

***Morack Public Golf Course
Strategic Plan***

City of Whitehorse

December 2016

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1. Executive Summary

Morack Public Golf Course (Morack) is an important community facility that provides recreation opportunities for the residents of Whitehorse and for people from across the eastern region.

The facility features an 18-hole golf course, 20-bay floodlit driving range, two practice putting greens, a comprehensive pro-shop, and outdoor barbeque and seating areas. All facilities are open to the public.

The City of Whitehorse has now developed a strategic plan for Morack to guide its future direction. WellPlayed Golf Business Consultancy, in conjunction with Crafter + Mogford Golf Strategies, was engaged to assist.

Identification of key challenges and opportunities for the contemporary golf facility

In response to the market trends, for golf facilities to remain viable and successful in meeting the needs of a declining, changing and competitive market, WellPlayed has identified the following key challenges and opportunities for the contemporary golf facility:

- Golf facilities *must adapt to stay relevant* in today's changing sport, recreation and hospitality market.
- Golf facilities need to become *friendlier to women, families, diverse groups and younger generations*.
- Golf facilities should introduce *short-format* and other *golf-entertainment* participation options.
- Golf facilities will need to consider *new business models* to ensure greater facility visitation and *revenue diversification*.
- Golf facilities will need to *actively engage* with their local community.

The strategic plan has established ways in which Morack could be developed into a contemporary golf facility in accordance with three strategic directions. The strategic directions, and supporting detail, were formed from undertaking a comprehensive situational analysis.

The situational analysis included a review of Council's strategic framework; extensive stakeholder consultation; detailed site assessment; review of local population trends; comparing Morack's performance to similar facilities within Melbourne; obtaining customer and local community insights; and a review of Morack's current operations.

Morack's performance benchmarked

To objectively assess Morack against leading public golf facilities and driving ranges, two comprehensive studies of leading high-volume Government and privately-owned publicly accessible golf facilities have been completed. Focus was on facilities in the immediate competitive market around Morack. Morack's performance was assessed addressing both qualitative and quantitative measures.

Whilst the participating facilities represented a wide range of business models and commercial strategies, common themes relevant to Morack were identified:

- There was a consistency in sites having *drainage issues* due to their location, leading to the need for ongoing course works and perceived customer dissatisfaction.
- Most sites presented with *aged facilities* and a long wish-list list of improvements to both the course and site infrastructure.
- Several sites had *enhanced on-site retail operations* to generate additional sales, with improvement of food offerings on nearly all the facilities' to-do lists.
- The role of *member clubs* situated on site was significant at most facilities, with golfers from these clubs representing a key user group both in terms of player rounds and direct engagement with course planning and operations.
- Whilst there has been a growing emphasis in the public access golf market on *maximising visitation and revenue* through diversification of attractions on-site, beyond simply a golf course and practice facilities, the facilities visited did not present significant activity in this respect.
- *Marketing and communications* was an increasing priority for all facilities, however execution remain poor at some sites.
 - Morack is a leader in promoting itself through modern marketing techniques, and promoting on-course events such as Big Hole Golf, Open Days and Demo Days, and utilising the driving range to promote golf hardware sales.
- Where a private operator is engaged to manage golf operations, *long-term leases* are typically in place, often up to 20 years, to offer a strong incentive for the operator to invest in the site for a long-term return.

From a Key Performance Indicator (KPI) perspective, key conclusions regarding Morack's performance when compared to the benchmarked facilities include:

- When combined with the driving range visitation, Morack's total visitation is well over the mean level and clear evidence of Morack's significant visitation levels generated by having both an 18-hole course and 20-bay driving range on site.
 - Morack is performing above the mean of total golf rounds.
 - Whilst there was a small decline in the rounds trend over the 4-year analysis,
- Morack's average green fee (\$16.33 ex GST) is near the bottom of the peer group and indicates a broad-based price rise is possible in coming years.
- Morack was near average on the % of rounds attributed as full-priced in FY16, however this KPI has continued to decline.
- Morack's driving range is close to capacity, with a leading KPI of 1,934 visitors per bay per annum in FY16. This placed Morack as the busiest range measured on a per-bay usage basis, and is supported by anecdotal evidence of waiting lists for bays during peak times.
- Both total golf retail sales and golf retail sales per visitor placed Morack in the top position amongst the benchmarked facilities. Notwithstanding the strong results, merchandising and pro shop infrastructure were not best-practice due to the layout of the facility and age of the building.

- Food and beverage sales were poor at Morack. The limited offer and lack of indoor or outdoor eating spaces detrimentally impacts sales.

Specific concerns were raised in various consultations with respect to the poor drainage, impacting course conditioning in the wetter months. Comparisons were undertaken to assess the different rates of course utilisation at Morack and other key competitor sites across the last two years. This data indicates that a reduction in utilisation in the winter months is common in the market in which Morack operates, and that Morack does not suffer a disproportionate fall in visitation through the winter months.

Incorporation of customer and community views

Detailed research, via survey, was undertaken to better understand relevant behaviours, opinions and the facility aspirations of Morack's current golfers and immediate local community.

Key conclusions arising from the customer and community regarding Morack include:

- The typical Morack golfer is an intermediate golfer and an active participant, playing golf at Morack nearly once a week and visiting the driving range just over once a fortnight.
- The significant majority (84%) of Morack's customers reside within 10km.
 - It is estimated there are approximately 20,430 casual golfers and around 452,350 non-golfers in the Morack catchment.
- There is a high-level of female participation (28%) at Morack which is considerably greater than the national average (21%).
- Fun and enjoyment, outdoor natural environment, relaxation, health benefits, social experience and the personal challenge are the key motivators to participate in golf.
- There are high levels of satisfaction with most of Morack's facilities and services, particularly the 'important' attributes including 'value', 'Morack overall' and the 'golf course'. 'Food and beverage' is an opportunity for improvement.
- Morack's facilities and services were deemed to be 'a little better' than similar facilities in the area, except for food and beverage which was rated 'about the same'.
- In terms of priority, customers are 'very interested' in upgraded course drainage, 'very' to 'fairly interested' in upgraded course paths, new modern café and 'fairly interested' in an upgraded driving range.
- Based on the expressed intentions of respondents, annual customer visitation will increase from an upgraded Morack in the following respects:
 - Upgraded course = 17% in golf rounds
 - Upgraded driving range = 31% increase in range visits
 - New modern café (food and beverage purchases) = 73% increase in purchase frequency

Understanding Morack's operations and performance

An operational review was undertaken to assess the current and historical performance of Morack in regards to management arrangements, visitation, green fees and financial performance.

Council has current arrangements for the management and operations of Morack (third-party golf operator) and the maintenance of the golf course (third-party course maintenance contractor).

Both third-parties were successful in tendering for new contracts commencing 1 July 2015 and ending 30 June 2017.

Key observations of Morack's performance over the 14-year period since 2002/03 include:

- Over 1.28 million visitors have enjoyed Morack's facilities and services.
 - Visitations have experienced a small decline (3.7%) since 2013/14
- Morack's financial contribution to Council is significant.
 - Gross income earned is around \$15.6M with a net operating contribution of \$4.2M (after Council's recharge costs).
- Whilst annual capital expenditure has been inconsistent, particularly in recent years, around \$1.9M has been invested in maintaining and improving Morack's facilities (representing around 45% of Morack's net contribution).

Development of Strategic Directions and New Concept Plan

Based on the issues and opportunities arising from the detailed situational analysis, and with reference to the key challenges and opportunities for the contemporary golf facility as identified, three strategic directions for Morack have been developed:

1. *Active Community* – maintaining and growing facility visitation and access.
2. *Evolving Infrastructure and Environment* – maintaining and developing relevant facilities in connected and sustainable open space.
3. *Healthy Performance* – delivering financial sustainability and economic benefit.

Each strategic direction responds to and aligns with Council's comprehensive strategic framework.

Where relevant, improvement and development activities within each strategic direction have been incorporated in a new Concept Plan.

The major features of the new Concept Plan include:

- Improvement works to the golf course (79 items).
- Significant upgrading of the driving range with an increase to 25 bays (including 12 'premium' bays).
 - The 'premium bay' concept is a new and innovative feature to encourage non-golfers to use the driving range for a 'golf entertainment' experience.
 - A premium bay can generate a greater customer spend per bay.
 - The premium bay concept allows the driving range to be marketed as not just for game improvement or warm-up. Golf entertainment is an emerging industry trend, and together with a high-quality food and beverage service, investment in this feature will differentiate Morack from other nearby facilities and increase the potential customer audience.
- Development of a new golf pavilion incorporating a golf shop, new modern café facility (indoor/outdoor), change facilities and multi-purpose space to accommodate the needs of resident clubs, customers and community.
- A new precinct feature entry leading to the golf pavilion entry and golf staging area (including new golf-cart parking area).
- Development of a new 18-hole premium mini-golf facility.

- Expansion of car-parking spaces to 141 spaces (currently 128) to accommodate increase in visitation arising from facility improvements and development
- New golf cart storage shed (20 carts) and adjacent environmental wash-down area.

Understanding the financial implications and implementing the plan

It will be difficult to maintain Morack's current visitation and revenue performance if the new Concept Plan improvements are not undertaken. A lack of investment in facilities and services will see Morack effectively decline in its offering compared to its competitors.

Improvements arising from the new Concept Plan will enable Morack to increase and diversify its sources of revenue. Based on the financial model, total revenue could grow by around 50% and Council's share could potentially increase from \$1.049M to \$1.597M when comparing current annual performance to a projected forecast after implementation of improvements. After taking expenses into consideration, the net surplus to Council could increase from \$250,000 to more than \$900,000. The model is based on a set of informed assumptions and continues the current arrangement of 'revenue sharing' with a third-party golf operator. The actual terms of revenue sharing should be determined via the golf operator market and could potentially include a 'co-investment' in the upgrading of facilities.

A capital investment of around \$5.6M is required to construct the proposed new golf pavilion, driving range, premium mini-golf, temporary course maintenance staff building and golf cart storage shed. Recognising that Council may not have access to these funds, consideration should be given to engaging with the third-party golf operator market to seek interest and commitment to co-invest in implementing aspects of the new Concept Plan. There are recent examples where golf facility owners, particularly local councils, have secured agreements with a third-party golf operator who is required to provide capital investment toward facility improvements.

From a golf course perspective, Council should commit to developing an Asset Management Plan for Morack. This should be supported with an annual allocation of funds (derived from the net financial surplus delivered by Morack) dedicated to identified course improvements and course irrigation maintenance and upgrades. Consistent adherence to this plan is important to ensure the course can meet demand and player expectations in the future.

Implementation of the Strategic Plan for a new Morack focuses on recommended actions for both operations and facility infrastructure improvements over a 9-year period.

2. Introduction

Morack Public Golf Course (Morack) is an important community facility that provides recreation opportunities for the residents of Whitehorse and for people from across the eastern region.

The facility features an 18-hole golf course, 20-bay floodlit driving range, two practice putting greens, a comprehensive pro-shop, and outdoor barbeque and seating areas. All facilities are open to the public.

The City of Whitehorse (Council) has now developed a strategic plan for Morack to guide its future direction and engaged WellPlayed Golf Business Consultancy, in conjunction with Crafter + Mogford Golf Strategies, (the Project Team) to assist.

The project was undertaken in three stages:

1. Carry out situational analysis and identify preliminary directions
2. Develop draft strategic plan with supporting concept plan
3. Review and finalise Strategic Plan

The Strategic Plan, with supporting financial and implementation plan, creates a logical framework and vision to guide the future development and enhancement of Morack to ensure long term sustainability.

The Strategic Plan Report comprises the following:

- Executive Summary
- Introduction
- Part 1 – Situational Analysis
- Part 2 – Strategic Directions and Concept Plan
- Part 3 – Finance and Implementation
- Appendices

This Summary Report is a condensed version of the full Strategic Plan Report, and follows the same structure.

2.1 Acknowledgements

The Project Team acknowledges the valuable assistance and contributions in the development of this strategic plan from identified City of Whitehorse Officers and representatives from Golf Services Management, Australian Golf Course Management and resident clubs.

2.2 Disclaimer

This strategic plan report provides general information, current as at the time of production. WellPlayed and its consultants disclaim all responsibility and liability (including, without limitation, for any direct or indirect or consequential costs, loss or damage or loss of profits) arising from anything done or omitted to be done by any party in reliance, whether wholly or partially, on any of the information. Any party that relies on the information does so at its own risk.

3. Part 1 – Situational Analysis

To understand the current issues and opportunities for Morack, a comprehensive review and analysis of the following aspects have been completed:

- Strategic framework
- Stakeholder engagement
- Site assessment
- Market review
- Operational review

3.1 Strategic Framework

Council's relevant policies, strategic plans and objectives, together with the local planning structure, establish the broader strategic framework.

Council has developed a comprehensive suite of strategic plans, policies and objectives. The following, have been recognised as relevant to Morack's strategic plan:

- Council Vision 2013-2023
- Council Plan 2014-2018
- Sustainability Strategy 2008-2013
- Municipal Public Health And Wellbeing Plan 2013-2017
- Recreation Strategy 2015-2024
- Open Space Strategy (2007)
- Diversity Policy and Action Plan (2012-2016)
- Disability Policy and Action Plan (2012-2016)
- Positive Ageing Strategy (2012-2017)
- Municipal Youth Plan (2014-2018)
- Play Space Strategy (2011)
- Bicycle Strategy (2007)
- Healesville Freeway Reservation Vision (2014)

3.2 Stakeholder Engagement

It was essential to engage and consult with many stakeholders during the situational analysis phase. The Project Team undertook extensive consultation with the following key stakeholders:

- Golf Services Management (GSM) representatives (third-party golf operator)
- Australian Golf Course Management (AGCM) representative (third-party course maintenance contractor)
- Resident golf clubs representatives
 - Creekside, Tuesday Ladies Blue, Wednesday Seniors, Thursday Ladies and LAC Friday
- Identified school representatives
 - Whitefriars College, Huntingtower and Vermont Secondary College
- Team Leader Leisure Facilities (Arts & Recreation Development) and other relevant Council officers

Detailed outcomes arising from consultations are included in the Consultation and

Research Findings Report.

3.3 Site Assessment

Site investigations have been undertaken to identify the issues and opportunities for Morack, focusing on the golf course and land, and the golf buildings and precinct.

The preliminary issues and opportunities regarding the golf course and land have been noted in the Site Analysis & Opportunities Plan: Golf Course and Land, and the preliminary issues and opportunities regarding the golf buildings and precinct have been noted in the Site Analysis & Opportunities Plan: Golf Buildings and Precinct, both as included in the Strategic Plan Report.

3.4 Market Review

In undertaking the market review, the analysis focussed on:

- Golf participation trends
- Local population trends
- Golf industry trends
- Peer performance benchmark analysis
- Customer and community survey

3.4.1 Golf Participation Trends

The Australian Sports Commission (ASC) is the government body responsible for tracking national participation in sporting activities. For the period 2002 to 2011 it produced an annual report titled Participation in Exercise, Recreation and Sport. Known as the ERASS report, it contained annual participation estimates for all of the main sports played in Australia.

The last ERASS Report was produced in July 2011, containing data for the 2010 calendar year. The key findings with regard to golf are outlined:

- An estimated 1.17 million people or 6.7% of the Australian adult population aged 15 or over play golf
- 84% of golfers are male
- Total golf participation levels in Australia have fallen by approximately 12% since 2002
- Since 2008 total participation levels have seen greater stabilisation, averaging 1.15 million, in line with the 2010 result

The following table summarises the historical golf participation numbers evident in Australia for the period 2002 to 2010.

GOLF PARTICIPATION	2002	2003	2004	2005	2006	2007	2008	2009	2010
Participants (M)	1.337	1,283	1.251	1.139	1.132	.915	1.181	1.103	1.177
% of Pop.	8.7	8.2	7.9	7.1	6.8	5.6	7.1	6.4	6.7
Period Average	1,168,667								
% change	-12%								

Source: Australian Sports Commission – ERASS Reports 2002 – 2010

Note *: Data for 2007 is considered to be an anomaly within the dataset

3.4.1.1 Local Participation

Council's Recreation Strategy 2015-2024 provides a framework to guide planning of recreation and sport services and facilities for the next 10 years. The strategy identifies the most popular activities within the municipality and compares participation in 2011 to 2008.

In 2011 the most popular participation activity in Whitehorse is walking, with 62% of respondents participating (2008: 57%). Other relevant popular activities include running/jogging 14% (2008: 14.0%), bike riding 13% (2008: 14%) and cycling 7% (2008: 10%). 7% of respondents engaged in golf in 2011, compared to 13% in 2008.

Based on the ERASS data and Council's research, the level of participation for golf at a local, state and national level is as follows:

PARTICIPATION LEVELS	Whitehorse 2011	Victoria 2010	Australia 2010
Activity	% of respondents		
Golf	7.0	7.3	6.7

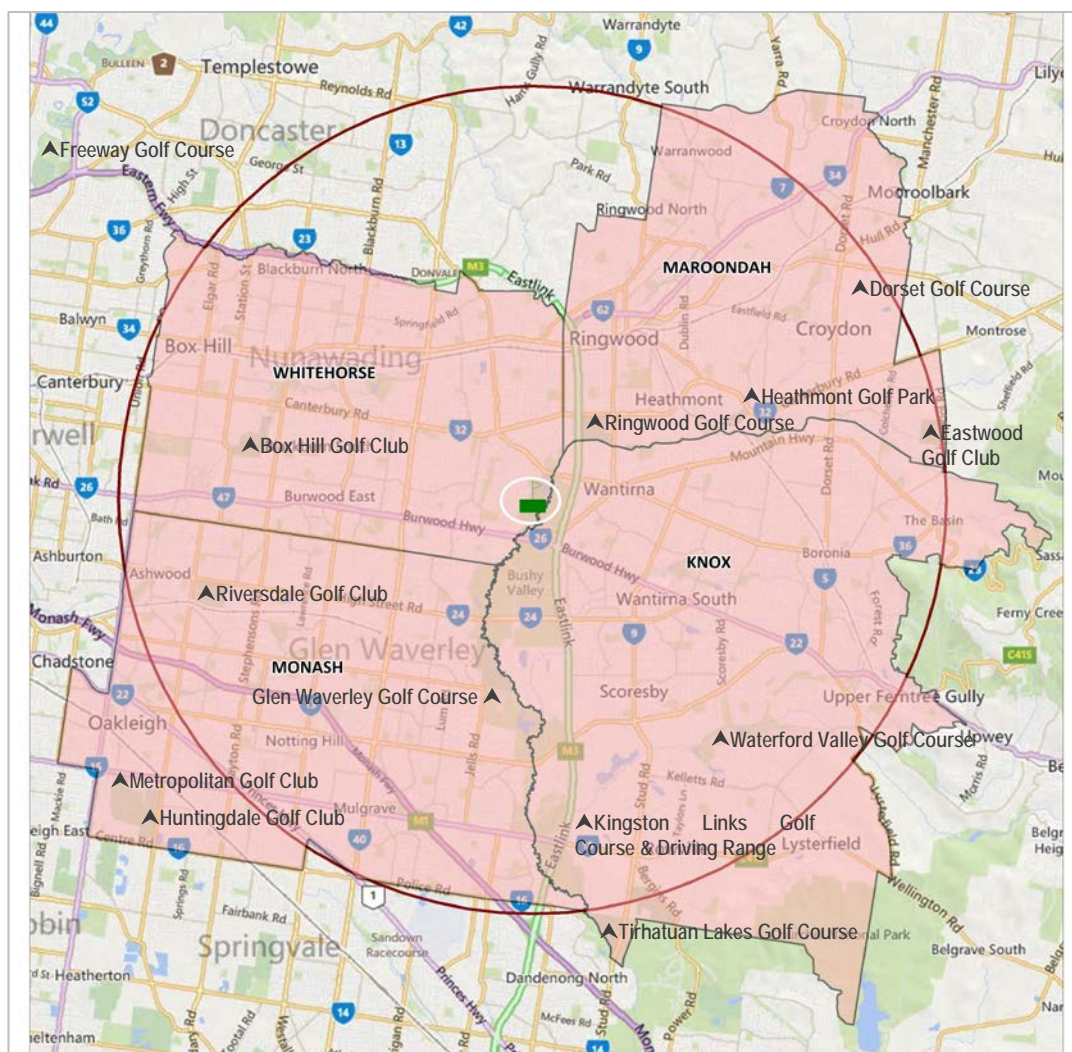
Source: Australian Sports Commission (ERASS Reports 2002 – 2010) and City of Whitehorse

3.4.2 Local Population Trends

As demand for sport participation is a direct factor of population and population growth, it is appropriate to review the local market and the patterns that are emerging.

3.4.2.1 Catchment Area

Results from the Customer and Community Survey (refer Section 3.4.5) found that 84% of current customers live within 10km of Morack. As a consequence the primary catchment is defined as within a 10km radius. A map of the main four local municipalities that make up the catchment (Knox, Maroondah, Monash and Whitehorse), including public and private golf facilities, is depicted:



Source: Commissioned from Street Ryan 2015

3.4.2.2 Catchment Demographics

According to the latest population data, there are nearly 600,000 residents living in the identified catchment. The catchment is expected to increase in population to just over 700,000 by the year 2031, an increase of 17.9%, as depicted in the following chart:

POPULATION GROWTH	2001	2006	2011	2031
Knox	147,433	150,275	154,625	177,587
Maroondah	100,279	101,430	107,323	129,020
Monash	163,141	167,010	177,345	208,465
Whitehorse	147,085	149,017	157,538	188,490
Catchment	557,938	567,732	596,831	703,562

Source: ABS, Regional Population Growth, Australia, 2001 to 2013 and Victoria in Future 2014, Projected Population by 5 Year Age Groups

Further analysis of local population as included in the Consultation and Research Findings Report:

- Future age distribution (2031)
 - Whilst this will result in a slightly older catchment population which currently favours golf participation, it reinforces the need for Morack to deliver participation programs for younger generations given the lower than average numbers in the area (albeit by a small margin of difference).
- Household type
 - Whilst lower reliance from dependents within households may lead to a higher disposal income and more time for leisure and recreation activities, it should remain a priority for Morack to deliver participation programs for families and other groups given they remain a significant group and a potential growth driver.
- Origin of birth
 - The proportion of the catchment population 'born overseas' (31%) reinforces the need for Morack to consider participation programs focusing on diverse groups.

3.4.2.3 Sporting Participation in the Catchment

As noted in Section 3.4.1.1, research by Council indicates that 7.0% of the population participate in golf. Research by the ASC indicates that 84% of golfers are male. Based on the 2011 catchment population and assuming that 81.5% of the population is aged 15 or over, the Project Team has calculated that the Morack primary catchment includes 34,050 golfers aged 15 years and over, of which 28,600 are male. According to Golf Australia, the 'club golfer/social golfer' mix has remained reasonably consistent at 40/60; therefore it is estimated there are approximately 20,430 casual golfers (non-club golfers) in the primary catchment.

3.4.3 Golf Industry Trends

There are a number of trends impacting the golf industry and golf participation.

A review was undertaken of the specific research and reports which are relevant to influencing the future of golf:

- Australian Sports Commission – The Future of Australian Sport (April 2013)
- The Futures Company – Golf's 2020 Vision (July 2012)
- HVS Golf Services – Thoughts from the Golf Industry Show (July 2013)
- Golf Australia – 2013 National Golf Participation Report (April 2014)

The relevant key findings identified from the review are:

- The ASC report found that:
 - Participation rates in individualised sport and fitness activities are increasing; whilst participation is remaining steady or declining in organised sports; 'sufficient time' and 'cost' are barriers to participation.
 - Sports will need to cater for an ageing and diverse population to retain strong participation.
 - Governments and communities are recognising the broader benefits of sport to the immediate community and wider population; particularly health and wellbeing.
- Golf's 2020 Vision and HVS Golf Services Report identified many issues relevant to the Australian golf market which include strategies and activities to:
 - Increase participation in golf by responding to the 'participation barriers' including game difficulty, time commitment to play (short-format options), cost and rigid structure.
 - Ensure a golf facility appeals to a wide variety of golfers and non-golfers including women, families, young, diverse groups and the local community.
 - Increase diversification of a golf facility's business activities.
- The 2013 National Golf Participation Report confirms:
 - Golf is one of Australia's most popular participation sports.
 - An estimated 1.17 million people or 6.7% of the Australian adult population aged 15 or over play golf.
 - Whilst total golf participation levels in Australia have fallen by approximately 12% since 2002, they have been relatively stable since 2008.
 - The club golfer/social golfer mix has remained reasonably consistent over time at 40/60.

Outlines of each report are included in the Consultation and Research Findings Report.

Other golf industry trends identified and explained in detail within the Consultation and Research Findings Report include:

- Golf participation and visitation initiatives: USA golf facilities
 - Diversifying participation and visitation activities
 - Diversifying revenue-generating activities
 - Providing competitive and quality on-site golf retail offers
 - Providing on-line golf bookings, including booking via other partner websites
 - Utilising enhanced database / customer relationship management
 - Viewing golf not just as a sporting activity, but as an 'entertainment' activity
- TopGolf USA
 - A driving range entertainment complex achieving extraordinary sales and growth in the USA market
 - Featuring sports bar, function spaces and dedicated lounge facilities at each driving range bay
 - Key innovation is driving range technology
 - Visitation typically featuring 40% women, up to 85% non-golfers, and a significant proportion of 25-40 year olds
 - Attracts demographics often considered as "lost" to golf
 - Principles from the success enjoyed by TopGolf can be applied to all golf facilities and have been incorporated into the new Morack Concept Plan
- Australian driving range developments
 - The traditional driving range experience is evolving, from a focus on practice and tuition to become a form of golf play and golf entertainment
 - Examples referenced in the Consultation and Research Findings Report include Moore Park Golf Course (Sydney), Parkwood International Golf Course (Gold Coast), Wembley Golf Complex (Perth) , Thornleigh Golf Centre (Sydney), Albert Park Driving Range (Melbourne) and Kingston Links Driving Range (Melbourne)
- Mini-golf resurgence
 - It is apparent that mini-golf is experiencing a resurgence in the golf facility market
 - Benefits of a mini-golf facility forming part of an existing golf facility include:
 - Naturally complements existing golf facility activities – golf course, driving range or both – and provides a participation pathway from golf introduction to these facilities
 - Widens the facility catchment demographic from mostly golfers to include non-golfers seeking entertainment experiences, particularly 18-35 year olds, children under 18 years (parties), families and corporate participants
 - Diversification of revenue resulting from new visitation and the potential to positively impact visitation to other existing golf facilities
 - Some of Australia's leading public-access golf facilities are either operating relatively new mini-golf facilities, or planning to construct new ones.

3.4.3.1 Opportunities Arising From Industry Trends

In response to the market trends, for contemporary golf facilities to remain viable and successful in meeting the needs of a declining, changing and competitive market, the following key challenges and opportunities have been identified for the contemporary golf facility:

- Golf facilities *must adapt to stay relevant* in today's changing sport, recreation and hospitality market.
- Golf facilities need to become *friendlier to women, families, diverse groups and younger generations*.
- Golf facilities should introduce *short-format* and other *golf-entertainment* participation options.
- Golf facilities will need to consider *new business models* to ensure greater facility visitation and *revenue diversification*.
- Golf facilities will need to *actively engage* with their local community.

3.4.4 Peer Performance Benchmark Analysis

A key component of the situational analysis undertaken was a benchmark study of leading high-volume Government and privately-owned publicly accessible golf facilities, focussing on facilities in the immediate competitive market around Morack. The focus was on assessing similar facilities in terms of:

- *Course*: the peer group featured 18-hole facilities;
- *Driving range*: the peer group incorporated suburban driving ranges, excluding ultra-high-volume ranges;
- *Operator*: the peer group included a mix of Council-operated and other facilities with professional golf/leisure operators in situ.

Benchmark facilities included:

- Ringwood Golf Course
- Dorset Golf Course
- Glen Waverley Golf Course
- Freeway Golf Course
- Heathmont Golf Park
- Tirhatuan Lakes Golf Course

Site visits were conducted at both Kingston Links Golf Course and Waterford Valley Golf Course; however both facilities declined to participate in formal benchmarking.

Morack's performance has been assessed against these facilities, addressing both qualitative and quantitative measures. The findings have informed recommendations throughout the Strategic Plan. Details for all measures reported are provided in the Consultation and Research Findings Report.

Whilst the participating facilities represented a wide range of business models and commercial strategies, some common themes relevant to Morack were identified as follows:

- There was a consistency in sites having *drainage issues* due to their location, leading to the need for ongoing course works and perceived customer dissatisfaction.
- Most sites presented with *aged facilities* and a long wish-list list of improvements to both the course and site infrastructure.
- Several sites had *enhanced on-site retail operations* to generate additional sales, with improvement of food offerings on nearly all the facilities' to-do lists.
- The role of *member clubs* situated on site was significant at most facilities, with golfers from these clubs representing a key user group both in terms of player rounds and direct engagement with course planning and operations.
- Whilst there has been a growing emphasis in the public access golf market on *maximising visitation and revenue* through diversification of attractions on-site, beyond simply a golf course and practice facilities, the facilities visited did not present significant activity in this respect.
- Marketing and communications was an increasing priority for all facilities, however execution remain poor at some sites.
 - Morack is a leader in promoting itself through modern marketing techniques, and promoting on-course events such as Big Hole Golf, Open Days and Demo Days, utilising the driving range to promote golf hardware sales.
- Where a private operator is engaged to manage golf operations, *long-term leases* are typically in place, often up to 20 years, to offer a strong incentive for the operator to invest in the site for a long-term return.

From a Key Performance Indicator (KPI) perspective, key conclusions regarding Morack's comparative performance include:

- When combined with the driving range visitation, Morack's total visitation is well over the mean level and clear evidence of Morack's significant visitation levels generated by having both an 18-hole course and 20-bay driving range on site.
 - Morack is performing above the mean of total golf rounds.
 - Whilst there was a small decline in the rounds trend over the 4-year analysis,
- Morack's average green fee (\$16.33 ex GST) is near the bottom of the peer group and indicates a broad-based price rise is possible in coming years.
- Morack was near average on the % of rounds attributed as full-priced in FY16, however this KPI has continued to decline and the impact from the Unlimited Golf Pass should be monitored.
- Morack's driving range is close to capacity, with a leading KPI of 1,934 visitors per bay per annum in FY16. This placed Morack as the busiest range measured on a per-bay usage basis, and is supported by anecdotal evidence of waiting lists for bays during peak times.
- Both total golf retail sales and golf retail sales per visitor placed Morack in the top position amongst the benchmarked facilities. Notwithstanding the strong results, merchandising and pro shop infrastructure were not best-practice due to the layout of the facility and age of the building.
- Food and beverage sales were poor at Morack. The limited offer and lack of indoor or outdoor eating spaces detrimentally impacts sales.

Specific concerns were raised in various consultations with respect to the poor drainage, impacting course conditioning in the wetter months. Comparisons were undertaken to assess the different rates of course utilisation at Morack and other key competitor sites across the last two years. This data indicates that a reduction in utilisation in the winter months is common in the market in which Morack operates, and that Morack does not suffer a disproportionate fall in visitation through the winter months.

3.4.5 Customer and Community Survey

Detailed research, via survey, was undertaken to better understand relevant behaviours, opinions and the facility aspirations of Morack's current customers and immediate local community.

The objectives of the research were as follows:

- Obtain insights into customers' and local community's current attendance activity at Morack, participation drivers, satisfaction / importance with current facilities and services, and facility and service aspirations.

306 valid responses were received. Key observations of the general respondent profile include:

- Good representation of females (28%)
- Older age group (86% are aged 45 years or more)
- Most have families (87% are a parent)
- The primary catchment area is within 10km of Morack (84%)

Key conclusions arising from the customer and community regarding Morack include:

- The typical Morack golfer is an intermediate golfer and an active participant, playing golf at Morack nearly once a week and visiting the driving range just over once a fortnight.
- The significant majority (84%) of Morack's customers reside within 10km.
- There is a high-level of female participation (28%) at Morack which is considerably greater than the national average (21%).
- Fun and enjoyment, outdoor natural environment, relaxation, health benefits, social experience and the personal challenge are the key motivators to participate in golf.
- There are high levels of satisfaction with most of Morack's facilities and services, particularly the 'important' attributes including 'value', 'Morack overall' and the 'golf course'. 'Food and beverage' is an opportunity for improvement.
- Morack's facilities and services were deemed to be 'a little better' than similar facilities in the area, except for food and beverage which was rated 'about the same'.
- In terms of priority, customers are 'very interested' in upgraded course drainage, 'very' to 'fairly interested' in a new short-game facility, upgraded course paths, new modern café and 'fairly interested' in an upgraded driving range.
- Annual customer visitation will increase from an upgraded Morack:
 - Upgraded course = 17%.
 - Upgraded driving range = 31%.
 - New modern café frequency of purchases (food and beverage) = 73%.

Further analysis and charts depicting all results from the survey are included in the Consultation and Research Findings Report.

3.5 Operational Review

An analysis of available information was undertaken to assess the current and historical performance of Morack. This included a review of management arrangements, visitation, green fees and financial performance.

3.5.1 Management

Council has contracted arrangements with the following service providers to manage, operate and maintain Morack:

- Golf Services Management (GSM)- management and operation of Morack
- Australian Golf Course Management (AGCM)- maintenance of Morack golf course

Both service providers have contracted arrangements to 30 June 2017,

3.5.2 Performance Contribution

Detailed analysis regarding visitation, green fees and financial analysis is provided in the Consultation and Research Findings Report.

The historical performance of visitations to Morack and key financial indicators are represented in the following:

Golf Course Visitations

Year	Course Visits	Range Visits	Visits - Total
2004/05	68,955	0	68,955
2005/06	74,917	0	74,917
2006/07	75,514	0	75,514
2007/08	69,828	0	69,828
2008/09	67,384	0	67,384
2009/10	67,331	32,083	99,414
2010/11	55,154	41,970	97,124
2011/12	59,627	44,352	103,979
2012/13	56,021	45,928	101,949
2013/14	61,669	39,559	101,228
2014/15	60,896	37,605	98,501
2015/16	58,808	38,678	97,486
2016/17 Forecast	55,247	39,767	95,014
	776,104	280,175	1,056,279

Source: City of Whitehorse, Annual visitation analysis

NB: Range visits in 2011/12 and 2012/13 were positively impacted by the temporary closure of Kingston Links Driving Range.

Annual Financial Performance

Year	Income	Expenditure	Gross Surplus	Recharges	Net Surplus
2002/03	\$ 923,000	\$ 491,100	\$ 432,218	\$ -	\$ 432,218
2003/04	\$ 931,109	\$ 548,696	\$ 382,413	\$ -	\$ 382,413
2004/05	\$ 780,065	\$ 499,534	\$ 280,531	\$ -	\$ 280,531
2005/06	\$ 925,725	\$ 582,424	\$ 343,301	\$ -	\$ 343,301
2006/07	\$ 968,734	\$ 607,145	\$ 361,589	\$ 104	\$ 361,485
2007/08	\$ 967,188	\$ 623,763	\$ 343,425	\$ 2,444	\$ 340,981
2008/09	\$ 973,908	\$ 650,624	\$ 323,284	\$ 3,741	\$ 319,543
2009/10	\$ 1,256,901	\$ 847,914	\$ 408,987	\$ 22,891	\$ 386,096
2010/11	\$ 1,164,060	\$ 877,717	\$ 286,343	\$ 128,325	\$ 158,018
2011/12	\$ 1,311,903	\$ 950,008	\$ 361,895	\$ 135,090	\$ 226,805
2012/13	\$ 1,344,840	\$ 957,895	\$ 386,945	\$ 125,209	\$ 261,736
2013/14	\$ 1,373,706	\$ 965,408	\$ 408,298	\$ 103,810	\$ 304,488
2014/15	\$ 1,354,597	\$ 1,027,606	\$ 326,991	\$ 92,860	\$ 234,131
2015/16	\$ 1,386,705	\$ 1,062,270	\$ 324,436	\$ 97,181	\$ 227,254
2016/17 Forecast	\$ 1,383,706	\$ 1,178,975	\$ 204,731	\$ 99,678	\$ 105,053
	\$ 17,046,147	\$ 11,871,079	\$ 5,175,068	\$ 811,333	\$ 4,363,735

Source: City of Whitehorse, Annual financial operating performance

Annual Capital Expenditure

Year	Capital Exp.	% to Net \$
2002/03	\$ 110,000	25%
2003/04	\$ 180,000	47%
2004/05	\$ 239,000	85%
2005/06	\$ 314,000	91%
2006/07	\$ 212,000	59%
2007/08	\$ 212,000	62%
2008/09	\$ 175,000	55%
2009/10	\$ -	0%
2010/11	\$ -	0%
2011/12	\$ -	0%
2012/13	\$ 254,000	97%
2013/14	\$ 110,000	36%
2014/15	\$ -	0%
2015/16	\$ 100,000	44%
	\$ 1,906,000	45%

Source: City of Whitehorse, Annual capital expenditure

Key observations of Morack's performance since 2002/03 include:

- Over 1.28 million visitors have enjoyed Morack's facilities and services.
 - Visitations have experienced a small decline (3.7%) since 2013/14
- Morack's financial contribution to Council is significant.
 - Gross income earned is around \$15.6M with a net operating contribution of \$4.2M (after Council's recharge costs).
- Whilst annual capital expenditure has been inconsistent, particularly in recent years, around \$1.9M has been invested in maintaining and improving Morack's facilities (representing around 45% of Morack's net contribution).

4. Part 2 – Strategic Directions and Concept Plan

The strategic directions have been developed with reference to the key challenges and opportunities for the contemporary golf facility as identified, and based on the key findings arising from other aspects of the situational analysis:

- Review of strategic framework
- Stakeholder engagement
- Site assessment
- Market review
- Operational review

Three strategic directions with supporting detail have been established. Each direction responds and aligns to Council's comprehensive strategic framework.

Where relevant, improvement and development activities within each strategic direction have been incorporated in a new Concept Plan.

4.1 Strategic Directions

4.1.1 Direction 1: Active Community

Maintaining and growing facility visitation and access

Golf is one of Australia's most popular participation sports. It is also popular within the City of Whitehorse. It is estimated that Morack's primary catchment comprises 34,050 golfers aged 15 years and over.

Morack provides valuable health, social and sporting participation options for the community. Morack experiences high-levels of activity with around 100,000 visitations a year across its golf course and driving range facilities.

Morack customers include many active golfers. They are mostly intermediate golfers, and use the course nearly once a week (47x per year) and the driving range once every 2.5 weeks (20.5x per year). Whilst they are generally loyal to the driving range facility, they play at other golf courses regularly. Ringwood public golf course is the nearest identified competitor.

Analysis of the demographics of the catchment highlights the need to ensure participation programs continue to target females, families, diverse groups, younger generations (including school groups) and people with a disability.

When compared to local-market facilities, Morack is a leader in promoting itself through modern marketing techniques and promoting activities to drive facility visitation. Council should regularly engage with the third-party golf operator to encourage specific low-cost programs to introduce new community members to the facility, focussing on the aforementioned demographic segments.

Given the driving range represents an important asset for introducing new golfers to the game, these programs should focus on non-peak periods of use to minimise cannibalisation of revenue. Council has communication channels available to it that the third-party golf operator does not, enabling new markets to be approached (rather than ongoing campaigning to existing users via the third-party golf operator's proprietary channels).

Council should continue to support the third-party golf operator by co-investing in marketing and promotion activities to drive visitation to Morack. This should be increased as Morack's new facilities are developed.

Traditional trends within sports participation are being challenged and facilities within the golf industry are considering innovative ways to respond. The third-party golf operator should continue to develop and implement complimentary programs and products that respond to golf participation barriers – including game difficulty, time commitment to play, cost and rigid structure. Existing programs in the golf industry may be pursued or new products developed. These development and participation programs will likely require different marketing approaches and Council should co-invest with the third-party golf operator in the promotion of these programs.

The factors that motivate the Morack active golfer to participate in golf activities are a valuable reference point when considering service and facility improvements. Fun and enjoyment, outdoor natural environment, relaxation, health benefits, social experience and the personal challenge should be prioritised when developing Morack's visitation activities. Other complimentary activities that drive visitation to Morack and diversify its offerings should continually be explored.

Customers have expressed a willingness to increase their annual visitation to Morack if upgrades and new facilities were initiated. These include:

- Upgraded course = 17% increase
- Upgraded driving range = 31% increase
- New modern café frequency of purchases = 73%

As well as benefitting the community from a health and wellbeing perspective, an increase in visitation will provide an essential contribution to the healthy performance of Morack.

4.1.2 Direction 2: Evolving Infrastructure and Environment

Maintaining and developing relevant facilities in connected and sustainable open space

Morack's infrastructure and environment is to be maintained and developed to incorporate the following:

- Upgraded 18-hole Golf course
- Upgraded and expanded 25-bay driving range
- New 18-hole premium mini-golf facility
- Upgraded golf pavilion and precinct
- Maintaining the land and environment

4.1.2.1 Golf Course

Within the last decade a number of course improvements have been undertaken. These works have focused on drainage, conversion of cool-season fairway grass to warm-season couch grass, new greens, new tees and structural changes. However, these works have not been continued in recent years.

Customers are 'very' to 'fairly' satisfied with the performance of the golf course overall. Also, when compared to nearby facilities, customers viewed the golf course as 'a little better'. This is positive reinforcement of the current maintenance and presentation standards of the golf course.

As expected, the presentation of the golf course during the 'colder and wet periods' when compared with the 'warmer and dry periods' resulted in a drop in levels of performance, both in terms of satisfaction and competitor comparison. Bunkers, drainage, fairways, greens, surrounds and paths showed the greatest relative decline.

The site assessment conducted by WellPlayed identified many improvement opportunities to tees, paths, greens, fairways, drainage, safety (including errant golf balls), and course strategy and layout.

Improvement works to the golf course should continue in a planned manner, on an annual basis and with a focus on the following priorities as identified in the new Concept Plan:

- Bunkers – improve sand quality, depth, drainage, consistency and maintenance
- Drainage – fairways and other areas
- Fairways – continue conversion of fairways to warm-season couch grass
- Greens and surrounds – reconstruction or resurfacing of areas
- Paths – installation of new concrete paths
- Tees – reconstruction of existing tees or construction of new tees
- Safety – resolve player accessibility issues and monitor errant golf balls

There are issues with some of the infrastructure that supports the efficient and effective presentation of the golf course. Detailed assessment of the following issues, and potential funding sources, will be required:

- Course maintenance facility – potential expansion into adjacent residence (owned by Council)
 - A recent assessment by Council has identified the need for the replacement of the existing building in the next 2-3 years, given its poor condition and the presence of asbestos throughout.
- Course irrigation – assessment of repair and standardisation requirements

A rolling 9-year capital improvement plan must be implemented to accommodate the course improvement priorities. Consistent annual spending allows works to be planned in a manner to minimise disruption of play. A minimum annual course improvement allocation (on top of current maintenance works) of approximately \$140k in Year 1 (then increasing annually by CPI) is required to achieve measurable and effective course improvements. This is identified further in Section 4.1.3.1 and the implementation plan.

4.1.2.2 Driving Range

The driving range is performing very well. It received good levels of satisfaction across its attributes and customers are loyal to it. The site assessment identified the restricted 'aisle width' behind the bays as detracting from amenity comfort.

The following improvements have been identified in the new Concept Plan:

- Significant upgrading of the driving range and supporting infrastructure to contemporary standards and an increase to 25 driving bays (currently 20)
 - 12 x 'premium bays', 11 x traditional bays and 2 x coaching bays
- New orientation of the building and bays to a centralised outfield axis
- Retention of existing fencing on the southern boundary and installation of new safety netting (12m in height) to the eastern and northern boundaries

- Subject to assessment from additional trajectory study
- Improved outfield drainage, presentation, targets and lighting
- Improved visual connection with the golf shop

The 'premium bay' concept is a new and innovative feature to encourage non-golfers to the driving range for a 'golf entertainment' experience. Structurally a premium bay is wider (3.6m) and deeper (6m) than a regular bay, to allow for small-group gatherings on adjacent low-level or high-level lounge / hospitality seating. Entertainment screens (sports broadcasts) and specialised range technology (entertainment and game improvement) is incorporated.

A premium bay can generate a greater customer spend per bay. Bays are 'rented by the hour', and as it can comfortably accommodate more than one customer at a time, an increase in complimentary spending e.g. food and beverage will be achieved. Even when operating as a traditional bay (game improvement) it is possible to increase the customer-spend by utilising and then pricing access to accompanying specialised game improvement technology (via the specialised range technology).

The premium bay concept allows the driving range to be marketed as not just for game improvement or warm-up. Golf entertainment is an emerging industry trend, and together with a high-quality food and beverage service, investment in this feature will differentiate Morack from other nearby facilities and increase the potential customer audience.

The new Concept Plan has created a vision for the driving range infrastructure. The likely cost of the improvements will be substantial and will require a comprehensive investment plan to be developed. This is identified further in Section 4.1.3.1 and the implementation plan.

4.1.2.3 Premium mini-golf

A new 18-hole premium mini-golf facility is to be incorporated at Morack.

Principles that should be considered in the design and development of a new mini-golf facility at an existing golf facility have been identified by the Project Team as follows:

- The mini-golf site should be located adjacent to any main roads to maximise visibility to passing traffic
- An 18-hole facility (2 x 9-hole courses with 3 flags on each course (easy, medium and hard)) is sufficient, but subject to high quality execution
- Provide an entertaining and challenging layout (challenge increases from easy, medium and hard flag) that appeals to all age groups
- Emphasis on contours rather than traditional mini-golf obstacles e.g. windmill and shark's mouth and incorporate signature 'feature' or key memorable features
- Take advantage of site topography to create level changes and variety
- Develop a high-quality supporting landscape environment that has amplified music and is illuminated at night
- Customer access should be via a controlled entry/exit point, preferably at the golf shop, but still be in close proximity to food and beverage service
- Provide more than 1 dedicated area, preferably overlooking the mini-golf facility, to accommodate group gatherings e.g. children's parties or corporate groups

The Project Team have adopted the term 'premium mini-golf' to describe a facility that incorporates most of the design principles as identified.

With reference to the wider mini-golf market trends, local mini-golf market observations (including main competing facilities) and mini-golf design principles as identified, the Project Team have defined a mini-golf facility that will best suit Morack.

Key features of the proposed new premium mini-golf facility at Morack are:

- 2 x 9-hole premium mini-golf courses with 3 flags on each course (easy, medium and hard)
- Universal access for 1 x 9-hole course
- Dedicated 'event pads' for private parties overlooking each course
- Dedicated 'event area' adjacent to the proposed upgraded driving range building providing for group gatherings to enjoy mini-golf or premium driving range bays
- New and high quality landscape environment to compliment the wider Morack landscape theme (incorporating any existing mature trees)
- Customer access via a controlled entry/exit point at the proposed new Golf Pavilion (golf shop counter) and via the proposed new Driving Range building (including passing the new premium driving range bays)

The area proposed for the mini-golf facility is approximately 1,500m². Given the site constraints resulting from an upgraded driving range building, car-park and existing golf course holes 17 and 18, the mini-golf facility expands west from the proposed new car-parking area.

4.1.2.4 Golf pavilion and precinct

The buildings and associated hospitality service are the attributes of Morack which are the lowest ranked performers when assessed by customers. The buildings, including the change rooms and clubrooms, are below contemporary standards. In addition, food and beverage sales at Morack achieved poor results in the benchmarking review.

The following improvements have been identified in the new Concept Plan:

- Development of a new Golf Pavilion
 - Demolition of the existing resident club building and construction of a new building to connect to a refurbished current golf building to create an enlarged and combined internal floor-plan
 - Re-plan layout of enlarged internal floor-plan to accommodate existing uses and:
 - Incorporate new modern café facility (indoor / outdoor) and multi-purpose space to accommodate the needs of resident clubs, customers and community
 - Open up the visual connection to the driving range
- A new precinct feature entry leading to the golf pavilion entry and golf staging area (including new golf-cart parking area), with connecting pathway from a new bag-drop zone and pedestrian pathway
- Expansion of car-parking spaces to 141 spaces (currently 128) to accommodate increase in visitation arising from facility improvements and development
 - Given Morack already experiences around 100,000 visitations a year, which may increase to over 154,000 with the addition of a new driving range and premium mini-golf facility, availability of convenient car-parking for customers is likely to be insufficient
 - Detailed Council evaluation on ways to increase car-parking will be required

- There is a potential opportunity to incorporate new car-parks on the East Road reserve adjacent to the existing car park
- A detailed traffic analysis will need to be undertaken to identify car park expansion opportunities
- New Golf Cart storage shed
 - 20 carts (plus service and repair) and general storage with environmental wash-down bay adjacent
 - Driving range service area included in golf cart storage shed - ball washing and storage of balls, range equipment and access to ball-dispenser

4.1.2.5 Land and environment

Council's Open Space Strategy (2007) recommends the following:

- Council to continue to protect the natural wetland values through Morack Public Golf Course and identify opportunities to increase the presence of indigenous vegetation, consistent with the continued sporting use of this reserve (recommendation 6.2.6.5 p77 (refer Open Space Strategy recommendation 27.7.4))
- The Golf Course is to be retained in its current location with ongoing improvements to the interface between the Golf Course and the Dandenong Creek riparian zone (recommendation 27.7.4 p298)

With this in mind, the following improvements have been identified in the new Concept Plan:

- Continue with vegetation management (landscaping and tree planting program)
 - Note: the current golf course maintenance contract requires the contractor to reinstate a minimum of 80 trees per year
 - Including removing vegetation impacting playing corridors
- Identify connections to existing and adjacent path/trail networks, including improved sign marking where applicable
 - Review potential new east/west shared-trail connection through the golf course (adjacent to driving range) to Dandenong Creek
 - Monitor the progress of the potential Healesville Freeway Reservation Vision, in particular:
 - Proposed impact on Tee 18
 - Continue discussions with Vic Roads regarding acquisition of land occupied by Tee 18;
 - Connecting Morack to the proposed East – West Share Trail
- Identify ways in which to create habitat connections within the golf course and Dandenong Creek Corridor and potentially Biolink (East - West Share Trail)

4.1.3 Direction 3: Healthy Performance

Delivering financial sustainability and economic benefit

Achieving healthy performance outcomes for Morack relies on the following areas:

- Finance
- Management and operations

4.1.3.1 Finance

Whilst Morack's financial performance has been identified as 'solid', many facility improvements identified will require a sustained financial investment over several years.

It is recommended Council commit to an annual allocation of funds (via the development of an Asset Management Plan) that can be used for asset maintenance, renewal and development. The priority for this allocation is the golf course, course irrigation system, land and environment, and the accompanying improvement works as identified in the new Concept Plan.

Opportunities to commercialise Morack further should be pursued in the short to medium term with the construction of a new Golf Pavilion including:

- A new contemporary licensed café designed to cater to both golfers (increase secondary spend) and the local community (increase visitation and spend)
 - Please note this has implications on the current liquor licenses each held by resident clubs
- A new multi-purpose room to provide improved clubrooms to service the resident golf clubs and pursue growth in this important customer segment, and to provide other customers (e.g. social clubs) and community with a dedicated area for private events
- Enhance the golf shop to grow on successful retail operations with improved integration with the driving range

These opportunities serve to enhance current operations as well as diversify revenue streams, consistent with the guidelines identified in Section 3.4.3.1, in particular the identified need for golf facilities to:

- Consider *new business models* to ensure greater facility visitation and *revenue diversification*; and
- *Actively engage* with their local community.

Secondly, an investment program should be developed to substantially overhaul the driving range, build a new premium mini-golf facility and incorporate infrastructure improvements identified in Section 4.1.2. This will facilitate the introduction of new experiences catering for a wider audience (not just golfers) including better customer access, hospitality service and golf entertainment options.

The particular goals of upgrading the driving range and building a premium mini-golf facility would enable Morack to:

- *Adapt to stay relevant* in today's changing sport, recreation and hospitality market;
- Introduce *short-format* and other *golf-entertainment* participation options.

As the existing infrastructure would require a substantial overhaul, including new protective netting on the eastern and northern boundaries, potential for third-party operator capital investment should be considered. This is further explored in Section 5.1.1.

4.1.3.2 Management and operations

Successful management and operations is critical to the success of Morack.

Both the current golf and course maintenance operators have contracted arrangements to 30 June 2017.

Consideration of current management activities is required as follows:

- Undertake a review of management reporting to incorporate casual and competition 'member rounds' in order to identify those rounds played by members of resident clubs
 - This will provide an informed assessment of the relative visitation contribution of resident clubs
- Introduce an online booking service
- Ensure the identified course improvements that require a review or change of maintenance practices be implemented by the current golf course maintenance contractor
- Throughout the process of implementing site improvements, conduct a marketing campaign to leverage the changes and manage consumer perceptions of Morack, in particular focusing on negative perception of comparatively poor conditions in winter months
- At the conclusion of any major re-development of a new Golf Pavilion, Driving Range and Premium Mini-Golf, and in conjunction with annual course improvements, consider:
 - Re-branding Morack to a new and more location specific brand
 - Implement an above-average increase to green fee pricing to reflect the improved facilities and services (subject to detailed pricing local market competitor pricing comparison and review)

The new Concept Plan incorporates an improved food and beverage service via new Café, Driving Range premium bays and Premium Mini-Golf. A suitably experienced hospitality operator should be engaged as part of any redevelopment.

4.2 Concept Plan

In accordance with the Strategic Directions, a new Concept Plan for Morack has been developed which comprise the following:

- A Site Concept Plan (refer Section 6.1) detailing issues and improvements on the golf course and land
- A Golf Pavilion and Carpark Precinct Detailed Plan (refer Section 6.2) focussing on improvements to the current golf building, precinct, carpark/arrival areas and new premium mini-golf facility
- A Golf Driving Range Precinct Detailed Plan (refer Section 6.3) focussing on a new driving range building, outfield and supporting infrastructure

In support of the Golf Pavilion and Carpark Precinct Detailed Plan, the spatial requirements of the proposed new Golf Pavilion were developed to assist the planning of the precinct and the cost estimate.

A detailed assessment of the proposed uses and area requirements was undertaken to maximise the utilisation of the existing building infrastructure and minimise construction of a new building. A detailed schedule of proposed areas and a functional relationship of the proposed Golf Pavilion is included in the Strategic Plan Report.

5. Part 3 – Finance and Implementation

The Strategic Directions and new Concept Plan have created a logical framework and vision to guide the future development and enhancement of Morack to achieve success as a contemporary golf facility.

To assist Council initiate and undertake this transformation, the potential performance and financial implications of the new Concept Plan (investments and revenue) have been identified. Also, a detailed implementation plan with short, medium and long-term activities has been prepared.

5.1 Financial Implications

Estimated development costs of the new Concept Plan and a supporting revenue model have been developed.

5.1.1 Concept Plan – Development Costs

The estimated cost for each major component of the new Concept Plan is summarised:

Component	Sub-Component	(\$)	(\$)	Capital	Operating
Golf Pavilion + Precinct	Demolition + Site Preparation	\$ 231,400			
	Golf Pavilion	\$ 2,113,000			
	Pathways + Signage	\$ 295,700	\$ 2,943,000	\$ 2,943,000	
	Carpark / Driveway + Service Area + Landscape	\$ 234,900			
		\$ 68,000			
Driving Range	Driving Range	\$ 1,215,000	\$ 1,215,000	\$ 1,215,000	
Premium Mini-golf	Mini-golf facility	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	
Other	Golf Cart Storage Building	\$ 123,000	\$ 123,000	\$ 123,000	
	Golf Course	\$ 906,500	\$ 2,496,500		\$ 906,500
Golf Course + Maintenance	Course Maintenance Facility (temporary)	\$ 250,000		\$ 250,000	
	Course Maintenance Facility (new)	\$ 1,000,000		\$ 1,000,000	
	Course Irrigation	\$ 340,000			\$ 340,000
			\$ 7,877,500	\$ 6,631,000	\$ 1,246,500

Source: WellPlayed analysis, Development cost estimates

Detailed estimates and supporting assumptions with notes are included in the Strategic Plan Report.

It is important to acknowledge that the cost estimates have not been prepared by a quantity surveyor (as this was beyond the current project scope) and have been based on the Project Team's best-estimates. Its purpose is to provide a high-level indication of the investment required to implement major elements of the new Concept Plan.

5.1.1.1 Capital Investment

Based on the cost estimate, a capital investment of around \$5.6M is required to construct a new golf pavilion, driving range, premium mini-golf, temporary course maintenance staff building and golf cart storage shed.

Recognising that Council may not have access to these funds, consideration should be given to engaging with the third-party golf operator market to seek interest and commitment to co-invest in implementing aspects of the new Concept Plan.

Third-party golf operator capital investment currently exists within the marketplace. There are recent examples where golf facility owners, particularly local councils, have entered into agreements with a third-party golf operator who is obligated to provide capital investment toward facility improvements.

Examples include:

- In 2014, a council-owned golf facility in metropolitan Victoria, experiencing around 50,000 golf rounds annually, entered into a new agreement with a third-party operator who was required to invest \$200,000 to build 3 indoor golf simulators (and associated golf building works) as part of a 3-year management agreement.
- In 2014, a privately owned golf facility in regional Victoria entered into a new agreement with a third-party operator who was required to invest \$300,000 into clubhouse and pro shop improvements as part of a 5-year management agreement (with a 5-year option).
- In 2014, a council-owned golf facility in regional Victoria entered into a new agreement with a third-party operator who was required to invest \$1M (maintenance equipment, pro shop fit-out and golf building improvements) as part of a 21-year lease agreement.
- In 2014, a council-owned golf facility in metropolitan Victoria, experiencing around 80,000 golf rounds annually, entered into a new agreement with a third-party operator who was required to contribute \$1.4M towards a local stormwater harvesting project, and invest \$1.75M towards the golf course infrastructure and buildings, as part of a 20-year lease agreement.
- In 2010, a state-owned golf facility in metropolitan Victoria entered into a new agreement with a third-party operator (investor consortium) who was required to undertake a multi-million dollar investment program over the first 3 years (upgrading the golf course, expanding the driving range, building a new premium mini-golf facility and improving the golf shop appearance) as part of a 21-year lease agreement.

Generally, third-party operator investments are supported by longer term contracts and a financial model which results in an increase in revenue to the operator to fund its capital contributions.

Council could consider implementing a market-based approach to attract a golf operator who is willing to co-invest in Morack.

Co-investment may be a commitment from an operator to build the new driving range, premium mini-golf and golf cart storage (approximately \$2.4M), supported by a commitment from Council to invest in the new golf pavilion (approximately \$2.95M).

Investment in a new and larger course maintenance facility (approximately \$1M) is a long-term aspiration and no funding commitment from Council is anticipated at this stage. However, given the identification of asbestos and the overall condition of the current course maintenance staff building, \$250,000 should be allocated in years 1-3 to fund the removal of the existing course maintenance staff building and install a temporary facility (portable building at existing location).

5.1.1.2 Operating Investment

From an operating perspective, an Asset Management Plan for Morack should allocate \$140k a year for course improvements and irrigation maintenance and upgrades (then increasing annually by CPI) to achieve the prioritised course improvements.

Council should support the third-party golf operator and co-invest in marketing and promotion activities. Given Morack's 'back-street' location, funding is required to combat the lack of traffic passing the facility to gain attention. Annual investment should remain at the current level of \$15,000 with a further increase to \$25,000 from Year 5 to market the improved golf course, new Driving Range and Premium Mini-golf. A commitment of \$20,000 should be set aside in year 5 of the implementation plan to re-brand Morack to a new and more location specific brand (in conjunction with any major re-development). Also, annual funding assistance from Council (\$7,500 p.a.) should be provided to the third-party golf operator to implement low-cost participation programs.

The annual operating investments should be derived from the net financial surplus delivered by Morack.

5.1.2 Concept Plan – Performance Models

Community visitation, financial sustainability and economic benefit arising from Morack's operations rely on the ability for Morack to maintain and grow visitation and revenue; together with containing Council's operating costs.

Performance models have been prepared to provide a high-level estimate on visitation and revenue which may result from the implementation of major aspects of the new Concept Plan. A comparison to recent performance (FY16) and maintaining current conditions (no Concept Plan improvements) is included.

5.1.2.1 Visitation

Annual demand for the facilities incorporated in the new Concept Plan has been estimated. Historical and current performance of golf course and driving range visitation provide an informed foundation on which to base future estimates for these facilities.

Accurately estimating demand for mini-golf is more difficult and the following methodology has been adopted to develop a demand model for premium mini-golf facility at Morack:

- Consider the feasible visitation for an 18-hole mini-golf facility by considering known visitation data from existing national facilities; and
- Apply discount factors for local market considerations as well as the proposed site design.

The Project Team is not able to disclose visitation data for specific mini-golf facilities. However based on known data, a contemporary and high quality outdoor 18-hole mini-golf facility catering to both casual visitors, children's parties and business events can achieve visitation in the order of 30,000 to 40,000 visits per annum.

Based on the Project Team's experience and observations of similar facilities in Victoria and nationally, the following discount factors have been applied to visitation at the Morack premium mini-golf facility:

- A reduction of 10% given the 'back-street' location (additional marketing funding would be required to combat the lack of traffic passing the facility to gain attention)

- A reduction of 10% given the relative lack of existing local businesses immediately proximate to the site, impacting visitation via business events

Based on the above, three scenarios were developed to projected annual visitations as follows:

- Optimistic Case 30,000 visitations per annum
- Conservative Case 25,000 visitations per annum
- Worst Case 20,000 visitations per annum

For the purposes of the visitation estimates and revenue projections, the conservative case was adopted.

Visitation estimates have been developed for the first full-year of operating under three scenarios – not undertaking any improvements to Morack (Do Nothing), undertaking course improvements only, and implementing the full Concept Plan. Visitation estimates are as follows:

Visitation estimates				
	Current conditions (FY16)	Do Nothing (Year 1)	Course Improvements Only (Year 10)	Full Implementation of Concept Plan (Year 5)
Golf Course	58,808	59,916	65,009	62,180
Driving Range	38,698	40,033	40,033	59,605
Premium Mini-golf	-	-	-	25,000
Non-golf café visits	-	-	-	-
Total:	97,506	99,949	105,042	146,784
	<i>% to current:</i>	2.5%	7.7%	50.5%

Source: WellPlayed analysis, Visitation estimates

Supporting assumptions:

- Current conditions (maintained) = no implementation of Concept Plan improvements (no investment by Council)
 - Maintenance of 7 year average in golf round visitation
 - Maintenance of 7 year average in driving range visitation
- Course improvements (pro forma year) = implementation of Concept Plan course improvements only
 - 7 year average in golf round numbers then minor annual increase (.85%) for 10 years (8.5% increase in golf visitation)
 - Based on 50% of demand indicated from customer survey
 - Maintenance of 7 year average in driving range visitation
- Concept Plan = full implementation of new Concept Plan improvements
 - 8.5% increase in golf visitation
 - Based on 50% of demand indicated from customer survey
 - Refer the Consultation and Research Findings Report for new driving range detailed performance estimates
- Initial premium mini-golf visitation = 25,000 (based on conservative case estimate)
- It is difficult to estimate the number of non-golf café visits and this has deliberately been excluded from the model

Key observations of the visitation model include:

- It will be difficult to maintain existing visitation to Morack if the new Concept Plan improvements are not undertaken as WellPlayed believes a lack of investment in facilities and services will see Morack effectively decline in its offering compared to its competitors
- There will be a minor increase in visitation if only the course improvements are implemented
- Improvements arising from the new Concept Plan will increase visitation to Morack
 - A new driving range and premium mini-golf facility could increase visitation by 50% (from 100,00 to over 150,000)
 - Whilst not specifically estimated, a high-quality execution of a new Café will drive additional visitations to Morack, which should result in additional visitation to Morack's other improved facilities

5.1.2.2 Revenue

Revenue estimates have been developed for a first full-year of operating under 2 scenarios – not undertaking any improvements to Morack (Do nothing), and implementing the full Concept Plan. Given the visitation benefit arising from undertaking only the course improvements is marginal; no revenue model has been developed for this scenario. Revenue estimates are as follows:

Revenue estimates							
	Total revenue		Full Implementation of Concept Plan (pro forma year)				
	Current conditions (FY16)	Do Nothing (Year 1)	Total revenue	CoW share (xii.)		Operator share (xii.)	
			\$	%	\$	%	\$
1. Golf Course	\$960,592	\$1,002,891 <i>i.</i>	\$1,066,163 <i>iv.</i>	75.0%	\$799,622	25.0%	\$266,541
2. Driving Range	\$387,270	\$410,746 <i>ii.</i>	\$639,657 <i>v.</i>	75.0%	\$479,742	25.0%	\$159,914
3. Lessons	\$109,456	\$115,003 <i>iii.</i>	\$131,347 <i>vi.</i>	5.0%	\$6,567	95.0%	\$124,780
4. Golf Retail	\$410,255	\$431,047 <i>iii.</i>	\$675,207 <i>vii.</i>	5.0%	\$33,760	95.0%	\$641,447
5. Cart hire	\$99,534	\$104,578 <i>iii.</i>	\$157,500 <i>viii.</i>	5.0%	\$7,875	95.0%	\$149,625
6. Hospitality:							
- F&B (current)	\$159,472	\$167,554 <i>iii.</i>	- <i>ix.</i>				
- New café	-	-	\$45,000 <i>x.</i>	100.0%	\$45,000		
7. Premium Mini-golf	-	-	\$300,000 <i>xi.</i>	75.0%	\$225,000	25.0%	\$75,000
Total:	\$2,126,579	\$2,231,819	\$3,014,874		\$1,597,568		\$1,417,306
		4.9%	42%				
				FY16 share:	\$1,049,832		\$1,076,747
				\$ change:	\$547,735		\$340,560
				% change:	52.2%		31.6%

Source: WellPlayed analysis, Revenue estimates

Supporting assumptions:

- Year 1 rounds is continuation to achieve 7 year average
 - Average green fee = \$16.33 excl GST (maintain at 2015/16 average with no CPI increase)
- Driving range visitation at same average spend rate to current (\$10.01)
- Other revenue items reduced by same % as overall visitation reduction under 'Do Nothing' scenario with annual price increase of 2.5%
- Golf rounds have been increased from 5-year average reflecting course improvements
 - % increase in player rounds = 8.5%
 - Average green fee = \$16.33 excl GST (2015/16 average) x price increase due to enhanced offer
 - Average green fee price increase = 5%

– Average green fee to be achieved = \$17.15

- v. Reference is included in Consultation and Research Findings Report for new driving range performance estimates
- vi. 20% increase in lessons revenue with enhanced range bays
- vii. Currently achieving \$4.60 retail spend per site visitor, assume same rate for new visitation
- viii. Cart hires = 15 carts x 300 hires p.a. x \$35 (excl GST) average hire fee = 5%
- ix. Revenue for F&B revenue from new café offer has not been modelled
- x. Café lease estimate of \$45k without outgoings (operator revenue not modelled)
 - o Operator to generate revenue from café and premium bays
 - o Subject to market-based assessment process to determine the best financial outcome
- xi. Premium mini-golf visitation = 25,000 p.a based on conservative case estimate.
 - o Average mini-golf fee = \$12 (junior = \$11 and adult = \$15)
 - o Council share = 75% / Golf operator share = 25% as per current contract arrangements for green fees and driving range revenue.
- xii. Actual revenue sharing % is subject to market-based assessment process to determine the best financial outcome

Key observations of the visitation model include:

- It will be difficult to maintain revenue if the new Concept Plan improvements are not undertaken, as noted previously
- Improvements arising from the new Concept Plan will enable Morack to increase and diversify its sources of revenue (subject to a market-based assessment process)
 - o Golf course revenue will increase resulting from increased visitation and price increase (enhanced offer resulting from improvements)
 - o Driving range revenue will increase resulting from an increase in the total number of bays and enhancing the yield through diversification of the product offer (premium bays)
 - o Cart hire to increase due to increase in number of carts for hire
 - o Revenue from premium mini-golf will potentially deliver an additional \$210,000 to Council
 - o Overall, total revenue has grown around 40%, with Council's share potentially increasing from \$1.049M to \$1.574M (50%)
 - Revenue sharing with a third-party golf-operator to be determined via a market-based assessment process (potentially including co-investment)
 - New hospitality lease revenue from a new third-party hospitality operator as part of enhanced food and beverage offer (subject to market-based assessment)

The model, and supporting assumptions, is a conservative model of potential revenue returns to Council. Ultimately the returns should be determined by a market-based assessment, including any co-investment requirements. Operating expenses have not been modelled.

5.1.2.3 Performance contribution 10 year projection summary

The estimated performance of visitations to Morack and key financial indicators have been modelled over a 10 year period for the three scenarios from 'Do Nothing', 'Course Improvements Only' and 'Full Implementation' of new Concept Plan improvements and are summarised in the following tables:

Visitations 10 Year Projections	Visits - Course	Visits - Range	Visits - Premium Mini-Golf	Visits - Total
Do Nothing	582,984	400,327	0	983,311
Course Improvements	624,626	400,327	0	1,024,953
Full Implementation	624,626	528,289	182,548	1,335,463

Source: WellPlayed analysis, Annual visitation estimate

Financials 10 Year Projections	Income	Expenditure	Gross Surplus	Recharges	Net Surplus	Capital Exp.
Do Nothing	\$16,518,798	\$13,016,440	\$3,502,357	\$1,120,338	\$2,382,019	0
Course Improvements	\$17,514,472	\$13,193,940	\$4,320,531	\$1,120,338	\$3,200,193	\$1,496,900
Full Implementation	\$21,734,182	\$14,327,709	\$7,406,473	\$1,120,338	\$6,286,135	\$6,877,500

Source: WellPlayed analysis, Annual financial operating and capital expenditure estimates

Supporting assumptions:

- Income as per revenue model (refer Section 5.1.2.2)
 - Revenue sharing % as per revenue model (subject to market-based assessment process to determine the best financial outcome)
- Course maintenance contract fee = \$700k (including GST).
- The new course maintenance facility estimated at \$1,000,000 is not included within the full implementation plan as it is allocated beyond the program.

Key observations of the performance contribution model include:

- When compared to Council's net surplus in FY16 (\$227,254), the net surplus from Year 1 of the full implementation of the Concept Plan = \$737,778. This \$510k increase is attributable to:
 - Increase in visitations from 97,506 to 146,784
 - Increase in revenue share from \$1,049,832 to \$1,597,568
 - Increase in course maintenance contract expense at 2.5%
 - Increase in recharge expenses at 2.5%

5.2 Recommendations and Implementation Plan

Implementation of the Strategic Plan for a new Morack focuses on recommended actions for both operations and facility infrastructure improvements.

Recommendations have been classified as follows:

1. Strategic Direction	Action I.D.	Improvement Attribute	Element	Yr/s	Investment (\$)	Recommendation	Resp.
Description...					S = Yrs 1-3 M = Yrs 4-6 L = Yrs 7-9		

Classifications explained:

- Strategic direction = relevant strategic direction
- Action I.D. = action #
- Improvement attribute = improvement group
- Element = improvement type
- Years = the recommended year, or consecutive years, of implementation
 - Year 1 = FY17/18
- Investment (\$) = estimated capital and operating investment as prioritised
 - S = short-term (years 1 -3)
 - M = medium-term (years 4-6)
 - L = long-term (years 7-9)
 - All \$ estimates are in current values and any future year 'cost escalations' due to CPI and/or other factors has been deliberately excluded
- Recommendation = description of action required
- Resp. = responsible entity with 'lead' entity listed first
 - C = Council
 - GO = Golf Operator
 - CMC = Course Maintenance Contractor

5.2.1 Direction 1: Active Community

Recommendations to maintain and grow facility visitation and access are:

1. Active Community	Action No.	Improvement Attribute	Element	Yr/s	Investment (\$)			Recommendation	Resp.
<i>Maintaining and growing facility visitation and access</i>					S = Yrs 1-3 M = Yrs 4-6 L = Yrs 7-9				
	1.1	Marketing	Communications	1-9	No cost	No cost	No cost	Utilise Council communication channels to promote Morack's facilities and services to enable new markets to be approached and drive visitation	GO + C
	1.2	Marketing	Promotion	1-9	45,000	65,000	75,000	Council should support the third-party golf operator and co-invest in marketing and promotion activities. Annual investment should remain at the current level of \$15,000 with a further increase to \$25,000 from Year 5 to market the improved golf course, new Driving Range and Premium Mini-golf	GO + C
	1.3	Visitation	Program	1-9	22,500	22,500	22,500	Encourage the golf operator to implement low-cost participation programs (by co-funding) - females, families, diverse groups, younger generations and people with a disability	C + GO
	1.4	Visitation	Program	1-9	No cost	No cost	No cost	Other complimentary activities that drive visitation to Morack and diversify its offerings should continually be explored	C + GO
	1.5	Visitation	Program	1-9	No cost	No cost	No cost	Fun and enjoyment, outdoor natural environment, relaxation, health benefits, social experience and the personal challenge should be prioritised when developing Morack's visitation activities	C + GO
	1.6	Visitation	Program	1-9	No cost	No cost	No cost	Encourage the golf operator to maintain programs responding to golf's participation barriers – including game difficulty, time commitment to play (short-format options), cost and rigid structure	GO + C
		Investment sub-total			67,500	87,500	97,500		

5.2.2 Direction 2: Evolving Infrastructure + Environment

Recommendations to maintain and develop relevant facilities in connected and sustainable open space are:

2. Evolving Infrastructure + Environment	Action No.	Improvement Attribute	Element	Yr/s	Investment (\$)			Recommendation	Resp.
<i>Maintaining and developing relevant facilities in connected and sustainable open space</i>					S = Yrs 1-3 M = Yrs 4-6 L = Yrs 7-9				
	2.1	Golf Course	Improvements	1-9	196,480	397,480	312,500		\$6.12
	2.2	Maintenance Staff Facility	Temporary	1-3	250,000	-	-	Remove existing staff building and install temporary facility	C
	2.3	Maintenance Course Facility	Re-development	10+	-	-	-	Estimated \$1M. Includes expansion into adjacent caretaker's residence.	C
	2.4	Course Irrigation	Upgrade + Maintenance	1-9	220,000	20,000	100,000		C + CMC
	2.5	Driving Range	Re-development	4-5	121,500	1,093,500	-	Estimated \$1.215M. Seek co-investment from the third-party golf operator market	C (+ GO)
	2.6	Premium Mini-golf	New development	4-5	110,000	990,000	-	Estimated \$1.215M. Seek co-investment from the third-party golf operator market	C (+ GO)
	2.7	Golf Pavilion + Precinct	Re-development	2-5	294,300	2,648,700	-	Estimated \$2.943M. Investment over four years.	C
	2.8	Golf Cart Storage	New development	5	-	123,000	-	Construction near end of golf pavilion and driving range re-development.	C (+ GO)
		Investment sub-total			1,192,280	5,272,680	412,500		

5.2.3 Direction 3: Healthy Economics

Recommendations to deliver financial sustainability and economic benefit are:

3. Healthy Economics	Action No.	Improvement Attribute	Element	Yr/s	Capital Investment (\$)			Recommendation	Resp.
<i>Delivering financial sustainability and economic benefit</i>					S = Yrs 1-3 M = Yrs 4-6 L = Yrs 7-9				
	3.1	Management + Operations	Golf Operations + Course Maintenance	1	-	-	-	Extend current contracted arrangements to 30 June 2017	C
	3.2	Management + Operations	Bookings	1-2	No cost	-	-	Introduce on-line bookings	GO + C
	3.3	Management + Operations	Pricing	1-5	No cost	No cost	-	Review pricing strategy to assess impact of unlimited pass and address options for demand-based pricing	GO + C
	3.4	Finance	Asset M'ment Plan	1-9	Item 2.1	Item 2.1	Item 2.1	Annual plan (9-year plan). Est. \$140k per year as per item 2.1	C
	3.5	Marketing	Communications	1-9	No cost	No cost	No cost	Manage consumer perceptions of Morack (focussing on negative perception of drainage in winter months)	GO + C
	3.6	Management + Operations	Reporting	1-9	No cost	No cost	No cost	Incorporate casual and competition 'member rounds' in rounds reporting	GO + C
	3.7	Capital Investment	Project Planning	2	Item 2.6	Item 2.6	Item 2.6	Development of design briefs and preliminary cost plan	C
	3.8	Capital Investment	Project Planning	3	Item 2.6	Item 2.6	Item 2.6	Project manager and design/construction appointment	C
	3.9	Management + Operations	Course Maintenance	2	-	-	-	Implement a market-based approach to attract a new course maintenance contractor	C
	3.10	Management + Operations and Capital Investment (if applic)	Golf Operations	2	Item 2.6	Item 2.6	Item 2.6	Implement a market-based approach to attract a new golf operator (potentially willing to co-invest in Morack)	C
	3.11	Management + Operations	Food & beverage	2	Item 2.6	Item 2.6	Item 2.6	Implement a market-based approach to attract a new hospitality operator	C
	3.12	Marketing	Branding	5	-	20,000	-	Re-brand Morack to a new and more location specific brand in conjunction with any major re-development	C + GO
		Investment sub-total			-	20,000	-		

5.2.4 Golf Pavilion + Precinct, Driving Range and Premium Mini-Golf

The recommendations and implementation plan has assumed that a new Golf Pavilion + Precinct, Driving Range and Premium Mini-Golf open for business in Year 5 . This major project is subject to Council funding and/or potential co-investment from a third-party golf operator.

If Council decide to proceed with planning for this development, then a number of planning activities will be required:

- Detailed design briefs for the Golf Pavilion + Precinct, Driving Range and Premium Mini-Golf
 - Including additional trajectory study to assess the driving range safety netting requirements
- Engagement of project managers (if applicable) and firm/s to undertake the detail design and construction
- Develop and implement a market-based approach to attract a golf operator who is willing to co-invest in Morack and a new hospitality operator

5.2.5 Investment Summary

Based on the proposed implementation plan, a summary of both the operating and capital investments in a new Morack is as follows:

	S = Yrs 1-3	M = Yrs 4-6	L = Yrs 7-9	Total
Investment total	1,259,780	5,380,180	510,000	7,149,960
<i>Operating Investment</i>				
Asset M'ment Plan	416,480	417,480	412,500	1,246,460
Marketing + Visitation	67,500	87,500	97,500	252,500
Communications		20,000		20,000
<i>average annual operating investment</i>	161,327	174,993	170,000	
<i>Capital Investment*</i>	775,800	4,855,200	-	5,631,000
<i>*Subject to any co-investment</i>				

6. Appendices

6.1 Appendix 1 – Site Concept Plan



6.2 Appendix 2 – Golf Pavilion & Carpark Precinct Detailed Plan



6.3 Appendix 3 – Golf Driving Range Precinct Detailed Plan

