

DIRRANBANDI THERMAL BATHS

&

THE DIRRAN DIP

(WORKING TITLE ONLY)

**DEVELOPMENT
RECOMMENDATION**

**SPA GURU CONSULTING
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DIRRANBANDI THERMAL BATHS : MOOD BOARD v2

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Executive Summary

The Dirranbandi Thermal Baths (DTB) will be Dirranbandi's new primary tourism destination, themed to compliment the existing lead location: the historical Rail & River precinct. By creating an identity in keeping with Rail & River, the baths will further develop Dirranbandi's emerging tourism brand. The DTB will be major asset in the region's tourism growth and visitor demographic expansion and ensure Dirranbandi will gain the economic benefits of being part of the Great Artesian Drive.

For Dirranbandi the baths have the potential to:

- increase visitation and overnight stays by current visitor categories (grey nomads).
- benefit from, and attract, the region's widening range of tourism visitor categories, including more families and younger travellers
- enhance its appeal as part of more regional and outback tourism routes
- put Dirranbandi on the map for Wellness Tourism
- increase the appeal of Dirranbandi for local regional visitation
- provide new services to the local community
- provide economic benefits and potential business stimulus to existing businesses

Site and Sustainability

The confirmed riverside Jack Dwyer Park site will take advantage of an under-utilised and under-developed natural asset, opening up the area for further tourism and community asset development over time. All infrastructure will be designed for lightest footprint and potential relocation if required.

DTB Facility Inclusions

In response to council and community stakeholder engagement, global trends analysis and regional and local tourism projections, the DTB consultants are recommending a unique facility, to suit Dirranbandi, offering the following inclusions:

- private baths for singles or couples
- a family or 4-person bath (disability accessible)
- a boutique function space
- The Dirran Dip novelty pool-for children, young people, and a good therapeutic soak.
- reception and retail

These DTB facilities will add exciting new services and amenities for local, and local regional use and economic stimulus, in addition to the tourism benefits.

Proposed Operating Model

Primary alternatives are: Operator leases operation of facility from council, OR a local Not-For-Profit committee leases operation from council and appoints an operator/manager (ref. successful example Mitchell Great Artesian Spa – Booringa Action Group).

The benefits of the NFP model would:

- best ensure community engagement, use and ownership
- provide a buffer of informed personnel resources if urgently required re loss of operator/manager

- potentially provide personnel and skilled technical and safety resources
- support securing further grant funding improvements & future/staged development
- enable the receipt of donations, sponsorship, gifts and bequeaths in goods, services and funds by commercial and individual supporters and benefactors.
- spread the administrative, marketing and asset management work-load, freeing up the operator/manager to attract visitors, manage provisions and ensure a superb visitor experience.
- enable a test lease-term, i.e.: 3 x 3 years, (based on the Mitchell successful example) to prove the lease/management model
- enable appointment of the operator/manager by the committee on a negotiated balance of remuneration and shared commercial profit incentive, supporting the start-up manager with a financial foundation while they build the business for Dirranbandi.

Operator / Manager Requirements

In order to maximise the potential of global, national and regional tourism trends in spa and wellness the operator should be fully conversant with all aspects of spa/wellness business development and guest services along with the technical expertise to manage day-to-day facility operations. The effective start-up establishment of operational systems, services provision, marketing methods and marketplace awareness are essential to ensure a secure business model that can withstand a changing operator/manager over-time. Ideally the operator/manager would be local and familiar with the Dirranbandi community and businesses in order to create packages, inclusive promotions and business development opportunities.

Anticipated Economic Benefits

Local business will be stimulated by increased tourism and local use of the facility by:

- increase in overnight stays
- potential regional visitor stays (for functions [birthdays groups etc] and pool/baths visitation)
- catering and other services provision to visitors at the baths, grounds, cleaning, servicing and maintenance creating potential local employment and contracts
- increased town visitation cash injection creating further local employment & spend
- visitor purchase of food and beverages from community business
- additional opportunities: packages -i.e.: *beauty, baths & function* special occasions package, retail opportunities in baths reception for local goods/merchandising, etc.

Cost considerations for Council

Under the recommended NFP committee lease model the projected costs to council would include the following:

- Facility & Grounds Maintenance, Repairs and Cleaning and pool cleaning chemicals
- Electricity, Telecoms, and Insurances
- Asset Depreciation
- Manager Remuneration Contribution (first two years) (grant funded and wage assistance programs etc. available)
- Advertising and Marketing Contribution



Business Overview

Unique Visitor Experience

To achieve the tourism revenue increase objectives, the Dirranbandi Thermal Baths facility must offer a visitor experience in keeping with, but unique from, the other facilities in the Great Artesian spa and bathing region. Ideally, the DTB will offer more than one unique experience within the same facility enabling broader demographic appeal.

In the proposed model the unique visitor experiences include:

- a more 'sophisticated' bathhouse than other facilities
- next level private bathing
- the ability to offer a mimicked 5-star style experience in 2-star cost and comfort
- a highly marketable, iconic, novelty pool with strong family group appeal

Community Services

The inclusion of the Dirran Dip novelty pool provides an affordable therapeutic soak for locals and a special occasion treat for local children.

The inclusion of a function room and deck, (for special occasions, small functions and meetings) provides a valuable community asset helping to ensure local community use and engagement.

A community membership model with, i.e.: 'season passes for pool and baths' encourages use of the facility by the local community for therapeutic benefit, destress and enjoyment.

A local, and local regional, services focus within the DTB facility can assist to buffer the DTB from changing tourism visitation patterns over the seasons and against unforeseen circumstances.

Dirranbandi businesses can take advantage of the opportunity to sell goods and services to the DTB, integrate marketing and promotional packages with DTB, and explore new business opportunities inspired by the DTB.

Styling of the Buildings

The facility will further ground the historical identity of Dirranbandi by styling the DTB facility with iconic reference to the Rail & River (R&R) Goods Store and a traditional Shearing Shed.

This re-enforces the link between the existing R&R precinct and supports the historical focus of the town. The link is envisioned to be further reinforced by the historical picture showcase envisaged as part of the 'Dirran Dip' novelty pool experience, information displays and signage, art and sculpture.

Sustainable & Relocatable

To the extent that budget will allow it is envisaged and circumspect for the building and pool structure to be designed with lightest footprint and the potential for relocation and sale, should it be necessary or required at any future time.

Energy provision, water supply, filtration systems, waste management, water recycling to gardens systems etc. should be applied with maximum ecological and environmental considerations to add to Wellness Tourism appeal, maximise further grant funding potential and add to marketing benefits.

The Wellness Traveller rates, and reports (social media et al) a facility by both the quality of their experience and the 'health, wellness and sustainability' ticks of all the operations, utilities and goods.

Sustainability excellence in the current climate dramatically increases media interest and the DTB's award-winning potential.

Grounds Management

Utilising recycled water for gardens will allow the DTB to enhance the Oasis regional tourism theme and enhance the visitor appeal and experience. Gardens should entertain, educate and relax with attention to local species, bush tucker, fragrance, blooms and interesting historical uses.

As a Wellness Destination, provision in the garden for 'quiet time', yoga and soft exercise, along with passive wellness experiences and interest points enhances visitor satisfaction.

The Building & Baths

Due to budget and footprint constraints – the DTB is now proposed in a single building with the novelty pool standing aside.

Designed with simplicity and ease of function in mind. The three private baths (two x single/couple, one x family/4 person) are single use fill. Positioned in a private bathing pod with a deck the bath experience looks out to the river view. Temperature can be selected as: Artesian Warm, or be tempered for personal taste and seasonal preference. Allowing a cool-down bathing experience in summer will assist to keep bathing use up during the hotter months.

The use of primarily Artesian water is preferable for an authentic experience, requiring mechanical temperature adjustment to be enabled. Preferable systems under consideration.

Within the building, natural temperature controls such as insulation, fans and louvres will aim to enhance the comfort of patrons throughout the seasons.

Disability Considerations

The larger family bathing pod will enable the differently-abled guest to enjoy a bathing experience according to building code regulations. One of the two unisex w/c will be disability code allowance. A ramp to code will provide building access. Reception and function rooms will be accessible.

Function Facility

The stakeholder engagement process highlighted the need in Dirranbandi for a pleasant function space for small special occasion celebrations, gatherings, meetings, etc. A simple room with access to the deck on the riverside of the building, cost effectively and efficiently creates this space. The room and deck also allow use as required for yoga, massage, educative purpose, etc. adding to the Wellness Tourism and community use appeal.

Catering

The *bath, wine and nibbles* package and the function room etc. are serviced by a kitchenette for catering (all food and beverages are projected to be supplied by off-site Dirranbandi businesses).

Reception and Retail

The reception will allow for potential retail opportunities for local businesses, crafts, select wellness lines and merchandising, additional on-line sales where applicable will add revenue and support local creators, makers and shippable start-up suppliers i.e.: *Dirran Dip Lilly Pilly Jam*.

Changing Rooms and Facility

M/F changing rooms (potentially with a shower) will be positioned in the building to best allow access by users of the novelty pool in the proximity, but not impacting the peaceful experience of the private bath guests.

The Dirran Dip Novelty Pool

In keeping with the historical tourism theme, a stand-alone above ground pool (circa 6 metres in length and 3 metres in width), set into a deck, will be presented as a mock sheep dip experience. The pool proposed will provide both a fun 'sheep dip' experience for children and young people, whilst doubling as a 'quiet time' Artesian soaking pool for enjoyment and therapy.

Time and access management re when the Dip is available for local children and families, versus tourists, and locals seeking a quiet therapeutic soak (and preferring the cost or ambience of the pool over a bath), will evolve over time as patterns of use are determined and allowed for. Fill cycles of the circa 20,000+ litre pool, and preferred chemical/sanitation management are under consideration, particularly in relation to the wellness preferences of the secondary wellness travellers*. Chemical costs in the financials are based on standard chemical models at this stage.

The Dirran Dip will feature a historical collage wall as a primary interest and marketing feature. The pictures of the Dip will provide an instantly recognisable reference to Dirranbandi in all media and marketing.

*Primary wellness travellers – choose their travel based on wholly wellness criteria (i.e.: choice of a Health Retreat). Secondary Wellness travellers choose their travel based on potential wellness experiences and how well their wellness needs, and preferences will be met as they travel.

Definition: Global Wellness Institute.



Market Overview & Competitive Advantages

All market indicators support the creation of a thermal bathing facility for Dirranbandi:

- The already rapidly expanding Wellness Tourism trend has exponentially increased in popularity and demand with the COVID health crisis
- Nature based tourism, already rapidly increasing in demand, is also escalating due to perceived further health benefits, social distancing and climate change perceptions.
- Bathing in natural, 'wellness' waters is also increasing in demand.
- Domestic, and regional tourism is escalating due to COVID pressures and restraints
- The Balonne Shire tourism demographics are widening and 'improving' due to regional domestic tourism changes
- The maturity of the 'spa' tourism trend, when combined with the above-mentioned trends, creates a perfect environment for a rural/outback 'next level' integration of outback bathing, with more sophisticated service and experience elements, that bring the popularity of the 5-star spa experience elements into an outback culture with 2-3-star affordability.

The resulting model for the DTB for effective integration onto the Great Artesian bathing experience and to create stand-alone tourism, local and regional local appeal and use, requires a unique experience facility incorporating:

- a locally and culturally appropriate interesting experience
- authentic water therapy attributes
- appealing nature-based location and experience
- bathing service add-ons and additional services
- single, couple, group, family flexibility
- tiered pricing for different budgets and community use
- marketing appeal
- retail options
- broad demographic appeal
- support for other local business

The conceptual model for DTB is designed to meet all of these criteria.

Marketing the Dirranbandi Thermal Baths

Marketing the DTB will begin with:

- effective local and highway approach instructional and inspirational signage
- ensuring all digital and print communications, branding, imagery and content are of the highest standard, culturally and regionally appropriate, and appealing to all tourism demographics, and in-line with all current tourism demand trends
- setting a pricing model that is in line with other bathing and tourism experiences for travellers on all of the tourism travel routes, and setting affordable rates and access models for locals

- integrating the baths into promotional packages for other Dirranbandi and greater regional businesses
- arranging inclusion of DTB into all available travel routes, circuits and promotions.
- incorporating DTB into all local and regional existing Balonne shire marketing and greater regional and state marketing, and where appropriate national marketing.
- ensuring DTB is well featured on all relevant state and national tourism departments marketing.
- conducting an intensive analysis of 'paid' advertising and promotional opportunities to best ensure highest ROI with no wastage for allocated budget.
- effective interactive management of all digital and social platforms with well-defined response and promotional protocols.
- identification of specific target groups, demographics, with best communication methods identified to engage them for free/cost-effective promotion.
- development of DTB branded merchandise and retail to carry the DTB branding out of Dirranbandi.
- effective visitor contact database management to effect ongoing communications newsletters/social/promotions.

Operational Model

As outlined in the Executive Summary, the preferred operating model analysed to date mimics the successful model in place at Mitchell Great Artesian Spa whereby the Baringa Action Group lease the Spa from the council and manage operations, including manager and staff appointment.

For the DTB, a not-for-profit committee would hold the lease with council and the NFP would then manage operations and appoint on-site management.

This model allows for community involvement and engagement with their facility and facilitates employment subsidies, grant funding that council would not be able to apply for, donations, bequeaths and importantly sponsorship involving goods and services.

The facility manager can be negotiated a remuneration combining a limited remuneration commitment and incentivising with a shared commercial return for the first two-year period, when arrangements would be reviewed.

As outlined in the Executive Summary the choice of Operator/Manager will be crucial to ensure an effective start-up establishing highest potential yield systems from the outset that support an outstanding guest experience, community support and buy-in.

The casual/part-time limited additional daily operations and maintenance, reception and services staff can be wages subsidised by employment support programs.



Financial Implications

On approval in principle of the concept of the DTB with its recommended inclusions, detailed financial projections and a P&L, that specifically reflect the inclusions and services that will be on offer, can be provided to enable informed consideration for final concept approval, subject to QS final confirmation that all building inclusions proposed are able to be provided within the budget restraints within the build time-frame.

Approval in principle of the Operating Model proposed, to mimic the Mitchell leasing example, will enable the proposed DTB concept and inclusions to be accurately costed, resulting in more specific projections of cost to council for analysis.

Approval in principle of the proposed DTB concept and inclusions will also enable more accurate projected visitor numbers to be determined. Note: In response to changing domestic tourism patterns, and the general increased focus on wellness activities, the Great Artesian Spa at Mitchell management reported a recent prior year's total visitation numbers was achieved within a single recent quarter.

The Economic Development current projected visitation preliminary P&L is based on the limited data of historical Dirranbandi visitor numbers as recorded by the RTC. The resulting visitation projections and revenues are highly conservative and do not fully reflect the changing tourism landscape and the detailed specific inclusions of the proposed DTB concept.

A detailed analysis of approved inclusions will enable detailed financial projections, informed by all available parameters and referenced against historical operational experience in projecting visitation and purchasing patterns, with a detailed understanding of operational costs.

