

# **BALLARAT TRAMWAY MUSEUM INC.**

**(Association No: A0031819K)**



## **BUSINESS PLAN**

**(August 2014)**

**Summary**

# Ballarat Tramway Museum Business Plan

## 1. Acknowledgements

The development of the Ballarat Tramway Museum (BTM) Business Plan was undertaken on behalf of the BTM Board, and we would like to thank the Board for their oversight of the development of the Plan. In particular, we would like to thank the following people who gave their time freely through the BTM Business Plan Steering Group and in many individual discussions:

- Paul Mong (Board Member, Vice President)
- Richard Gilbert (Board Member)
- Peter Waugh (Board Member)

There were also many volunteers who participated in our consultations and conversations. These volunteers provided detailed information and stories and guided our visits to the BTM, including support for our interviews with visitors and our workshops with both the Board and volunteers. We would particularly like to thank Roger Gosney and Geoff Gardner for their participation in this role.

The BTM Business Plan was developed through an alliance between three consulting groups, including Virginia Fenelon Consulting (Virginia Fenelon), Strategy Foundations Pty. Ltd (Joel Epstein) and Springtech Services Pty. Ltd (Lynne Gleeson).

## 2. Statement of Limitation

The work to develop this Business Plan was constrained by the financial resources available to the BTM for this project. As a consequence of this limitation:

- A relatively small number of visitor interviews were conducted for the targeted visitor segments and the visitor experiences to be delivered are indicative, though not fully developed; the focus of the interviews was the visitor experience at the Museum.
- The activities to provide and communicate the visitor experiences, and capabilities required, are developed in outline form only; and
- The financial modelling, though not complete, is considered useful and appropriate for the purposes of assessing the financial implications.

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## 3. Executive Summary

The Ballarat Tramway Museum (BTM) carries an average of 16,000 passengers a year on its vintage trams. These trams operate along the Lake foreshore and attract thousands of visitors a year. BTM is operated entirely by its enthusiastic volunteers.

This Business Plan has been developed to assist the BTM to achieve its objectives over the next five-to-seven years. It is recommended that the BTM focus on the following objectives for the period 2014-2021:

- Double the number of visitors
- Significantly increase the number of BTM members; and
- Double the number of active BTM volunteers.

The development of this Business Plan is also intended to support the application for funding of key infrastructure projects. These specific projects include:

1. Replacing approximately 550m of deteriorated tram track in Wendouree Parade
2. Progressing work to extend car parking facilities (e.g. in Gillies St.)
3. Developing the BTM Interpretive Centre
4. Exploring options to extend the current tram track/route.

The growth in visitor numbers may be achieved by focusing on the delivery of improved experiences to following visitor segments:

- Families
- Seniors
- School and Children's Groups

These segments are considered to make up ~90% of visitors to the BTM. The Business Plan articulates the experiences that the BTM chooses to deliver to each of these segments, and articulates the activities, capabilities and costs required to provide and communicate these experiences to prospective visitors. These have been developed from the analysis of a number of visitor interviews and workshops with BTM volunteers. It is anticipated that a large proportion of the capital required for the implementation will be funded from grants.

Importantly, the proposed Interpretive Centre is the final initiative in a series of initiatives to improve visitor experiences and grow visitor numbers. These initiatives include redesigning the space within the existing museum facilities to provide well-marked "pathways", trialling / testing a number of interactive stations, as well as landscaping the external environment and establishing a Tram Café.

The work outlined in the Business Plan to be completed during 2014-2016 is expected to serve as a "proving ground" for displays which may then be transferred to the proposed Interpretive Centre, and is expected to assist to build the case for funding for the Interpretive Centre.

There are significant opportunities to better communicate the museum experience to prospective visitors. These are outlined in the Business Plan and include improved signage as well as marketing and promotion activities.

With increased visitor numbers there is the need to increase the number of BTM active volunteers. The volunteer experiences chosen to be delivered by the BTM are articulated in the Business Plan, as well as the activities, capabilities and costs required to deliver these experiences. These activities include providing improved information and training to volunteers as well as improved facilities, rostering systems and holding regular recognition events.

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Increasing membership is considered to be an important way for the BTM to strengthen its engagement with the community within the Ballarat region and more broadly, and to obtain community support for its work to preserve and display the history of the tramways in Ballarat, its restoration work and its display of archival historical records of Ballarat life.

The profile of the BTM within the community and the engagement of the BTM with the community (as well as encouraging people to support the BTM by becoming BTM members) may be significantly enhanced by the BTM organising family events on several occasions throughout the year, with the intention that these events not only serve fundraising purposes for the BTM but also become iconic events for Ballarat.

While there is strong support from key stakeholders of the Lake Wendouree Gardens precinct (e.g. the City of Ballarat, Friends of the Gardens, the Committee for Ballarat) for the building of the proposed Interpretive Centre, it is apparent that collaborating with these stakeholders would significantly increase the likelihood of an application for funding for the Interpretive Centre being successful. The case for the proposed Interpretive Centre may be considerably strengthened if the Centre is a shared facility with e.g. the ex-Prisoners of War Memorial Board of Trustees, with the BTM being the major user.

The BTM currently is under-represented in the planning and decision-making processes related to the future development of the Lake Wendouree Gardens precinct. It is recommended that the BTM seeks to address this by establishing and maintaining strategic partnerships with key stakeholders, including those of the Lake Wendouree Gardens precinct.

As a number of current BTM Board members do not reside in Ballarat, it is recommended that the BTM establishes a Business Development Sub-committee of the Board, to represent the BTM in local strategic partnerships and to provide local oversight of the developments recommended in this Business Plan.

To successfully execute activities outlined in his Business Plan, it is recommended that a number of working groups are established by the Business Development Sub-committee, each with specific implementation responsibilities, including e.g.:

- Improved visitor experiences
- Recruitment and management of volunteers
- Maintenance and restoration

The financial model developed as part of the Business Plan demonstrates that the BTM can achieve sufficient cash flow (~\$30,000 in 2018 and increasing in later years) to sustain its operations. Included in the financial model are significant increases in marketing and promotion expenses and significant contributions to the running costs of the proposed Interpretive Centre. It is assumed that the BTM will continue to maintain a volunteer-based operating model and hire additional expertise on a contract basis as required.

The contribution of the BTM to the Ballarat economy has been estimated to range between \$2.7M to \$3.5M over the years 2014-2021, calculated from the consumption of visitors from outside the Ballarat economic region whose visit to Ballarat may be attributed to the BTM. This may be compared with the incremental capital investment (Lake Wendouree Gardens precinct assets) required for the implementation of the BTM Business Plan of ~\$4.32M, primarily for the construction of the proposed Interpretive Centre.