

City of Salisbury

**Draft marketing review and
sponsorship proposal for
St Kilda Tramway Museum**

Confidential

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1. EXECUTIVE SUMMARY

St Kilda Electric Tramway Museum is South Australia's only heritage tramway tourism operator.

Its unique and historically significant collection of trams is one of the most comprehensive of its type in the world.

The Museum has successfully managed its holdings for half a century, but would now like to improve its viability by boosting visitation, halting declining membership and improving its marketing performance.

St Kilda recognizes that the risk of inaction is possible closure, as identified in its 2004/5-2005/6 Business Plan, and has approached Salisbury Council for assistance with marketing.

This paper has been prepared in response to a request from Salisbury for a plan for a marketing/sponsorship proposal which includes a review of the way other heritage rail operators, in particular Pichi Richi, have handled PLI and managed their marketing initiatives.

A kick-start campaign has subsequently been developed, which targets St Kilda's primary market - namely young children - with a recreational/education package and launch event underpinned by a sponsorship bid.

St Kilda has strong, potential market appeal, sound administrative skills and a group of long-standing rail enthusiasts to support it. It now requires the collaborative support of private and public sectors to ensure it stays on track.

2. BACKGROUND (1)

St Kilda Tramway Museum operates from a 5.6km site on St Kilda Road, and offers a significant array of tram exhibits and information plus rides to the general public.

The collection is owned and operated by Australian Electric Tramway Museum SA Inc, a not-for-profit organization accredited with the SA History Trust. It has 60 volunteers, of which a core group handles administration, maintains cars, hosts visitors, manages the shop and kiosk, and crews cars.

The collection and facilities (including sheds, workshops, plant, machinery, visitor centre and kiosk) have an estimated replacement cost of \$1,680,000. AETM relies on visitor admission (mainly from families-for-rides, and nostalgia/history buffs) to meet its recurrent expenditure plus government grants for larger capital projects.

From 2002/03 to 2003/04, St Kilda's premium rose from \$4,800 to \$50,000 - an increase of 1030% or nearly three times its visitor admission fees - temporarily halting its public rides in 2003 and slashing its visitation rates and income.

Several financial 'rescue' efforts have helped support the Tramway, including recent financial contributions by both SA Tourism and Salisbury Council, and a group insurance scheme arranged through Jardine Lloyd Thompson.

The Museum has also developed a Business Plan (2004/5-2005/6) which includes financial, marketing and operational SWOT analyses and Action Plans.

The Plan indicates that while the Museum is well aware of its marketing strengths, weaknesses, opportunities and threats, it also lacks 'sophisticated marketing skills' within its membership to implement them.

(1) Taken from site visits, St Kilda's promotional material, interviews, web, brochures, exhibition information, briefing notes to Salisbury Council 2005, St Kilda Annual Report 2004/5, St Kilda's Collection Management and Display Policy, St Kilda Electric Tramway Museum 2004/5-2005/6 Business Plan.

Marketing

The Museum presently undertakes limited promotion and advertising of its facilities and services, due to financial constraints and lack of marketing expertise among volunteers.

It has a website, colour leaflet and advertises in the Advertiser and Sunday Mail. It has also held public events and received publicity on other railway websites, as well as on Channel Nine's Postcards and in Salisbury Council digital and printed media. It is aware of its marketing capabilities and needs, as evidenced in its Business Plan. This includes -

Strengths: Part of a regional recreational area, with unique attractions. Established presence, good external endorsements and government relationships, and sound ability to obtain small government grants

Weaknesses: Lack of marketing expertise; 'fuzzy' market focus; isolated location; lack of public transport; influenced by weather and public events;

Opportunities: Schools; Club charter visits; regional recreation; cooperative museum ventures; specialist children's publications; ABC radio interviews; increase admission fees; sponsorship.

Threats: Loss of market segment; competition; ageing and declining membership; inability to match government grants.

Action: Establish visitor patterns; hold special days; target schools, seniors' clubs and tour companies; develop display materials; initiate facilities hire; seek council media mentoring; extend web links and brochure distribution; increase media activity.

3. MARKETING ENVIRONMENT (2)

3.1 Overview

This section looks broadly at other South Australian heritage railway tourist operators, particularly Pichi Richi Railway Preservation Society, which is recognised as one of South Australia's best practise heritage rail tourism operators.

It looks generally at the way these railways (all members of the Council of Historical Railways and Tramways of SA Inc.) have responded to PLI, and their approaches to marketing and other issues including volunteers. Although specific financial information was not provided by operators, some common trends have been identified.

In terms of insurance hikes, the groups all suffered to some extent from the impact of PLI, but their ability to cope appears to be linked to the strength of their individual economic, community and political support bases.

There appears to be a hierarchy among CHRTSA membership, based on their relative public profiles and business capacities. This in turn appears to be linked to their marketing skills, paid staff and collaborations.

The most prominent operations are Pichi Richi, Steam Ranger and National Rail Museum Port Adelaide, which appear to have come together as a loose, unofficial sub-group that undertakes limited cooperative promotional ventures, such as 'Steam up Quorn' and an event proposed for Rundle Mall in March 2006. Both Pichi Richi and Steam Ranger have television sponsorship, which not surprisingly has afforded them high public profiles. All three railways have very strong support from local councils, regional economic development boards, SA Tourism and local businesses. This has allowed them to attract considerable government funding for capital projects and enabled their expansion. In turn, this has led, directly or otherwise, to the appointment of paid staff, such as managers, marketing officers and/or technical staff, who have been able to further consolidate operational, financial and marketing initiatives.

CHRTSA's other rail operators include St Kilda Electric Tramway Museum, Mount Gambier Limestone Coast Railway and Lions

2. See Appendix

Club of Yorke Peninsula Rail Inc. Yorke Peninsula is in the unusual situation of having become a 'special project' club of Lions International, which has its own insurance scheme. This has removed the threat of its closure. Limestone Coast appears to operate in a reasonably closed manner which lacks the advantages and spin-offs of collaborate relationships. This railway has reduced its services, lost members and experienced a significant decline in passenger numbers in the past few years. While St Kilda has received financial and in-kind support in the past, it is now taking steps to augment its viability.

Steamtown Peterborough, which operates in a small rural environment, was unable to meet its Public Liability Insurance and has shut down its running trains.

It appears that Pichi Richi, Steam Ranger and Port Adelaide have recognised and responded to the need for growth and change, and used marketing effectively to achieve their objectives. As a very broad overview, the following comparative observations can be made about their marketing activities:

3.2 Marketing comparatives

Product

Pichi Richi, Steam Ranger and Port Adelaide have identifiable 'products' offering different rail experiences for visitors and passengers. Simplistically, Pichi Richi is imaged as a great outback rail journey. Steam Ranger offers colourful hills and coastal train experiences, while Port Adelaide has badged itself primarily as a heritage rail museum. Within these, they offer a variety of visitor activities and services, pitched at user groups determined by market research. Pichi Richi and Steam Ranger have developed strong brand names, and all three railways have recognisable product features - eg 'Coffee Pot', 'Cockle Train' and 'Tea and Sugar'. Their use of visual identity is consistent and applied to a range of marketing materials.

Price

Limited information was supplied about pricing. However, Pichi Richi and Steam Ranger indicated that they have determined the loading requirements for the continued growth of their operations. All three variously offer price discounts and forge strategic partnerships with other businesses to boost visitation. Port Adelaide is interested in pursuing cooperative arrangements with

other heritage rail operators, including collective employment of a group administrator and marketer, and joint purchasing arrangements.

Promotion

For all three railways, research-based, targeted promotion occurs through a mix of websites and links; advertising and publicity in local and national print, electronic and digital media; merchandising; events and trade shows; familiarisation; and personal selling. As non-for-profit organisations they have, of necessity, forged strong working relationships with councils, SA Tourism, regional economic development boards and local business. Media sponsorship has been invaluable.

Place

In this case, product and place are mutually linked, and locations have been used to advantage in different ways. Pichi Richi and Steam Ranger have largely defined themselves by their locational experiences, while Port Adelaide is based within a strong visitor hub which can only develop with the future expansion of the Port.

People

As volunteer-run entities, the three railways are piquantly aware of the importance of voluntary staff, and they provide varying levels of training and reward and recognition to members. Attracting and keeping new members remains however, an on-going concern. Operators referred to the need to manage internal and external politics. Paid staff were considered imperative to bridging the void between train enthusiasts and business logistics.

4. MARKETING OPPORTUNITIES

These findings highlight opportunities which could be explored by St Kilda, *in addition* to those identified in its own SWOT analyses. For example, the Museum could;

- Understand and capitalise on St Kilda's unique locational experience.
- Develop stronger and universally-applied branding;
- Create promotional incentives for families and heritage-transport buffs;
- Diversify and improve attractions to encourage repeat visitation;
- Understanding loading requirements to meet targeted growth;
- Hang a membership drive off future promotional campaigns, and back it with a proactive policy and procedure guide for volunteer management and retention.
- Shore up collaborative relationships and ventures with relevant public and private organizations

A staged program is outlined below which may assist St Kilda to formulate its future modus operandi. These suggested activities could be juxtaposed and explored in different ways and at different stages, but emphasis has been given to Stage One, which Salisbury Council has offered to support.

4.1 Stage One

Stage One could include a three-prong approach, which includes a sponsorship proposal, schools' excursion and educational kit package, and launch event in March next year.

4.1.1 Sponsorship proposal

A sponsorship proposal would help kick-start St Kilda Tramway Museum, by generating awareness and attracting visitors. A rapid injection of funding or in-kind support will also provide breathing space for the Tramway, while it investigates on-going solutions. Sponsorship may also confer long-term benefits on the Museum. (See 'Sponsors' below.)

4.1.2 Educational Package

It is suggested that the sponsorship proposal is linked to a 2006 primary schools' excursion and educational kit package which includes discount entry fees and informational brochures which

encourage children to find and fill in answers about the Museum during their excursions. This would work in a similar way to the Adelaide Show's Yellow Brick Road, by awarding students with stamps and vouchers to other St Kilda attractions. Participating schools could receive a CDROM about the history and future of local, national and international tram transport. Given that families-for-rides is St Kilda's major user group, the Primary School age group is potentially a huge market niche. There are about 600 government and non-government Primary Schools (including combined Primary/Senior Schools) in metropolitan Adelaide, which equates to 100,000 Primary School students. Even if only one class from half the schools participated, it would provide significant returns. This venture would rely on the Tramway opening one weekday each week, to allow it to capture the school market.

4.1.3 Promotional Campaign

The offer of reduced entry fees coupled with an educational kit could be pitched through the Education and Children's Services Department, and be extended to young Adelaide families through a targeted media campaign. Free advertising, promotions, advertorials and talk-back segments could target Messenger, Channel 9's Out of the Ordinary, commercial and public radio, school newsletters and Salisbury's print and digital media. Paid advertisements could be placed in the Advertiser, Sunday Mail, and thematic publications and websites.

4.1.3 Launch event

This initiative could be launched at a children's carnival at St Kilda Museum. This event could be supported by Salisbury Council's Cultural Development and Marketing Units, be opened and broadcast from the Museum site, include activities by and for young people, and help put St Kilda more visibly on the map. The Museum could offer historical tram exhibitions and contemporary tram displays, museum tours, fun rides, live children's music, face-painting, bouncy castle, tram conductor clowns and children's Tramway poster competitions. Such an event would also provide an impetus for cross-promotional activities within the precinct.

4.1.4 Sponsors

Sponsors, including a principal naming sponsor, could be invited to sponsor the Tramway itself, the educational package and/or the launch event. Salisbury has a good working relationship with

Messenger Newspapers, which is an obvious choice of principal sponsor. SAFM's younger listener audience may also be suited to St Kilda's family market. There may be an opportunity to target Channel 10 or 7, but it is likely to be difficult to sell the benefits of a sponsoring a second heritage railway on local television. Other major sponsors could include key public and local private organizations. For example, the imminent launch of the State's new state-of-the-arts trams provides a good opportunity to invite Adelaide Metro, TransAdelaide or Transport SA to help preserve the original trams of South Australia (and celebrate the March birthday of its oldest tram). It's understood that the State's new trams are arriving in Adelaide between December 05 and June 06. St Kilda's event could be timed to coincide with the launch of the new trams (possibly a pre-election date of February/March 06 launch, which will probably be organised by Transport SA or the Premier's Department.) The Education and Children's Services Department may provide in-kind support for the Educational Kit (such as mail outs and promotion). It may also be timely to pitch at Delphin Lend Lease, which is angling for a major new development at Waterloo Corner. Suggested sponsors are listed in Appendix 2.

4.1.5 Positioning and branding

The creation of a sponsorship proposal also opens up the possibility of addressing imaging and identification of the Tramway. In the process of determining the look and feel of the proposal, together with its key messages and thrust, the Tramway will have an opportunity to begin to hone its brand and position itself with more market clarity. It's suggested that the organization adopts a more user-friendly name, and crystallises its unique identity at this time. This could include promoting its colourfully named trams (such as Toast Rack), to personify them and give them with more enduring appeal. Steam Ranger is best known by its 'cash cow', the Cockle Train, which associates itself with the coastal region, particularly Victor Harbor. It is likely that St Kilda recreation precinct, itself in need of stronger brand, could nevertheless provide a clue to branding the tram museum. Branding clearly begs a differentiation between trains and trams, as it potentially provides a distinct marketing edge for St Kilda.

It's recommended that while potential sponsors could be alerted to the need for a 'survival campaign', the general public should not. Pichi Richi's experience with announcing its imminent closure was a negative one, and St Kilda is advised to start afresh with an unexpected and positive promotional campaign.

4.2 Stage Two

Forging stronger relationships with local businesses and community groups, regional political and economic development groups, SA Tourism, Arts SA, the media will help provide the Tramway with added financial, logistical and political clout. St Kilda's small membership numbers may limit time availability for relationship-building, but this area of marketing is considered crucial. It could occur at three levels:

4.2.1 Informal relationships

Informally, by hosting, visiting and continually informing key people within relevant organizations or offering familiarization tours and rides. This includes schools, media, politicians, tourism agencies, and local businesses.

4.2.2 Reference Group

Through a wider reference group that includes the Tramway, SA Tourism, SA History Trust, Arts SA, Council and the Business & Export Centre etc. This may provide avenues for undertaking a management review and identifying strategic and funding opportunities for the Museum's growth. It may also pave the way for paid staff, such as a marketing officer to undertake market research and to develop and implement targeted marketing strategies.

4.2.3 St Kilda Marketing Group

By establishing a St Kilda Marketing Group, with view to consolidating joint marketing efforts for the precinct. It's understood that the tramway is a member of the development sub-committee of St Kilda Progress Association. The role of this committee could be expanded, or a separate group established, to focus on marketing the precinct and developing an effective brand that helps optimize the amenity and marketability of St Kilda as a tourist destination. It's also understood that the St Kilda Township Plan is currently being reviewed and will address issues relating to residential development, environmental management, landscaping, tourism, the marina, playground and mangroves interpretive centre. This review affords the chance to create a logical and attractive visitor hub with effective linkages, transport and signage to its considerable attractions, including the tramway. Again, a paid marketing position for the precinct as a whole is a consideration.

5. BUDGET

EXPENDITURE

Tramway expenses	\$ 30,000
Sponsorship proposal	\$ 10,000
• 10 glossy booklets	
School's educational package	\$ 25,000
• 50,000 A3 folded brochures	
• 500 DVDs	
• Mail out	
• Marketing	
Kids' n Carriages carnival	\$35,000
• Administration	
• Events	
• Marketing	
• Fees	
• Amenities	
	<hr/>
	\$100,000

INCOME

School excursions 2006	\$10,000
100 schools @ 20 students @ \$5ea	
Salisbury Council Cash	\$15,000
Salisbury Council in-kind	\$10,000
Sponsorship In-kind	\$10,000
Messenger	
Adelaide metro/TransAdelaide	
Department of Education and Children's Services	
Other	
Sponsorship Cash	\$45,000
ETSA	
Delphin Lend Lease	
Stocklands (Parabanks)	
National Foods	
Other	
Funding Requests	\$10,000
SA Tourism	
Department Transport, Energy & Infrastructure	
Department Environment & Heritage	
Arts SA	
Other	
	<hr/>
	\$100,000
	<hr/>

6. TIMELINE

	2005						2006			
	July	August	Sept.	October	Nov.	Dec.	Jan	Feb	March	April
						SCHOOL	HOLIDAYS			
Sponsorship	St Kilda & Salisbury agree approach Develop Sponsorship Booklet	Approach Sponsors	Familiarisation Tours sponsors	Promote St Kilda	Promote St Kilda	Promote St Kilda	Promote St Kilda Tramway	Promote St Kilda, kit and carnival	Promote St Kilda, kit and carnival	Evalu
Educational Kit	St Kilda & Salisbury agree approach Draft kits	Approach Partners		Develop Brochures & DVDs		Promote 2006 schools excursion/ education kit	Promote schools excursion/ education kit	Promote schools excursion/ education kit	Kit offer starts	Evalu
Carnival	St Kilda & Salisbury agree approach Develop draft program	Approach partners	Form event steering committee Finalise event program Plan events	Develop events	Develop events	Develop Events Launch poster competition	Develop events Advertise & promote Carnival	Advertise Carnival Posters launched	Carnival	Evalu

(Note: Broad and indicative. Activities will overlap.)

7. POTENTIAL SPONSORS

Adelaide Convention and Tourism Authority
Adelaide Metro
Arts SA
Australia Council
Australian Council of National Trusts
Australian Major Events
BAE Systems
Bickfords Australia
Channel 9
Coles-Myer
Delphin Lend lease
Department Education and Family Services
Department Environment and Heritage (grants)
Department Recreation and Sport
Department Trade and Economic Development
Heritage SA
History Trust of SA
Messenger
Michell Australia
Minister for Industry, Trade and Regional Development
National Foods
National Library of Australia
Northern Partnership
Office of the North
Passenger Transport Board
Radio PBAFM
Radio Mix 102
SA Economic Development Board
SA Tourism Commission
SA Water
Tourism SA
TransAdelaide
Transport SA
University of SA

8. APPENDIX

8.1 SA Heritage Railway Tourism Operators Review

8.1.1 Pichi Richi

Discussions were held with Pichi Richi Railway Preservation Society president Phil Mellors and marketing officer Cathy Smthye.

Like St Kilda, the Society has experienced a declining membership and increasing administrative and compliance demands. It has also faced the possibility of closure, and sought and received support from local councils and other organizations.

However, major differences between the two operators lie in the size and scope of their projects.

Pichi Richi is one of the northern region's major tourist attractions. From the outset, it was recognized regionally as a potential tourist icon, and has now become a significant element of Port Augusta's recent image program, Cross Roads of Australia.

The railway runs between two major regional cities, which has doubled its support base. Its recognised tourism potential has helped it attract both significant Federal funding for capital projects, and financial support for marketing and administration from the private and public sectors.

The extensions have provided a deliberate base from which to tap into the Port Augusta market and encourage potential tourists to make the diversion off Highway One.

Given its scenic outback location, and profiling as a quintessential Aussie experience aboard colourfully-named heritage trains, Pichi Richi has become attractive to local and national media - and visitors, of whom 50% are local, and 50% are from Victoria, NSW and overseas.

Today, Pichi Richi operates six distinct train services on Saturdays, alternate Sundays, and certain weekdays during school holidays. It has 500 local, national and international members, of which 100 active members.

However, considerable legwork by the Society has ensured the Railway's survival, and clinched its profile.

Public Liability Insurance

Phill Mellors says the Public Liability Insurance Premium announcement in 2002 'caused turmoil' for Pichi Richi Railway Preservation Society, with its premium multiplying by 10 over three years. Declining membership was further 'dented' and the 'desperate announcements' of an imminent closure created negative publicity from which Pichi Richi is only now recovering.

To compensate, the Society was given an injection of funds from Port Augusta and Flinders Ranges Councils, NRG Flinders and a local Mitre 10. It was also party to the group insurance for all heritage operators to reduce their premiums over three years.

In 2003, after receiving additional financial support from Tourism SA and the two local councils, a Reference Group was established to support the venture.

This group, comprising the councils, Northern Regional Development Board, Pichi Richi Railway Preservation Society and SA Tourism, undertook a management review through Linquage International in Melbourne. Linquage recommendations included three positions:

1. Do nothing and face closure;
2. A survival model, which risked closure;
3. Revitalising the railway by injecting funds and increasing services to build up its revenue base.

At that stage, further significant expansion was not considered possible, so the group looked at ways of targeting its marketing to achieve 80% occupancy on scheduled trains.

As a result, the Regional Development Board and SA Tourism opted for the employment of a full-time marketing position within the Pichi Richi Railway Preservation Society, and agreed to contribute \$15,000 each over two years.

A marketing position was created, and after the resignation of the first officer, it has been subsequently filled by a marketing contractor and existing PRRPS member who is now engaged on casual, part-time, fee-for-service basis (about 10 hours a week) by Flinders Ranges and Port Augusta Councils and SA Tourism.

Pichi Richi has 'significantly increased' its marketing budget in the past few years. Further plans are on the table for paid administrative support and maintenance worker positions.

Both Mellors and Smythe believe the creation of this position has been instrumental in helping the Railway develop and implement its marketing strategies, lift its profile, attract visitors and boost its income. Mellors says Pichi Richi has begun to consolidate its marketing initiatives and has already doubled its target loading on passenger trains. The public is more confident and members are 're-invigorated and more passionate'.

He believes these collective efforts will pay dividends.

Marketing

Pichi Richi's marketing initiatives include:

Sponsorship: A sponsorship deal has been reached with Central TV for equivalent value advertising (about \$20-30,000 in free advertising), with a series of 15 and 30-second commercials over the next 12 months.

Familiarization: Trains trip for targeted accommodation and tourism businesses and their families are expected to generate good will and promotion, rather than direct financial support.

Advertising: Pichi Richi advertises in the Advertiser, RAA, regional print media and targeted travel media. It avoids classified advertising, which it considers less successful.

Promotion: The Railway has a strong relationship with SA Tourism, which promotes rides through its PR departments in SA and Sydney, and through interstate Caravan and Camping Shows interstate. It has brochures, signage and its own substantial website and web links.

Media: Pichi Richi produces media releases for 'anything that will generate publicity'. These target local and national print and electronic media. Pichi Richi has been featured on Discover, Postcards, Great Outdoors and Getaway. The Today Show is due to go live from Pichi Richi.

Events: Major public events are held annually, including the recent two-day 'Steam up Quorn'. This two-day event in April included

displays, music, exhibitions by other rail museums and the anniversary of the Coffee Pot.

Merchandising: Pichi Richi souvenirs and associated merchandise including Thomas the Tank products are available for sale at the Visitor Centre.

Collaborations: A key to the Railway's success is its strong working relationships with numerous local and State organizations, including Port Augusta and Flinders Ranges Councils, SA Tourism, Northern Region Development Board, NRG Flinders and local businesses. As a former employee of SA Tourism, Cathy Smythe has established contacts in the organisation. She believes SA Tourism is 'backing it's own investment' of \$1m in the line to Port Augusta.

In conjunction with members of CHRTSA, Pichi Richi is planning a joint heritage rail promotion in March 2006 in Rundle Mall, Adelaide.

Pichi Richi also provides support and supervision for students of Port Augusta Area School.

Research: Pichi Richi has undertaken limited surveys and market research, but wants to understand more about its user demographics and target markets. Its identified product - an historic train experience in the Great Outback of Australia - affords significant, untapped potential to promote Pichi Richi to international outback, overseas tourists.

Membership Drive: The Railway is keen to reverse its declining membership, and is planning to augment its training component as part of its bid to attract new members.

8.1.2 Steam Ranger

This not-for-profit, volunteer-run organization appears to be a sophisticated business operation, with a \$600,000 annual turnover and advertising budget \$32,000.

It runs several trains - the Cockle Train, Highlander, Southern Encounter, Junction Jogger, Strathlink between Mount Barker and Victor Harbour.

Steam Ranger owns rolling stock. It was set up by AHRS, which now meets monthly and receives a report from Steam Ranger.

This self-described 'business operation' has a board of management, executive committee, operational group managers (shops, marketing, catering, track committee, volunteer officer etc), foremen and working groups.

Steam Ranger has 165 active members, five employees including a senior rail fitter, 1st class machinist, carpenter, track worker and a marketing consultant.

The marketing consultant is employed by Steam Ranger for 25 hrs/week, and is helping to develop a number of marketing initiatives including package deals and incentives such as two-for-one restaurant meals in surrounding townships. There is considerable cross-promotion between local towns, their attractions and Steam Ranger.

Its primary sponsor is Channel 9, which provides free adverts in exchange for goodwill and free train rides. This sponsorship is considered critical to the success of the operation, and Steam Rangers has recently rewritten its sponsorship tiering to recognise this fact. Its recent theatrical 'Great Train Robbery' was promoted on Channel 9 news.

Steam Ranger has its own web site, brochures and merchandising including t-shirts, hats, postcards, toy train and whistle etc, sold through its shops at Mount Barker and Victor.

Surveys are conducted regularly to establish demographics, and rewards offered to passengers and public for completing questionnaires. Findings are fed into an electronic database and statistics are analysed, allowing for more targeted advertising. For example, survey results have increased Steam Rangers' advertising in the Hill's Courier and northern suburbs' Leader newspapers.

Bookings by are handled by volunteers via a 1300 telephone number. Volunteers are nurtured. Award levels have been established based on criteria such as hours, years and nature of service performed. Awards include free travel on trains and annual BBQs etc. A volunteer officer is responsible for managing volunteers and has developed a grievance procedure.

Steam Ranger maintains good, regular relationships with SA Tourism, local councils, the Adelaide Hills Regional Development Board and local politicians.

Its Business Plan is central to its activities and its Marketing Plan is revised annually. It aims to triple its turnover in the next three years. It has always paid high Public Liability Insurance premiums, and was not critically affected by the hike.

8.1.3 National Railway Museum Port Adelaide

Port Adelaide's railway museum also appears to be buoyant. This not-for-profit, volunteer-run operation has the only paid, full-time manager among SA's heritage rail operators. It also has a paid site operations position.

The manager describes the museum as a 'running business', and says the group insurance scheme helped successfully alleviate the pressure of PLI.

As a railway enthusiast with management skills, his key responsibilities are administration, financial accounting and marketing, but his time is 'consumed' by profiling and marketing.

Port Adelaide has 65 active volunteers, who are considered a critical component of the railway's operations and success. They meet monthly with the Manager, who believes however, that the operation would benefit from the appointment of a volunteer coordinator.

Port Adelaide has received various major funding injections, including a \$2m Australian Bicentennial Comemorative Grant, to relocate its museum and provide covered accommodation for exhibits at Port Adelaide. Today it receives occasional government grants for special projects.

Its comprehensive range of services include train rides, exhibits, displays, guided tours, merchandise sale through its sales centre and educational resources. It also produces Catchpoint, a 40-page national rail magazine. It caters for private functions, and runs events such as jazz nights, working in with the local Railway Hotel. Major events such as Friends of Thomas the Tank Engine each July, attracts up to 10,000 people. The Museum is open every day, and rides operate on Sundays and daily during school holidays from Port Adelaide and Semaphore.

The annual marketing budget is about \$20,000 this year, which is spent mainly on a steady mix of advertising and promotion in the Messenger, Advertiser, radio and television. Port Adelaide is currently exploring sponsorship opportunities through the Australian

Business Arts Association, which provides support to make bids to sponsors. It has also organised a business leaders' breakfast with the Western BEC, and maintains a very good relationship with SA Tourism and Port Adelaide Council.

8.1.4 Lions Club of Yorke Peninsula Rail Inc.

The Yorke Peninsula Rail Preservation Society was 'devastated' by the PLI and temporarily ceased operating. However, spurred by community interest in developing local tourism, the Society reached an agreement with Bute and Wallaroo Lions Clubs to become the first 'special interest' Lions Club to run a railway.

Lions Club of Yorke Peninsula Rail Inc. is now insured by Lions International and is up and running again.

Its four-car set, which holds 160 passengers, runs about four times a month along the 42km track from Wallaroo, through Kadina to Bute

It remains owner-operated and its membership has risen from about 45 to 70 people.

It undertakes minimal advertising, and much of it is word of mouth through the Lions. Brochures are distributed regionally, and adverts are placed on radio, and in the Advertiser and Sunday Mail. Timetables are sent to coach companies and charter clubs.

8.1.5 Mount Gambier Limestone Coast Railway

The Limestone Coast Railway is fully self-funded by members, operating on a non-profit, voluntary basis. The volunteers own the trains, and currently operate an LCR between Mount Gambier, Kalangadoo and Tantanoola about four days a month. The group has been struggling since the introduction of higher PLI, but says financial pressure comes from a variety of sources including other insurance and compliance requirements.

While Wattle Range, Grant and Mount Gambier Council provided some initial financial and in-kind assistance to help offset the PLI, the councils have little on-going involvement with the group. It is no longer running to Penola, and wants to boost its membership of 60 paid and 12 active members.

It has a marketing budget of about \$3000 per year, produces brochures, advertises on the Lady Nelson Visitor and Discovery Centre website, and has been featured on Postcards, Getaway and Great South-Eastern Rail Journeys.

It books its own charter groups, but general visitor bookings are handled by the Lady Nelson Visitor and Discovery Centre on a commission basis. The railway had 2000 passengers last year, a drop from about 5000 several years ago. Its passengers come mainly from the Limestone Coast and western Victoria areas.

8.1.6 Steamtown Peterborough

Steamtown shut down its rail rides due to PLI. The operation has been taken over by Peterborough Council, which employs a part-time manager who looks after the museum, buildings, and static train displays. Council owns rolling stock, Transport SA owns land and Department for Environment and Heritage owns buildings. Negotiations are underway for upgrades to land and buildings, with view to Council taking them over in future. Volunteers help run the Museum, which is promoted through Peterborough Tourist Promotion Group and some local advertising. Visitors are mainly local and passing tourists.