



AGENDA APPENDIX
Council Meeting
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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 COUNCIL ON 03 5662 9200.

E.14 COAL CREEK COMMUNITY PARK AND MUSEUM FEASIBILITY STUDY

Appendix 1 - Coal Creek Feasibility Study dated 14 December 2012



COAL CREEK FEASIBILITY REPORT

14 December 2012

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Executive Summary

The purpose of this report is to:

1. Share with stakeholders the options available to get the Coal Creek business much closer to cost neutrality
2. Identify the capital costs required to develop and implement the options
3. Identify the potential Gross Operating Profit likely to assist reduce the current deficit
4. Identify any remaining deficit for Council to consider treating as a community service cost
5. Seek stakeholder feedback on the Report in order to draft a Business Plan that implements the options

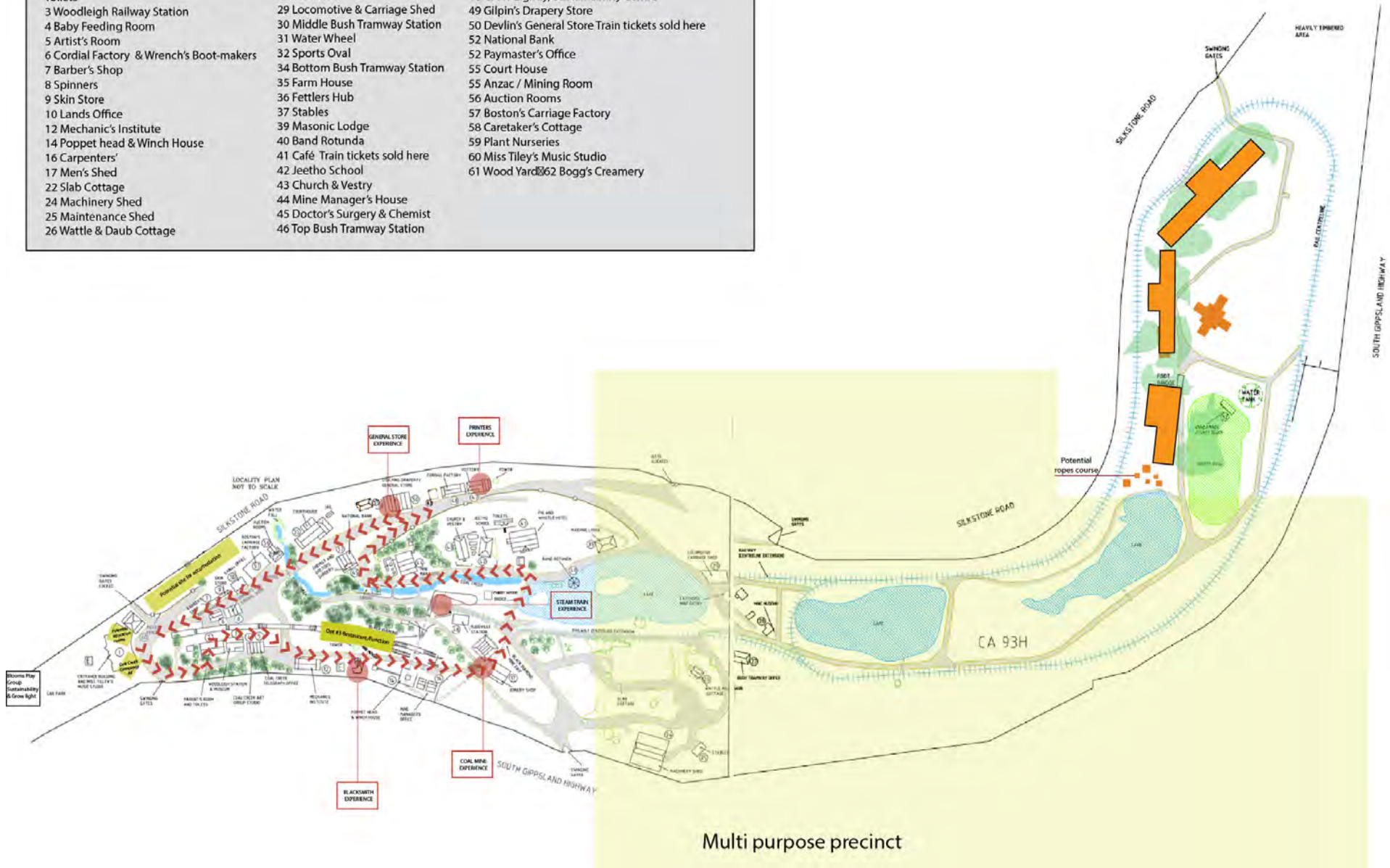
Four recommendations are proposed:

1. Site rationalisation, involving:
 - Creating three Precincts within the site delivering distinct uses, moving some uses and buildings to consolidate the purpose of each zone, and establishing relevant new uses for empty buildings
 - Removing surplus buildings and infrastructure that do not have heritage significance or high value to the interpretive experience, to reduce long term maintenance and risk
 - Reducing vegetation, to reduce long term maintenance and risk
2. The development of a core route through the historic precinct involving:
 - Core set of volunteer delivered demonstrations within Historic Precinct
 - Stabilisation and reopening of the Black Diamond mine for guided tours
 - Paid driver to reliably operate the historic diesel and steam locomotive
 - Establishment of the Coal Creek Conspiracy (interactive technology)
3. Restaurant, function facility and son et lumiere (sound and light show), built in one of three locations:
 - Option 1: Restaurant in Visitor Centre
 - Option 2 Mezzanine restaurant outside Visitor Centre
 - Option 3 New building opposite Mine Poppet Head (recommended)
4. Overnight education facility, built to one of two scales:
 - Option 1: 240 students
 - Option 2 480 students (recommended up front or as a later stage)

The map shows how the site would look if all of the recommendations were implemented.

Proposed site plan of Coal Creek if all recommendations are implemented

- | | | | |
|--|---------------------------------|---------------------------------|---|
| 1 Entrance Building | 32 Mother's Room & Toilets | 27 Bush Tramway Office | 47 Printing Office |
| 3 Woodleigh Railway Station | 30 Middle Bush Tramway Station | 28 Blacksmith | 48 Grow Lightly, Sustainability Centre |
| 4 Baby Feeding Room | 31 Water Wheel | 29 Locomotive & Carriage Shed | 49 Gilpin's Drapery Store |
| 5 Artist's Room | 32 Sports Oval | 30 Middle Bush Tramway Station | 50 Devlin's General Store Train tickets sold here |
| 6 Cordial Factory & Wrench's Boot-makers | 34 Bottom Bush Tramway Station | 31 Water Wheel | 52 National Bank |
| 7 Barber's Shop | 35 Farm House | 32 Sports Oval | 52 Paymaster's Office |
| 8 Spinners | 36 Fettle's Hub | 34 Bottom Bush Tramway Station | 55 Court House |
| 9 Skin Store | 37 Stables | 35 Farm House | 55 Anzac / Mining Room |
| 10 Lands Office | 39 Masonic Lodge | 36 Fettle's Hub | 56 Auction Rooms |
| 12 Mechanic's Institute | 40 Band Rotunda | 37 Stables | 57 Boston's Carriage Factory |
| 14 Poppet head & Winch House | 41 Café Train tickets sold here | 39 Masonic Lodge | 58 Caretaker's Cottage |
| 16 Carpenters' | 42 Jeetho School | 40 Band Rotunda | 59 Plant Nurseries |
| 17 Men's Shed | 43 Church & Vestry | 41 Café Train tickets sold here | 60 Miss Tiley's Music Studio |
| 22 Slab Cottage | 44 Mine Manager's House | 42 Jeetho School | 61 Wood Yard |
| 24 Machinery Shed | 45 Doctor's Surgery & Chemist | 43 Church & Vestry | 62 Bogg's Creamery |
| 25 Maintenance Shed | 46 Top Bush Tramway Station | 44 Mine Manager's House | |
| 26 Wattle & Daub Cottage | | 45 Doctor's Surgery & Chemist | |
| | | 46 Top Bush Tramway Station | |



To implement the recommendations (including the Capital Improvement Program) will cost between \$6M and \$8M. As a consequence, Coal Creek can reduce its one off Capital Works Program by \$1M, and reduce its annual deficit by between \$0.52M and \$0.86M. A minimum investment of \$6M will generate a Return on Investment of 9.1% while the more substantial investment of \$8M will generate an RoI of 10.7%.

Summary of the financial analysis

Strategy	Cost ¹	Income / savings to Coal Creek	Return on Investment
Site rationalisation	\$1,359,725	\$ 1,050,000	77%
Core route with core demonstrations and mobile interactive technology	\$289,000	\$225,000	78%
Restaurant, function centre and son et lumiere			
▪ Option 1: Restaurant in Visitor Centre	\$2,271,200	\$180,700	8%
▪ Option 2 Mezzanine restaurant outside Visitor Centre	\$2,621,200	\$280,700	10.7%
▪ Option 3 New building opposite Mine Poppet Head	\$2,621,200	\$414,700	15.8%
Overnight accommodation			
▪ Option 1: 240 student capacity	\$2,020,000	\$137,000	6.7%
▪ Option 2: 440 student capacity	\$3,740,000	\$221,000	6%
Total	Max \$8,009,925	Max \$860,700	Max 10.7%
	Min \$5,939,925	Min \$542,700	Min 9.1%

If \$8.3M capital can be raised, then it is recommended to proceed with all of the recommendations, and select Option 3 to build a new restaurant function centre and Option 2 to build the larger overnight accommodation facility. If this capital is a stretch, then it is recommended to stage the overnight accommodation and seek additional funding for an expansion after the operation is stabilised and demand for expansion is proven.

¹ These estimates do not include cost of any finance

1. Introduction

1.1 Background

Coal Creek Community Park and Museum (Coal Creek) is the site of an original black coal mine in Korumburra, South Gippsland. The State government and community provided funding to develop a Heritage Village that depicted life in a coal mining town between the 1870s and 1920s, and the attraction was opened to the public in 1974 by the Premier.

The former Shire of Korumburra and South Gippsland Shire Council (Council) have at various times and to varying degrees managed, maintained and supported Coal Creek since its inception. In 2006 Council took over direct management of the Village after the annual visitation decreased to approximately 11,000. Over the last four years, Council has invested on average \$450,000 annually into Coal Creek operations. Significant effort has been concentrated on increasing visitation – mainly through community events and removal of the entrance charge. Visitation currently sits at approximately 62,000 visits per annum.

In 2011, Council received a report from Pitcher Partners that provided a financial assessment of the known and anticipated operating costs of the facility over the next 10 years². The Report forecast an annual deficit of approximately \$520,000 per annum, and a cost of \$2M to close the operation and return the land to the State government. The option to close Coal Creek remains open to Council. However, Council is currently under-writing Coal Creek's operational deficit, while determining how close it can get the operation to achieve cost neutrality within five to seven years. Without an entry charge, the two best ways to achieve this are revenue generation leading to greater net operating profit, and greater cost efficiency in the way the asset and operation are managed.

In 2012 Council commissioned Mawland Consultants to prepare strategic options to make Coal Creek viable. **Figure 1.1** presents the three-staged project approach. This Report represents the end of Stage 2.

² Another objective of this report is to highlight any risks, which resulted in the identification of electrical upgrades

Figure 1.1 The three-staged project approach



1. Ideas

- Site investigation
- Consultation
- Competitions
- Visitor surveys
- Options developed

2. Feasibility

- Competitor analysis
- Market analysis (focus group testing)
- Financial testing
- Consultation
- Feasibility Report exhibited

3. Business Plan

- Development strategies
- Funding options

1.2 Purpose of this Report

The purpose of this report is to:

1. Share with stakeholders the options available to get the Coal Creek business much closer to cost neutrality
2. Identify the capital costs required to develop and implement the options
3. Identify the potential Gross Operating Profit likely to assist reduce the current deficit
4. Identify any remaining deficit for Council to consider treating as a community service cost
5. Seek stakeholder feedback on the Report in order to draft a Business Plan that implements the options

1.3 Reviewing and commenting on this Report

This Report will be exhibited for comment between 22 December 2012 and 18 January 2013. The Report and supporting information newsletters are available for review at Coal Creek, and on the Coal Creek website www.coalcreekvillage.com.au.

Stakeholders are encouraged to use the feedback form to provide feedback on the recommendations of the Report (see **Attachment A**). Following a review of the feedback received, Council will be briefed on 20 February 2012. A Business Plan will be prepared to deliver the recommendations, for consideration by Council. The Business Plan will provide a staged approach to the development and implementation of the options, including capital costs, financial forecasts and the governance requirements to implement the development and subsequent operations.

2. Summary of results to date

2.1 Original list of potential options from consultation

The consultation and competitions generated a range of ideas. The first set of ideas revolved around technology-driven interpretive experiences:

- ✚ Light and sound show specific to an area
- ✚ App and audio device to be hired out
- ✚ Simulator to deliver total experience
- ✚ 3D experience
- ✚ Develop dairy industry story

The second set of ideas revolved around a restaurant / function centre:

- ✚ To concentrate on weddings and functions, but also be available for meetings catering for 80 to 120 guests
- ✚ Offer a wedding ceremony and reception facility in the one location (often separate)
- ✚ Consider converting part / all of the current info centre into a restaurant
- ✚ Use technology to deliver a richer experience for the restaurant
- ✚ Theme the building, food and service
- ✚ Further extend the business by using the venue as an education / training venue

The third set of ideas revolved around accommodation and overnight education:

- ✚ Utilise the bottom half of the site for accommodation and adventure area
- ✚ Establish a historic style / school based overnight experiences based on a four day program (2 days in historic theme, 2 days in adventure multipurpose area). Educational themes could be
 - Trees – due to largest rainforest origins
 - Coal – history of the strikes
 - Dairy – supporting the large growth in dairy industry

Other ideas offered by the workshops and rated as worthy of further consideration included:

- ✚ More Coal Creek branded products to increase retail spend
- ✚ Making products (such as candle making, herbs, jams and crafts) and vary seasonally
- ✚ Run 'You pick vegies' workshop
- ✚ Board pics

The consultants then distilled the list into 12 ideas worth considering in the feasibility study. Four sets of criteria were used to distill down the ideas, based on:

1. Potential competitive strength
2. Potential capital cost
3. Potential financial result
4. Potential involvement of the private sector to operate and maintain

Table 2.2 explains the criteria used to distill the ideas down to a final set of four experiences for feasibility assessment. **Table 2.3** presents the results of the final analysis and the subsequent selection of options.

Table 2.2 The three-staged project approach

Potential competitive strength	
Explanation	Scoring system
<p>This is a subjective assessment of the potential for the product to be:</p> <ul style="list-style-type: none"> ✓ Highly differentiated in the marketplace (few competitors, at least within the region) ✓ Commercial take-up has minimal 'down time', due to it attracting multiple markets and thus avoiding seasonality or being maximised across times of the day / night, days of the week ✓ There is potential to continually innovate and thus hold market interest in repeat visitation ✓ There is the potential for flexible pricing to attract various price sensitive markets 	<p>A score of:</p> <ul style="list-style-type: none"> ▪ Very high would be due to most to all of these elements being achieved ▪ High would be due to most of these elements being achieved ▪ Moderate due to some being achieved ▪ Low due to only one being achieved

Potential capital cost	
Explanation	Scoring system
<p>This is a subjective assessment of the cost to establish the product (subjective until it is fully scoped).</p>	<p>A score of:</p> <ul style="list-style-type: none"> ▪ Very high would be \$3M-\$4M ▪ High would be \$500,000-\$3M ▪ Moderate would be \$60,000-\$500,000 ▪ Low would be \$30,000-\$60,000

Potential financial result	
Explanation	Scoring system
<p>This is a subjective assessment of the gross operating profit per annum that a product could generate (subjective until it is fully scoped).</p>	<p>A score of:</p> <ul style="list-style-type: none"> ▪ Very high would be over \$250,000-\$350,000 ▪ High would be \$150,000-\$250,000 ▪ Moderate would be \$100,000-\$150,000 ▪ Low would be less than \$50,000-\$100,000

Table 2.3 Analysis of potential options

Potential options for feasibility assessment	Factors to consider				
	Potential competitive strength	Potential capital cost	Potential financial result	Potential operation	Result
1. Consolidate use based on precincts (moving community uses out of heritage precinct, historic uses into heritage precinct) and remove surplus / dysfunctional infrastructure / buildings	Low-Mod, strengthens core experience	Mod	Low-Mod, (maintenance costs)	Council or Trust	Combine into a site rationalization strategy, proceed to financial feasibility
2. Interactive mobile technology to interpret historic precinct	Mod-High, strengthens story and appeals to young markets	Low	Mod	Private	Include in visitor research testing, and then proceed to market testing, competitor analysis and financial feasibility
3. Top 4 or 5 demonstration / interactive experiences within historic precinct guaranteed, remainder as available (eg train, mine, blacksmiths, gen store, printer)	Low-Mod, strengthens core experience	Low-Mod	Low (maintenance costs)	Council or Trust	Include in visitor research testing, and then proceed to financial feasibility combined with option 2
4. Reopen Black Diamond Mine for guided access	Mod, strengthens story	Low-Mod	Negligible	Council or Trust	Include in visitor research testing, and then proceed to financial feasibility combined with option 2
5. Reopen Black Diamond mine for independent access	Low-Mod, strengthens story	Low-Mod	Negligible	Council or Trust	Include in visitor research testing, and if not as strong as guided access, no further feasibility
6. Café overlooking site in refurbished entrance building	Low, expected service	Mod	Low	Private	No further feasibility
7. Café / restaurant overlooking site	Low, expected service	Mod-High	Low	Private	No further feasibility
8. Café / restaurant / function / conference centre overlooking site	Mod to high due to multiple markets	High-VHigh	Low-Mod	Private	No further feasibility
9. Café / restaurant / function centre overlooking site, and simple son et lumiere for dinners	High to very high, multiple markets and pt of diff	H-V High	Mod	Private	Include in visitor research testing, and then proceed to market testing, competitor analysis and then financial feasibility comparing alternative locations
10. Classrooms & basic overnight accommodation for schools	High but seasonal	High	Mod	Private	Proceed to competitor analysis and financial feasibility
11. Treetop adventure and obstacle course in multi-purpose zone	Mod to High due to multiple markets	Mod	Low-Mod	Private	No further feasibility
12. Overnight accommodation and classrooms for schools, adults & families	V High due to multiple markets	V High	High	Private	No further feasibility

2.2 Visitor research

Purpose of visitor research

In October 2012 visitor research was conducted at Coal Creek. The research was commissioned to support a Feasibility Study and Business Plan required to increase the financial profitability of the operation through increased visitation and visitor spend. The objectives of the research were to:

1. Generate a profile of current visitors and segment visitors to assist determine future target markets
2. Determine visitor take-up and satisfaction with various elements of the current experience
3. Determine visitor interest in some of the potential experiences being contemplated for the future.

Some 100 visitors were sampled during the school holiday period of October 2012. A full copy of the Report is provided in **Attachment B**.

Market segments driving visitation

The three main segments visiting Coal Creek during the sampling period were Socially Aware (SA 26.8%), Traditional Family Life (TFL) and Conservative Family Life (CFL) at 16.5% each. **Attachment C** provides further background on these and the other seven segments making up the Roy Morgan Values™ segments.

Interest and satisfaction with experiences on offer

Respondents were most interested in interactive experiences and people demonstrating concepts and skills. They singled out the greatest interest to experience the General Store, Train Ride and Mine, and least interest to experience the Sustainability Centre and the Giant Worm / Bee display. The General Store generated the highest satisfaction and the Sustainability Centre generated the lowest satisfaction. Though interest was low, there was a high level of satisfaction with the Visitor Centre.

Interest in potential new experiences

It was not easy for respondents to accurately express their level of interest in new experiences, because there was limited material explaining what it was. The two most critical insights from the research were:

- ✚ there was slightly more interest in a restaurant with sound and light show than a simple café – particularly among segments with children;
- ✚ the Traditional Family Life segment were most interested in the son et lumiere and the Socially Aware segment were more interested in an interactive technology-based day experience;
- ✚ there was significant interest in a reopened mine that visitors could walk through with a guide; and
- ✚ there was only mild interest in on-site accommodation – more from the segments with children.

Based on this feedback, it would seem prudent to:

1. Focus on providing continuous volunteer-based demonstration and interpretation at the places where visitors have the most interest and gain the most satisfaction (General Store, Church, School, Spinners and Mine Manager's House)
2. Further invest in better interpretive displays within the Visitor Centre
3. Stabilise and reopen the Black Diamond mine as a volunteer-driven experience; and
4. Move the Sustainability Centre use of an existing heritage building out of the main township area

2.3 Target markets

The proposed leisure target markets for general visitation to Coal Creek are residents of the south-eastern suburbs of Melbourne described by the Roy Morgan Values™ segments as:

1. Socially Aware
2. Traditional Family Life
3. Conservative Family Life

The proposed target markets for functions and meetings are:

1. Business associations and not for profit organisations (such as Probus, Lions Club and Business Chambers) based within the South Gippsland local government area
2. Couples wanting to get married in a distinctive setting who reside within the South Gippsland local government area

The proposed target markets for overnight education are lower levels of secondary school located within the eastern suburbs of Melbourne.

2.3 Market testing

Following the visitor research, four products with potential to generate significant revenue and fit in with Coal Creek were identified as warranting market testing with the leisure market:

1. Overnight education
2. An interactive technology based form of interpreting the site during the day (working title of 'The Coal Creek Conspiracy')
3. A restaurant/function centre
4. A son et lumiere supporting and packaged with the restaurant (working title of 'Armageddon')

The objectives of the focus group testing were to:

1. Further understand past experience and level of interest in visiting cultural tourism attractions
2. Determine the level of interest in the interactive technology, and restaurant / son et lumiere sold as a dinner package aimed at leisure markets
3. Determine an acceptable price range for these products
4. Identify potential improvements to these products that would make them more attractive to purchase
5. Compare the appeal of these products to assist prioritise implementation

Table 2.4 provides a product outline of the two products tested.

Table 2.4 Outline of the two products that were market tested

New day experience – The Coal Creek Conspiracy	New Night experience - Armageddon
<p>The story line, an interpretation of the Coal Conspiracy in the early 1900's.</p> <ul style="list-style-type: none"> • Discovery of Coal in the area • Workers hardships and the subsequent formation of unions attempting to driving improved workers rights • The impact Coal price drops from NSW had on the three local mines • The strikes that followed as workers protested against pay cuts leading to the employment of non union 'Scab' workers brought in from Ballarat gold fields • The conspiracy between the three coal companies and the government reaching its peak and the effects this had on the workers and the small community of Korumburra <p>The day experience would be delivered via an introductory audio visual and an Ipad or tablet device available to hire (the device would be protected by a casing that is shock and waterproof)</p> <p>The multi media component will enable the story to become an interactive board game style challenge leading visitors through the site.</p> <p>Check points could be placed throughout the site on a defined route where visitors will gain clues or undertake challenges that will in turn allow them to move to the next checkpoint on the route</p>	<p>The story line, an interpretation of the early settlement of South Gippsland,</p> <ul style="list-style-type: none"> • Highlighting the challenges faced by the settlers • In-particular the consequences of the land clearing • The devastating fires that swept through the area destroying the township 1853, 1890 and 1906 • Ultimately seeing the birth of the Korumburra Country Fire Authority as the locals developed methods to defend their homes and livelihoods • The story will finish with an upbeat and optimistic outcome <p>The venue would feature a panoramic view of the historic site, and perhaps a few trees in the background</p> <p>The dinner could be a 2 course '3 star' city pub style meal</p> <p>The show would run in two parts first part pre main meal and second part post main meal, each part of the show would run for 15 minutes each</p> <p>Part one of the show could feature original settlement and the challenges experienced with clearing of the land, part two of the show could feature the devastating fires with each fire experienced being more intense than the previous</p> <p>The show could feature spectacular pyrotechnics, lighting techniques and sound effects</p>

Response to The Coal Creek Conspiracy

Both segments liked the product 'Coal Creek Conspiracy' because it offered structure, story and a challenge that would engage their children. Both groups were extremely interested in the product - TFL slightly more. SA priced the product slightly higher (\$25) than TFL (\$10 - \$25).

The Coal Conspiracy product was well enough received to warrant proceeding to financial feasibility based on a \$25 per unit price. However, the product on its own will not drive significant visitation in the first year or two. Based on the fact that most of the target markets would want to hire 2 units or more a price per unit of \$19.95 per unit is warranted for multiple unit hire. Refinement to the product could include:

- ✚ two levels of the computer Program to cater for ages 7 years to 11 years and 12 years to 16 years;
- ✚ a satchel over shoulder protective cover for when Ipad isn't in use; and
- ✚ a reward for successful solving of the challenge.

Response to Armageddon

TFL liked the experience but the Socially Aware group were evenly split between liking it and being close to neutral. TFL and half the SA perceived the experience as entertaining for the whole family. The other half of the SA's were turned off by the lack of authenticity of a son et lumiere, and the likelihood

that the food would not be interesting enough. Almost every TFL was prepared to pay \$50 for the dinner and show and three were prepared to pay \$75. Most of the SA's valued the product at around \$50.

The Armageddon experience was a more difficult product to test and draw reliable conclusions from because the Socially Aware segment had diverse views on the product.

The TFL market liked the immediately apparent 'wow factor' and emphasis on entertainment. They would choose this product either as a separate visit to Coal Creek than the Coal Conspiracy day experience, or would choose both products and seek to stay overnight in the local area. In contrast, the SA market were evenly split on being very interested in the product or not at all interested. Those not interested perceived the product insufficiently interpretive and authentic.

To confirm relative product appeal and subsequent sufficient visitation, an additional focus group with the next strongest current visitor market (Conventional Family Life segment) was held a week later, to determine whether they have sufficient high level of interest and preparedness to pay as the TFL segment, to ensure sufficient market adoption.

Refinement to this product could include:

- ✚ positioning the venue as close to the 'action' as possible, and using by fold glass walls to increase the sense of the authenticity and closeness to the event;
- ✚ theming of the food and setting in line with the era;
- ✚ offering a themed activity for children during the dinner, such as colouring of pre-drawn images of elements of the story; and
- ✚ packaging for families and positioning for children's parties; and

A full copy of the Market Testing Report is provided in **Attachment D**.

2.4 Competitor analysis

Once the options had been market tested and subsequently refined, a competitor analysis was undertaken to identify the key strengths and limitations of the most similar profit generating products to those being considered for Coal Creek. **Table 2.5** presents a summary of the key points from the Competitor Analysis.

Table 2.5 Summary of the key findings from the competitor analysis

Proposed profit generating products	Product strengths and limitations	Financial implications
Mobile technology-based interpretation	<p>4 apps where bench marked (Jerusalem walking tours and map, Parramatta historic tour, New York treasure hunt walks & Powerhouse museum Waterworx game)</p> <p>High level of interaction is required to engage users</p> <p>Stories must be authentic and educational</p>	<p>Most applications are free or absorbed into entry fee</p> <p>Income generation is possible through a closed to public application where device is supplied</p>
Son et lumiere and live shows packaged with dinner	<p>There are three comparable Son et lumiere (Sovereign Hill, Lal Quila/Red fort & Tower of David). Human presence is well received</p> <p>Also assessed two live shows with dinner packages (Outback spectacular & Pirates adventure dinner Orlando). Menu needs to be narrowly set to ensure timely & quality controlled meals</p> <p>No private son et lumiere operations on public land found</p> <p>Ideal scale is 80 to 120 seating capac</p> <p>In local area, approx. 10 restaurants and 3 function centres</p> <p>Only modest demand for functions, mainly for a 2nd distinctive venue</p> <p>Ideal function scale is 80 to 120 seats and mid range price point</p>	<p>Private sector won't fund full development on public land</p> <p>Assumptions to calculate rent</p> <ul style="list-style-type: none"> - modest base and some turnover - rent 5% of turnover for private sector fitout - rent 5 to 10% for fitout provided
Overnight education	<p>Approx 6 education camps in Victoria</p> <p>Most operations are schools only</p> <p>Ideal scale is 300 student capacity</p> <p>Most camps are either private on privately owned land or Government on public land - therefore few examples to set rent assumptions exist</p>	<p>Private sector won't fund full development on public land</p> <p>Assumptions to use accommodation leased on public land</p> <ul style="list-style-type: none"> - rent 5% of turnover for private sector fitout - rent 5 to 10% for fitout provided

A full copy of the Competitor Analysis Report is provided in **Attachment E**.

3. Options proposed

3.1 Site rationalisation

Site rationalization is a term for ways to make the site perform more efficiently, so as to reduce costs and improve the overall visitor experience. There are three components to site rationalisation:

1. Creating three Precincts within the site delivering distinct uses, moving some uses and buildings to consolidate the purpose of each zone, and establishing relevant new uses for empty buildings
2. Removing surplus buildings and infrastructure that do not have heritage significance or high value to the interpretive experience, to reduce long term maintenance and risk
3. Reducing vegetation, to reduce long term maintenance and risk

Precincts supported by moving uses and buildings

The site will look and work much better if its main uses are more separated. The creation of precincts (through zoning) is a standard tool used to place use in areas most capable of supporting it. Three precincts are proposed for the main part of the site:

1. Historic
2. Multi purpose
3. Overnight Education

Table 3.1 identifies the key uses for each precinct and the subsequent different management approaches. **Figure 3.1** presents a map of the site and the proposed precincts. The historic precinct would be further divided into Township and Industrial zones.

Table 3.1 Key uses and management approaches to Coal Creek Precincts

Precincts	Key uses	Management approach
Historic	<p>Conserving, curating and interpreting the most authentic heritage components that depict Coal Creek mining and day to day life between the 1870s and 1920s, such as</p> <ul style="list-style-type: none"> ▪ Demonstrations of historic activities ▪ Guided interpretive and educational activities ▪ Self-guiding interpretive activities ▪ Audio visual and performances ▪ Provision of supporting services, including site orientation, food and beverage, public amenities 	<p>Primary focus of conservation and curatorial activity and resourcing</p> <p>Primary focus of visitor management</p> <p>Primary focus of risk minimisation</p>
Multi Purpose	<p>Community uses not based around the interpretation of the historic period of Coal Creek, such as:</p> <ul style="list-style-type: none"> ▪ meeting venues for community groups (eg. men’s shed and Masons) ▪ community events ▪ outdoor education programs 	<p>Building and infrastructure design should be functional. Buildings adjacent to the Historic Tourism Zone should be sympathetic in their design to avoid visual impact</p>
Overnight Education	<p>Provide a base camp that does not interfere with the interpretation of the historic period of Coal Creek or community uses, such as:</p> <ul style="list-style-type: none"> ▪ classrooms ▪ accommodation ▪ food and beverage ▪ outdoor education facilities ▪ parking, plant and equipment 	<p>Independent access into and out of the Zone is limited by fence and behaviour management</p> <p>Site maintenance the responsibility of the tenant, unless they choose to contract the service back to management</p> <p>Building and infrastructure design should be functional and contemporary, and could include sustainability initiatives that reduce impact on services and environment. To avoid confusion design should not replicate historic buildings</p>

Removing surplus buildings and infrastructure

Coal Creek has more buildings than it can afford to maintain. Timber buildings in continuously damp conditions generate high maintenance costs.

In addition to the Coal Creek's \$500 - \$750,000 annual loss that South Gippsland Shire is seeking to balance, there is also an Asset Improvement Program to fund. The Program is based on Council's detailed analysis of every building's significance, condition, risk and, use. The Program has been costed as \$2.2M in works required for buildings and infrastructure.

Removing and transferring surplus buildings will not only reduce the Program cost, it will help the site operate better. **Tables 3.2 to 3.4** list the buildings proposed to be transferred and removed. **Figure 3.2** presents a map of the site and the proposed use movements, building and infrastructure movements or removal. The proposed changes have been made using past reports³, as well as consultation with key Coal Creek staff with curatorial and maintenance roles. Any buildings proposed to be removed should go through a set process of:

1. Documentation of source of building, past uses, and any moveable heritage inside
2. Transfer of any significant items to alternative display areas
3. Disposal of any non-significant items, with first offer to the local community to remove within a short period
4. Dismantling of buildings and infrastructure, and stockpiling of reusable materials for reuse in other parts of the site (eg sound timber, roofing and fencing)
5. Removal of non reusable material to a safe disposal site

Table 3.2 Proposed building movements and removals for the Historic Precinct

Type of change	Proposed actions
Use movements	<p>Destination Gippsland Regional Tourism Offices to leave timber building in front of playground at top of carpark</p> <p>Staffed Visitor Information Counter and regional tourist collateral removed from Visitor Centre building as part of broader new tourism marketing strategy</p> <p>Sustainability Centre from Building 48 to timber building in front of playground at top of car park</p> <p>Grow Lightly to move into timber building in front of playground at top of car park and cool room installed</p> <p>Blooms Playgroup to move from Mechanics Institute building to wooden building in front of playground, to improve access and profile of group and provide larger play area</p>
Building / infrastructure movements	<p>Several movements into this Precinct to fill gaps (see Multi Purpose Precinct)</p>
Building / infrastructure removals	<p>Building 59 Plant Nurseries (poor condition and low significance) and does not fit core business of park</p> <p>Building 58 Caretakers Cottage (poor condition and low significance)</p>

³ For example, Barron Planning Projects (2008) Coal Creek Submission to Heritage Victoria

Table 3.3 Proposed building movements and removals for the Multi-purpose Precinct

Type of change	Proposed actions
<p>Use movements</p> <p>Building / infrastructure movements</p>	<ul style="list-style-type: none"> • Blacksmith as per building movement • Building 28 (Blacksmiths) to Historic Precinct (Industrial area adjacent to building 16) • Building 22 to Historic Precinct (Industrial area adjacent to building 17) • Building 24 significant parts of collection moved to purpose built shelter opposite building 17 • Building 27 Bush Tramway Office to Historic Precinct (township Area between building 50 and 55) • Waterwheel to Historic Precinct (creek flowing to lake) following conservation and stabilisation works so it can operate again
<p>Building / infrastructure removals</p>	<ul style="list-style-type: none"> • Building 62 Bloggs Creamery (poor condition and low significance) • Building 24 Machinery Shed (poor condition and low significance) • Building 25 Maintenance Shed (poor condition and low significance) • Two walking bridges (poor condition and low significance) • Extended coal mine (unrepairable condition with several collapsed areas)

Table 3.4 Proposed building removals for the Overnight Education Precinct

<p>Building / infrastructure removals</p>	<ul style="list-style-type: none"> • Building 30 Middle Bush Tramway Station (not needed for non stop tramway experience) • Building 35 Farmhouse (poor condition and low significance) • Building 36 Fettle's (poor condition and low significance) • Building 34 Bottom bush tramway station (poor condition and low significance) • Building 37 Stables (poor condition and low significance) • Building 61 Woodyard (poor condition and low significance)
--	---

From a shift in some uses and building locations, there will be several buildings that become available for new uses. **Table 3.5** proposes potential uses for these buildings.

Table 3.5 Potential uses for forecast vacant buildings

Forecast vacant building	Potential use
Building 48	Children’s indoor play centre, featuring games that children once played
Bloggs Creamery	Butter production
Westerns Cottage	Dress up and be photographed in costume (a chargeable experience) Post office / telephone service

It is also proposed to refresh the Visitor Centre with new interpretive displays that introduce the site and its history, as well as some additional retail floor space and retail shelving / cabinets introduced. As the new revenue generating products are introduced, there should be appropriately branded souvenir products developed and sold in the retail area.

Reducing vegetation

The sheer amount of vegetation on the site is so great that it reduced the ability to properly present and interpret Coal Creek as a township. The cultural significance of the original concept is compromised by the dominant park-like conditions. A town in the late 1800s would have minimal vegetation, because tall trees were a fire risk that could not be managed. While quaint, the cultural landscape values have been diminished. Furthermore, the site has more vegetation than it can afford to manage.

It is therefore proposed to significantly reduce the buildup of vegetation within the Historic Precinct, so that most of the township can be viewed at once (accepting building and topographical impediments). The second highest vegetation reduction should be within the Education Precinct, to protect the proposed infrastructure and the dense population of schoolchildren that may be using it. The multi-purpose zone could have a greater amount of vegetation than the other two, but should still be lower than the current buildup.

Once the vegetation buildup is achieved, the view fields achieved should be photographed and the record used as a reference tool for an ongoing maintenance program.

3.2 Core route interpreted with core demonstrations and interactive technology

This option is designed to significantly enhance the competitive strength of the Coal Creek tourist experience and minimise the ‘over stretching’ of the limited volunteer base. Key elements of this option are:

1. Core route through the historic precinct
2. Core set of volunteer delivered demonstrations within Historic Precinct
3. Stabilisation and reopening of the Black Diamond mine for guided tours

4. Paid driver to reliably operate the historic diesel and steam locomotive
5. Establishment of the Coal Creek Conspiracy (interactive technology)

Following the more intense use of the Historic Precinct, there may be a need to develop an additional amenities building within the Courthouse vicinity, to cater for leisure visitors, school groups and groups occasionally using buildings nearby. This has not been scoped or costed into this Feasibility Study, but can be if requested⁴.

Core route through the historic precinct

Most attractions work better when they have a set core route to follow. Core routes:

- ✚ allow interpretation to be structured so that stories can build on each other;
- ✚ reduce visitor congestion that otherwise reduces the quality of the experience; and
- ✚ allow the positioning of services and amenities to fit the natural points where visitors will need them.

Figure 3.3 presents the proposed core route for visitors to Coal Creek. The route has five major phases:

1. Visitor Centre for an introduction to the site, major amenities and an audio visual to introduce the main interpretive experience (The Coal Conspiracy)
2. Train and Train Station, highlighting the arrival at Coal Creek and the start of the exploration of the area
3. Coal mine and supporting industrial services, highlighting the reason for Coal Creek being here
4. Pig and Whistle, providing a break at the half way point of the experience, including amenities, food and beverage services and a relaxing and social atmosphere⁵
5. Township, highlighting all the services and people who ran them due to the mine's success
6. Visitor Centre, for souvenir purchases and final amenities break before departure

⁴ Sewerage already exists in this area

⁵ Reinstate original café name 'Lakeside tea rooms'.

Figure 3.3 Proposed core tourist route showing core display experiences and potential interactive technology stops

- | | | |
|--|---------------------------------|---|
| 1 Entrance Building | 27 Bush Tramway Office | 47 Printing Office |
| 2 Mother's Room & Toilets | 28 Blacksmith | 48 Grow Lightly, Sustainability Centre |
| 3 Woodleigh Railway Station | 29 Locomotive & Carriage Shed | 49 Gilpin's Drapery Store |
| 4 Baby Feeding Room | 30 Middle Bush Tramway Station | 50 Devlin's General Store Train tickets sold here |
| 5 Artist's Room | 31 Water Wheel | 52 National Bank |
| 6 Cordial Factory & Wrench's Boot-makers | 32 Sports Oval | 52 Paymaster's Office |
| 7 Barber's Shop | 34 Bottom Bush Tramway Station | 55 Court House |
| 8 Spinners | 35 Farm House | 55 Anzac / Mining Room |
| 9 Skin Store | 36 Fettle's Hub | 56 Auction Rooms |
| 10 Lands Office | 37 Stables | 57 Boston's Carriage Factory |
| 12 Mechanic's Institute | 39 Masonic Lodge | 58 Caretaker's Cottage |
| 14 Poppet head & Winch House | 40 Band Rotunda | 59 Plant Nurseries |
| 16 Carpenters' | 41 Café Train tickets sold here | 60 Miss Tiley's Music Studio |
| 17 Men's Shed | 42 Jeetho School | 61 Wood Yard |
| 22 Slab Cottage | 43 Church & Vestry | 62 Bogg's Creamery |
| 24 Machinery Shed | 44 Mine Manager's House | |
| 25 Maintenance Shed | 45 Doctor's Surgery & Chemist | |
| 26 Wattle & Daub Cottage | 46 Top Bush Tramway Station | |



The route should be marked on a new visitor brochure and either pictograms on posts or several simple picket-like fences should be built to guide visitors where there are junctions that might confuse them.

Core set of volunteer delivered demonstrations within Historic Precinct

The volunteering base should be restructured to provide a core set of experiences that can be delivered most of every day that the attraction is open. The decision on what is a core volunteering experience should be based on the critical elements that defined the core functions of the township and the experiences that visitors are most interested to see and most satisfied with. These could be:

- ✚ Blacksmith;
- ✚ Black Diamond Mine;
- ✚ School; and
- ✚ General Store.

Other volunteer experiences should be managed as value adding, and not be provided instead of the core experiences.

Stabilisation and reopening of the Black Diamond mine for guided tours

The site must have an interpreted open mine experience, so the Black Diamond mine should be stabilised and reopened for guided tours by volunteers. The works and costs required to reopen the mine have been determined and need to be undertaken to give Coal Creek back its central purpose for existing.

Paid driver to reliably operate the historic diesel and steam locomotive

The train is a highly desired experience, and one that with reasonable interpretation, can help link all the elements of the site together into a bigger picture. The train needs specialist expertise to operate, expertise that can only be reliably provided if it is paid for. Two to three drivers should be placed on a part time payroll to operate the train afternoons, weekends and school holidays (12 noon 3.30pm). The train should be charged out at cost recovery plus 25% (higher than the current charge).

It is further recommended to operate the train from one station location to embark and disembark, with no stops along the way. This strategy will ensure visitors stay within the History Precinct, and avoids demand to keep attractions within the other precincts – the trip is a venture out of the town into the bush and back.

Establishment of the Coal Creek Conspiracy (interactive technology)

Table 2.3 described the concept, story and technology proposed to create the Coal Creek Conspiracy. **Figure 3.2** shows a set of indicative locations where clues could be left along the core route. **Figure 3.3** provides some images that help evoke some of the experience.

Figure 3.3 Images that reflect some of the Coal Conspiracy



The key stages to the experience would involve:

1. In the Visitor Centre, visitors see a working display of the program on a fixed Ipad, and staff / volunteers encourage them to hire units
2. Participants venture into an audio visual:
 - Which first sets the scene of the conspiracy – mining companies are conspiring to stop union-based miners getting work; coal companies in cahoots with the government secretly train in scab labour, with 20 police on board to ensure safe passage through the heavy union areas)
 - Which then sets the challenge – who is behind the conspiracy? Who is fighting it?
 - And then it shows participants how to use the program to take on the challenge
3. Participants move along the core route looking for clues and subsequently feeding information into their program to build a case for who is behind the conspiracy
4. Participants return to the Visitor Centre to return their units, and if they have solved the challenge, are given a reward⁶

The technology needed to deliver this product in the outdoors should be hired out to customers, with a credit card impression used to secure the asset in case of theft or damage. School groups bringing their own iPads or Laptops could be given downloads on single day license activation (shuts down after 24 hours).

Two levels of the Program would be offered 7 to 11 years and 12 to 16 years. The Program would include a range of video clips that would be produced as part of the first model. In three years after release, the Program should be refreshed to encourage repeat customers and maintain repeat customer satisfaction and positive word of mouth. The visuals should generate a range of branded merchandise for sale in the Visitor Centre, with some basic forms given away as a reward for successfully completing the challenge.

3.3 Restaurant and son et lumiere

Coal Creek at night is a more evocative and powerful place than by day. A night experience provides the opportunity to trigger overnight stay in the region, and subsequent greater economic benefits to the local community. The proposal is to operate a restaurant that overlooks the township lit up at night. A package would sell a two course suitably themed meal and a short son et lumiere. The show could be in two Acts of approximately 15 minutes each. Act One would cover the massive effort associated with clearing Gippsland for settlement, and the subsequent massive fuel loads left behind. Act Two would reveal the loads being engulfed by wildfires using amazing pyrotechnics that climaxed with the burning of the township and its surrounding bush. Visitors hear about why such enormous fires happened, and how ill prepared people were (compared to today), and would be left with an uplifting consequence featuring the birth of a rural fire service in Gippsland

Table 2.3 described the concept, story and technology proposed to create the Coal Creek Conspiracy. **Figure 3.4** provides some images that help evoke some of the experience.

⁶ Eg early mining writes certificate or union card

Figure 3.4 Images that reflect some of the Coal Conspiracy



The investment in a kitchen, stores and skilled food and beverage staff could warrant a function centre being built as part of the restaurant proposition. The function centre would also offer excellent views of the township by day and night, and with retracting internal wall dividers, be capable of offering one room for up to 120 at a dinner setting, or up to three rooms of 40 people each for smaller functions, meetings or conference breakout sessions.

Three potential locations and building approaches have been identified and assessed for this product:

1. An adaptation of the current Visitor Centre ground floor, with kitchen and stores in the current office space and Music Studio, and the function centre stretching around over the land occupied by Building 58 (Caretakers Cottage) and restaurant waste management facility where building 58 (glasshouse) is located.
2. A mezzanine level built out from the rear of the Visitor Centre, so as to gain greater view depth than that provided on the ground floor, with access from a new stairway inside the Visitor Centre, and the kitchen and function facility located in a similar form to Option 1
3. An independent new building located 100m to the east, opposite the gap marked by building 12 (Mechanics Institute) and the Black Diamond mine poppet Head, over the existing rail line and perched on the edge of the ridge to maximise the view of the township below and bushland beyond the restaurant and function facilities could be built adjacent to each other (as costed) or as a two level building to reduce footprint and maximize vista.

Figure 3.5 presents block diagram propositions and **Figure 3.6 presents comparable** vistas offered by each of the three options. **Table 3.3** evaluates the merits of the three sites.

If Option 3 is adopted, then the Visitor Centre will have significant free space to have the Board Room and all but one office adapted into an education group arrival area / classroom. This need has been raised through formal evaluation / feedback from past visiting schools. The room will also provide much needed shelter during inclement weather. This adaptation has not been costed in the Feasibility Study, but can be if requested.

Figure 3.5 Potential footprints of the three options for the restaurant location and building approaches



Figure 3.6 Potential vistas (currently uncleared) offered by each of the three options (option 1 left, Option 2 right, Option 3 below)



Table 3.6 Evaluation of the three potential sites and building configurations for a restaurant, son et lumiere and function centre

Options	Vista	Development cost and returns	Operational challenges
1	Predominantly the train Distant views of part of township and poppet head	Lowest development cost due to use of existing building Lowest revenue and operating expenses	Significant disruption to current operation – will require relocation for 6 months New archival storage facility and offices for staff required
2	Deeper but distant views of part of township and poppet head	Moderate development cost due to new structure build May be slightly higher revenue, similar lower operating expenses	Serving upstairs always a challenge for staff New offices for staff required
3	Three times more buildings within the township, and these are much closer Bushland in foreground and background is available for pyrotechnics	High development costs for new building on greenfield site Likely greater revenue from greater wow factor, operating costs similar to option 2	Totally separate operation to Visitor Centre requires 100m sealed & lit pathway Service vehicles need to use eastern road and gate in Multi Purpose Precinct

3.4 Education camp

It is proposed to establish infrastructure that supports an overnight education facility for lower secondary schools interested in outdoor adventure and studying relevant units linked to Coal Creek history and environment. There is strong interest from the leasee to fit out the operation and provide the service under a lease with progressive increase in rental stream as business increases. The facilities could be designed for between 220 and 440 students and their teachers – the development could be staged for expansion. **Figure 3.7** provides potential footprints for the buildings required, and **Figure 3.8** provides a simple block diagram of the key buildings required.

The operation would offer approximately 10 – 20 adventure activities (including but not limited to: giant swing; high ropes; initiative/team building courses; low ropes; volleyball; basketball; water activities / craft (canoes, rafts); and orienteering) and 10 – 15 passive (science/environmental) activities (including Coal Creek Education Program, use of the proposed Coal Creek Conspiracy and attendance at the proposed Armageddon if it is operating on the nights students are staying. There is also potential for students to be come involved in other community group activities, such as the Sustainability Centre. Students would probably also purchase something(s) at the Visitor Centre.

Figure 3.7 Potential footprints of the overnight education facilities



In addition, from a financial perspective; the Site Rationalisation Program will reduce ongoing maintenance costs and increase retail revenue from the Visitor Centre (through new displays and branded product)⁷.

Table 4.1 Capital costs for Asset Improvement Program and Site Rationalisation⁸

Cost item	Cost
Current Asset Improvement Program	\$2,228,725
Building / infrastructure transfer (4 buildings)	
▪ 4 Timber buildings (22, 24, 27 and 28) @ \$3,000 / building	\$12,000
▪ Waterwheel conserved and operational	\$5,000
Building / infrastructure removal	
▪ 8 Buildings (24, 25, 34, 35, 36, 37, 61, 62) @ \$1,500 per building	\$12,000
▪ Two walking bridges	\$2,000
▪ Middlebush and Silkstone Stations	\$1,000
▪ Second Coal Mine	\$10,000
Vegetation reduction	\$2,000
▪ Historic Precinct	\$18,000
▪ Multi Purpose Precinct	\$2,000
▪ Overnight Education Precinct	\$5,000
Use transfer	\$5,000
▪ Destination Gippsland departure ⁹	\$0
▪ Staffed Visitor Information Counter departure ¹⁰	\$0
▪ Sustainability Centre to timber building in front of playground ¹¹	\$2,000
▪ Fitout for new uses in Building 48 and buildings 22 & 62	\$5,000
▪ Grow Lightly to move into timber building in front of playground ¹²	\$0
▪ Blooms Play Group into timber building in front of playground ¹³	\$0
Upgrade Visitor Centre displays and retail area	\$75,000
New branded retail product	\$25,000
Total capital costs	\$2,409,725
Less costs no longer applicable in the Asset Improvement Program	\$1,050,000
Total revised capital costs	\$1,359,725

⁷ It is debatable where the retail revenue should be captured. Though the cost for improved retailing has been captured here, revenue from increased revenue spend has been built into each new product, since it is the additional visitation and brand associated with these products that will drive revenue.

⁸ These estimates do not include cost of any finance

⁹ Under the lease there should be no costs to Council for a tenant to leave, and in this case, Council has not advised whether they wish to fund an alternative VIC elsewhere or whether these costs should be borne by Coal Creek

¹⁰ These estimates do not include cost of any finance

¹¹ Under the lease there should be no costs to Council for a tenant to leave

¹² Cost is for new cool store, which becomes the property of Council – other costs to be borne by Sustainability Centre

¹³ Grow Lightly needs to cover their own costs of fitout and moving in

¹³ Blooms Play Group needs to cover their own costs to move in

Core route interpreted with core demonstrations and interactive technology

To implement the various components of this strategy would cost approximately \$290,000, as detailed in **Table 4.2**. These costs have been determined through the Consultants' past production of similar projects.

Table 4.2 Capital costs for core route

Cost item	Cost
Route marking (pictogram posts / fences)	\$500.00
Stabilisation and reopening of the Black Diamond mine for guided tours	\$120,000
Research and training for volunteers delivering mine tour	\$2,000
Production of recorded commentary and audio equipment for train	\$5,000
Coal Creek Conspiracy	
▪ Script writing and production	\$40,000
▪ Filming, props, actors, lighting, music, sound effects	\$40,000
▪ Programming, IT development, data projector for audio visual	\$69,500
▪ 60 tablets & cases @\$200 each ¹⁴	\$12,000
Total capital costs	\$289,000

It is assumed that the cost of operating the train is fully recovered through a price set at cost recovery plus 25%. Demand is strong for this experience so this pricing should be achieved. The assumptions used to forecast potential gross operating profit of the Coal Creek Conspiracy component were:

- ✚ 10,000 units sold per year to the leisure market @ \$20 each
- ✚ 5,000 units sold per year to the education market @ \$10 each
- ✚ 10% of turnover reinvested to maintain and upgrade the product

Table 4.3 presents the projected gross operating profit from the Coal Creek Conspiracy as being approximately \$225,000 per annum.

Table 4.3 Projected Gross Operating Profit from the Coal Creek Conspiracy

Revenue	Amount
Leisure market hire	\$200,000
Education market hire	\$50,000
Total revenue	\$250,000
Expenditure	Amount
Maintenance, replacement of units and prop clues, depreciation	\$10,000
Maintenance and annual allocation for five yearly product refreshment	\$15,000
Total expenditure	\$25,000
Annual Gross Operating Profit	\$225,000

¹⁴ Given that the tablets are to perform identical programs and use, they can be a simpler system than IPADS and they do not need to be connected to the internet

Restaurant and son et lumiere

To implement the various components of this strategy would cost the least for Option 1 and approximately the same amount for Options 2 and 3. Specifically:

- \$2,271,200 within the ground floor of the Visitor Centre (Option 1)
- \$2,621,200 as a mezzanine extended from the Visitor Centre (Option 2)
- \$26,21,200 as a new building with lit pathway connection from the Visitor Centre (Option 3)

The detailed costs for Option 1 are provided in **Table 4.4**. The additional cost for Option 2 of \$350,000 is associated with the higher building costs of a pole supported mezzanine level. The additional costs associated with Option 3 of \$350,000 is associated with additional new building construction, services and pathways. Options 2 and 3 assume there are no significant geotechnical issues.

The capital cost for the son et lumiere is less than a third of that invested with the competitor products, based on the areas lower accommodation potential. If an investor was prepared to develop an accommodation property of 50 to 100 rooms that met the target market needs then an additional \$1M upgrade to the experience could be justified. If Option 3 is chosen, we have proposed to set aside for the accommodation development the area currently occupied by buildings 58 and 59.

Table 4.4 Capital costs for restaurant and son et lumiere¹⁵
– Option 1 (ground floor Visitor Centre)

Cost item	Cost
Restaurant	
▪ Consultants (architect, engineer, fire, approvals etc)	\$100,000
▪ Refurbishment of Visitor Centre for use as 120 seat dining area	\$140,000
▪ Kitchen (60m ²)	\$150,000
▪ Storage / passages	\$80,000
▪ Services upgrade (\$50-100k)	\$85,000
▪ Additional amenities to cater for peak periods	\$100,000
▪ Alternative space for storage and staff / volunteer offices (cabins)	\$75,000
▪ Fitout	\$72,000
▪ Contingency (10%)	\$79,200
Total restaurant	\$881,200
Function space	
120 seat floorspace	\$400,000
Son et lumiere	
▪ Script	\$50,000
▪ Sound	\$150,000
▪ Lighting	\$400,000
▪ Pyrotechnics	\$300,000
▪ Contingency (10%)	\$90,000
Total son et lumiere	\$990,000
Total capital costs	\$2,271,200

¹⁵ These estimates do not include cost of any finance

The assumptions used to forecast potential gross operating profit of the restaurant, son et lumiere and function centre components are provided in **Attachment F**. No assumed revenue has been made for the restaurant trading outside the son et lumiere package.

Table 4.5 presents the projected gross operating profit from the restaurant, son et lumiere and function centre as being approximately \$536,450 per annum. We believe that Options 2 and 3, by providing greater view depth and diversity, would generate greater satisfaction, word of mouth and subsequent visitation and revenue. We estimate that Option 2 could generate an additional 10% (\$100,000) and Option 3 an additional 20% (\$200,000) revenue. We also believe that Option 3 could generate an additional 15% in function revenue (\$34,000). Based on these figures a rent of 10% of revenue per annum would yield \$180,700 in income to Coal Creek.

Table 4.5 Projected Gross Operating Profit from the restaurant and son et lumiere

Revenue	Amount
Adult Dinner package	\$600,000
Children / student dinner package	\$600,000
Restaurant beverage Adults	\$120,000
Restaurant beverage Children	\$100,000
Total package revenue	\$1,420,000
Retail Adults	\$100,000
Retail Children	\$60,000
Function revenue	\$227,000
Total revenue	\$1,807,000
Expenditure	Amount
Restaurant food costs Adults	\$225,000
Restaurant food costs Children	\$225,000
Restaurant beverage costs Adults	\$78,000
Restaurant beverage costs Children	\$65,000
Total	\$593,000
Son et lumiere maintenance and running costs	\$20,000
Son et lumiere administration costs	\$150,000
Function food and beverage costs	\$136,500
Services (energy, water, waste)	\$20,000
Retail COGS Adults	\$50,000
Retail COGS Children	\$30,000
Sales and Marketing, and administration (10% of revenue)	\$180,700
Energy (5% of revenue)	\$90,350
Total expenditure	\$1,270,550
Annual Gross Operating Profit	\$536,450

Overnight education

Attachment F provides assumptions used to generate capital costs and forecasts for overnight education.

To implement this strategy for 240 students (Option 1) would cost approximately \$2M, as detailed in **Table 4.6**.

To implement this strategy for 480 students (Option 2) would cost approximately \$3.74M.

Table 4.6 Capital costs for overnight education¹⁶
– Option 1: 240 student capacity, 12,000 / annum

Cost item	Cost
Car park and road access	\$30,000
Architect design	\$40,000
Buildings	\$1,680,000
Fitout	\$200,000
Recreation facilities	\$50,000
Power and water connections	\$20,000
Total capital costs	\$2,020,000

Table 4.7 Capital costs for overnight education¹⁷
– Option 2: 480 student capacity, 21,000 / annum

Cost item	Cost
Car park and road access	\$30,000
Architect design	\$40,000
Buildings	\$3,000,000
Fitout (should be borne by the operator)	\$300,000
Recreation facilities	\$50,000
Power and water connections	\$20,000
Total capital costs	\$3,740,000

Table 4.8 presents the projected gross operating profit from overnight education as being approximately \$137,000 per annum from the 240 student facility and \$221,500 from the 480 student capacity. The base rent revenue would probably start in the second year of operation and an additional turnover rent could be negotiated, dependent on the operator's investment in capital costs and the responsibilities of the operator agreed to in the lease.

Table 4.8 Projected Gross Operating Profit from overnight education
– Option 1: 240 student capacity, 12,000 / annum

Revenue	Amount
Overall operational revenue	1,500,000
Base Rent to Coal Creek (5% of Year 2 revenue)	\$75,000
Education Program from Coal Creek	\$30,000
Retail	\$90,000
Total revenue	\$195,000
Expenditure	Amount
Education Program	\$15,000
Retail COGS	\$43,000
Total expenditure	\$58,000
Annual Gross Operating Profit	\$137,000

¹⁶ These estimates do not include cost of any finance

¹⁷ These estimates do not include cost of any finance

**Table 4.9 Projected Gross Operating Profit from overnight education (Year 2)
 – Option 2: 480 student capacity, 21,000 / annum**

Revenue	Amount
Overall operational revenue	3,000,000
Base Rent to Coal Creek (5% of Year 2 revenue)	\$150,000
Education Program from Coal Creek	\$50,000
Retail	\$157,500
Total revenue	\$357,000
Expenditure	Amount
Education Program	\$25,000
Retail COGS	\$110,500
Total expenditure	\$135,500
Annual Gross Operating Profit	\$221,500

More detailed operational forecasting will be generated for the Business Plan that follows this Report.

4.2 Summary of Financial Outcomes

Table 4.10 presents a summary of the financial analysis, and suggests that to implement the recommendations (including the Capital Improvement Program) will cost between \$6M and \$8M. As a consequence, Coal Creek can reduce its one off Capital Works Program by \$1M, and reduce its annual deficit by between \$0.52M and \$0.86M. A minimum investment of \$6M will generate a Return on Investment of 9.1% while the more substantial investment of \$8M will generate an RoI of 10.7%.

Table 4.10 Summary of the financial analysis

Strategy	Cost ¹⁸	Income / savings to Coal Creek	Return on Investment
Site rationalisation	\$1,359,725	\$ 1,050,000	77%
Core route with core demonstrations and mobile interactive technology	\$289,000	\$225,000	78%
Restaurant, function centre and son et lumiere			
▪ Option 1: Restaurant in Visitor Centre	\$2,271,200	\$180,700	8%
▪ Option 2 Mezzanine restaurant outside Visitor Centre	\$2,621,200	\$280,700	10.7%
▪ Option 3 New building opposite Mine Poppet Head	\$2,621,200	\$414,700	15.8%
Overnight accommodation			
▪ Option 1: 240 student capacity	\$2,020,000	\$137,000	6.7%
▪ Option 2: 440 student capacity	\$3,740,000	\$221,000	6%
Total	Max \$8,009,925	Max \$860,700	Max 10.7%
	Min \$5,939,925	Min \$542,700	Min 9.1%

If \$8.3M capital can be raised, then it is recommended to proceed with all of the recommendations, and select Option 3 to build a new restaurant function centre and Option 2 to build the larger overnight accommodation facility. If this capital is a stretch, then it is recommended to stage the overnight accommodation and seek additional funding for an expansion after the operation is stabilised and demand for expansion is proven.

¹⁸ These estimates do not include cost of any finance

Attachment A – Report Feedback Sheet

Attachment B – Visitor Research Report

Attachment C – Roy Morgan Values segments

Attachment D – Market Testing Report

Attachment E – Competitor Analysis Report

Attachment F – Assumptions for capital costs and forecasting

Assumptions for the costing and forecasting of the son et lumiere and restaurant / function centre.

Capital costs

- ✦ 120 seat restaurant ($1.5\text{m}^2/\text{person}$) gives footprint of $180\text{m}^2 @ \$500/\text{m} = \$300,000$
- ✦ Function space footprint $200\text{m}^2 @ \$1500/\text{m} = \$90,000$
- ✦ Kitchen footprint $750\text{m}^2 @ \$1,600/\text{m} = \$120,000$ plus fitout of \$80,000
- ✦ Assume services are adequate, with the exception of a new substation for increased energy load

Capital costs – restaurant options

- ✦ Option 2: 120 seat restaurant with footprint of $250\text{m}^2 @ \$2,000/\text{m} = \$500,000$ + other Option 1 elements = \$1,150,000 plus \$200,000 contingency
- ✦ Option 3: 120 seat restaurant with footprint of $250\text{m}^2 @ \$1,000/\text{m} +$ other Option 1 elements = \$1,000,000 plus \$250,000 contingency

Forecasts

- ✦ There will be 200 shows in the first year (4 / week over 50 weeks and 2 shows per weekend at 7pm and 9pm)
- ✦ For the son et lumiere dinner package, 10,000 adults and 15,000 children per annum
- ✦ The students can be accessed through 40 weeks per annum, with 2.5 shows per week (100 shows) generating 10,000 student sales
- ✦ Dinner package Adults \$50, children \$25, includes show (costed at \$30), main and desert (costed at \$30)
- ✦ Drinks extra, drinks \$12/adult, \$5/child/student
- ✦ $10,000 * 60 = \$600,000$, plus drinks \$120,000
- ✦ $20,000 @ \$30 = \$600,000$ plus \$100,000 drinks
- ✦ Total income \$420,000
- ✦ Retail capture 35% adults @ \$10 / head, COGS 50%
- ✦ Restaurant food expenses are 75% (\$225,000 adults) and beverage expenses are 65% (\$225,000 Children)
- ✦ Restaurant drinks expenses \$78,000 Adults \$65,000 Children
- ✦ Cost of running show \$20,000 + \$5.00 admin per person = \$150,000
- ✦ 50 functions per annum averaging 70 pax @ \$65 a head
- ✦ Function costs 60%
- ✦ Son et lumiere requires \$20,000 in maintenance per annum

- ✚ Rent to Coal Creek 10% of restaurant and function revenue

Assumptions for the costing and forecasting of the overnight education centre

Capital costs

- ✚ Buildings for 480 students comprise 4 dormitories with ensuites and bunkrooms, kitchen, four dining rooms, four recreation rooms, one staff lodge house, office, indoor stadium, plant and equipment room
- ✚ Buildings for 240 students comprise 2 dormitories with ensuites and bunkrooms, kitchen, two dining rooms, two recreation rooms, one staff lodge house, office, indoor stadium, plant and equipment room
- ✚ Camp 1: $14\text{m} \times 65\text{m} = 910\text{m}^2 @ \$3,640\text{m}^2$
- ✚ 4 Rec $15 \times 20\text{m} = 300\text{m}^2 @ \$1,200 \text{m}^2$
- ✚ 4 dining rooms $15 \times 20\text{m} = 300\text{m}^2 @ \$1,200 \text{m}^2$
- ✚ Kitchen / admin $\$1,200\text{m}^2$

Forecasts

The assumptions used to forecast potential gross operating profit of the overnight education were:

- ✚ 21,000 students per year, 1.5M in turnover
- ✚ 12,000 students, 1.5M turnover
- ✚ Education Program cost \$5 - \$10 per student
- ✚ Retail capture 50%, \$15.00 spend per head, COGS 70%



Feasibility Report – Your Feedback

Thanks for taking the time to provide feedback on the Feasibility Study for Coal Creek. Using this form will greatly assist us to collate and contrast responses, compared with an open letter format.

1. Which best fits who you are		
<input type="checkbox"/> Resident of South Gippsland Shire	<input type="checkbox"/> Don't live but do work in South Gippsland Shire	<input type="checkbox"/> Visitor to Coal Creek
<input type="checkbox"/> Business owner in South Gippsland Shire	<input type="checkbox"/> Staff, volunteer or user group of Coal Creek	<input type="checkbox"/> Other

2. Which source of information did you use to stimulate your feedback on the Coal Creek Feasibility Report?		
<input type="checkbox"/> Media article	<input type="checkbox"/> Coal Creek Newsletter	<input type="checkbox"/> Poster or powerpoint at Coal Creek
<input type="checkbox"/> Word of mouth	<input type="checkbox"/> Feasibility Report	<input type="checkbox"/> Other

If we used a scale of 1 to 5 for your level of support for our various options, could you tell us how you feel about each?
 5 Great idea 4 Support 3 Neutral, could take or leave it 2 Unhappy 1 Very unhappy

3. Recommendations in Feasibility Study	Your level of support				
	1	2	3	4	5
Site rationalisation overall					
▪ Site rationalisation: Creating three Precincts within the site delivering distinct uses, moving some uses and buildings to consolidate the purpose of each zone, and establishing relevant new uses for empty buildings					
▪ Site rationalisation: Removing surplus buildings and infrastructure that do not have heritage significance or high value to the interpretive experience, to reduce long term maintenance and risk					
▪ Site rationalisation: Reducing vegetation, to reduce long term maintenance and risk					
The development of a core route through the historic precinct overall					
▪ Core route: Core set of volunteer delivered demonstrations within Historic Precinct					
▪ Core route: Stabilisation and reopening of the Diamond Head Mine for guided tours					
▪ Core route: Paid driver to reliably operate the historic train					
▪ Core route: Establishment of the Coal Creek Conspiracy (interactive technology)					
Restaurant overall					
Function Centre overall					
Sound and light show overall					
▪ Restaurant and sound and light show in Visitor Centre					
▪ Mezzanine restaurant and sound and light show outside Visitor Centre					
▪ New restaurant building and sound and light show opposite Mine Poppet Head					
Overnight education camp overall					
▪ Overnight education for 240 students					
▪ Overnight education for 480 students					

4. What is your overall view on sourcing funds to operate and manage Coal Creek	1	2	3	4	5
4a) No charge for anyone (ratepayers would need to fund any deficit)					
4b) No charge for anyone, but charge for experiences as per the Feasibility Report (ratepayers would need to fund any smaller deficit than 4a)					
4c) Charge visitors but not locals, so visitors pay more than normal to make it up					
4d) Close it down (even if it costs \$2M to do so,) then there will be not more funding issues					
4e) Other, please explain					

5. If you have any ideas to improve the recommendations being proposed, please outline them here

6. If you have any other suggestions on how we can further fund Coal Creek, please make them here

Please send this form to
 Coal Creek Feasibility Study
 Coal Creek Community Park & Museum
 PO BOX 193, Korumburra, Australia
 or
coalcreek1@southgippsland.vic.gov.au



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VISITORS

13 November 2012

Coal Creek Visitor Research



Background

In October 2012 visitor research was conducted at Coal Creek. The research was commissioned to support a Feasibility Study and Business Plan required to increase the financial profitability of the operation through increased visitation and visitor spend. The objectives of the research were to:

- generate a profile of current visitors and segment visitors to assist determine future target markets
- determine visitor take-up and satisfaction with various elements of the current experience
- determine visitor interest in some of the potential experiences being contemplated for the future.

Some 100 visitors were sampled during the school holiday period of October 2012. Detailed results are attached at the end of this report.

Visitor profile by market segment

The three main segments visiting Coal Creek during the sampling period were Socially Aware (SA 26.8%), Traditional Family Life (TFL) and Conservative Family Life (CFL) at 16.5% each. Consequently, detailed analysis was undertaken to identify and contrast results from these three segments against several key questions required by the Feasibility Study.

		Response Percent	Response Count
Young optimism (YO)		6.2%	6
Visible Achievement (VA)		5.2%	5
Traditional Family Life (TFL)		16.5%	16
Something better (SB)		8.2%	8
Socially Aware (SA)		26.8%	26
Basic Needs (BN)		4.1%	4
Fairer deal (FD)		2.1%	2
Real Conservatism (RC)		5.2%	5
Conservative Family Life (CFL)		16.5%	16
Look at Me (LM)		7.2%	7
No fit (N)		2.1%	2



Other aspects of visitor profile

Repeat visitation

Coal Creek generates high repeat visitation (73.7%) for an attraction. Indeed, the majority of repeat visitors (67.5% have visited three or more times before. The high repeat visitation is consistent with free entry and healthy satisfaction with the current experience.

Impact of marketing channels on visitation

Marketing is not driving current visitation. Over half the visitors surveyed (51.5%) used word of mouth to decide to visit Coal Creek. Road signage is the next most influential (20.6%), followed by advertising (15.5%). There is negligible influence from media, websites, other organisations brochures or the Visitor Information Centre at Coal Creek.

The Coal Creek brochure played a small role in driving visitation by the respondents (10.3%) but the Coal Creek website did not. Further analysis of the website analytics indicates much room for improvement. There was an average of 40 visits per day before Easter and an artificially lifted 80 visits a day in the days leading up to Easter. The average visit is 2.25 minutes by Australians (98% of visits) and much less for international visitors.

Current visitor spending on site

There is no current experience stimulating significant interest to spend money. No experience generated more than 25% of respondents to spend money.

Beyond the entry building, the key recipients of visitor spend were the train / tractor ride and the Pig and Whistle Café (22-23% of respondents spent here). Only 14% of respondents spent money in the General store.

Potential economic impact of visitors

Coal Creek does not generate any significant overnight stay within the Region (7.8%). Almost all visitors come as day-trippers from their home, or from accommodation outside region.

Overall impression of Coal Creek

The current experience generated very healthy satisfaction levels among most respondents. Some 84% of respondents were either very or extremely satisfied with their overall experience. An even stronger response came from respondents preparedness to return (88% very or extremely likely to return). Embedded in these two results is a higher ranking to return than was given for satisfaction of the current experience.

However, a follow up question generated a sobering reflection. If nothing changed, only 64% of respondents said they would return.



What visitors were interested in experiencing at Coal Creek

Visitors were asked to rank their level of interest in 26 elements making up the overall Coal Creek experience. The weighting that each experience received generated a total score, and these are listed adjacent.

Respondents were most interested to experience the General Store and Train Ride, and least interested to experience the Sustainability Centre and the Giant Worm / Bee display. The surprise in these results for the researchers was the modest score for the coal mine / poppet head. This score was dragged down by a higher than average score of 'we could take or leave it'.

Further analysis by the three main visitor segments reveals that the preferred experiences are driven by the three largest visitor segments of Socially Aware (SA), Traditional Family Life and Conventional Family Life.

Experience	Amalgamated Score	SA	TFL	CFL
Proportion of respondents		27%	17%	17%
General Store	4.53	4.6	4.4	4.7
Train / Tractor	4.36	4.6	4.7	
Mining Room	4.24			
School	4.24	4.4		4.3
Carriage Factory	4.23			
Blacksmith	4.22			4.3
Court House	4.21		4.4	
Doctors Surgery & Chemist	4.19		4.4	4.5
Railway Station and train	4.16	4.2	4.3	
Mine Managers House	4.16			
Church	4.15			
Anzac Room	4.15			
Pig & Whistle Cafe	4.13			
Spinners & demonstration	4.13			
Printing Office	3.97			
Wattle & Daub Cottage	3.97	4.8		
Slab cottage & axe display	3.96			
Music Studio	3.92			
Coal Mine & Poppet Head	3.91			
Farmhouse & stables	3.89			
Drapery Store	3.81			
Bank	3.76			
Visitor Information Centre	3.68			
Skin Store	3.65			
Bee & Giant Worm Display	3.37			
Sustainability Centre	3.03			



What experiences visitors were satisfied with at Coal Creek

Visitors were asked to rank their level of satisfaction with the same 26 elements making up the overall Coal Creek experience. The weighting that each experience received generated a total score, and these are listed adjacent.

The General Store generated the highest satisfaction and the Sustainability Centre generated the lowest satisfaction. The biggest surprise for the researchers in these results was the high level of satisfaction with the Visitor Information Centre, given that level of interest was so low.

Further analysis by the three main visitor segments reveals that again their dominant majority of the sample size generated the overall amalgamated scores for the top four or five experiences. All three segments ranked the General Store in their top three. The train was more appreciated by CFL and the Church was more appreciated by TFL. The Visitor Information Centre was more appreciated by the SA and TFL and the School by the SA and CFL - in both experiences the segments were probably satisfied for different reasons.

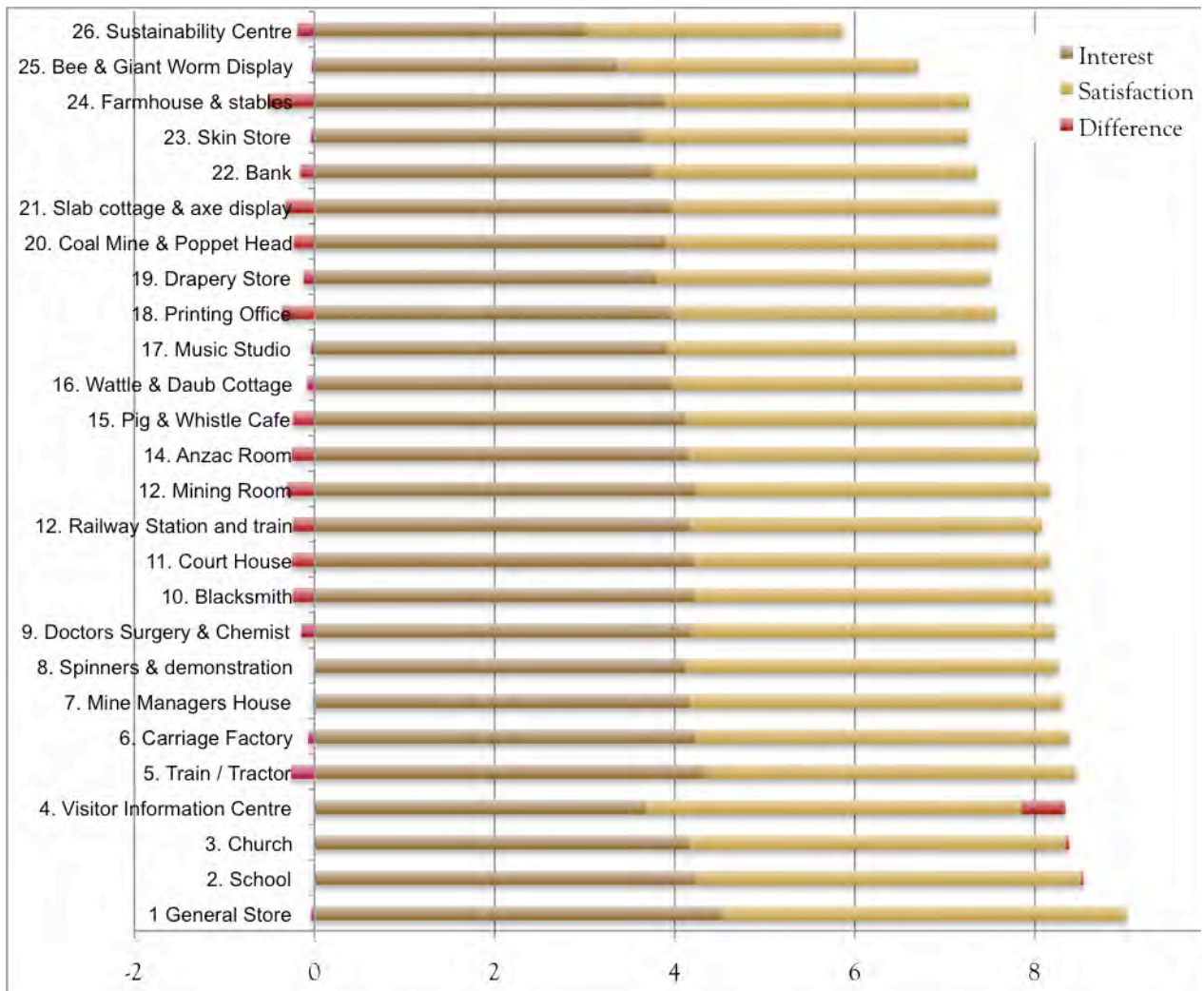
Experience	Amalgamated Score	SA	TFL	CFL
Proportion of respondents		27%	17%	17%
General Store	4.49	4.5	4.8	4.4
School	4.27	4.4		4.5
Church	4.19		4.4	
Visitor Information Centre	4.17	4.1	4.5	
Train / Tractor	4.10			4.7
Carriage Factory	4.16			
Mine Managers House	4.15			
Spinners & demonstration	4.13			
Doctors Surgery & Chemist	4.04			
Blacksmith	3.98			
Court House	3.96			
Railway Station and train	3.92			
Mining Room	3.93			
Anzac Room	3.90			
Pig & Whistle Cafe	3.89			
Wattle & Daub Cottage	3.89			
Music Studio	3.88			
Printing Office	3.61			
Drapery Store	3.69			
Coal Mine & Poppet Head	3.68			
Slab cottage & axe display	3.64			
Bank	3.60			
Skin Store	3.61			
Farmhouse & stables	3.38			
Bee & Giant Worm Display	3.34			
Sustainability Centre	2.84			



Comparing level of interest and satisfaction at Coal Creek

The data for level of interest and satisfaction for each experience was then plotted on an Importance / Performance Index. The graph below shows in red the difference between the level of interest and satisfaction as an additional red bar. The red bars on the left are the experiences that under-performed to expectations and those on the right performed above expectations. The bigger the under-performance - the bigger the problem.

Based on the performances below, immediately expendable experiences might start with those that have lowest interest and largest under-performance (eg. The Sustainability Centre, Bee and Giant Worm Display, Skin Store, Bank, Drapery Store, Farmhouse & Stables). Conversely, the following experiences warrant keeping: General Store, Church, School, Spinners Demonstration and Mine Managers House. The Visitor Information Centre warrants further investment.





Interest in returning for existing, reinvigorated & new experiences

Visitors were asked to rank their level of interest to return to Coal Creek against existing, reinvigorated and new experiences at Coal Creek. The weighting that each experience received generated a total score, and these are listed adjacent.

The two experienced of most interest to drive a return visit was exactly what is present now (buildings, and inside some, objects and people demonstrating life at Coal Creek) and a reopened mine that visitors could walk through with a guide.

There appears a much stronger interest in face to face interpretation than the use of mobile technology – though this form of research provides minimal explanation of new concepts such as mobile technology.

There was only mild interest in on-site accommodation – more from the segments with children.

There was slightly more interest in a restaurant with sound and light show than a simple café – particularly among segments with children.

Experience	Amalgamated Score	SA	TFL	CFL
Proportion of respondents		27%	17%	17%
Buildings, and inside some, objects and people demonstrating life at Coal Creek	4.51	4.08	4.63	4.75
The reopened mine you walk through with a guide	4.50	4.54	4.69	4.75
Buildings, & inside objects & information signage about life at Coal Creek (existing)	3.78	3.46	4.00	3.94
A new restaurant overlooking the village, with a short sound and light show as part of the dinner	3.64	3.32	3.75	3.63
A new café overlooking the village	3.42	3.04	3.75	3.19
Buildings and audio recording you carry with you, talking about life at Coal Creek	3.22	3.62	3.19	3.19
The reopened mine you walk through on your own, with mobile phone application	3.17	3.08	2.88	3.25
On-site accommodation	3.09	2.73	3.06	3.38
An interactive mobile phone application, with video and audio about Coal Creek	2.76	2.73	2.56	2.81

Attachment C – Roy Morgan Values segments



Basic Needs® refers to a pattern of responses offered by respondents who are focussed on "getting by" on a day to day basis. They are often in their "twilight years", retired, pensioners and people on social security.

To many it appears as if they have given up on life, however this segment is generally happy and contented with what they have. They are not looking for more and enjoy watching the world go by but feeling a part of it as it does. They have that sense of wisdom and happiness which comes with grey hair

The Basic Needs® segment has a strong sense of community and are often involved with programmes such as Safety House and Neighbourhood Watch, also partly because of their desire for order and security in their environment. They promote a strong Christian ethic as basic values and are more likely to be regular church attendees.

This segment tends to be heavy consumers of free media, suburban newspapers, television, and radio. Longer running and more conservative television programmes tend to predominate with this segment including The Bill, Midsomer Murders, Australian Story, & Border Security; they're also heavy watchers of daytime soap operas such as The Bold & The Beautiful. Being keen viewers of documentary and

news programmes, such as the Seven Nightly News, 7:30 Report, Today Tonight and Stateline reflects their interest in keeping track with what is going on around them. They also enjoy TV Quiz/Game Shows such as Deal or No Deal and Rich List. Their radio listening tastes tend to revolve around Racing Radio and NewsTalk.

A Fairer Deal© refers to the pattern of responses offered by respondents who are the most likely to feel they get a raw deal out of life. Pessimistic, cynical and often struggling financially, they think everyone gets all the fun and they miss out. It can relate to a belief that life has treated them unfairly and anger, disillusionment and hostility can build until it manifests in violence or self destructive behaviour.

They want to get back at the system which has treated them unfairly, looking for loopholes, rorts or other ways of bucking the established order. They often feel that the world is coming apart at the seams. A Fairer Deal© often see escape, either with their mates and a beer or the TV, as the only way to deal with their frustration and anger.

Within this segment there is an emphasis on physical things and things they can do with their hands, perhaps as this is all they really have that they can control. They often hot up cars, they like loud motorbikes, get into martial arts; get tattoos - things which are not socially acceptable.

What they earn at work for a fair day's work is more important than the work they do. In the workplace they generally expect managers to make decisions, take responsibility and tell them what to do.

They tend to be heavy consumers of radio and television, but their newspaper and magazine readership is light. The magazines they read also tend to reflect their need to escape from their current lives and their interest in things which are physical and "hot". They enjoy reading bike and car magazines such as Street Machine, Two Wheels and Live To Ride, with soft pornography magazines like Picture and People also appealing; magazines laden with the stories of ordinary folk and including countless competitions, in particular, That's Life & Take 5, also hold a strong appeal. TV Week and TV soap which focus more on Australian celebrities also hold greater appeal than the more internationally focused titles.

Television is one of this segment's methods for escaping from a world which is out of control; hence they tend to be attracted to the more exciting worlds portrayed in adventurous programs like Stargate Atlantis and Prison Break and also in youth orientated programmes like Home & Away and Neighbours. There is also a heavy appetite for the Reality TV of Australian Idol, X factor and Big Brother where average people they identify with can achieve a certain level of fame. Their comedic tastes are met by The Simpsons and Two and a Half Men.

Traditional Family Life© refers to a pattern of responses associated with the older counterparts of the Conventional Family Life© segment. The Traditional Family Life© segment are motivated by similar values in terms of security, reliability and providing better opportunities for their family. However, they are now, within Australia, generally empty-nesters or extended families.

With their children grown their focus is on re-building their relationship with one another, finding time to do all things they never could while their children were growing up. But with such a strong focus on the family, they spend a great deal of time and energy getting the family to visit them, babysitting, weekend BBQ's and buying lollies for the grandkids which their parents won't let them have.

Not liking change, old and familiar environments are important in the Traditional Family Life© segment. This is often reflected in a proliferation of family photographs adorning the walls of their home and a reluctance to leave the family home.

This pattern of responses tends to be associated with people who value and try to hold onto traditional family roles and structures. They mourn over divorces and broken homes, but love and support of their children drive them to accept these situations even if they don't like them.

Having more time on their hands, they are more likely to be heavy readers of the daily newspaper. They do not tend to be magazine readers although their interest in gardening leads to a high readership of Better Homes & Gardens, Burke's Backyard, Gardening Australia (they are also heavier viewers of that TV programme) and Your Garden. They are also higher than average readers of older, more conservative magazines such as Woman's Day, Women's Weekly, New Idea and Auto Club magazines. Newspaper inserts of TV magazines are also popular due to their higher than average television viewing habits.

The Traditional Family Life© television viewing habits suggest an interest in solving problems or puzzles and keeping mentally agile, but in a safe, vicarious way. They tend to be heaviest watchers of the ABC, watching programmes such as Australian Story, New Tricks, Midsomer Murders, Taggart and Einstein Factor. Information based programmes such as the News, The 7:30 Report, Stateline, Four Corners and various documentaries remain circled in their TV guides.

They are one of the segments least likely to listen to commercial radio.

Conventional Family Life© refers to the pattern of responses offered by respondents who represent the core of "middle Australia", with values centred around the significant events in their personal and family lives. It tends to relate to people seeking greater financial security, struggling to improve their basic living standards and give their families better opportunities than they had in their own childhood.

Within the Conventional Family Life© segment exists the great Australian dream of owning your own home in the suburbs, driving a good, solid car (a white Holden Commodore of course), having 2.5 children and going on family BBQ's on the weekend. But with this comes the worry of a mortgage, playing it safe at work so you don't risk losing your job, worrying about the safety of the children, being the family taxi service and ferrying the kids to and from T-Ball, Basketball, their friends place and making sure there are always cookies on the table when the kids bring their friends home from school.

Good, solid and reliable products are important with Conventional Family Life©. Generally seeking value for money in their purchases, they select a mixture of branded, longer life and generic or store brands for everyday use. They often have to make compromises in quality due to price, but they like to know what they're buying and it's important that it will always be the same. This drives them to places like McDonalds where they always know what they'll get and they know the kids will enjoy it. This doesn't only apply to products. When they take out loans, for instance, they like to know how much they will have to pay not what the interest rate is. When faced between a choice of A and B, they will tend to choose the safest option, the one they know the most about.

A warm, friendly and caring segment, trust is important to them as is how they "feel" about a product or company. As a consequence, many of the advertisements targeted to this segment feature highly emotive visuals and jingles, particularly relating to children - who are the central focus of their life, whether they have them yet or not.

Not having a great deal of time outside of family activities and earning a living, this segment tends to be light readers of newspapers in general. An interest in the local community, however, leads to higher than average readership of suburban newspapers.

Whilst they are also light readers of magazines in total, their interest in the home and family results in higher than average readership for homemaker magazines such as Better Homes & Gardens and Super Food Ideas, parenting magazines such as Mother & Baby and Child Publications, as well as major women's magazines such as Woman's Day, Women's Weekly and That's Life.

Television viewing is average. They enjoy the vicarious excitement of following the contestants on Master Chef and Biggest Loser, and the light "drama" of how other families cope in soaps such as Days of our Lives and Home & Away. Desperate Housewives and Criminal Minds are other popular Conventional Family Life© programmes, where crises are dealt with on a regular basis, middle Australian/American values are retained and daily issues are explored in depth.

Look At Me© They are looking for fun and freedom away from the family, being a part of "their generation", the in-crowd of their peers. They are fashion and trend conscious, wishing to stand out from their parent's generation but are very conscious of conforming to their peer group.

Whilst this pattern of responses is more often found amongst teenagers, trying to "stand out" to seek recognition by the family for being "grown up" can occur at any time in a person's life.

Being very active socially, they prefer a party to staying at home. They like to be seen as "outrageous" and taking part in "cool" or "hip" activities. They tend not to get involved in social or political issues. Sport, leisure and fun are too important to be interfered with by longer term commitments.

The Look At Me© pattern of responses tends to be associated with hedonism, only living for today and often considering themselves invincible. Not considering the consequences of their actions is a common feature in this segment.

Short term thinking also features strongly in this segment, looking at getting jobs not having a career, and working for wages (9-5) not salaries which carry more responsibility. They may say they want responsibility but only to the extent that they don't want anyone looking over their shoulder and telling them what to do. They still expect the family to support them, feed them, do their laundry but definitely not clean up their room - that's private.

Money is very important to them, but not if it requires financial planning or thought for tomorrow. Money is essentially a means to an end - something you need to enjoy yourself.

Music is an important form of expression for Look At Me©and a key mechanism for rebellion against the family. Consequently, music related purchases are high on their list of expenditure — iPods and rock concerts. They are heavy viewers of music based television programmes including triplej tv, rage and Video Hits, more likely to be readers of magazines such as TV Hits and Rolling Stone and more likely to listen to Top 40 radio stations.

They are also attracted by media which reflects their peer group and generation, particularly programmes such as Neighbours, and Reality TV shows like Australian Idol, X factor, Big Brother & Biggest Loser. TV Comedies are favourite in particular animated shows like The Simpsons and Futurama.

Their reading interests in magazines are similarly self-reflective with Girlfriend, Dolly, Cleo, and Cosmopolitan etc. being among the highest read. Males tend to reflect their peer interests in cars and bikes with Fast Fours & Rotaries, Hot 4s and Performance Cars and Top Gear, in women with Zoo Weekly, FHM and Ralph, in sports with Alpha, Rugby League Week and AFL Record and video gaming with Hyper, Official Xbox 360, PlayStation and PC Powerplay.

Something Better® refers to the pattern of responses associated with people wanting a bigger, better deal out of their life. They tend to be competitive, individualist and ambitious people who are seeking more out of their life. They want more than they've got, more than their parents had and more than others have - and they want it all now!.

This pattern of responses tends to be found amongst "the Jones's", who always have something better than the rest. As a consequence they may over-extend themselves financially purchasing things which will demonstrate their success to others - and cutting corners in areas where people will not notice. Having other people look up to them and consider them successful is important to the Something Better® segment, so they are very concerned about image - wearing the right clothes, driving the right car, living in the right area etc.

The key issue with this segment is that everything is a comparative. They can only be or have something better when it is compared to something or someone else. As a consequence they tend to be concerned about what other people are doing or thinking. When relating to products they not only want to know what others are doing but also how one product compares to another.

Sometimes considered egotistical, they are very focussed on getting what they want out of life. They are conscious of social status and mixing with the right people - networking is the name of the game. This segment is often associated with the salesforce of Australia.

They tend to be light readers of newspapers and magazines, seeking their information quicker, easier, and only what they need. The magazines they read tend to provide information on how to be better at something (Practical Parenting, Mother & Baby), what is the best product/deal available (Live to Ride, Street Machine), or what other people are doing (That's Life, Take 5).

Something Better® tends to be medium to heavy in television viewing, enjoying the American style dramas such as House, NCIS and sitcoms such as How I Met Your Mother, My Name is Earl; and reality TV programmes such as The Amazing Race, Australian Idol and Biggest Loser; they also enjoy the escapism offered by the perennial Australian soaps, Neighbours and Home & Away.

Real Conservatism® refers to a pattern of responses offered by respondents who are cautious about new things and ideas. Generally part of the "establishment", a central concern in this segment is maintaining a disciplined, predictable and safe society. They hold very conservative social, moral and ethical values and generally feel that things are not as good as they used to be.

They are willing to pay more for products which guarantee consistent value and quality, and are particularly attracted to older, well established brands.

Part of their conservative nature and a strong belief in the merits of saving drives them to accumulate assets. This will usually be property, antiques, art and gold - things that will hold their value. However, whilst they generally are asset rich, they are cash poor. They dislike and distrust anything new, speculative or innovative.

Growing up in the "old school" they very much believe its not what you know but who you know. The "old school tie" is important with this segment, providing a sense of tradition and reflecting the long term, binding nature of their relationships. Marriage is for life, you work your way up in your job from office clerk to CEO, and you show loyalty to your friends, family and employer.

Believing strongly in the established order of things, this segment is often dictatorial, distant (you keep yourself to yourself), believe that children (and subordinates) should be seen and not heard, and that a woman's place is in the home.

The Real Conservatism© segment tends to be slightly heavier readers of newspapers, particularly Sunday and suburban due to their greater interest in their own local community. Their magazine readership tends to be medium to light, concentrating on older, established and more conservative magazines such as Woman's Day, Women's Weekly, Better Homes and Gardens, Readers Digest and the various Auto Club magazines.

Their commercial television viewing on the whole is average, although they are inclined to watch current affairs programmes such as Today Tonight and Sixty Minutes; and they're voracious watchers of News programmes including stations such as ABC News 24hrs. They are also interested in documentary feature style programmes such as True Story.

Young Optimism© refers to a pattern of responses associated with optimism and seeking to improve their prospects in life to gain a respected place in society.

Also more likely to be found amongst young people, the Young Optimism© segment are into image and style (not fads and fashion). They are conscious of the image they project and want to make the right one. Long term thinkers, they are busy planning careers, attending university and thinking about the future. It tends to be associated with people who want to experience all life has to offer: travel, a career, friends, family - and they are still idealistic enough to believe they can have it all.

Young Optimism© wants to try everything - bungy jumping, ski diving, white water rafting, skiing.... work hard and play hard because they still have the energy to do it. However, this motto often creates a situation where people are personally and financially disorganised, living on credit, forgetting to pay bills, forgetting to go shopping, buying take-away Chinese and then living on it for the next 3 days.

Young Optimism© are innovative and interested in technology. They can be young technocrats, surfing the internet and developing an international perspective on the world - eating international food, watching the ABC and SBS and dreaming of going to work in New York or London for a few years to further their career prospects.

Their interest in learning more and having a broader perspective makes them heavier readers of newspapers, particularly the major daily newspapers (with a leaning towards the national and world news sections), national newspapers and weekend newspaper inserts such as Good Weekend.

They are also very heavy readers of magazines, covering a wide range of titles. They read the magazines orientated towards the younger market with Cosmopolitan and Cleo. However they also read Marie Claire, InStyle, Vogue, GQ and Men's Style reflecting their interest in image and style; heavy readership of PC User, PC World and New Scientist reflect their interest in technology. Their magazine reading also reflects their interest in movies, Empire and music, Rolling Stone which goes hand in hand with their appetite for celebrity news in Who.

Their viewing habits reflect a strong interest in reality TV programmes like So You Think You Can Dance, Australian Idol, Ramsay's Kitchen Nightmares. American programmes such as House, Dexter, Ugly Betty and Greys Anatomy are also commonly watched as well as more freestyle comedy programs like Thank God You're Here, talking about your generation and 7.30 project.

Young Optimism© enjoys listening to radio for one reason. Music. This segment are heavy listeners of contemporary music stations, whether they be commercial, the Austereo network, or alternative and with a broader musical focus, like government broadcaster Triple J. Music defines and drives their radio listening habits.

Visible Achievement© refers to a pattern of responses offered by respondents who are visible success stories. They have "made it" in whatever field they are involved in and are confident in their own abilities and position.

Despite being successful they retain traditional values about home, work and society. The family is very important to this segment and place great emphasis on providing their families with a high quality environment. They work for financial reward and job stimulation.

Being highly individualistic, they do not need to prove themselves to anyone nor impress anyone. They know they are successful and so does everyone else, so there is no need to flaunt that success.

They make an art of understatement. Whilst they can afford to buy the best of everything, they look for quality and value for money, not necessarily something that is expensive. In fact, those in this segment are born negotiators and are always looking for a deal.

They are very practical and realistic, looking at the most efficient and effective way of doing things. And getting things done is a key feature of this segment.

Because they do not feel the need to impress others, they have no concern with shopping at the likes of Target, Factory direct or even designer seconds. If they feel they can get good quality at a good price they do not see the reason to waste money.

This segment tends to be associated with people who feel in full control of their lives and take a direct interest in public affairs and the economic and political environment of their family and work situations.

They are heavy readers of newspapers, particularly national newspapers. They also tend to be heavier than average readers of magazines, particularly business and finance related magazines such as Smart Investor, BRW and Money Magazine. Due to their frequent flying they are keen readers of Qantas - The Australian Way.

Considering work and family time as being more important, they are only light viewers of commercial television. Aside from television programmes reflecting their magazine reading habits such as the News, they also enjoy watching lifestyle programmes such as The Block and House and Garden. Their commercial radio listening is similarly light, tending towards stations playing "Classic Hits" and "NewsTalk".

Socially Aware© refers to a pattern of responses offered by people who are community minded and socially active. Information vacuum cleaners, this segment are always searching for something new and different and new things to learn. They believe strongly in the concept of learning a living rather than earning a living, always seeking new opportunities for training, education and knowledge.

Given a choice between A and B, they will seek more information about their choices and consider the consequences of each choice before making a decision. They are thinkers, sometimes spending so much time thinking about the issues that they never actually get things done. This, coupled with a strong sense of social responsibility and an attraction to convincing others of their opinions results in a great deal of this segment being involved in pressure groups, and working as public servants, politicians and researchers. This segment can be idealistic, believing they can change the world or save the world if they can just get enough people to agree with them.

Whilst this pattern of responses can lead to someone being passionate in their opinions, they can equally be changeable - As Ralph Waldo Emerson said: "A foolish consistency is the hobgoblin of little minds...Speak what you think today in words as hard as cannonballs, and tomorrow speak what tomorrow thinks in hard words again, though it contradict everything you said today".

Their attraction to things which are new and innovative usually means that they are the first to take up on new products and services, often just for the excitement of having a new toy - regardless of the cost. This interest in innovation and things which different also leads to an interest in design and fashion. Their fashion sense tends to be very designer orientated, but with a tactile nature, they prefer natural fabrics.

A thirst for knowledge and information and a global focus leads to them being heavy consumers of newspapers, particularly national newspaper and major metropolitan dailies. Their interest in magazines reflects their desire for new information which is not presented in mainstream media and technology, being more likely to be readers of The Monthly, Big Issue, BRW and New Scientist. Their heavy readership of national newspapers also makes them more likely to read the news inserted glossy magazines like the Financial Review magazine, Boss and Wish as well as Good Weekend. They are also frequent flyers, reading Qantas - The Australian Way and other airline magazines.

They tend to be light consumers of commercial television, preferring the ABC and SBS, which offer a more globally focussed and more cerebral approach. They tend to be attracted to programmes which give an alternative perspective and more information on issues such as Foreign Correspondent, Four Corners, Compass and Catalyst. Their taste in comedy tends to be more witty or satiric like the Hollowmen or Gruen Planet.

This segment tends to be one of the main supporters of the Arts, particularly those which are less mainstream. Their taste in music includes classical music, jazz, folk, world and other less popular, more "sophisticated" music. They are more likely to listen to ABC radio and community broadcasters who are capable of catering to their tastes and their opinions.



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TARGET MARKET

1st December 2012

Coal Creek market testing



1. Background

This report presents the results of market testing leisure target markets' response to potential revenue generating products for Coal Creek.

Stakeholder Interviews, stakeholder workshops and a community competition assisted to generate four products with potential to generate significant revenue and fit in with Coal Creek;

1. Overnight education
2. An interactive technology based form of interpreting the site during the day
3. A restaurant/function centre
4. A son et lumiere supporting and packaged with the restaurant

These ideas were initially tested with existing visitors to Coal Creek. A report on results of the visitor research was submitted to the Coal Creek Steering Committee and forms a separate attachment to the Feasibility Report. The visitor research was conducted over three weekends in September - October 2012 and was also used to identify visitor profiles using the Roy Morgan values segmentation system. The visitor research subsequently identified four market segments making up the majority of visitors to Coal Creek (listed from larger to smaller representation):

1. Socially Aware (27%)
2. Traditional Family Life (17%)
3. Conventional Family Life (17%)
4. Young Optimists (6.2%)

The two largest market segments visiting Coal Creek were chosen to be the test for two focus groups (Traditional Family Life and Socially Aware). This recommendation was put to the client and endorsed. As a result of the socially aware's mixed response to the night experience it was also suggested to the client the next strongest target market Traditional family life would also need to be tested this was endorsed by the client and completed on the 12.12.12

The objectives of the focus group testing were to:

1. Further understand past experience and level of interest in visiting cultural tourism attractions
2. Determine the level of interest in the three identified potential products aimed at leisure markets
3. Determine an acceptable price range for the products
4. Identify potential improvements to the products that would make them more attractive to purchase
5. Compare the appeal of the products to assist prioritise implementation



2. Methodology

2.1 Development of product scope to be tested

The consultants first developed a scope for two leisure market-based products being tested – a new day experience and a new night experience. The scope presented to the focus groups is outlined below.

New day experience “The Coal Conspiracy”

1. The story line an interpretation of the Coal Conspiracy in the early 1900's, discovery of Coal in the area, workers hardships and the subsequent formation of unions attempting to driving improved workers rights, the impact Coal price drops from NSW had on the three local mines, the strikes that followed as workers protested against pay cuts leading to the employment of non union 'Scab' workers brought in from Ballarat gold fields as the conspiracy between the three coal companies and the government reached a peak and the effects this had on the workers and the small community of Korumburra.
2. The day experience would be delivered via an ipad or tablet device available to hire, the device would be protected by a casing that is shock and waterproof.
3. The multi media component will enable the story to become an interactive board game style challenge leading visitors through the site. Check points placed throughout the site on a defined route where visitors will gain clues or undertake challenges that will in turn allow them to move to the next checkpoint on the route.

New night experience “Armageddon”

1. The story line an interpretation of the early settlement of South Gippsland, highlighting the challenges faced by the settlers, in-particular the consequences of the land clearing and the devastating fires that swept through the area destroying the township 1853, 1890 & 1906, ultimately seeing the birth of the birth of Korumburra Country Fire Authority as the locals developed methods to defend their homes and livelihoods
2. Adaptation of the current welcome building into a Restaurant/Function centre with panoramic viewing of the historic site at night
3. The diner would be a 2 course 3 star city pub style meal
4. The show would run in two parts first part pre main meal and second part post main meal, each part of the show would run for 15 minutes each
5. Part one of the show would feature original settlement and the challenges experienced with clearing of the land, part two of the show would feature the devastating fires with each fire experienced being more intense then the previous
6. The show would feature spectacular pyrotechnics, lighting techniques and sound effects



Methodology continued

2.2 Further definition of target markets

Additional characteristics for the Traditional Family Life Segment were:

- ❖ aged between 55 - 65 years;
- ❖ live in the South East suburbs of Melbourne retired
- ❖ semi retired or volunteering;
- ❖ have grandchildren aged between 5 - 13 years
- ❖ have had 3 or more short breaks in the past 12 months;
- ❖ have either taken or planning to take the grandchildren on a break, and
- ❖ have an interest in cultural tourism attractions

Additional characteristics for the Socially Aware segment were:

- ❖ aged between 40 - 55 years
- ❖ living in the South East suburbs of Melbourne
- ❖ in professional employment earning \$80k +
- ❖ children aged between 5 - 13years
- ❖ look for interesting ways to learn about natural environmental and history with their children
- ❖ have experienced a cultural tourism experience in the past 6 months.

Additional characteristics for the traditional family life segment were:

- ❖ aged between 30 to 40 years
- ❖ living in the South East suburbs of Melbourne
- ❖ combined household income of \$80k +
- ❖ children aged between 5 - 13years
- ❖ do you seek good value for money when choosing family holiday activities
- ❖ have experienced a cultural tourism experience in the past 6 months.

The consultants then prepared a Discussion Guide for the focus group session, and supplied this to the client for feedback.

The consultants then prepared a powerpoint presentation to illustrate the products being tested. The presentation featured photographs, maps and film clips.

The two focus groups were conducted in Melbourne at 6pm and 8pm on the 29th November 2012. One consultant acted as facilitator of questions and the other presented the products and scribed key feedback. A digital recording of the sessions was made to ensure all key feedback was transferred into this report.



3. Experience with cultural tourism attractions

Both segments demonstrated recent and relevant experience with cultural tourism attractions, but Socially Aware had a much wider range of experience. Traditional Family Life had experienced Coal Creek but none of the Socially Aware had. TFL were not overly impressed with the current state of Coal Creek.

Traditional Family life listed as past cultural tourism attraction experience Sovereign Hill, Ballarat Museum, Kryall Castle and Swan Hill Folk Museum. Almost every TFL had visited Coal Creek, and reflected that Blacksmiths was memorable, but that some buildings were closed, the place looked tired, and there weren't enough visitors present to generate a sense of energy and interest.

Socially Aware listed as past cultural tourism attraction experiences they remembered as Melbourne Immigration Museum, Old Melbourne Gaol, Australian Centre for the Moving Image (ACME) and Williamstown. Other cultural tourism experiences mentioned were the St Kilda Festival, Moomba Parade and river, Harry Potter museum, various Zoo's, Tarambulla National Park, Melbourne Aquarium, and Scienceworks. SA's are turned off by a lack of interaction, over reliance on text-based interpretation (especially for children), and poor communicating guides with repetitive un-emotional delivery. No SA's had visited Coal Creek or even remembered the name.

Conventional family life listed past cultural tourism attraction experiences they remembered as Beechworth historic town, Melbourne museum - titanic exhibition, Moama Echuca historic precinct, Werribee mansion, Powerhouse museum, ACME and Greenvale. One member of the group had experienced Coal Creek and reflected that it was a very positive experience the kids enjoyed engaging with the park particularly the classroom experience and the parents enjoyed the freedom of the park, however they did feel alone in the park.

Turn offs for cultural attractions were spending too much money, cues for activities and toilets and lack of interaction for the kids



4. Response to day experience 'The Coal Creek Conspiracy'

Both segments liked the product because it offered structure, story and a challenge that would engage their children. Both groups were extremely interested in the product - TFL slightly more. SA priced the product slightly higher (\$25) than TFL (\$10 - \$25).

TFL were very interested to extremely interested in the product (4 - 5/5). Their price point varied between \$10 and \$25 and averaged \$10 per unit. Their reactions were:

- ❖ Exciting because the kids can use modern technology
- ❖ Covering Australian history that isn't taught in schools
- ❖ Historical facts that are organised for me gives me confidence
- ❖ Organised activities for the kids makes it easier for me and more satisfy cause they are learning

SA's were evenly split on their level of interest in the product, with half the group rating it 1-3 and the other half 4-5, creating an average of 3. The price point was almost entire proposed as \$25. Their reactions were:

- ❖ Great that the kids can determine how the experience works
- ❖ Great learning curve for the kids
- ❖ Educating the kids about history in the region
- ❖ The concept is completely right
- ❖ Assisting the kids to learn is a major benefit to us as parents
- ❖ The kids like to do this sort of thing
- ❖ One SA warned to avoid marketing the product (and destination generally) around coal, as it wasn't sexy "isn't a good theme for environmentally aware kids"

CFL sat nearly entirely at 2 to 3 with one member having previous experience valuing the product higher based on personal experience of Coal Creek. CFL gave an average of 2.5. The price point was almost entirely proposed between \$20 to \$25 giving an average of \$23.50. Their reactions were:

- ❖ Liked that the information is structured and the kids are guaranteed an insight into the past
- ❖ They will willingly engage with the ipad and learn, they will get all their questions answered
- ❖ Being able to learn the story in a structured manner
- ❖ Having direction to manage your way through the site
- ❖ The ipod is very modern - kind of doesn't go
- ❖ Would like to see physical interaction at the same time not just the ipad experience



5. Response to new night experience 'Armageddon'

TFL liked the experience but the Socially Aware group were evenly split between liking it and being close to neutral. TFL and half the SA perceived the experience as entertaining for the whole family. The other half of the SA's were turned off by the lack of authenticity of a son et lumiere, and the likelihood that the food would not be interesting enough. Almost every TFL was prepared to pay \$50 for the dinner and show and three were prepared to pay \$75. Most of the SA's valued the product at around \$50.

- ❖ Traditional Family Life rated the night product very high, averaging 4.2/5. The product was priced on average at \$52 but two people priced at \$75 and one at \$90. Specific responses were:
- ❖ It is an entire family outing
- ❖ Like to take the grand kids out for a good meal
- ❖ Good length of the show, the kids wont get board
- ❖ Would stay over night to see the show

Socially Aware were evenly split on either being really interested or barely interested at all. Half the group rated the product 1/5 and the other half 4/5. SA valued the product package between \$40 and \$60 and averaged \$37.50 per adult. Their reactions were:

- ❖ Its not real, you cant smell the smoke and its not real fire. It wouldn't work for me
- ❖ The dinner and the show doesn't match
- ❖ Dinner is to relax not watch a town burn down
- ❖ If it is to make you step back in time, I would like to see the entire venue, staff and food themed in that era
- ❖ Would like extra entertainment, live music, waiters dressed up, Coal dust on the steak
- ❖ Food would need to be better, than a city pub meal
- ❖ Exclusive local or native food would attract me not the show

Conventional Family life were evenly split on either being really interested or barely interested at all. Just over half the group rated the product 1/5 and the other half 3/5. CFL valued the product package between \$50 and \$80 and averaged \$63.00 per adult. Their reactions were:

- ❖ Fire is to close to home for us we have seen the destruction and peoples lives ruined
- ❖ Kids may freak out a little to much
- ❖ It's a lot of money and I am concerned I would be wasting money when I walk out
- ❖ Would prefer just to go to the show, dinner increases the costs to much
- ❖ The packaging would need to be very good value
- ❖ Need the option to not eat, I can feed the kids for under \$10 elsewhere



6. Conclusion

6.1 The Coal Conspiracy

The Coal Conspiracy product was well enough received to warrant proceeding to financial feasibility based on a \$25 per unit price. However, the product on its own will not drive significant visitation in the first year or two. Based on the fact that most of the target markets would want to hire 2 units or more a price per unit of \$19.95 per unit is warranted for multiple unit hire. Refinement to the product could include

- ❖ two levels of the program to cater for ages 7years to 11years and 12years to 16years
- ❖ satchel over shoulder protective cover for when Ipad isn't in use
- ❖ reward for successful solving of the challenge
- ❖ basic site interpretation if you don't wish to use the interactive version

6.2 Armageddon

The Armageddon experience was a more difficult product to test and draw reliable conclusions from because the Socially Aware segment had diverse views on the product.

The TFL market liked the immediately apparent 'wow factor' and emphasis on entertainment. They would choose this product either as a separate visit to Coal Creek than the Coal Conspiracy day experience, or would choose both products and seek to stay overnight in the local area.

In contrast, the SA market were evenly split on being very interested in the product or not at all interested. Those not interested perceived the product insufficiently interpretive and authentic.

To confirm relative product appeal and subsequent sufficient visitation, it was necessary to conduct an additional focus group with the next strongest current visitor market (Conventional Family Life segment) to determine weather they have sufficient high level of interest and preparedness to pay as the TFL segment, to ensure sufficient market adoption. Interestingly the CFL market indicated they would encourage grandparents to take the kids to such a show as they are less financially sensitive or if they themselves intended to take the kids they would need an option without a meal to manage their price sensitivity

- ❖ refinement to this product could include:
- ❖ themed activity for children during the dinner, such as colouring of pre-drawn images of elements of the story
- ❖ theming of the food and setting in line with the era
- ❖ packaging for families
- ❖ opening venue to increase the sense of the authenticity so by fold glass walls should be used around the venue
- ❖ childrens parties



6. Conclusion

6.3 Target market level of interest and proposed pricing for new products

Traditional Family Life	Day experience interest level /5	Day experience price per unit	Night Experience interest / 5	Night experience price per adult
	3	\$25	4	\$75.00
	4.5	\$12	4.5	\$90.00
	4	\$12.50	5	\$50.00
	5	\$12.50	5	\$50.00
	5	\$25	5	\$75.00
May not be TFL, high price sensitivity	3.5	\$20	3.5	\$25.00
	4	\$25	2.5	\$50.00
Total average	4.14	\$18.85	4.2	\$59.30

Table 6.2 SA scores reflecting how much they liked and would be prepared to pay for the two products presented

Socially Aware	Day experience interest /5	Day experience price per unit	Night Experience interest / 5	Night experience price per adult
	3	\$25	1	40
	2	\$25	-1	-\$25
	5	\$25	1	\$25
	3	\$25	4	\$50
	4	\$25	4	\$60
	3	\$25	3	\$50
Total average	3	\$25	2	\$37

Table 6.2 SA scores reflecting how much they liked and would be prepared to pay for the two products presented

Traditional family life	Day experience interest /5	Day experience price per unit	Night Experience interest / 5	Night experience price per adult
	2	\$25	3	\$50
	2	\$40	1	\$50
	5	\$25	2	\$75
	2	\$20	3	\$50
	2	\$20	1	\$65
	3	\$20	1	\$80
	2	\$15	1	\$75
Total average	2.5	\$23.50	2	\$63.00



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COMPETITOR ANALYSIS

12th December 2012

Coal Creek

1. Background

This Report follows market testing for several key products contemplated to increase the overall profitability of Coal Creek. Visitors and target markets in focus groups provided feedback on key products being contemplated for Coal Creek. Two separate reports covered the results of the visitor research and focus group market testing. Four refined products have been put forward for a competitor analysis:

1. Mobile interactive technology based form of interpreting the site during the day (working title of 'The Coal Creek Conspiracy')
2. A restaurant/function centre
3. A son et lumiere supporting and packaged with the restaurant (working title of 'Armageddon')
4. Overnight education

The objective of the competitor analysis is to better understand:

- the variations of the product as currently offered in the marketplace
- the limitations of the product that reduce its appeal in the marketplace
- the innovations in the product that could be considered for potential implementation at Wonga Wetlands

Each Section of the following report is dedicated to one of the four products. The first subsection provides a concise summary of the key findings and the second subsection provides the detailed examples used to formulate the key conclusions made in Section One. The final competitor analysis that addresses overnight education also looks briefly at day education programs run by historic sites, and also documents Victoria's overall education curricula that is relevant to the proposed product.

2. Mobile interactive technology

2.1 Key findings

The four mobile interactive technology competitors profiled were:

1. Jerusalem Walking Tours (Israel)
2. New York Treasure Walks Interactive Self Guided Tour (Victoria)
3. Parramatta
4. Powerhouse Museum Ipad game

The key findings from the competitor analysis were:

- A high level of interaction is required to engage users
- Stories must be authentic and educational
- Most applications are free or absorbed into an entry fee
- Income generation is possible through a closed to public application where the device is supplied

2.2 Competitor profiles

Table 2.1 Summary of competitor mobile interactive technology products

Product	Costs	Key lessons learnt
<p>Jerusalem Walking Tours and Map 4.70</p> <p>A self-guided walking tours to see the city, and it comes with detailed tour route maps and powerful navigation features to guide you from one sight to the next.</p>	<p>\$4.99</p>	<p>Significant historic structures that usually require a guided tour to interpret, the app transfers the interpretation to a reliable and consistent experience</p> <p>Jerusalem draws on a large population and unique tourist destination of visitors that are not price sensitive</p>
<p>New York Treasure Walks Interactive Self Guided Tour 1.1</p> <p>A competitive scavenger hunt combining local history, amusing facts, celebrity sightings, and more using the iPhone`s Location Services.</p>	<p>FREE</p>	<p>A significant advantage of this app is the ease of use and no cost to participate, the app enables its users to further engage with the local area. The advantage of a capitol city is the guaranteed technology infrastructure to support the technology reducing the risk of technology failure reflecting on the product</p>
<p>Parramatta</p> <p>The funding for this project was based on the business model of using an innovative concept to deliver a unique Historic interpretation engage visitors to increase the length of stay with the objective to generate greater economic impact</p>	<p>FREE</p>	<p>A major benefit associated with this app is the current visitation and interest in the authentic significant historic buildings and stories that played a role in the shaping of Sydney history</p> <p>A leading advantage to increase market share is the development of an interactive challenge based experience through digital platform, pitched to the visitor as an adventure based experience with the opportunity to choose your own story, based on your interests</p>
<p>Powerhouse museum</p> <p>An in-gallery fixed ipad game called WaterWorx is delivered via eight iPads in the exhibition space.</p>	<p>Absorbed into entry fee</p>	<p>High visitation already established and quality reputation, the app drives a further differentiation to continue to deliver new experiences to encourage future repeat visitation.</p> <p>The cost of the app and technology is absorbed into the entry fee of special exhibitions and therefore gives the visitor greater value for money once the technology is engaged.</p>

3. Restaurant / function centre

3.1 Key findings

In the local area Korumburra and Leongatha, there are approximately 25 restaurants and 9 function centres.

At Coal Creek itself, small meeting and function business is quite good; illustrating significant unmet demand. Currently Coal Creek has 2 meeting and function venues, both part of the visitor centre building. The main venue is a meeting room/auditorium capable of seating 30 people in workshop style and 60 in plenary style; this venue does most of the business:

- Approximately 60 meetings of 25 – 30 people per annum
- 7 weddings of approximately 60 people per annum
- 12 exhibitions

The smaller boardroom can manage upto 20 people seated around the main board table and averages approximately 56 meetings per annum of between 10 to 20 people.

The five local function centres competitors profiled were:

1. Korumburra Golf Club
2. Italian Club
3. Footy club
4. Korumburra Bowling Club
5. Korumburra recreation centre

This revealed that there is only modest demand for from the local market for meetings and functions, the main demand is for a second distinctive venue, in contrast to the dominance of fairly functional local alternatives.

The three closer matching restaurant / function centres competitors profiled were:

1. Emu bottom
2. Q Station

The key findings from the competitor analysis are:

- The ideal function scale is 80 to 120 seats and a mid range price point
- The private sector won't fund full development on public land
- Assumptions needed to forecast potential profitability and subsequent returns to Coal Creek are:
 - modest base and some turnover
 - rent 5% of turnover for private sector fitout
 - rent 5 to 10% for fitout provided

3.2 Competitor profiles

Table 3.1 Summary of local competitor restaurant / function centre products

Product	Pax	Current
Korumburra Golf Club	150pax	3 weddings with 150 people per annum 3 meetings with 30 people per annum
Italian Club	200 pax	4 weddings of 150 people per annum 120 functions per annum 3 conferences with 150 – 200 people per annum
Footy Club	200 pax	4 weddings with 150 people per annum 4 dinners with 150 people per annum 5 wakes with 150 – 200 people per annum 24 probus club meetings with 90 people per annum
Korumburra bowling club	50 pax	12 Heart foundation meetings with 30 people per annum
Korumburra recreation centre	250 pax	Lions Club Conference with 250 people Debutant Ball with 160 people 2 public meetings with 100 to 150 people per annum

Table 3.2 Summary of matched competitor restaurant / function centre products

Product	Pax	Current
Emu Bottom	130 pax seated 230 pax cocktail style	An advantage for this function centre is a sense of being a world away from the city (surrounded by 62 acres of gardens and natural Australian countryside). The collection of heritage listed buildings offer different scales and character. The business has flexibility to chase weddings and functions on weekends, and corporate business on weekdays, popular corporate events regularly held include new product launches, sales conferences, corporate seminars, corporate hospitality, company award presentations, PR events, gala dinners, road shows, customer or distributor events, Christmas parties and photo shoots
Q Station	9 different sized function rooms sizes ranging from small (38) medium (100) large (283)	Being 30 minutes drive from Sydney CBD and a sense of being a world away from the busy cbd the buildings and grounds are authentic – many buildings still have curated operational equipment inside related to room function

4. Son et lumiere

4.1 Key findings

The three son et lumiere competitors profiled were:

1. Tower of David (Israel)
2. Shipwrecked – Flagstaff Hill Maritime Village (Victoria)
3. Blood on the Sothern Cross – Sovereign Hill (Victoria)

The Competitor Analysis also assessed two live shows with dinner packages: Outback spectacular and the Pirates adventure dinner Orlando (not documented). The key findings from the Competitor Analysis were:

- Any product needs a strong story that has a constructive outcome, and a wow factor that is remembered and easily shared by word of mouth
- The private sector wont fund full development on public land
- There are minimal private operations on public land (none were found), instead the approach appears to be for regions to pitch to government for financial assistance to entirely fund development, and then for the local government / Trust to run the operation itself. Food and beverage is typically licensed out to the private sector.
- The ideal scale for regional attractions is 80 to 120 seating capacity
- Human presence in the form of an actor or performer is well received, but is costly and an operational challenge to provide every night to an agreed standard, otherwise if not using actors, explicitly state this so customers have realistic expectations

- Any dinner menu needs to be narrowly set to ensure timely and quality controlled meals, people like choice even in a set menu
- Keep customers warm and dry
- Keep the show short if children are part of the target market (one hour maximum)

4.2 Competitor profiles

Tower of David

Table 4.1 Summary of Tower of David son et lumiere product


Product	Costs	Key lessons learnt
<p>Tower of David</p> <p>Sound and light show</p> <p>Video production: the show is a combination of artistic techniques including a giant sound and projection systems.</p> <p>40min light and sound show no meal</p>	<p>Adult</p> <p>\$13.81 AU</p> <p>Child</p> <p>\$11.30AU</p>	<p>The most distinctive competitive advantage is the size of the building, the fact that it is a world heritage site was constructed during the 2nd century BC, it features unique architecture and holds many years of historic stories.</p> <p>The site is located near the Jaffa Gate in the Old City of Jerusalem, drawing on a population of 801,000 with a significant European visitor market with limited cost sensitivity</p>
		

Figure 4.2 Trip Advisor Report on Tower of David son et lumiere

Tower of David Museum (The Citadel): Traveller Reviews

[Add to trip](#)

Jaffa Gate, Jerusalem, Israel

972 2626 5310/ 972 2626 5333 [Website](#) [E-mail](#)



Ranked #11 of 139 attractions in Jerusalem

223 Reviews

Type: History Museums

Owner description: Located in the restored ancient Citadel, this museum traces the long and turbulent history of Jerusalem using audiovisual presentations, models, maps,... [more »](#)

[Update attraction details](#)



35 visitor photos

223 reviews from our community

[Write a Review](#)

Visitor rating



Shipwrecked – Flagstaff Hill Maritime Village

Table 4.1 Summary of Shipwrecked son et lumiere product

Product	Costs	Key lessons learnt
<p>Shipwrecked</p> <p>A sound and laser show that takes you on a journey through a raging ocean, flanked by an unforgiving coastline...</p> <p>Show runs for 70min</p>	<p>Adult</p> <p>\$26</p> <p>Child \$13.95</p>	<p>The most distinctive competitive advantage is the authentic location of the town, the significance of the story and the turning point in time triggered by the maritime disaster.</p> <p>Primary constraint on this attraction is its regional location. Warrnambool being 4 hrs West of Melbourne and not located on a major touring route relies on the 7 accommodation facilities.</p> <p>Warrnambool has a population of 32592 has significantly less immediate population to draw on to support the attraction when compared to Melbourne CBD</p>



Figure 4.2 Trip Advisor Report on Shipwrecked son et lumiere at Flagstaff Hill Maritime Centre

Flagstaff Hill Maritime Village

Add to trip

89 Merri Street, Warrnambool, Victoria 3280, Australia

1800 556 111 Website E-mail



Ranked #5 of 11 attractions in Warrnambool

62 Reviews

Type: Speciality Museums

Owner description: Flagstaff Hill Maritime Museum recounts the colourful maritime heritage of the Great Ocean Road, known as the Shipwreck Coast. With 180 wrecks along... more »

Update attraction details



42 visitor photos

62 reviews from our community

Write a Review

Visitor rating

Excellent	28
Very good	27
Average	5
Poor	2
Terrible	0

Blood on the Southern Cross – Sovereign Hill

Table 4.1 Summary of Blood on the Southern Cross son et lumiere product

Product	Costs	Key lessons learnt
<p>The story of the Eureka Rebellion, a dramatic battle between gold miners and Government forces at Ballarat on 3 December, 1854, is retold nightly by 'Blood on the Southern Cross', Sovereign Hill's acclaimed sound-and-light spectacular.</p> <p>Show runs for 70min in four parts</p> <p>Part 1 – an audio visual in an auditorium that sets the scene</p> <p>Part 2 – Transported to a set of the gold diggings</p> <p>Part 3 – transported to the site of the Eureka Stockade</p> <p>Part 4 – transported to township where an actor provides concluding monologue</p>	<p>Adult</p> <p>\$55.00 AU</p> <p>Show only</p> <p>\$92.50</p> <p>Dinner & show</p> <p>Child \$29.50AU</p> <p>Show only</p> <p>\$51.00</p> <p>Dinner & show</p>	<p>The most distinctive competitive advantage is the authentic location and the significance of the story in Australian history.</p> <p>Sovereign Hill is located in a dense population of approx 94,000 giving it a significant advantage of local draw as well as a greater FR market</p> <p>The show features several large sets and significant special effects, such a building burning and rain falling</p>




Figure 4.2 Trip Advisor Report on Blood on the Southern Cross son et lumiere

Blood on the Southern Cross

Bradshaw Street, Ballarat, Victoria, Australia
+61 3 5337 1199 Website E-mail

[Add to trip](#)



Ranked #4 of 14 attractions in Ballarat
84 Reviews

Type: Performances

Owner description: 'Blood on the Southern Cross' is an explosive multi-million dollar sound-and-light show like nothing you've ever seen before!The story of the Eureka... [more »](#)
[Update attraction details](#)



[2 visitor photos](#)

84 reviews from our community

[Write a Review](#)

Visitor rating

Excellent		46
Very good		23
Average		9
Poor		4
Terrible		2

84 reviews sorted by [Date ▼](#) [Rating](#) [English first ▾](#)

5. Overnight education

4.1 Key findings

There are approximately six education camps in Victoria, the overnight education competitors profiled were:


1. Great Aussie Bushcamp (NSW)
2. Point Wollstonecraft (NSW)
3. Two day Canberra Experience (ACT)




Some of the key findings from the competitor analysis of overnight education were:

- Most operations are schools only – most do not switch over into accommodation for other groups, let alone the independent tourist market
- The ideal scale is 300 student capacity
- Most camps are either private on privately owned land or Government on public land
- therefore few examples to set rent assumptions
- The private sector won't fund full development on public land
- Assumptions for forecasting financial returns should use accommodation leased on public land
- rent 5% of turnover for private sector fitout
- rent 5 to 10% for fitout provided

4.2 Competitor profiles

Table 4.1 Summary of three overnight education products

Product	Costs	Key lessons learnt
<p>Great Aussie Bush camp A school camp</p> 	<p>\$133 per child for 3 day 2 night camp</p>	<p>Several natural competitive advantages:</p> <ol style="list-style-type: none"> 1. Location – 1hr from Sydney, Hunter and Newcastle. Situated in the population growth hotspot in the Central Coast 2. Authentic bush environment 3. Natural assets included within walking from site, Lakes, sand dunes and beaches <p>Several introduced competitive advantages</p> <ol style="list-style-type: none"> 1. Highly developed interactive and multi level challenging outdoor activities designed to keep the attendees on the move for 5 days 2. Multiple closely matched programs to school curriculum <ul style="list-style-type: none"> •Anti Bullying •Rock and Water •PASS •Peer Support •Crossroads
<p>Point Wollstonecraft Government owned and operated water based school camp and education facility</p>	<p>\$340.00 per child for 5 day 4 nights</p>	<p>Several natural competitive advantages:</p> <ol style="list-style-type: none"> 1. Natural location includes water and land based activities 2. 1hr Travelling distance from Sydney and Newcastle

		<p>Several introduced competitive advantages</p> <ol style="list-style-type: none"> 1. Accommodation developed for students and families – through the introduction of interlinking doors 2. Comprehensive range of activities to hold visitors for upto 5 days 3. Introduction of outside school camp designed for special interest groups, family, social gatherings and weekend breaks 4. Quantity – Ability to house 200 students and 30 staff at any one time
<p>2 day Canberra experience Tour of Canberra's significant government and historic sites</p> 	<p>\$133 per child for 2 days and 1 night</p>	<ol style="list-style-type: none"> 1. Significant locations of Australia 2. The nations Capital city 3. Established accommodation suitable for children 4. Integrated into school curriculum 5. Comprehensive range of activities to hold students for 2 to 5 days
<p>Crusaders' – Galston Gorge Target 5-12 yrs Designed to complement the Primary curriculum, providing connections to the Key Learning Areas. Accommodation is mostly bunks</p> 	<p>Starts at \$475 per student for 5 days 4 nights</p>	<p>Galstons Gorge is set up for school camps as well as function and conference venue extending its trading opportunities into school holidays.</p> <p>Location is 45 min from Sydney CBD and is set on parklands</p> <p>Activities include: vertical challenge high ropes course; indoor rock climbing wall; low ropes course; abseiling; beach volleyball; archery range; basketball/Netball courts; bushwalking tracks; gymnasium for indoor games; campfire; table tennis; bushcraft; Bivouacs (camp outs); environmental education; orienteering; various teamwork activities</p>

Other education programs offered associated with historic sites

Gold Rush Colony –

Suitable for all ages, School groups up to 120 students, staying overnight or for longer camps have the use of on-site accommodation facilities

<http://www.goldrushcolony.com.au/schools/school-packages>

History Hill –

\$19.30 per student, 5-6 hours

http://www.historyhill.com.au/school_touroptions.html

Kalamunda Historical Village –

Ranges from \$2-\$6 per student

<http://www.kalamundahistoricalsociety.com/>

Sovereign Hill –

Between \$26 and \$32 per person, per night (depending on package)

<http://sheducationcom.ascetinteractive.biz/?id=home>

Q Station –

Amenities: Activity Sheets for Students, Public Transport, Catering, Toilets, Parking, Canteen/Cafeteria, First Aid, Guided Tours

Years Catered: Kindergarten, Years 1 – 12, University, and TAFE

<http://www.qstation.com.au/>

Old Gipps town - Gipps town Heritage Park –

Amenities: Activity Sheets for Students, Disabled Access, Catering, Toilets, Parking, Parking for Buses, Canteen/Cafeteria, Guided Tours

Pricing Details: Minimum number for group tour is 15, price per person is \$5, and tour can be anything from 30mins to 2 hours dependent on requirements.

Tynong Theatre Film Show:*

(price for 30 people) \$4.00 per person

(less than 30 people) please ring for price.

Years Catered: Kindergarten, Years 1 – 12.

<http://www.gippslandheritagepark.com.au/>

Eureka Skydeck 88 -

Pricing Details: Standard Entry

Student - \$8 each

Adults - 1 teacher free of charge per 10 paying students

Additional Adults - \$13.50 each

Years Catered: Kindergarten, Years 1 – 12, University, and TAFE

Analysis of relevant parts of school curriculum

Level 1 - Prep
Level 2 - Year 1 and 2
Level 3 - Year 3 and 4
Level 4 - Year 5 and 6
Level 5 - Year 7 and 8
Level 6 - Year 9 and 10

History is a part of their curriculum

The History domain is organised into three sections:

- Learning Focus
- Standards
- Dimensions

One for each level of achievement from Levels 4 to 6. Each level includes a learning focus statement and a set of standards organised by dimension.

Standards in the History domain are organised in two dimensions:

- *Historical knowledge and understanding*
- *Historical reasoning and interpretation*

Historical knowledge and understanding

Students learn:

- The concept of time: chronology and sequencing; change and continuity; past, present and future in a range of historical contexts.
- Through studying the past they learn about change and its impact on people's lives and the significance of continuity - how aspects of past societies have been preserved.
- Cause and effect, the relationship between events and people's actions and intentions.
- Identity, personal, cultural, and national and the contributions of people past and present to that identity.
- Evidence and the range of sources of information about the past.
- Students gain a balanced coverage of historical content, including knowledge about Australian history, to provide a sense of chronology and to help them understand their present and shape their future.

Historical reasoning and interpretation

Students learn:

- To frame questions in the light of their own knowledge and experiences and to develop research and inquiry skills. These include gathering and documenting evidence from a variety of sources, including artefacts, documents and graphics, and interpreting evidence.
- Students develop skills in making judgments about sources of evidence, including the ideas and voices expressed, the culture and values represented and the literal and symbolic meanings expressed. They learn that there are multiple, conflicting and often partial interpretations of events.
- Students learn the language of History including using terms such as *primary* and *secondary* sources and terms relevant to particular periods of history such as *medieval* and *revolution*. They communicate their understanding of History using the conventions of a range of forms of representation such as timelines, media reports, multimedia presentations, oral presentations, posters, photographic and written essays.

Learning focus statements are written for each of Levels 4, 5 and 6. At Levels 1 to 3, basic concepts related to history, geography and economics are included under the general umbrella of 'The Humanities'.

Mainly focused on ages 9, 10, 11 and 12 year olds.

Basic knowledge includes 6, 7, 8 and 9 year olds.

<http://vels.vcaa.vic.edu.au/history/structure.html>