% compared to the other businesses)

The onsen operator will borrow $315,000 from lease commencement to pay for non-fixed FF&E representing the following items:

- Fitout: 80kW air sourced Co2 Heat pump, Thermex buffer tank 800L, duraflex joule expansion tank 12L, pump
- Filter, cleaning equipment and electrical supporting fitout
- Installations and plumbing
- Fitout: Service counter, lounges, soft furnishings, point of sale, sound system
- 2 * 4 pax saunas

- 2 * 1 pax ice baths
- 4 * 4 pax hot tubs
- 2 * 8 pax hot tub

The cost of debt is loosely calculated at 7%pa including loan establishment and loan servicing fee. The loan is a 5 year facility (maximum loan period).

Council would fund building repairs, adaptation and services upgrade.

Adventure park - obstacle course and indoor adventure centre

Average unique visitor charge $95 per person increasing by 3% pa (based on benchmarking of comparable venues at West Beach Adventure, Tree Tops Adventure and Sunshine Plaza Adventure, Pulse and Ninja Park, Newcastle)

The adventure park operator will borrow $2,639,000 from lease commencement to pay for non-fixed FF&E representing the following items:

- Structure fitted out for ticketing
- Structure fitted out for kiosk
- Structure fitted out for amenities
- Structure fitted out for equipment storage
- Structure fitted out for maintenance
- Transport & installation of four structures
- Maintenance equipment
- Design, engineering, environmental assessment, interpretation
- Interpretation object production for fitout
- Site works for establishing obstacle course (vegetation, foundations, power reticulation)
- Obstacle course poles, ladders, platforms, cabling, rope bridges, installation, install lighting & interpretation objects
- User safety equipment
- Signage and landscaping
- Recruitment, training
- Install lighting and flooring
- Bouldering wall (4m high, 20m wide) transported and installed
- Therapy rock climbing wall transported and installed
- User safety equipment

The cost of debt is loosely calculated at 7%pa including loan establishment and loan servicing fee. The loan is a 10 year facility (maximum loan period).

Council would fund building repairs, adaptation and services upgrade, costs.

Adventure park – zip coaster and sky cycle

Average unique visitor charge $56 per person increasing by 3% pa (based on benchmarking of comparable venues at Tree Tops Adventure)

The adventure park operator will borrow an additional $886,512 using the same terms from Year 11 (2035) to pay for non-fixed FF&E representing the following items

- Design, engineering, environmental assessment, interpretation
- Production and installation of starting and finish pads
- Site works (vegetation and foundations)

- Roller (500m)
- Riding harnesses and safety equipment
- Evacuation equipment, video surveillance, learning platform
- Design, engineering, environmental assessment, interpretation
- Site works (vegetation and foundations)
- Tower construction and cabling
- Bicycles, riding harnesses and safety equipment

There would be no cost to Council for this expansion of the business.

8.4 Financial forecasts for the proposed commercial activities

Financial forecast for the café component of the F&B business

Table 8.4.1 Financial forecast for the café component of the F&B business

Walka Water Works - Financial forecast								
Revenue from café	**%**	**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Unique visitor to café		$328,500	$348,506	$369,730	$392,246	$416,134	$441,477	$468,362
Accumulated visitors to café		$592,794	$631,880	$771,698	$842,411	$989,838	$1,099,602	$1,174,743
Total revenue from café		**$921,294**	**$980,385**	**$1,141,428**	**$1,234,657**	**$1,405,972**	**$1,541,079**	**$1,643,105**
Direct costs for café		**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Cost of goods sold	55%	$506,712	$539,212	$627,785	$679,061	$773,285	$847,593	$903,708
Gross profit		$414,582	$441,173	$513,643	$555,596	$632,688	$693,485	$739,397
Lease fee (% of revenue to centre, contracted out)	15%	$138,194	$147,058	$171,214	$185,199	$210,896	$231,162	$246,466
Indirect costs	20%	$184,259	$196,077	$228,286	$246,931	$281,194	$308,216	$328,621
EBITDA		**$92,129**	**$98,039**	**$114,143**	**$123,466**	**$140,597**	**$154,108**	**$164,311**
Assumptions:								
Average spend of unique visitor		$30	$31	$32	$33	$34	$35	$36
Average spend of accumulated visitor		$15	$15	$16	$16	$17	$17	$18
Modelling to pay development cost of FF&E debt of $300,000		**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Debt balance		$300,000	$249,000	$201,570	$157,460	$106,438	$58,987	$14,858
Interest on debt	7%	$21,000	$17,430	$14,110	$11,022	$7,451	$4,129	$1,040
Equity payback		$30,000	$30,000	$30,000	$40,000	$40,000	$40,000	$13,818
Debt repayment		$51,000	$47,430	$44,110	$51,022	$47,451	$44,129	$14,858
Net profit after debt payment		**$41,129**	**$50,609**	**$70,033**	**$72,444**	**$93,147**	**$109,979**	**$149,452**

Assumption is that operator pays for FF&E items that are removable not fixed and that Council pays for building works and fixed FF&E

Financial forecast for the function's component of the F&B business

Table 8.4.2 Financial forecast for the function component of the F&B business

Walka Water Works - Financial forecast								
Revenue from functions		**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Unique visitors		508,000	523,240	538,937	555,105	571,758	588,911	606,579
Direct costs for functions	**%**	**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Cost of goods sold	45%	$228,600	$235,458	$242,522	$249,797	$257,291	$265,010	$272,960
Gross profit		$279,400	$287,782	$296,415	$305,308	$314,467	$323,901	$333,618
Lease fee (% of revenue to centre, contracted out)	10%	$50,000	$61,800	$74,263	$76,491	$78,786	$81,149	$83,584
Indirect costs	20%	$101,600	$104,648	$107,787	$111,021	$114,352	$117,782	$121,316
EBITDA		**$127,800**	**$121,334**	**$114,365**	**$117,796**	**$121,330**	**$124,970**	**$128,719**
Assumptions:								
Average spend by unique visitors		$127	$131	$135	$139	$143	$147	$152
Lease fee to Council		$1,000	$1,030	$1,061	$1,093	$1,126	$1,159	$1,194
Number of functions per year		50	60	70	70	70	70	70

Financial forecast for the Onsen business

Table 8.4.3 Financial forecast for the onsen business

Walka Water Works - Financial forecast						
Revenue from onsen		**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Unique visitor to functions		1,272,600	1,572,934	1,800,135	2,039,553	2,291,716
Direct costs for onsen		**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Cost of goods sold	25%	$318,150	$393,233	$450,034	$509,888	$572,929
Gross profit		$954,450	$1,179,700	$1,350,101	$1,529,665	$1,718,787
Lease fee (% of revenue to centre, contracted out)	15%	$190,890	$196,617	$202,515	$208,591	$214,848
Indirect costs	35%	$445,410	$550,527	$630,047	$713,844	$802,101
EBITDA		$318,150	$432,557	$517,539	$607,231	$701,838
Assumptions:						
Average spend by unique visitors		$101	$104	$107	$110	$114
Lease fee to Council		$1,061	$1,093	$1,126	$1,159	$1,194
Modelling to pay development cost of FF&E debt of $315,000		**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Debt balance		$315,000	$192,950	$29,444		
Interest on debt	7%	$22,050	$13,507	$2,061		
Equity payback		$100,000	$150,000	$27,382		
Debt repayment		$122,050	$163,507	$29,443		
Net profit after debt payment		$196,100	$269,050	$488,096	$607,231	$701,838

Assumption is that operator pays for FF&E items that are removable not fixed and that Council pays for building works and fixed FF&E

Financial forecast for the Adventure Park business

Table 8.5.4 Financial forecast for the adventure park business

Walka Water Works - Financial forecast								
Revenue from adventure park		**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Unique visitors - obstacle course and indoor adventure centre		$1,900,000	$2,015,710	$2,138,467	$2,591,074	$2,748,871	$2,916,277	$3,093,878
Unique visitors - sky cycle and zip coaster				$712,925	$756,342	$802,403	$1,620,387	$1,719,068
Total number of unique visitors to adventure park activities		**$1,900,000**	**$2,015,710**	**$2,851,392**	**$3,347,416**	**$3,551,274**	**$4,536,664**	**$4,812,947**
Café		$31,208	$33,108	$35,124	$37,263	$39,533	$41,940	$44,494
Passive recreation visitors (eg picnics and short walks)		$251,940	$264,688	$278,081	$292,152	$417,001	$438,101	$460,269
Total annual accumulated visitor to adventure park		**$283,148**	**$297,796**	**$313,206**	**$329,416**	**$456,534**	**$480,042**	**$504,764**
Total revenue from tickets sold to adventure park attraction		**$2,183,148**	**$2,313,506**	**$3,164,597**	**$3,676,832**	**$4,007,808**	**$5,016,705**	**$5,317,710**
Direct costs for adventure park attraction		**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Direct costs for adventure park attraction	44%	$960,585	$1,017,943	$1,392,423	$1,617,806	$1,763,435	$2,207,350	$2,339,793
Gross profit		$1,222,563	$1,295,563	$1,772,174	$2,059,026	$2,244,372	$2,809,355	$2,977,918
Lease fee (% of revenue to centre, contracted out)	15%	$327,472	$347,026	$474,690	$551,525	$601,171	$752,506	$797,657
Indirect costs	25%	$545,787	$578,377	$791,149	$919,208	$1,001,952	$1,254,176	$1,329,428
EBITDA		$349,304	$370,161	$506,336	$588,293	$641,249	$802,673	$850,834
Assumptions:								
Average spend of obstacle course and indoor adventure		$95	$98	$101	$104	$107	$110	$113
Average spend of zip coaster and sky cycle		$56	$58	$59	$61	$63	$65	$67
Modelling to pay development cost of FF&E debt of $2,639,000		**Year 9 2033**	**Year 10 2034**	**Year 11 2035**	**Year 12 2036**	**Year 13 2037**	**Year 14 2038**	**Year 15 2039**
Debt balance		$2,639,000	$2,384,270	$2,117,371	$2,635,667	$2,151,170	$1,650,588	$1,035,047
Interest on debt	7%	$184,730	$166,899	$148,216	$184,497	$150,582	$115,541	$72,453
Equity payback		$70,000	$100,000	$200,000	$300,000	$350,000	$500,000	$500,000
Debt repayment		$254,730	$266,899	$348,216	$484,497	$500,582	$615,541	$572,453

Net profit after debt payment		**$94,574**	**$103,262**	**$158,120**	**$103,796**	**$140,667**	**$187,132**	**$278,380**

Assumption is that operator pays for FF&E items that are removable not fixed and that Council pays for building works and fixed FF&E

End of report