



AGENDA APPENDIX
Ordinary Meeting of Council
Wednesday 28 August 2013

**AGENDA ITEM FOR SEPARATE DISTRIBUTION TO COUNCILLORS AND
EXECUTIVE LEADERSHIP TEAM DUE TO DOCUMENT SIZE.**

**THE ITEM IS ACCESSIBLE VIA THE COUNCIL WEBSITE OR BY
CONTACTING GOVERNANCE ON 03 5662 9222.**

**E.2 CARAVAN PARK UPDATE: DIRECT MANAGEMENT OF LONG JETTY
CARAVAN PARK AND YANAKIE CARAVAN PARK**

APPENDIX 1 - DRAFT BUSINESS PLAN



*South Gippsland
Shire Council*

Come for the beauty, Stay for the lifestyle



Business Plan

Yanakie & Port Welshpool
Caravan Parks

South Gippsland
come for the beauty, stay for the lifestyle

Acknowledgements

This document has been prepared with the assistance of Matt Youell of East Gippsland Shire Council.

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July 2013

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Photo by Chris Van Der Ark

Executive Summary

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Business Overview

Background

Studies undertaken for Council have shown that the vast majority of tourists to South Gippsland visit our natural attractions such as Wilson Prom and our beaches.

The majority of available accommodation close to these attractions are either holiday homes or sites in caravan parks.

South Gippsland Shire has 10 main Caravan Parks, being Korumburra, Leongatha, Venus Bay, Foster, Yanakie, Walkerville, Waratah Bay, Shallow Inlet, Port Welshpool and Toora. Council is the Committee of Management for four of these; Korumburra Tourist Park, Port Welshpool (Long Jetty) Caravan Park, Yanakie Caravan Park and Waratah Bay Caravan Park. There are also various informal camping areas throughout the Shire.

On becoming Committee of Management back in the 1950's, Council administered the Parks directly through contracted managers. However, this practice was discontinued during the period when Commissioners were appointed to administer shire affairs (1994-1996) and the parks were put out to lease for a term up to 21 years.

Over the years, the businesses of the Parks have been resold (and leases transferred). The sales have been private transactions and the Council has not played any part or collected any additional revenue as a result.

At its meeting on 24 April 2013, Council resolved to directly manage the Yanakie Caravan Park and Long Jetty Caravan Park when the leases expire. This decision is seen to provide an opportunity for an income stream that will assist Council in planning for improved community and tourism experiences in South Gippsland.

Business Overview

Business Overview

The caravan parks will be financially sustainable businesses with no impact to the Council's budget and rate payers of the Shire. As a Council business, it will have the benefit of being guided by Council's policies and procedures as well as the State Government Best Practice Management Guidelines for Committees of Management who manage Caravan and Camping parks on Crown Land.

The Parks will promote a budget friendly family style camping and caravan experience. Cross promotion activities will be developed to show case each caravan park and encourage holidays at either destination.

Employees at the Parks will be multi-skilled in all facets of operating a caravan park. In particular, the Park Crew (grounds and building maintenance) will be required to work at either Park as the need arises. The benefit of multi-skilled staff is twofold in that it will develop skills of the employees as well as providing cover during staff absences.

The management of the Parks will recognize their Council position by engaging with local businesses and community groups to develop important relationships and encourage support for each other's activities.

Business Overview

Mission Statement

“Effectively plan and provide for the social, built, economic and natural environments that ensure the future well-being of South Gippsland communities”.

This is the Corporate mission statement of the South Gippsland Shire Council.

Vision

“To ensure a financially sustainable business that promotes a quality low-cost tourism experience in South Gippsland”.

This is the vision for Council’s direct management of the caravan parks at Yanakie and Long Jetty as guided by the corporate mission statement.

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outcomes &

The following outcomes and objectives from the Council Plan will guide the development of this business plan.

OUTCOME 1.

*A Prosperous
Shire*



OUTCOME 2.

*Closely Connected
Communities*



OUTCOME 3.

*Integrated Services
and Infrastructure*



OUTCOME 4.

*A Leading
Organisation*



objectives

objectives

1.1: Work with the business community to support existing businesses, diversify employment opportunities and to attract new businesses.

1.2: Raise the awareness of local and regional issues with State and Federal decision makers.

1.3: Improve the sustainability of the local and regional environment.

objectives

2.1: Engage and work collaboratively with our community.

objectives

3.1: Deliver affordable modern community services and facilities through an integrated approach to planning and infrastructure development.

objectives

4.1: Work with the business community to support existing businesses, diversify employment opportunities and to attract new businesses.

4.2: Pursue best practice in organisational development and operations of the organisation.

Products & Services

Products

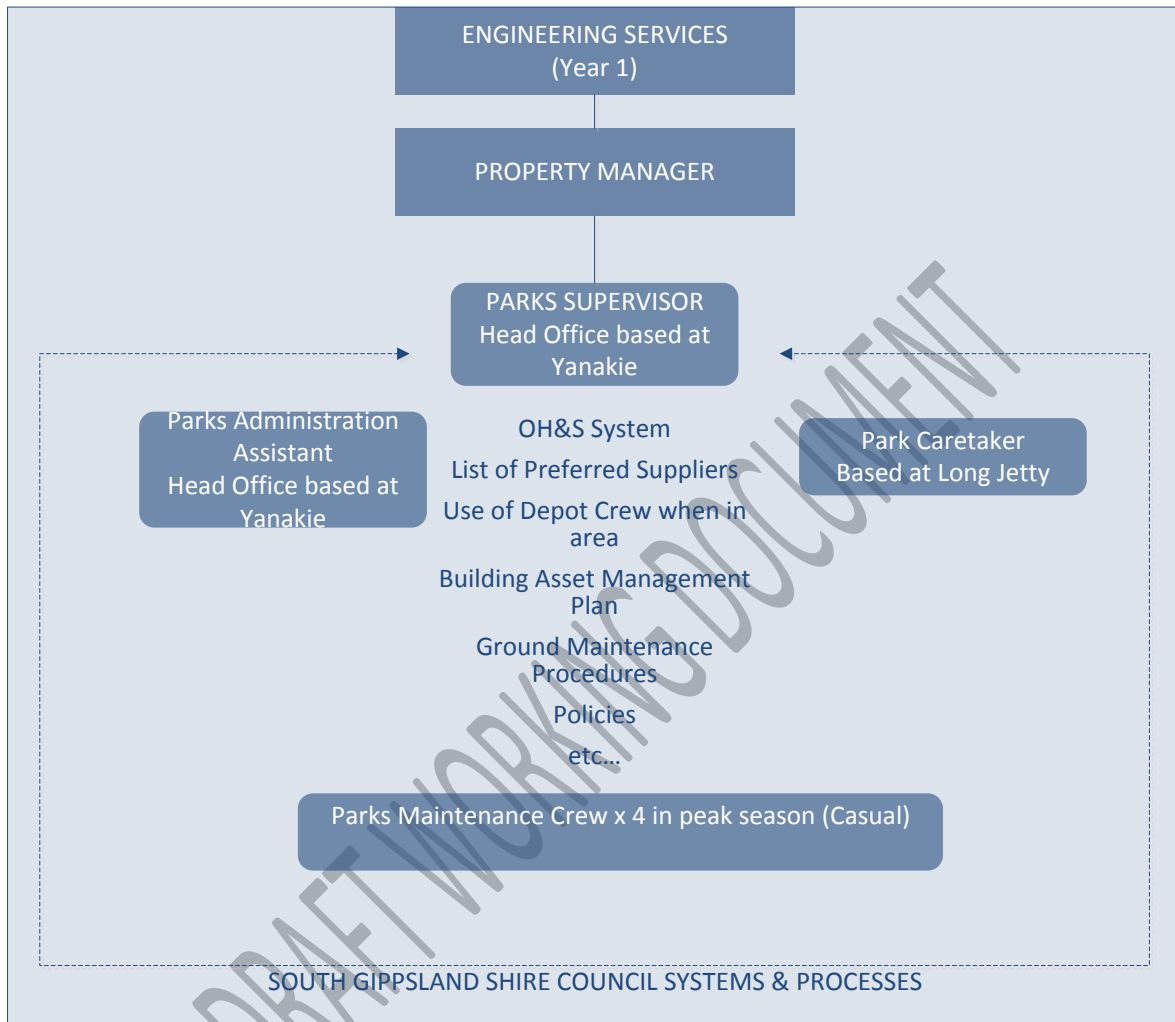
The Parks are Crown Land caravan parks managed by Council as a Committee of Management. This means Council is the delegated land manager.

The decision of Council at its meeting on 24 April 2013 means that Council will also be the Park Manager. The alternatives are to continue with a lease model or Council end its Committee of Management status and hand the parks back to the State Government who may in turn establish a Locally Elected Committee of Management.

Council's Committee of Management status is provided by Section 14 of the Crown Land (Reserves) Act, 1978 and allows Council to operate a commercial business from the land.

The Parks will be incorporated into Council's organisational chart and sit within the Engineering Services Directorate. The organisational chart developed for the Parks is shown in diagram 2 below:

Products & Services



The Services

The parks offer a holiday destination for patrons seeking budget style family accommodation as well as providing easy access to Corner Inlet and Wilsons Promontory. The Yanakie Caravan Park experiences a higher demand over the peak season given its proximity to Wilsons Promontory.

Products & Services

The Long Jetty Caravan Park also experiences a high demand over the peak season given its proximity to Corner Inlet.

With appropriate coastal foreshore planning, it is expected that visitation to both Parks will increase with improved patronage during the shoulder and off seasons.

Products & Services

Council will develop a level of service consistent with a 3-Star AAA tourism rating or equivalent. The Yanakie Caravan Park currently has a 3-Star AAA tourism rating. The Long Jetty Caravan Park is not rated. An audit process will be put in place to achieve a tourism rating for the Long Jetty Caravan Park.

This level of customer service determined for the Parks will guide budgeting requirements for labour, maintenance and service delivery at the Parks.

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Products & Services

Accommodation, Facilities and Services

Long Jetty Caravan Park, Port Welshpool

Accommodation

This park currently offers 120 sites made up of the following types of accommodation:

- short-term cabin accommodation;
- powered sites;
- unpowered sites;
- 12 month site permit holders who own their own caravan/cabin located on the Premises;
- weekly tenants who own their own caravan/cabin located on the Premises.

The breakup of accommodation is:

Tourist sites(powered)	30	TOTAL 120
12 month site permit holders	75	
Tourist sites (unpowered)	8	
Cabins	7	

Additional unpowered sites and RV's can be accommodated throughout the park – space permitted.

Facilities

- 2 amenity blocks with laundry facilities.
- RV dump point.
- Recreation room with pool table.
- Playground, BBQs and picnic tables.
- Boat parking.

Services

Products & Services

The park is fully serviced by connection to town water and sewerage, electricity and telephone.

- Gas bottle re-fill.

Accommodation, Facilities and services Yanakie Caravan Park

This park currently offers 148 sites made up of the following types of accommodation:

- short-term cabin accommodation;
- powered sites;
- unpowered sites; and
- 12 month site permit holders who own their own caravan located on the Premises.

The breakup of accommodation is:

Tourist Sites (vacant powered)	11	TOTAL 148
12 month site permit holders	119	
Tourist sites (vacant unpowered)	5	
Cabins	13	

Additional unpowered sites and RV's can be accommodated throughout the park – space permitted.

Facilities

- 2 amenity blocks with laundry facilities.
- Playground, BBQs and picnic tables.
- Boat parking.

Services

- Gas bottle re-fill.
- Kiosk sales
- Fishing tackle and bait.

Products & Services

Building Assets

In summary, the assets at the parks are aging but in good condition. The Council's Long Term Financial Plan will budget for replacement of assets as part of a capital works and improvement program to be developed for the Parks.

The current assets and values as recorded on our insurance register are as follows:

Long Jetty Caravan Park

Asset	Valuation
Recreational hall	\$115,000
Kiosk and Office/carpark and lean-to	\$53,340.00
Dwelling	\$199,650.00
Old toilet & shower block	\$146,600.00
Newer toilet & shower block	\$155,000.00
BBQ shelter	\$ 24,843.00
Various sheds	\$42,940.00

Yanakie Caravan Park

Asset	Valuation
Dwelling/Office and Kiosk	\$175,710.00
Toilet/shower blocks	\$350,000.00
Various sheds	\$31,115.00

Market Analysis

Target Market

The primary market for our caravan parks is broadly supported by a four hour drive radius and tourists travelling from all corners of Victoria interested in pursuing pristine camping near Wilsons Promontory and fishing.

The target market regions identified for marketing our Parks include eastern Melbourne, East Gippsland and through to Canberra via marketing on the coast of NSW (e.g. Eden, Merimbula and Pambula).

The patronage throughout the parks will be collated in the first year of operation to better understand the target markets.

Market Research

TO BE COMPLETED BY ECONOMIC DEVELOPMENT/CONSULTANT.

Insert information on what we know about tourism in South Gippsland?

What data do we have about caravanning in South Gippsland?

What data do we have about patronage to these caravan parks?

Anything else?

Competition

Competitor	Industry	Details
<p>Yanakie</p> <ul style="list-style-type: none"> • Caravan Parks in Bass Coast (e.g. Inverloch, Newhaven, Kilcunda & Cape Patterson). • Camping at Wilsons Promontory • Shallow Inlet Caravan Park at Corner Inlet. • Venus Bay Caravan Park 	<p>Caravan Parks</p>	<p>The Inverloch and Newhaven caravan parks offer new facilities that attract patrons from throughout Victoria but offer sites at a higher cost.</p> <p>Wilson's Promontory, Shallow Inlet and Venus Bay Caravan Parks offer camping facilities at a comparable cost and in a similar surrounding.</p>
<p>Long Jetty</p> <ul style="list-style-type: none"> • Toora Tourist Park • Foster Caravan Park 	<p>Caravan Parks</p>	<p>Toora Tourist Park offers a 4 star cabin and vacant site accommodation. Facilities offered at this Park are of a higher standard than at Long Jetty and are marketed towards a family. The Cabin prices are of comparable price and vacant sites are more expensive.</p> <p>Foster Caravan Park offer cabins and vacant site accommodation. Facilities are slightly superior to that offered at Long Jetty with provision of a camp kitchen. Park is marketed towards the family.</p>
<p>Yanakie Store</p>	<p>General Store</p>	<p>The pricing and range of stock allows us to compete effectively with the Yanakie General Store</p>
<p>Welshpool General Store</p>	<p>General Store</p>	<p>The pricing and range of stock allows us to consider competing and offering essential items for sale at the caravan park</p>

Marketing Strategy

Yanakie Target Audience

- Yanakie
- Fisherman
- Families with pets
- Families (rest stop & explore)
- International tourists
- Grey nomads
- School & Church Groups
- Sports Clubs (e.g. fishing, boating, skiing, kayaking, trail-bike riding, etc)
- Motorcycle Clubs
- Hikers
- Wildlife and plant hobbyists

Long Jetty Target Audience

- Fisherman
- Families (rest stop & explore)
- International tourists
- Grey nomads
- Families with pets
- School & Church Groups
- Sports Clubs (e.g. fishing, boating, skiing, kayaking)
- International tourists

Key Marketing Message

Overall Marketing of all Parks

The Park management will continue to work in partnership with our Economic Development and Tourism Team to provide marketing of our local region with our park advertisements.

Yanakie

‘The low-cost and pristine holiday alternative’

Marketing Strategy

Long Jetty

'Ideal fishing destination'.

Branding

Branding of the Parks is required and will be attended to as part of the first year of operation. A budget allocation has been allowed at \$10,000 per park (Professional advice, business planning) during the first year of operation with a lower budget in the following year.

Strategy

During the first year of operation, a key requirement of the Park Management will be to review this draft Marketing Strategy and refine as appropriate to ensure a practical, workable marketing strategy is in place.

Both parks will be targeting the local market, broader Melbourne region; Southern NSW and ACT.

This year we will target our market with the following:

- i. Visitor Information Centres

Arrange for business brochures to be dropped off at our VIC's.
- ii. Phone Book - Yellow Pages

The management will list our Businesses in these yellow pages for easy reference guide (est. \$2,000.00).
- iii. Website

Marketing Strategy

Develop a joint website for the Parks with direct links from Council's website. Arrange to update Park information on the websites and perform a search for other websites with information on the Parks and provide updates to content, where applicable.

Join on-line tourism/industry websites and populate website with Park content that provide the best exposure to the Park Business (e.g. www.caravanparkfinder.com.au)

iv. RACV Membership, Guide & Website

The management will apply for memberships with the RACV, and list advertisement in the RACV Guide and update our content on their website (est. \$2,000).

v. Promotional Discount

In the review of low patronage months, our target marketing months include May through to September, with a minor slump in patronage at the end of February to mid March.

It will be management's strategy to develop discount offers to increase the patronage throughput during these periods.

The management will negotiate with other local businesses to introduce package deals with other complimentary businesses and promote.

vi. Business Brochure

The management will develop a combined brochure for the parks with an attraction heading of something in the order of 'Pristine Fishing Destinations' (est. \$1,000 but can probably be done in house.).

vii. On-site Advertisement

Design and produce new large A-frame boards and internal signage.

Marketing Strategy

Place a large A-frame board for the parks at the South Gippsland Highway entrance, flagging tourists on the highway to Phillip Island – ‘pristine fishing destinations’ (est. \$400).

viii. Direct Contact

Contact school and church groups, sporting, hiking, and motorcycle clubs in the targeted regions prior to the anticipated attraction season(s) for each group/club event. Park supervisors to make contact with local agricultural businesses and other type of businesses that attract itinerate labour/patrons and foster an arrangement to have a commitment for an accommodation agreement.

ix. E-Commerce

Investigate the on-line tourist companies and sign up to the most attractive sites for the low season months e.g. Wotif.com; Deals.com; Livingsocial.com; travelauction.com; etc. (est. 10% booking sales).

x. Park Programs

The Park management will develop Park programs for the patrons with the strategy to get them to stay additional nights in the off-peak season. This may include, in off-peak periods, offering free pancake breakfasts or free sausage sizzle lunches through to organised tours for the day after the normal exiting day of patrons.

The park management will also develop park programs for the families in peak and school holiday periods which may include kids activities (e.g. painting, etc), Easter egg hunt, Santa visits, through to organised tours and/or hiring a musician to perform in the camp kitchen or around a camp fire (est. \$500).

xi. School Programs

Marketing Strategy

The Park management will get together with school and church group leaders to discuss opportunities in developing outdoor educational programs with accommodation at the Park. If an opportunity exists, accommodation will be purchased or created to suit the program (clearing for increased tent sites, purchase of larger cabins, and construction of a dormitory) as well as, selling of camping supplies, and water sport equipment/ kayaks, etc)).

<http://www.oeg.net.au>.

The Park management will contact schools within a 1.5 hour drive from the Parks and seek to discuss a school camping event at the park and obtain advertisement/notices in their school newspaper for birthday camping experiences.

The Park management will benchmark with school camps to obtain the knowledge of this new market for implementation and defining the relevant scope for the Park business.

The Park management will target direct marketing through contacting all local schools in South Gippsland, Cardinia Shire, Casey City Council, Baw Baw, LaTrobe and Wellington Shires.

Once the Park business is brought up to school camp standards of service capability, develop and market business in relevant school media materials/websites (eg Active Education: www.activeeducation.com.au (or call Tessa Anderson on 9845 1501); and create a partnership with Council's Recreational Unit to best deliver programs for Park (and community).

xii. Local Community Support

Marketing Strategy

The Park management will become active members of local community groups and support local businesses with links on the Parks' website.

xiii. Newsprint Advertisement

The management will review advertisements opportunities for the most effective responses. Options include:

- Port Welshpool town maps (\$400)
- Yanakie town maps (\$400)
- South Gippsland maps (\$5,500)
- Coastal Stays map (\$900)
- IMAG (NSW's coastal magazine) – (targeting ACT holiday makers in NSW's coastal region) (\$1,800)
- Britz/Maui Rental Caravans Magazine (targeting international tourists \$1,300 in Spring Issue)
- Apollo magazine (\$1,300 in Spring Issue)
- Victorian Fishing magazine (\$300 in Spring issue – not as effective)
- South Gippsland Visitors Guide (\$1,200) (Canberra Times (\$500 in Spring period)

xiv. Radio Advertisement

Develop a radio advertisement on local radio stations.

xv. Social Media

The management will surf the social and website media sites and monitor the responses from patrons staying at our Parks and respond with actions to improve service opportunities to respond and build on indirect feedback.

xvi. Attract Accommodation from Local Agriculture Business's Harvest Periods

The Park management will seek out attracting local business accommodation for the harvest periods of local agriculture businesses.

Marketing Strategy

xvii. Lifestyle & Camping Shows

The management will market the Parks at trade shows, in partnership with our Economic Development Unit each year (est. \$1,000 contribution toward stand hire).

Example of trade shows include:

- Melbourne Boat Show
- Fishing and Boating Show Melbourne Show Grounds
- Melbourne Leisure Fest Sandown Park
- Canberra Home and Leisure Show
- South Coast Caravan camping and Holiday Expo - Batemans Bay
- Bendigo Caravan and camping Expo
- Victorian 4WD Show Wandin
- Docklands Boat Show - Melbourne
- Caravan and Camping Show Caulfield Melbourne

xiii. Promotion of Wedding & Group Receptions

The park management will develop partnerships with food caterers and develop a program to promote the attraction/use of the Port Welshpool pavilion and Yanakie Hall and host off season receptions/group events, and provide the accommodation, food and beverage services.

f. Measurement of Success

The management will monitor reactions via patron throughput/sales to the above marketing strategy for each of the Parks.

The management will also monitor reaction of marketing through the number of hits to our websites at www.southgippsland.vic.gov.au.

Operational Plan

Systems and Procedures

As a Council business, the Parks will have the benefit of being guided by Council's policies and procedures as well as the State Government Best Practice Management Guidelines for Committees of Management who manage Caravan and Camping parks on Crown Land.

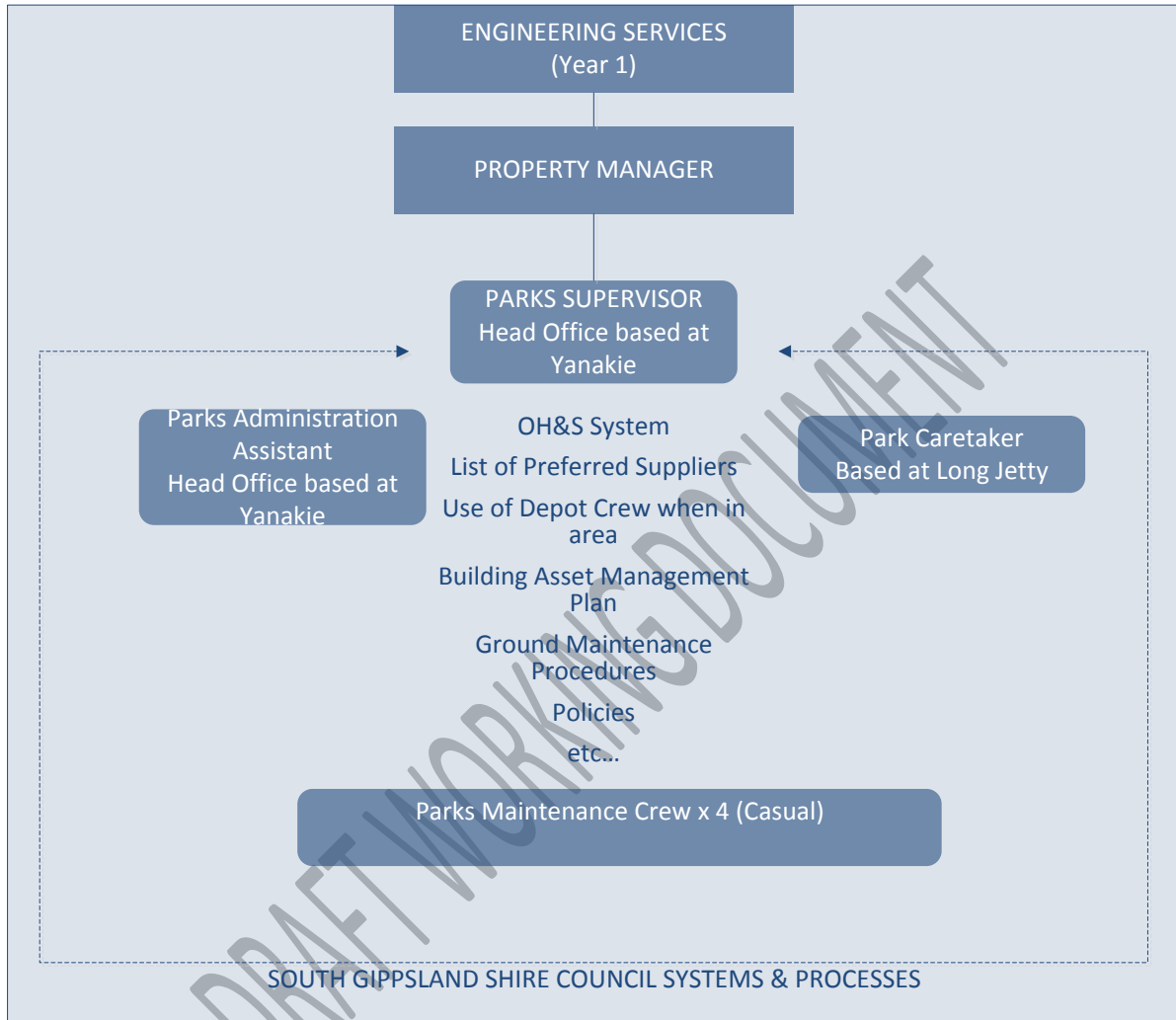
An operational manual is being developed to cover all the activities within the Parks such as such as cleaning duties and handling of chemicals, grounds maintenance and building maintenance. An index of procedures will include:

The Park staff will be set up with a connection to access Council's policies as well following our document control system (TRIM) and job requests (Pathways). This will be similar to the set up at Coal Creek.

Operational manual will be developed to cover all the activities within the park. A list of procedures is provided below:

(LIST TO BE INSERTED)

Management & Organisation



Management & Organisation

Position	Details
Parks Supervisor	Park Supervisor will be based at Yanakie as the head office for the Parks. The Supervisor will be responsible for the overall management and operations at both Parks including promotion and marketing of business whilst supporting park operations. Reviewing bookings and takings. Processing of invoices.
Park Caretaker	Living on site at Long Jetty, the Park Caretaker will attend to the same duties as the Park Maintenance Crew as well as customer service with telephone enquiries, addressing queries of visitors to the Park and night duties (on call allowance)
Park Administration Assistant	Based at Yanakie, the Park Administration Assistant is responsible for all administration and kiosk duties for the Parks.
Park maintenance crew (casual)	Grounds maintenance and cleaning duties. Full time during peak season with lesser hours during the down time.

Set-up Expenses & Cash Flow Projections

The budget requirements for each park have been estimated from careful consideration to operating and capital expenditure items. A request will need to be put to Council to adjust its 2013/2014 budget to cover the business set up costs.

With Council's Zero based budgeting model, the budget will be assessed each year.

Yanakie Caravan Park

The budget requirements for Yanakie Park for the 2013/2014 and 2014/2015 financial years are on the following page:

DRAFT WORKING DOCUMENT

Set-up Expenses & Cash Flow Projections

BUDGET AREA: Engineering > Property > Caravan Parks > Yanakie Caravan Park					
		13/14			14/15
		to Sept	9 months	TOTAL	12 months
INCOME		Activity Code			
Site Income					
Rental from Park Supervisor	4270		1,170.00	1,170.00	1,560.00
SITE INCOME - Annuals	4295		186,900.00	186,900.00	249,200.00
SITE INCOME - Cabins	4295		150,015.00	150,015.00	200,020.00
SITE INCOME - Tourist	4295		58,719.38	58,719.38	78,292.50
Kiosk Sales	4515		18,750.00	18,750.00	25,000.00
Laundry	4255		19,500.00	19,500.00	25,500.00
	TOTAL	0.00	435,054.38	435,054.38	579,572.50
EXPENSES		Activity Code			
O	Water	5205	2,000.00	2,000.00	2,000.00
O	Electricity & Gas	5210		33,750.00	50,000.00
O	Telephones and communications	5305		4,250.00	6,000.00
O	Mobile Telephone	5310		2,500.00	2,500.00
O	Registration	5910		1,800.00	
O	Maintenance	6240		1,500.00	2,000.00
O	Marketing Advertising & Promotion	8050		4,000.00	4,000.00
O	Printing & Stationery	8061		2,000.00	2,500.00
O	Subscriptions and memberships	8080			400.00
O	Uniforms & Protective Clothing	8105		1,000.00	1,000.00
O	Labour Hire	8143	8,925.72	181,345.59	245,127.45
O	Contractors	8145	3,000	95,222.51	73,962.98
O	Materials	8155		10,000.00	15,000.00
O	Allowances	8165	8,000.00	300.00	400.00
O	Consultancies	8180		10,000.00	5,000.00
O	Software, annual support and licenses	8365	10,000.00	1,875.00	2,500.00
O	Program Maintenance	8372		17,250.00	23,000.00
O	Minor Furniture, Plant &	8395	80,478.78	80,478.78	
C	Capital Plant Purchases	9012	236,000.00	236,000.00	
	TOTAL		348,404.50	366,793.10	435,390.43
O = Operating		Profit/Loss		-280,143.22	144,182.07
C = Capital		EXPENSES		13/14	14/15
		TOTAL OPERATING		479,197.59	435,390.43
		ESTIMATED CAPITAL		236,000.00	0.00

Set-up Expenses & Cash Flow Projections

Long Jetty Caravan Park

The budget requirements for Long Jetty Caravan Park for the 2013/2014 and 2014/2015 financial years are on the following page:

DRAFT WORKING DOCUMENT

Set-up Expenses & Cash Flow Projections

BUDGET AREA: Engineering > Property > Caravan Parks > Long Jetty Caravan Park						
			13/14			14/15
			to Nov	7 months	TOTAL	12 months
INCOME		Account Code				
Site Income						
4270	Rental from Park Supervisor	New		1,170.00	1,170	1,560.00
4295	SITE INCOME - Annuals	New		133,991.67	133,991.67	229700
4295	SITE INCOME - Cabins	New		68,559.17	68,559.17	117530
4295	SITE INCOME - Tourist	New		40,241.25	40,241.25	68985
4515	Kiosk sales	New		4,000.00	4,000.00	6,000
4255	Laundry	New		6,166.67	6,166.67	10,000
		TOTAL	0.00	254,128.75	254,128.75	433,775.00
EXPENSES						
O	Electricity & Gas	5210		19,250.00	19,250.00	33,000.00
O	Telephones and communications	5305		4,000.00	4,000.00	6,000.00
O	Registration	5910		1,250.00	1,250.00	
O	Maintenance	6240		10,050.00	10,050.00	17,500.00
O	Marketing advertising & Promotion	8050		2,000.00	2,000.00	4,000.00
O	Printing & stationery	8061		2,000.00	2,000.00	2,500.00
O	Subscriptions and memberships	8080				1,000.00
O	Uniforms	8105		1,000.00	1,000.00	1,000.00
O	Labour Hire	8143	5,136.04	65,856.58	70,992.62	112,897.00
O	Contractors	8145		23,216.67	23,216.67	43,462.98
O	Allowances	8165		300.00	300.00	400.00
O	Consultancies	8180		10,000.00	10,000.00	5,000.00
O	Software, annual support and licenses	8365		1,000.00	1,000.00	1,000.00
O	Program maintenance	8372		11,666.67	11,666.67	20,000.00
O	Hardware	8380	6,000.00		6,000.00	
C	Capital Plant Purchases	9012	209,385.00	0.00	209,385.00	0.00
		TOTAL	220,521.04	151,589.92	372,110.96	247,759.98
O = Operating		Profit/Loss			-117,982.21	186,015.02
C = Capital		EXPENSES			13/14	14/15
		TOTAL OPERATING			162,725.96	247,759.98
		TOTAL CAPITAL			209,385.00	0.00

Set-up Expenses & Cash Flow Projections

The cost to set up the businesses results in a first year loss of \$398,125.43 in 2013/2014. However, this figure includes the purchase of assets which will be reflected on the balance sheet. The cost of set-up will be covered by using funds allocated in the 2013/2014 capital works program towards the Waratah Bay Toilet Block project.

Project	2013/14 Budget	2016/17 Budget
9520 – Buildings – Caravan Park Toilet Block – Waratah Bay	\$397,477	0

It will be necessary for the Waratah Bay Toilet Block project to be put on hold until such time as the Parks are generating enough profit to cover the costs of this project.

In addition, any proposed capital works at any of the Crown Land Caravan Parks for which Council is the Committee of Management will be put on hold and revisited as a key requirement of the Park management who will determine the need and priorities for capital expenditure as part of an overall Park Development Plan.

Financial Plan

At its meeting on 24 April 2013, the Council resolved to internalise the management of the Parks.

Council was not aware of the actual profit and loss for the Parks when it made its decision. Council has not had access to trading figures during the lease term. An estimated cash flow has been prepared to capture the expected income and expense items for the parks. This will form a benchmark for analysis after the first year's trade.

Obviously, once Council is actively managing the Parks, we will be able to more accurately predict incomes and expenses to inform future budget

DRAFT WORKING DOCUMENT

Action Plan

A scenic photograph of a rocky coastline. The foreground is filled with large, dark, rounded rocks on a sandy beach. The water is a deep blue, reflecting the sky and the distant mountains. The sky is a clear, vibrant blue with a few large, fluffy white clouds. The overall mood is peaceful and serene.

Photo by Chris Van Der Ark

OUTCOME 1. *A Prosperous Shire*

objective 1.1: WORK WITH THE BUSINESS COMMUNITY TO SUPPORT EXISTING BUSINESSES, DIVERSIFY EMPLOYMENT OPPORTUNITIES AND TO ATTRACT NEW BUSINESSES

Strategy	Task	By Whom	By When
<p>1.1.1: We will actively plan for growth and economic development; &</p> <p>1.1.4: We will promote and encourage tourism through development support.</p>	Continue to support low cost holiday options through the provision of Council managed and leased caravan parks.		
	Develop and deliver marketing material as per Marketing Strategy.	Property Manager, Park Supervisor, Economic Development Officer	As Outlined in a Marketing Strategy
	Promote South Gippsland in partnership with the Economic Development Unit (through shows, and advertisement).	Property Manager and Park Supervisor, Economic Development Officer	Ongoing
	Induct Staff and annually review the service delivery expectations.	Property Manager and Park Supervisor	Ongoing
	Deliver proactive service improvements in accordance with feedback via customer surveys, social & website responses; and direct comment at front desk or in Visitor Book.	Property Manager, Park Supervisor	
	Work with local business and community to value-add to marketing Park and local economy.	Parks Supervisor in conjunction with Economic Development	Prior to peak season and school holiday periods

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Strategy	Task	By Whom	By When
1.1.1: We will actively plan for growth and economic development; &	Conduct regular inspections, enforcement, and safety in the peak period daily.	Park Supervisor	Daily
	Ensure all visual maintenance appearances are addressed before high visitation periods.	Park Supervisor	November each season
1.1.4: We will promote and encourage tourism through development support.	Identify, develop, review and contribute to policies and strategies that guide Council planning and decision-making and affect the region.	Property Manager, Park Supervisor	Ongoing
	Ensure all reports to Council clearly define financial benefits and impacts to our shareholders (ratepayers).	Property Manager and Park Supervisor	As directed
<i>continued</i>	Develop plan for provision for camp assets development such as: Australian Camps Association http://www.auscamps.asn.au/ ; and consider Camps Australia on: http://www.campastralia.com.au/schools/our-programs.aspx .	Property Manager in conjunction with Economic Development	December 2014
	Long Jetty: Investigate taking over the CoM of GippsPort site adjacent to park for the purpose of development into a cabins and school camp activity hub.	Property Manager in conjunction with Director Development services	December 2014

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Strategy	Task	By Whom	By When
1.1.1: We will actively plan for growth and economic development; & 1.1.4: We will promote and encourage tourism through development support.	Better use of RMS program for the business including additional training.	Park Supervisor	September 2014
	Develop a Service Improvement Program with justification on how the investment will improve patronage attraction throughput (e.g. revenue performance) with key objectives below.	Property Manager and Park Supervisor	September 2015
<i>continued</i>	<ul style="list-style-type: none"> Service delivery focuses on the hospitality industry business model. 		
	<ul style="list-style-type: none"> Ensure the regular customer is seeing something new or refreshed on a regular basis. 	Park Supervisor	September 2015
	<ul style="list-style-type: none"> Deliver low cost innovative asset/service that complements the marketability of core business services. 	Park Supervisor	September 2015
	<ul style="list-style-type: none"> The asset/service upgrade designs are to be in line with the private commercial industry sector. 	Park Supervisor	September 2015
	<ul style="list-style-type: none"> Deliver service & asset improvements that are seen as a direct benefit to customers (and community). 	Park Supervisor in conjunction with Economic Development	September 2015

OUTCOME 1. *A Prosperous Shire*

objective 1.1: WORK WITH THE BUSINESS COMMUNITY TO SUPPORT EXISTING BUSINESSES, DIVERSIFY EMPLOYMENT OPPORTUNITIES AND TO ATTRACT NEW BUSINESSES

Strategy	Task	By Whom	By When
1.1.1: We will actively plan for growth and economic development; & 1.1.4: We will promote and encourage tourism through development support. <i>continued</i>	<ul style="list-style-type: none"> Review and implement actions to reduce the Carbon footprint reduction (e.g. reduction in electricity/gas/water usage) with the upgrade of asset/services. 	Park Supervisor in conjunction with Sustainability Department	September 2015
	Replacement and upgrade of assets with foresight of future service enhancements expected in the marketplace and achieve the RACV Green Star Accreditation.	Park Supervisor in conjunction with Building Maintenance Coordinator and Property Manager	Ongoing
	Value-add services to create social activity and environmental attractiveness of the Parks (eg. Multi-purpose picnic tables with built-in golf putting greens on concrete pad, for the picnic table. Purchase picnic tables with chess set boards.	Park Supervisor	Ongoing
	Hospitality Action: Investigate development of a 'loyalty customer 'reward program (frequent user of facility).	Park Supervisor	By November, each season
	Ensure inspections of Park include value-added proactive and friendly socialising with van owners providing valuable local knowledge and information.	Park Supervisor	Ongoing

OUTCOME 1. *A Prosperous Shire*

objective 1.1: WORK WITH THE BUSINESS COMMUNITY TO SUPPORT EXISTING BUSINESSES, DIVERSIFY EMPLOYMENT OPPORTUNITIES AND TO ATTRACT NEW BUSINESSES

Strategy	Task	By Whom	By When
<p>1.1.1: We will actively plan for growth and economic development; &</p> <p>1.1.4: We will promote and encourage tourism through development support.</p> <p><i>Continued</i></p>	<p>Hospitality action to encourage return visitors: Investigate and develop annual event program for Parks with on-site management for van owners to enhance the value of a more social interaction e.g. pancake or BBQ; art display in activity room/kiosk; local food and wine tasting; music by the water; Christmas party with Santa handing out presents; fishing demonstrations; fishing charters.</p>	Park Supervisor	Ongoing
	<p>Hospitality action to encourage return visitation: develop a newsletter and post-cards to addresses of regular visitors.</p>	Park Supervisor	September each season
	<p>Obtain park asset replacement designs and planning approvals.</p>	Engineering Department	As required and before Peak season each year
	<p>Tender for construction of park assets.</p>	Engineering Department	As required
	<p>Develop service levels and pricing program for applicable businesses to achieve National Competition Policy requirements whilst developing prices at an affordable price to continue to attract families and provide a draw-card for region.</p>	Engineering Department	Prior to budgeting - November each year

OUTCOME 1. *A Prosperous Shire*

objective 1.1: WORK WITH THE BUSINESS COMMUNITY TO SUPPORT EXISTING BUSINESSES, DIVERSIFY EMPLOYMENT OPPORTUNITIES AND TO ATTRACT NEW BUSINESSES

Strategy	Task	By Whom	By When
1.1.1: We will actively plan for growth and economic development; &	Investigate and develop value-add business services that generate revenue e.g. merchandise sales, kiosk operations, etc.	Park Supervisor and Economic Development	Ongoing
1.1.4: We will promote and encourage tourism through development support.	Develop monthly statistical data of business performance.	Park Supervisor and Property Manager	Each Month
<i>continued</i>	Maintain a good working relationship and regular communications on the business with key stakeholders, community groups and adjacent residence.	Park Supervisor	Bi-monthly or as needed
	Yanakie: 1. Proactively clean-up/remove 12 month site accommodation and associated structures that are non-conforming with legislation, Crown Land Policy and industry standards. 2. Review and renew 12 month site permits with aim to improve the overall appearance of the Park by proactively removing the poor appearance Annual caravan and out-of-character structures (e.g. decks, patios, etc).	Park Supervisor	Prior to November 2014

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objective 1.1: WORK WITH THE BUSINESS COMMUNITY TO SUPPORT EXISTING BUSINESSES, DIVERSIFY EMPLOYMENT OPPORTUNITIES AND TO ATTRACT NEW BUSINESSES

Strategy	Task	By Whom	By When
1.1.1: We will actively plan for growth and economic development; &	Both parks: Revise 12 month permit Site Fees to reflect the space occupied by the Annual site occupant to reduce the 'site-creep' and impact on potentially income generating space.	Park Supervisor	Before budgeting process - November each year
1.1.4: We will promote and encourage tourism through development support.	Benchmark with commercial businesses in the hospitality industry. Actively investigate service levels and associated fee structures in the local industry and those offered in other similar sized regions.	Park Supervisor	Before budgeting process - November each year
<i>continued</i>	Investigate memberships/accreditations with the key affiliations and membership organisations for the industry Proactively build the capability of Park Business to achieve accreditations to gain membership of key organisations (e.g. Tourism Accreditation Australia: www.tourismaccreditation.org.au/ ; and Australian Camps Association http://www.auscamps.asn.au/ ; and consider Camps Australia on: http://www.campaustralia.com.au/schools/our-programs.aspx .	Park Supervisor and Property Manager	November 2013

OUTCOME 1. *A Prosperous Shire*

objective 1.1: WORK WITH THE BUSINESS COMMUNITY TO SUPPORT EXISTING BUSINESSES, DIVERSIFY EMPLOYMENT OPPORTUNITIES AND TO ATTRACT NEW BUSINESSES

Strategy	Task	By Whom	By When
<p>1.1.1: We will actively plan for growth and economic development; &</p> <p>1.1.4: We will promote and encourage tourism through development support.</p> <p><i>continued</i></p>	Consider applying for a liquor licence for the kiosk at Yanakie.	Park Supervisor and Property Manager	Ongoing
	Arrange a summer program of activities.	Park Supervisor	September each Year

OUTCOME 3. *Intergrated Services & Infrastructure*

objective 3.1: DELIVER AFFORDABLE MODERN COMMUNITY SERVICES AND FACILITIES THROUGH AN INTEGRATED APPROACH TO PLANNING AND INFRASTRUCTURE DEVELOPMENT

Strategy	Task	By Whom	By When
3.1.4: We will plan for the service needs of the Shire's changing demographic.	Develop a written annual maintenance program, to ensure the park, and associated assets, including all cabins, (including furniture, appliances; bedding and park residence) are in 'good external and internal maintenance and appearance' condition as defined (above a 3-star point system) under the AAA Tourism Australian Star Rating Scheme, Standards and Guidelines for Tourist/Caravan Park Category as referenced under http://www2.aaatourism.com.au/LinkClick.aspx?fileticket=sftLXQ18Ue0=&tabid=133 . Also all electrical appliances and power-heads have been tag-tested by a certified electrical contractor; gas has been inspected; and fire service has been tested and approved prior to November of each season.	Building Maintenance Coordinator and Park Supervisor	Prior to September each season
	Also ensure the Park grounds, gardens and trees are maintained to a Level # standard of Council, including a drains cleaned; road maintained, edging of roads and footpaths.	Building Maintenance Coordinator and Park Supervisor	Prior to September each season

OUTCOME 3. *Intergrated Services & Infrastructure*

objective 3.1: DELIVER AFFORDABLE MODERN COMMUNITY SERVICES AND FACILITIES THROUGH AN INTEGRATED APPROACH TO PLANNING AND INFRASTRUCTURE DEVELOPMENT

Strategy	Task	By Whom	By When
<p>3.1.4: We will plan for the service needs of the Shire's changing demographic.</p> <p><i>continued</i></p>	Develop and deliver the annual Operating Budget. Track budget vs actual on a monthly basis and manage business in line with budget expectations.	Property Manager and Park Supervisor	Before budgeting process - November each year (and monthly)
	Develop and deliver the forecast capital renewal/upgrade budget. Track budget vs actual on a monthly basis and manage business in-line with budget expectations.	Property Manager/Building Coordinator/ Park Supervisor	November each year, prior to budget process and Monthly
	Develop a written Procurement and Transition Plan with supporting documentation templates for invoicing customers.	Park Supervisor	By September 2013
	Establish a written roster template for actual and forecast records that clearly defines rostered staff and details tasks and timeframes undertaken for each day.	Park Supervisor	By September June 2012
	Review daily operations to reduce or make more productive usage of electricity/gas/water/staffing resources.	Park Supervisor	Ongoing
	Develop and implement auditing program for compliance with site-use against RMS booking and banking with all other revenue areas (eg. kiosk, gas refills, merchandise, laundry etc).	Parks Supervisor	Daily

OUTCOME 3. *Intergrated Services & Infrastructure*

objective 3.1: DELIVER AFFORDABLE MODERN COMMUNITY SERVICES AND FACILITIES THROUGH AN INTEGRATED APPROACH TO PLANNING AND INFRASTRUCTURE DEVELOPMENT

Strategy	Task	By Whom	By When
<p>3.1.4: We will plan for the service needs of the Shire's changing demographic.</p> <p><i>continued</i></p>	Ensure amenities and park exceeds 3-Star RACV standards and the park meeting Council's Level 1 Public open space Standards.	Park Supervisor	Daily
	Must audit facilities and park furniture at every cleaning/maintenance/inspection and <u>remove graffiti immediately</u> (within 3 hours of notification).		
	Ensure surrounding park foreshore, bush and beach areas are inspected and cleaned of rubbish on a monthly basis.	Park Supervisor	Monthly
	Ensure staff and contractors are trained on any culturally sensitive areas in Park(s) prior to digging.	Parks Supervisor	Ongoing
	Organise 6 monthly audits for trees and follow-up maintenance in Parks through our Council Arborist.	Park Supervisor	6 monthly
	Remodel Kiosk to a professional industry standard with maximising the usable space and upgrading shelving + stock item signage to a professional appearance.	Park Supervisor	By September 2013

OUTCOME 3. *Intergrated Services & Infrastructure*

objective 3.1: DELIVER AFFORDABLE MODERN COMMUNITY SERVICES AND FACILITIES THROUGH AN INTEGRATED APPROACH TO PLANNING AND INFRASTRUCTURE DEVELOPMENT

Strategy	Task	By Whom	By When
<p>3.1.4: We will plan for the service needs of the Shire’s changing demographic.</p> <p><i>continued</i></p>	<p>Before this can be done, an audit of what the defined stock inventory and level of food service provisions will be in future of kiosk business, along with defining the best operational flow of floor space.</p>	<p>Park Supervisor</p>	<p>By September 2013</p>

OUTCOME 4. *A Leading Organisation*

objective 4.1: IMPROVE THE FINANCIAL SUSTAINABILITY OF COUNCIL, INCLUDING DIVERSIFYING REVENUE STREAMS

Strategy	Task	By Whom	By When
4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure where appropriate.	Develop and Implement a program to ensure continual improvement in the provision of quality citizen services.	Property Manager and Park Supervisor	By November 2014

Key Performance Indicators (KPI's)

Outcome & Objective

4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure where appropriate.

Strategy

Continue to support low cost holiday options through the provision of Council managed and leased caravan parks.

Improve business performance.

Ensure the Commercial Businesses (that are determined to be competitive against similar local businesses) comply with National Competition Policy and Crown Land Lease Policy.

Ensure business infrastructure conditions are built and maintained in a quality and service condition that is comparable to competitive industry standards.

Proposed Action

Developed pricing and promotional deals that demonstrate patron-attraction to the managed caravan parks and/or extended their stay at the parks.

Achieve improved 'comparable-ROI' from previous financial year, not to be less than **8%** for the businesses that are determined to be competitive against similar local businesses.

Benchmarked business services vs pricing against industry and demonstrate actions been undertaken to ensure accountability for compliance to the commercial competitiveness principles.

Demonstrate the parks' facilities achieved a minimum 3-Star AAA standard for similar industry services offered.

KPI

Key Performance Indicators (KPI's)

Outcome & Objective	Strategy	Proposed Action	KPI
<p>4.1.1: We will explore innovative ways of increasing revenue and reducing expenditure where appropriate.</p> <p><i>continued</i></p>	<p>Ensure continuous improvements to business assets & services.</p>	<p>Demonstrate improved or new services, and/or assets, that have maximized best-value return on those services and/or assets.</p>	
	<p>Ensure business services and transaction processes are tracked for accountability.</p>	<p>Develop and implement an audit program for the business service levels and transaction processes.</p>	
	<p>Deliver services that meet overall customer satisfaction.</p>	<p>Demonstrate actions from annual customer service surveys.</p>	

DRAFT WORKING DOCUMENT

Appendix 1: Competitor Analysis

Competitor	Market share (%)	Value to customers	Strengths	Weaknesses
Caravan Parks in Bass Coast (not specific)	Majority of South East Melbourne market	Surf beach experience and accessibility	Great scenic locations; town services and new assets	Resort areas are getting congested and lost pristine atmosphere with tourist overload. Prices for overnight stay is higher than Yanakie and Long Jetty.
Wilsons Promontory National Park	Unknown	Pristine national park experience and access to beaches	Scenery Wildlife Beaches	Ballot system. Too many tourists. Overcrowding during summer. Limited commercial facilities/grocery shopping.
Caravan Parks in Toora and Foster	Unknown	High	Large professionally established as the core business	

Appendix 2: Strategic SWOT Analysis

Strengths

- Council credibility in marketplace.
- Access to Crown land (committee of management).
- The organisation's corporate structure, enables stronger support for individual business units– established with processes: Information Technology, Human Resources, Accounting, which positions us to take on new business.
- Council recognises management of Caravan Park infrastructure as a fully 'user-pay' business model where by maximising opportunities to support local town economy and tourism.
- Council operates a 'commercial business' which is unique in the industry.
- Sustainable organisation.
- Training/development/recruitment programs.
- Confidence in the organisation being government.
- Supportive, qualified, professional staff who are passionate.
- Government funding opportunities.
- Council operates business directly with on-the-ground staff.
- Ability to operate under a 'business framework' in-balance with not competing against private businesses in industry.
- Focus on using Caravan Parks' business to promote local business & community to build economic sustainability and growth.

Weaknesses

- Competing with other Council assets for grant funding.
- Managing community expectations.
- Market has changing needs e.g. new technologies.
- Very high exposure to political influences from community and media.
- Expectations from customers of Council operated business to offer free or under-valued services at a higher than private-business type of service-level.
- Assets are extremely out of date and need renovation and/or replacement.

Opportunities	Strategies using strengths to address opportunities	Strategies to reverse weaknesses to address opportunities
Implementation of Development Plans for increasing yields at the Parks.	Review previous Masterplan work and develop practical development options that will increase site yield and improve safety standards at the Parks.	Establishes the roadmap to inform patrons of the development park assets. Roadmap for budgeting for the development of park assets.
Ability to use caravan parks as a draw-card to promote local areas and business community to build local economy.	Through our Park marketing and advertising, Council will be able to promote tourism to these local towns.	
Attract regional events eg caravan shows.	Use our Eco-Dec and Tourism Unit to attract events to our Parks.	
Partnerships with local business to develop marketing tourism packages eg meals with site accommodation.	Council has the attractive property to attract partnerships on promotional deals.	
Potential to expand Coastal land under Council's Committee of Management into areas for camping.	Use Council's position to negotiate with DSE on developing opportunities of Crown land.	

Threats	Strategies to counter threats with strengths	Strategies to fix vulnerabilities
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Australian economy downturn or strong Australian dollar risk will directly impact regional tourism.

Ways to use business strengths so threats are not a problem, eg. launching new product to revitalise consumer demand.

Ways to address areas where the business may be vulnerable, eg. utilising new technologies or social media to reach potential customers adapting green practices to minimise costs.

Competition with other caravan parks with new assets.

New Master Planning process will assist with the development of roadmap for asset renewal.

Local community groups, clubs and competing private businesses using political influences to reduce the Park's ability to develop business opportunities through master planning process.

Carbon Tax increases to Utility Companies.

Work with Council to build their confidence in the Commercial Unit on what development opportunities are needed to sustain the Park business growth going into the future.
Utilities are estimated to increase by 10%. Consider green sustainability measures.

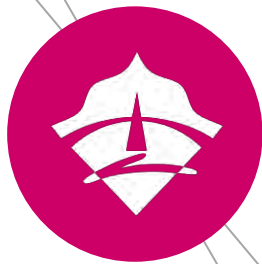
Sand fly Infestation at Long Jetty causing reduction of site-night stays.

Engage our Health Unit's Environmental Officer to perform target sandfly spraying 4 weeks prior to peak seasons and when inconvenience of sandflies becoming present.

Bush Fires in region with media resulting in cancellations of booking/tourism to Parks.

Severe Flooding/Weather events causing roads to be closed, etc.

Work with Eco-Dev & Tourism Unit on media releases to reduce risk of tourism downturn.
Monitor situation on a case-by-case basis and communicate to patrons with bookings.
Prior to forecasted wind storms, move patrons out from under suspect trees at the Parks.
Organise with Council Arborist for proactive 6-monthly tree-audits and maintenance.



Business Plan

Yanakie & Long Jetty
Caravan Parks