



**LIQAGE INTERNATIONAL**

## **Daylesford Spa Country Railway Strategy and Business Plan**



**May 2012**





**LINQAGE INTERNATIONAL**



## **DAYLESFORD SPA COUNTRY RAILWAY**

### **STRATEGY AND BUSINESS PLAN**



**May 2012**

**Linage International**  
Unit 1, 17<sup>th</sup> Floor, 15 Collins Street, Melbourne, 3000, Australia  
Telephone: 61 (0)3 9654 1410 Mobile: 61 (0)418 568 199 Email: [linage@inet.net.au](mailto:linage@inet.net.au)  
Lanegold Pty Ltd trading as Linage International ABN Number: 54 050 949 445

# DAYLESFORD SPA COUNTRY RAILWAY STRATEGY AND BUSINESS PLAN CONTENTS

Section	Content	Page
<b>1.</b>	<b><u>VISION / MISSION</u></b>	
1.1	Vision	4
1.2	Mission	4
1.3	Values and Principles	5
<b>2.</b>	<b><u>BACKGROUND</u></b>	6
2.1	Introduction	10
<b>3.</b>	<b><u>ANALYSIS OF THE OPERATING AND BUSINESS ENVIRONMENT</u></b>	
3.1	Core Operations	11
	3.1.1 Scope of Operations	11
	3.1.2 The Working Museum	11
3.2	Infrastructure Required to Achieve Core Operations	13
	3.2.1 Daylesford	13
	3.2.2 Bullarto	14
	3.2.3 Track Refurbishment – Musk to Bullarto	16
	3.2.4 Daylesford East Street Railway Bridge	17
	3.2.5 Double Ended Leyland Railmotor	19
	3.2.6 Extension of the Daylesford Storage Facility	20
3.3	Strategic Marketing	20
	3.3.1 Market Attributes	20
	3.3.2 Congruency with Local, State and Federal Strategies	22
	3.3.2.1 Federal and State Strategies	22
	3.3.2.2 Local Strategies	25
	3.3.3 Related Tourist Infrastructure	30
	3.3.4 Marketing – The Railway Experience	32
	3.3.5 Marketing Operations	34
3.4	Current Contribution to the Shire Economy	34
	3.4.1 Rail Operations	34
	3.4.2 The Sunday Market	35
	3.4.3 Combined Railway / Sunday Market Contribution	39
3.5	Sunday Market – Key Issues – The Way Ahead	39
3.6	Rail Trails	40
3.7	World's Best Practice – Comparison with Other Tourist Heritage Railways	42

3.8	Financial Return and Input	43
3.8.1	Operational Expenses	44
3.8.2	Operational Revenue	45
3.8.3	Capital Outlay	46
3.9	Management and Staffing	48
3.9.1	Management and Governance	48
3.9.2	Volunteers	49
3.10	Risk	49
<b>4.</b>	<b><u>SUPPORTS AND STRENGTHS</u></b>	<b>51</b>
<b>5.</b>	<b><u>WEAKNESSES AND IMPEDIMENTS</u></b>	<b>53</b>
<b>6.</b>	<b><u>OPPORTUNITIES</u></b>	<b>54</b>
<b>7.</b>	<b><u>THREATS</u></b>	<b>55</b>
<b>8.</b>	<b><u>STRATEGY DEVELOPMENT – SUMMARY</u></b>	<b>57</b>
8.1	Core Strategy	57
8.2	Key Factors for Success	58
<b>9.</b>	<b><u>GOALS AND OBJECTIVES</u></b>	<b>60</b>

Attachment 1      Detailed Revenue and Expense and CAPEX Budgets

Attachment 2      Marketing Plan of Action (To be Developed at June Workshop)

## **1. VISION / MISSION**

### **1.1 What we want to achieve - Vision**

Daylesford Spa Country Railway will be recognised as a vibrant regional tourist attraction and a museum of state significance that showcases Victoria's unique branch line rail heritage and contributes to the local economy and employment.

### **1.2 How we will achieve it - Mission**

To develop and operate Daylesford Spa Country Railway (DSCR) as a successful, financially sustainable tourist attraction and operating museum.



**Figure 1 – Daylesford Spa Country Railway – the Natural Attraction**

### 1.3 Values and Principles

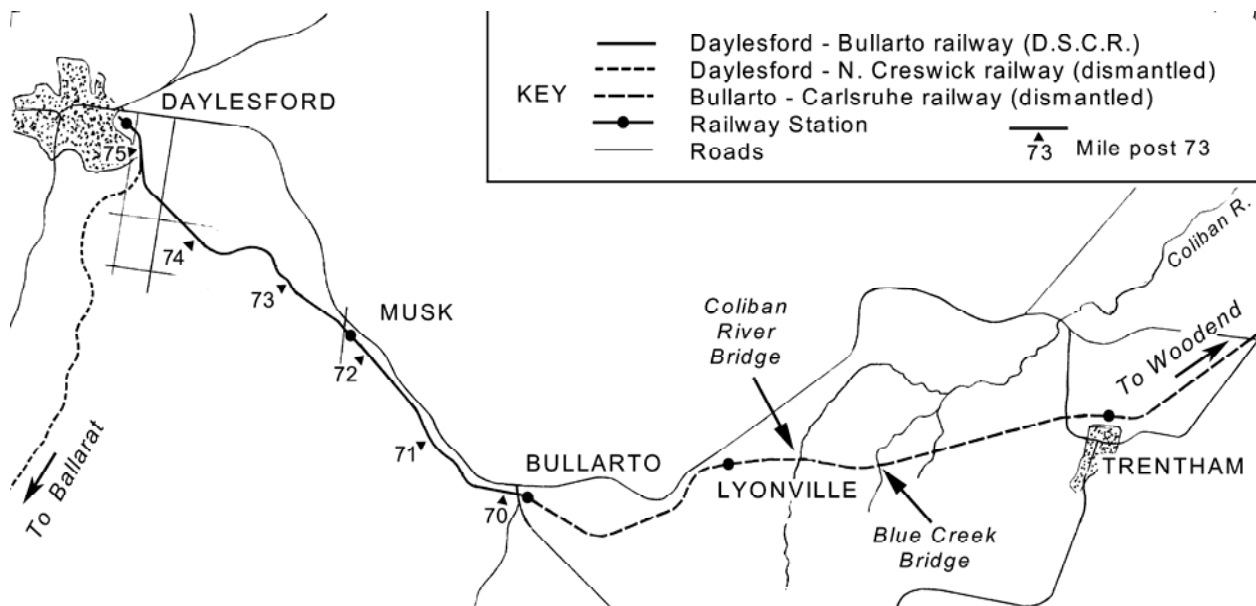
- **Value and Celebrate** – DSCR will preserve, value, celebrate and enhance local heritage, culture, village and rural atmosphere, and landscapes by showcasing the unique branch line railway heritage of the Daylesford area.
- **Uniqueness** – DSCR will offer a unique and authentic visitor experience focused on the natural environment, culture and heritage.
- **Consultation and Co-operation** – DSCR will consult and co-operate with our community, local businesses and government to achieve optimal outcomes.
- **Sustainability** – DSCR will be socially, economically and environmentally sustainable.
- **Viability** – DSCR will be an economically viable and responsible organisation.
- **Value and Protection** – In all DSCR's activities, we will value, protect and enhance the natural environment.
- **Respect** - In our dealings within DSCR and with the community, we will respect, protect and understand lifestyle choices and cultural diversity.
- **Inclusivity** – DSCR will be inclusive when dealing with its members and the broader community.



## **2. BACKGROUND**

The Central Highlands Tourist Railway which operates as Daylesford Spa Country Railway (DSCR) operates over 9 kilometres of railway line between Daylesford, approximately one and a quarter hour's drive from Melbourne, and Bullarto in Victoria's Central Highlands. Along the line, there is an intermediate stop at Musk.

Figure 2 below shows the route of the railway.



**Figure 2 - Daylesford Spa Country Railway Route**

Currently, the line beyond Musk towards Bullarto is in “care and maintenance” due to damage sustained during the 2009 bushfires. Funding to rebuild that section has been received and work will be completed in September 2013. Services from Daylesford terminate at Musk, near milepost 72.

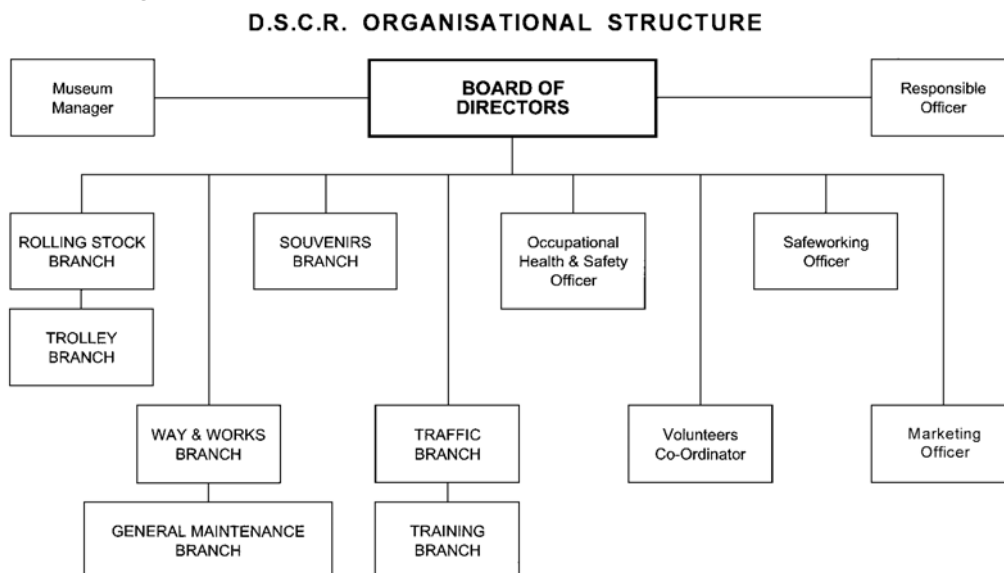
The railway, on leaving Daylesford, takes passengers through undulating rural countryside. At milepost 73, the countryside becomes steeper and more heavily forested as the line enters the picturesque Wombat State Forest. The line ends at Bullarto which is in the middle of the Wombat State Forest.

DSCR commenced operations in the early 1990s. The railway operates a Sunday shuttle service to Bullarto and a monthly “Silver Streak” cocktail service train. Patronage of the Railway increased to a maximum of 9,616 passengers annually in 2009. Due to the impact of the 2009 bushfires and

the curtailed services to Musk, passenger numbers have decreased to 8,623 in 2011.

Currently, DSCR has in excess of 100 members with 30 active volunteers. The volunteer base is able to service the current operations of the railway. One part time contractor is retained by the railway to oversee the operations of the Sunday Market.

The current organisational structure of the railway is shown below.



**Figure 3 – Daylesford Spa Country Railway – Current Organisational Structure**

Governance for the railway is provided by an eight person elected Board.

DSCR has been innovative in their funding mechanisms to ensure financial viability. Each Sunday a very successful Market is operated by the railway in the Daylesford station car park and adjoining areas. The Market has a very welcoming rustic ambience and atmosphere, is well patronised, and provides significant financial support to ensure the viable operation of the railway.

The rail experience offered by Daylesford Spa Country Railway is unique as it is built around an operating museum concept. The museum concept is being further strengthened as the railway has gained accreditation under the Museums Australia (Victoria) Accreditation Programme.

The primary theme of the railway is based around the equipment, organisation, and operation of railmotors in the Victorian Railways, and the social and economic importance of railmotor services to the communities served. The major focus is experiencing a railmotor journey along a



Victorian Railways branch line. Associated with that theme is the infrastructure of a branch line with a focus on railway station administration and operations at different periods of time.

The secondary theme associated with the Daylesford Spa Country Railway is the equipment, organisation, duties and lifestyle of gangers, those who maintained the tracks, and repairers in the Victorian Railways, with a major focus being on the gangers, particularly their tool-sheds and trolleys. In addition, the equipment, organisation, operation, and the social and economic importance of railmotors and passenger railmotors are also incorporated.

Linked to the primary and secondary themes are special themes which provide critical detail for full development of the overall themes. Key special themes are:

- Timber technology and its history and importance in the development of Victoria, specifically remnants of timber technology in the Central Highlands around Bullarto and Musk, and comparison of the uses of timber in the 1930s, 1950s and 1970s.
- Development of materials technology in Victoria, focusing on the changing use of materials in the wider community from the 1960s to the 1980s, and the focus on different materials over time in the construction of rolling stock and railway infrastructure.
- 150 years of communication in Victoria. The development of quick and reliable communication was the key to developing a safe and efficient railway system.
- Commercial art of the Victorian Railways. The history, technology and revolution of signs.
- Fence and gate technology in Victoria. The railway's comprehensive collection of fences and gates used by the Victorian Railways effectively demonstrates the history and evolution of that technology.
- Rural life in the 1930s. The proposed restoration of Bullarto into a 1930s small rural station with its Station Master's residence and gatekeeper's house, will enable visitors to the railway to experience living in a remote locality without electric lights, modern sanitation, and articulated water supply.
- The Victorian Railways. The key to understanding the social, political and commercial history in country Victoria since the 1880s. The special theme is an extension of the theme 'Rural life in the 1930s' and explores the rise and fall of branch line railways to many rural communities. The emphasis is on the exploration and interpretation of a recreated 1930s railway station goods facility at

Bullarto and making comparisons with the 1970s stations at Musk and Daylesford.

Daylesford Spa Country Railway is accredited as a museum. The primary, secondary and special themes associated with the Daylesford Spa Country Railway result in a unique visitor experience.

In order that the vision of the railway is realised, and to contribute fully to the regional economy, Daylesford Spa Country Railway must consolidate and grow in a sustainable manner that fully capitalises on and adds to the tourist and visitor potential of the area.

This Strategy and Business Plan will provide the framework for that consolidation and growth.



**Figure 4 – 2009 Fire Damage Showing Smouldering Sleepers**



## 2.1 Introduction

The methodology utilised by Linqage International in developing this Strategy and Business Plan for DSCR involved extensive consultation with DSCR members, the Board, Hepburn Shire Council, tourist operators in the Musk, Bullarto and Daylesford areas, key government officials, and other stakeholders.

The initial Strategy and Business Plan developed in 2005 has been extensively reviewed and updated to reflect the current strategic direction articulated by the DSCR Board and to highlight congruency with the Central Highlands Regional Strategic Plan 2010 and the Destination Daylesford Strategic Tourism Plan 2012.

The updated Strategy and Business Plan was approved by the Board in June 2012.



**Figure 5 – 2009 Temporary Limit of Operations Due to Bushfire Damage**

### **3. ANALYSIS OF THE OPERATING AND BUSINESS ENVIRONMENT**

In May 2012 a major review of the Daylesford Spa Country Railway's Strategy and Business Plan was undertaken. The major factors considered in the review of the Plan were:

#### **3.1 Core Operations**

DSCR is a boutique heritage rail operation based on an operating museum concept that focuses on branch line railmotor operations and the social and economic impact those operations had on Victorian communities.

The DSCR fleet consists of superbly restored heritage railmotors, some over 80 years old. The fleet is utilised in recreating for patrons the experience of riding a railmotor along a picturesque rural branch line.

##### **3.1.1 Scope of Operations**

DSCR has chosen not to replicate the operations of the Puffing Billy Railway in terms of the scope of operations and intensity of service for two main reasons. Firstly, to maintain the integrity of the recreated experience, volunteer input that is beyond the existing and any future volunteer capability would be required if intensive daily operations were scheduled. Linked to volunteer capability is the significant increase in maintenance work and volunteer input required to maintain the restored but aged heritage rolling stock utilised in intensive operations.

##### **3.1.2 The Working Museum**

In order to successfully recreate the full experience of riding railmotors on a rural Victorian branch line, patrons must be submerged in a “time capsule”. The “time capsule” encompasses:

- the stations and all the associated buildings, fittings and accoutrements, including lamp sheds, posters, lighting, ticket selling facilities, telegraph facilities, baggage weighing facilities, trolleys and even the toilets.
- station yards and goods handling facilities including sheds, cranes, weighbridges, yard lighting, waybills and other associated paperwork, goods vans and heritage road vehicles.
- the “trackscape”, which includes fences, gates, level crossings, and gatekeepers huts, telegraph poles, signalling equipment, track



signage, including speed boards, cattle grids, and even the clearing of vegetation to reduce fire risk that was undertaken in the early post-World War II era.



**Figure 6 – An Old Gate at Bullarto Yard – an Important “Time Capsule” Component that is Part of the Story**

- The rolling stock which is representative of that which served communities on Victorian rural branch lines.
- Elements that highlight the social and economic impact that railmotor services had on rural Victorian communities. That would include the importance of the goods that were transported by railmotor, the rationale behind the scheduling that enabled people who were living in remote rural locations to access services, and the type and value of goods such as timber transported out from Bullarto, Musk and Daylesford.

## **3.2     Infrastructure Required to Achieve Core Operations**

### **3.2.1   Daylesford**

Currently, DSCR operates from the Daylesford railway station precinct which supports the core operations as:

- The precinct has a leafy tree-lined entrance with good parking. It gives the impression that you are entering a “time capsule”.
- The original station building has been faithfully restored with a small but well presented museum area, an authentic ticket selling area, a souvenir and refreshment sales area, crew facilities and period accoutrements, including baggage trolleys, period posters and scales.
- There are very good facilities for the public, including modern toilets with disabled facilities, and sheltered waiting facilities.
- The original turntable and much of the original yard have been retained with DSCR enhancing the precinct through renovation of the historic goods shed and construction of a replica carriage shed.
- All rolling stock in the yard is in good repair and has been authentically restored.



**Figure 7 – Daylesford Railway Station on a Sunday Market Day**



In close proximity to Daylesford station and its yard is a recently constructed large undercover storage facility for DSCR's collection of railmotors. The shed, together with 500 metres of track and 2 turn-outs were financed by a State Government grant of \$90,000 and a \$70,000 cash contribution and in-kind labour contribution from DSCR. The investment has had a profound impact on DSCR's operations as it has greatly diminished the significant external maintenance requirement for the heritage railmotors. The net saving to DSCR is the equivalent of one full time worker annually, \$50,000, and a saving in material costs of \$20,000 annually. Based on an investment of \$160,000, that is a sound return.



**Figure 8 – DSCR's New Undercover Railmotor Storage Facility**

To further improve the Daylesford precinct, a dedicated heritage style archive and collection storage building is planned.

### **3.2.2 Bullarto**

Recreation of the station and yard precinct at Bullarto is a major priority that must be achieved to fully implement the "working museum concept" of DSCR.



Bullarto station and yard precinct has a plethora of elements that will be developed to represent a working Victorian Railways branch line station served by railmotors and a pick up goods service. The working museum will enable members of the public, school groups, researchers and others to understand how life in remote rural communities was impacted by the railways, the goods they carried in and out of the area, and the services to which they provided access. Figure 9 details the Bullarto station and yard precinct showing the location of existing buildings and the sites of features that will be recreated.



**Figure 9 - Bullarto Station and Yard Precinct Showing the Location of Existing Buildings and the Sites of Features that will be Recreated**

The recreated site will not only be an important element to further develop the working museum concept; it will also add to the overall attractiveness of the endeavour and add to the commercial viability of the railway as it will:

- Provide a terminus destination that people boarding at Daylesford will find attractive. The railway will go from “somewhere to somewhere”.
- Provide a terminus that is within one hour's drive of Melbourne and even less from the populous western suburbs. It will increase the attractiveness of the railway as a day visit option for those living in Melbourne.
- Enable the development of an expanded offering for schools seeking excursions to link with the school curriculum, especially in areas related to transport, lighting technology, the social impact of railways, living conditions in the early 1900s, the impact of motor vehicles on transport, and an understanding of local industries such as sawmilling.
- Enable the railway to offer transport from Daylesford to a covered reception area, utilising either the new goods shed or the existing hall

for use by wedding parties, and for special events and corporate activities such as planning workshops and product launches.

In addition to the above, the recreated rail precinct at Bullarto will provide the town with a hallmark attraction.

Security aspects related to the development have been fully considered given planning and other constraints. An extensive monitored security system with visible video cameras will be installed as part of the project.

The estimated total project cost for redevelopment of the Bullarto station and yard precinct is \$550,000. Of that amount, \$350,000 would be allocated to the new station building and \$200,000 would be allocated to the goods shed and yard redevelopment. Both elements could proceed independently of each other.

### **3.2.3 Track Refurbishment – Musk to Bullarto**

The railway between Daylesford and Bullarto is one of the few remaining examples of the construction methods and standards of the 20th century branch line railways that linked so many Victorian communities.

In terms of recreating a branch line as a living museum to represent railways that served rural Victorian communities, the track infrastructure or permanent way is an essential element.

The restoration / reconstruction and maintenance of DSCR's infrastructure is performed in accordance with the 1947 Victorian Railways Way and Works correspondence books, however, the engineering heritage guidelines are an additional layer of consideration on top of the requirements of maintenance.

In reality this means that as much of the 20th century formation including, drains, culverts and fencing must be retained, as almost all examples of such technology and construction methods have now vanished.

An independent engineering analysis of the work required to bring DSCR's track infrastructure up to a condition capable of supporting the current and future traffic volumes has been undertaken.

The analysis shows that DSCR has the capacity to undertake the continuing day to day maintenance activities and the works required for the rehabilitation of the track between Daylesford and Musk.



**Figure 10 – The Track to Bullarto from Musk – Independent Engineering Analysis has Indicated the Rehabilitation Required – It has been Resourced by DSCR and from Other Sources**

DSCR currently does not have the resources to rehabilitate the track beyond Musk to Bullarto. That section requires significant work, including sleeper replacement (2,000 sleepers), rail replacement and reconstruction at a total cost of \$375,000. External funding of \$178,000 has been sourced to commence those works, with DSCR providing the remainder as cash and in-kind contributions.

### **3.2.4 Daylesford East Street Railway Bridge**

The East Street railway bridge at Daylesford is a critical piece of infrastructure that will require refurbishment within 3 years. The steel bridge is over 100 years old.

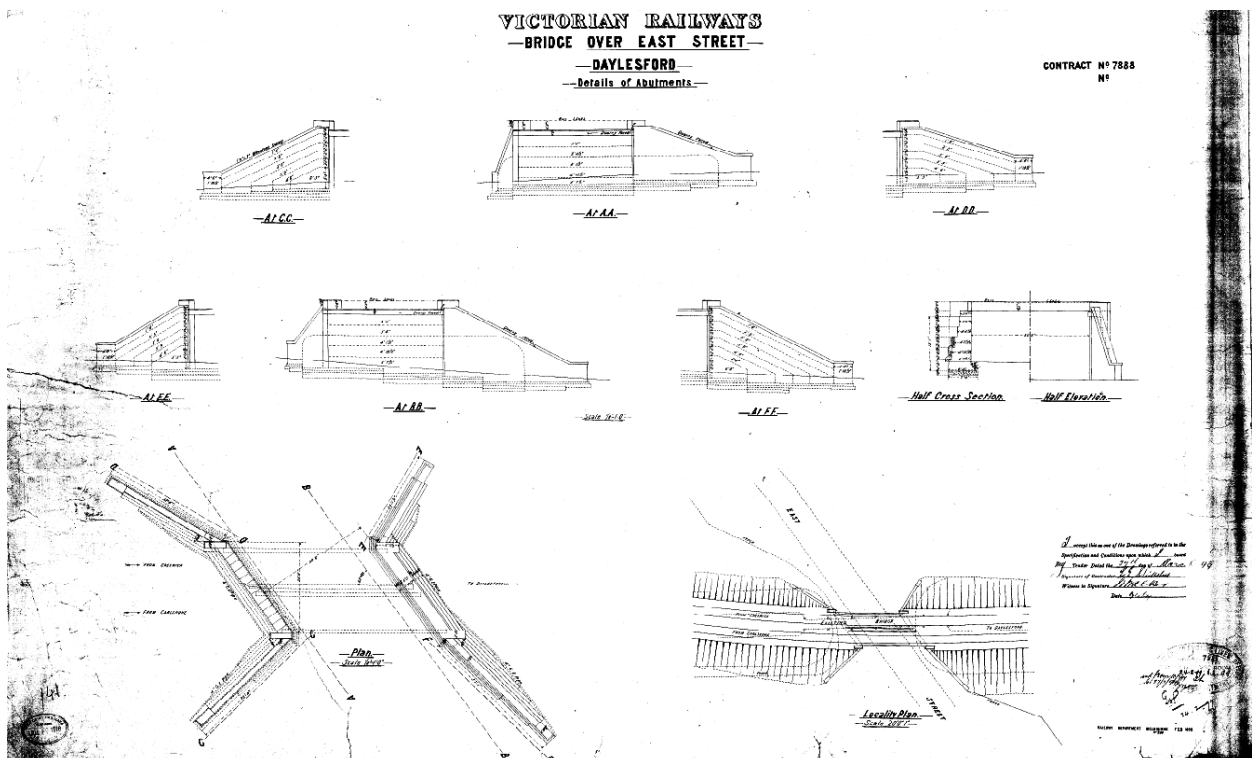
The work required includes removal of the track and ballast, exposure and removal of the steel beams, grit blasting and painting, replacement of the beams, and reinstatement of the track at a cost of \$220,000.

The extensive scope of the work can be appreciated when the 1899 contractors drawings, detailed below in Figure 12, are considered.





**Figure 11 – East Street Railway Bridge – Requires Refurbishment**



**Figure 12 – East Street Railway Bridge – Contractors Drawings**

### **3.2.5 Double Ended Leyland Railmotor**

The railmotor played an integral part in the social and commercial life of rural Victoria in the period 1920 to 1980. During that era, 83 railmotors of various types permitted many of the small settlements in country Victoria to retain a daily rail passenger and parcels service which could not justify the cost of a steam or later diesel hauled passenger train. The Daylesford line was representative of those services.

The double ended Leyland railmotor 53RM is a unique survivor from the original 83 railmotors that served Victoria. One of four such vehicles that entered service with the Victorian Railways in 1925-1926, it is the only example of the 23 wooden railmotors built between 1922 and 1926 in existence today.

Following withdrawal from service in 1954, 53RM's body was sold to a sawmill near Colac where it was used as a bunkhouse. All of its metal components were scrapped. The immense importance of the vehicle to Victoria's railway heritage was identified by the DSCR. The derelict body was purchased by DSCR in 1982 with the aim of one day restoring it to an operable condition to provide a unique rail heritage experience.

Restoration is a priority, not only because of its historical significance, but it will also provide significant lift capacity for DSCR.



**Figure 13 – Two Views of Double Ended Leyland Railmotor 53RM on Arrival at Daylesford in 1982 and in its Partially Restored State in 2012**

Significant restoration work has been completed on 53RM with the bodywork rebuilt, doors and window frames replaced, windows re-glazed, the roof refurbished, and internal fittings replaced. Repairs to the underframe are currently being progressed.

Mechanically, new radiators have been built and a new motor sourced. Components that remain to be secured to complete the restoration are bogies, axles and wheels, gear selectors, air and water reservoirs, and fuel and radiator tanks. \$250,000 is required to complete the restoration.



**Figure 14 – Double Ended Leyland Railmotor 52RM in the Goulburn Valley – 53RM will Look Similar Following Restoration**

### **3.2.6 Extension of the Daylesford Storage Facility**

The recently constructed large undercover storage facility for DSCR's collection of railmotors will require an extension to accommodate the remaining two railmotors that are currently stored outside and for 53RM. The shed will require a 25 metre extension, together with 80 metres of track. The cost of the works is \$50,000. The additional investment will also greatly diminish the significant external maintenance requirement for the two heritage railmotors currently not stored undercover and for 53RM. The additional net saving to DSCR is the equivalent of 66% of a full time worker annually, \$33,000, and a saving in material costs of \$13,200 annually. Based on an investment of \$50,000, that is a sound return.

## **3.3 Strategic Marketing**

### **3.3.1 Market Attributes**

Daylesford, Hepburn Springs and surrounds contain over 80% of Australia's mineral water reserves creating a unique tourism region. The area is being positioned as an iconic, internationally renowned, mineral springs and wellness destination for national and global visitors. The importance of the area as a tourist destination has been recognised by Tourism Victoria and it has been designated as a Level-One Destination Region.



Daylesford is an iconic destination as it set in Victoria's Central Highlands, just over an hour's drive from Melbourne, and is adjacent to Mount Macedon and the cities of Ballarat and Bendigo.

The area hosts 65 operators that provide spa, health and wellness services, as well as award-winning restaurants, over 80 local cafes, galleries, and retail shopping experiences. The area boasts an extensive range of accommodation, including bed and breakfasts, cottages, motels hotels, and luxury accommodation, with a total of over 3,800 beds available.

The area is also renowned for its natural beauty which includes the Wombat State Forest, heritage, period character, Wombat Hill Botanic Gardens with its extraordinary tree collection, unique to Victoria and possibly unrivalled anywhere in the world and classified by the National Trust for inclusion on the Register of the National Estate. Daylesford Spa Country Railway operates through the heart of the Wombat State Forest.



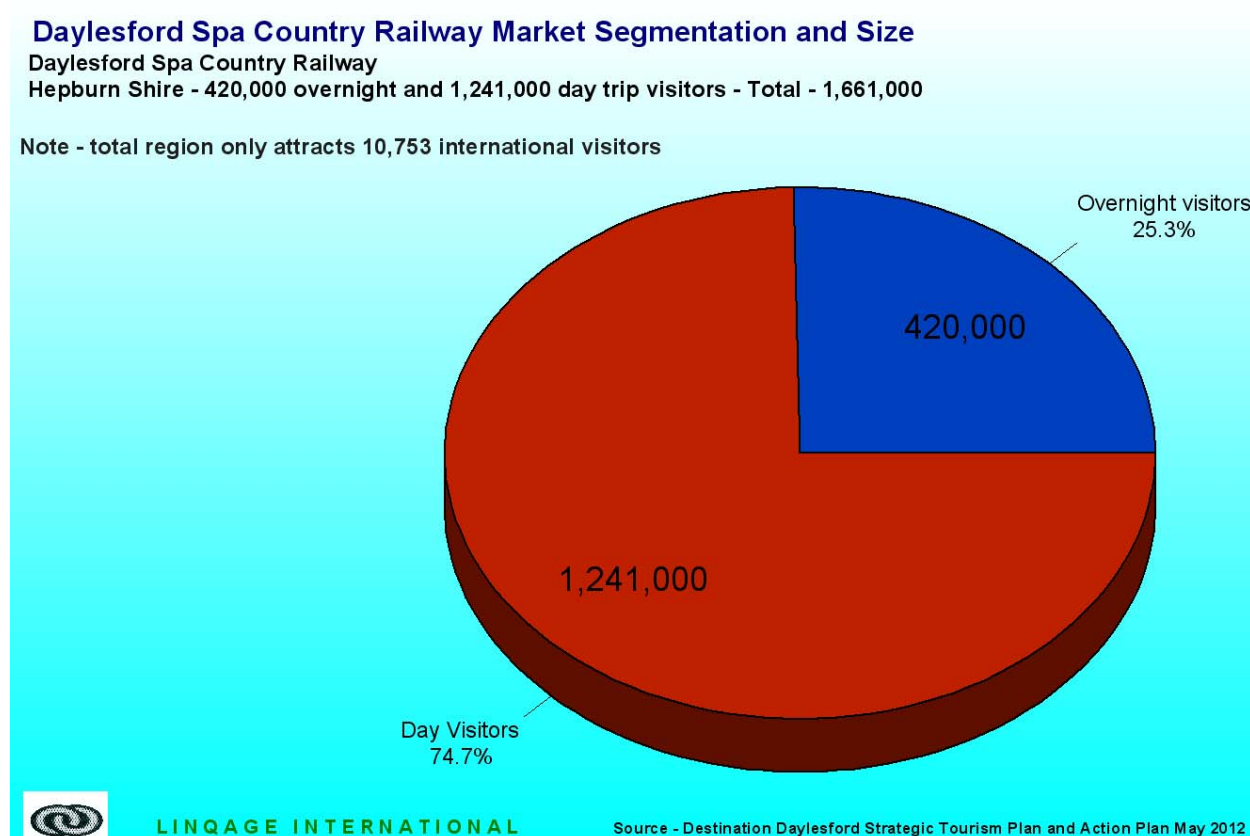
**Figure 15 – Wombat State Forest is Bisected by the Railway**



Tourism is one of the most important contributors to the growth and character of the region. The economic contribution of tourism to the region is valued at approximately \$96 million annually. In Daylesford and Hepburn Springs specifically, tourism employment grew by 49.7% over the period 1997-1998 to 2002-2003, by far the largest growth in regional Victoria.

The region has a 4% share of all domestic overnight visitors to regional Victoria (420,000), and receives a substantially higher number of day visitors 1,241,000 representing a 6% market share. International visitation has increased by almost 35% from 2000 to 2007, but remains at relatively low levels with 10,753 international overnight visitors recorded in 2007.

The size of the market, and the breakdown of overnight to day visitors is shown in Figure 16 detailed below.



**Figure 16 – Overnight and Day Visitors**

### 3.3.2 Congruency with Local, State and Federal Strategies

#### 3.3.2.1 Federal and State Strategies

At the Federal and State Levels, Regional Development Australia (RDA) and Regional Development Victoria (RDV) work jointly to promote development of the Grampians region through the RDA Board based in Ballarat.

A regional strategic plan for the Grampians Region commenced development in 2008 as part of the Regional Strategic Planning Initiative. Under that initiative two sub-regional plans were developed. They relate to future development, service provision, infrastructure, and the social, environmental and economic requirements of the region. The sub-regional plans provide a focus for all governments, agencies and the community. The two sub-regional plans, endorsed by RDA Grampians, are the Central Highlands Regional Strategic Plan (CHRSP) and the Wimmera Southern Mallee Regional Strategic Plan. The plans have been submitted to the State Government and have also been endorsed by all local governments in the region.

The CHRSP June 2010 covers the eight municipalities of Moorabool, Golden Plains, Central Goldfields, Hepburn, Ballarat, Pyrenees, Ararat and Northern Grampians.

Daylesford Spa Country Railway is located in Hepburn Shire.

The CHRSP provides an analysis of the issues affecting the region, the key drivers of change, the major challenges confronting the region, and the comparative advantages that the Central Highlands Region offers over other regions in Victoria. The plan sets out a vision that is designed to best position the Central Highlands to 2030 and beyond so as to provide a productive, sustainable and liveable region for its people. The CHRSP sets out a series of integrated strategic directions and actions that are designed to implement the vision.

The comparative advantage of the region is defined in the plan as being:

1. Sustained population growth, compactness, proximity to Melbourne and existing strong cities and towns.
2. A regionally based education and training network with regional Victoria's major IT and computing employment cluster linked to a strong resilient economy built around Victoria's third largest city.
3. Outstanding Built and Natural Heritage.

The DSCR Strategy and Business Plan builds on these advantages, specifically:

- It capitalises on the close proximity to Melbourne, especially development of the Bullarto precinct which is within an hour's drive of Melbourne's populous Western suburbs; and

- The outstanding built and natural heritage is the basis of DSCR's activities as an operating museum.

Having considered the natural advantages of the region and analysed the issues impacting on the region, the vision for the region is:

*“The Overall Goal is to continue to drive the implementation of the CHRSP so as to position the Central Highlands region to 2030 and beyond to provide a productive, sustainable and liveable region for its people.”*

The degree of congruency can be seen when compared with DSCR's vision which is:

Daylesford Spa Country Railway will be recognised as a vibrant regional tourist attraction and a museum of state significance that showcases Victoria's unique branch line rail heritage and contributes to the local economy and employment.

Realisation of DSCR's vision will see the CHRSP vision supported to 2030 and beyond, as DSCR's contribution to the regional economy, to regional employment, and the suite of built and nature based attractions will provide for a productive, sustainable and liveable region.

There are eleven guiding principles related to the CHRSP; those relevant to DSCR are:

- Reposition the region's tourist product so that it can be a major national destination.
- Plan for and strengthen the region's economy so that it is more diversified and resilient, integrate it with the economic growth and development of the Melbourne metropolitan area in a manner that retains the region's separate identity.

The DSCR Strategy and Business Plan utilises those principles as:

- The strategic direction taken by DSCR with its current and future development at Bullarto adds to the region's tourism product and supports the region as a national destination.
- The contribution to the region by DSCR strengthens the economy, and the close proximity of the railway and the Bullarto precinct development ensures integration with Melbourne's growth.

In terms of strategic directions and actions detailed in the CHRSP Strategic Direction and Action 5.6, “Positioning the Region’s Heritage at the National Level”, is supported strongly by DSCR.

The strategic direction seeks to badge, identify and market the region in co-operation with other regions as Australia’s first National Heritage Region.

As a working museum, DSCR showcases the region’s built and natural heritage in a unique manner. The total experience includes:

- entering the beautifully restored station precinct at Daylesford;
- boarding the superbly restored railmotor;
- travelling along a country branch line with all the elements that relate to its operation – heritage fences, signals, small wayside stations;
- experiencing the beauty of the Wombat State Forest;
- the soon to be developed historical railway precinct at Bullarto;

which are all unique and will strongly support the CHRSP initiative to position the region’s heritage at the National level.

### 3.3.2.2 Local Strategies

The local strategic approach is articulated in the Destination Daylesford Strategic Tourism Plan May 2012 which provides a co-ordinated strategic and integrated approach to the management, development and marketing of tourism for Daylesford, Hepburn Springs and surrounds.

The vision as articulated in the Destination Daylesford Strategic Tourism Plan (DDSTP) is shown below with DSCR’s mission and vision. The comparison shows a high level of commonality and congruency.

<b>Destination Daylesford Strategic Tourism Plan Vision</b>	<b>DSCR Vision and Mission</b>
<i>To position Daylesford, Hepburn Springs and Surrounds as an internationally and nationally renowned mineral water and wellness centre, sharing and celebrating its unique heritage, cultural diversity, community lifestyle, rural landscapes, natural resources, and built attractions with visitors. Over the next ten years and beyond tourism will be developed and facilitated by appropriate, balanced, sustainable, inclusive and visionary policies which ensure social, economic and environmental benefits for the community and offer best practice experiences for visitors.</i>	<p><b>What we want to achieve - Vision</b></p> <p>Daylesford Spa Country Railway will be recognised as a vibrant regional tourist attraction and a museum of state significance that showcases Victoria's unique branch line rail heritage and contributes to the local economy and employment.</p> <p><b>How we will achieve it - Mission</b></p> <p>To develop and operate Daylesford Spa Country Railway (DSCR) as a successful, financially sustainable tourist attraction and operating museum.</p>

**Figure 17 – Vision and Mission Comparison**

This DDSTP vision is underpinned by the following values and principles. The corresponding DSCR values and principles, which demonstrate a high level of commonality and congruency, are also shown.


Values	Principles	DSCR Matching Principles and Values
Protection	Value, protect and enhance the natural environment	Value and Protection - In all DSCR's activities, we will value, protect and enhance the natural environment.
Respect	Respect, protect and understand the community, residents' lifestyle and cultural diversity	Respect - In our dealings within DSCR and with the community, we will respect, protect and understand lifestyle choices and cultural diversity.
Celebration	Preserve, celebrate and enhance local heritage, culture, village and rural atmosphere, and landscapes	Value and Celebrate - DSCR will preserve, value, celebrate and enhance local heritage, culture, village and rural atmosphere, and landscapes by showcasing the unique branch line railway heritage of the Daylesford area.
Uniqueness	Unique and authentic visitor experiences focussed on well-being, mineral water, the natural environment, culture and heritage	Uniqueness - DSCR will offer a unique and authentic visitor experience focused on the natural environment, culture and heritage.
Inclusivity	Inclusivity across the region and its people	Inclusivity - DSCR will be inclusive when dealing with its members and the broader community.
Cooperation	On-going consultation and cooperation with and among governments, communities and business sectors	Consultation and Co-operation - DSCR will consult and co-operate with our community, local businesses and government to achieve optimal outcomes.
Sustainability	A balanced sustainable approach (social, environmental, economic)	Sustainability - DSCR will be socially, economically and environmentally sustainable.
Viability	An economically viable and responsible industry	Viability - DSCR will be an economically viable and responsible organisation.

**Figure 18 – Values and Principles**

The issues and challenges associated with DDSTP identify the following needs. The manner in which DSCR meets those needs is shown in italics:

- promotion of culture, heritage and nature based tourism experiences in addition to spa and wellness – *DSCR focuses on culture, heritage and nature based experiences.*
- improved visitor dispersal across the region – *DSCR's Bullarto development will result in increased visitor dispersal to Bullarto and Musk.*
- professional marketing of villages linking Daylesford and Hepburn Springs – *DSCR's current operations to Musk and the Bullarto development will further promote professional marketing of the villages, specifically Bullarto and to a certain extent Musk.*
- encouragement of the development of a diversity of businesses and industries to ensure a range of visitor activities - *DSCR's current operations including the Sunday Market and the new Bullarto development will continue to diversify the products offered. Tours by schools and others of the Bullarto station and yard precinct and utilisation of the venue for wedding parties and conferences will further diversify the products offered.*
- improved promotion of festivals and events - *DSCR's existing operations and the Bullarto development will assist in making local events such as the Bullarto Tractor Pull, the Bullarto Goat Festival, the Musk Farm Open Garden, and the "Chill Out Festival" more attractive.*
- improved visitor information services and interpretation related to mineral water resources and nature-based tourism activities - *DSCR's existing operations and the Bullarto development will provide greatly enhanced interpretation of local culture and heritage.*








# Queer Country Pride

ChillOut Festival 2012  
DAYLESFORD LABOUR DAY  
LONG WEEKEND 9-12 MARCH 2012

[Home](#)
[About ChillOut](#)
[Visitor information](#)
[Participate](#)
[Contact Us](#)
[Buy tickets](#)
[Events](#)
[Worthy cause](#)
[Partners](#)
[Galleries](#)

### Follow Us



Join our mailing list

Stay in touch with our email newsletter

Email Address:

[Join Now](#)

Search Website

[Search](#)

**Acknowledgement**

We acknowledge the traditional owners of the land on which we celebrate ChillOut, the Jaara-Dja Dja Wurung people. On this land the Jaara people have performed age old ceremonies of celebration, initiation and renewal. We acknowledge their living culture and their unique role in the life of this region.

**Partners**

**MAJOR PARTNERS**  
Take Care OutBack There  
Albert Guest House & Mill  
Suites  
Advanced Audio

**OFFICIAL MEDIA PARTNERS**  
Star Observer  
MOV  
Cherie  
Joy 94.9  
Sovereign Press  
The Advocate  
Pink Media Group

**VIEW ALL PARTNERS & SPONSORS**


In case of extreme weather/fire conditions please refer to [www.cfa.vic.gov.au](http://www.cfa.vic.gov.au) for regular updates

## Daylesford Food and Wine Train

[Back to Events](#)

Event:	Daylesford Food and Wine Train	Venue:	Daylesford Spa Country Railway
Start:	10 March 2012 11:00	Address:	Daylesford Railway Station, Regan Street, Daylesford, 3460, Australia
End:	10 March 2012 19:00		
Cost:	\$35		
Category:	Food and wine, Saturday events		
Organizer:	Daylesford Spa Country Railway		
Phone:	0421 180 100		
Email:	<a href="mailto:marketing@dscr.com.au">marketing@dscr.com.au</a>		
Updated:	5 February 2011		

Travel First Class through the Wombat Forest to Musk, the first station on the original branch line to Melbourne, in our beautifully restored train.



Kick start your evening with a range of beautiful local wines and delicious cheeses whilst listening to local Country/Blues duo The Travelling Concessions.

Due to popular demand we will be running two Food & Wine Trains at 6pm & 8.30pm.

Tickets \$35 Includes all drinks and a donation to SE8.

50% deposit required on groups of 4 or more.

[ChillOut Bush Dance - Daylesford Town Hall](#)

[The Gay Tour of Daylesford](#)

**Figure 19 – The Chill Out Daylesford Festival Each March – Supported by DSCR**

The ten objectives of the DDSTP are shown in Figure 20:

Objective One:

Establish an effective and collaborative tourism management structure to guide tourism locally that contributes to the economic, social and environmental well-being of the region.

Objective Two: Integrate the Destination Daylesford Strategic Tourism Plan into local and state government policy and review existing development controls.

Objective Three: Undertake research to improve understanding of the value of tourism, visitor needs and satisfaction, and the economic, socio-cultural and environmental impacts of tourism.

Objective Four: Provide on-going local information and communication to ensure visitors, local businesses, local government and the community understand tourism and community values.

Objective Five: Establish Daylesford, Hepburn Springs and Surrounds as a destination renowned for excellence in service quality.

Objective Six: Encourage the development of quality tourism product and investment outcomes consistent with the destination's brand positioning.

Objective Seven: Develop Daylesford, Hepburn Springs and Surrounds as an environmentally responsible destination.

Objective Eight: Market Daylesford, Hepburn Springs and Surrounds as a nationally and internationally renowned spa, wellness and mineral water centre, consistent with the Daylesford and Macedon Ranges product region as recognised in Victoria's Tourism Strategy

Objective Nine: Maximise the effectiveness of visitor information services and interpretation for visitors.

Objective Ten: Support and maximise the benefits of festivals and events across the region.

## Figure 20 – DDSTP Objectives

The specific initiatives and recommendations related to the objectives have been identified in the DDSTP. Those recommendations supported by DSCR's current and future operations are mainly in the areas of:

- Objective 6 – Infrastructure Development and Investment – Recommendations and DSCR actions in support:
  - *“There is a need to investigate the development and promotion of additional tourism product and visitor experiences to add to the spa, wellness and mineral water experience” – as detailed above, DSCR is progressing this recommendation through its current operations and the Bullarto development.*
  - *“should work with villages to develop strategies for visitor dispersal throughout the region” – as detailed above, DSCR is progressing this recommendation through its services which connect Bullarto and Musk to Daylesford.*



- Objective 7 – Sustainable Development - Recommendations and DSCR actions in support:

- *“Given the importance of the natural environment for the region, for example, the Mineral Springs Reserves and Wombat State Forest, it is recommended that an environmental management framework be developed to protect these” – as detailed above, DSCR is progressing this recommendation through its lineside strategy which seeks to maintain the natural beauty and environment as part of the overall early Victorian Railways branch line experience, especially in the area through the Wombat State Forest.*

- Objective 9 – Visitor Information and Interpretation - Recommendations and DSCR actions in support:

*“Further improve visitor information services across the Shire and develop a co-ordinated approach to the development of interpretation programs for key visitor attractions across the region in partnership with other local and regional stakeholder organisations and government agencies” – as detailed above, DSCR is progressing this recommendation through its current operations and the Bullarto development, which is based around an interpretive experience at Bullarto that supports telling of the story related to culture and heritage.*

- Objective 10 - Events - Recommendations and DSCR actions in support:

- *“Develop an event strategy to improve co-ordination, management of festivals and events across the region ” – as detailed earlier, DSCR is progressing this recommendation through its current operations which support the Bullarto Tractor Pull, the Bullarto Goat Festival, the Musk Farm Open Garden, and the “Chill Out Festival”.*



**Figure 21 – Bullarto Tractor Pull - Supported by DSCR Operations to Bullarto**

### **3.3.3 Related Tourist Infrastructure Musk / Bullarto**

In the area along the railway line, the tourism-related infrastructure is immature but developing. There are over a dozen bed and breakfast facilities offering a range of accommodation from basic to up-market accommodation. Bullarto has a refurbished motel that caters for the mid to upper level segment of the market. For some time, DSCR has supported those ventures through the provision of promotional material at the stations and through the referral of enquiries at Daylesford. The recent Central Highlands Regional Strategic Plan and the Destination Daylesford Strategic Tourism Plan recommend such mutual support activities.

Passing Clouds winery and Trewhella Berry Farm, located close to Musk, are established and offer visitors additional destinations if they board at either Musk or Bullarto and have a motor vehicle. In the long term, when resources and volunteer capacity are available, there is the prospect of the railway linking a fine dining service to products that may be available through those two facilities.

The winery has tasting rooms and a cellar door and the berry farm also has facilities to accommodate in excess of 40 patrons.



**Figure 22 – Passing Clouds Winery**

### **Daylesford**

Daylesford is a very mature and sophisticated tourist market, with people visiting the area seeking fine wine, fine food, outdoor experience and indulgence. Within Daylesford, the fine food and wine sector has been growing especially.

The Sunday Market operated by DSCR supports the fine wine and food sector and provides a diversity of product offering for visitors to Daylesford. Again, the importance of initiatives such as the Sunday Market are detailed in the Central Highlands Regional Strategic Plan and the Destination Daylesford Strategic Tourism Plan.

Daylesford Spa Country Railway's main terminus is located at Daylesford. It is one of Victoria's most visited non-provincial city towns, and the tourism infrastructure is well established and well suited to adequately meet the needs of the segments visiting the area.



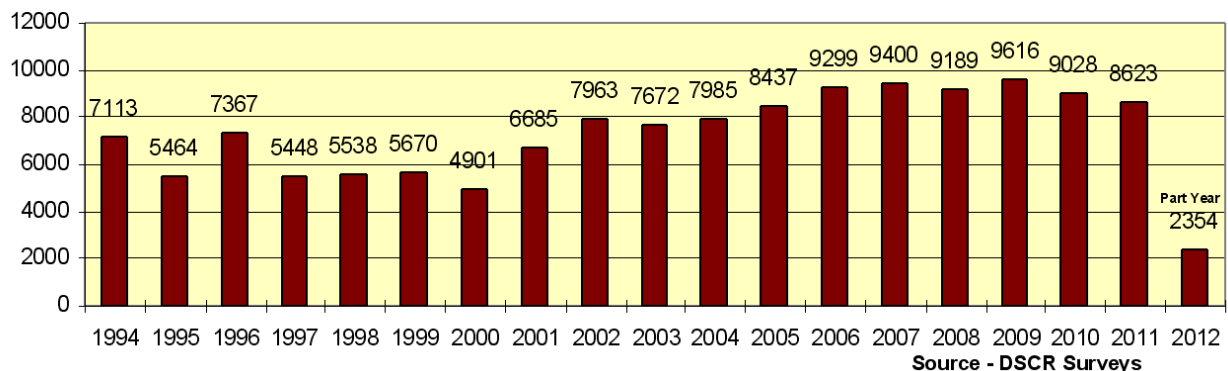
**Figure 23 – Daylesford – a Sophisticated Market**

In summary, the tourism-related infrastructure in Daylesford affords Daylesford Spa Country Railway significant opportunity due to the number of tourists and the offerings available for those visiting Daylesford seeking a natural environment, and culture and heritage experiences. DSCR's activities also add significantly to the existing offering.

### 3.3.4 Marketing – The Railway Experience

Figure 24 below shows the total number of passengers carried annually by the Daylesford Spa Country Railway between 1994 and 2011. In 2009, 9,616 passengers were carried. Figures post 2009 reflect the impact of the bushfire and the subsequent restricted service to Musk. In 2011, 8,623 passengers were carried on the railway.

**Daylesford Spa Country Railway Total Annual Passengers**



**Figure 24 – Total Number of Passengers Carried by the Daylesford Spa Country Railway – 1994 - 2012**

Detailed below in Figure 25 is the current market segmentation of the Daylesford Spa Country Railway, developed utilising railway data based on the type of tickets sold and the total number of passengers travelling.

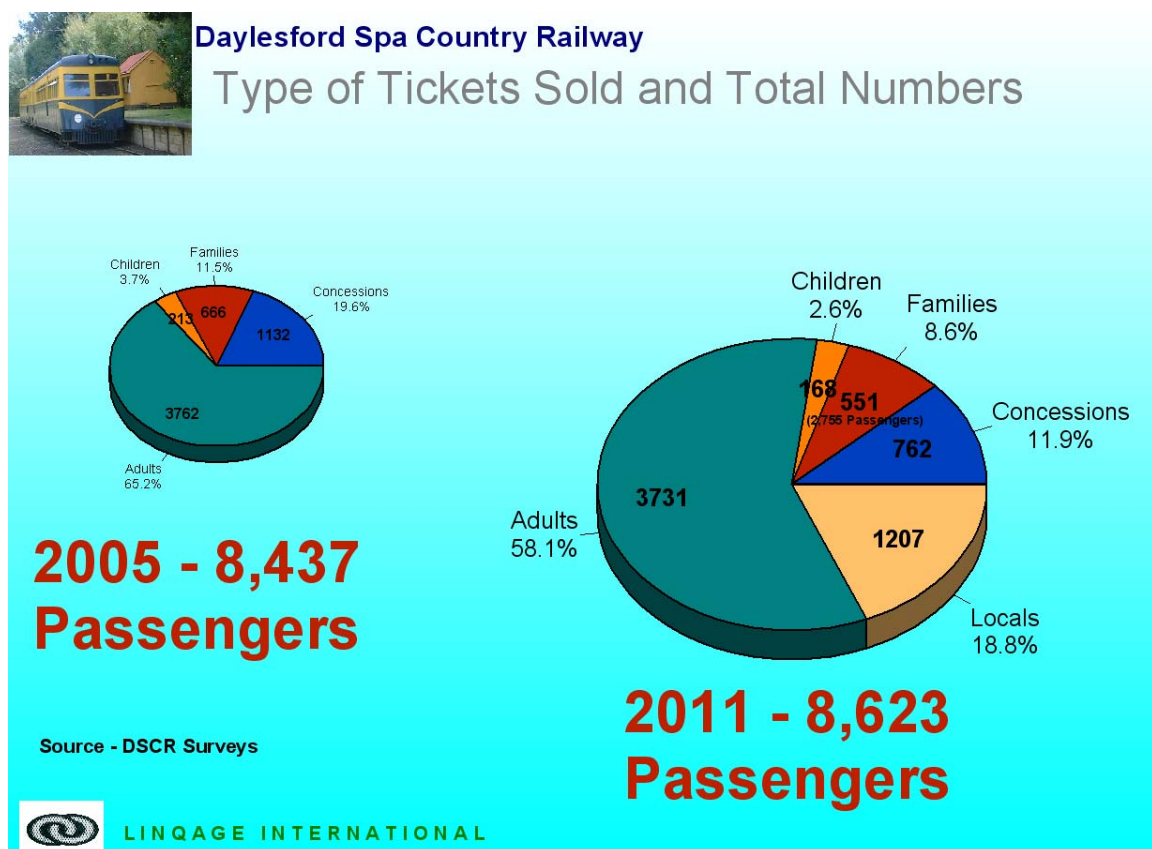
It can be seen that the dominant market profile since 2005 remains excursion.

The monthly Silver Streak provides a service for the premium end of the market that meets demand and is within the capacity of DSCR to deliver.

Future marketing must remain focused on the existing excursion and premium products while promoting Bullarto as a close destination for those travelling from Melbourne.

On completion of the planned works at Bullarto, marketing must be tailored to also promote:

- The station and yard precinct at Bullarto as an essential visit destination for Melbourne school groups wishing to understand elements of the curriculum including transport, lighting technology, the social impact of railways, living conditions in the early 1900s, the impact of motor vehicles on transport, and an understanding of local industries such as sawmilling.
- The facilities at Bullarto will also be available for wedding parties, conferences, corporate launches and seminars.



**Figure 25 – Current Market Segmentation of the Daylesford Spa Country Railway – Tickets Sold**



### **3.3.5 Marketing Operations**

Current operations of DSCR have been significantly impacted by the reduction in services due to bushfire damage, and the subsequent maintenance requirements for the Musk to Bullarto section.

DSCR has a volunteer Marketing Manager supported by volunteers from within the organisation.

The marketing effort to maintain revenue at the current levels has been well directed and has delivered the required outcomes.

Future efforts must concentrate on consolidation of existing marketing to ensure that current capacity on excursion services is filled.

Marketing related to the Silver Streak must focus on maintaining the brand as a quality food and wine experience. The demographic of the existing market requires the maintenance of a high standard of service, food and wine.

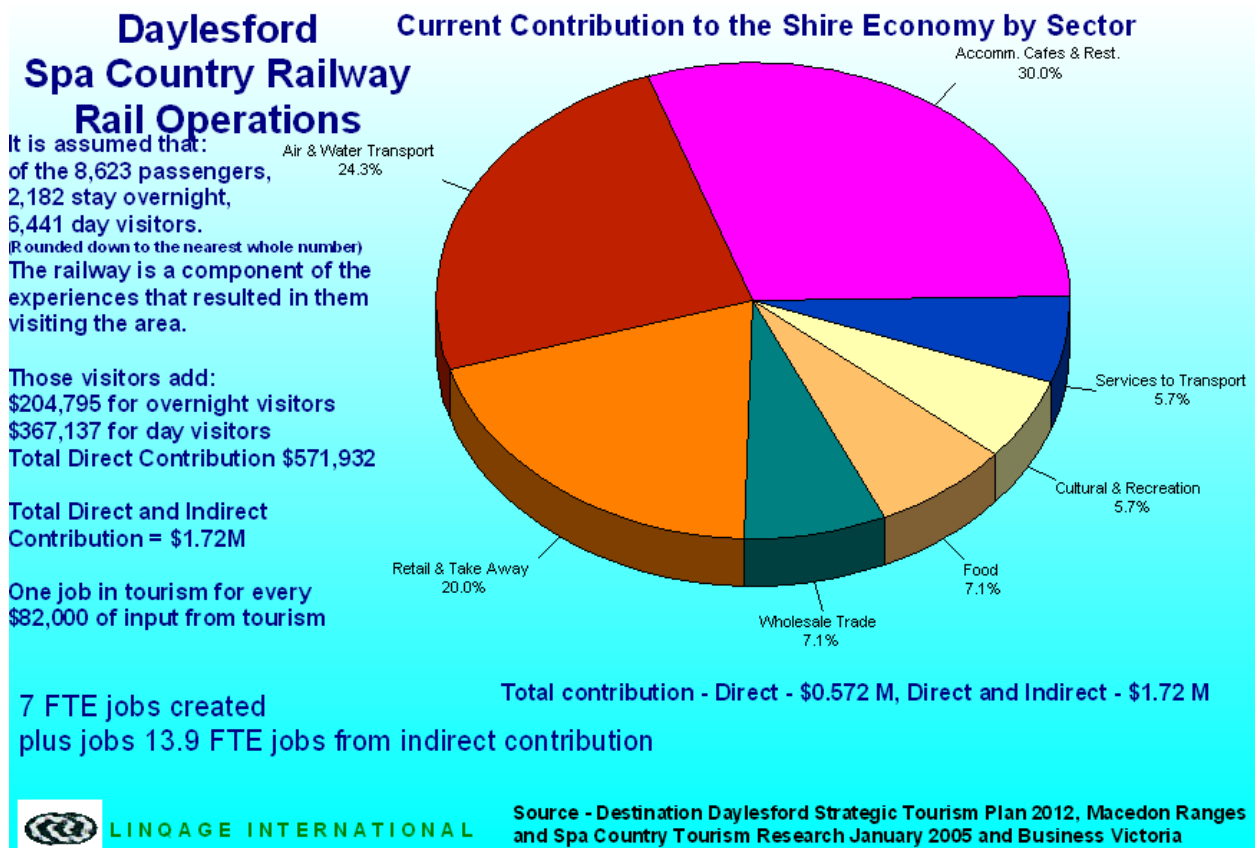
DSCR will conduct a marketing development workshop in late June 2012 to further consolidate its marketing initiatives.

## **3.4 Current Contribution to the Shire Economy**

### **3.4.1 Rail Operations**

Of the 8,623 passengers carried on Daylesford Spa Country Railway during 2011, using the breakdown of visitors detailed in the Destination Daylesford Strategic Tourism Plan 2012, 2,182 would have stayed overnight, and 6,441 were day visitors (numbers are rounded down to the nearest whole). It is assumed that the railway is a component of the experience that resulted in those visitors coming to the area.

Based on data in the *Macedon Ranges and Spa Country Tourism January 2005* research, the most up to date source of information, the 2,182 overnight visitors contributed \$204,795 annually to the regional economy, and the 6,441 day visitors contributed \$367,137 to the regional economy. The total direct contribution from visitors to the Daylesford Spa Country Railway was \$571,932. The total direct and indirect contribution to the regional economy was \$1.716 million. Based on data provided by Tourism Victoria which indicates that for every \$82,000 input from tourism there is one job created, there are currently 7 full time equivalent jobs created in tourism by the Daylesford Spa Country Railway. That does not include 13.9 full time jobs created from the indirect contribution. Figure 26 below details the current economic contribution of DSCR's rail operations to the Shire.



**Figure 26 – DCSR Economic Contribution from Rail Operations**

### 3.4.2 The Sunday Market



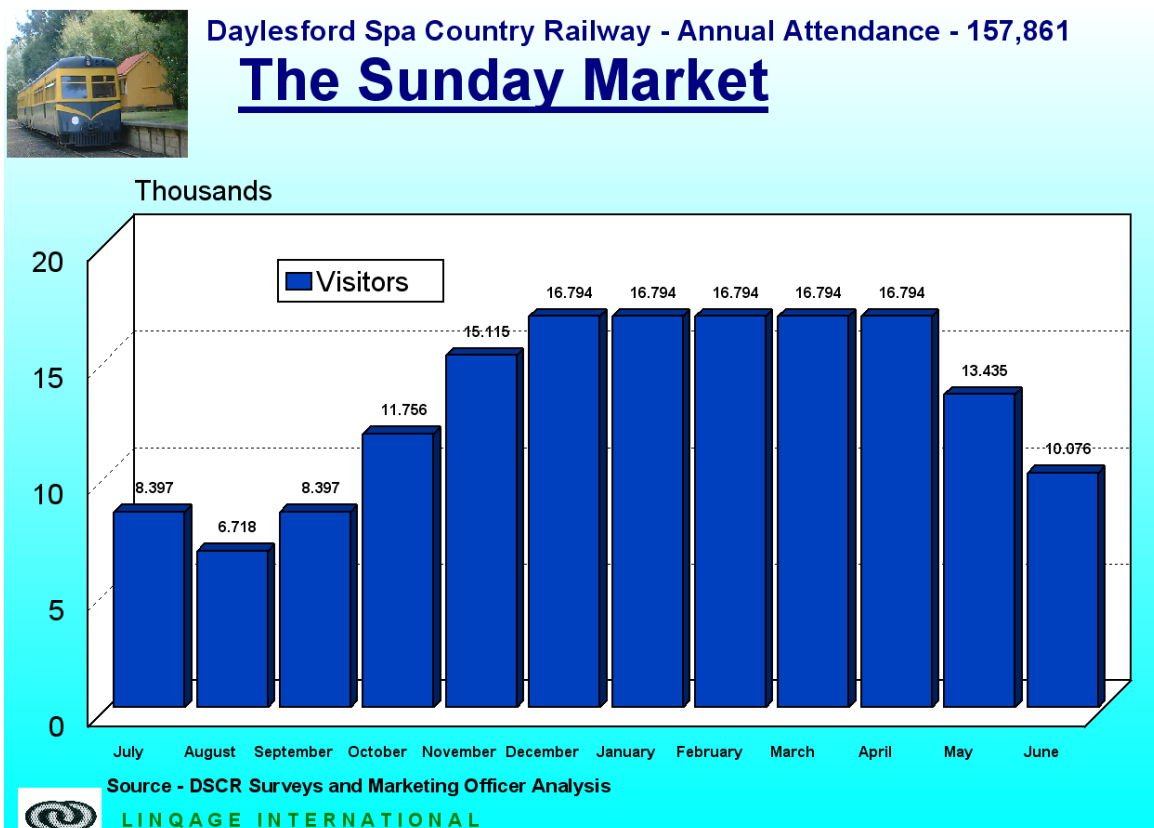
**Figure 27 – Daylesford Spa Country Railway's Sunday Market**



As detailed in the Background Section, DSCR augments its revenue through the operation of a very successful Sunday Market.

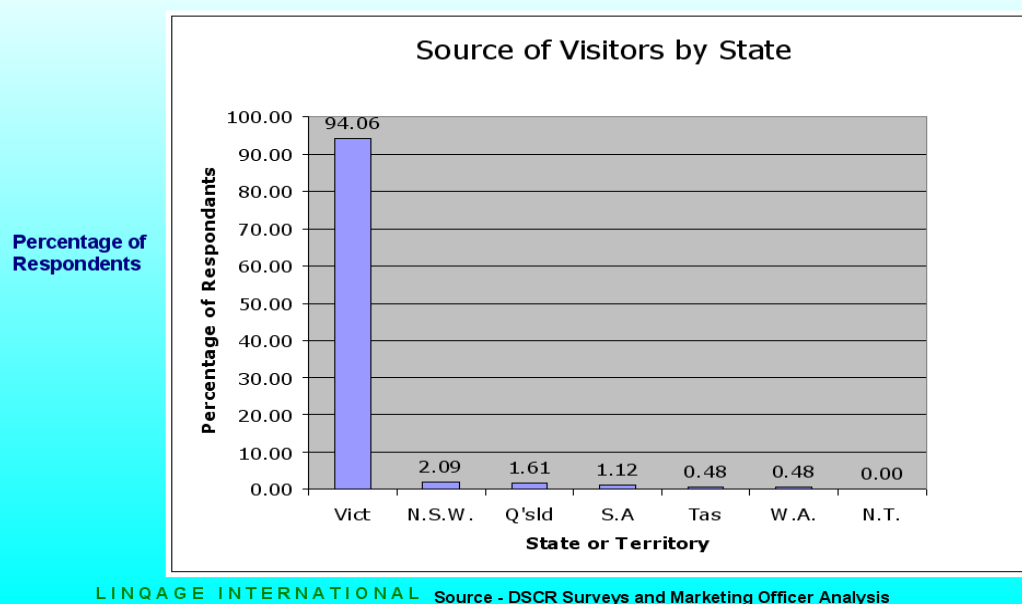
Individual stallholders were surveyed by Linqage International to identify the monthly variation in takings and attendance figures over the last three years. Data gathered from that survey was collated and applied to the data captured by the Daylesford Rotary Club.

Total attendance over 2010 / 2011 was 157,861. Figure 28 detailed below shows the number of visitors, by month, for the period.



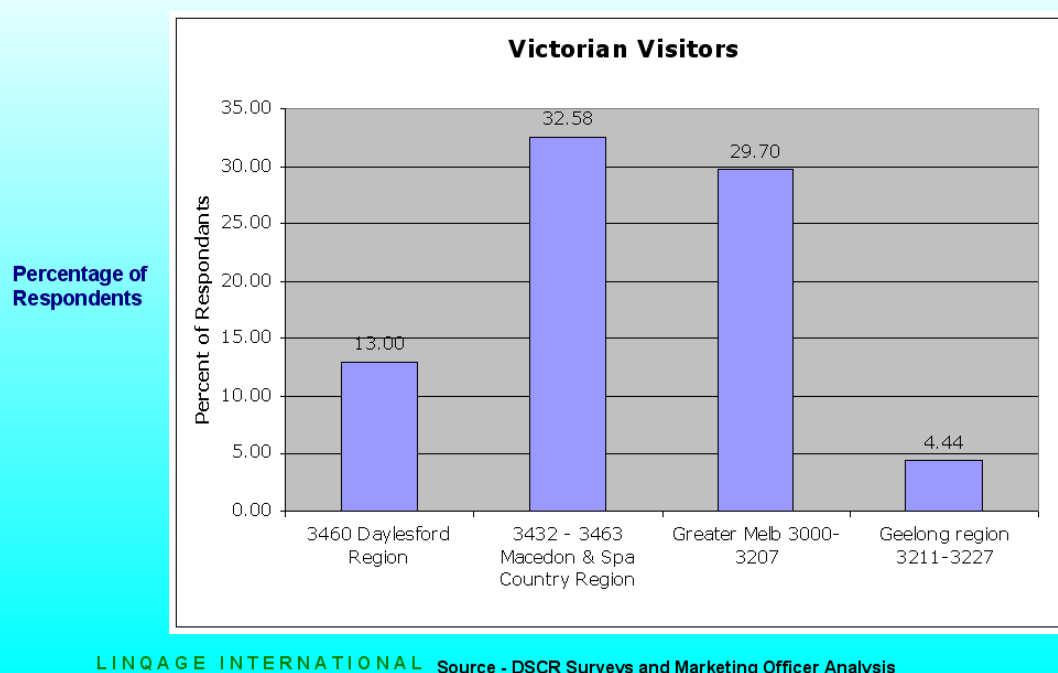
**Figure 28 – Sunday Market: Number of Visitors 2010-2011**

Significant analysis was done by the Daylesford Spa Country Railway to identify the source of Sunday Market visitors by State. Figure 29 detailed below shows the source of visitors by State. 94% of visitors are from Victoria, with 2% from New South Wales, 1.6% from Queensland, and 1.1% from South Australia.



**Figure 29 – Sunday Market: Source of Visitors**

Figure 30 detailed below shows the origin of Victorian visitors.



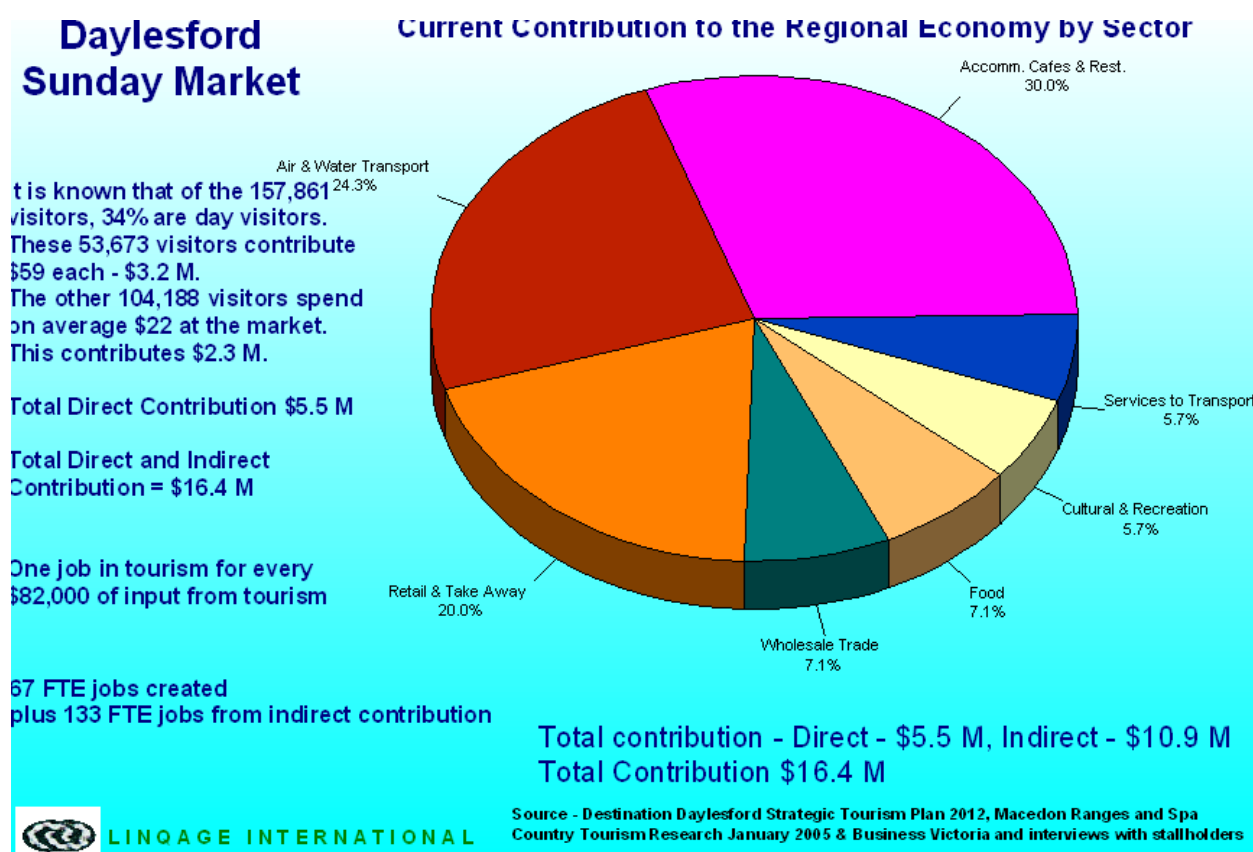
**Figure 30 – Sunday Market: Origin of Victorian Visitors**

32.6% are from the Macedon and Spa Country region, with 29.7% visiting from Melbourne, and 4.4% visiting from the Geelong region. 13% were from the Daylesford region.

Most of the Victorian visitors to the Sunday Market visit Daylesford specifically for the market.

Patronage from the Daylesford region highlights the importance of the Market to locals who purchase produce and also share the social interaction.

Figure 31 below details the current contribution to the Shire economy, by sector, from the Daylesford Sunday Market.



**Figure 31 – Sunday Market Contribution to the Shire Economy**

Of the 157,861 visitors, 34% are day visitors to the area. Those 53,673 visitors contribute \$59 each or a total of \$3.2 million to the regional economy.

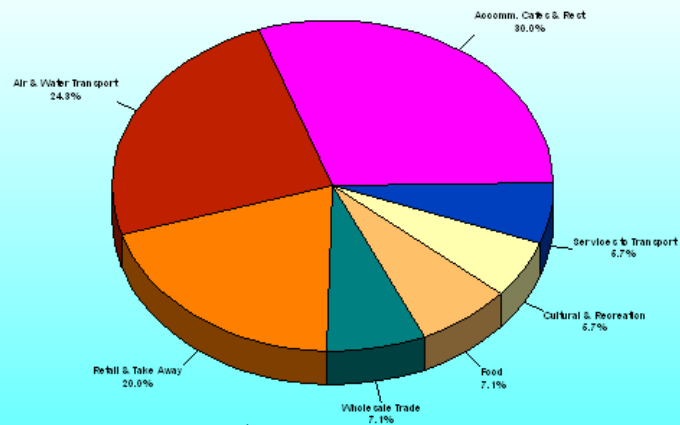
The 104,188 overnight visitors to the Market spend on average \$22 at the Market leading to a contribution to the regional economy of \$2.3 million.

The total annual direct contribution from the Daylesford Sunday Market is \$5.5 million. Using data previously cited, that equates to 67 full time equivalent jobs being created within the region from the Market. The total annual direct and indirect contribution from the Daylesford Sunday Market is \$16.4 million.

### 3.4.3 Combined Railway / Sunday Market Contribution

It can be seen from the above that Daylesford Spa Country Railway and the Sunday Market directly contribute \$6.03 million and indirectly contribute \$12.06 million annually to the Shire's economy, with a total direct and indirect contribution of \$18.09 million. They directly create 74 FTE positions in the economy with the indirect contribution of 147 FTE positions providing a total of 221 FTE positions across the regional economy. Figure 32 details the annual combined contribution.

#### Daylesford Spa Country Railway and Sunday Market Current Contribution to the Shire Economy by Sector



DSCR - Contribution - Direct - \$0.572 M, Indirect - \$1.144 M

Sunday Market - Contribution - Direct - \$5.46 M, Indirect - \$10.92 M

Total contribution - Direct - \$6.03 M, Indirect - \$12.06 M

**Total Direct and Indirect Contribution - \$18.09 M**

74 FTE Positions Created from Direct Contribution

147 FTE Positions Created from Indirect Contribution

**221 FTE Positions Created from Combined Direct and Indirect Contribution**



LINGAGE INTERNATIONAL

Source - Destination Daylesford Strategic Tourism Plan 2012, Macedon Ranges and Spa Country Tourism Research January 2005 & Business Victoria and interviews with stallholders

**Figure 32 – Combined Sunday Market and Railway Contribution to the Shire Economy**

### 3.5 Sunday Market – Key Issues – The Way Ahead

Discussions with stallholders and attendees at the Market indicated the following:

- The DSCR Sunday Market has established a credible market presence. Stallholders surveyed indicated that it was their market of choice.
- The strength of the Market is its ambience and atmosphere, and all those surveyed requested that it not be changed.
- The Market is viewed as being well organised and managed.
- The mix of stalls and products available is good; it is not all nursery items or produce – it has varied offerings.
- The Market is a successful, mature product.



- Current maintenance budgets are sufficient.
- Stallholders are very price sensitive, and their expense base must remain low.
- Stallholders are sensitive to "interlopers" or extra stalls as they severely impact on their takings.
- Revenue from the market remains in the range of \$80,000 to \$90,000 - annually.
- The expense base of the Market is in the region of \$30,000 annually.

Railway related issues associated with the Market are:

- The Market is a "cash cow" for DSCR and the contribution from the Market has been critical for the railway's survival, especially with revenue depleted due to the restricted service to Musk.
- The client base of the Market is not the client base of the railway, and that has been confirmed by postcode analysis, however, promotion of the railway on Market days does increase patronage.
- People who go to markets generally do not want to travel on a train.

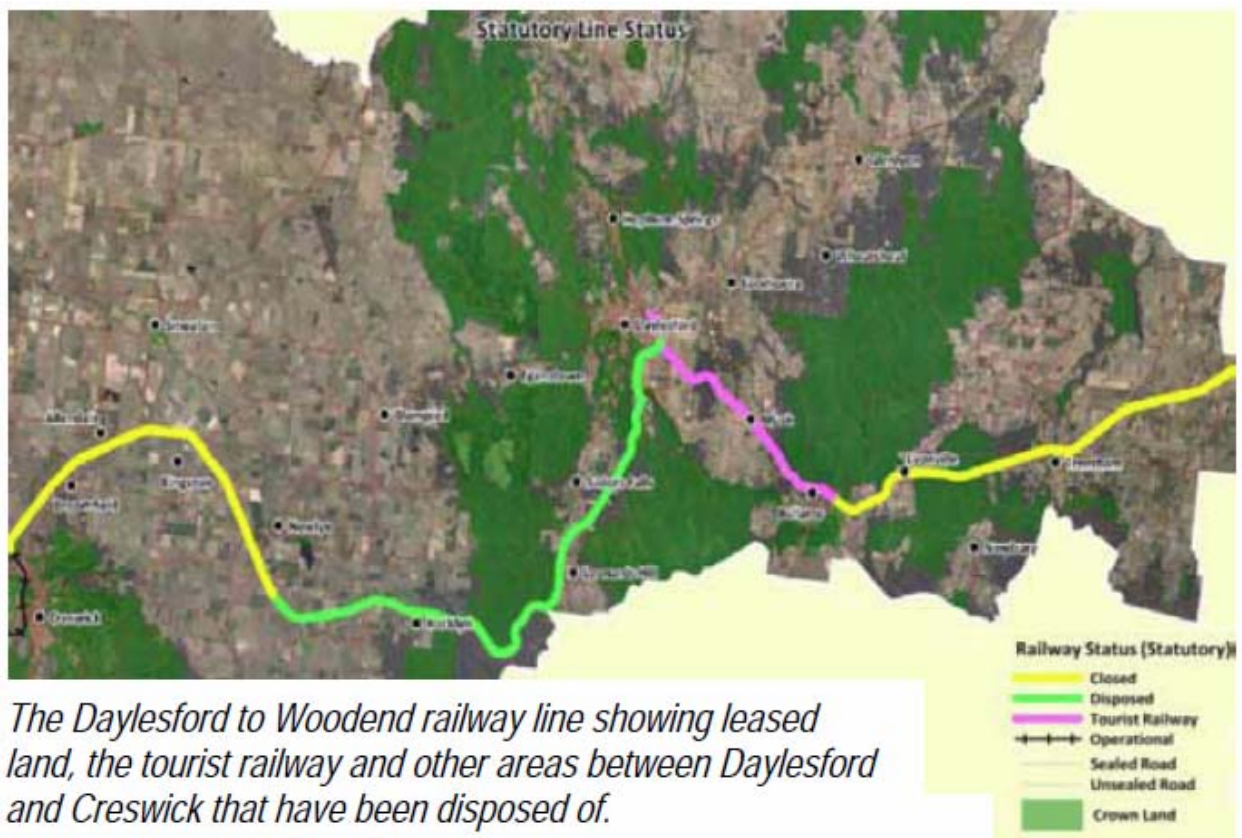
In considering the above issues, DSCR is gaining maximum benefit from the successful venture. It was agreed that the best ongoing strategy for the Market was to continue with the existing positioning and marketing strategy.

One issue to be resolved in the short term is the requirement to further support the capacity of the Market management. The part time manager has successfully grown the Market to its current broad base. Currently, the workload associated with the Market has grown to a point where it is not sustainable with the current arrangements. Additional management support is required for the Market.

### **3.6 Rail Trails**

Across the State, there are initiatives to convert disused railway reservations to rail trails for recreational bicycle riders.

Hepburn Shire which encompasses the area of DSCR's operations has developed a Hepburn Walking and Cycling Strategy 2011. In the long term, the proposal is to create an Iconic Trail, a rail trail from Daylesford to Woodend.



**Figure 33 – Daylesford to Woodend Rail Trail – Showing Where DSCR’s Right of Way Must be Preserved During Construction of the Rail Trail**

DSCR supports the initiative to create a rail trail, however, the section of the proposed Iconic Trail from Bullarto to Daylesford must be well clear of the DSCR rail reservation due to the following:

- Rail safety utilises a risk based approach; the risk associated with the proposed trail is high as the likelihood of a cyclist or walker moving from the designated trail and onto the rail permanent way is relatively high, and the outcome should the cyclist or walker be hit by a train is generally fatal. That is why railway operators discourage any activity that is in relatively close proximity to the lines on which they operate.
- Capital works that lower the risk to walkers and riders are very expensive as protected crossings and extensive fencing is required.
- Recurrent expenditure required to maintain the capital works that lower the risk is also very expensive. Tourist and heritage railways conduct daily inspections of their track to ensure they are safe for operations. Similarly, a daily inspection of risk mitigation measures for protected crossings and the extensive

fencing that protects the track would be required. In addition, vegetation control is required to ensure:

- critical sight lines related to driver and walker / cyclist visibility are maintained;
  - noxious weeds are controlled; and
  - fuel reduction to reduce the impact of bushfires are undertaken.
- An Interface Agreement with the operator of the Rail Trail would be required, which specifies critical elements including responsibility for inspection, maintenance and replacement of capital items, in addition to defining responsibility for vegetation clearance, noxious weeds and fire prevention. Past experience has shown that operators of rail trails are not prepared to enter into Interface Agreements as defined by the various Rail Safety Acts across Australia.

In considering the above issues, DSCR believes that the most cost effective solution for the section of the proposed Iconic Trail that extends from Bullarto to Daylesford is to locate the trail well clear of DSCR's right of way to ensure the ongoing safety of walkers and cyclists.

### **3.6 World's Best Practice – Comparison with Other Tourist Heritage Railways**

In developing the Strategy and Business Plan for Daylesford Spa Country Railway, considerable benefit can be obtained by comparing the operation of Daylesford Spa Country Railway with those of other Australian and international tourism and heritage railways. Comparisons can be made with the Pichi Richi Railway in South Australia, the Puffing Billy Railway in Victoria, the Zig Zag Railway in New South Wales, the Victorian Goldfields Railway in Maldon, the Glenbrook Vintage Railway in New Zealand, the Combres and Toltec Scenic Railway in America, and Steamtown Peterborough in South Australia.

Comparison of those railways is made in terms of:

- Drive time
- Length of journey
- Short trip length
- Round trip in hours
- Short trip in hours
- Number of locomotives
- Number of staff
- Total revenue
- Revenue from fares, souvenirs and refreshments.

In considering the operation of Daylesford Spa Country Railway compared with the other operations detailed above, the following is apparent:

- Access to a large market is achievable
- The experience, about a 25 minute one way ride is achievable
- Regular, easy to remember timetable is achievable
- Competitive fares are achievable
- Good returns from food, alcohol and souvenirs are achievable
- Paid management is at the right ratio and level
- Successful integration of volunteers has been achieved
- Sustainable funding for infrastructure is achievable.

In making the comparison with other tourism railways, the following key factors for success are apparent:

- **Resourcing.** DSCR must continue to successfully promote to State and Federal Governments the requirement to fund capital works that deliver significant economic, employment and social dividends but are beyond the capacity of DSCR to fully fund.
- **Marketing.** DSCR must focus on filling capacity on existing services and capitalise on its brand in the premium area. That is achievable.
- **Staffing.** The resources provided for management of the Sunday Market have been satisfactory in the past, however, the increased workload associated with the Market requires additional resources.
- **Retail.** The operation must effectively integrate retail, including food and alcohol, with the offerings and must secure good margins. That is achievable.
- **The Asset.** Sufficient surpluses must be generated to maintain and overhaul the asset. That is achievable.
- **Journey Length.** The capacity for Daylesford Spa Country Railway to offer a trip to Bullarto, a destination which has an historic station and yard precinct, falls within the parameters required, being approximately 40 minutes travel time one way. It will provide significant benefit for the enterprise.

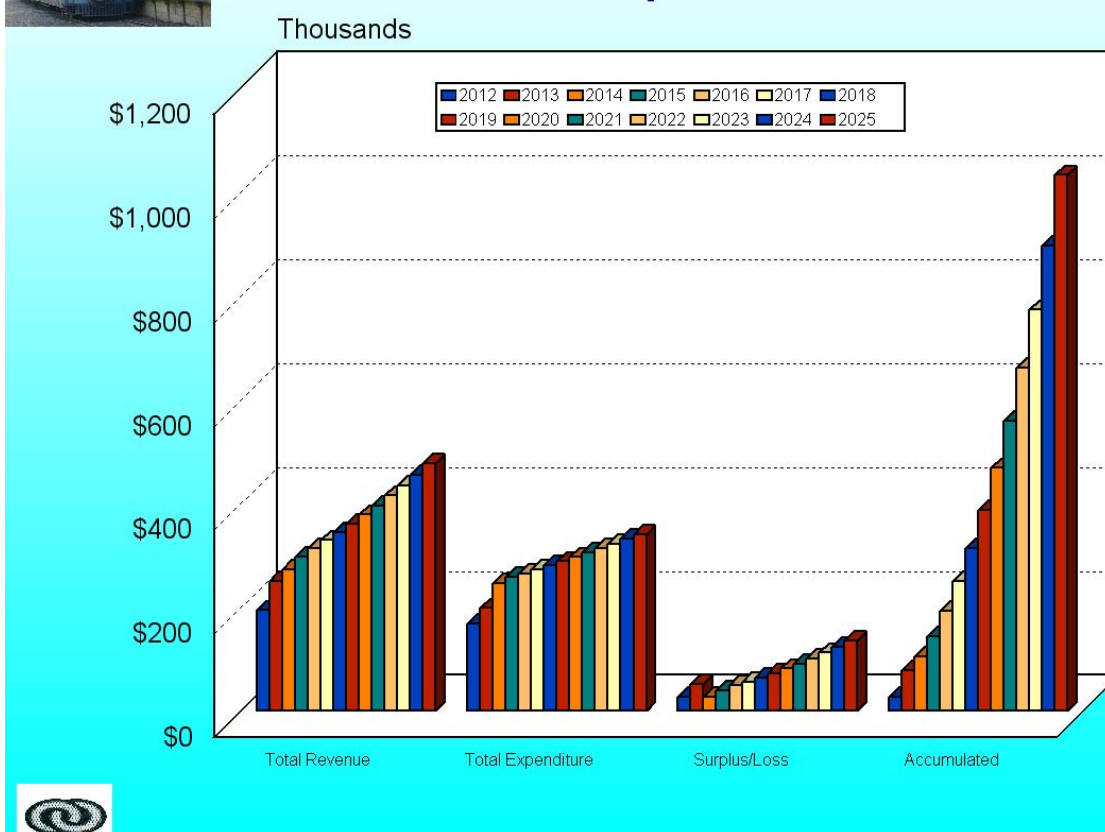
### **3.8 Financial Return and Input**

Figure 34 detailed below shows that given the past numbers and conservatively estimated future demand, sustainable revenues will flow to Daylesford Spa Country Railway.





## Daylesford Spa Country Railway Revenue / Expense Forecasts 2012 - 2025



**Figure 34 – Revenue and Expense Forecasts 2012 - 2025**

Capital works funding requirements are not included in the revenue and expense forecasts. Details of capital works are at Section 3.8.3.

Detailed revenue and expense budgets are shown at Attachment 1. The financial strategy as articulated in the operational revenue and expense budgets ensures the sustainability of the operation.

### 3.8.1 Operational Expenses

Annual expenses for management and administration include:

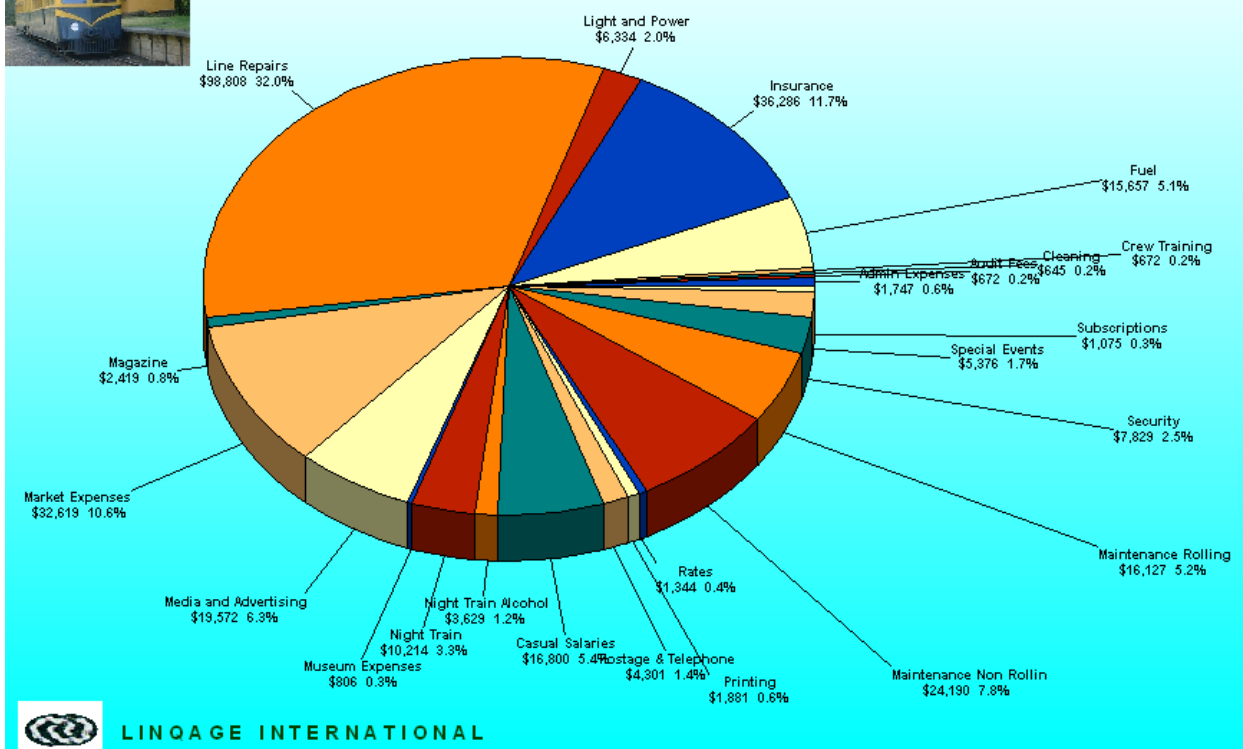
- Cleaning
- Marketing and administration
- Utilities
- Funds for volunteer support
- Funding for insurance, and
- Funding for operation of the Market.

The following operational costs have been included:

- Line repairs
- Casual salaries
- Fuel and Planned Maintenance.



## Daylesford Spa Country Railway Daylesford Spa Country Railway Expenses in 2022 - \$313,034



**Figure 35 – Annual Expenses for DSCR in 2022**

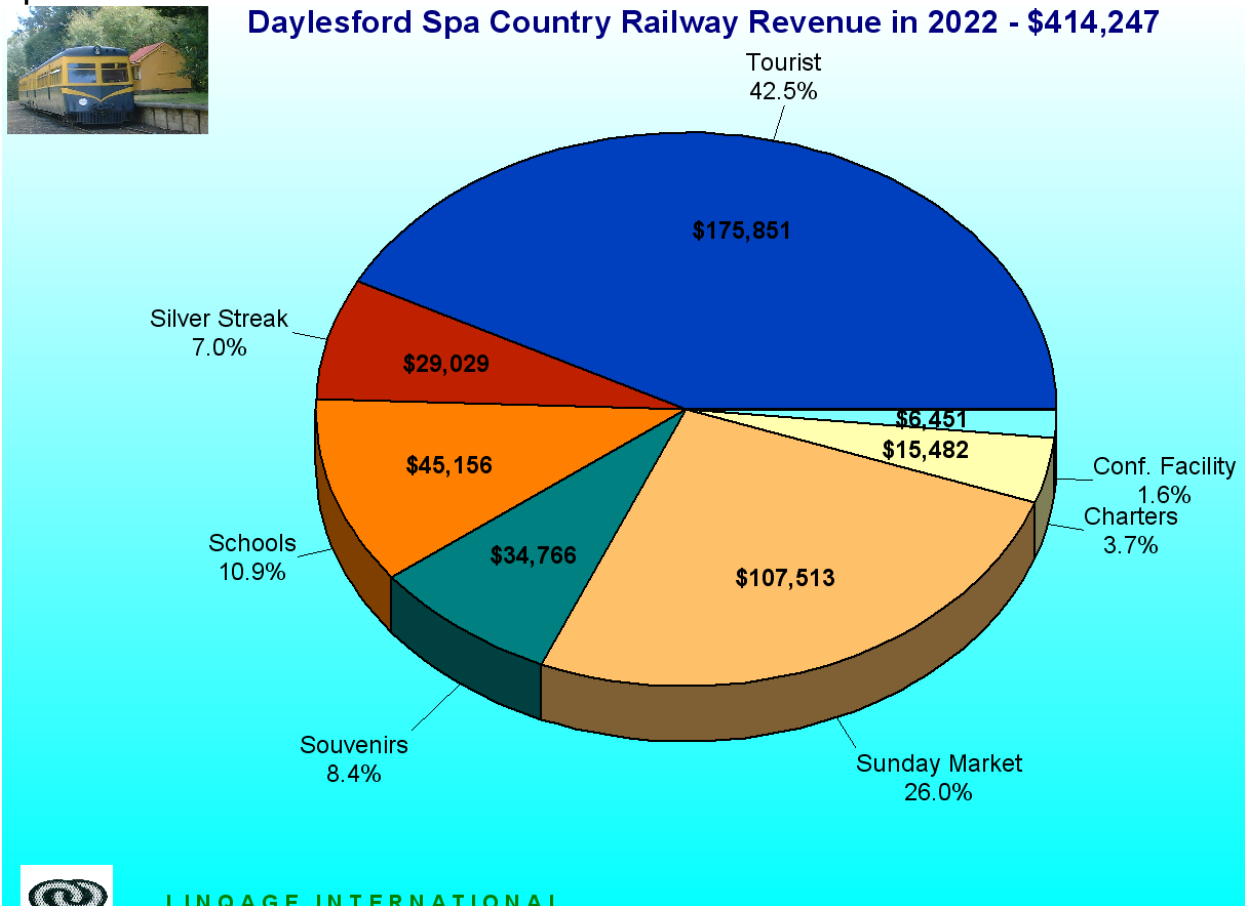
### 3.8.2 Operational Revenue

Operational revenue for Daylesford Spa Country Railway will be based on revenue received from the basic adult tourist fare of \$10 rising to \$15 when the line to Bullarto is reopened, and the Silver Streak fare of \$30 with alcohol charged separately. Revenue will be complemented by recovery on souvenirs and refreshments. Conservative growth based on realistic marketing indicates that tourist numbers should increase by 3% annually.



**Figure 36 – Revenue and Higher Margins from Souvenirs – Purchase Price < \$5, Selling Price > \$10 - Essential for Future Operations**

By 2022, revenue will be as detailed in Figure 37 below which shows that with conservative growth, sustainable revenue will flow to Daylesford Spa Country Railway. The revenue generated will provide for sustainable operation of the venture.



**Figure 37 – DSCR Revenue in 2022**

### 3.8.3 Capital Outlay

In order to consolidate Daylesford Spa Country Railway as a viable tourism venture that continues to contribute significantly to the regional and State economy, some capital investment is required.

A total investment of \$1.12 million is required. The capital investment is divided into three main areas:

- Infrastructure – rehabilitate the track from Musk to Bullarto, East Street bridge refurbishment, and extension of the covered storage area – \$320,000.
- Rolling stock – 53RM – \$250,000.
- Product development – Bullarto station and yard precinct redevelopment – \$550,000.

The capital requirements are summarised below in Figures 38 and 39.



Daylesford Spa Country Railway

## Capital Requirements

### Project Strategy - 3 Areas

1. Infrastructure - Bridge, Covered Shed Ext. & Track - \$220,000 + \$50,000 + \$50,000

2. Infrastructure - Rolling Stock - \$250,000

3. Product Development - \$550,000



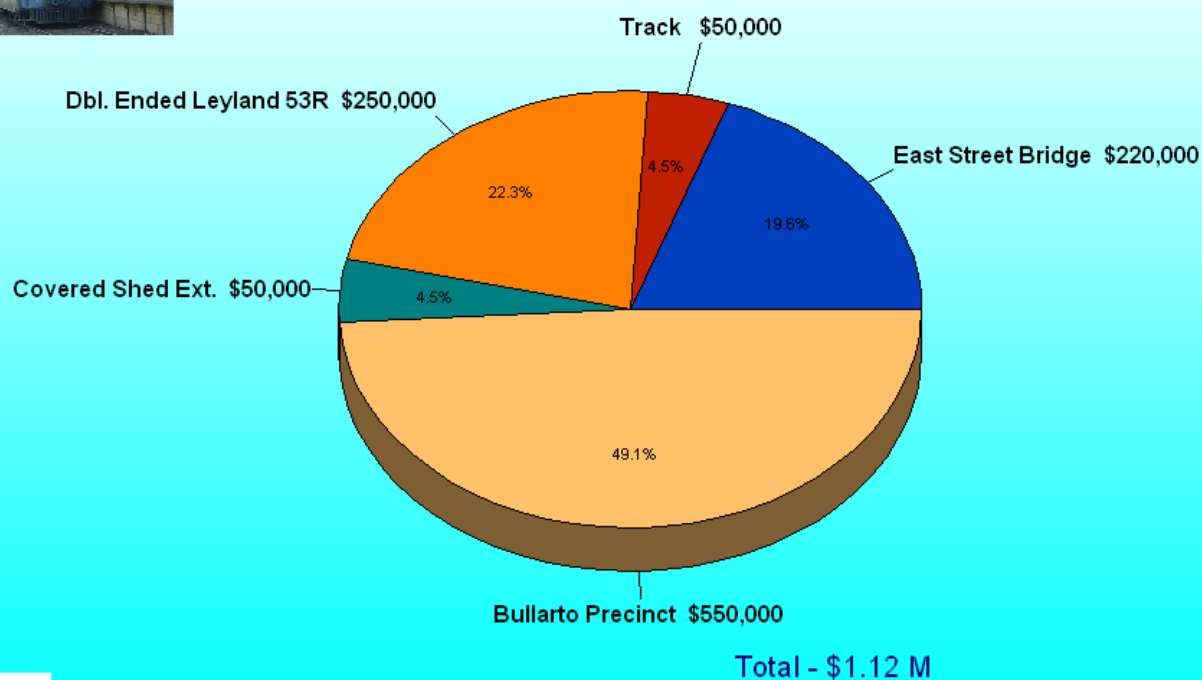
LINQAGE INTERNATIONAL

Figure 38 – DSCR Capital Projects



Daylesford Spa Country Railway

### Total Capital Expenditure



LINQAGE INTERNATIONAL

Figure 39 – DSCR Capital Projects Comparative Analysis



The infrastructure work consists of:

- Reconstruction of the East Street bridge - \$220,000.
- Upgrade of track to Bullarto - \$50,000 cash and \$147,000 in-kind contribution from DSCR; the remaining \$178,000 has been funded from Federal and Shire Council sources.
- Extension of the covered storage shed - \$50,000.

The rolling stock work consists of reconstruction of the Double Ended Leyland Railmotor 53RM - \$250,000.

The product development area will see the existing Bullarto precinct redeveloped into a 1920s period station and yard. The precinct will have facilities suitable for school groups to pursue curriculum studies, and a conference and hospitality area in the newly constructed goods shed facility. The precinct will improve Bullarto's attractiveness as a destination - \$550,000.

### **3.9 Management and Staffing**

To sustain Daylesford Spa Country Railway as proposed, the following staffing arrangements will be required:

- The part time Market Manager's position must be augmented to reduce the workload to a sustainable level.
- A casual driver must be employed when volunteers are not available to service the weekday school sector.
- A casual guard must be employed when volunteers are not available to service the weekday school sector.

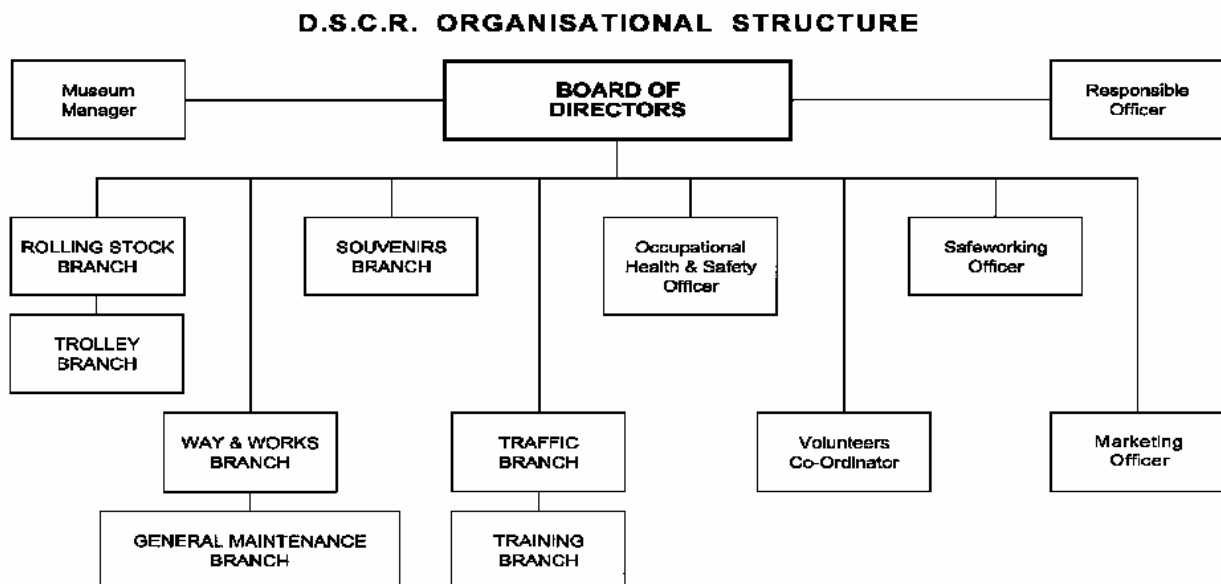
Current volunteer capability would effectively see the railway able to operate every Sunday utilising volunteer staff.

Casual staff would need to be employed to complement volunteers and staff the operations on the days of the week when school excursions are booked.

#### **3.9.1 Management and Governance**

The current management structure detailed below will remain.

This structure has proven to be effective.



**Figure 40 – DSCR Organisational Structure**

### 3.9.2 Volunteers

As detailed above, volunteers form almost all components of the staffing required to effectively operate the Daylesford Spa Country Railway.

Experience with other organisations and at DSCR shows that sufficient volunteers can be generated to operate enterprises such as Daylesford Spa Country Railway if:

- the volunteers believe they are contributing to the organisation and they gain satisfaction from that contribution;
- workloads do not burn out volunteers; and
- the volunteers have a mechanism for input to management of the organisation.

### 3.10 Risk

The major business risks associated with operation of the venture are:

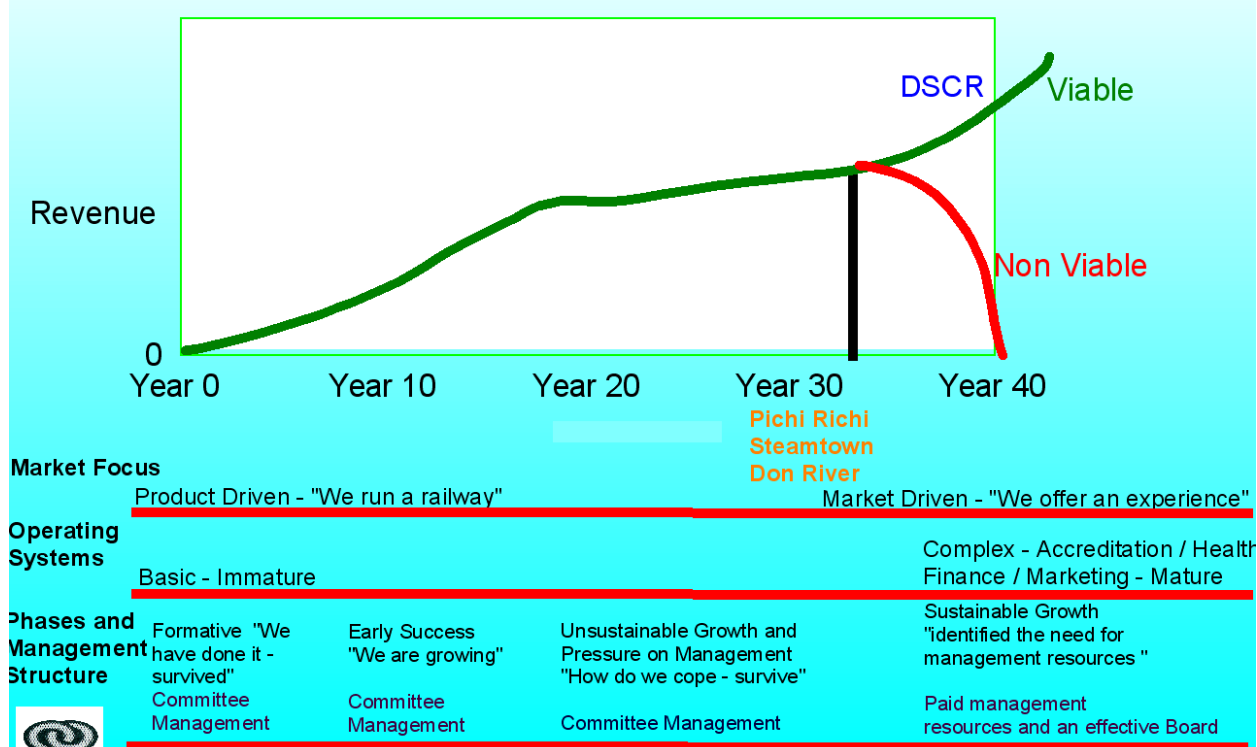
- **Securing the funding from State and Federal Governments.** The risk will be effectively managed through development of a comprehensive Strategy and Business Plan and a structured approach to both State and Federal funding bodies to ensure that the key elements of the Strategy and Business Plan are understood, especially the significant economic return for such a low input from State and Federal sources.
- **Achievement of marketing budgets.** The marketing budgets have been conservatively developed and they are in accord with the

regional tourism plans and strategies. A conservative approach has been taken in developing marketing budgets.

- **Governance and leadership.** The governance and leadership provided by DSCR's Board to date has resulted in establishment of a business that is well placed to capitalise on the growth opportunities available in Daylesford. In developing the organisation, that leadership and governance must be maintained. The Lifecycle of the Heritage Rail Sector illustrates the sustained changes that are required for success. It is envisaged that any risk associated with governance and leadership is manageable given the past record of the organisation.

## Lifecycle of Heritage Railways

Copyright Linqage International



**Figure 41 – Lifecycle of Heritage Rail Operations**

In addition to the risks outlined above, risks identified in the 'threat analysis' are detailed at Section 7.

#### **4. SUPPORTS AND STRENGTHS**

The major supports and strengths to be considered when developing Daylesford Spa Country Railway's Strategy and Business Plan are:

- **Synergy With Regional Marketing**  
The DSCR Strategy and Business Plan is strongly supported by the Central Highlands Regional Strategic Plan and the Destination Daylesford Strategic Tourism Plan. The Plans are mutually supportive.
- **Presentation**  
Daylesford Spa Country Railway's presentation is neat and appealing to the eye. People visiting the railway and the Market are not presented with sidings of decaying rolling stock awaiting refurbishment. It is a major strength.
- **Location and Natural Beauty**  
Daylesford Spa Country Railway takes visitors through one of the most picturesque forests in Victoria, the Wombat State Forest. Given the segments being targeted and their preference for a "nature" experience, it is a major strength.
- **Proximity to Major Populations and Tourist Hubs**  
DSCR's location being close to Melbourne and located at Daylesford, a sophisticated mature market with high visitation of high income visitors, is a major strength.
- **Heritage Restoration Work to Date**  
DSCR's success in securing and preserving a unique range of railcars and associated vehicles and the extensive documentation related to the heritage aspects of the railway are a major strength.
- **Museum Accreditation**  
DSCR's success in progressing museum accreditation is a major strength.



- **Commitment of Council**  
The commitment of Hepburn Shire Council to facilitating the development of a heritage and nature-based rail tourism icon is a major support.
- **Clear Direction**  
DSCR has a clear and agreed understanding of its future direction. It is a railway that showcases Victorian branch line operations in the era of railmotors. That clear organisation wide understanding is a major strength.
- **Governance and Age of the Board**  
DSCR's Board has successfully overseen development of the railway and the Market. The age of the Board is younger than most, and a succession plan is being developed. Those attributes are a major support.

## **5. WEAKNESSES AND IMPEDIMENTS**

The major weaknesses and impediments to the development and implementation of Daylesford Spa Country Railway's Strategy and Business Plan are:

- **Volunteer Capacity**  
Daylesford Spa Country Railway has limited volunteer capacity. The DSCR Strategy and Business Plan has taken into account that limited capability.
- **Current Under-Utilisation of Capacity**  
Daylesford Spa Country Railway's current lift capacity is not fully utilised. It is an impediment.
- **Track Infrastructure**  
The current state of DSCR's track is an impediment to the operation of the railway. The track was run down in its last years of operation by the Victorian Railways, however, significant resources have been applied to its improvement. Recent approval of external capital investment will see the problem rectified.

## **6. OPPORTUNITIES**

The major opportunities identified for the Daylesford Spa Country Railway are summarised as follows:

- **Utilise Spare Capacity**  
Currently, significant spare capacity exists on DSCR's Sunday excursion services and on the Silver Streak premium food and wine train. Development of those products through effective marketing is a major opportunity that will add to the revenue of the railway with very little additional expense.
- **Bullarto as a Destination**  
Effective implementation of the Daylesford Spa Country Railway's Strategy and Business Plan will see Bullarto developed as an historic precinct. It will improve the attractiveness of Bullarto as a destination, and add to the product offering of the railway as school groups, wedding parties, and small conferences and hospitality events can be serviced in the new development.
- **Viability – Ongoing Ability to Maintain and Showcase Important Heritage Items in an Operating Environment**  
Effective implementation of Daylesford Spa Country Railway's Strategy and Business Plan will see DSCR operating as a viable entity that can not only contribute significantly to the regional economy, but can also maintain and showcase in an operating environment many items of great historical importance to the community.

## **7. THREATS**

The threats facing Daylesford Spa Country Railway in developing and implementing its Strategy and Business Plan are:

- The threat that funds required for capital investment in the venture are not forthcoming due to Government indecision.
  - Likelihood of occurring: *Low*
  - Likely impact: *High*

The threat will be managed through development of a comprehensive Strategy and Business Plan and a deliberate and programmed approach to both State and Federal Governments that effectively targets key decision makers and highlights the economic return from the project.

- The threat of major unanticipated infrastructure failure and mechanical breakdowns occurring that render Daylesford Spa Country Railway unable to provide a service.
  - Likelihood of occurring: *Low*
  - Likely impact: *High*

The threat will be effectively managed through investment in track upgrade and restoration of rolling stock that will ensure DSCR can maintain its track at the required standard and ensure the availability of alternative rolling stock in the event of a failure.

- The threat that Daylesford Spa Country Railway cannot effectively market its product offerings and does not achieve its targets, thus becoming financially not viable.
  - Likelihood of occurring: *Low*
  - Likely impact: *High*

As detailed in section 3.10, the threat will be managed through setting conservative marketing budgets and targeted marketing efforts.

- The threat that key champions of the railway, Hepburn Shire Council and Regional Development Victoria (RDV), no longer support the project.



- Likelihood of occurring: *Low*
- Likely impact: *High*

The demonstrable amount of support provided by Hepburn Shire Council and RDV through funding capital works indicates a significant level of dedication to the venture. The dividend to the Shire and the Daylesford economy, through effective implementation of this Strategy and Business Plan, will ensure the ongoing support of Hepburn Shire Council and RDV.

- The threat that a major occurrence beyond the control of Daylesford Spa Country Railway and Hepburn Shire Council will impact on the number of tourists in the region, eg. a September 11 type of disaster.

- Likelihood of occurring: *Low*
- Likely impact: *High*

The impact of such a threat will be managed through Council's local and regional tourism plans and processes that will seek to minimise the impact of any similar threat.

- The threat of insufficient volunteers being available for operations.
- Likelihood of occurring: *Low*
  - Likely impact: *Medium*

Experience with other operations throughout Australia and internationally shows that volunteers, if effectively managed and encouraged, will support operations such as the Daylesford Spa Country Railway.

## **8. STRATEGY DEVELOPMENT – SUMMARY**

Having completed a comprehensive analysis of the issues impacting on Daylesford Spa Country Railway, together with an assessment of its strengths / supports, weakness / impediments, opportunities and threats, it was possible to develop the core strategy, key factors for success, goals and objectives for the Daylesford Spa Country Railway.

### **8.1 Core Strategy**

Daylesford Spa Country Railway's core strategy is:

The Daylesford Spa Country Railway will consolidate and further develop its operations by growing its existing markets with a focus on utilisation of spare capacity on its Sunday excursion services. The Silver Streak service will meet the needs of patrons who seek an indulgent, fine wine and food, and a nature-based experience. The Silver Streak brand as a premium product will be reinforced, and as with the Sunday excursion services, marketing initiatives to utilise spare capacity will be undertaken.

Current and future initiatives will continue to strongly support the Central Highlands Regional Strategic Plan and the Destination Daylesford Strategic Tourism Plan.

DSCR will complete refurbishment of the track between Musk and Bullarto and progress development of the Bullarto station and yard precinct into a recreated 1920s rural rail experience. Included in the development will be the recreated station building, train goods facility, goods yard, weighbridge and goods shed with a conference and hospitality capability. The development will improve the attractiveness of Bullarto as a destination by offering a true living heritage experience. The marketing focus for the new development will be schools, wedding parties, groups seeking a conference or hospitality venue and others.

DSCR will complement revenue from the excursion services and the premium Silver Streak service through retailing that will involve effective marketing of food, alcohol and a comprehensive range of souvenirs.

Management will focus on securing critical grants, achieving marketing targets, operating the Sunday Market, and liaising with Hepburn Shire Council and other tourism organisations to ensure effective promotion. The railway's close association with Regional Development Victoria will be further developed to ensure that investment requirements and the economic, social and environmental dividends from the investment are understood.

Effective management of volunteers is critical to the success of the operation. Management will ensure that volunteers can contribute to the operation in a satisfying manner, while being effectively supported to enhance the quality of the product offered to visitors. At all times volunteer workloads will be such that volunteer burn out is avoided.

Daylesford Spa Country Railway's infrastructure, buildings, track, bridges and rolling stock will be upgraded to a point where it is within the capacity of DSCR to maintain them on an ongoing basis. Critical infrastructure such as essential bridgework, ongoing track work, improved retail facilities at Bullarto, restoration of 53RM, and an extension of the secure undercover storage for the railmotors, will be progressed to ensure the ongoing sustainability of operations.

By 2022, of the 1.25 million people visiting Daylesford, 14,000 will travel on the Daylesford Spa Country Railway. Visitors will travel in period railmotors through one of Victoria's prime forest areas in a recreated "line scape" that represents a Victorian rural branch line from the last century. For those seeking indulgence, fine food, wine and other refreshments will be available to enjoy.

The regional economy will benefit significantly as the investment by stakeholders returns substantial economic, employment and other benefits to the region.

## **8.2     Key Factors for Success**

The following key factors for success were identified with respect to operation of the Daylesford Spa Country Railway:

- **Funding.** DSCR must effectively promote critical infrastructure projects to State and Federal funding bodies.
- **Marketing.** The conservative marketing targets must be attained, and existing high yield markets must be effectively targeted.
- **Sunday Market.** The Sunday Market must retain its position as a successful product recognised for its ambience, selection of goods available, good management, and price competitiveness.
- **Resources.** The resources allocated to marketing must be effectively utilised so that the marketing targets are achieved and spare capacity is utilised.
- **Volunteering.** Volunteer input must be maintained by ensuring burn out does not occur.
- **Staffing.** The part time Sunday Market Manager position must be further resourced to reduce the workload to a sustainable level.
- **Retail and Food.** Retail and food operations must be effectively integrated with Daylesford Spa Country Railway's activities so that significant margins are achieved from food, alcohol and souvenirs.
- **Maintenance.** Daylesford Spa Country Railway's key assets, track and railmotors, must be effectively maintained and critical planned maintenance must be implemented as detailed in the budgets.
- **Governance** – The current high level of governance and leadership exhibited by the DSCR Board must be maintained.



## **9. GOALS AND OBJECTIVES**

Daylesford Spa Country Railway's Goals are:

### **Goal 1**      **Core Product**

The Daylesford Spa Country Railway will be a successful vibrant operating museum offering family / tourist services and an indulgent food and wine experience.

### **Goal 2**      **People**

Daylesford Spa Country Railway will be operated and supported by professional customer-focused staff, volunteers and contractors working in a co-operative environment.

### **Goal 3**      **Marketing**

Daylesford Spa Country Railway will ensure its viability through effective marketing.

### **Goal 4**      **Finance**

Daylesford Spa Country Railway will be financially stable and viable.

### **Goal 5**      **Infrastructure**

Daylesford Spa Country Railway's infrastructure will be developed and maintained in a manner that ensures the ongoing sustainability of the operation.

### **Goal 6**      **Governance**

Daylesford Spa Country Railway's Board will provide effective policy, governance and leadership.

The Goals and supporting objectives of the Daylesford Spa Country Railway Strategy and Business Plan are:

## **Goal 1      Core Product**

**The Daylesford Spa Country Railway will be a successful vibrant operating museum offering family / tourist services and an indulgent food and wine experience.**

### **Objectives:**

- 1.1 By October 2012, having identified key State and Federal Government policy influencers, continue to successfully promote the requirement to fund Daylesford Spa Country Railway major initiatives.
- 1.2 On receipt of funding, successfully negotiate an agreement with a suitable contractor for repair of the East Street bridge.
- 1.3 By May 2013, successfully undertake the development of school curriculum material.
- 1.4 By June 2014, having secured funding, complete development of the Bullarto station and yard precinct.
- 1.5 By June 2014, having secured funding, complete the restoration of 53RM.
- 1.6 Annually each July, review Daylesford Spa Country Railway's timetable.
- 1.7 Annually each September, review the Silver Streak premium service ensuring that the service, food, refreshments, alcohol and souvenirs support the premium end brand.
- 1.8 Annually each November, review Daylesford Spa Country Railway's Strategy and Business Plan.

## **Goal 2      People**

**Daylesford Spa Country Railway will be operated and supported by professional customer-focused staff, volunteers and contractors working in a co-operative environment.**

### **Objectives:**

- 2.1      Annually each October, review the production of a volunteer newsletter.
- 2.2      By September 2012, in consultation with the Sunday Market Manager, implement arrangements to make the workload of the position sustainable.
- 2.3      By May 2013, develop casual staffing arrangements that will enable drivers and guards to be available for weekday charters.
- 2.4      By May 2013, develop arrangements that will enable an officer in charge at Daylesford to be available on a mobile telephone to exercise authority when weekday charters are scheduled.

### **Goal 3      Marketing**

#### **Daylesford Spa Country Railway will ensure its viability through effective marketing.**

##### **Objectives:**

- 3.1      Annually each March, review the Shire's and the region's marketing strategy and promotional plans and other elements to ensure that they promote the Daylesford Spa Country Railway.
- 3.2      By May 2013, place a minimum of six roadside signs at strategic locations within Hepburn Shire Council's area of operations, detailing the experience offered at the Daylesford Spa Country Railway and the Bullarto experience.
- 3.3      By November 2013, e-mail all primary and secondary schools in the region and in Western Melbourne detailing the experience offered at the Daylesford Spa Country Railway Bullarto Precinct.
- 3.4      By May 2014, target and have in place arrangements that will ensure at least 12 school tours visit the Daylesford Spa Country Railway Bullarto Precinct, increasing by 10 annually to a total of 40 annually.
- 3.5      By By May 2014, target and have in place arrangements that will ensure at least 12 bridal parties or other events utilise the Daylesford Spa Country Railway Bullarto Precinct annually.
- 3.6      Annually, ensure that the Daylesford peak tourist group meet at a DSCR venue.
- 3.7      Annually each May, review survey and marketing data to identify trends and recommend marketing actions to ensure marketing targets are achieved.
- 3.8      By 2022, of the 1.25 million people visiting Daylesford, approximately 14,000 will travel on the Daylesford Spa Country Railway.

## **Goal 4      Finance**

**Daylesford Spa Country Railway will be financially stable and viable.**

### **Objectives:**

- 4.1      By January 2013, secure undertakings from State and Federal Government departments for the required funding for infrastructure to be made available to Daylesford Spa Country Railway.
- 4.2      Annually each June, review Daylesford Spa Country Railway's marketing performance to ensure that revenue budgets are achieved.
- 4.3      Annually each February, prepare revenue and expense budgets for Board approval.
- 4.4      Annually each February, having identified possible sources of funding for capital works for Daylesford Spa Country Railway, successfully secure the funding.



## **Goal 5      Infrastructure**

**Daylesford Spa Country Railway's infrastructure will be developed and maintained in a manner that ensures the ongoing sustainability of the operation.**

### **Objectives:**

- 5.1      By June 2013, complete refurbishment of the track from Musk to Bullarto.
- 5.2      By June 2014, complete development of the Bullarto station and yard precinct.
- 5.3      By June 2014, complete restoration of 53RM.
- 5.4      By June 2014, complete extension of the undercover storage for rolling stock.
- 5.5      By December 2016, complete repairs to the East Street bridge.
- 5.6      By December 2018, develop a planned maintenance routine for Daylesford Spa Country Railway's moving infrastructure.

## **Goal 6      Governance**

**Daylesford Spa Country Railway's Board will provide effective policy, governance and leadership.**

### **Objectives:**

- 6.1      Annually each May, review the performance of DSCR's Board.
- 6.2      Annually each June, review the implementation of a Board Development and Succession Plan.
- 6.3      Bi-annually every June and December, review implementation of the Strategy and Business Plan.

## **Attachment 1 – Detailed Revenue and Expense and CAPEX Budgets**

Attachment 1 - Detailed Revenue and Expense and CAPEX Budgets - Daylesford Spa Country Railway - Sunday and Special Event Operation - June 2012 - Bullarto 2013														
Revenue from Operations	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assumptions														
Fare per Tourist Bullarto 2013 - 50% premium	\$7.70	\$11.63	\$11.98	\$12.34	\$12.71	\$13.09	\$13.48	\$13.89	\$14.30	\$14.73	\$15.17	\$15.63	\$16.10	\$16.58
Annual Adjustment - 3%														
Silver Streak	\$30	\$30.90	\$31.83	\$32.78	\$33.77	\$34.78	\$35.82	\$36.90	\$38.00	\$39.14	\$40.32	\$41.53	\$42.77	\$44.06
Charter Fees to Bullarto - Saturday and Sunday	\$480	\$494.40	\$509.23	\$524.51	\$540.24	\$556.45	\$573.15	\$590.34	\$608.05	\$626.29	\$645.08	\$664.43	\$684.37	\$704.90
Bullarto Goods Shed Conference / Hospitality Fees	\$200	\$206.00	\$212.18	\$218.55	\$225.10	\$231.85	\$238.81	\$245.97	\$253.35	\$260.95	\$268.78	\$276.85	\$285.15	\$293.71
Bullarto - School 12 x 40 increases 10 annually to 40	\$20	\$20.60	\$21.22	\$21.85	\$22.51	\$23.19	\$23.88	\$24.60	\$25.34	\$26.10	\$26.88	\$27.68	\$28.52	\$29.37
Souvenir Recovery per Passenger	\$3	\$3.09	\$3.18	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69	\$3.80	\$3.91	\$4.03	\$4.15	\$4.28	\$4.41
Alcohol Recovery per Silver Streak	\$10	\$10.30	\$10.61	\$10.93	\$11.26	\$11.59	\$11.94	\$12.30	\$12.67	\$13.05	\$13.44	\$13.84	\$14.26	\$14.69
Data														
Tourist Passengers from 1M+ visiting 3% increase	8623	8,882	9,148	9,423	9,705	9,996	10,296	10,605	10,923	11,251	11,589	11,936	12,294	12,663
Revenue - Tourists	\$66,397	\$103,294	\$109,585	\$116,258	\$123,339	\$130,850	\$138,819	\$147,273	\$156,242	\$165,757	\$175,851	\$186,561	\$197,922	\$209,976
Silver Streak Passengers	300	360	420	480	540	540	540	540	540	540	540	540	540	540
Silver Streak Revenue	\$12,000	\$14,832	\$17,823	\$20,980	\$24,311	\$25,040	\$25,792	\$26,565	\$27,362	\$28,183	\$29,029	\$29,899	\$30,796	\$31,720
School Visitors	480	880	1,280	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680
Revenue - School Passengers	\$9,600	\$18,128	\$27,159	\$36,716	\$37,817	\$38,952	\$40,120	\$41,324	\$42,563	\$43,840	\$45,156	\$46,510	\$47,906	\$49,343
Souvenirs	\$25,869	\$26,645	\$27,444	\$28,268	\$29,116	\$29,989	\$30,889	\$31,816	\$32,770	\$33,753	\$34,766	\$35,809	\$36,883	\$37,989
Market	\$80,000	\$82,400	\$84,872	\$87,418	\$90,041	\$92,742	\$95,524	\$98,390	\$101,342	\$104,382	\$107,513	\$110,739	\$114,061	\$117,483
Total Revenue Scheduled Services	\$193,866	\$245,299	\$266,883	\$289,640	\$304,623	\$317,573	\$331,143	\$345,367	\$360,279	\$375,915	\$392,314	\$409,518	\$427,568	\$446,511
6 Charters annually \$480 from 2013	0	6	8	10	12	14	16	18	20	22	24	26	28	30
Revenue from Charters	\$0	\$2,966	\$4,074	\$5,245	\$6,483	\$7,790	\$9,170	\$10,626	\$12,161	\$13,778	\$15,482	\$17,275	\$19,162	\$21,147
Annual Bullarto Goods Shed Conference / Hospitality	0	6	8	10	12	14	16	18	20	22	24	26	28	30
Bullarto Goods Shed Conference / Hospitality Fees	\$0	\$1,236	\$1,697	\$2,185	\$2,701	\$3,246	\$3,821	\$4,428	\$5,067	\$5,741	\$6,451	\$7,198	\$7,984	\$8,811
Operational Revenue	\$193,866	\$249,502	\$272,655	\$297,071	\$313,807	\$328,609	\$344,135	\$360,421	\$377,507	\$395,435	\$414,247	\$433,991	\$454,714	\$476,469
Revenue for Capex														
Grant Funding		\$1,120,000								Pax	13,809			
Total Capex Funds		\$1,120,000												

[illegible]



<b>Operating Expenses</b>														
Admin. Expenses	\$1,300	\$1,339	\$1,379	\$1,421	\$1,463	\$1,507	\$1,552	\$1,599	\$1,647	\$1,696	\$1,747	\$1,800	\$1,853	\$1,909
Audit Fees	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672	\$692	\$713	\$734
Bank Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleaning	\$480	\$494	\$509	\$525	\$540	\$556	\$573	\$590	\$608	\$626	\$645	\$664	\$684	\$705
Crew Training	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672	\$692	\$713	\$734
Fuel, Oil and Freight - less fuel rebate	\$9,000	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657	\$16,127	\$16,611	\$17,109
Insurance	\$27,000	\$27,810	\$28,644	\$29,504	\$30,389	\$31,300	\$32,239	\$33,207	\$34,203	\$35,229	\$36,286	\$37,374	\$38,496	\$39,650
Light and Power	\$4,000	\$4,500	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334	\$6,524	\$6,720	\$6,921
Line Repairs	\$38,000	\$39,140	\$78,000	\$80,340	\$82,750	\$85,233	\$87,790	\$90,423	\$93,136	\$95,930	\$98,808	\$101,772	\$104,825	\$107,970
Magazine	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026	\$2,087	\$2,149	\$2,214	\$2,280	\$2,349	\$2,419	\$2,492	\$2,566	\$2,643
Market Expenses	\$14,000	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598	\$34,606	\$35,644
Media and Advertising	\$10,000	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572	\$20,159	\$20,764	\$21,386
Museum Expenses	\$600	\$618	\$637	\$656	\$675	\$696	\$716	\$738	\$760	\$783	\$806	\$831	\$855	\$881
Silver Streak	\$7,600	\$7,828	\$8,063	\$8,305	\$8,554	\$8,810	\$9,075	\$9,347	\$9,627	\$9,916	\$10,214	\$10,520	\$10,836	\$11,161
Silver Streak Alcohol	\$1,500	\$1,854	\$2,228	\$2,623	\$3,039	\$3,130	\$3,224	\$3,321	\$3,420	\$3,523	\$3,629	\$3,737	\$3,850	\$3,965
Casual Salaries - Special Operating Days - 2 x \$200	\$4,800	\$8,800	\$12,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800
Postage and Telephone	\$3,200	\$3,296	\$3,395	\$3,497	\$3,602	\$3,710	\$3,821	\$3,936	\$4,054	\$4,175	\$4,301	\$4,430	\$4,562	\$4,699
Printing and Stationery	\$1,400	\$1,442	\$1,485	\$1,530	\$1,576	\$1,623	\$1,672	\$1,722	\$1,773	\$1,827	\$1,881	\$1,938	\$1,996	\$2,056
Rates	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	\$1,159	\$1,194	\$1,230	\$1,267	\$1,305	\$1,344	\$1,384	\$1,426	\$1,469
Maintenance / Repairs Non Rolling Infrastructure	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	\$20,867	\$21,493	\$22,138	\$22,802	\$23,486	\$24,190	\$24,916	\$25,664	\$26,434
Maintenance / Repairs Rolling Infrastructure	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	\$13,911	\$14,329	\$14,758	\$15,201	\$15,657	\$16,127	\$16,611	\$17,109	\$17,622
Security	\$3,000	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	\$6,956	\$7,164	\$7,379	\$7,601	\$7,829	\$8,063	\$8,305	\$8,555
Special Events	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	\$4,637	\$4,776	\$4,919	\$5,067	\$5,219	\$5,376	\$5,537	\$5,703	\$5,874
Subscriptions	\$800	\$824	\$849	\$874	\$900	\$927	\$955	\$984	\$1,013	\$1,044	\$1,075	\$1,107	\$1,141	\$1,175
Contingency	\$3,000	\$3,090	\$3,183	\$3,278	\$3,377	\$3,478	\$3,582	\$3,690	\$3,800	\$3,914	\$4,032	\$4,153	\$4,277	\$4,406
<b>Total Operational Expenses</b>	<b>\$167,480</b>	<b>\$197,969</b>	<b>\$246,014</b>	<b>\$257,338</b>	<b>\$264,892</b>	<b>\$272,334</b>	<b>\$280,000</b>	<b>\$287,896</b>	<b>\$296,029</b>	<b>\$304,406</b>	<b>\$313,034</b>	<b>\$321,921</b>	<b>\$331,075</b>	<b>\$340,503</b>
<b>Total Expenses</b>	<b>\$167,480</b>	<b>\$197,969</b>	<b>\$246,014</b>	<b>\$257,338</b>	<b>\$264,892</b>	<b>\$272,334</b>	<b>\$280,000</b>	<b>\$287,896</b>	<b>\$296,029</b>	<b>\$304,406</b>	<b>\$313,034</b>	<b>\$321,921</b>	<b>\$331,075</b>	<b>\$340,503</b>
Surplus / Shortfall	\$26,386	\$51,532	\$26,641	\$39,733	\$48,916	\$56,275	\$64,134	\$72,524	\$81,478	\$91,028	\$101,213	\$112,070	\$123,639	\$135,966
Accumulated Surplus / Shortfall	\$26,386	\$77,918	\$104,559	\$144,292	\$193,208	\$249,483	\$313,617	\$386,142	\$467,619	\$558,648	\$659,861	\$771,930	\$895,570	\$1,031,536

## **Attachment 2 – Marketing Plan of Action (To be Developed at June Workshop)**

