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*INITIAL DISCUSSION DRAFT  
(NOT FOR BROAD CIRCULATION)*

ROBERT CLARK HORTICULTURAL CENTRE

OUTLINE OPERATION PLAN



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## 1. EXECUTIVE SUMMARY

The operational plan has been produced via a consultative process with the groups identified as potential active users of the Centre. These groups (local garden clubs, Horticultural Society, "Friends" and Festival Association) have been involved with the project since its initial vision. The intention of the plan is to establish the framework for the future of the Centre now that "Vision is Reality" and relates this to Council's Corporate Plan.

### Tourism and Community Use

The Centre is identified as potentially the second most popular tourism attraction in Ballarat (120,000 annual visitors) and to sustain its popularity it needs to be marketed and promoted as such.

The Centre is also a focus of community activity directed at horticulture generally and the future of the Botanical Gardens in particular. As an attraction and viable community enterprise the community/special interest group role is essential to the health of the project.

Direct operational alliances with the Begonia Festival Association are identified as well as strategic alliances with entities such as Sovereign Hill in the form of joint marketing and promotional opportunities.

### Management

A delegated management role in the form of:

- A Special Committee of Council *Reps*
- An Advisory Committee of Users *"*

*as General Gallery & HER MAJESTY'S*

is recommended as the appropriate management vehicle. The ongoing technical/managerial oversight of the Technical Operations Department is also identified. The empowerment of the direct community participants and interest groups via this delegation is seen as the most appropriate for the Centre to achieve its social and business goals.

### Financial Implications

As an initial goal the Council of the day determined that the Robert Clark Centre should operate at no additional Nett cost to the ratepayer than the previous conservatory in the Botanical Gardens (at the time \$78,000).

The operation plan identifies an annual Nett operating cost of \$34,600. If a Council decision in 1994/95 to reduce its recognition of the cost of the annual begonia display by \$35,000 is also considered, the Centre has effectively eliminated the community (ratepayer) contributions evident at project inception.

### Marketing Testing

The implications of C.C.T. legislation are identified as an immediate priority for the Committee of Management to consider. Substantial scope exists to maintain, rather than alienate essential community support, while making a substantial contribution to Council's legislative imperatives.



## 2. BACKGROUND AND INTRODUCTION

The Robert Clark Horticultural Centre conservatory was opened to the public on 3rd March, 1995. The adjoining Community Resource Centre commenced operation in April 1995 and was tenanted by the Ballarat Begonia Festival Association on 1st June, 1995.

The capital cost of the project was primarily funded through a generous gift of \$2 million dollars by Mr. Bob Clark in recognition of the contribution of his grandfather, Mr. Robert Clark, to the development of Ballarat. The total capital cost of the project is currently \$2.3 million with the City of Ballarat providing additional funding for:

- a project re-design
- surrounding civil works and landscape redevelopment
- fixtures and fittings for the conservatory.

In accepting Mr. Clark's generous gift the Council of the day briefed officers to conceive and construct a project that would:

- Fulfil Mr. Clark's aims as agreed in the Deed or "Heads of Agreement" between Mr. Clark and Council.
- Provide a venue that, in operating costs, would not expose the community of Ballarat to expenditure in excess of the current costs of conservatory display within the Botanical Gardens (at the time \$78,000 per year).

A Preliminary Market Research and Financial Analysis Study was completed in August 1992. A fully detailed Business Plan was completed in August 1993. Both of these studies reviewed the operation of an initial project concept that included a Horticulture Education and Training Centre to be operated by the School of Mines and Industries Ballarat Ltd, a restaurant and shop. This concept was abandoned in September 1993 on the basis of:

- objections to the scope of the project by referral authorities
- inability to source funding for the Horticulture Education and Training Centre.

This outline business plan supports the current simplified project and is primarily the result of two community planning days conducted in June 1994 with representatives of local horticultural clubs and societies, the Ballarat Begonia Festival Association and the Crafts Council of Ballarat.

Objectives of the Planning Sessions included:

- To achieve agreement on the Centre as the principal marketing and operations centre for community horticultural events and activities in Ballarat.
- To develop an organisational structure for the functioning of the Centre.
- To develop marketing and operations plans for the Centre.

The outline operation plan is based on contributions from the participants, other material gathered by consultant Mr. Stephen Carthew and operational experience from the period 3rd March, 1995 to 30th May, 1995.



### **3. PURPOSE AND DIRECTION (THE MISSION STATEMENT)**

#### **3.1 Stakeholders**

Direct stakeholders include:

- The City of Ballarat
- The Ballarat Begonia Festival Association
- The Local Gardening Clubs and Horticultural Society
- The Friends of the Ballarat Botanical Gardens
- The Crafts Council of Ballarat

Indirect stakeholders include:

- The local Horticultural industry
- The local Tourism industry
- The Trustees of the estate of Mr. Bob Clark
- The local Arts industry
- The local community in general

Wider interested parties include:

- The Victorian Tourism Industry
- The Victorian Horticultural Industry
- Other Victorian Botanic Gardens

The Mission Statement seeks to take into account the varied interests of these stakeholders, to provide a long term focus for achievement.

The City of Ballarat as the owner of the project must also ensure the Robert Clark Horticultural Centre acknowledges Council's overall mission and values.

#### **3.2 Council's Corporate Plan**

##### **3.2.2 The Council Vision**

*"Council will build a prosperous and friendly community in partnership with its citizens through dynamic, business orientated, quality service provision which responds to community needs and creates the best quality of life in Australia."*

##### **3.2.3 The Council Mission**

*"Through democratic leadership which is responsive to change and accountable, we will work with our community to encourage economic development and equity."*

*Council will continue to foster the best living environment for the people of Ballarat, building upon the region's unique cultural, heritage and recreation strengths.*

*Council will develop strategies for Local Government which will meet the constant challenges of change through management excellence, and competitive and efficient service delivery."*



### 3.2.4 The Values

The City has adopted a number of values, or guiding principles, to guide decision making and the conduct of activities.

**Customer Service:** *Making service to the community a major focus.*

**Integrity:** *Being true to ourselves and others. Being honest and open in our conduct, and treating people with dignity and respect.*

**Equity:** *Enabling people to access information, services, facilities and opportunities, regardless of social, financial, ethnic, gender, age or physical status.*

**Innovation:** *Developing new methods or services through creativity.*

**Excellence:** *Providing quality service delivery in an efficient, cost effective and competitive manner.*

**Empowerment:** *Giving people the responsibility, accountability and credit for actions and outcomes.*

**Team Work:** *Working co-operatively with colleagues for and with our customers.*

**Caring:** *Demonstrating awareness and concern for the needs of individuals, and by a commitment to sustainable development to maintain our natural and environmental assets.*

**Accountability:** *Being open and accountable to the whole community for our policies and practices.*

**Diversity:** *Supporting a range of alternatives and opportunities when or wherever possible.*

**Participation:** *Giving people the opportunity to be actively involved at all levels in the development of the City of Ballarat.*

### 3.2.5 Specific References

Objectives and Strategies with specific reference to the Robert Clark Horticultural Centre and the Ballarat Botanical Gardens are:

Within Environment:

*“Establish the Robert Clark Centre as a major horticultural tourism venue and enhance the City’s reputation for begonia culture.”*

More general reference is made in the Objectives and Strategies for Tourism:

*“Actively support the development of projects which build on Ballarat’s identified strengths such as gold, heritage, horticulture and the arts....”*



### 3.3 The Mission Statement

Operating within the overall Vision and Mission of the City:

*The aim of the Robert Clark Horticultural Centre is to stimulate community interest in horticulture. The Centre will become:*

- *Renowned internationally for its floral displays, building on the long established tradition for tuberous begonias.*
- *A focal point for education, appreciation and interpretation of the history and current role of the Ballarat Botanical Gardens and Botanical Gardens in general.*
- *A focal point for the activities of gardening clubs and horticultural societies in the Ballarat area.*

*The Centre seeks to integrate people with interests in gardening, the arts, crafts and other cultural activities.*

*The Centre will stimulate increased visitation to the Ballarat area in association with other major events and attractions.*



#### 4. SUSTAINABLE COMPETITIVE ADVANTAGE

Sustainable competitive advantage refers to the attributes of an entity that distinguish or differentiate it in the market place from its competitors. The market place means choice and therefore what encourages people to visit the centre over and above other horticultural attractions or botanical gardens.

The competitive advantages of the Robert Clark Horticultural Centre are identified -

**In Summary:**

- Building on the horticultural heritage of Ballarat (which is currently centred upon Begonias, the Begonia Festival and the Ballarat Botanical Gardens) to add facilities in which the community can enjoy the display and interpretation of selected floral displays.

**In Detail:**

- Broad based support received from horticultural, arts and crafts societies and clubs.
- Continuing contribution to its management and marketing by the City of Ballarat.
- A continuing strong association with the Ballarat Begonia Festival Association and the Begonia Festival.
- Reflecting the increasing needs of visitors and tourists for activated, participatory, informative and educational attractions which have an element of authenticity and uniqueness.
- The architectural creativity represented by the conservatory's unique appearance and function.
- The setting of the Centre in the environment of the Botanical Gardens and the Lake Wendouree precinct.



## 5. THE PRESENT POSITION : MARKETS AND MARKETING

During the two community planning days the group reviewed data from the previous business plan and the Ballarat Begonia Festival Visitor Survey, 1993. The significant points were reviewed and summarised.

### 5.1 Tourism In Victoria

Victoria has experienced a decline in market share relative to other states but with a resident population of over 4 million (25% of the Australian population) it supports a significant tourism industry based on 9.74 million trips and 36.29 million visitor nights per year.

While international visitors have decreased Victoria has increased its share of tourists from the U.K. and Europe. Many of the visitors stay for long duration's based on family connections and travel more widely in regional areas like Ballarat.

### 5.2 Tourism In Ballarat

Ballarat is the fourth most popular tourism destination in Victoria attracting in excess of 1.5 million visitors per year.

VISITOR SOURCE	NUMBER	PERCENTAGE
Domestic Overnight Visitors	558,000	35%
International Visitors	18,882	1%
Domestic Day Visitors	1,003,000	64%
TOTAL	1,579,882	

Annual tourism expenditure in Ballarat is estimated to be \$200 million. This is equivalent to 7.1% of all tourist expenditure in rural Victoria.

Ballarat is fortunate to have Sovereign Hill as a major tourism destination attracting 450,000 to 490,000 visitors per year.

The future of tourism in Ballarat is considered stable given the prominent attractions, ease of access to Melbourne and continuing moderate investment.

### 5.3 Begonia Festival Visitor Profile

- Visitors are primarily groups or families with an under representation in the 20 to 50 year age area.
- Begonias are the main interest.
- Repeat visitation is high, inferring loyalty but limited visitor number growth.
- Education standard is high (a higher representation of "white collar" respondents).
- Interested in seeing colour.



# CONSERVATORY DAILY ADULT VISITORS

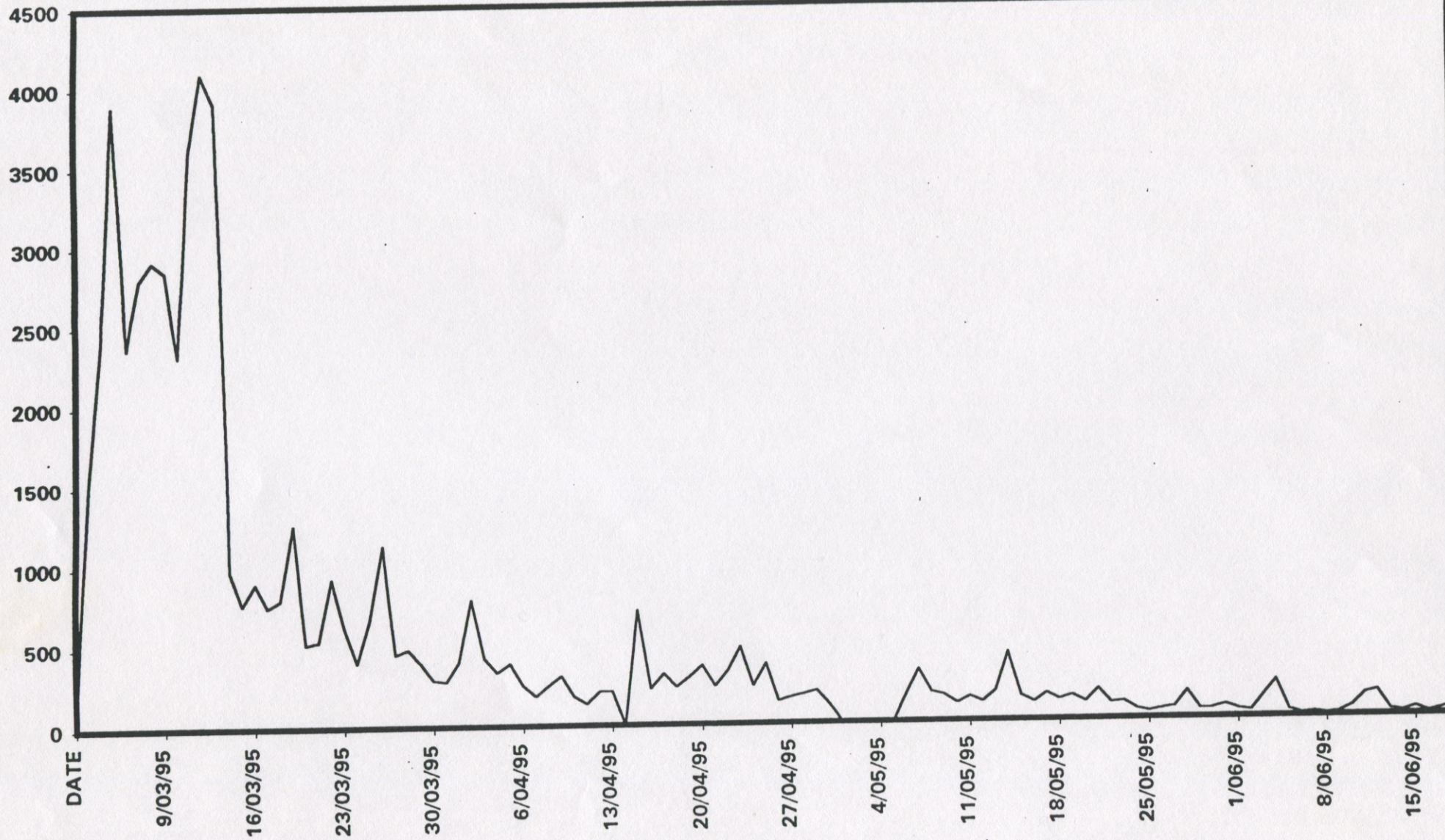


Figure 1



#### 5.4 Initial Visitor Statistics

The conservatory has been in full operation since 3rd March, 1995 to coincide with the opening of the Begonia Festival.

A chart of adult daily visitors is represented in Figure 1 that clearly demonstrates the popularity of the Begonia Festival and begonia display generally.

For the first 15 weeks of operation a total of 58,000 adult visitors have been recorded. The daily "post festival" average attendance is currently 262 visitors per day.

A postcode census is conducted and a visitor origin profile is:

<u>VISITOR ORIGIN</u>	<u>PERCENTAGE</u>
Ballarat Region	22%
Other Victorian	58%
Interstate	14%
International	6%

Other Victorian is primarily Melbourne with a bias to the eastern and south eastern suburbs. New South Wales is the dominant origin of interstate visitors, followed by Queensland. Surprisingly South Australia was a lowly third.

International visitors were predominantly United Kingdom and middle to northern Europe and not part of an organised tour group.

The visitor profile reflects a very similar profile to Sovereign Hill, confirming that the Botanical Gardens functions more as a tourism than local leisure asset.

#### 5.5 Summary Marketing Analysis

Key Success Factors (KSF) in determining a marketing strategy for the Robert Clark Centre are:

- The ability to present the main tuberous begonia display during the Begonia Festival each year.
- Promotional or editorial material directed to:
  - the over 45 age group
  - the large population centres.
- Presentation of a continuous high quality of varied displays throughout the year.
- Partnering promotional arrangements in the other major tourism venues (Sovereign Hill) to access the organised tourism market.
- A focus on activities/events and innovative displays, supported by directed promotion to increase visitor numbers in the May to August period.
- An opportunity exists in the youth/educational area for visitor growth.
- Active local promotion of tenant club functions and events to increase local interest, participation and visitation.
- A coordinated regional tourism strategy that will place the Centre in that context.



## 6. THE FACILITY: PHYSICAL ATTRIBUTES

The Robert Clark Horticultural Centre is of outstanding contemporary design and has received unanimous support for its design qualities from organisations such as the National Trust and Historic Buildings Council. It is anticipated that it will receive appropriate recognition to have it considered as a landmark structure that in itself will generate visitor interest.

### 6.1 The Conservatory

The building is fully climate controlled to allow for sub-tropical to cool temperate environments to be created. The opportunities this presents are:

- Total flexibility in the selection of crops (subject to lead times).
- Contrast with seasonal conditions (ie. Summer in Ballarat in Winter).

The building has no permanent interior structure:

- 600 sq. metres of display space can be considered a 'stage' on which to establish a total variation in display layouts and visitor experience.

The building is equipped with:

- Lighting that allows night time operation.
- An audio system for recorded or live performance.
- A sewer waste connection to allow for the installation of a portable café/servery. (A streetside café in mid winter?)

An automatic visitor entry retractable barrier system will be installed to provide for both coin and barcoded (member) card entry.

The conservatory is remotely secured by video display in the Community Resource Centre and after hours monitored alarms.

### 6.2 The Community Resource Centre

The Community Resource Centre adjoins the conservatory, separated by a paved forecourt and gathering space.

The display foyer is lined with display walls with specialised feature lighting to allow for the mounting of interpretive material on garden history, current and future events, a benefactor dedication and a gallery or hanging space.

A small retail sales area adjoins the entry foyer and creates the opportunity for the promotion and sales of appropriate gifts and mementos appropriate to the theme and quality of the venue. The telephone switchboard, public address system and video security monitors are within the service counter area.

Office accommodation secured from, but adjoining the retail sales area provides for a general office (two work spaces) and adjoining glass partitioned single office and an adjoining walled large office with lounge/conversation area.



A coffee/tea bar services the office.

Toilet facilities including a disabled toilet adjoin the entry display foyer.

A Meeting Room that accommodates 100 seated patrons also adjoins the display foyer. The room has a high level of artificial light, a wet sink preparation area for horticultural demonstrations, inbuilt audio and microphone and in floor power points for audio visual connections.

The room is fully zone heated and provision exists for a future bi-fold acoustic door to allow the meeting room to function as two smaller meeting areas.

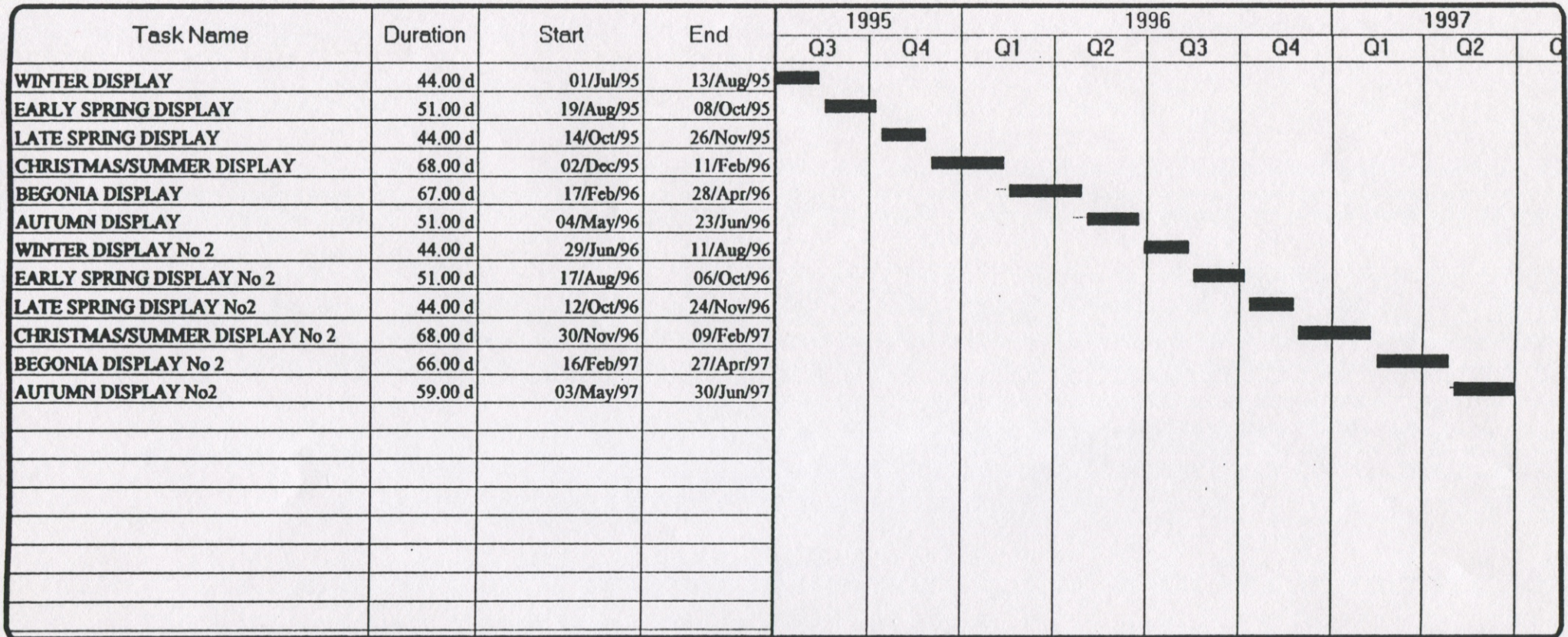
A kitchenette services the Meeting Room and is fully equipped for light luncheon preparation.

A semi-enclosed courtyard at the rear of the building is entered from the meeting room via large screen doors or separately via the display foyer. The courtyard is paved and lit to allow for outdoor functions and is also serviced by direct servery access to the kitchenette.

A large store room accommodates stored seating, tables and space for tenant provided locker storage.



# CONSERVATORY DISPLAYS



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Page 1

Figure 2



## 7. OPERATIONAL OBJECTIVES AND STRATEGIES

### 7.1 The Conservatory

Ballarat's reputation for floral conservatory display has been hard won since the establishment of the first display conservatory in 1901. It is also a key to the unique nature of the attraction as floral display has given way to single permanent plant collections at many other conservatory venues.

The nature of floral crops also means frequent display changes and support capacity to produce the large quantity of material required. The flexibility of display layouts also provides unique opportunities but a challenge to design innovation. The setting, the innovative building design and operational features allow for a style of presentation and visitor experience that is not emulated elsewhere in Australia.

Supporting strategies are identified as:

1. *Establish a consultative panel with horticulture, marketing/promotional and design skills to oversee the conservatory display design. (It is expected that this panel will be drawn from Council Officers with these specific responsibilities.)*
2. *Seek expressions of interest from the "design" profession in Ballarat to gather a resource of design expertise to plan display layouts and plant selection with a minimum lead time of eighteen months.*
3. *The production of a medium range (two years ahead) schedule of displays to allow for the necessary production time, and promotion. The schedule needs to ensure that display change-over (one week) does not coincide with public or school holiday periods. (Refer Figure 2)*
4. *Encourage, where possible, thematic displays to coincide with community celebrations (eg. Christmas) or to promote other significant cultural events such as the Opera Festival.*
5. *Source and recognise opportunities for the performing and visual arts to participate in conservatory design or to utilise the conservatory as a performance venue.*
6. *Ensure that, where appropriate, displays are supported by relevant interpretive material to reinforce the educational role of the Centre.*
7. *Investigate opportunities for private after hours hire of the conservatory for appropriate events (eg. Wedding ceremonies) with a supporting scale of recommended charges - refer Section 9.6 Fees and Charging Policy.*
8. *Promote opportunities for community volunteers to act as hosts and guides within the conservatory.*



## 7.2 The Community Resource Centre

There is an increasing community desire to be involved in the function and future of Botanic Gardens. This has its most direct expression in the formation of 'Friends'. Ballarat is fortunate to have a vibrant Friends group dedicated to the promotion and improvement of the Botanical Gardens. Traditionally The Ballarat Horticultural Society were involved in the direct management of the Botanical Gardens until the cessation of the Gardens Committee in 1910. In a contemporary sense, the garden clubs and Horticultural Society have maintained an involvement to the present day in the funding of various capital projects or the conduct of events.

In recognition of contemporary community aspirations and the wishes of our Benefactor, The Community Resource Centre provides a venue for our special interest groups to increase their profile and provide mutually beneficial support to themselves and Council.

The Centre is a modern and well equipped meeting venue that also has broader appeal given the quality of the facility and its 'perfect' location. Interpretation is also an important role of Botanic Gardens and the Centre equips the Botanical Gardens with a venue for this activity.

Supporting strategies are identified as :

1. *Ensure the highest standards of presentation in cleanliness and maintenance appropriate to its role.*
2. *Establish and maintain a high standard of changing interpretive material appropriate to the Centre's function (horticulture, garden history). Maintain a permanent display relating to the benefactor and the benefaction.*
3. *Encourage tenant clubs to conduct <sup>events</sup> events, function or exhibitions that will be <sup>Specific</sup> of interest to the community and visitors (refer Section 9.6 Fees and Charging Policy).*
4. *Promote the Community Resource Centre as a premium facility for occasional hire for events sympathetic to the Centre's role and location.*
5. *Develop a policy of conduct for tenants and hirers of the facility.*

## 7.3 The Retail Sales Area

All prominent Botanical Gardens now operate a 'Friends Shop' or retail sales area of some description. This is in response to the overwhelming evidence that Botanical Gardens are primarily a leisure opportunity for the vast majority of visitors. In this context Botanical Gardens rank at the highest level as a tourism venue although the nature of their popularity has only been formally recognised via comprehensive A.B.S. visitor census as recently as 1992.

A sales area responds to the visitor expectation that information, momentos and souvenirs will be available at places they visit to act as a permanent token of their



experience. A retail sales area is also normally a source of substantial revenue generation for the operator. The combination of visitor expectations together with their perception that funds generated by their purchase will further enhance the Botanical Garden are significant motivations to make a 'donation'.

Current data indicates that a visitor will spend \$2 in such a shop. A target of \$1 per visitor has been set within the Financial Strategy responding to the low key and small site available. All existing 'Friends Shops' operate with a base level of professional staff and supplementary volunteers during peak business periods.

Supporting strategies are identified as :

- 1. Develop a range of stock items themed appropriately to horticulture, heritage and Ballarat. Stock, as far as possible, should be locally sourced and unique to this attraction.*
- 2. As a focus of community contact, staff and volunteers have a positive and important client liaison role. A program of education regarding the Centre's function, knowledge of the displays and the Botanical Gardens should be instituted.*

#### **7.4 Marketing And Promotion**

Clearly the continuing popularity, professionalism and reputation of the Ballarat Begonia Festival and the contributing tuberous begonia display is a **Key Success Factor** for the role of the Centre. As the Festival Association's objectives are so closely aligned to that of the Centre a co-operative approach to marketing is obvious.

Challenges exist in developing a marketing and promotional strategy to broaden the visitor period and highlight the opportunities the venue provides during the off season.

Alignment within a regional tourism strategy and establishment of co-operative relationships with other key venues (eg. Sovereign Hill, Art Gallery) may add value for targeted promotional dollars.

Strategies for the development of a marketing and promotional plan are:

- 1. Establish a co-operative and coordinated marketing strategy with the Begonia Festival Association relying on the expertise within both organisations and their shared objectives.*
- 2. Establish key co-operative relationships with other major tourism venues of similar visitor profile and target audience. Sovereign Hill is identified as the most strategically placed partner.*
- 3. Participate in the broader marketing objectives of the region being actively involved in the development and implementation of a Regional Marketing Strategy.*



4. *Promote and guide Centre tenants and other tenants of the Gardens precinct (ie. Crafts Council of Ballarat, Fish Acclimatisation Society) to adopt a co-operative and coordinated approach to promoting the precincts attraction and values.*
5. *Assist in the local promotion of the Centre to increase local interest and involvement of existing tenants through processes of communication (eg. Newsletter).*
6. *Identify key events and community celebrations with which the Centre may develop an affinity.*

## **7.5 Other Initiatives**

A number of other initiatives identified by the group reflect their aspirations or current activities and add to the operational opportunities afforded by the Centre.

Suggested strategies are:

1. *Increase the availability of guided garden walks by the Friends of the Ballarat Botanical Gardens.*
2. *The "Growing Friends" wish to stage two major plant sales each year as a fund raiser. Similar events conducted by the Melbourne Growing Friends attract over 5,000 clients.*
3. *The Conservatory or spaces within it could be provided to tenant groups to mount a display of their plant specialities to promote their club or forthcoming events.*



## **8. MANAGEMENT STRUCTURES**

The group reviewed a number of management options but overwhelmingly felt that the strength of the Robert Clark Centre is the co-operative spirit in which the Owner (Ballarat City Council) and the proposed tenants wish to work towards the shared Mission.

The Centre is viewed as a gift to the community by Mr. Bob Clark and it is therefore a community responsibility to ensure the quality of this very special gift is preserved and enhanced.

The group also appreciates that the Centre needs to be managed professionally given both its prominence and annual operating costs. The concept of a user charge also imposes the expectation of the market place that a quality service or experience is being purchased.

The group proposes a two tier structure comprising community based bodies, each with distinctive status and roles:

- A Special Committee of Ballarat City Council should be formed as the Committee of Management.
- A Community Resource Centre Advisory Group should be formed by the tenants to provide services and conduct operations for the Committee.

### **8.1 The Committee Of Management**

The Committee of Management as a Special Committee of Council will have a delegated role and ultimate accountability to the community via Council under responsibilities negotiated within the provisions of the Local Government Act.

#### **8.1.1 Composition**

- A Commissioner or Councillor
- Manager of Gardens and Parks
- The Executive Director Tourism
- Nominee of the Begonia Festival Association Board
- Nominee of the Friends of the Ballarat Botanical Gardens
- A nominee to represent the tenant clubs
- A community representative nominated at the invitation of Council with experience in business, tourism and/or horticulture

#### **8.1.2 Primary Role**

The Committee will be responsible for the Operation of the Centre, prepare and control the annual budget and report to Council as required.



### **8.1.3 Sub-Committees**

Two permanent sub-committees will be elected by the Committee.

- Marketing and Promotions sub-committee to oversee the preparation and delivery of the marketing plan and retail activity.
- A Conservatory sub-committee, to oversee the design and delivery of quality conservatory displays, supporting interpretation and technical planning.

## **8.2 The Community Resource Centre Advisory Group**

The Resource Centre Advisory Group should comprise representatives of all tenant clubs and societies. The Advisory Group will elect a User Group Representative to the Committee of Management.

As an Advisory Group the pecuniary interest disclosure provisions of the Local Government Act do not apply and membership is identified as flexible to an agreed core membership to allow the Group to respond to tasks as opportunities arise.

### **8.2.1 Primary Role**

The Advisory Group will have major responsibility for:

- Co-ordination of Events.
- Voluntary activities associated with the Community Resource Centre and the Conservatory.
- Information flow to and from tenants.
- Joint ventures involving two or more groups.
- Overseeing tenant conduct.
- Promotion of the Centre to User Groups.
- Informing and advising the Committee of Management.
- Receiving reports from the Committee of Management.

## **8.3 Technical Operations Department**

The Gardens and Parks Section has the responsibility to specify and oversee the production, installation and maintenance of displays. The Department also oversees the management and maintenance of the facility.

As the employing body, staff engaged to assist in operating the Centre will be supervised and allocated by the Section. The Section responds to and supports the Committee of Management in the delivery of agreed operational and financial objectives approved by Council.



# ROBERT CLARK HORTICULTURAL CENTRE BUDGET 1995/96

(Based on annual attendance of 124,000 Visitors)

EXPENDITURE		REVENUE	
<b>Building Services :</b>		<b>Tenant Clubs :</b>	
Fire/ cleaning/security	\$12,690	Permanent Hall Hire and commissionson sales days	\$2,320
Building Maintenance	\$3,500		
Utilities	\$33,200	<b>Commercial :</b>	
<b>Building Operation :</b>		Shop Sales	\$124,000
Shop Stock	\$74,400	Catering Commision	\$2,000
Postage/Stationery,foyer displays, consumables, printing, uniforms et	\$13,100	Casual Hall Hire	\$2,000
<b>Wages &amp; Salaries :</b>		Conference Fees	\$1,500
Fulltime weekday Recept/Admin (50% with Festival)	\$13,811	<b>Admission Fees :</b>	
Weekend Casual Shop Ass. <i>? FULL OR PART TIME MANAGER</i>	\$22,951	\$2 entry charge during begonia display period (57,600 No.)	\$115,200
<b>Conservatory Displays.</b>		\$2 entry charge balance of the year (66,250 No.)	\$132,500
Six floral displays (includes design, installation and maintenance)	\$257,631	Annual membership 700 @ \$10	\$7,000
<b>Ticket Machines :</b>		Annual membership 200 @ \$5	\$1,000
"Souvenir Ticket" refills	\$8,000	Wedding photos etc.	\$1,500
<b>PROMOTION &amp; MARKETING :</b>		<b>Council :</b>	
Promotion, advertising, targeted mail, surveys etc.	\$21,400	Begonia Display (Trans From Tourism Promotion Program)	\$30,000
		<b>Other Income :</b>	
		Sale of stock to industry at end of displays	\$7,000
<b>TOTAL EXPENDITURE</b>	<b>\$460,683</b>	<b>TOTAL INCOME</b>	<b>\$426,020</b>
		<b>SURPLUS /(DEFICIT) (\$34,663)</b>	

Figure 3



## 9. FINANCIAL STRATEGY

The financial strategy is predicated on the basis that the Robert Clark Horticultural Centre should cost no more to operate than the cost of traditionally providing conservatory display at the Ballarat Botanical Gardens (at the time \$78,000 per annum).

A simplified expenditure and income sheet (**Figure 3**), has been constructed to support both the objectives of this Operation Plan while meeting the prescribed "bottom line". Significant elements of the budget are discussed below.

### 9.1 Conservatory Displays

Six annual conservatory displays at a total cost of \$257,600 is clearly the major cost element. What gives the Centre its uniqueness as an attraction is also its potential "Achilles Heel" as it clearly demonstrates to cost of this traditional (and uniquely Ballarat?) approach, as opposed to the contemporary view of a single permanently installed display.

### 9.2 Energy Costs

The style of displays and the effective design of the conservatory provide for moderate to low energy demands in comparison to similar sized conservatories elsewhere.

### 9.3 Visitor Projections

The budget is based on an annual attendance of 124,000 visitors. Initial results indicate that this is achievable if an effective marketing and promotional program is instituted.

Current visitor income is plotted against conservatory display costs in **Figure 4**. This clearly identifies the requirement to boost average daily attendance outside the accepted tourist season.

### 9.4 Cross Council Program Subsidies

The City of Ballarat had traditionally recognised the cost of the annual begonia display as a component of its support for the staging of the Begonia Festival rather than an operating cost of the Botanical Gardens.

The recognition of this cost was reduced from \$65,000 to \$30,000 in 1994/95 which effectively means that the nursery must absorb the operational loss associated with this display.

### 9.5 Retail Sales

It is anticipated that a well stocked and targeted sales area should generate an average gross revenue of \$1 per visitor. The opportunity to select a momento of a visit to a significant attraction is now a real visitor expectation.



# CONSERVATORY INCOME VERSUS COSTS

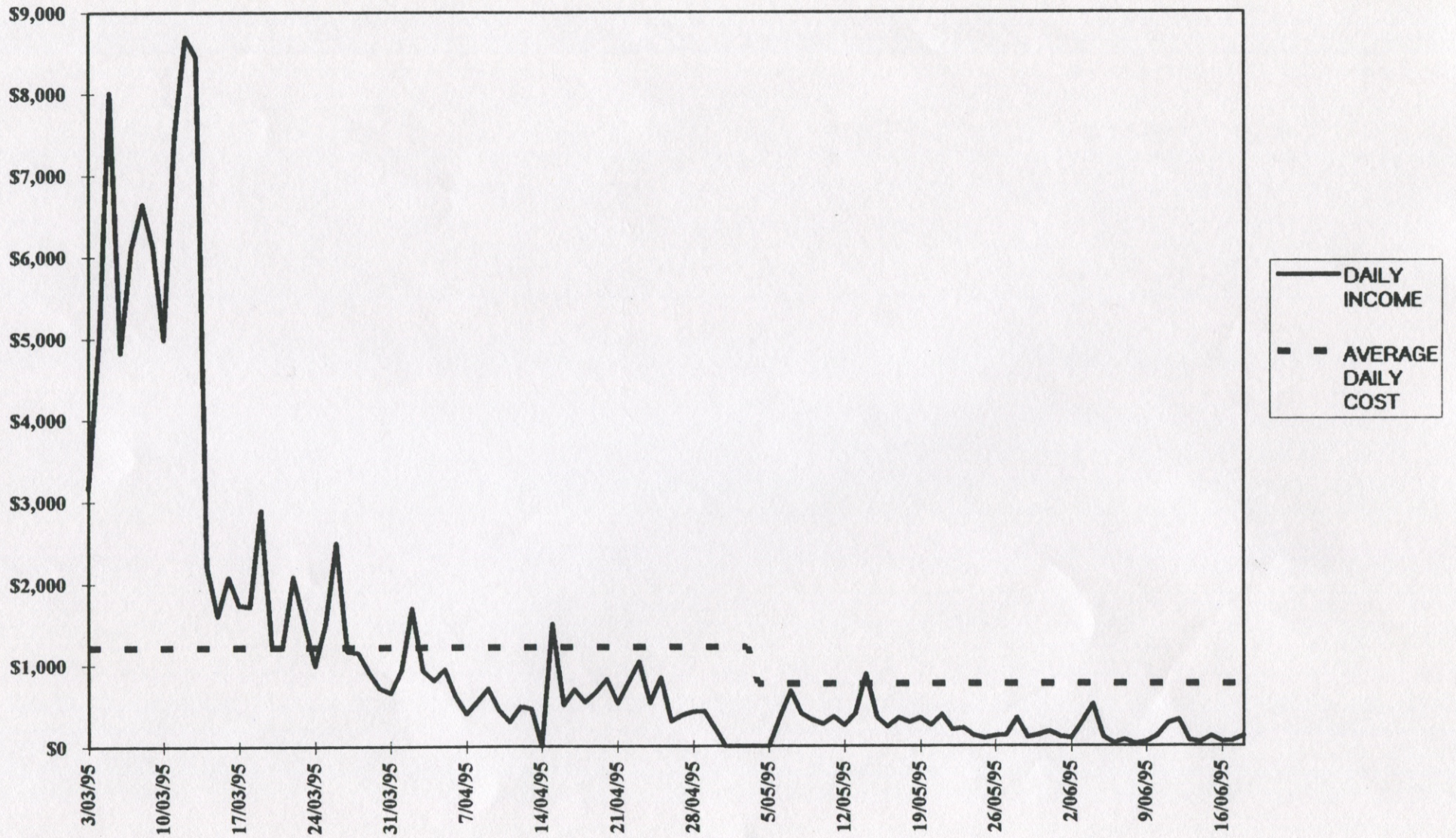


Figure 4



## 9.6 Fees And Charges Policy

Tenant clubs are charged a moderate \$12 per meeting hall hire fee for their regular meetings. This equates to their previous costs of hall hire.

It is generally viewed that the token hire fee is to be supplemented by a performance guarantee that each tenant club should stage at least two events per year that will be an attraction for weekend visitors.

Tenant clubs may also conduct "plant sales" as an event or component of an event and an agreed commission on sales (say 10%) is to be negotiated.

The concept of providing a discounted annual membership pass to the conservatory as an incentive for residents to join tenant clubs is also recommended.

The visitor charge to the conservatory is set at \$2 per adult (children under 14 free). Although the viability of the Centre is extremely sensitive to both price and visitor numbers, virtually no criticism has been received at this level of charge.

The continuation of this subsidised entry fee is viewed in the context of a Council contribution to the promotion of tourism in Ballarat.

Commercial or market place sensitive fee structures for casual and commercial hire of the venue offers significant scope for revenue, given the quality of the facility.



## 10. IMMINENT ISSUES (C.C.T.)

Under current legislation Council is required to expose elements of its annual expenditure to a sum equivalent to 50% of its Annual Expenses. As Annual Expenses includes items such as depreciation, Council will likely be required to test up to 80% of its annual expenditure in the market place by public tender. All areas of Council activity, including the Robert Clark Centre, will be included in this process.

A number of possible scenarios can be considered. Two are :

- *Tender the Entire Enterprise?*

Although this option provides an obvious business focus it needs to be balanced with:

- Community involvement and volunteer objectives and possible conflict with the business imperatives of a commercial venue manager. (Refer Mission Statement)
- The Begonia Festival Association is a possible tenderer and its consideration of core priorities, relationship to Council and relationship to the community (all potentially adversarial in this scenario), need to be carefully assessed by the Association Board. The risk of an unsuccessful bid in a competitive environment also has implications.
- What is the business? The Robert Clark Centre has only been in operation for a short time. Its concept is unique and the possibilities it has to offer have yet to be fully explored or experienced.
- The traditional (and still current?) perception that Botanical Gardens are essentially a public domain for the public good and the possible commercial compromises that may be necessary for the venue management to achieve their objectives.

- *Tender Elements of the Enterprise?*

Maintaining community focus, involvement and incentive while meeting Council's legislative requirement appears the key to this issue. Examine areas of expenditure:

- Conservatory display costs are equivalent to 56% of annual expenditure.
- Promotion and marketing costs are equivalent to 5% of annual expenditure.
- The Retail Sales area although forecast to produce a Nett return of \$50,000 may be considered if this is seen as a distraction to the core interests of the participants, 24% of annual expenditure.
- Stock purchases for the Retail Sales area may be considered and would be manageable via an Expression of Interest process although it introduces a degree of inflexibility in responding to product availability, 16% of annual expenditure.
- Cleaning, security, building maintenance, stationery, printing, etc. may all be tendered or considered in larger tenders proposed by Council, 6.5% of annual expenditure.

The above elements represent 84% to 91% of annual expenditure and may meet the imperatives while maintaining "community control".