



ESSENTIAL ECONOMICS

Bostock Reservoir, Ballan

Tourism Potential

Prepared for

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and

Barwon Water

by

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INTRODUCTION

Background

Barwon Water is the authority that owns and manages water infrastructure serving Geelong and the surrounding district. Bostock Reservoir, located just 3.6 km to the west of Ballan Township, is one of a number of water storages in the Barwon Water portfolio.

While Bostock Reservoir will remain as part of required water infrastructure, land to the east of the reservoir is surplus to requirements. Barwon Water is seeking to sell the surplus land to fund other projects.

As a first step, the land needs to be rezoned from a Public Use Zone (with overlays) to permit appropriate alternative uses. Barwon Water have engaged SMEC to manage the strategic planning of the site.

One possibility being considered is a tourism development on the site, particularly in view of a nearby mineral spring and other natural features. SMEC and Barwon Water engaged Essential Economics to broadly investigate the tourism potential of the Bostock Reservoir land. The results of this study are intended to guide SMEC in their approach to a rezoning application to Moorabool Shire.

Objective

The objective of this study is to broadly investigate the tourism potential of the surplus land at Bostock Reservoir, and to suggest the scale and types of potential tourism projects.

This report is not intended to be a commercial feasibility study.

Approach

To undertake this assignment, Essential Economics adopted the following approach:

- 1 Conducted fieldwork, including a site inspection and visits to nearby tourism destinations, particularly Daylesford and Hepburn Springs.
- 2 Prepared tourism profiles of the surrounding areas, including an accommodation snapshot, and identified gaps in the local tourism offer.
- 3 Prepared case studies for five regional tourism projects and identified key success factors.
- 4 Prepared an opportunities and constraint analysis of the Bostock Reservoir site.
- 5 Suggested three tourism concepts that may be suitable for the site.

This Report

This report contains the following chapters:

- 1 **Site Analysis** discusses the regional and local context of the site, and the opportunities and constraints associated with developing a tourism project.
- 2 **Tourism Market Profile** analyses current relevant tourism trends and profiles the local tourism industry.
- 3 **Case Studies** considers five regional tourism attractions, identifies key success factors, and draws lessons for a potential development at Bostock Reservoir.
- 4 **Bostock Reservoir Tourism Concepts** identifies three potential tourism concepts that may be appropriate at the site.
- 5 **Conclusions** recommends the next steps in pursuing a tourism development.

1 SITE ANALYSIS

1.1 Location, Regional and Local Context

Bostock Reservoir is part of Barwon Water’s network of catchment dams. Located in regional Victoria, Bostock Reservoir is 73 km north-west of the Melbourne CBD; 28 km east of Ballarat; 68 km north of Geelong; 94 km south of Bendigo; and 27 km south of Daylesford. It is located just 3.6 km west of the Ballan Township (Map 1.1).

The drive times between Bostock Reservoir and various Victorian locations is shown in Table 1.1 below.

Table 1.1: Drive Time from Selected Locations, Bostock Reservoir

Location	Drive Time to Bostock Reservoir
Ballarat	40 min
Geelong	1hr 5 min
Daylesford	30 min
Ballan	5 min
Tullamarine Airport	1hr 10 min
Melbourne CBD	1hr 30 min
Glen Waverley	2hr 0 min
Albury	4hr 0 min

Source: Essential Economics, Google maps

Access to Bostock Reservoir from the western suburbs of Melbourne is particularly straightforward along the Western Freeway (M3), exiting at Geelong-Ballan Road and entering the site via Shaws Road. Access to the site for travellers from Ballarat is equally straightforward, exiting the M3 at the same interchange.

North-south access is also easy along C141, which links directly to the popular tourist destination of Daylesford in the north and to Geelong in the south.

The nearest township is Ballan, around 3.6 km east of the public carpark adjacent to the reservoir (Map 1.2). Ballan is on the Ballarat V/Line route and is an increasingly popular commuter town for those working in Melbourne. Travel time from Ballan to Melbourne Southern Cross is just under one hour, and twenty Ballan/Melbourne/Ballan services operate on weekdays.

Approximately 1.4 km of Shaws Road leading to Bostock Reservoir is unsealed, and will likely need to be surfaced as part of a tourism development.

Map 1.1: Bostock Reservoir Regional Context



Source: Essential Economics, Bing Maps.

Map 1.2: Bostock Reservoir Local Context



Source: Essential Economics, Near Maps.

1.2 Site Characteristics and Features

Figure 1.1 shows an aerial view of the Bostock Reservoir site, while Photos 1.1 to 1.12 show photos of the site:

- The boundary of land owned by Barwon Water is shown by the dark blue line in Figure 1.1. While not shown on the aerial image, the boundary of Barwon Water's land holding extends to the other side of the reservoir, beyond which is publicly-owned forestry land.
- The area outlined by the red line is 48 hectares in size, and depicts the parcel of land proposed to be sold by Barwon Water in one lot. Currently zoned as Public Use, a new zoning to allow other uses will also apply to the entire 48 hectares.
- The area outlined by the yellow line is 19 hectares in size, and depicts a proposed development boundary. It is understood that this development boundary is based on the location where existing development has occurred or where native bushland has been already disturbed. However, the extent of the development boundary may be extended elsewhere on the site (e.g. north into existing native bushland) providing that any tourism development satisfies ecological requirements and does not compromise the quality of Bostock Reservoir's water supply.
- Shaws road is the only public access point to the site.
- A small landscaped picnic ground, with a public toilet block, is accessible by the public, and is situated just outside the parcel proposed to be sold.
- A house on a cleared grassy area is positioned just to the north of Shaws Road, and would be part of the proposed development site.
- To the north of the house is located a Barwon Water maintenance depot, also able to be developed.
- A mineral spring is located just beyond the eastern boundary of the Barwon Water land holding, and it is expected that Barwon Water would be able to access this spring for tourism purposes, subject to authority approvals and a reliable supply of mineral water. However, at this stage the capacity of the spring is not known.
- A private road to the south-west of the picnic area is built on top of the reservoir retaining wall. The road leads to a spillway into Bostock Channel to handle periods when the reservoir is full.
- The dark green area within the development boundary is a pine plantation, as are areas located on the western and northern sides of the reservoir.
- Other forested areas are natural growth. An ecological assessment of the proposed development site (SMEC, November 2015) indicates there are likely to be few constraints on development arising from the existing patterns of flora and fauna. As noted earlier, it may be possible to develop in the natural bushland north of the development area, but subject to strict requirements.

- The northern boundary of Barwon Water land is the Moorabool River (east branch). The river is dammed immediately upstream by the reservoir, and only flows when heavy and prolonged rainfall allows water release. While the river does not flow into Bostock Reservoir, it does feed into another Barwon Water dam further upstream.
- An abandoned quarry (the yellow patch) is situated near the eastern corner of the development site. This area will probably need to be remediated as part of a tourism development.

Photo 1.2 Picnic area



Photo 1.2 Looking west from picnic area



Photo 1.3 Road on retaining wall



Photo 1.4 Existing house



Photo 1.5 Looking NW from spillway



Photo 1.6 Scrubby bushland



Photo 1.7 Disused quarry



Photo 1.8 Moorabool river site boundary



Photo 1.9 Looking west from river boundary



Photo 1.10 Native bush on ridge line



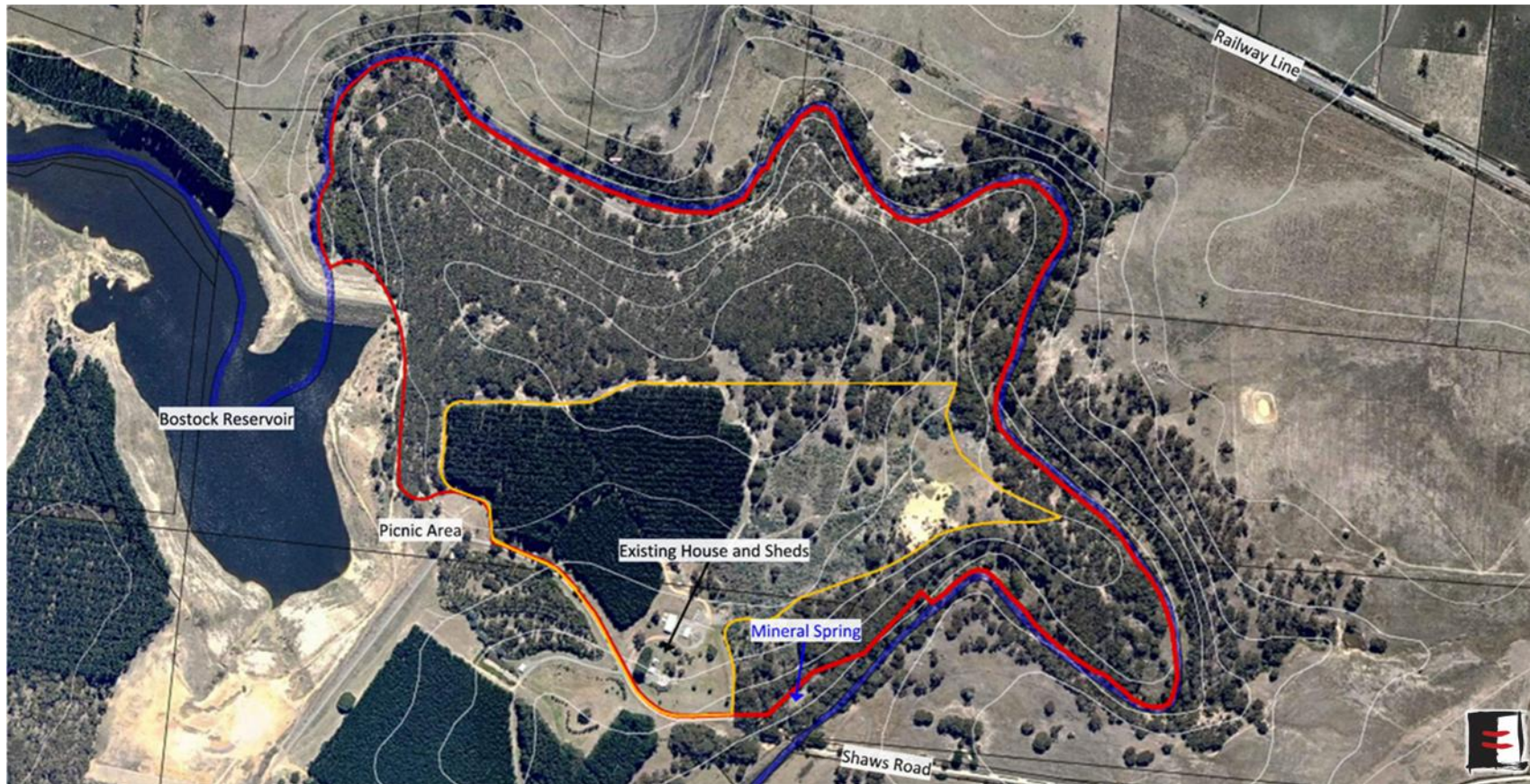
Photo 1.11 Mineral spring



Photo 1.12 Mineral spring signpost



Map 1.3: Bostock Reservoir Site Features



Source: SMEC, Essential Economics

Topography and Natural Features

Map 1.3 also shows the contours of the site:

- The land parcel proposed to be sold contains a small hill, peaking in the middle of the site at an elevation of about 510 metres.
- The downwards slope from the ridge line through the pine plantation towards the existing house and the picnic area is fairly gentle. The picnic area is at an elevation 500 metres, while the house is at an elevation of 480 metres.
- The contour lines north of the ridge line are closer together, indicating a steeper drop-off to the river, which is at an elevation of about 460 metres.
- Within the proposed development site, the slope of the land eastwards (towards the disused quarry) is also reasonably gentle.

The 'hilliness' of the site is a natural feature that a tourism development could exploit. For example, a network of walking or cycling paths of varying difficulties could be created as part of an active recreation offer. Paths could also be extended into the southern and western side of the reservoir on publicly-owned land.

As flagged earlier, if development of environmentally-sensitive facilities was permitted in the native bushland to the north of the proposed development area, it may encourage some tourism operators to consider certain types of facilities, for example an eco-lodge.

Subject to environmental approval, vegetation to the east of the plantation on the proposed development site could be cleared or reforested, depending on the requirement of a tourism project. This area, opening on to the Moorabool River valley, could provide a pleasant outlook.

The pine plantation, it is understood, could be substantially removed, if required.

While the Moorabool River is situated in close proximity to the site, its intermittent flow does not present any active recreation opportunities.

The Reservoir

Into the future, Bostock Reservoir will remain part of the part of the Barwon Water catchment network. At the time of fieldwork in late October 2015, the reservoir was only 4.5% full, and has since deteriorated to be less than 2% full. Inflows to the reservoir are entirely dependent on rainfall, and Barwon Water has no capability to top up Bostock Reservoir from other storages.

Water levels of Bostock Reservoir fluctuate quite significantly. In 2012, the reservoir was close to full capacity for most of the year before averaging around 85% full in 2013. However, in 2014 the reservoir started the year at 80% capacity before dropping to about 5% capacity by the end of the year. It has remained at that level, or below, since that time.

The visual amenity associated with the dam is highly dependent on water levels. When the reservoir is almost full, it creates an attractive landscape, and it would be a well-regarded feature of a tourism destination.

By contrast, the present water levels create a bare and unattractive landscape.

The varying and inconsistent water levels of Bostock Reservoir, and the lack of a mechanism for Barwon Water to regulate water levels, means that opportunities to actively incorporate the dam into a tourism venture are substantially limited.

However, fishing from the banks of the reservoir is permitted, and Barwon Water regularly supplies the dam with fresh fish stocks.

The continuing use of Bostock Reservoir as a potable water supply also places other restrictions on tourism development potential:

- Substantial development west of the ridge line towards the reservoir is unlikely to be permitted because of the danger of contaminant runoff into the dam. In particular, a sewage and waste treatment plant to service any tourism development could only be constructed north or east of the ridge line. Pumping sewage to the plant from accommodation or other tourism infrastructure west of the ridge line is likely to be considered an unacceptable risk.
- No boating or other on-water activities are permitted on the reservoir and, even if they were, construction of a boat ramp would not be allowed. This restriction includes non-motorised water craft (e.g. kayaks or canoes) and swimming.
- Similarly, paths or tracks to allow vehicle access to the water's edge of the reservoir would not be permitted.

1.3 Summary of Positive and Negative Factors

The surplus land at Bostock Reservoir has a number positive features with regard to the potential for a tourism development.

The **positive** aspects include the following:

- Its proximity to Melbourne, Ballarat and Daylesford and easy access from major roads.
- At the same time, the location is sufficiently secluded to consider a retreat-style development.
- Its adjacency to a mineral water spring.
- The pleasant hilly terrain and natural bush setting, plus the availability of reasonably flat areas, means that the site is quite flexible with regard to development of a tourism facility.
- Access to the banks of the reservoir for fishing.
- The large size of the site, serviced by roads and other infrastructure.
- Probable single ownership and an ability to masterplan and stage a development.

On the **negative** side, a number of factors may limit the nature and scope of tourism development, including:

- The variability of water levels in the reservoir means the attractiveness and visual amenity offered by the dam will be inconsistent and beyond the control of a tourism operator.
- Restrictions on development because of the reservoir continuing to be a potable water source. These limitations mean that a tourist attraction featuring any water-based activities (other than fishing from the banks) will not be possible.
- While a mineral spring is located near the site, it is assumed that Barwon Water will be able to access the spring. However, further investigations are required to clarify whether the spring has sufficient capacity to support tourism ventures of varying scales.
- Although the site has some attractive bushland it is not especially beautiful or exceptional.
- The pine plantation adds no particular value to the site from a tourism perspective, yet covers more than one-third of the land allocated to development.
- From Barwon Water's perspective, it makes sense to sell off the surplus land in its entirety. However, present thinking would only allow less than 40% of the site to be developed. This constraint may deter purchasers, or significantly diminish the value of the 60% of land unable to be developed.
- Furthermore, prior to rezoning and marketing the land, any uncertainty about what can and cannot be developed, and where on the site development will be permitted, will need to be removed. Uncertainty about these issues will clearly deter prospective buyers.

2 TOURISM MARKET PROFILE

2.1 Victorian Tourism Market Trends

Tourism is an important and increasing part of Victoria's economy. According to the latest statistics, the direct and indirect contribution of tourism to Victorian Gross State Product was \$20.6 billion (5.9% of total GSP) in 2013-14. Tourism supported 206,000 jobs or 7.2% of total Victorian employment. (Tourism Research Australia, *Victoria's Tourism Performance*, September 2015).

In the five years to 2015, Victorian tourism experienced healthy growth in visitor numbers and visitor nights. Data collated by Tourism Victoria, reproduced in Table 2.1 on the following page, shows growth across all categories of visitor and visitor nights in Melbourne and regional Victoria. For the state overall, international visitor number increased by 49% in the five years, while domestic visitors increased by 30%. International visitation to Melbourne increased particularly strongly, by +52%, compared with +33% for regional Victoria.

The largest increase in international visitors to Victoria has been from mainland China. In 2015, Victoria received 439,000 Chinese visitors, an increase of 24.3% compared with the previous year. In 2015, China was the largest market for visitor volume, followed by New Zealand (312,600 visitors) and the United Kingdom (210,200 visitors). (Tourism Victoria, *International Visitation Estimates to Victoria by Origin*, September 2015).

2.2 Local Tourism Profile

Visitor Trends

Table 2.1 also shows tourism visitation patterns for the Daylesford and Macedon Ranges Tourism Region, which incorporates the municipalities of Hume, Macedon Ranges and Hepburn. Bostock Reservoir is situated in Moorabool Shire, but the Shire is not part any Tourism Victoria region.

Visitor trends to the Daylesford and Macedon Ranges region were not in line with trends observed elsewhere in the state:

- International visitors to the region declined by 3% over the period in contrast to the 33% increase in regional Victoria. This pattern is broadly consistent with an apparent lack of an international tourism focus in Daylesford, observed during fieldwork.
- The number of domestic overnight visitors and visitor nights to the Daylesford and Macedon Ranges region increased by 59% and 67%, respectively. This growth was substantially higher than the equivalent growth in either Melbourne or regional Victoria.

Table 2.1: Victorian Tourism Trends, 2010 to 2015 ('000)

Category		2010	2015	Change 2010- 15	Share of 2015 Total Victoria
International Overnight Visitors	Total Victoria	1,556.9	2,320.9	49%	-
	Regional Victoria	312.0	415.9	33%	-
	Daylesford and the Macedon Ranges	11.7	11.4	-3%	-
	Melbourne	1,452.4	2,211.6	52%	-
Domestic Overnight Visitors	Total Victoria	16,253.0	21,183.0	30%	-
	Regional Victoria	10,375.0	13,524.0	30%	-
	Daylesford and the Macedon Ranges	345.0	547.0	59%	-
	Melbourne	6,425.0	8,259.0	29%	-
Domestic Visitor Nights	Total Victoria	51,552.0	62,812.0	22%	100%
	Regional Victoria	32,556.0	39,351.0	21%	63%
	Daylesford and the Macedon Ranges	752.0	1,253.0	67%	2%
	Melbourne	18,995.0	23,461.0	24%	37%
Interstate Overnight Visitors	Total Victoria	5,451.0	7,035.0	29%	-
	Regional Victoria	1,739.0	2,248.0	29%	-
	Daylesford and the Macedon Ranges	-	93.0	-	-
	Melbourne	4,181.0	5,314.0	27%	-
Interstate Visitor Nights	Total Victoria	22,645.0	27,847.0	23%	100%
	Regional Victoria	8,127.0	9,757.0	20%	35%
	Daylesford and the Macedon Ranges	-	-	-	-
	Melbourne	14,518.0	18,090.0	25%	65%
Intrastate Overnight Visitors	Total Victoria	10,803.0	14,149.0	31%	-
	Regional Victoria	8,635.0	11,276.0	31%	-
	Daylesford and the Macedon Ranges	300.0	454.0	51%	-
	Melbourne	2,244.0	2,945.0	31%	-
Intrastate Visitor Nights	Total Victoria	28,907.0	34,965.0	21%	100%
	Regional Victoria	24,429.0	29,594.0	21%	85%
	Daylesford and the Macedon Ranges	624.0	928.0	49%	3%
	Melbourne	4,477.0	5,371.0	20%	15%
Domestic Daytrip Visitors	Total Victoria	40,764.0	45,209.0	11%	100%
	Regional Victoria	25,472.0	29,212.0	15%	65%
	Daylesford and the Macedon Ranges	1,536.0	1,930.0	26%	4%
	Melbourne	15,292.0	15,997.0	5%	35%

Source: Domestic Visitor Estimates to Victoria (year ending September 2015); International Visitation Estimates to Victoria (year ending September 2015); Tourism Victoria Research Unit; Essential Economics

Note: 'Visitors' figures for campaign regions will not balance with 'Regional' or 'Total Victoria' due to calculation methodology.

'-' denotes unreliable estimates falling below publication thresholds, or cannot be calculated for methodological reasons.

The trends shown in Table 2.1 are, in part, driven by economic factors. Over the last five years, Australian tourism has been impacted by the aftermath of the 2007/2008 Global Financial Crises (GFC), as well as the significant variation in Australia's exchange rate resulting from both the GFC and demand for Australia's mineral resources. The Australian dollar peaked at US\$1.10 at the height of the mining boom in mid-2011, but has since depreciated to around US\$0.70.

The depreciation of the Australian dollar is generally a positive for both Victoria's international visitor and domestic visitor markets. A lower dollar makes Australia a comparatively cheaper destination for international visitors, while increasing the expense of international holidays for Australians who therefore tend to take domestic holidays.

The Daylesford and Macedon Ranges region, however, overwhelmingly services the domestic visitor market. In 2015, 99.5% of the 2.5 million visitors to Daylesford and Macedon Ranges were from Australia. Of domestic visitors, the majority (78%) came on a daytrip, while 22% stayed overnight (Tables 2.2 and 2.3).

Table 2.2: Daylesford and Macedon Ranges Region Visitors, 2008-2015 ('000 Visitors)

Category	2008	2009	2010	2011	2012	2013	2014	2015
Interstate Overnight Visitors	51.0	61.0	-	63.0	64.0	61.0	54.0	93.0
Intrastate Overnight Visitors	<u>472.0</u>	<u>273.0</u>	<u>300.0</u>	<u>391.0</u>	<u>415.0</u>	<u>358.0</u>	<u>458.0</u>	<u>454.0</u>
Total Domestic Overnight Visitors	523.0	334.0	-	454.0	479.0	419.0	512.0	547.0
International Overnight Visitors	<u>9.8</u>	<u>10.9</u>	<u>11.7</u>	<u>10.2</u>	<u>11.0</u>	<u>10.1</u>	<u>12.0</u>	<u>11.4</u>
Total Overnight Visitors	532.8	344.9	-	464.2	490.0	429.1	524.0	558.4
Domestic Daytrip Visitors	<u>1,306.0</u>	<u>1,307.0</u>	<u>1,536.0</u>	<u>1,440.0</u>	<u>1,777.0</u>	<u>1,594.0</u>	<u>1,458.0</u>	<u>1,930.0</u>
Total Visitors	1,838.8	1,651.9	-	1,904.2	2,267.0	2,023.1	1,982.0	2,488.4

Source: Domestic Visitor Estimates to Victoria (year ending September 2015), International Visitation Estimates to Victoria (year ending September 2015), Tourism Victoria Research Unit; Essential Economics

Table 2.3 shows the growth in visitors over two periods, 2008 to 2013 and 2013 to 2015. Across all visitor categories, the Daylesford and Macedon Ranges region experienced substantially higher annual average growth in the last three years compared with the previous five years. This pattern can, at least partially, be attributed to the post-2012 depreciation of the Australian dollar, as previously noted.

Table 2.3 Daylesford and Macedon Ranges Visitor Growth Patterns, 2008-2015

Category	Annual Average Growth Rate 2008-12	Annual Average Growth Rate 2013-15	Share of Total Visitors in 2015
Interstate Overnight Visitors	5.8%	23.5%	3.7%
Intrastate Overnight Visitors	-3.2%	12.6%	18.2%
Total Domestic Overnight Visitors	-2.2%	14.3%	22.0%
International Overnight Visitors	2.9%	6.2%	0.5%
Total Overnight Visitors	-2.1%	14.1%	22.4%
Domestic Daytrip Visitors	8.0%	10.0%	77.6%
Total Visitors	5.4%	10.9%	100.0%

Source: Domestic Visitor Estimates to Victoria (year ending September 2015), International Visitation Estimates to Victoria (year ending September 2015), Tourism Victoria Research Unit; Essential Economics

Note: Figures may not total due to rounding.

Accommodation Provision and Performance

Overnight visitation to a tourism region is particularly important because overnight stays usually generate higher levels of spending compared with day trips. Overnight visitation to a region partly depends on the provision and availability of suitable accommodation.

Tables 2.4 and 2.5 show a range of indicators relevant to hotels, motels, and serviced apartments with 15 or more rooms or units in 2014-15, as collected and published by the ABS. The tables compare Melbourne and regional Victoria (Table 2.4) and sub regions within the Daylesford and Macedon Ranges region (Table 2.5).

Note that the data excludes small accommodation establishments, such as Bed & Breakfast establishments. Private houses available for short term rentals (through Airbnb or other listing agencies) are also not part of the data collection.

Table 2.4 shows that regional Victoria has more accommodation establishments than Melbourne, but far fewer rooms and bed spaces. Melbourne has 70% of rooms (65% of bed spaces), and an average size of 90 rooms per establishment (215 bed spaces per establishment). The average establishment in regional Victoria has 30 rooms and 90 bed spaces.

Room and bed occupancy rates in Melbourne were significantly higher than in country Victoria (room occupancy 77% vs 49%; bed occupancy 53% vs 29%). Takings per room night were also substantially higher in Melbourne than country Victoria (\$190 vs \$140; +36%).

Table 2.4: Hotels, Motels and Serviced Apartments, Melbourne and Regional Victoria, 2014-15

	Melbourne	Regional Victoria	Victoria
Establishments (no.)	370	480	860
Rooms (no.)	33,550	14,550	48,110
Bed spaces (no.)	79,540	43,780	123,330
Room nights occupied (no.)	9,404,300	2,545,670	11,949,970
Room nights available (no.)	12,206,610	5,185,520	17,392,120
Room occupancy rate (%)	77%	49%	69%
Guest nights occupied (no.)	15,380,610	4,520,870	19,901,480
Guest nights available (no.)	28,903,960	15,512,750	44,416,710
Bed occupancy rate (%)	53%	29%	45%
Takings from accommodation (\$)	\$1,787,343,930	\$349,118,050	\$2,136,461,980
Average takings per room night occupied (\$)	\$190	\$140	\$180
Average takings per room night available (\$)	\$150	\$70	\$120

Source: Australian Bureau of Statistics, 86350DO003, 20145 Tourist Accommodation, Victoria, 2014-15

Note: Figures rounded.

The ABS data allows the Daylesford and Macedon Ranges tourism region to be split into Macedon and Spa Country, as shown in Table 2.5. The collection only identifies 11 accommodation establishments with 15 rooms or more, which significantly understates the total volume of commercial accommodation available.

The average size an establishment in Macedon is 32 rooms compared with 53 rooms in Spa Country (bed spaces per establishment: 74 vs 133). Room and bed occupancy was higher in Spa Country than in Macedon, and similar to the regional Victoria average. Takings per room night of \$150 in Macedon and \$200 in Spa Country were higher than both the regional Victoria (\$140) and Melbourne (\$190) average.

Daylesford/Hepburn Springs and the Macedon Ranges are very popular tourism destinations in Victoria, as the higher-than-average room occupancy and takings indicate. Particular tourism attractions in those regions are described in the cases studies in Chapter 3, and it is noted that a range of attractions and activities, an active events calendar and a distinct market positioning contribute to the success of the region as a tourism destination.

Table 2.5: Hotels, Motels and Serviced Apartments by Tourism Region 2014-15.

	Macedon	Spa Country	TOTAL
Establishments (no.)	5	6	11
Rooms (no.)	160	320	470
Bed spaces (no.)	370	800	1,160
Room nights occupied (no.)	17,890	56,360	74,250
Room nights available (no.)	57,310	115,710	173,010
Room occupancy rate (%)	31%	49%	43%
Guest nights occupied (no.)	22,680	99,140	121,820
Guest nights available (no.)	133,230	291,640	424,860
Bed occupancy rate (%)	17%	34%	29%
Takings from accommodation (\$)	\$2,731,620	\$11,102,770	\$13,834,390
Average takings per room night occupied (\$)	\$150	\$200	\$190
Average takings per room night available (\$)	\$50	\$100	\$80

Source: Australian Bureau of Statistics, 86350D0003, 20145 Tourist Accommodation, Victoria, 2014-15

Note: Figures rounded.

2.3 Moorabool Shire and Ballan Tourism

The main towns in Moorabool Shire are Bacchus Marsh, Ballan, Gordon, Wallace and Greendale. The Shire's population at 2016 was estimated to be 32,300. Bacchus Marsh is the largest town and has a population of 18,600 residents, including the neighbouring residential areas of Darley and Maddingley. By 2041, the area is forecast to have a population of more than 30,000 residents.

Ballan, the nearest town to Bostock Reservoir, has a current population of 3,000 persons, forecast to grow to nearly 6,000 by 2041.

While the Daylesford and Macedon Ranges tourism region is well established, organised and actively marketed, tourism in Moorabool Shire is, by contrast, low key.

Commercial accommodation in Moorabool Shire is mainly Bed and Breakfasts, old pubs and cottages. Within Ballan, the listed accommodation providers include the Ballan Hotel, Ballan Bed and Breakfast, Lamb's at Ballan, and Ravensholme, another B&B. None of these operators are large-scale.

Ballan is known for artist activities, such as the 1,000 weathervanes project, as well as quilting. Two festivals - the Autumn Festival and the Ballan District Vintage Machinery Festival - are popular events.

A Paintball Skirmish park on a 32 hectare site is located just outside Ballan.

The Shire promotes local produce, particularly seasonal fruits and farmgate activities.

2.4 Summary of Bostock Reservoir Opportunities

The location of the site on a major freeway, 1 ½ hours from Melbourne and 40 minutes from Ballarat, presents an opportunity to capitalise on existing tourism traffic, for example, tours to Sovereign Hill (Ballarat).

The distinct lack of commercial accommodation in the region, especially compared with Macedon Ranges and Daylesford, presents a tourism opportunity at Bostock Reservoir. This lack of commercial accommodation is clearly related to the comparative lack of tourism attractions in the region. A destination attraction with on-site commercial accommodation is a possibility for the site.

A development featuring the natural mineral spring is also a distinct possibility worth pursuing.

The natural topography and bush setting suggest an outdoor/adventure-themed facility, with opportunities to extend this theme into neighbouring public bushland.

These opportunities will be explored in further detail in Chapter 4 after case studies involving regional tourism attractions are considered next.

3 CASE STUDIES

This Chapter considers five regional tourism case studies and identifies their key success factors.

3.1 Spa and Wellbeing - Peninsula Hot Springs

Peninsula Hot Springs is a popular and successful hot springs and day spa centre located at Fingal on the Mornington Peninsula. Opened in 2005, the facility is unique in Victoria because of its access to a natural aquifer containing 54 °C geothermal spring water. Water is brought to the surface through a 637 metre bore.

Composition and Scale

The current footprint of Peninsula Hot Springs occupies around 1.6 hectares of a 17 hectare site. It has two main facilities. The *Bath House* comprises more than 20 separate thermal mineral water bathing pools, including a Turkish steam bath. It is open to all ages.

The *Spa Dreaming Centre* offers personalised bathing, spa and revitalisation treatments to patrons, who must be aged 16 or over.

While there is no on-site accommodation at Peninsula Hot Springs, accommodation is planned as part of a stage 3 development. Currently, bathe/accommodation packages are offered through arrangements with Mornington Peninsula resorts and hotels.

Casual and more formal dining is available on-site, along with a self-catering picnic area. Bathe/dine packages with selected local restaurants are also available.

Target Markets, Pricing and Positioning

Bath House prices range between \$35-\$40 per adult and \$20-\$25 per child (aged 5-15). Extra charges apply for locker, towel and robe hire. By permitting children in the Bath House, the target market is broad, ranging from couples of all ages as well as family groups.

The Spa Dreaming Centre is more up-market, but could not be described as exclusive. As well as public shared bathing, the centre offers private bathing, beauty and rejuvenation treatments.

Prices reflect the more up-scale positioning of the Spa Dreaming Centre:

- Adult entry prices: \$55-\$65.
- 1 hour massage: \$135-\$150, plus extra for enhancements.
- Private bathing for two people: \$115 for 30 minutes to \$165 for 1 hour.

Proximity to Population Centres

The Mornington Peninsula Shire has a resident population of 156,000 persons, which swells to more than 250,000 during the summer months. Peninsula Hot Springs is a 1½ hour drive from the Melbourne CBD, and is easily accessible from mid to high income eastern and bayside suburbs.

The region is a significant tourist destination for Melbourne residents. In the year ended December 2014, the region received an estimated 1.3 million overnight domestic visitors, and 4.2 million domestic day-trippers. Many Melbourne families have holiday homes on the peninsula.

Complementary Attractions

The tourism attractions of the Mornington Peninsula are numerous:

- Marine activities (swimming, boating, diving, fishing, etc.) are offered at calm bayside beaches, while challenging surf beaches are at Gunnamatta and Portsea.
- The region actively promotes a wine, food and farmgate trail involving nearly 100 participating properties and businesses, including wineries, distilleries and working farms.
- Golf is a key attraction, with 15 courses catering for all standards.
- Arts and culture are a feature, with many galleries, studios and historic homesteads.

Key Success Factors

At least four key factors contribute to the success of Peninsula Hot Springs:

- It has a unique selling proposition in Victoria by virtue of access to naturally heated mineral springs. By contrast, other mineral spring resorts in Victoria, such as those in Daylesford or the Macedon Ranges, artificially heat the water after it is brought to the surface.
- It is well designed, marketed and caters to different target markets.
- It is accessible to a significant population within a 2 hour drive.
- It is located in a popular tourism region with many professionally promoted, mature and diverse tourism attractions.

Another major factor contributing to the success of Peninsula Hot Springs is the vision and persistence of its founders, brothers Charles and Richard Davidson. After experiencing hot springs facilities in Japan and elsewhere, they found out in a chance conversation in 1996 that hot geothermal water had been discovered on the Mornington Peninsula. Following their purchase of the site in 1997, developing a world class Australian hot springs resort then took eight years until the Spa Dreaming Centre opened in June 2005.

3.2 Spa and Wellbeing - Macedon Ranges Hotel and Spa

Macedon Ranges Hotel and Spa is a modern, purpose-built boutique hotel, function and conference centre, located on Black Forest Road, between Macedon and Woodend in central Victoria.

Composition and Scale

The facility occupies a 6 hectare bushland property. It comprises:

- A 36-room boutique hotel accommodating up to 70 guests.
- Two conference rooms, the larger room catering for up to 170 delegates.
- Wedding and function facilities catering for up to 160 seated guests or 250 guests at a cocktail-style gathering.
- The Macedon Wine Room, a restaurant and wine bar.
- An indoor swimming pool and day spa (currently closed for renovations).

Target Markets, Pricing and Positioning

Advertised mid-week rates at the hotel range from \$150 per night for a standard room to \$270 per night for the deluxe suite. At the lower end, this price range is higher than motel-style accommodation and broadly equivalent to many of the smaller cottage-type offers in the region. The deluxe suite price is around historic homestead rates.

Conference and function rates are competitive in this relatively crowded market.

Proximity to Population Centres

The nearest towns to Macedon Ranges Hotel and Spa include Woodend, Macedon/Mt Macedon (both under a 10-minute drive), while Kyneton is a 20-minute drive. Bendigo is around a one-hour drive to the north.

The Melbourne CBD is approximately a one-hour drive from Macedon Ranges Hotel and Spa via the Calder Freeway. Access to the hotel and region is straightforward for residents of the northern and western suburbs of Melbourne.

The Macedon Ranges tourism region includes the significant tourism attractions and infrastructure of Daylesford/Hepburn Springs. In the year-ended June 2015, the region attracted 784,000 domestic overnight visitor nights and almost 2.6 million domestic day trip visitors.

Complementary Attractions

Local attractions near the hotel include gardens (particularly at Mt Macedon), galleries, historic buildings, rural villages, wineries and Hanging Rock. Country race meetings are popular events.

Key Success Factors

It is understood that the Macedon Ranges Hotel and Spa is not particularly successful. Several factors are likely to contribute to this situation:

- While the facility is larger in scale than most of the accommodation options in the region, it operates in a very competitive market, mainly comprising many smaller ‘cottage style’ operators. The region is well-known for this type of retreat. For most visitors simply holidaying in the region, the hotel would not be a first accommodation choice.
- The corporate conference market is also difficult and competitive. While country-based conference facilities can be successful, they tend to be located closer to a broader range of complementary tourism facilities. Some country Victoria conference centres have struggled, notably the Creswick Novotel, recently bought out by the RACV.
- The facility’s location, just off Black Forest Road, does not offer a particularly secluded or exclusive experience.
- The spa offer appears fairly basic compared with more sophisticated spa retreats in nearby Daylesford.

Overall, the main issue with the Macedon Ranges Hotel and Spa is that it lacks a distinctive positioning in a competitive and crowded market.

3.3 Nature Based - Freycinet Eco Retreat, Tasmania

Freycinet Eco Retreat is located on the east coast of Tasmania, near the famed Freycinet National Park. A 4.9 hectare site at Mt Paul offers accommodation in eco-cabins, all with stunning water views.

Composition and Scale

Accommodation at Freycinet Eco Retreat is either in one of two *Lodges* or eight *Eco-Studios*. Both styles offer self-catering. While the rooms are well-appointed, the marketing material cautions guests not to expect resort-style facilities.

The Lodges and Eco-Studios can accommodate up to 20 guests.

The Barn allows for private group camping for up to 24 people in a 12x6 metre barn. Facilities include a kitchen, wood-fired oven and toilet block.

The Arc is a function venue that can cater for 50 persons, and with views across the Hazards Mountains, Maria Island and Great Oyster Bay.

Target Markets, Pricing and Positioning

Freycinet Eco Retreat does not provide accommodation suitable for children. Accordingly, the retreat is not family-friendly, and the facility markets to singles/couples of various ages seeking an experience where they can be close to nature.

A minimum two-night stay for two persons will cost \$300-\$450 in a Lodge. Tariffs for an Eco-Studio are \$250-\$350.

Proximity to Population Centres

The retreat is located more than 2½ hours by car from Hobart and Launceston, the largest population centres in Tasmania.

Freycinet National Park attracted 232,000 visitors in 2014-15, an increase of 6.9% over the previous year. Of the 982,000 Australian visitors to Tasmania, 43% were from Victoria and 26% from NSW. International visitors to Tasmania totalled 199,100 in 2014-15, 22% of whom were from China or Hong Kong and 12% from each of the UK and USA.

Complementary Attractions

Freycinet National Park is renowned for its natural beauty and wildlife. The range of land-based outdoor activities in the park includes day walks or overnight bushwalks and rock climbing, while aquatic pursuits include sea kayaking and nature cruises.

The retreat offers guided walks and orienteering courses, and welcomes groups such as those seeking a yoga retreat.

Food (particularly seafood) and wine is also a major feature of the Tasmanian and Freycinet tourism experience.

Key Success Factors

Key success factor for Freycinet Eco lodge include:

- The outstanding natural beauty of the surrounding area, including its relative wilderness. The area is a significant tourism attraction in the State and rarely disappoints.
- A clear market position, reflected in the exclusiveness of the accommodation, by not permitting children and allowing a maximum of only 20 guests plus private campers.

3.4 Food and Wine - Lake House, Daylesford

The Lake House in Daylesford is a boutique hotel, featuring a two chef's hat restaurant, and offering conference and function facilities. Overlooking picturesque Lake Daylesford, Lake House is a multi-award winning tourism attraction.

Composition and Scale

The 2.4 hectare Lake house comprises:

- Accommodation options ranging from The Retreat, a secluded country house for two to four guests; The Sutton Suite; Waterfront Suites overlooking Lake Daylesford; Lodge Suites; Lodge Studios. The 33 rooms and suites can accommodate around 70 guests.

- An award-winning restaurant specialising in seasonal local produce and a wine cellar offering over 1,000 labels.
- Weddings and party facilities catering for up to 150 seated guests or 300 guests in a cocktail style event.
- Flexible conferencing spaces catering for attendee numbers ranging from 22 to 168 people.
- Salus Spa, offering a full range of beauty and pampering treatments.
- Cooking and wine appreciation classes run by top Australian chefs.

Target Markets, Pricing and Positioning

The Lake House is unashamedly up-market. Examples of packages at Lake House include:

- Getaway – from \$305-\$458 per person for one night's accommodation, including a la carte dinner (excluding wine) and country style breakfast.
- Signature Package – from \$500-\$700 per person for one night's accommodation including a la carte dinner (excluding wine) and country style breakfast, plus a Bliss Body treatment.
- Luxury Package – \$925-\$1,231 per person for two nights' accommodation, including light in-room supper on the first evening, degustation menu with matched wines by the glass on the second evening, country-style breakfast daily, and one-hour massage and Elemis Facial at the Salus Spa.

The venue is a destination gourmet food and pampering-based getaway. While children are permitted, most guests are couples.

Proximity to Population Centres

Daylesford is a 1½ hour drive from the Melbourne CBD via the Calder Freeway. The nearest sizeable towns are Ballarat, Woodend and Castlemaine (40-minute drive), while Bendigo is a 70-minute drive. Ballan (the nearest town to Bostock Reservoir) is a 25-minute drive to the south.

As noted in the discussion on the Macedon Ranges Hotel and Spa, the region is a significant tourism destination. Anecdotal evidence collected during Daylesford fieldwork suggests that possibly 90% of customers originate from Melbourne, and that winter is the busiest season. There is little evidence that international tourists are an important market segment.

Complementary Attractions

Lake House overlooks Lake Daylesford, a man-made lake opened in 1930 and based on an old gold mine. The Peace Mile Walk is a 30-minute lap of Lake Daylesford, with many opportunities to stop and take in the attractive views.

Elsewhere in the town of Daylesford, many tourism features are to be found, including:

- A wide choice of commercial accommodation options, ranging from standard motels through to historic hotels and guest houses.
- Numerous historic buildings dating back to gold rush times.
- Many food and wine experiences, either in town or in surrounding areas.
- The Convent Gallery, an 1860s convent and boarding school converted to an art gallery and function centre.
- Wombat Hill Botanical Gardens, established in 1863, in the centre of Daylesford.

The nearby town of Hepburn Springs is the mineral springs capital of Victoria. It features Swiss/Italian heritage buildings, many accommodation options and the famous Hepburn Bathhouse and Spa.

As well as multiple attractions, Daylesford/Hepburn Springs promotes a very active year-round events calendar.

Key Success Factors

Lake House is a very successful regional tourism destination. Key success factors include the following:

- The facility has a clear and distinctive offer, and an unambiguous market position – an upscale regional gourmet retreat.
- Its picturesque location on Lake Daylesford.
- Its co-location in Daylesford/Hepburn Springs, which feature many tourist attractions in their own right.

Lake House is the creation of Alla and Allan Wolf-Tasker. Their vision and persistence has seen an overgrown, abandoned mine site transformed into a premier tourist attraction over a 30-year period. Alla Wolf-Tasker remains the driving force behind the commitment to excellence in food, hospitality and service.

3.5 Group Accommodation - Phillip Island Adventure Resort

Phillip Island Adventure Resort is a shared accommodation resort catering for schools, religious groups, families and conferences. Located near the residential estates of Smiths Beach and Sunset Strip, the Phillip Island Adventure Resort is the largest facility of its type in Victoria.

Composition and Scale

Set on a 32 hectare site, Phillip Island Adventure Park offers accommodation for up to 550 guests on-site. Across four separate areas, accommodation is provided in:

- 72 guest rooms able to sleep up to 6 guests per room. Each guest room has six single beds able to be converted into queen size double beds if required. All rooms are air-conditioned and have their own bathrooms.
- 16 guest suites for two people per suite
- 4 teacher/leader units sleeping two people per unit
- 5 standalone guest units sleeping two people per unit.

In addition, within a 5 minute drive, the resort has another group accommodation facility. Combined, the two properties can handle more than 700 guests.

Between October and April, the resort offers a tent camping option for up to 60 school-aged guests.

Shared facilities include: 4 large dining rooms; 4 large function rooms; 14 break-out rooms; an 800 seat auditorium; and sheltered bbq areas.

Recreational facilities include: 2 solar-heated outdoor pools; an indoor heated pool, spa and sauna; 2 lakes; 3 giant swings; 2 high ropes and 3 low ropes courses; 6 flying foxes; 3 tennis/basketball courts; indoor rock climbing wall; 3 sports ovals; and an archery range.

Nearby off-site activities include: bush and beach walks; a surf beach; bicycle paths and board walks.

As with most modern camp/resorts, Phillip Island Adventure Resort has the ability to cater for small and large groups. Bookings for different groups are catered for separately while in-camp, allowing for activities and meetings to be tailored to specific requirements.

Target Markets, Pricing and Positioning

Phillip Island Adventure Resort is owned and managed by Christian Youth Camps, a faith-based organisation. Accordingly, CYC promotes the resort as a place where its beliefs and values are practiced. CYC owns and manages five camps/facilities in Victoria.

The Resort's main target markets include:

- School groups.
- Church and youth groups.
- Community groups.
- Corporate retreats and teacher conferences.
- Holiday camps.

The resort also caters for disadvantaged and disabled people or groups. Pricing is not publicly available.

Proximity to Population Centres

Phillip Island is around a 1 hour 50 minute drive from Melbourne CBD. Like the Mornington Peninsula, Phillip Island is easily accessible from bayside and eastern suburbs.

The resident population of Phillip Island is only 10,500 persons, projected to grow to 14,000 by 2036. The island is dotted with holiday houses that are mainly occupied in summer. Annual tourist numbers are around 2 million visitors, with 91% originating from within Victoria.

Complementary Attractions

Phillip Island Adventure Resort is a destination in its own right, and it is largely self-contained. However, the resort does utilise local features, such as surf beaches.

The island has an iconic race track, and hosts the Australian Motor Cycle Grand Prix and well as numerous car and motorcycle events.

Phillip Island Nature Parks are a major driver of tourism to Phillip Island. The parks received 1.26 million visitors in 2104-15, 58% of whom are estimated to be international visitors, mostly on guided day trips. The penguin parade is a world-class tourist facility, and welcomed 608,000 visitors in 2014-15

Phillip Island is a popular surfing destination.

Key Success Factors

Phillip Island Adventure Resort has significant scale, has modern shared accommodation, and offers a wide array of activities. Access to local surf beaches and the resort's proximity to Melbourne also contribute to its attractiveness as a school camp destination.

3.6 Summary of Case Studies

In assembling these case studies, and drawing on other tourism-related research, several lessons are relevant to potential future tourism facilities at Bostock Reservoir:

- In two of the case studies (Lake House and Peninsula Hot Springs), the success of the facilities is due largely to the vision, persistence and personal effort of their founders.

A key potential strategy for Bostock Reservoir could be to seek either tourism entrepreneurs or established tourist operators who would be willing to commit time and resources to developing a high-quality tourism attraction.

- A critical mass of nearby complementary tourism attractions, activities and accommodation options is potentially very important in contributing to the success of a particular facility. Most holiday makers, both short and longer stay, tend to prefer to be able to undertake a range of activities at convenient and easily accessed locations.

Bostock Reservoir, at present, does not have nearby tourism infrastructure, with Ballan having sparse commercial accommodation. This deficiency may take some time to overcome.

The current lack of nearby tourism infrastructure suggests that a facility at Bostock Reservoir will need to be strong enough to be a destination in its own right.

- While proximity to a large population base is a significant advantage, it does not guarantee success. Conversely, remoteness from a large population base (e.g. Freycinet Eco Retreat) does not necessarily mean a lack of success.

Again, this factor suggests that Bostock will need to be a strong destinational attraction.

- Tourism attractions – with a clear offer, a differentiated product positioning, a good understanding of target markets, and supported by active marketing – have a much greater chance of success than facilities trying to be ‘all things to all people’.

These findings strongly suggest that tourism facilities at Bostock Reservoir will need to be underpinned by a clear offer, a carefully chosen market positioning, quality facilities and well-targeted marketing.

4 BOSTOCK RESERVOIR TOURISM CONCEPTS

In this section, three tourism concepts for the Bostock Reservoir site are suggested, including an appropriate scale for each concept, and a summary of opportunity and risk factors. Other concepts considered, but subsequently rejected, are briefly discussed.

4.1 Mineral Spa and Wellbeing Retreat

Rationale and Concept

Access to a natural mineral spring at Bostock Reservoir may present an opportunity to develop a spa and wellbeing retreat based on a genuine on-site supply of mineral water. Similar facilities elsewhere depend on mineral water being shipped in, so Bostock Reservoir would have a marketing advantage in this regard.

A mineral spa and wellbeing retreat could be pitched either at an exclusive market or be more mid-range. The relative seclusion of the site suggests that a higher-end facility may be possible, although detailed design and market testing would need to confirm this positioning.

Access to Bostock Reservoir from the western suburbs of Melbourne is excellent, whereas accessing the Mornington Peninsula is comparatively more difficult for residents of western Melbourne. The western suburbs could become a main source of customers for a Bostock retreat.

The active tourist trail between Melbourne and Ballarat (particularly Sovereign Hill) may also be a source of business, as visitors could be diverted from the Western Highway to a short stop or overnight stay at Bostock Reservoir.

Indicative Composition

The composition of the first stage a high-end spa and wellbeing retreat could include:

- A full range of natural mineral spring treatments in multiple pools and spas, massage, facials, scrubs and other pampering.
- Food and beverage option, ranging from a quality snacks and light meals through to a gourmet restaurant offering.
- On-site hotel style accommodation, featuring excellent views. In the first stage, this could comprise, say, a 20 to 30 room hotel. Further expansion of accommodation would be subject to demand.

The location of the spa and accommodation could overlook the river valley to Moorabool River (eastern boundary); at the existing house; or on the ridge line facing north to the native bushland. Based on other similar offers, the footprint of the retreat could be kept with 3 hectares.

To complement accommodation and spa treatments, a series of paths could be constructed to allow nature walks and cycling, both near the facilities and further afield, and fishing. If target markets were older, some assisted mobility around the site may be required, for example golf buggies.

A spa and wellbeing centre pitched at mid-market could have a lower level food and beverage offer, and lower-quality accommodation.

A mid-market retreat would likely cater for day visitors as well as overnight stays, although day visitors may also be considered at a higher-end retreat.

The size and composition of stage 1 would largely be in the hands of the developer and/or the tourism operator. Different operators will have different risk profiles and prefer different sized accommodation modules depending on their operating methods and their ability to exploit economies of scale.

A demonstrated gap in the provision of commercial accommodation exists in and near Ballan. However, the lack of complementary regional tourism infrastructure decreases the likelihood that an operator would risk a large scale facility in the first instance.

Accommodation of up to around 30 rooms in a stage 1 development represents an opportunity to test the market, with the ability to subsequently increase room numbers with in line with demonstrated demand.

Development of 30-plus rooms is not supported by current demand for local accommodation, and relies exclusively on the delivery of a high-quality spa and well-being retreat concept, which is of itself able to generate sufficient demand for on-site accommodation.

The composition and sizing of the facility is an issue that would need to be carefully considered by any developer/operator with a full understanding of the capacity of the mineral springs to supply the spa, and the achievable on-site development outcomes (see Chapter 1).

If stage 1 of a spa and wellbeing retreat is successful, the large site size available at Bostock Reservoir means that second and subsequent stages could be developed relatively easily. This could include extending the spa, expanding the food and beverage and accommodation offer, or even developing different but related wellbeing activities, such as a yoga retreat.

Opportunities and Risks

The opportunities for this concept are based around access to natural mineral spring water, the seclusion of the site, and access to natural bushland.

However, the reliability and longevity of the supply of natural mineral spring is unknown at this stage, and the uncertainty is a key risk factor. This issue will need to be thoroughly investigated.

Competition for this type of facility is significant, especially from the Daylesford/Hepburn Springs region.

Key advantages Daylesford/Hepburn Springs have over Bostock Reservoir include:

- Well-established tourism infrastructure in terms the supply and range of accommodation and spa/wellness offerings. It also has a sophisticated regional marketing operation supported by funding from local and state government.
- A broad range of tourism activities in the town and the wider area, including galleries, historic buildings, festivals, markets etc. The combination of spa/wellness plus a choice to participate in many other activities is key success factor for Daylesford/Hepburn Springs.

In contrast, Moorabool Shire and the Ballan Township have a less compelling tourism offer and the supporting tourism infrastructure is weaker. It will take time and co-ordinated effort to establish successful tourism attractions and supporting infrastructure in the Shire, including more commercial accommodation options, a broader range of organised activities and more active marketing.

The implications of competition and infrastructure issues for a potential spa and wellness retreat at Bostock Reservoir include the following:

- The facility needs to have a sufficiently-differentiated offer so as to be able to compete with Daylesford/Hepburn Springs.
- It needs to be a destination in its own right rather than depending on nearby complementary tourism attractions to occupy the time of customers.

Finally, it is strongly recommended that the core business of 'Bostock Spa Retreat' be very well understood and established in the first instance. For example, if the core business is to be centred on spa and wellness (such as at Peninsula Hot Springs) then ancillary facilities like accommodation and food beverage would need to be designed to complement the core spa/wellness offer.

On the other hand, if a gourmet retreat is envisaged as the core business (such as at Lake House), then the accommodation and spa/wellness offers would need to be designed to support the core food and beverage offer.

Subsequent stages of development may examine other opportunities to enhance and build on the core business. For example, functions and conferencing could be considered. However, it is important, at least in the early stages, to ensure that the proponent has a clear understanding of the core business.

Next Steps

The next steps in pursuing a potential spa and wellness retreat at Bostock Reservoir include:

- Confirming the supply of natural spring mineral water.
- Approaching existing spa/wellness operators to gauge industry interest in the concept.

4.2 School Adventure Camp

Rationale and Concept

The secluded nature of Bostock Reservoir, access to hilly terrain and bushland, and its convenient location relative to metropolitan Melbourne suggests it has potential as an adventure camp, primarily for school groups.

Indicative Composition

Modern school adventure camps comprise shared accommodation, shared meals areas, meeting rooms, and a wide range of recreation opportunities. Specifically, the range of potential facilities includes the following:

- Shared accommodation for up to 150 guests in stage 1. The benchmark of a maximum of six per room, proper beds, on-suite bathrooms and air-conditioning has been set by Phillip Island Adventure Resort.
- Shared dining facilities, including bbq areas.
- A central meeting hall.
- High and low ropes and flying foxes.
- An oval for outdoor sports and other outdoor recreation.
- An indoor recreation facility.
- Opportunities for water-based activities.
- A network of walking and cycling tracks in nearby native bushland and on the western side of the reservoir in public forest land.

The initial location of an adventure camp could be on the existing house site; on the sloping land facing east towards the river flat; on the river flat near the eastern boundary; or on the ridge line.

Camps, with the associated outdoor recreation areas, are potentially land-hungry. However, a stage 1 camp could possibly be built inside 5-8 hectares.

School groups are typically bussed to and from the camp. Camps are usually 2 nights/3 days or 4 nights/5 days.

The camp would need to be sufficiently flexible to handle multiple-bookings of different sizes.

Opportunities and Risks

An adventure camp is an attractive option for Bostock Reservoir as it would be self-contained and not reliant on nearby complementary tourism facilities. Easy access from metropolitan Melbourne is a significant advantage.

In addition, school camps are a steady and reliable business, with a high probability of repeat visitation from the same schools on the proviso that the experience is rewarding, safe and cost-competitive.

The market is competitive, however. Providers including YMCA, The Outdoor Education Group and Christian Youth Camps have multiple school camps. YMCA, for example, has the Lady Northcote camp near Bacchus Marsh and the Lake Dewar at Myrning, between Bacchus Marsh and Ballan.

A significant disadvantage of the site is the inability to use the reservoir for recreational purposes. Water-based activities (canoeing, paddle boarding etc.) are almost a 'must have' feature of modern camps, but the expense of building an artificial lake may be prohibitive.

Next Steps

The next step in pursuing an adventure camp option at Bostock Reservoir would be to gauge industry response from established operators, including YMCA, The Outdoor Education Group and Christian Youth Camps.

4.3 Adventure and Training Camp

Rationale and Concept

An alternative to a school adventure camp may be an adult version. The same physical features that make the school camp option attractive are also in favour of an adventure camp targeted at (young) adults and/or sporting teams for training, testing or bonding sessions.

While training facilities may not, in a general sense, qualify as a tourism attraction, it would have the ability to bring people to the area who may otherwise not choose to visit.

Indicative Composition

The style of accommodation would need to be more private than for a school camp. Recreation activities would also need to be more challenging. Specifically, the following features are suggested:

- Accommodation for up to 60 guests in stage 1. Rooms would be predominantly twin shared or doubles, have on-suite bathrooms and air-conditioning, TV etc.
- Dining facilities, possibly pitched somewhere between good café style and mid-priced city options.
- A place serving a decent coffee would be essential.
- Opportunities for bbq and picnics.

The key attraction of this option would be challenging outdoor activities, possibly including one or more of the following:

- Mountain bike (or running) trails using the hilly terrain on the northern portion of surplus land and the neighbouring forest land.
- Trail bike circuits, including jumps and bogs.
- Paint ball or hunting simulation games.
- Commando-style obstacle courses.
- A well-maintained oval for outdoor ball sports.
- A fully-equipped gym and a flexible indoor recreation hall.
- Meeting rooms with a good range of audio-visual equipment.

Buildings would not need to occupy significant areas, although the land area required would depend on the number and type of outdoor activities provided.

Placement of the buildings on the site would not be a key issue for this type of facility. The maintenance sheds and existing house would be a good option for accommodation and dining blocks, as would other locations.

Opportunities and Risks

With the target market being adults rather than school children, mid-week bookings may be relatively slow. In addition, numbers per group are likely to be lower than school bookings. Team bookings (pre-season football, soccer, etc.) would boost numbers.

Specific sports can have highly specific requirements. A risk may be to develop facilities that are suitable for one particular sport, but not useful for any other purpose, without long-term guarantees of bookings.

If trail bikes were permitted, they are more likely to cause environmental damage than bicycles. Noise pollution may also be a problem.

Next Steps

The next steps in pursuing this option would be to identify particular sports that regularly conduct outdoor training camps, and more precisely understand their needs.

4.4 Other Concepts

Other concepts have been considered for Bostock Reservoir, but are identified as unsuitable for further consideration. These rejected concepts include:

- **Golf resort.** The hilly terrain could provide for a challenging golf course. However, reasons for not suggesting a golf resort include:
 - Golf courses are very expensive to develop and maintain. They need access to significant water, which is unlikely to be able to be sourced for the reservoir.

- Newer golf resorts are usually associated with residential developments, again unlikely to be permitted.
- Latest trends strongly suggest that golf membership and participation in Australia is declining.
- **Caravan and camping.** A caravan park and campsite was considered. These uses are very low intensity, usually require large flat sites, and are often located next to water (lakes or rivers). The Bostock Reservoir site:
 - May simply be too hilly for a caravan park.
 - Cannot use the reservoir for water based activities.
- **Eco-Lodge.** An eco-lodge was considered. However, the site was not thought to be sufficiently attractive, unique or remote enough to build a competitive eco-tourism experience.
- **Large-scale hotel and conference facility.** The Bostock Reservoir does not have any specific advantage as the location for a major tourist resort and conference facility. A lack of significant local attractions in Ballan and the negative experience of comparable developments in the region (Novotel Creswick) means that such a facility is not considered appropriate for consideration at this time.

5 CONCLUSIONS

The Bostock Reservoir site has a number of attributes that make it attractive to a tourism development. Specifically, the site:

- Is close to metropolitan Melbourne.
- Has hilly and interesting terrain.
- Is relatively secluded.
- Has access to a natural spring.
- Is sufficiently large to accommodate a long-term masterplan, possibly incorporating several tourism concepts.

A number of major challenges to developing a tourism attraction at the site also need to be considered:

- Despite its location adjacent to a substantial water body, the reservoir cannot be incorporated into activities, nor can the visual amenity potentially offered by the reservoir be relied upon. In all, the reservoir is not a significant advantage; in fact, it may be a disadvantage.
- Similarly, the existing pine plantation provides no clear tourism attraction, yet occupies about one-third of the area earmarked for potential development.
- A lack of local complementary attractions/ infrastructure in Ballan and the Shire in general means tourism facility at Bostock Reservoir will need to be highly destinational in nature.

None of these challenges is insurmountable and, as further investigations proceed, other potentially feasible options will emerge.

Three tourism-related options for the site are put forward for further consideration:

- A Mineral Spa and Well-being Retreat,
- A School Adventure Camp, and
- An Adult Adventure & Training Camp.

Finally, it is important when marketing the property that Barwon Water can state with high certainty:

- Exactly the type and scale of facility that would be permitted on the site, in view of limitations on development due to Bostock Reservoir continuing to be a supply of potable water.
- Exactly where development would be permitted.

Uncertainty about these fundamental issues would have the potential to deter prospective buyers of the surplus land.