

ATTACHMENT TO AGENDA ITEM

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Agenda Item 11.8 Shepparton Truck and Transport Museum - MOVE

**Attachment 1 Shepparton Truck and Transport Museum Business
Case..... 591**



MUSEUM OF VEHICLE EVOLUTION (MOVE) SHEPPARTON

BUSINESS CASE

VERSION 4 SHEPPARTON 2018

SHEPPARTON MOTOR MUSEUM AND COLLECTIBLES

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ACRONYMS

AAGR – Average Annual Growth Rate

FY – Financial Year

FTE – Full Time Equivalent

IVS – International Visitor Survey

NVS – National Visitor Survey

RJIP – Regional Jobs and Investment Package

SMMC – Shepparton Motor Museum and Collectibles

MOVE – Museum of Vehicle Evolution Shepparton

TRA – Tourism Research Australia

YE – Year Ending

GLOSSARY OF TERMS

Direct Impacts – Direct output or value of development or construction activity.

Indirect Impacts - As output increases, so too does employment, and wages and salaries paid to local employees. A portion of this additional income to households is used for consumption in the local economy which leads to further increases in demand and output region.

Input-Output Analysis (I-O) - Input-output (I-O) is a method of economic analysis based on the interdependencies and relationship between industry sectors. This method is most commonly used for estimating the direct and flow on economic impacts of a project or activity to an economy.

Output - Represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.

EXECUTIVE SUMMARY

BACKGROUND

Shepparton Motor Museum and Collectibles (SMMC) engaged Urban Enterprise to prepare a Business Case to establish the Museum of Vehicle Evolution (MOVE) Shepparton in the Emerald Bank Precinct.

The proposed MOVE Shepparton will create a significant cultural heritage attraction for Shepparton that exhibits the Goulburn Valley region's rich transport, agricultural and social history, while also providing a complementary attraction adjacent to the existing SMMC.

This Business Case has been developed to support the establishment of a sustainable operating model including governance, and to support applications for funding from Federal, State and local Government.

STRATEGIC SUPPORT

The proposed MOVE aligns with key federal, state and local strategy relevant to tourism development and visitor satisfaction.

Overarching objectives for tourism development in Victoria are focussed around encouraging investment into developing new, high-quality tourism products and attractions that are authentic and engaging, with a view to encouraging visitors to stay longer and spend more.

Investing in the development of suitable tourism products, services and infrastructure is critical to delivering a positive visitor experience.

The MOVE will bolster Greater Shepparton's authentic, cultural and heritage tourism product offer as it articulates and exhibits the rich transport and agricultural history of the region. A tourism product of this nature does not currently exist in the region, thus providing a unique and engaging experience for visitors.

The Greater Shepparton Economic Development, Tourism and Major Events Strategy (2016) identifies the need to strengthen Greater Shepparton as a holiday/leisure destination. To achieve this, a greater level of investment into

contemporary products that appeal to new visitor markets is required. The Goulburn River Valley Tourism Destination Management Plan (2017) identifies the MOVE as a priority tourism development project for Greater Shepparton.

The proposed MOVE satisfies key development objectives detailed within local and regional tourism strategy. The MOVE will provide a new, state-of-the-art Museum with a contemporary and experiential product offer. The Museum will also provide the region with a high-quality outdoor events space that can accommodate a diverse range of events.

Events are a critical component of the Greater Shepparton visitor economy, as they attract repeat visitation, particularly in the off-peak and shoulder seasons. Greater Shepparton should continue to develop new events and support existing events that are in-line with regional strengths.

The new Shepparton Art Museum (SAM) is a game changing project for the region. The Museum will create a drawcard attraction for Greater Shepparton, appealing to a wide range of visitor markets. There are synergies with the new SAM and the proposed MOVE, providing a complementary arts/culture/heritage attraction.

PROPOSED CONCEPT

The proposal is to establish a purpose-built Museum in the Emerald Bank Precinct, behind the existing Shepparton Motor Museum and Collectibles. The Museum will showcase the Goulburn Valley's rich history and heritage centred on trucking, transport and agriculture through a mix of interactive multimedia and fixed displays along with curated exhibitions depicting the settlement, growth and establishment of the Goulburn Valley as a major national transport hub and one of the nation's leading food bowls.

The Museum will also include a dedicated outdoor and undercover event space. The large covered space will be utilised for regular events that are associated with the Museum offering, and other events of local and regional significance. The canopy covering the events space will include a series of solar panels. The energy generated from the panels will be fed back into the grid based on a buy back scheme with private energy companies. Funds raised through the scheme will be redirected to community initiatives such as youth and education programs.

The proposed co-location of the MOVE with the SMMC provides synergies and further strengthens the role of the Emerald Bank Tourism Precinct by diversifying the product offer for visitors and locals.

VISITOR POTENTIAL

It is expected that the key visitor markets to the proposed MOVE will include the following:

- Visitors to Greater Shepparton travelling for the purpose of *visiting a museum or art gallery*;
- Visitors to Greater Shepparton travelling for the purpose of *visiting a history or heritage site*;
- Visitors to Greater Shepparton travelling for the purpose of *attending an event*;
- Visitors visiting the adjoining SMMC;
- Local residents of Greater Shepparton and surrounding suburbs; and
- Special interest groups such as truck, motor, transport enthusiasts and registered clubs and associations.

It is expected that the MOVE will attract a significant number of school and business groups through the education and business event facilities proposed for the Museum.

Based on the adopted capture rate, it is estimated that the MOVE will attract approximately 17,500 admissions per annum (in year 1). It is important to note that this does not include school groups or function and event visitors.

It is assumed that the number of paid admissions and event visitors to the MOVE will increase annually. This is based on the expectation that the Museum will capture a greater proportion of market potential over time, resulting from an increase in marketing, advertising, and public awareness of the Museum.

PREFERRED GOVERNANCE STRUCTURE

The preferred structure to manage the new MOVE Shepparton is to transform the existing Motor Museum Incorporated body. It is recommended that the existing Shepparton Motor Museum and Collectibles entity be changed to reflect the strategic direction and complexity of the new facility but will have the following benefits over two separate structures:

- Provide consistency of approach and management of the museum and its collections;
- Allows the collections to be branded under one umbrella, which will allow for efficiencies, stronger market presence and clear messaging;
- Provides economic efficiencies compared to two separate entities;
- Builds on the operational success of the Motor Museum for attracting grant funding;
- The reporting structure will allow for the inclusion of additional steering committees and include representation from key stakeholders, i.e. the truck and transport industry.

PROJECTED OPERATING BUDGET

The estimated operating profit is forecast to increase from approximately \$8,000 in year one, to \$198,000 in year five. The improved operating performance of MOVE will result in the ability to reinvest operating profits into the ongoing development of the museum as well as the potential to donate funds to the community following the completion of the renewable energy infrastructure. It is anticipated that by year five returns from the installation of solar power will result in up to \$100,000 being made available to reinvest in the Museum and community based projects.

ECONOMIC IMPACT

Short Term Construction

Based on an estimated construction cost of \$6.25m, the short-term construction period is estimated to generate a total economic output of \$13.1m, supporting 36 jobs.

The total impact includes \$6.25m direct and \$6.85m indirect impact, supporting 14 direct and 22 indirect jobs.

Ongoing Operating Impact

It is expected that the establishment of the MOVE will attract a mix of both locals and visitors. The attraction of visitors to the region is expected to generate direct expenditure in the region, which in turn provides flow-on economic benefit to the local economy.

Once operational, the Museum will support a level of direct employment within the facility, but will also generate flow-on economic benefit to the region through the attraction of visitor expenditure.

Based on the adopted set of assumptions, the following economic impacts are expected:

- An increase in visitor expenditure in the order of \$2.26m resulting from an attraction of new visitors to the region; and
- An increase in visitor expenditure in the order of \$1.11m from the provision of functions/events.

The direct expenditure generated from visitors to the MOVE is expected to generate a total economic output in the order of \$5.71 million per annum, supporting 33 (FTE) jobs per annum in the Greater Shepparton economy.

1. BACKGROUND

1.1. INTRODUCTION

Shepparton Motor Museum and Collectibles (SMMC) engaged Urban Enterprise to prepare a Business Case to establish the Shepparton Truck and Transport Museum (MOVE) in the Emerald Bank Precinct.

The proposed MOVE will create a significant cultural heritage attraction for Shepparton that exhibits the Goulburn Valley region's rich transport, agricultural and social history, whilst also providing a complementary attraction adjacent to the existing SMMC.

This Business Case has been developed to support the establishment of a sustainable operating model including governance, and to support applications for funding from Federal, State and local Government.

It is important to note that the assessments detailed in this Report are high-level only.

1.2. REPORT STRUCTURE

This Business Case includes the following components:

1. Project Introduction and Background
2. Case Studies
3. Market Potential
4. Concept Development
5. Implementation

1.3. OVERVIEW OF SHEPPARTON TRUCK AND TRANSPORT MUSEUM PROPOSAL

The proposal is to establish a purpose-built Museum in the Emerald Bank Precinct, behind the existing Shepparton Motor Museum and Collectibles. The Museum will showcase the Goulburn Valley's rich history and heritage centred on trucking, transport and agriculture through a mix of interactive multimedia and fixed displays along with curated exhibitions depicting the settlement, growth and establishment of the Goulburn Valley as a major national transport hub and one of the nation's leading food bowls.

The key objectives of the Shepparton Truck and Transport Museum are as follows:

- Celebrate the establishment of the trucking industry in Shepparton, including the people, families and companies that built the industry;
- Gather, curate and display the large number of collectible, classic and heritage trucks locally owned;
- Provide a focal point for the trucking industry in Shepparton, one of Australia's most significant regional transport hubs;
- Engage audiences with the emergence of the region as one of Australia's leading food bowls incorporating migration, manufacturing and rich provenance;
- Provide a high quality undercover outdoor events space capable of accommodating truck and vehicle trade shows, exhibitions and displays, as well as local and regional markets and other community events;
- Support the development and attraction of niche and broader audiences including intrastate, interstate and international visitors;
- Co-located with the Shepparton Motor Museum & Collectibles and the Furphy Museum, it will create a high quality Cultural Heritage Precinct and contribute to the regional economy through the construction and operational phases of the project.

The MOVE is proposed to be established behind the existing SMMC in the Emerald Bank Precinct, approximately 6.5 km south of Shepparton's CBD along the Goulburn Valley Highway. The location context of the MOVE is shown in Figure 1.

The MOVE will create a significant drawcard attraction for Shepparton that aligns with, and further strengthens the region's significant history, heritage and agricultural tourism offer.

The proposed concept is discussed further in Section 4.

FIGURE 1 LOCATION CONTEXT – MOVE



1.4. STRATEGIC CONTEXT

This section provides an overview of the importance of the transport industry, as well as an assessment of relevant federal, state and local tourism strategy, which demonstrates the proposed MOVE aligns with, and supports key development objectives.

1.4.1. NATIONAL TRANSPORT: STATE OF THE INDUSTRY

Australia's vast land area and dispersal of population centres makes it highly dependent on roads and rail to transport goods domestically. Approximately 75% of non-bulk domestic freight occurs on roads, with demand for freight forecast to double between 2010 and 2030.

Government and industry recognise the importance of the transport industry as a key facilitator of economic growth. However, industry trends indicate that there are existing driver shortages, which need to be addressed to service the predicted growth. Leading manufacturers, peak transport bodies and governments are recognising the significance of this shortage and the consequences to the broader economy.

In 2016, Volvo Group Australia commissioned Clemenger BBDO to conduct a research study across 600 transport companies, representing approximately 34,000 drivers.¹

The study found that given the existing shortage of professional drivers, the rate of recruitment would need to increase by 150% to "account for the simultaneous pressures of increased road freight services demand and the loss of retiring drivers".

The study concludes that the ongoing viability of the industry is dependent on the following factors:

- Raising the profile and expanding the image of truck driving as a profession. The issue of driver image directly influences driver availability, the ability to attract driver diversity including young people and women.

- Connecting the schools and the general public with positive stories about drivers, the industry and road safety records
- Educating on how to drive around trucks - be safe but not afraid
- The vital role of the trucking industry not only to the Australian economy, but to our liveability and function as a society.
- Reality of truck statistics and the industry today.

1.4.2. FEDERAL STRATEGY

TOURISM 2020

Tourism 2020 is a long-term strategy which aims to develop and further strengthen tourism as a significant and dynamic industry in Australia.

The Strategy recognises that the Federal Government plays an important role in encouraging improved product quality and innovation.

The Strategy identifies six strategic areas that are vital to developing tourism across Australia. The strategic area relevant to the MOVE is "to encourage investment and implement the regulatory reform agenda". This Strategy states a commitment to work with industry to support investment in tourism infrastructure that can drive demand. Australia needs significant investment in tourism infrastructure if it is to realise its potential in both global and regional tourism markets, and encourage dispersal of international and domestic visitors.

¹ Volvo Group Australia -- Professional Truck Driver Shortage 2016

REGIONAL DEVELOPMENT STRATEGY

The proposed Truck and Transport Museum is located in the Greater Shepparton Local Government Area (LGA), which sits within Regional Development Australia's (RDA) Hume Region.

Tourism is an economic and employment growth sector in the Hume region, attracting over 2.5 million visitors to the region annually. Core strengths supporting visitation and the regional economy include:

- Proximity to Melbourne;
- Natural attractions;
- Diversity of the annual events and festivals calendar; and
- High quality food and wine products.

The Strategy identifies the opportunity to create linkages between tourism areas and products across the region, with a view to adopting a coordinated approach to leverage further from visitation.

1.4.3. STATE STRATEGY

VICTORIA'S 2020 STRATEGY

Victoria's 2020 Strategy was prepared in 2013. The Strategy sets long term priorities for Government and industry to support growth and address challenges in the Tourism industry.

Victoria's multicultural lifestyle, diversity of attractions and reputation for providing high quality cultural and sporting experiences are identified as key strengths.

Strategies relevant to the MOVE include:

- Attracting private sector investment with particular emphasis on regional Victoria.
- Diversifying regional and rural product offerings to attract more visitors and increase length of stay.

- Maximising the benefits of events including the development of 'home-grown' events, business and industry events, countering seasonality and options to establish new or amplify existing events.
- Achieving greater regional dispersal.
- Improved experiences for visitors from Asia.
- Recognising and valuing heritage places and objects, encouraging greater access and community and visitor engagement.

VICTORIAN VISITOR ECONOMY STRATEGY

Building on the Victoria 2020 Strategy, the Victorian Visitor Economy Strategy was prepared in 2016.

This Strategy builds on Victoria's 2020 Strategy and supports strong collaboration between government, communities and industry, presenting a strategic focus on tourism and events and the broader visitor economy.

The Strategy recognises that economic development and job creation starts with the private sector, and that visitor economy businesses are a critical partner with governments in investment, trade, promotion and marketing activity.

It places importance on collaboration and communication between private businesses, organisations and government in growing the visitor economy.

The Strategy calls for the revitalisation of existing products and infrastructure to provide a more compelling experience for both domestic and visitors from new markets.

Encouraging visitors to stay overnight through the improvement of the visitor experience and offer could have significant impact on the economic return to the region and State.

The Strategy states that significant private sector investment is needed to deliver more attractive visitor experiences in order to leverage further visitation and encourage visitors to stay longer.

VICTORIA'S TOURISM AND EVENTS STRATEGY 2020

Victoria's 2020 Tourism Strategy was prepared in 2013 to provide a clear vision for the state's tourism industry and provide support to initiatives to increase the economic and social contributions tourism makes to the State.

Objectives relevant to the MOVE include:

- A need to provide visitors with a unique and authentic experience.
- The need to appeal to current and emerging markets.
- The importance of development of engaging content including storytelling and visual images.

VICTORIA'S CREATIVE STRATEGY

Victoria's Creative Strategy was prepared in 2016 by Creative Victoria. The strategy encourages collaboration across the state's creative industries (including performing arts, museums, visual arts, tourism, design and gaming sectors) and is aimed at promoting wider economic and social impact.

The Strategy recognises the social, cultural and economic benefit of place based creative and cultural investment. In turn providing strong cultural engagement within communities, and creating local employment opportunities.

Historically, Greater Shepparton has not typically attracted a high proportion of arts and cultural visitors, particularly when benchmarked against other regional centres in Victoria. The Strategy refers to the new Shepparton Art Museum and its game changing potential. More specifically, the ability to drive visitation to the region, attracting new creative and cultural visitor markets.

The funding model for the New SAM is reliant on a partnership approach to funding and includes committed funding from the three tiers of government and contributions from local donors and philanthropic sources. This model of funding and governance structure provides valuable insight into funding potential and governance structures for the proposed new Truck and Transport Museum at Emerald Bank.

KEY FINDINGS

The Transport industry is both a driver and facilitator of economic growth in Australia. Demand for domestic road freight is forecast to increase significantly, further affirming its importance.

There are existing shortfalls in the industry, particularly attracting skilled and experienced drivers. MOVE Shepparton will help promote and educate visitors regarding the industry's significance.

The proposed MOVE aligns with key federal, state and local strategy relevant to tourism development and visitor satisfaction. Overarching objectives for tourism development in Victoria are focussed around encouraging investment into developing new, high-quality tourism products and attractions that are authentic and engaging, with a view to encouraging visitors to stay longer and spend more.

Investing in the development of suitable tourism products, services and infrastructure is critical to delivering a positive visitor experience.

MOVE will bolster Greater Shepparton's authentic, cultural and heritage tourism product offer as it articulates and exhibits the rich transport and agricultural history of the region. A tourism product of this nature does not currently exist in the region, thus providing a unique and engaging experience for visitors.

1.4.4. LOCAL STRATEGY

GREATER SHEPPARTON ECONOMIC DEVELOPMENT, TOURISM & MAJOR EVENTS STRATEGY

The Economic Development, Tourism and Major Events Strategy prepared by Urban Enterprise in 2015, identifies opportunities to build and diversify the local economy with the vision of Greater Shepparton as a premium regional destination to live, work, visit and invest.

The Strategy acknowledges the importance of Greater Shepparton's transport and logistics industry and the potential to further leverage from the industry.

Strategies relevant to the MOVE proposal include the following:

- Seeking support from state and federal governments for infrastructure;
- Maximising visitation and increasing length of stay;
- Reducing economic leakage by presenting a range of diverse events to engage local audiences;
- Promoting Greater Shepparton as a vibrant destination specifically targeting family, leisure, sports, cultural and business markets;
- Raising the profile of the tourism industry in the region as a significant contributor to the local economy; and
- Supporting the development of sustainable attractions, events and experiences.

At the time of the Strategy, Council's key project priorities relevant to transport infrastructure in Greater Shepparton were as follows:

- Increasing the frequency of passenger rail services between Shepparton and Melbourne.
- The development of the Goulburn Valley Freight and Logistics Centre (GV Link), highlighting the continued importance, contribution and growth of the transport industry.
- Construction of the Goulburn Valley Highway Shepparton Bypass.

- The redevelopment of the Shepparton Art Museum and Shepparton Visitor Information Centre within a purpose-built gallery in the Victoria Lake Precinct.

The significant level of investment prioritised for transport infrastructure and arts/culture tourism product highlights the synergies between the region and the proposed MOVE.

Visitor Economy

The visitor economy is a key economic pillar in Greater Shepparton. In 2016, the visitor economy contributed \$200 million in economic output, supporting 1,204 jobs.

The Strategy identifies existing gaps in visitor markets including cultural visitors and identifies opportunities to engage new audiences and attract new visitor markets to the region through the development of complementary product and experiences to leverage from the new Shepparton Art Museum (SAM).

A key objective is to grow the visitor economy through improved product, experiences, targeted marketing and visitor servicing.

Product Development

Strategies relevant to product development in Greater Shepparton:

- Support and facilitate the development of contemporary tourism product which appeals to target markets and aligns with the positioning of Shepparton and Mooroopna
- Promote and facilitate private sector investment opportunities
- Promote the development of food tourism leveraging from Greater Shepparton's agricultural strengths

Major Events Hub

The annual event calendar in Greater Shepparton is considered a critical element in generating continued visitation to the region. The success of events is intrinsically linked to Council's willingness to actively pursue and support events, maintaining strong and long-term relationships and investing in facility upgrades.

Strategies relevant to event development in Greater Shepparton:

- Continue to develop Greater Shepparton into a major events hub in central Victoria capitalising on quality infrastructure.
- Greater Shepparton prides itself on being one of Regional Victoria's key event destinations. The region's strengths in accommodating major events are attributed to the central location, quality of facilities, and industry support
- Diversify the events base by supporting more arts, food, cultural and music events
- Explore opportunities to grow the business events sector
- Develop relationships with National, State and Regional sporting and arts and cultural organisations

GOULBURN RIVER VALLEY TOURISM DESTINATION MANAGEMENT PLAN (2017)

An update to the Goulburn River Valley Tourism Destination Management Plan (DMP) was completed in 2017.

The DMP identifies a number of priority projects across the Goulburn Valley region with the objective of encouraging investment and development into key visitor attractions and experiences.

The update to the DMP identifies the Shepparton Truck and Transport Museum as a priority project for the region, providing further support for the establishment of the MOVE.

BUSINESS CASE FOR A NEW ART MUSEUM IN SHEPPARTON

In the Business Case commissioned by the Greater Shepparton City Council and prepared by Simon McArthur & Associates the following key elements were identified to support the development of a new SAM:

- Greater Shepparton's diverse and multicultural composition is one of its key qualities, with approximately 11% of residents born overseas. Significant populations have settled in the region from Italy, Turkey, Greece, Albania, Netherlands, United Kingdom, Germany, India, New Zealand, Philippines and Iraq.
- The region has a well-developed economy, based primarily on irrigated agriculture, food processing, retailing and road transport.
- The Goulburn Valley is responsible for about 25% of Victoria's agricultural production. Food processing is a significant secondary industry, with over 30 major food processing related businesses located within two hours of the major urban centres.
- The large volume of fresh and processed foodstuffs produced in the region generates an extremely high number of freight movements. The road transport industry which has grown up to support this freight task is a substantial contributor to Greater Shepparton's economy in its own right and Shepparton is now provincial Victoria's largest truck sales and service centre.

In addition, the Business Case identified Shepparton as one of the five fastest growing inland regional centres in Australia. The Project Objectives for the New SAM include;

- Activate Shepparton as a vibrant cultural destination by providing a visitor experience that reflects emerging market trends and needs/preferences of target markets.
- Maximise direct and indirect economic benefits to the Shepparton region by increasing tourist visitation, length of stay and spending in the region.
- Maximise social benefits to the region by inspiring civic pride, enhancing community engagement, social cohesion and educative opportunities of SAM's collections, exhibitions and program offerings.

- Use a site that reflects the Shepparton brand and presents minimal site and infrastructure constraints.
- Offer a Project Governance and Business Model that shares risks, financial burden and capitalises on opportunities amongst long term project partners/sponsors and be whole of life sustainable

KEY FINDINGS

The Greater Shepparton Economic Development, Tourism and Major Events Strategy (2016) and the Goulburn River Valley Tourism Destination Management Plan (underway) identify the need to strengthen Greater Shepparton as a holiday/leisure destination. To achieve this, a greater level of investment into contemporary products that appeal to new visitor markets is required.

The proposed MOVE satisfies key development objectives detailed within local and regional tourism strategy. The MOVE will provide a new, state-of-the-art Museum with a contemporary and experiential product offer. The Museum will also provide the region with a high-quality outdoor events space that can accommodate a diverse range of events.

Events are a critical component of the Greater Shepparton visitor economy, as they attract repeat visitation, particularly in the off-peak and shoulder seasons.

Greater Shepparton should continue to develop new events and support existing events that are in-line with regional strengths.

The new Shepparton Art Museum (SAM) is a game changing project for the region. The Museum will create a drawcard attraction for Greater Shepparton, appealing to a wide range of visitor markets. There are synergies with the new SAM and the proposed MOVE, providing a complementary arts/culture/heritage attraction.

1.5. SHEPPARTON MOTOR MUSEUM & COLLECTIBLES

The new MOVE Shepparton is proposed to replace the existing SMMC. The existing SMMC is a dedicated visitor attraction and events space exhibiting unique private motor and transport collections, as well as other regionally significant collectibles.

The Museum is located within the Emerald Bank Precinct, which is a dedicated tourism and lifestyle precinct situated at the southern gateway of Shepparton.

The proposed MOVE Shepparton will strengthen the Emerald Bank Precinct further affirming the precinct as one of Shepparton's premier visitor attractions.

This section provides an overview of the SMMC including its history and origin, product, experience and service offering and the level of annual visitation.

HISTORY

Shepparton has had a long motoring and transport history and benefits from a high level of collector and vintage car ownership. The concept for the SMMC was first developed in 2010 and consisted of providing a facility that displayed a number of private collections of vintage, classic and collector cars, normally not accessible by the general public.

From this concept, a board consisting of seven members was established to oversee the development of the concept and the delivery of the museum.

The purpose-built SMMC opened in 2012, and has evolved from a dedicated Motor Museum to a multi-purpose museum, which showcases cars, stories and collectibles from across the Goulburn Valley region. It also has a significant part of the Farren Bicycle collection on permanent loan, which is recognised as the largest and rarest collection of bicycles in Australia. Spanning 150 years, it is considered one of the best in the world.

FACILITY

The SMMC encompasses 2,500 sqm of floorspace including: a retail outlet, café and the Furphy Museum.

Since opening, SMMC has expanded its offer to include a multitude of uses including additional exhibition space, retail, food and beverage and dedicated events space.

The on-site Provender Café offers a range of local produce and ingredients from the Goulburn Valley, and offers breakfast and lunch options to Museum patrons and the general public.

The Furphy Museum, which is an add on to the original concept, celebrates the history and contribution of the Furphy Foundry and Furphy Family in the region.

The retail component is a dedicated Museum shop, offering gifts and collectibles directly linked to the Museum's exhibitions and collection.

RESOURCES AND OPENING HOURS

The Museum employs two (FTE) staff, which includes a full time Museum Manager/Curator, a part-time marketing coordinator and a part time museum assistant.

The Museum also supports a network of 100 volunteers, who provide a range of support services for the Museum.

The SMMC is open 7 days a week*, from 10am to 4:30pm. The price of admission is currently set at \$14 for adults, \$10 for concession and \$35 for families. (*NB: opening hours and days is currently under review).

The Museum also has annual memberships available, allowing unlimited entry throughout the year.

PRODUCT, EXPERIENCE & SERVICE

Museum: SMMC operates as a Museum, with a primary focus on exhibiting and articulating popular culture, transport and other collectibles. The permanent collection includes cars (vintage, classic and collector), motorcycles, machinery, memorabilia relevant to the Goulburn Valley region. More specifically, the Furphy Collection, agricultural equipment and machinery, mechanics workshop, military vehicles and scale models.

The Furphy Foundry: The Furphy Foundry is a dedicated area in the Museum that provides a profile of the iconic engineering company. Furphy & Sons were responsible for designing and manufacturing iconic metal products such as the Furphy camp oven, water carts used in WW1 and WW2, farm gates, as well as public furniture in parks, gardens and other areas of open space, including the fence surrounding Sydney's Circular Quay.

Immersive, Interactive and Engaging Visitor Experience: SMMC provides visitors with an immersive, interactive and engaging experience, offering a mix of static collections, show and shine events and temporary curated exhibitions.

The Museum also allows visitors to interact with a selection of cars through sitting in the car, hearing the engine, and in some cases taking a ride in a vehicle at particular events.

Curated Exhibitions: The SMMC conducts a curated exhibition program, which complements the Museum's permanent collection. The program was established based on elements from the existing collection, and in partnership with other car museums.

Guided and Self-Guided Tours: Visitors have the option of undertaking a guided or self-guided tour. Guided tours are provided by volunteers that are dedicated to preserving and presenting the museum's collection.

Self-Guided tours are supported by interpretive content and audio/visual presentations throughout the museum.

Food and Beverage: The provender Café specialises in locally sourced produce and ingredients. The café is open to the public six days a week, and also provides the catering for events held at the Museum such as exhibition launches, as well as private social and corporate functions.

Retail: The Museum shop opened in 2012 and is accessible for Museum visitors and the general public.

The shop offers general retail items that align with the key themes of the Museum. However, the offer has expanded to include changeable retail items based on the curated exhibitions.

The diversification of retail stock has resulted in an increase in retail sales.

Events: The Museum accommodates and hosts a range of special events. The annual calendar of events includes events that are directly associated with the Museum such as exhibition openings, opportunities to meet high profile personalities associated with exhibitions, as well as working demonstrations of pieces of collection.

The Museum also offers venue hire for corporate and social functions and events. The site also hosts a monthly farmers market, which attracts a significant number of visitors, typically in the order of 2,000 per event.

VISITATION

Visitation to the SMMC has consistently increased over the past three financial years. Since 2015, visitation to the Museum has increased by 11%, reaching 15,000 in 2017.

The consistent growth in visitation reflects the ongoing investment and improvements to the Museum, including the development of an additional 900 sqm of exhibition and display space, as well as the attraction of corporate and social functions and events.

TABLE 1 VISITATION TO SMMC – 2015 TO 2017 (FY)

	VISITATION
2014/15	13,500
2015/16	14,500
2016/17	15,000
CHANGE (%) 2015 - 2017	11%

Source: SMMC 2017

GOVERNANCE STRUCTURE

The SMMC characterises a not-for-profit cooperative governance model, whereby, the board operates without a CEO and adopts a cooperative model. That is, the board makes consensual decisions as a group.

The current board consists of seven members representing a diverse range of industries.

The SMMC attracts a small number of domestic sponsorships, but was established, and operates, without recurrent Government funding contributions.

In establishing the new MOVE Shepparton, it is recommended that the governance structure of the existing SMMC be modified to manage a combined Museum as one entity. Further it is recommended that the interest and expertise of both the existing Car and Collectibles Museum and the Truck and Transport Museum be represented with one dedicated skills-based board position from the Car Museum and one dedicated skills based board position from the Truck and Transport industry. As per the operation of the current SMMC, additional skills and expertise will be harnessed through various steering committees reporting back through to the Board via nominated representatives.

It should be noted that the entity is registered as an Australian Charity and Not-for-profit and is bound by the Australian Charities and Not-for-profits Commission Act 2012.

The Constitution has been amended to reflect the purposes of the new entity (see attachment).

Given the increase in operational duties and profile under the new entity it is recommended that the Board exercise the option to appoint an Executive Director/General Manager at the appropriate time.

2. CASE STUDIES

2.1. INTRODUCTION

This section provides an analysis of case study examples of existing transport and motor Museums in Australia.

The assessment provides an insight into the product offer and concept, levels of visitation and financial performance, as well as success factors.

The identified level of visitation to case study Museums detailed in this section will provide the benchmark of visitation and market capture for the MOVE.

2.2. NATIONAL MOTOR MUSEUM – BIRDWOOD, SA

OVERVIEW

Established in 1965, the National Motor Museum (NMM) is one of three Museums operated by the South Australian Government's History Trust.

Located in Birdwood in the Adelaide Hills, approximately 45 km west of Adelaide, the Museum features collections and exhibitions presented through the curatorial lens of a connection to South Australia.

The Museum is housed in a heritage significant building and includes interactive displays, driver education, the history of Holden in South Australia, as well as a café and retail store.

Historically, the Museum has been supported by Holden which formerly manufactured cars at the South Australian Elizabeth plant. The Museum now houses some of the last remaining cars manufactured at the plant.

ANNUAL VISITATION

The NMM attracts 75,000 annually representing 5% of total visitation to the Adelaide Hills region.

Visitation to the Museum is predominantly special interest groups, self-drive travellers, history/heritage visitors and students.

CONCEPT AND PRODUCT OFFER

Thematic story telling integrates people, place and time to feature the past in the present day. Education programming, digital integration and engaging education components are key features of the Museum.

There is also a commitment to creating and presenting events and exhibitions to attract repeat visitation from locals, provide motivation to visit for a large range of

visitor markets, attract sponsorship and to generate third party content and positive news stories.

Admission prices for Adults are \$15.50, concessions \$12.50 and Children \$6.50 (Children under 5 are free).

GOVERNANCE

Overseen by the History Trust of South Australia, a statutory authority with reporting to the South Australian Parliament and a Board of Trustees.

The NMM has 10 FTE staff including a Director, Operations Manager, Events Coordinator, Facilities Officer and dedicated Curatorial staff.

EVENTS

The Bay to Birdwood Classic was established in 1980 to celebrate the issuing of the first South Australian driver's license and was originally developed to be a biennial event for pre-1950s vehicles from Glenelg (the Bay) to the National Motor Museum in Birdwood. Since its inception, the event has grown to become one of Australia's iconic motoring events, earning national recognition at the Australian National Tourism Awards for the best special event or festival.

The event is recognised as the largest continuously staged historic motoring event held anywhere in the world and now includes vehicles pre-1956.

The event currently receives significant support from the South Australian Government, Shannon's Insurance along with media sponsorship and support from the Rundle Street Traders Association.

2.3. QUEENSLAND TRANSPORT MUSEUM – GATTON, LOCKYER VALLEY, QLD

OVERVIEW

The Queensland Transport Museum (QTM) was established in 2009. The Museum is located within the Lockyer Valley Cultural Centre in Gatton. The broader facility

includes a Gallery, nature walks, visitor centre, function centre, café and Local Legends Wall of Fame.

The Museum is operated by the Lockyer Valley Regional Council with a steering committee made up of local residents, councillors and council tourism officers.

ANNUAL VISITATION

The Museum attracts approximately 6,000 visitors annually, which represents 3% of annual visitation to the Lockyer Valley region.

CONCEPT AND PRODUCT OFFER

The QTM is a Museum which provides a tribute to the founders of one of Australia's largest transport fleets: J.C. Anderson and his brother M.J.R. Anderson. The Museum also portrays the role of transport in linking regional towns in Queensland, and is intrinsically linked to the agricultural sector and the individuals that have contributed to the development and prosperity of the industry.

There has been minimal visitation growth to the QTM and the LVRC have found it difficult to engage the local community with the Museum. The LVRC believe this is due to the current product offer, which predominantly consists of static displays. The key focus of the Museum to exhibit a particular transport family has limited its market appeal.

The planned redevelopment of the QTM aims to significantly increase visitor numbers through improvements to the visitor experience; notably the addition of a driving simulator and interactive displays.

To attract a broader visitor base, it has been recommended the facility diversify its exhibitions to include motorcycles, cars and aspects of aviation, making it a transport orientated museum and not a facility almost solely dedicated to trucks.

The exhibition takes a time line approach to displays from 1936 to 1972 – however these are largely static.

The Museum has developed a partnership approach to operations and marketing with other transport related museums including the Ipswich Rail Museum, the Cobb & Co Museum in Toowoomba, the Queensland Auto Museum in Toowoomba, the

Panorama Motorcycle Museum, the Australian Motorcycle Museum at Haigslea and the RAAF Amberley Aviation Heritage Centre.

Licensed merchandise is sold as a revenue source, countering the free entry.

EVENTS

Large scale annual events directly related to the Museum include the Lights on the Hill: Memorial Convoy, and the Hall of Fame: Legends of the Lockyer Valley.

KEY FINDINGS

A review of existing transport and motor Museums in Australia has identified the following factors that contribute to an appealing visitor attraction.

The historical origin of Australia's Trucking and Transport Industry and its relationship to the prosperity and development of primary industries such as Agriculture has wide market appeal. It is seen as critically important to the Australian way of life and the domestic economy, and has contributed significantly to the early settlement and growth of Australia.

Museums have moved away from static displays of information and are incorporating interpretative and interactive displays, which include a mix of digital and immersive content based on collections and social histories.

Museums located within a dedicated tourism precinct and co-located with complementary attractions and experiences broadens their market appeal.

Co-locating the Museum with other dedicated tourist attractions creates a complementary relationship, strengthening the product offer and enabling attractions to capitalise on visitation to a broader precinct.

Popular Museums consistently review and rotate their curatorial collection to ensure that they remains relevant, engaging and informative. This is particularly important for attracting repeat visitation.

2.4. CAPTURE RATE

Based on the case study examples for other transport museums and heritage attractions / museums in Australia, it is estimated that the MOVE could capture 8% of the total market. This represents an average capture rate for the case study examples, as shown in Table 2.

This is discussed further in Section 3.

TABLE 2 CAPTURE RATE FOR CASE STUDY MUSEUMS

SUMMARY	VISITATION TO REGION	VISITATION TO MUSEUM / ATTRACTION	CAPTURE RATE
TRANSPORT MUSEUMS			
National Motor Museum, Birdwood	1,384,000	75,000	5%
Queensland Transport Museum, Lockyer Valley	250,000	6,000	2%
OTHER HERITAGE ATTRACTIONS			
Pioneer Settlement, Swan Hill	292,363	50,000	17%
Port of Echuca, Echuca	822,956	56,000	7%
AVE CAPTURE RATE			8%

Source: Urban Enterprise 2017

3. MARKET POTENTIAL OF MOVE

3.1. INTRODUCTION

This section provides an overview of the annual domestic and international visitation to Greater Shepparton, and includes trends in visitor numbers, as well as key drivers of visitation. This provides context regarding the level of visitation to Greater Shepparton including purpose of visit.

This section also assesses the market potential of the proposed MOVE in the Emerald Bank Tourism Precinct in Shepparton. The market potential for the Museum is based on the estimated number of admissions the Museum could capture from a variety of local and visitor markets.

It is assumed that the key visitor markets to the MOVE will include, but are not limited to the following:

- Visitors to Greater Shepparton travelling for the purpose of visiting a museum or art gallery;
- Visitors to Greater Shepparton travelling for the purpose of visiting a history or heritage site;
- Visitors to Greater Shepparton travelling for the purpose of attending an event;
- Visitors visiting the adjoining SMMC;
- Local residents of Greater Shepparton and surrounding suburbs; and
- Special interest groups such as truck, motor, transport enthusiasts and registered clubs and associations.

Data pertaining to visitation in this section is sourced from Tourism Research Australia's (TRA) National Visitor Survey (NVS) and International Visitor Survey (IVS).

Definitions of key terms used throughout this section are provided in the glossary of terms.

It is important to note that a five-year average for visitation is provided, in order to provide greater certainty of results and eliminate irregularities in the data.

3.2. GREATER SHEPPARTON VISITATION CONTEXT

NUMBER OF VISITORS

Greater Shepparton attracted over a million visitors in 2017. 72% were domestic day trip visitors, 27% were domestic overnight visitors and 1% were international visitors.

Visitation has increased by 25% in the past five years, representing an average annual growth rate of 4.6%.

TABLE 3 DOMESTIC AND INTERNATIONAL VISITATION – GREATER SHEPPARTON – 2013 TO 2017

	DOMESTIC DAY TRIPS	DOMESTIC OVERNIGHT TRIPS	INTERNATIONAL TRIPS	TOTAL TRIPS
2013	631,830	231,080	8,791	871,701
2014	526,931	288,433	11,741	827,105
2015	767,528	256,305	9,755	1,033,588
2016	618,152	285,559	10,237	913,948
2017	781,502	294,161	16,317	1,091,980
CHANGE (%) 2013 - 2017				25%
AAGR (%) 2013 - 2017				4.6%

Source: National Visitor Survey (NVS) / International Visitor Survey (IVS), Tourism Research Australia

PURPOSE OF VISIT

Day trip and overnight visitation to Greater Shepparton is largely driven by holiday and leisure travellers and travellers visiting friends and relatives.

39% of day trips and 28% of overnight trips visit for holiday/leisure purposes. Furthermore, 29% of day trips and 45% of overnight trips visit friends and relatives.

Holiday/leisure and VFR are the major visitor markets to the region, and present as the logical target markets for the proposed MOVE.

TABLE 4 TRAVEL GROUPS – DOMESTIC VISITORS TO GREATER SHEPPARTON – 2013 TO 2017 (FY)

PURPOSE OF VISIT	DAY TRIPS		OVERNIGHT TRIPS	
Holiday	262,566	39%	76,692	28%
Visiting friends and relatives	194,303	29%	122,964	45%
Business	112,790	17%	47,658	17%
Other reason	97,713	15%	21,204	8%

Source: Purpose of Visit, National Visitor Survey (NVS), Tourism Research Australia (TRA)

3.3. MARKET POTENTIAL OF MOVE

3.3.1. TARGET ACTIVITY VISITOR MARKETS

Purpose of visit provides an indication of the key drivers of visitation to the Greater Shepparton region. Of the holiday/leisure and VFR market, further segmentation is required to identify the potential visitors to the MOVE.

Potential visitors to MOVE are considered to be those who travel to Greater Shepparton and undertake activities that align with the activities proposed at the MOVE. These activities include the following:

- Visit museums or art galleries;
- Attend festivals, fairs or cultural events;
- Visit history / heritage buildings, sites or monuments; and
- Go to markets.

Table 5 shows the average number of annual domestic daytrip and overnight trip visitors undertaking the relevant activities in Greater Shepparton.

On average, there are approximately 108,000 domestic visitors undertaking these types of activities in the region, consisting of 48,000 day trip visitors and 60,000 overnight trip visitors.

The most popular activities undertaken in the region is going to markets, with approximately 42,000 visitors engaging in the activity per annum.

TABLE 5 TARGET VISITOR MARKETS – DOMESTIC DAY & OVERNIGHT TRIP VISITORS – GREATER SHEPPARTON – ANNUAL AVE YE MARCH 2013 TO YE MARCH 2017

ACTIVITY	DAYTRIPS P.A.	% OF TOTAL DAYTRIPS	OVERNIGHT TRIPS	% OF TOTAL OVERNIGHT TRIPS	TOTAL DT & OT
Visit museums or art galleries	8,791	1%	14,881	5%	23,672
Attend festivals / fairs or cultural events	13,556	2%	12,286	5%	25,841
Visit history / heritage buildings, sites or monuments	3,809	1%	13,130	5%	16,938
Go to markets	21,881	3%	20,027	7%	41,908
TOTAL	48,036	7%	60,324	22%	108,360

Source: Activities undertaken, National Visitor Survey (NVS), Tourism Research Australia (TRA)

3.3.2. VISITATION TO THE SHEPPARTON MOTOR MUSEUM & COLLECTIBLES

As mentioned in Section 2.2, the Shepparton Motor Museum and Collectibles attracted 15,000 visitors and 30,000 event attendees in 2017.

The proposed location of the MOVE in the Emerald Bank Precinct will allow the Museum to capitalise on visitation to the SMMC. It is therefore assumed, that the MOVE will attract a significant proportion of visitors from the SMMC and events held at the Emerald Bank Precinct.

3.3.3. RESIDENTS

The proposed MOVE will not only provide a major attraction for visitors to Greater Shepparton, but will also provide a local attraction for residents.

According to Tourism Research Australia, a day trip visitor must travel at least 50 km to their destination. Therefore, visitors travelling to Greater Shepparton for a day trip within a 50-kilometre catchment of the Local Government Area are excluded.

Therefore, the local population catchment for the Museum extends beyond the LGA boundary, and includes the surrounding suburbs (within a 50-km radius).

The estimated resident population of Greater Shepparton and surrounding suburbs is approximately 87,000, as shown in Table 6.

TABLE 6 POPULATION OF GREATER SHEPPARTON & SURROUNDING SUBURBS

	POPULATION
Greater Shepparton	63,837
Surrounding suburbs	23,225
TOTAL RESIDENTS	87,062

Source: Census of Population & Housing, Australian Bureau of Statistics (ABS) 2016

3.3.4. SPECIAL INTEREST GROUPS

A key target market for the proposed MOVE will be special interest groups. More specifically, truck, transport and car enthusiasts across Victoria and New South Wales.

In Victoria, there are 898 approved vehicle clubs and associations. These clubs and associations have been authorised by VicRoads to operate under the Club Permit Scheme for veteran, classic, historic and street road vehicles.

According to Consumer Affairs Victoria, in order to become an incorporated association, a club, community group or organisation must have at least five members. Urban Enterprise assume that each club and association has a minimum of 10 members.

On that basis, it is estimated that there are a total of 8,980 vehicle club and association members across Victoria. These members present as target visitor markets to the proposed MOVE.

TABLE 7 APPROVED VEHICLE CLUBS AND ASSOCIATIONS IN VICTORIA - 2016

VICTORIAN VEHICLE CLUBS AND ASSOCIATIONS	
Total Number of Clubs & Associations in Victoria	898
Minimum Number of Members per Club and/or Association	5
Estimated Number of Members per Club and/or Association	10
TOTAL ESTIMATED NUMBER OF MEMBERS	8,980

Source: Approved Vehicle Clubs and Associations, Vic Roads 2016

3.3.5. SUMMARY OF MARKET POTENTIAL FOR THE MOVE

Based on previous findings in this section, the estimated market potential for the MOVE is 219,402.

The estimated market potential for the MOVE consists of approximately 108,000 domestic visitors, 96,000 residents and special interest groups, and 15,000 visitors to the SMMC.

It should be noted that the estimated market potential is based on target markets only, thus is deemed a conservative estimate.

TABLE 8 ESTIMATED MARKET POTENTIAL FOR MOVE

VISITOR GROUP	ESTIMATED SIZE OF MARKET
DOMESTIC VISITORS	
Visit museums or art galleries	23,672
Attend festivals / fairs or cultural events	25,841
Visit history / heritage buildings, sites or monuments	16,938
Go to markets	41,908
SUB TOTAL DOMESTIC VISITORS	108,360
RESIDENTS & SPECIAL INTEREST GROUPS	
Residents	87,062
Special Interest Groups	8,980
SUB TOTAL RESIDENTS & SPECIAL INTEREST GROUPS	96,042
SMMC	
Visitors to SMMC	15,000
SUB TOTAL VISITORS TO SMMC	15,000
TOTAL MARKET POTENTIAL	219,402

Source: Urban Enterprise 2017

3.3.6. SCHOOL AND CORPORATE GROUPS

It is expected that the MOVE will attract a significant number of school and business groups through the education and business event facilities proposed for the Museum.

Estimated student and business visitors have been excluded from this assessment.

3.3.7. ESTIMATED MARKET CAPTURE

Based on the estimated capture rate identified in Section 2.4, it is estimated that the MOVE will attract approximately 17,500 admissions per annum.

It is important to note that this does not include school groups and function and event visitors.

4. CONCEPT

4.1. INTRODUCTION

This section provides an overview of the proposed concept for the Shepparton Truck and Transport Museum to be known as the Museum of Vehicle Evolution Shepparton Limited (MOVE). The concept for the Museum was formulated in conjunction with the project working group and other key stakeholders.

This section provides an overview and assessment of the recommended governance model and organisational structure, as well as the projected financial performance of the facility, including estimated revenue and expenses.

An assessment of economic impact is also provided to estimate the short term and ongoing economic impacts of the MOVE. Impacts are calculated using the input-output (I-O) method of analysis and are based on an adopted set of assumptions. Impacts are expressed in terms of economic output generated, and employment (FTE jobs) supported in the Greater Shepparton economy.

4.2. PROPOSAL

The proposal is to establish a purpose-built Museum in the Emerald Bank Precinct, replacing the existing Shepparton Motor Museum and Collectibles. The Museum will showcase the Goulburn Valley's rich history and heritage centred on trucking, transport and agriculture through a mix of interactive multimedia and fixed displays along with curated exhibitions depicting the settlement, growth and establishment of the Goulburn Valley as a major national transport hub and one of the nation's leading food bowls.

The Museum will also include a dedicated outdoor and undercover event space. The large covered space will be utilised for regular events that are associated with the Museum offering, and other events of local and regional significance.

The proposed establishment of MOVE provides synergies and further strengthens the role of the Emerald Bank Tourism Precinct by diversifying the product offer for visitors and locals.

The key objectives of the Museum are as follows:

- Celebrate the establishment of the trucking industry in Shepparton, including the people, families and companies that built the industry;
- Gather, curate and display the large number of collectible, classic and heritage trucks locally owned;
- Provide a focal point for the trucking industry in Shepparton, one of Australia's most significant regional transport hubs;
- Engage audiences with the emergence of the region as one of Australia's leading food bowls incorporating migration, manufacturing and rich provenance;
- Provide a high quality undercover outdoor events space capable of accommodating truck and vehicle trade shows, exhibitions and displays, as well as local and regional markets and other community events;
- Support the development and attraction of niche and broader audiences including intrastate, interstate and international visitors;
- Co-located with the Shepparton Motor Museum & Collectibles and the Furphy Museum, it will create a high quality Cultural Heritage Precinct and contribute to the regional economy through the construction and operational phases of the project.

SITE

The subject site sits within the Emerald Bank Precinct, approximately 6.5 km south of Shepparton's CBD along the Goulburn Valley Highway.

The subject sites and proposed location within the Emerald Bank Precinct is shown in Figure 2 (overleaf).

EXHIBITION SPACE

It is proposed that the MOVE will include 3,000 sqm of exhibition space. This space will be the principal exhibition area, dedicated to providing a mix of interactive and static displays.

EVENT SPACE

The Museum will incorporate a dedicated undercover outdoor event space to the rear of the exhibition building.

Outdoor Events Space

It is envisaged that the outdoor event space will accommodate a range of events such as motor vehicle, truck and transport exhibitions, trade shows, show and shines, musters and rallies.

The event space will also attract other events of local and regional significance such as markets.

The canopy covering the events space is planned to include a series of solar panels. The energy generated from the panels will be fed back into the grid based on a buy back scheme with private energy companies. Funds raised through the scheme will be redirected to community initiatives such as youth and education programs.

Based on initial estimates, the solar panels could produce 1 Megawatt Hour (mWh) per annum, which in turn could raise up to an estimated \$150,000 per annum.

Indoor Event Space

The dedicated function and events space will accommodate a mix of corporate and social events such as corporate meetings, seminars and presentations, as well as social functions including birthdays and other celebrations.

EDUCATION

MOVE is proposed to feature interactive displays with a dedicated education component and student programming all supported by teaching resources. Programming will portray the role of the transport industry in the Goulburn Valley region having regard to its economic and social value.

CAR PARKING

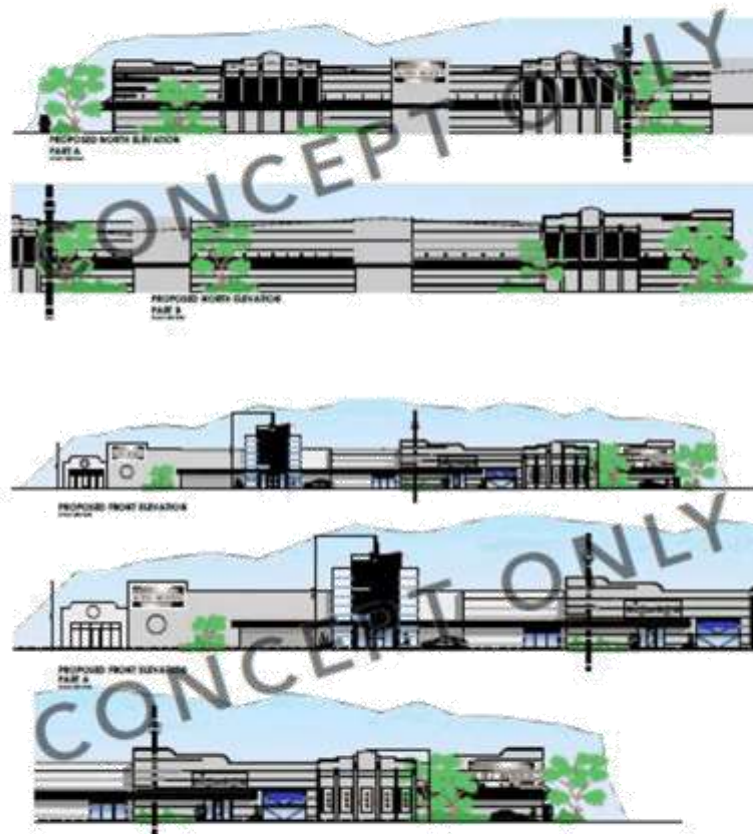
The subject site will provide ample car parking, including a 150-capacity car park along the northern boundary of the subject site, as well as the existing 230 car parks located in the SMMC.

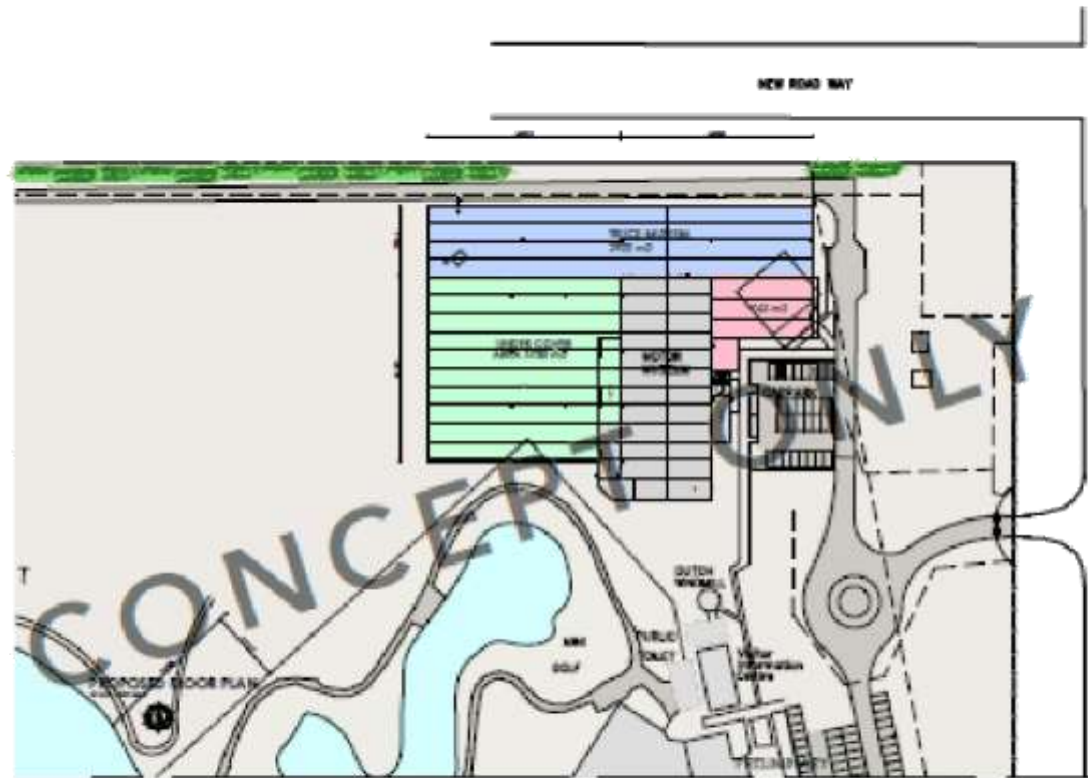
ANCILLARY USES

It is proposed that the subject site will also include a passive open space area adjacent to the existing Lake, providing visitors with the opportunity to undertake other activities such as picnics.

In addition to the open space area, a shared path will be constructed which travels across the southern boundary of the subject site, following the peripheries of the Lake.

FIGURE 2 SHEPPARTON TRUCK & TRANSPORT MUSEUM INDICATIVE CONCEPT PLAN





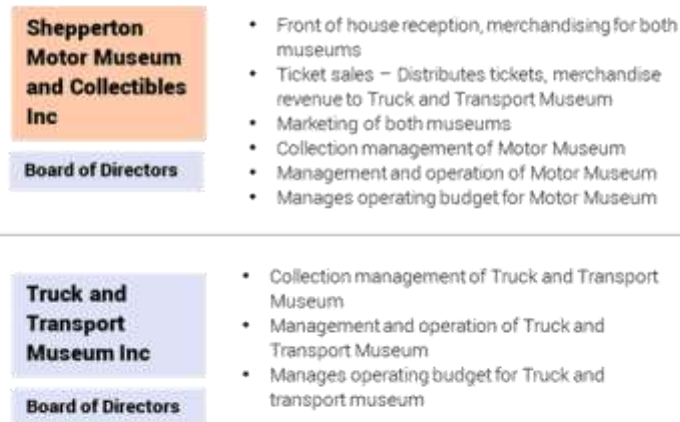
4.3. GOVERNANCE & ORGANISATIONAL STRUCTURE

In developing the Business Case, two options were considered for the governance of the proposed Truck and Transport Museum. These options are described below.

OPTION 1 SEPARATE ENTITIES FOR OPERATING EACH MUSEUM

Option 1 for the governance structure of the museum is to add a Truck and Transport Museum entity to the current Shepparton Motor Museum and Collectibles with responsibilities being split between each entity. The Motor Museum will provide front of house reception services including ticket sales and merchandising to support the Truck and Transport Museum. This is described in Figure 3.

FIGURE 3 SEPARATE ENTITIES FOR OPERATING EACH MUSEUM

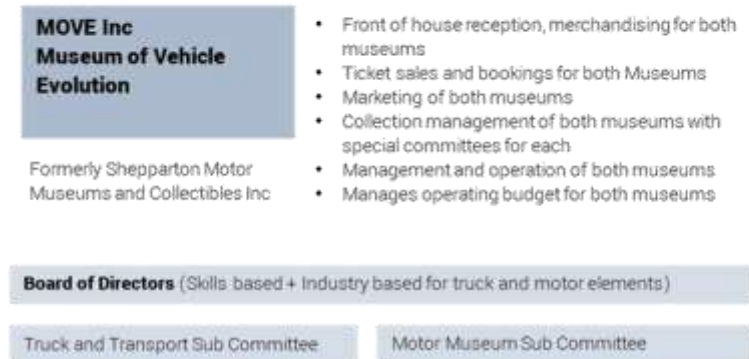


OPTION 2 ONE ENTITY TO MANAGE A COMBINED MUSEUM

Option 2 for the governance structure considers the establishment of one entity to manage a combined museum. This would build on the current Motor Museum and Collectibles Inc which has already been operating effectively for some time.

One entity will provide greater synergies in operating the combined museums and improve operational efficiency. Importantly the one entity will build on the success of the Motor Museum which has proven track record.

FIGURE 4 ONE ENTITY TO OPERATE BOTH MUSEUMS



4.3.1. PREFERRED GOVERNANCE STRUCTURE

The preferred structure to manage the new Museum is via one entity. It is proposed that the existing Motor Museum Incorporated body be changed to reflect the new entity and the purpose be modified somewhat to reflect the complexity of the new facility. This will have the following benefits over two separate structures:

- Provide consistency of approach to the Museum and the management of the collections;
- Allows the combined Museum to be branded under one umbrella, which will allow for efficiencies, stronger market presence and clear messaging;
- Reduces operating costs of two entities;
- Builds on the operational success of the Motor Museum for attracting grant funding;
- The reporting structure would allow for the inclusion of additional steering committees and include representation from key stakeholders, i.e. the truck and transport industry and the Greater Shepparton City Council

4.3.2. REDEFINE THE COMPANY PURPOSE

It is recommended that the company's purpose be redefined as follows;

"The company is established to operate a public museum that will be dedicated to:

- showcasing collections relating to trucking, transport, migration, manufacturing and agriculture and their cultural heritage
- gathering, curating, displaying and conserving exhibits forming part of those collections; and
- displaying exhibits in a manner that engages and involves audiences."

4.4. FINANCIAL ASSESSMENT

ESTABLISHMENT COSTS

The estimated cost to establish the MOVE is in the order of \$6.25m. The cost includes planning and design, civil and site works, building and canopy construction, as well as project contingencies.

OPERATING PERFORMANCE OF SMMC

To estimate the potential earning capability and projected expenses associated with the Museum's operation, a number of factors must be considered such as the financial performance of the existing SMMC, as well as the forecast number of admissions and visitors to the Museum.

The SMMC provides the closest example of comparable product in terms of offer, location and scale.

Table 9 provides a summary of the SMMC operating financial performance for the 2016 and 2017 financial years.

The Table shows that the operating income generated by the Museum has increased between 2016 and 2017. That is, income generated from core trading activities such as admissions, retail, event accommodation and vehicle storage.

The total annual revenue generated by the Museum is in the order of \$250,000 per annum.

The SMMC is a not-for-profit organisation, but generated a profit in 2016 and 2017, albeit a minor one. This can be attributed to the low level of operating expenses incurred by the Museum.

TABLE 9 FINANCIALS – SMMC – 2016 & 2017 (FY)

	2015/2016	2016/2017
Total Trading Income	\$227,045	\$258,466
Total Cost of Sales	\$21,018	\$11,566
GROSS PROFIT	\$206,027	\$247,240
Total Other Income	\$31,500	\$1,650
Total Operating Expenses	\$232,645	\$281,665*
NET PROFIT	\$4,882	(\$33,114)*

Source: SMMC 2017

*Operational loss based on pre-purchase of raffle prize and expenditure of grant funds for the commencement of the Shepparton Farmers' Market.

ESTIMATED OPERATING BUDGET OF NEW ENTITY IN YEAR 1

Table 10 provides the estimated annual operating budget for the MOVE in its first year of operation.

It is anticipated that the operating financial performance of the MOVE will outperform the SMMC. This is based on the assumption that the MOVE will attract a greater number of annual Museum admissions, but will also generate a greater level of income from the provision of events due to the quality and scale of the proposed outdoor event space and the indoor corporate event space.

It should be noted that currently the SMMC pays a monthly rental to the existing landlord. With the gifting of the land and building to MOVE, no rental will be payable and the Museum will receive annual income from complementary tenants at the site ie Café etc.

*Upon successful completion of the proposed solar panel canopy over the outdoor events space, it is estimated an additional \$100,000 per annum in revenue will be generated. It should be noted that this will be the subject of additional State Government funding so has not been included in the financial modelling until year three.

TABLE 10 ESTIMATED OPERATING BUDGET - MOVE

TRADING INCOME	
Admissions, Retail & Subs	\$326,399
Donations	\$89,331
Event & Function Inc	\$95,489
Outgoings Reimbursed (Furphy)	\$10,252
Sponsorships	\$79,445
Vehicle Storage	\$10,250
Rent	\$38,000
	\$649,166
COST OF SALES	
Purchase of Retail Stock	\$25,992
Total Cost of Sales	\$25,992
GROSS PROFIT	\$623,174
OTHER INCOME	
Grant Income	\$1,650
Total Other Income	\$1,650
OPERATING EXPENSES	
Advertising	\$30,000
Bank Fees	\$956
Cleaning	\$15,000
Computer & Software	\$12,500
Consulting & Accounting	\$35,000
Digital and Video content	\$30,000
Event Expenses	\$50,000
General Expenses	\$5,777
Insurance	\$35,000

Interest Expenses	\$5,000
Motor Vehicle Expenses	\$909
Postage	\$85
Printing & Stationery	\$6,151
Repairs & Maintenance	\$70,000
Security	\$15,000
Subscriptions	\$1,000
Telephone & Internet	\$3,500
Travel - National	\$1,000
Wages and Salaries	\$300,000
Total Operating Expenses	\$616,578
NET PROFIT	\$7,946+

Source: SMMC 2017, derived by Urban Enterprise 2017

+NB: Does not include income from solar/renewable energy installation which is anticipated to generate around \$100,000 per annum.

5-YR PROJECTED OPERATING BUDGET

It is assumed that the number of paid admissions and event visitors to the MOVE will increase annually. This is based on the expectation that the Museum will capture a greater proportion of market potential over time, resulting from an increase in marketing, advertising, and public awareness of the Museum.

Table 11 shows the estimated five-year operating budget for the MOVE. It is estimated that paid admissions will increase by 2,500 per annum, with relevant expenses increasing proportionately such as cost of sales, wages and salaries, and event expenses. For the purpose of this modelling and annual 3.5% increase has been applied to operating expenses.

The estimated operating profit is forecast to increase from approximately \$8,000 in year one, to \$198,000 in year five. The improved operating performance of MOVE combined with the income generated by renewable energies will result in a higher level of funds both reinvested in the Museum and donated to the community, commencing with an estimated \$50,000 in year 2, and reaching \$100,000 in year 5.

(NB: Should the funding and installation of the renewable energies be achieved prior to opening, this will result in additional revenues and the ability to give an estimate \$30,000 to the community in year one.)

TABLE 11 5 YEAR PROJECTED OPERATING BUDGET - MOVE

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Paid admissions	17,500	20,000	22,500	25,000	27,500
Estimated revenue	\$624,824	\$786,900	\$830,658	\$869,417	\$908,177
Estimated Operating Profit	\$7,946	\$146,724*	\$168,075	\$183,644	\$198,402

Source: SMMC 2017, derived by Urban Enterprise 2017

*Notes first year of solar income.

**NB: Funds will be donated to Community once an operational buffer has been established. Details are currently being set out by the benefactor in the form of a Memorandum of Understanding (MOU).

4.5. ECONOMIC IMPACT

It is expected that the establishment of the MOVE will attract a mix of both locals and visitors. The attraction of visitors to the region is expected to generate direct expenditure in the region, which in turn provides flow-on economic benefit to the local economy.

The assessment of economic impact estimates the short-term construction and ongoing impacts resulting from the operation of the Museum. Impacts are expressed in terms of economic output generated, and employment (jobs) supported in the Greater Shepparton economy.

Definitions of key economic terms are provided in the Glossary of Terms.

4.5.1. SHORT-TERM CONSTRUCTION IMPACT

Based on an estimated construction cost of \$6.25m, the short-term construction period is estimated to generate a total economic output of \$13.1m, supporting 36 jobs.

The total impact includes \$6.25m direct and \$6.85m indirect impact, supporting 14 direct and 22 indirect jobs.

TABLE 12 SHORT TERM CONSTRUCTION IMPACT – MOVE – GREATER SHEPPARTON ECONOMY

IMPACT SUMMARY	DIRECT IMPACT	INDIRECT IMPACT	TOTAL IMPACT
Output (\$M)	\$6.25	\$6.85	\$13.10
Employment (Jobs)	14	22	36
Wages and Salaries (\$M)	\$1.03	\$1.51	\$2.53
Value-added (\$M)	\$1.94	\$2.89	\$4.83

Source: Urban Enterprise 2017

² Based on estimated capture rate, Case Study Assessment 2017

³ Based on average number of events (including attendance) held at SMMC 2017

4.5.2. ONGOING IMPACT

Once operational, the Museum will support a level of direct employment within the facility, but will also generate flow-on economic benefit to the region through the attraction of visitor expenditure.

The following ongoing tourism impacts are expected to be generated from the MOVE:

1. Direct visitor expenditure from Museum patrons – Direct visitor expenditure generated based on the attraction of day trip and overnight visitors to the region. This will result in additional expenditure within Greater Shepparton that would not otherwise be captured.
2. Direct visitor expenditure from function and event visitors – The proposed event space will provide Greater Shepparton with a high-quality undercover outdoor event space. The provision of regular events is expected to attract visitors from outside the region. This will generate new visitor expenditure within the region.

To assess the ongoing tourism impact of the Museum, a logical set of assumptions have been adopted.

ASSUMPTIONS

The assessment for the ongoing tourism impact adopts the following assumptions:

- The MOVE will attract an average of 17,500 additional admissions per annum.²
- The MOVE will accommodate an estimated 12 events within the dedicated outdoor event space per annum. It is assumed that each event will attract an average of 500 visitors from outside of the region.³
- 70% of admissions to the Museum will be visitors from outside the region, and 30% of admissions will be locals, i.e. residents of Greater Shepparton.⁴

⁴ Visitor Statistics, Shepparton Motor Museum & Collectibles 2017

- 72% of visitors from outside of the region will be day trip visitors and 28% will be overnight trip visitors.⁵
- Overnight visitors spend an average of \$356 per visitor. Day trip visitors spend an average of \$118 per visitor.⁶

Local admission to the Museum is not regarded as visitor expenditure and therefore has not been included in the economic modelling.

SUMMARY OF DIRECT AND INDIRECT ONGOING IMPACTS

Table 13 (overleaf) provides a summary of the direct and indirect ongoing tourism impacts expected from the operation of the MOVE. Based on the adopted set of assumptions, the following impacts are expected:

TABLE 13 SUMMARY OF DIRECT AND INDIRECT ONGOING IMPACTS

EXPECTED IMPACTS	DIRECT		INDIRECT		TOTAL	
	OUTPUT	EMPLOYMENT (FTE)	OUTPUT	EMPLOYMENT (FTE)	OUTPUT	EMPLOYMENT (FTE)
Museum visitor expenditure	\$2.26	17	\$1.57	6	\$3.84	23
Event visitor expenditure	\$1.11	8	\$0.77	2	\$1.88	10
TOTAL	\$3.37	25	\$2.34	8	\$5.71	33

Source: Urban Enterprise 2017

- An increase in visitor expenditure in the order of \$2.26m resulting from an attraction of new visitors to the region; and
- An increase in visitor expenditure in the order of \$1.11m from the provision of functions/events.

The direct expenditure of visitors to MOVE is expected to result in a total economic output in the order of \$5.71 million per annum, supporting 33 (FTE) jobs per annum in the Greater Shepparton economy.

It is important to note that the impacts identified in Table 13 relate to the impacts generated as a result of new visitor expenditure in the region only.

⁵ Existing proportion of day trip / overnight trip visitation to Greater Shepparton, Tourism Research Australia (TRA) 2017

⁶ Average Expenditure per domestic day trip and overnight trip visitor, Murray Region, National Visitor Survey (NVS), Tourism Research Australia (TRA) 2017

5. IMPLEMENTATION

5.1. INTRODUCTION

This section provides a recommended implementation plan for the development of the MOVE in Greater Shepparton

The implementation plan for delivering the MOVE includes the following priorities:

Priority 1 Implement Governance Structure

Priority 2 Secure Funding

Priority 3 Execute Handover of the Subject Land

Priority 4 Finalise Concept and Detailed Design

5.2. PRIORITIES

PRIORITY 1 IMPLEMENT GOVERNANCE STRUCTURE

It is recommended that the first priority be to implement the preferred governance structure identified in this Business Case.

PRIORITY 2 SECURE FUNDING

In order to establish the MOVE, Government funding is required to aid the construction of the facility.

It is recommended that MOVE investigate funding opportunities through the Building Better Regions Fund, Regional Jobs and Investment Package and Regional Development Victoria. In the first instance and the relevant State Government Program once federal funding has been secured. It should be noted that Greater Shepparton City Council has provided in principal support for the MOVE proposal, and has pledged up to \$1.25m. Council provide in-principle support to the Shepparton Truck and Transport Museum project is contingent on demonstration that:

1. All other funding has been secured from the Victorian Government, Federal Government and private industry;
2. The project has a business case approved by Council that demonstrates viability, compliance with Council's legal requirements, acceptable governance structures and warrants a financial contribution of up to \$1.375m including GST from Council.
3. That Council's contribution be allocated to the infrastructure build costs and not the ongoing operational costs of the Museum.

Building Better Regions Fund

The \$481.6 million Building Better Regions Fund supports the Australian Government's commitment to create jobs, drive economic growth and build stronger regional communities into the future.

The program has been designed to achieve the following outcomes in regional communities:

- Create jobs.
- Have a positive impact on economic activity, including Indigenous economic participation through employment and supplier-use outcomes.
- Enhance community facilities.
- Enhance leadership capacity.
- Encourage community cohesion and sense of identity.
- For most projects, grant funding will be up to 50% or up to 75% of your eligible project costs.

Regional Jobs and Investment Package

The Australian Government has committed \$220 million to the Regional Jobs and Investment Packages (RJIP) to help regions in Australia diversify their economies, stimulate long-term economic growth and deliver sustainable employment.

Ten pilot regions have been chosen to be a part of the RJIP. One of which is the Goulburn Valley region, which will receive \$20 million to capitalise on opportunities for economic prosperity.

Regional Development Victoria

Regional Development Victoria supports regional councils, business and other organisations in developing and facilitating investment, creating jobs, and increasing the number of innovative enterprises in Regional Victoria.

There is a variety of program streams relevant to the proposed MOVE including:

- Enabling Infrastructure Program;
- Visitor Economy Program; and
- Innovation and Productivity Program.

PRIORITY 3 EXECUTE HANDOVER OF THE SUBJECT LAND

The land identified for the proposed MOVE within the Emerald Bank Precinct will be gifted by the landowner.

Once funding has been secured, the arranged handover of the land to the established foundation should be executed.

PRIORITY 4 FINALISE CONCEPT AND DETAILED DESIGN

Once the handover of the subject land has been executed, it is recommended that the project team appoints an architect to finalise the concept and prepare the detailed design for the MOVE.



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