

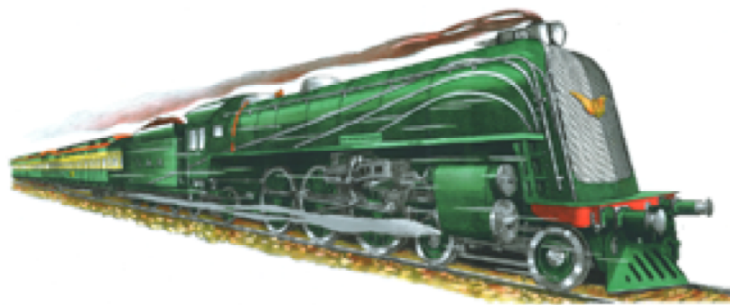


BUSINESS PLAN 2011 - 2013

Port Dock Station Railway Museum (SA) Inc Trading as:

NATIONAL RAILWAY MUSEUM

LIPSON STREET PORT ADELAIDE SA 5015



'MORE THAN A MUSEUM'

(Approved 24 August 2011)

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1. INTRODUCTION

The National Railway Museum (the Museum) is *More Than a Museum*.

The Museum is the largest triple gauge railway museum in the world and showcases railway operations on the three major railway gauges used in Australia representing Commonwealth, State and private operators.

The Museum is also a unique function venue for corporate events and celebrations.

The Museum

- is an interactive experience for all visitors young and old.
Initially established to retain and preserve examples of South Australia's railway heritage, it has evolved into an affordable family entertainment option.
- is developing as a centre for historical railway research.
- provides a unique environment for all number of events and celebrations - hence the catch phrase "Celebrate Today – The Rest Is History".
- is a dynamic not for profit organisation.
Surplus funds, bequests, and donations are reinvested into the Museum.
- is self funding
No recurrent funding is received from any source. Revenue generated from visitations, events, train operations, and facility hire provides sufficient funds to meet operating costs and generate an operating surplus.
- is volunteer based
A volunteer team of 180 (37,000 volunteer hours per annum) attend to the conservation, preservation, and restoration of exhibits and development and maintenance of displays supported by two employees, an Operations Manager and a Curator.
- is a Registered Deductible Gift Recipient. The Australian Taxation Office has granted Charitable Institution Tax Concession Status to the Museum.

The Museum operates on two sites:

- the Museum located in the heart of the Port Adelaide museum precinct in Lipson Street (South) Port Adelaide, and
- along the foreshore at Semaphore with the Semaphore and Fort Glanville Tourist Railway.

2. EXECUTIVE SUMMARY

During 2011 the Board and staff of the Port Dock Station Railway Museum (SA) Inc trading as the National Railway Museum reviewed the future direction of the Museum. The outcome is a revised Business Plan for the period ending 30th June 2013.

In early 2011 the Museum operated in an era of continuing pressure from the 2008 Global Financial Crisis and in an environment of fluctuating petrol prices, increasing household expenses and housing interest rates that is consuming a significant proportion of the average family's disposable income. However, whilst spending patterns are being adjusted, families still seek recreational activities that are affordable and entertaining.

Locally the Museum operates in an environment of change and opportunity as the Port Adelaide business and wharf precinct attempts to undertake a metamorphosis to a prime residential location.

2.1. Goals

The following goals have been agreed for the life of this Business Plan:
(refer to Section 6 on page 12)

1. Maintain an *annual operating surplus* of \$50,000.
2. Develop a *pool of reserve funds* to meet operating costs for six months
3. Increase *attendance* at the Museum from general admissions, events, and functions from 35,900 as at 30th June 2011 to 45,000 by 30th June 2013,
4. Maintain the number of *paying passengers* carried on the Semaphore and Fort Glanville Tourist Railway at 20,000 per annum (train capacity is a restricting factor for any significant increase above this figure) and,
5. Ensure an unblemished safety record in operating the Museum.

2.2. Key Success Factors

To achieve the agreed goals described in 2.1 above, the following key success factors have been identified: (refer to Section 4.5 on page 9)

1. *Marketing*- continue the successful 'More Than A Museum' promotion and further development of the 'Celebrate Today - The Rest Is History' theme,
2. *Profiling*- continue building profile with general public, potential corporate partners, and governments and their agencies,
3. *Exhibitions, displays, programs and activities*- railway history will be interpreted to educate and entertain visitors and the railway enthusiast,
4. *Appropriately Skilled Volunteers*- recruit skilled trades volunteers and a volunteer coordinator,
5. *Risk identification and mitigation* is successfully achieved,
6. *Acquisition of Exhibits and Archival Material*- identify items to enhance the collection and prepare a plan for acquisition
7. *Land and Facilities*- acquire land and facilities to meet display, storage and operational requirements

2.3. Action Plan – For Key Success Factors

To ensure the Museum achieves the *Key Success Factors* it will maintain a continually updated Action Plan.

3. THE MUSEUM

3.1. Brief History

The Museum is unique in that it represents railway operations from Commonwealth, State and private operators on the three major railway gauges used throughout Australia.

It has its origins in Railway Terrace Mile End where a dedicated group of members from the Australian Railway Historical Society (SA) Division established the Mile End Railway Museum in 1963. During the 1980s a new entity, the Port Dock Station Railway Museum (SA) Inc. was created to oversee the relocation of the museum to the site of the former South Australian Railways Port Dock Station and freight yards. This move was achieved with the assistance of the History Trust of SA who brokered a \$2 million Bicentennial Grant to establish a purpose built pavilion to house the existing collection of exhibits, artefacts and archives material. The Port Dock Station Railway Museum was opened on 10th December 1988. The pavilion was later named the *Fitch Pavilion* in recognition of the contribution by Dr Ron Fitch, a Commissioner of the South Australian Railways, in assembling the original museum collection and his continuing support over the following 50 years.

In 1999 the Museum was successful in gaining a \$500 000 Centenary of Federation Fund grant to develop a new display pavilion to house the Commonwealth Railways Museum. This was opened in 2001 and the opportunity was taken to adopt the trading name of the *National Railway Museum* to better describe the diversity of exhibits representative of railway activities nationally. This pavilion is now known as the *Fluck Pavilion* in recognition of the contribution of Mr Ron Fluck in initiating and providing leadership over fifty years for the Museum.

In April 2006 the Museum hosted the celebration of the 150 year anniversary of the Adelaide to Port Adelaide railway which initially terminated on the site now occupied by the Museum.

In 2013 the Museum will celebrate 50 years since its inception at Mile End plus 25 years at the Port Adelaide site.

The 'footprint' of the Museum now occupies over two hectares of land and buildings under an *Agreement for Licence and Operation of the National Railway Museum* with the South Australian Government administered by ArtsSA and the History Trust of SA. The land and tracks at the southern end of the site that enables repositioning of exhibits and provides a direct link with the metropolitan rail network is in the process of being included in this *Agreement*. The additional area also permits the operation of some of the larger trains during open days and special events.

3.2. Organisational Structure

The Port Dock Station Railway Museum (SA) Inc is an association incorporated under the South Australian *Associations Incorporation Act 1985* and trades under the name of the National Railway Museum.

3.2.1 The Board

The operations and future direction of the Museum are overseen by a Board comprising six members elected from the membership of the Port Dock Station Railway Museum (SA) Inc. Board members are elected for four year terms by the association's members. The terms of the elected Board members are staggered to provide continuity of oversight of the Museum. Two Government representatives are nominated by the South Australian Minister for the Arts.

3.2.2 The Curator

The Board employs a Curator to create and manage the implementation of interpretive display strategies, to manage access to and functionality of the Records and Archives sections, review and enhance existing Museum curatorial procedures and processes and to take a lead role on submissions and applications for all available funding grants.

3.2.3 The Operations Manager

An Operations Manager coordinates the activities of the volunteers, is responsible for operating trains and site maintenance, and for ensuring compliance with the relevant Acts and Regulations under which the Museum operates.

3.2.4 Committees

Committees comprising of volunteers and members provide support and advice to the Curator, Operations Manager and the Board in the areas of Retail Operations, Finance, implementation of the Rail Safety Act, OHS&W Compliance, Collection Management, Display, Exhibit, and Restoration.

3.2.5 Volunteer Contribution

Volunteers fulfil important roles in a number of statutory roles including Public Officer, Responsible Officer, and Rail Safety Manager, and vital operational roles encompassing finance and accounting activities, retail activities, restoration, maintenance, collection management, train crews, customer service at major events, and graphic design.

3.3. Financial Position

The Museum is financially sound with modest capital reserves, operates with a commercial focus, and meets all operating costs with self generated revenue.

The Museum does not receive any recurrent funding from any source and is reliant on revenue from its own activities to meet operating expenses. The Museum has benefited from several bequests, and these funds plus an accrued operating surplus, resulting from the publication of books, DVDs and CDs with a railway theme, attendance at the Museum and passengers on the Semaphore train, have allowed the Board to approve some capital projects associated with exhibit restoration, new displays and site improvements.

Finance to enable restoration to and maintenance in working order of railcars, steam and diesel engines, large site works, and accommodation for new and existing displays and exhibits will continue to be actively pursued from grants, donations, bequests, corporate partnerships, and sponsors.

4. VISION

The National Railway Museum will continue to be recognised as the premier railway museum in Australia by its customers and its peers for the interpretation of railway history, family entertainment and education.

It is envisaged that the National Railway Museum will:

- interpret railway history and the impact of railways on the social fabric through the collection, conservation, restoration and display of items of rolling stock, artefacts, and archival material,
- increase its profile as a “must see must do” family entertainment option,
- provide an education package for schools relevant to the curriculum,
- possess a skilled team of volunteers who are not necessarily railway enthusiasts,
- become a leader in the Port Adelaide tourism industry, and
- be a high profile member of the Port Adelaide business and local community.

4.1 What business is the Museum in?

It is accepted that for the Museum to remain viable, relevant and to continue to conserve, preserve, restore and interpret vital elements of Australia’s railway history that the Museum must remain commercially focused.

The business focus of the Museum is:

- to provide affordable family entertainment, together with an education experience to the broader public audience, and
- to offer a unique function facility to all manner of potential clients.

A successful commercial focus will fund the continued conservation and interpretation of railway history.

4.2 Why does the Museum exist?

The Museum exists to conserve, preserve, restore, display and interpret Australian railway history for the education, entertainment and research of current and future generations.

The Museum is the custodian of an irreplaceable collection of locomotives, passenger carriages, freight vehicles, artefacts and archival material that both individually and as a whole provide an insight into an era not experienced by the current generation.

The Museum is more than railway history. The Museum provides the opportunity through interpretive and interactive displays to enable the public to appreciate:

- the reliance of city and rural communities on railways for their everyday travel needs,
- the unique family that was created by the railway community,
- the social history of much of Australia and the role that railways fulfilled in moving passengers and freight safely over long distances, and
- how a transport system operated in the pre technological age i.e. 90% men 10% iron, and very few women.

4.3 How does the Museum exist?

The Museum will inform, entertain and create awareness with the public of railway history and the social importance of railway operations by interpreting records, maps, data, and artefacts and turning them into knowledge and experiences for the community through:

- collecting and preserving/conserving railway and associated artefacts
- collecting and managing archival material
- providing access to the collection and exhibitions of artefacts and archival material
- the provision of effective and innovative displays
- sharing of knowledge and having an experience
- publications (books, DVDs, CDs and website)
- maximising an appreciation and use of a combination of old and new technology

4.4 Who does the Museum serve?

The Museum serves three major consumer groups. In order of income generating potential they are:

- the general public including children and persons interested in social history, visitors from interstate and overseas, and group tours (schools , seniors etc)

The general public is the prime source of revenue generation through general admissions, event attendance and riding the Semaphore and Fort Glanville Tourist Railway. The key demographic appears to be young families with children aged 3 – 10 years of age seeking an affordable family entertainment option that provides activity. Hire of the Cafeteria Car at attractive rates for children's birthday parties is increasing with parties held on most weekends.

- those seeking a unique event environment for conference dinners, corporate networking and functions, weddings, trade shows and the like

The Museum offers a range of venue hire options in a unique environment for many celebrations, corporate and/or trade events.

- railway enthusiasts (local, interstate and overseas) including members.

The railway enthusiast, whilst providing the least revenue, makes an essential contribution to the Museum through their volunteering and was the reason that the museum was created in the first instance. Members have entry to the Museum included in their membership fee together with a subscription to the Museum's sought after journal, *Catch Point*. Members, together with the public to a lesser extent, are a potential source of artefacts, archival material, donations and bequests.

4.5 Key Success Factors

There are many factors that will impact upon the future success of the Museum in its role of entertainment and education, and on its function as a repository and showcase for a part of the nation's railway history.

Notwithstanding that an imperative is a sound corporate structure incorporating clear policy and procedure, there must also be clear leadership and direction for paid staff and volunteers. There are several factors crucial to the continued success of the Museum. These are summarised below:

4.5.1 *Marketing*

The marketing strategies must be further developed to improve attendances to all aspects of the Museum's activities. There will be a continuation of the successful 'More Than A Museum' and 'Affordable Entertainment' promotions, as well as further development of the theme 'Celebrate Today - The Rest Is History'. With the significant investment made in advertising with the print and electronic media, strategic sponsorship and discount rates will be sought.

4.5.2 *Profiling*

The profile of the Museum has been raised markedly in recent years. To build on this success, potential supporters and advocates will be invited to the Museum i.e. corporate partners, local business owners and their managers, local councillors, key local government staff, Federal and State members of parliament.

4.5.3 *Innovative exhibitions, displays, programs and activities*

Railway history will be interpreted to educate and entertain visitors and the railway enthusiast. This will be achieved through interactive and informative displays that will tell stories describing the social impact as well as the operational aspects of railways. Exhibitions developed interstate by other railway museums and similar organisations will be encouraged to tour at the Museum.

4.5.4 *Appropriately Skilled Volunteers*

Skilled volunteers vital to the continued successful operation of the Museum, together with the services of a volunteer coordinator, will be actively pursued. They will assist in maintaining traditional railway skills in the areas of both operations and maintenance of locomotives and rolling stock.

4.5.5 *Acquisition of Rolling-stock, Artefacts, Exhibits and Archival Material*

Items required to enhance the collection will be identified and a plan for acquisition will be prepared.

4.5.6 *Land and Facilities*

Ensure retention of existing land and track access rights and freedom to operate for the continued success of the Museum in the light of other developments on land adjacent to the Museum.

5. SITUATION ANALYSIS

The Museum has a number of activities and core components that when melded together create a successful commercial operation. A summary of these is presented below:

5.1 Museum

The Museum is the largest triple gauge railway museum in the world representing railway operations on the three major railway gauges operated by Commonwealth, State and private operators.

A majority of the 112 rolling stock exhibits are stored undercover, however, further undercover storage is essential.

Some plant and equipment is ageing and requires replacement.

5.2 Land and Facilities

The current site is insufficient for current and projected Museum activities and acquisitions. Securing an additional area or alternatively, a rationalisation of existing exhibits may be required to ensure sufficient space for proposed acquisitions.

5.3 Break of Gauge Shop

Generates significant revenue, but there is scope for an improved layout, volunteer retail training programs required, and requires a management plan.

5.4 Events

The Museum currently relies on a successful Day Out With Thomas event in July each year and the operation of the Semaphore and Fort Glanville Tourist Railway over summer to generate the majority of operating revenue. Smaller weekend events are being staged to attract a wider audience. Identify alternative or new events that will be attractive to visiting audiences.

5.5 Archives

The Museum archive is a vast repository of artefacts, printed, photographic, and movie film material. A Significance Survey was prepared by Geoff Spiers and Birgit Heilmann in October 2009. A collection management plan is being written to cover all aspects of the archives. Encourage both academic and community use and the commercial exploitation for a revenue stream.

5.6 Train Operations

Train rides, steam and diesel hauled, are offered daily to visitors at the Museum on the 457mm gauge railway that circumnavigates the Museum site. The fare is included in the admission price, except during special events. A backup locomotive is being constructed by Museum volunteers and outside suppliers to maintain continuity of 457mm gauge operations at both the Museum and Semaphore.

Full size trains are operated as part of special events and exhibitions and a "train driver" experience program has recently been introduced.

5.7 Semaphore and Fort Glanville Tourist Railway

The 457mm gauge railway operates daily during the school holidays and on weekends from October to April and is hauled by steam engine *Bill*.

5.8 Publications and DVD Productions

The Museum participates in the publication of railway books. Some have been produced entirely by Museum staff and volunteers whilst others have been published for outside authors, the most recent examples being Dr Reece Jennings' book *Holding the Candle* (2010) and Richard Maurovic's book *Samphire and Stone* (2011). The Museum will publish two full colour books in 2011 (*Distant Thunder* and *State of Steam*) while other railway books are in the early stages of publication.

The Museum archive holds a very large volume of photographic images and film that can provide material for publications and DVD production. The Museum has broadened access to its image collection by the production of a DVD (*National Railway Museum Film Collection Volume 1*) and production of further volumes has commenced.

5.9 Volunteers

Approximately 180 volunteers contribute over 37,000 hours annually of unpaid labour towards the continuing success of the Museum.

There remains a shortage of skilled volunteers in a number of trades including persons qualified to drive steam engines at both the Museum and Semaphore and operate full size trains at the Port Adelaide site.

The Museum does not yet have the formal services of a Volunteer Coordinator, although several volunteers are undertaking some of these functions for parts of the Museum's operations, for example, the Break of Gauge bookshop and the Steam Shed workshops.

5.10 Members

Membership of the Museum hovers around 600, generating approximately \$35,000 in annual membership fee revenue. Many members are passive as they primarily have taken up membership to access the Museum's bimonthly journal *Catch Point* . The cost of producing the journal and administration of the membership is approximately \$16,600 per annum.

Family membership is popular, especially with young families, for the value for money offered with multiple free entry to the Museum. However, there is a regular turnover of Family memberships as the children get older.

5.11 Kindred Groups

The Museum works with all heritage railway groups and is a member of Heritage Rail South Australia (HRSA), a group representative of key tourist and heritage rail operators in SA, and thence to the Australian Tourist Heritage Railways Association (ATHRA).

5.12 Products

The Museum has a number of products to present to the public, corporate clients and the railway enthusiast. These include affordable family entertainment, bookshop sales, the Semaphore and Fort Glanville Tourist Railway, venue hire, education, membership, and archival services.

5.13 Marketing

Public and corporate awareness of the Museum needs to be increased through a vigorous marketing and promotions activity.

5.14 Finance

The Museum is financially sound with modest capital reserves, operates with a commercial focus, and generates sufficient revenues to meet operating costs whilst generating a small operating surplus.

5.15 Governance

The operations and future direction of the Museum are overseen by a Board elected from the Museum membership and two government representatives nominated by the Minister for the Arts.

5.16 Employees

The Board employs an Operations Manager and a professionally qualified Curator.

5.17 Regulation

In the twenty five years since the concept of relocating the Railway Museum to Port Adelaide was raised, there has been a significant increase in the workload associated with the regulatory, risk assessment and compliance responsibilities for which the Museum Board, staff and volunteers are obligated. It is vital to maintain the credibility of the Museum with regulators and public confidence in the quality and safety of Museum operations.

6. WHERE DOES THE MUSEUM WANT TO BE ?

A Corporate Plan for the period 2009-2013 was adopted by the Board in February 2009. The following goals have been identified, with some modification in 2011, as being achievable within the life of this new Business Plan:

6.1 Generate annual operating surplus of \$50,000

(An operating surplus of \$50,000 will provide funds for revenue raising projects, capital works, maintenance and restoration of exhibits, and diminish the draw on operating reserves and bequest funds)

6.2 Develop a pool of reserve funds to meet operating costs for six months

(A reserve fund pool can cover contingencies such as leave provisions, bad debts, public liability insurance and commercial insurance premiums, and provide a hedge should the Museum suffer a major loss of income due to any unforeseen external circumstances)

6.3 Increase attendance at the Museum from general admissions, events, and functions from 39,800 as at 30/6/10 to 45,000 by 30/6/13

(Increasing attendance at an average spend of say \$10 will generate increased revenue of \$91,000 for a minimal increase in expenses and overheads. The development of new interpretive displays on a regular basis and an increase in the number of special weekend events will be key to increasing visitor numbers by both encouraging new visitors and repeat visitations.)

6.4 Maintain the number of paying passengers carried on the Semaphore and Fort Glanville Tourist Railway around 20,000 per season

(Train operating costs are relatively fixed, excluding fuel and lubricants, and there are no paid staff involved in the actual operation of the trains so it is important to maintain passenger numbers so as to maintain an acceptable return on the operation. To compensate for the lost days due to excessive heat a flexible operating program will be developed. A back up locomotive, for use at both the Semaphore and Port Adelaide sites is presently under construction by the Museum's Steam Shed volunteers.)

7. ACTION PLAN

To ensure that the Museum achieves these aspirations, it will maintain a continually updated Action Plan to chart progress in achieving its goals.

