

Business Plan 2015 - 2018

The J Business Plan

*Creating cultural, community, economic and learning
opportunities for Noosa Shire*

November 2015

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Acknowledgements

This plan is based on information provided by Noosa Council and The J.

It was prepared for Noosa Council by 99 Consulting.

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Executive Summary

This Business Plan identifies actions and opportunities to increase Council's return on investment from The J by:

- increasing community benefit and value.
- reducing cost to Council.

The plan highlights the outcomes The J delivers for the Noosa community across three domains:

1. **Community:** The J provides an accessible venue so that Noosa people of all ages can participate in an active, connected community
2. **Cultural:** The J makes possible arts activities and cultural participation and experiences for residents of/visitors to Noosa
3. **Learning:** Through a long-term partnership with the University of the Sunshine Coast (USC), The J provides a venue for face-to-face education in Noosa.

2014-15 outcomes

Community	138 performances attracted 19,658 people	Learning
40 community groups held 377 events	Cultural	7,375 attendances at TAFE and uni lectures

The plan outlines actions to enable these outcomes to be achieved, as well as building capacity, improving customer service and driving financial sustainability. Specific actions are provided for each year in the action plan (subject to review year by year), and the broad strategic goals and objectives are summarised below.

Strategic goal	Objective
Increase community benefit	<ol style="list-style-type: none"> 1. Enhance performance against Community, Cultural and Learning outcome measures above 2. Increase utilisation of all spaces in the venue 3. Increase audiences and performances and events at The J
Improve financial sustainability	<ol style="list-style-type: none"> 4. Increase revenue 5. Reduce net cost to Council 6. Increase revenue from commercial user types as a % of revenue

Strategic goal	Objective
Better understand customer wants and needs	7. Improve customer experience
Build organisational capacity	8. Implement system improvements to enable success, as specified in the action plan

Action Plan

A year-by-year action plan, summarised below, outlines how Council will achieve these objectives.

The transition to a stand-alone venue from the pre-de-amalgamation structure means that some foundation work is needed to position The J to maximise its potential. In 2015-16 this plan focuses on building capacity within Council and The J's team to grow and improve The J over the next few years.

Implementation of this plan will require increased support from management and from other parts of Council, to supplement the capacity of The J staff team.

The plan is staged to outline priorities for each year.



Year One 2015-16: set the stage

Objectives:

- Achieve or exceed revenue budget
- Increase community and cultural primary outcome measures by 2% each compared with previous year
- Increase utilisation by 5% overall, compared with previous year
- Increase commercial revenue by 5% compared with previous year

Key actions	Objective	Description	Responsibility	Resources
Develop marketing strategy	Increase commercial hirers; Increase audiences	Create a marketing plan with a focus on both commercial hirers and audiences and an explicit aim to grow both of these	Community Facilities Manager and Community Engagement	Marketing tools TBA in strategy
Implement workable financial analysis tools	Increase viability of all events and ease of assessing their performance	Finalise tools to analyse costs of each event for quoting and financial reporting purposes, and to understand true subsidies for community groups	Community Facilities Manager, Community Facilities Advisor, Venue Coordinator and Council finance	Within budget
Develop partnerships with key stakeholders	Attract events to increase utilisation and profitability	Develop strong relationships with organisations working to bring or create events in Noosa that could be brought to The J include: <ul style="list-style-type: none"> • MICE/ Tourism Noosa • Major event organisers • USC and TAFE 	Director Community Services, Community Facilities Manager, Venue Coordinator, Council	Within budget

Key actions	Objective	Description	Responsibility	Resources
Develop an asset management plan	Understand future maintenance and renewal costs	Create a plan to inform maintenance and renewal planning and budgeting	Council Asset Planning Coordinator, Venue Coordinator	Within budget
Develop tools to report on KPIs	Articulate community benefit from The J	Create a report that measures the KPIs in this plan, to generate reports to Council	Community Facilities Advisor, Venue Support Officer, Venue Coordinator	Within budget
Implement entrepreneurial program	Increase live performances, grow audiences	Invest budget seed funding in events that will increase audiences and generate revenue. This may include events co-developed with community arts groups. Test audience responses to events initiated by The J, and track performance in terms of revenue, costs, audience and other outcomes	Venue Coordinator	Within seed funding
Review ticketing system alternatives	Improve ticketing service	Finalise preliminary investigation of alternative ticketing systems to determine best and most efficient system for future use.	Community Facilities Advisor, Venue Support Officer	Within budget
Finalise agreements with key hirers/lessees	Improve revenue certainty	Finalise leases with USC and community radio, and MOU with Hillsong to improve certainty and enable longer-term planning	Community Facilities Manager and Venue Manager	Within budget

Key actions	Objective	Description	Responsibility	Resources
Monitor progress on Certified Agreement	Increase staff flexibility; reduce costs	Review Certified Agreement once finalised to determine implications for The J's staffing. Feed in requirements to consultation in the meantime if possible.	Community Services Director and Community Facilities Manager	Within budget
Refine occupancy targets	Set ambitious KPIs	Review occupancy targets in this plan as the year progresses, and increase or adjust as more information becomes clear about the best way to balance utilisation, revenue and community benefit	Venue Coordinator and Community Facilities Manager	Within budget
Improve data collection and reporting	Provide useful data for planning and analysis	Refine current reporting systems to capture more information about user types and to enable analysis of community benefit as well as financial performance.	Front of House Assistant, Venue Coordinator, Venue Support Officer and Community Facilities Advisor	Within budget
Introduce new venue hire rates	Increase venue hire revenue	Implement budget rates with caution, transitioning existing hirers to higher rates where feasible and retaining capacity to negotiate fees to attract desirable hires.	Venue Coordinator	Revenue increase to meet budget
Develop a risk management plan	Mitigate risks in operation of The J	Work with Council risk management staff to ensure The J complies with requirements for risk management.	Venue Manager, Governance Advisor	Within budget

Key actions	Objective	Description	Responsibility	Resources
Continue to promote kitchen hire as a revenue opportunity	Increase venue hire revenue	Promote the kitchen to caterers and market stall keepers during off-peak times.	Venue Manager	Revenue increase to meet budget
Articulate community service obligations based on analysis of subsidies for community outcomes	Build understanding of The J's contribution	Based on effective tools to analyse costs of each event, develop a methodology to present information about Council's subsidy of community events through reduced fees at The J. Report this information to Council.	Community Services Director; Community Facilities Manager; Venue Coordinator and Finance section	Within budget
Develop business cases for budget increases	Increase capacity	To grow and improve, The J needs more capacity for entrepreneurial programming, marketing and development, and technical support. In Year One, clearly articulate the case for increases in capacity, to be offset by revenue increases through growth.	Community Facilities Manager and Community Services Director	Within budget
Reinforce positioning of The J as a multi-purpose community cultural venue	Increase community engagement	Develop very clear messaging about the role and function of The J, as part of the marketing strategy, to position it clearly as a local asset for all ages.	All	Within budget

Key actions	Objective	Description	Responsibility	Resources
Consider viability of possible new initiatives raised during the Councillor workshop	Increase revenue; increase audiences	<p>Investigate the possibility of introducing a season pass/VIP club/membership to attract and reward repeat attendees.</p> <p>Consider themed sing-alongs and novelty nights such as Halloween events as new events within The J's performance offerings.</p> <p>Look at opportunities to share marketing distribution databases with other complimentary venues and groups in the area to increase community awareness of The J's offerings.</p>	Venue Coordinator and Community Facilities Manager	Within budget
Review and limit community usage during peak times	Increase commercial hirers; increase revenue	While The J has an important role to play in facilitating community events, peak times of Thurs, Fri and Sat nights should not be offered at heavily subsidised community rates. Consider implementing a peak community hire rate and also aim to shift any current bookings to quieter nights.	Venue Coordinator and Community Facilities Manager	Within budget

Key actions	Objective	Description	Responsibility	Resources
Investigate development opportunities including staff traineeships and closer links with schools, USC and Noosa Community Radio.	Increase staff flexibility; reduce costs; increase community engagement	Opportunities providing mutual benefit may exist in the form of staff traineeships and project partnerships with USC and local schools. Noosa Community Radio also has a commitment to provide youth development opportunities.	Venue Coordinator and Community Facilities Manager	Within budget

Year two 2016-17: Act One – Grow the Business

Objectives: BHAGs - Big Hairy Audacious Goals! Achieving these may be a stretch but the team is up for the challenge!

- Improve on community and cultural outcome measures by 5% each compared with year 1
- Increase revenue by 10% compared with year 1
- Increase utilisation by 10% compared with year 1
- Increase commercial revenue by 10% compared with year 1

Key actions	Objective	Description	Responsibility	Resources
Market to promoters and tour organisers	Increase performances and increase revenue	Identify music, comedy and cabaret promoters and tour organisers and proactively market to them, articulating the advantages of The J and of Noosa as part of a tour	Venue Coordinator and Venue Support Officer	Increased revenue
Increase staff capacity	Position The J for growth	Add to staffing to improve The J's ability to grow, particularly for proactive marketing and partnership development	Community Facilities Manager	Increased staffing budget offset by increase in revenue
Publish outcome reports to Councillors and other stakeholders	Build understanding of The J's contribution	Clearly articulate the benefit to the community achieved by The J in terms of community, cultural and learning outcomes	Community Services Director and Community Facilitates Manager	Within budget

Key actions	Objective	Description	Responsibility	Resources
Link with Council plans and strategies	Increase community benefit	Ensure The J is factored into Council's social and community planning to align its contribution and focus with Council's priorities	Community Services Director and Community Facilities Manager	Within budget
Refine understanding of occupancy opportunities	Increase utilisation and profitability	Analyse occupancy data to identify under-used times and spaces; promote these opportunities to venue hirers including community groups. Understand conflicts and transition unviable hirers with high opportunity costs elsewhere.	Community Facilities Manager and Venue Coordinator	Within budget
Explore diversification opportunities, e.g. catered functions	Increase utilisation and profitability	Investigate opportunities to partner with caterers and event planners to use The J for functions and events if feasible	Community Facilities Manager and Venue Coordinator	Within budget
Undertake community research to better understand customer wants and needs	Improve customer experience	Identify opportunities to explore community desires for events and activities - this may be a wider Council research project or may focus on The J. Include analysis of audience take-up of offerings at The J to identify trends and preferences	Community Engagement or consultant	Increased budget for research
Increase entrepreneurial activity based on analysis of year one seed funding results	Increased performances	Build on findings from 2015-16 seed funding project to further develop entrepreneurial programming that builds audiences, increases performances and generates revenue	Venue Coordinator	Increased budget for entrepreneurial activity

Key actions	Objective	Description	Responsibility	Resources
Fully implement marketing strategy	Increased audiences, increased utilisation, increased profitability	Implement the marketing strategy, including development of tools, channels and marketing partnerships	Venue Coordinator/ Community Engagement	Increased marketing budget
Review fees based on market feedback	Increased profitability	Review fees to set workable fee structure that maximises cost recovery without excluding high priority users	Venue Coordinator and Community Facilities Manager	Within budget

Year three 2017-18: Act Two – Consolidate Growth

Key actions	Objective	Description	Responsibility	Resources
Review and refine marketing strategy	Increase revenue, increase audiences	Evaluate the results of the marketing strategy, update and improve if required	Venue Coordinator and Community Facilities Manager and marketing team	Within budget
Increase utilisation to fill occupancy gaps	Increase revenue	Target venue hire promotion to fill gaps, including through partnerships with business groups and community organisers	Venue Coordinator	Within budget
Include community benefit assessment in analysis of current and potential hires	Increase community benefit	Develop methodology to assess community value of current and potential venue users - this will inform prioritisation of current hires and targeting of new users	Community Facilities Manager and Community Services Director	Within budget
Revise service review	Determine future directions	Undertake a follow-up review to examine progress and clarify future directions, including management models and subsidy levels	Community Facilities Manager and Community Services Director	Within budget

Background

Business Plan purpose

Noosa Council commissioned this Business Plan to enhance The J's performance over the next three to five years.

The J's 2014-15 Service Review identified a need for Council to continue to subsidise The J in line with performance and community venues across Australia. Council's aim for this Business Plan is to identify actions and opportunities to increase Council's return on investment by:

- increasing community benefit and value
- reducing net cost to Council.

More detailed action planning will be included in The J's operational plan for each year - this Business Plan will guide operational planning and summarise focus areas for action each year.

Context

In 2014, Council staff undertook a Service Review to examine the functioning of The J. The Service Review forms the background for the Business Plan, along with investigations undertaken for previous venue planning work in Council. The Service Review should be read as an accompanying document as it includes background information, discussion and data that underpins this Business Plan.

Noosa Council's Corporate Plan 2014-19 provides the following context for The J Business Plan:

Mission	Delivering transparency, efficiency and innovation with a customer focus
Goal	Key Focus Area
Quality Service Delivery	Managing community facilities such as... The J
Looking after Community Assets	Focus on maintaining community assets

Council's proposed Social Strategy and Cultural Development Plan will provide more high level strategic guidance for The J.

In the short to medium term, Noosa Council does not plan to expand the facility or significantly increase operational funding for program development. This plan recognises the need to operate within existing resources - in the facility as-is - to deliver outcomes and value for the Noosa community and for Council.

Planning process

This plan draws on the work done for the Service Review and previous venues planning projects, with some additional research and analysis to inform planning. Council commissioned 99 Consulting to develop the business plan.

The business planning process included:

- review of documents and data
- interviews with key staff
- desktop investigation of competition and pricing factors
- a workshop with The J's staff and management.

The planning project scope did not include consultation with community, users or Councillors.

Plan contents

This Business Plan focuses on action to be taken under five broad headings.

1. Our Business: products and services
2. Our Market: customers and competitors
3. Our Operations: staffing and systems
4. Our Financial Performance
5. Our Future: positioning The J for the longer term.

These actions are further developed in the year-by-year action plan at the start of this Business Plan.

Introduction

SWOT analysis

The Service Review included a SWOT analysis, which is updated here. Key findings are that:

- The J is uniquely equipped in Noosa Shire for cultural and community purposes.
- The size and format of The J makes it ideal for small to mid-sized performances and for a range of meeting and workshop events, but limits its use for larger-scale events.
- The J provides venue and ticketing support for major events in Noosa.
- There is significant competition from commercial venues for the more profitable events.
- The J's financial performance is currently underpinned by two major users - USC and Hillsong Church- presenting a risk if they were to leave the facility.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Unique facility in the area • Quality performance and technical capabilities • Multi-purpose with retractable seating • Central location • Easy access • Extensive parking • Experienced, multi-skilled staff • Commercial kitchen • Stand-alone website • Leased spaces and recurring hirers provide revenue certainty • Strong community ownership 	<ul style="list-style-type: none"> • Small seating capacity limits appeal and profitability for some events • Ticketing cost high for some users • Limited financial reporting tools to analyse event profitability • Skew towards community-rate hires reduces revenue <ul style="list-style-type: none"> • High costs due to nature of the facility • Current CA restrictions not flexible for operational needs
<ul style="list-style-type: none"> • Potential of MICE market • Partnerships with entrepreneurs and event organisers • Potential to increase some fees and charges • Increase revenue through kitchen hire • New CA may increase staffing flexibility • Reduced community access to the Bicentennial Centre has increased demand for The J 	<ul style="list-style-type: none"> • Unforeseen maintenance costs • Need for facility renewal in the longer term • Risk of loss of revenue from one of two major users leaving <ul style="list-style-type: none"> • Competition from commercial venues for profitable components of the business <ul style="list-style-type: none"> • Dynamics in the economic environment threatening major events • Population transience affects audience recognition and loyalty
Opportunities	Threats

Plan principles

The outcomes of the Service Review, and evolution of The J over the nine years since its opening, make this an opportune point to clarify the role and position of The J.

This plan is based on the following principles or position statements:

1. The J is a **multi-purpose facility** for people of all ages
2. **Community access** is an important part of The J's role
3. The J's **auditorium** is unique in the Noosa area
4. The J serves the Noosa community by providing a venue that enables **cultural, community, and learning outcomes**
5. The J will deliver **maximum benefit at reasonable cost**.

Plan outcomes

The J delivers outcomes for the Noosa community across four domains:

- **Community:** the J provides an accessible venue so that Noosa people of all ages can participate in an active, connected community
- **Cultural:** The J makes possible arts activities and cultural participation and experiences for residents of and visitors to Noosa Shire
- **Learning:** The J provides a venue for face-to-face education in Noosa.

2014-15 outcomes

Community	138 performances attracted 19,658 people	Learning
40 community groups held 377 events	Cultural	7,375 attendances at TAFE and uni lectures

Outcomes Actions:

- *Develop annual reporting KPIs to improve on these outcomes, based on an increase from 2014-15 (the baseline year)*
- *Publish annual - or more frequent - outcomes reports to stakeholders including Councillors and Council management, to build understanding of The J's performance.*

Our Business

The J is Noosa's premier community and performance venue, providing meeting and performance spaces, theatre/ auditorium, commercial kitchen and break out spaces. It incorporates facilities purpose built for lease to the University of the Sunshine Coast and Noosa Community Radio.

The J was established in 2006 with a broad brief, as a multi-purpose youth, community and arts space. A lack of Council funding for youth, community or cultural programming has seen the venue increasingly focus on its role as a community venue for hire and a performance venue.

Market position

The J began life as a hybrid youth, community and cultural centre, with funding from a number of sources and a high level of community involvement.

Over time, The J has evolved into a broader community and cultural facility, with the emphasis on youth outcomes reducing because of:

- restrictions to operational funding for youth development programs
- provision of alternative facilities, activities and venues by organisations such as United Synergies and Edmund Rice
- unsuitability of the venue for youth drop-in or low-cost activities
- increase in availability of facilities on school sites through the Building the Education Revolution hall funding program.

The J continues to be the venue for activities for a youth audience, such as school performances, Blue Light discos and school holiday programs - approximately 13% of venue hire hours are for events catering to children and young people. However these are delivered by external agencies rather than initiated by Council or The J.

Positioning Action:

- *Articulate The J's position clearly to community and Council audiences, to reinforce its role as a multi-purpose community and cultural space.*

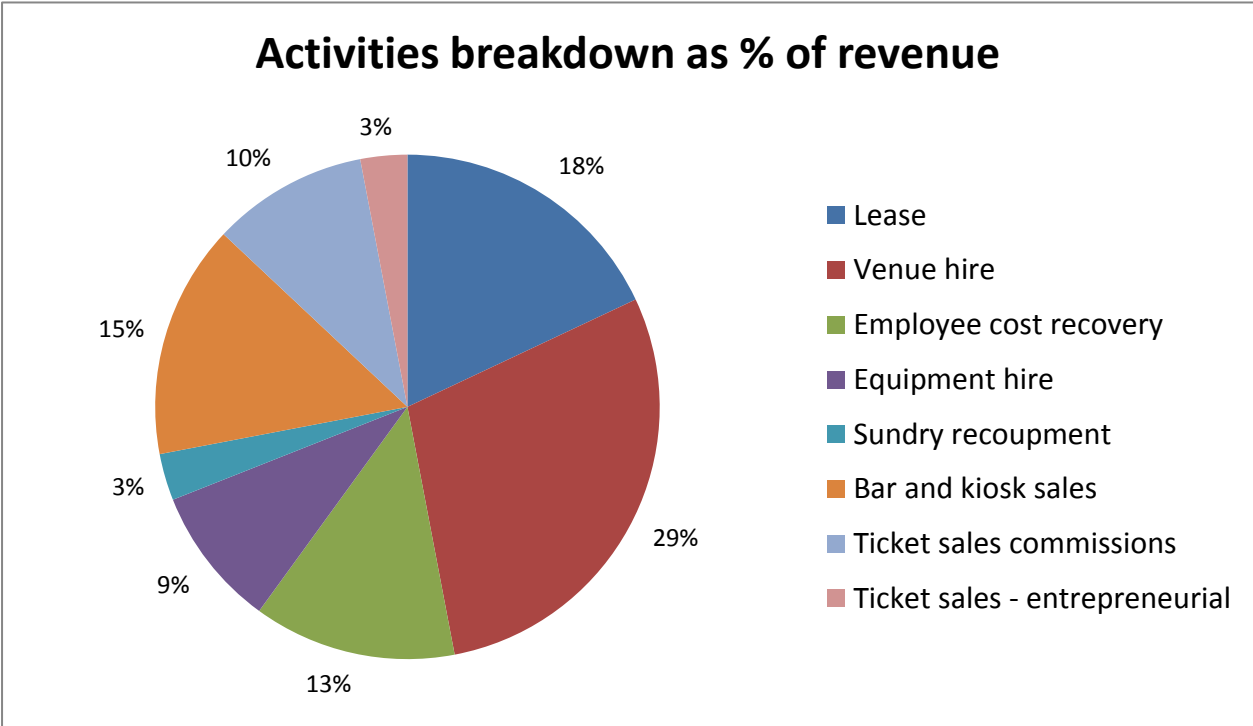
Activities

Broadly, The J undertakes six types of activities to generate revenue.

- Leasing: permanent letting of spaces to the University of the Sunshine Coast and to Noosa Community Radio
- Ticketing: selling tickets to events at The J and at times, facilitating this service for events not at The J, if financially viable to do so.
- Venue hire: renting part or all of The J to a hirer, e.g. Hillsong church or Sunshine Coast Youth Theatre or Richard Clapton’s promoter
- “Entrepreneured” events: initiating activities and running them at The J’s risk rather than a hirer’s risk
- Event support and equipment: providing support for events in The J, such as technical support, marketing, set-up and front-of-house on a cost recovery basis (associated with venue hire activities)
- Bar and kiosk sales (associated with venue hire or entrepreneured events).

As shown in the chart below, more than 50% of revenue comes from venue hire and associated recoupments - equipment, staff, printing, marketing etc, with a further 15% from bar and kiosk sales associated with venue hire and entrepreneured events. 10% of revenue is from commission from ticket sales, with two-thirds of this revenue coming from events at The J.

Self-generated revenue - ticket sales from events and activities initiated by The J only represents 3% of revenue currently.



Source: 2015-16 budget (Note: 2014-15 figures unavailable at time of writing, but budget proportions reflect past performance)

In recent years, The J has largely functioned as a passive enabler of activities and events, providing venue hire and ticketing services for others. This role is clearly valued by the community and meets a need for a facility for community and cultural activity.

The J's proactive role in generating cultural and economic outcomes has been limited due to budget and staffing constraints.

The table below summarises current and potential situations for these activity types.

Service type	Current	Potential
Venue hire - meetings and workshops	Currently about 70% of hours booked in the venue are for this purpose (including church sessions)	There is some potential to increase utilisation of meeting rooms and alternative spaces, recognising the inability to use some spaces simultaneously due to design constraints.
Venue hire - performances	About 20% of hours booked in the venue are for performances (including youth activities). Performances tend to generate more revenue than other types of uses because of associated charges such as equipment and staffing hire. However care is needed to ensure profitability.	There is potential to increase usage of the theatre for performances at commercial rates by targeting promoters and touring performers.
Entrepreneurial performances and events	Events initiated by The J represent a very small component of activity	A small amount of seed funding in 2015-16 will enable The J to initiate some cultural activity to boost the venue's role as a cultural centre for Noosa.
Ticketing	Ticketing commissions generate 10% of revenue currently. Two-thirds of this comes from events held at The J with the remainder from external events.	The Service Review flags the need for a review of ticketing systems to reduce cost to users and increase competitiveness.
Leasing	Leasing to USC represents a significant, stable income stream and a generator of traffic and profile for the centre. Leasing to community radio is at a very significantly discounted rate	Negotiations are well under way to lock in leasing arrangements for the next ten years.
Other	Kitchen hire by market stall holders and small catering businesses has increased	There is further potential to hire out the kitchen during off-peak times.

Activity Mix Actions:

- *Use entrepreneurial seed funding to generate cultural activity, including potential partnerships with cultural groups. Track and report outcomes from this activity to assess the potential for future growth.*
- *Review ticketing system to improve experience and increase efficiencies.*
- *Pursue kitchen hire to increase revenue*
- *Promote the venue to promoters and touring performers to increase venue hire for performances*
- *Identify under-utilised times and spaces and target venue hire promotion.*

Utilisation

There are a number of methods to measure occupancy in cultural and community venues. As a hybrid of both, The J needs to adapt these methods to recognise the unique characteristics of the venue.

Performance venues

Performance venues traditionally measure occupancy in terms of days used per year, irrespective of the number of hours used per day. This recognises the difficulty in using a theatre style space back to back given the significant set-up and technical requirements.

The Australian Performing Arts Centres Association benchmarking suggests average utilisation for the main theatre space in an Australian performing arts centre should be around 70%. The J's theatre is currently running at about 60% occupancy using the APACA methodology, showing room for increase.

Community venues

Community halls and multi-purpose spaces traditionally measure occupancy in terms of hours used. It is difficult to apply a benchmark to The J because some spaces are not able to be used while others are in use, depending on the type of use. For example, while a theatre performance is on, there is limited access to the Board Room and noise levels in the upper foyer would be too high for an event that wasn't associated with the activity in the theatre.

Application at The J

Calculating potential availability at The J is complicated by the inter-relationship between the spaces in the venue. For example:

- The upper foyer is usually not usable when the theatre is being used due to noise transfer
- The Boardroom is often unavailable when the theatre is being used due to congestion
- The kitchen is used as a kiosk for many events at The J and is therefore not available for hire at those times.

These conflicts may mean that increasing occupancy in the ancillary spaces is counter-productive from a financial perspective, in that it may make the theatre unavailable.

While the information below sets out draft occupancy targets for The J, these will need to be managed and reviewed to ensure the highest priority uses (e.g. commercial rate performances, conferences and entrepreneured events) are able to access the venue.

	Performance venues	Community venues
Benchmark	70% days used in theatre APACA average 2009	55-65% considered good for single-space venue (previous halls studies) Estimated maximum for each space in a multi-space venue would be 40% per space depending on venue factors.
The J	60% days used in theatre	25-42% per hireable space including theatre: 42% Theatre 33% Deck room 25% Board room

Draft occupancy targets

Over the next three years, the following occupancy targets are recommended, subject to annual review:

- Use of theatre - 70% of days/ year by 2017-18 (i.e. activity in the theatre 255 days per year)
- Use of Deck Room - 43% of 84 hours (i.e. 36 hours per room per week) by 2017-18
- Use of Board Room - 35% of 84 hours (i.e. 29 hours per week) by 2017-18.

Annual targets to achieve full potential occupancy are shown in the table below.

	2014-15	2015-16	2016-17	2017-18
Theatre days used per year	219	226	241	256
Deck room hours used per week	28	29	33	36
Board room hours used per week	21	23	26	29

The table overleaf depicts a “typical” week at The J - from Monday 1 June 2015 to Sunday 7 June 2015.

Analysis of usage patterns suggests there are timeslots when there is potential to attract more venue hire activity or initiate more entrepreneurial events to fill under-used days

and times. In particular, there is potential to increase usage of all spaces during the daytime periods when the venue is already staffed and additional costs would be minimal.

		Theatre	Boardroom	Deck Room	Kitchen	Upper Foyer
Monday	Morning	Piano tune	Aliance Francaise	Alliance Francaise	Renee's Cookies	
	Afternoon	Coast Academy				
	Night		Noosa Film Society			
Tuesday	Morning				Mojo Foods	
	Afternoon					
	Night	Noosa Chorale				Happiness Network
Wednesday	Morning			Kindermusik	Glutenfreek	
	Afternoon	Suncoast Repertory				
	Night					
Thursday	Morning	Hillsong Church	Mylestones Employment			
	Afternoon					
	Night	Suncoast Repertory				
Friday	Morning		Mylestones Employment		Mojo Foods	
	Afternoon					
	Night	Blue Light Disco				
Saturday	Morning					
	Afternoon					
	Night	Suncoast Repertory				
Sunday	Morning	Hillsong Church				
	Afternoon					
	Night					
Total hours		48.5	34	19	32.5	16
Utilisation (% of 84 hrs)		58%	40%	23%	39%	19%

Occupancy opportunities

Opportunities to improve occupancy and increase community benefit in areas that the J does not currently actively pursue include:

- MICE - meetings and conferences
- Catered events such as parties, school events and ceremonies
- Commercial performances such as live music touring shows
- Entrepreneurial programming
- Specialised cinema screenings.

Current and potential partnerships to achieve growth include:

- development of partnerships with University of Sunshine Coast and TAFE to develop their education offerings and events
- ongoing commitment to partnerships with event organisers to support local events
- potential partnerships with MICE organisers
- relationships with youth agencies such as United Synergies and Blue Light Discos to retain and grow youth programming in The J, including use of kitchen
- collaborations with local arts groups, entrepreneurs and promoters to develop local products and events
- Noosa Chamber of Commerce, including linkages with the proposed film festival.

Occupancy actions

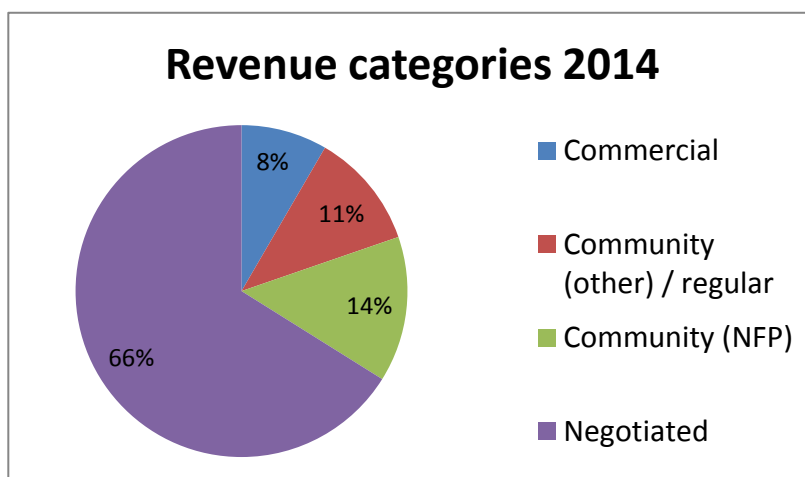
- *Test feasibility of draft annual occupancy targets and test feasibility of these targets over two years considering venue factors (e.g. an increase in theatre usage might necessitate a decrease in Board Room usage):*
 - *Use of theatre - 70% of days/ year (i.e. activity in the theatre 255 days/ year)*
 - *Use of Deck Room and Board Room - 40% of 84 hours (i.e. 33.6 hours per room per week).*

Pricing

Previously The J has used three pricing tiers - community (NFP), community (other / regular and commercial. The intent of this approach is to make venue usage affordable for community organisations and to reward regular use.

In 2015-16 these categories have been consolidated to two: commercial and community. The ability to negotiate rates will continue.

As shown in the graph at right, only 8% of revenue is at the full commercial rate. Most revenue is not at any of the “rack” rates but is negotiated individually



with the hirer. In most cases, the negotiated rate is lower than the community rate.

Hirers with negotiated rates include:

- community cultural groups relocated to The J because of changes at the Bicentennial Community Centre
- Hillsong Church, which uses all spaces in the venue all day every Sunday, contributing 43% of venue hire revenue
- school performances, which involve significant rehearsal time.

In some cases, political decisions have led to large pricing reductions for some users. For example, Noosa Community Radio pay well below market rates for the premises they lease, while community-based groups re-located from the Bicentennial Centre have been given significant discounts to compensate.

The table below presents some pricing comparisons which indicate that the proposed fees for The J are at the top end of what could be charged compared with competitors.

Space	Category	The J 2015-16	LKCC hall 1/ MR 1	NCC hall	NCC small	Good Shepherd
Theatre	Community	\$57.50	\$42	\$88	\$38	\$35
	Regular	NA	\$44	\$120	\$48	\$35
	Commercial	\$150	\$75	\$280	\$115	\$35
Meeting room	Community	\$20	\$19			
	Regular	NA	\$24			
	Commercial	\$40	\$28			

Pricing Actions

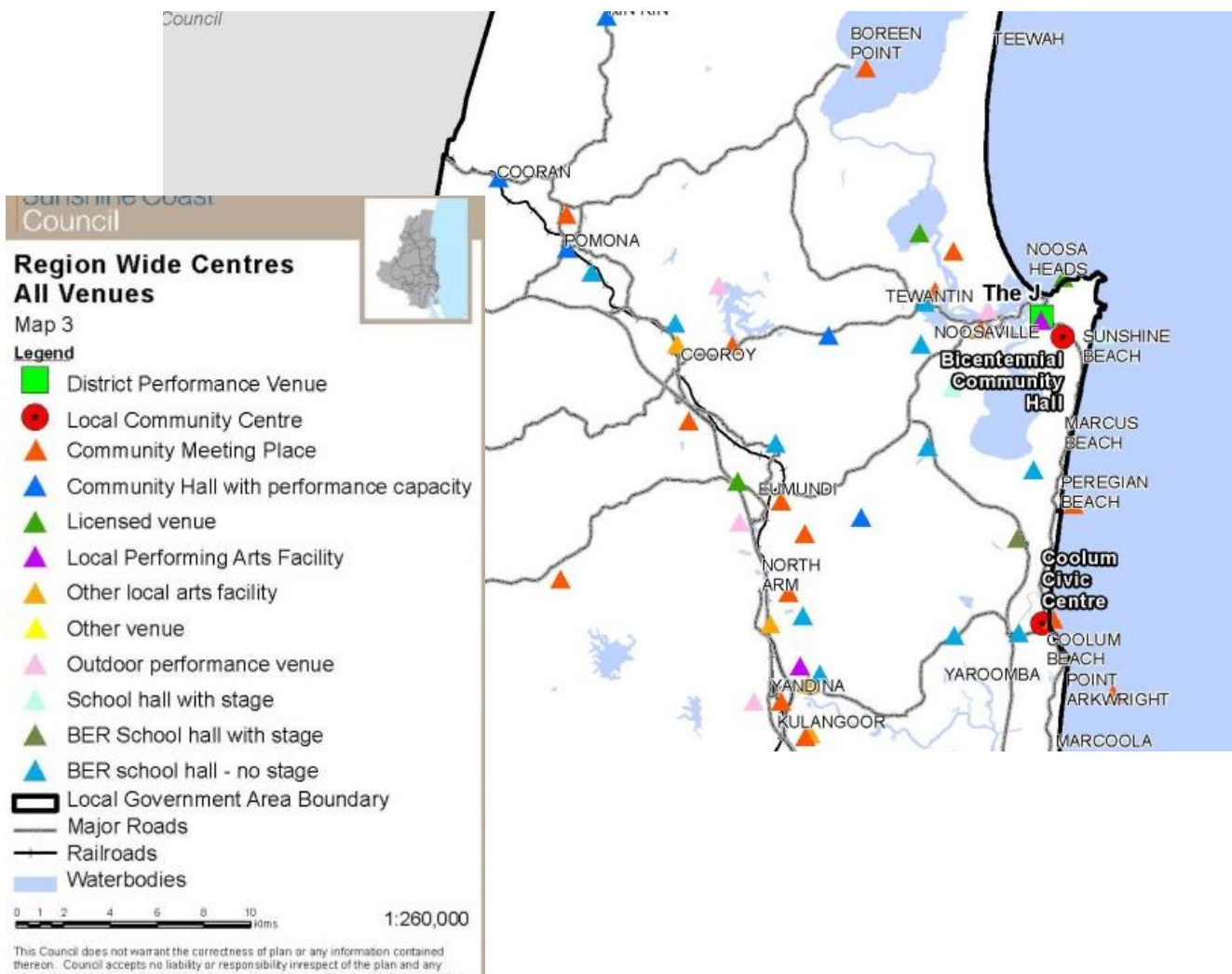
- *Rework data collection to flag user type for negotiated rates*
- *Focus venue hire marketing efforts on commercial hirers*
- *Transition to new rates with caution, bearing in mind competitive factors. Retain ability to negotiate rates.*

Competition

The J's spaces and functions are diverse, which means it faces competition from diverse types of provider, as shown in the table below.

Type of activity	Competitors	The J's competitive position
Popular music	Licensed venues such as clubs, Joe's Waterhole, Imperial Hotel etc, Noosa Surf Club, Noosa RSL, Lake Kawana Community Centre, Nambour Civic Centre, outdoor venues such as AFL grounds	The J is most suited for live music for sit-down crowds. It is too small for big name acts, and licensed venues compete aggressively for music events that will generate bar and gaming revenue. For large "name" shows, they will offer the promoter a higher return than The J can due to size constraints.
Classical and jazz music	Good Shepherd, Leisure Centre (for Noosa Long Weekend), Outdoor venues such as Lions Park	The J is well-positioned for mid-sized events
Theatre performances	Arts Theatre, Nambour Civic Centre, Coolum Civic Centre, Matthew Flinders	The J is the best venue in the region for shows expected to attract more than 100 people. However pricing deters some community groups, who prefer to do more shows in a smaller, cheaper venue.
School performances, events and ceremonies	School halls	The J is better equipped than most school halls for events requiring higher level technical support, but price is a factor
Dance	School venues e.g. Matthew Flinders, Sunshine Coast Council venues	Few venues - including The J - have large stages suited to large-scale dance performances including dance school concerts.
Community activities and meetings	Community halls, church halls, libraries	The J offers good facilities at a good price for small groups but is not appropriate for large hall-style activities
Commercial events and meetings	Resort facilities, surf club boardroom	Resort facilities offer catering and accommodation, but The J has proven it can do this role well - however, it does not have a high profile for this type of work

The map below was prepared by Sunshine Coast Council to show the array of venues servicing this region.



Customers

The J has two broad types of customers:

- Hirers, such as community groups, promoters, event organisers
- Audiences and attendees - the people who buy tickets or attend events at The J.

Hirers

Hirers largely fall into the not-for-profit category, with commercial for-profit hirers mainly limited to promoters who book the venue for a live music or other show and businesses who book the venue for a conference, meeting or exhibition.

The not-for-profit category is generally clearly defined: schools, community-based theatre groups, churches, community associations and the like fall into this broad category.

There is occasionally contention around a third category, known variously as “community - other” or “community enterprises”. Small businesses such as dance schools are often included in this

category, on the basis that they provide opportunities for local people to participate in activities that make up a rich community life, and do not generate significant profits for their proprietors.

The ability to negotiate rates gives The J management the opportunity to use discretion to balance community benefit with commercial imperative.

Audiences

There were 63,621 attendances at The J in 2014, although the number of individual visitors is unknown.

This planning process has not included an analysis of customers, except to note that:

- 38% of attendances at The J are people attending Hillsong church activities
- 8% of attendances are students attending university or TAFE classes
- 6,200 attendances were for ticketed events at The J where The J sold the tickets.

Available data does not allow an analysis of market share and segmentation: what proportion of individual Noosa residents is a current customer of The J; what are the characteristics of this market; what are the potential market segments that The J is not currently reaching.

Customer Actions

- *Analyse customer and attendance data to identify opportunities to grow the customer base.*
- *Seek input from customers about how The J is perceived, and the sorts of activities people would like to see offered (one suggestion is to approach USC to do this as a student project)*

Marketing

Currently The J has limited marketing capacity, with a marketing schedule focused on promotion of events. Marketing capacity includes:

- A database
- A website
- Social media platforms
- Press advertising
- Printed promotional materials.

Development of a strategic marketing plan targeting potential hirers and partners as well as audiences would potentially improve both commercial and community outcomes, and is seen as a priority action in 2015/16.

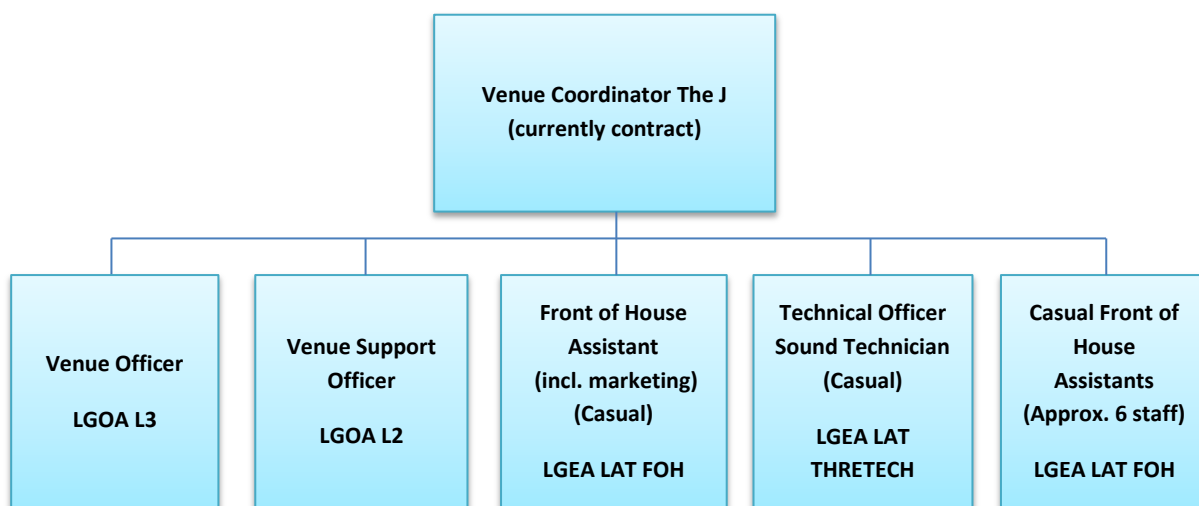
Customer and marketing actions

- *Develop and implement a marketing plan targeting hirers and partners as well as audiences*
- *Build the audience database and engagement*
- *Understand audience demographics and target promotion etc accordingly*

Our operations

Staffing

The J is staffed by a 4.7FTE team. Three of these are permanent full-time staff and 1.7FTE consists of casuals. The team is flexible and multi-skilled within the constraints of the current Certified Agreement.



The focus of the team is on operational matters - there is limited capacity within existing resources to be more proactive about strategy, marketing, partnership development or entrepreneurial programming. The J will need to gain support from within Council for some of these roles. The Manager Community Facilities will need to work with the Community Facilities Advisor and the Venue Coordinator to implement the action plan included in the Business Plan.

The development of a new Certified Agreement may provide more scope for flexibility in keeping with operating a 7 day a week performance venue.

Systems

The Service review highlighted some opportunities to improve systems including:

Ticketing system:

As flagged earlier, The J will review ticketing options to identify potential improvements and efficiencies.

Management information:

Council has done some work to produce financial analyses of individual events but this work is still in its early form. This makes it difficult for The J management to assess whether hires and events are covering all the costs associated with each event in order to plan and quote better in future.

There is some debate about which costs should be included in these analyses. The most useful analysis will include a picture of variable costs associated with the particular event to establish the

direct financial impact of each event on The J's bottom line, as well as a full cost analysis to show each event's contribution to fixed and corporate costs.

KPI reporting will also require some development to report on outcomes and KPIs identified in this plan.

Management

The Service Review noted a number of gaps in management, including lack of a risk management plan and long-term asset management planning. Council is working toward developing these plans for all facilities and activities.

Operations actions

- *Prepare a risk management plan*
- *Develop an asset management plan*
- *Finalise methodology and tools for event P&Ls*
- *Develop KPI reporting tools and schedule*
- *Monitor progress on Certified Agreement to identify opportunities to improve industrial arrangements.*

Our Finances

The table below presents summary budget information and projections for the plan period.

	2014-15 actuals	2015-16 budget	2016-17 projected	2017-18 projected
Revenue	\$460,176	\$466,625	\$513,287*	\$564,616*
Total expenditure (incl depreciation and internal charges)	\$1,202,430	\$1,195,304		
Net operating cost (excl depreciation and internal charges)	\$273,585	\$258,605	\$248,204*	\$234,950*

**assumes 10% increase in revenue per year from 2015-16 onwards; 5% increase in direct costs*

De-amalgamation makes it difficult to examine historical financial performance in terms of reported costs. However it appears that the net cost to Council of operating The J has not increased in recent years - in 2011-12 it was \$372,000 for example.

The Service Review includes a comprehensive analysis of the need for ongoing subsidy from Council for The J, and establishes that the current subsidy levels are low compared with similar venues in other jurisdictions. However utilisation benchmarking suggests that value for money could be improved through increases in activity in The J.

Revenue

Opportunities to increase revenue have been discussed in other sections of this plan, and include:

- restructure of fees
- improved marketing
- increasing audience numbers for entrepreneured / shared risk and ticketed events
- increasing venue hire usage
- increasing the quantum and proportion of commercial-rate hires to balance hires at discounted rates.

Costs

While the planning process did not include a thorough analysis of cost structures, it appears there is limited scope to reduce costs further without endangering the potential to grow revenue and improve outcomes. The potential changes to the Certified Agreement may bring some potential savings in staffing costs but this is unknown as yet.

There is some potential to grow revenue without increasing costs, for example by improving utilisation during hours the venue is already staffed. Beyond that, careful management is required to grow revenue in profitable ways, for example by ensuring quotes for price negotiations include all additional costs.

Our future

The next three years present an opportunity to position The J for the longer term as the environment changes.

Council plans and policies

As Noosa Council develops plans and policies for community, cultural, economic and educational outcomes, The J will need to position itself to support the goals of Council and the Noosa community. Current work on a social strategy and planned work on a cultural plan may highlight opportunities for The J to further develop its contribution to community life.

Lease and MOU changes

At the time of developing this plan Council was finalising MOUs and lease agreements with three significant users:

- University of Sunshine Coast has flagged its intention to continue to lease The J for a further ten years
- Noosa Community Radio has indicated it intends to remain in the premises for the foreseeable future
- Hillsong Church has indicated willingness to sign a three-year MOU to continue its extensive usage of the facility for services and activities.

These arrangements offer The J a buffer against financial uncertainty, and help to activate the venue and increase its profile. During the period of this plan, The J will need to develop plans to replace any one of these users if they do not continue the current arrangements. In particular, any exit by Noosa Community Radio would offer an opportunity to increase revenue through a lease on a commercial basis.

Proposals to redevelop The J and/ or develop alternative venues

Since The J was built, stakeholders have suggested alterations to increase its seating capacity and improve aspects of its functionality including acoustics. The Service Review included an option to modify The J to seat 450 (an increase of 110) at an estimated cost of \$5 to \$6 million.

Meanwhile, the local Chamber of Commerce is seeking support for a feasibility study to develop a conference facility in the carpark of The J. Sunshine Coast Council continues to support a proposal to develop a large convention and exhibition centre at Maroochydore (as yet unfunded). Sunshine Coast Council continues to review the future of the Nambour Civic Centre as the lease for that facility approaches its end point.

Council will need to consider future development of The J, and expansion of its facilities, in the context of venue provision on the whole Sunshine Coast.

Management Models

The Service Review included a discussion of alternative management models for The J. The review recommended continuing with the current approach of internal management, subject to review if one of the venue lessees - USC or Noosa Community Radio did not renew the lease or if the major hirer, Hillsong, stopped using the venue. In that case an anchor tenant/ manager model may be worth exploring.

Renewal and major maintenance

The J is nine years old and appears to have been maintained at an appropriate standard in that time. However a long-term asset management plan will identify the likely cost of renewal and major maintenance of big ticket items such as air conditioning. Once that information is available Council will need to plan and budget accordingly.