

# ***Jamberoo Action Park***

## ***Yr 11 Business Studies***



### **Preliminary Topic 1: Nature of Business**

#### **Outcomes:**

P1.1 describes the nature of business and its role in society

P1.2 analyses types of business structures

P3.1 explains the business life cycle and analyses the challenges that each stage presents for management

P3.2 explains the responsibilities of business to internal and external stakeholders

P4.1 explains the interrelationship between the internal and external factors on business

P5.3 communicates business information, ideas and issues, using relevant business terminology and concepts in appropriate forms

P5.5 works independently and in groups to achieve appropriate goals in set timeframes

# Jamberoo Action Park

## Background

In 1974, the Eddy family bought a dairy farm in Jamberoo Valley. Soon after, the quota system, which was the system in which a dairy farmer was paid for the milk produced, was changed. The quota was distributed more evenly throughout the state, effectively reducing the income on the dairy farm by 20%.

The farm as it stood was no longer viable and other sources of income needed to be found in order to sustain the investment. The Eddy family saw a grass ski film called "Green Snow". This was a film of the Italian Ski Team training on grass in the summer. The skis were imported and the northern part of the park was developed into a grass ski park.

The sport grew quickly and was very popular, but more importantly, it was discovered that there was a large market of urban dwellers desperate to get out of their environment to the country, provided they were given a reason to do so. This was our introduction to the tourism industry and we have continued to develop Jamberoo, to this day targeting the Sydney market.

## Recent Developments

Developments completed in 1988 cost 3 million dollars and were financed through the Commonwealth Trading Bank. Soon after the developments were completed, interest rates rose sharply and the company worked hard throughout the last decade, to pay off the debt accumulated in 1988. Due to this as well as the impact that public liability insurance was having on the business, development slowed considerably from the period 1988 to 2000.

In 2000 the Park Management developed a Master Plan for the next five years. This Development Master Plan was designed to shape the future expansion of the Park and included five major attractions:

- The first of the attraction in the Master Plan was Surf Hill built in 2001. Surf Hill was built by Australian Water slides & Leisure and proved to be a very popular new ride for the Park.
  - The second attraction, Rapid River was completed in 2002. It is 240 meters long, 5 meters wide and is driven by four pumping stations circulating the River at 1.2 meters per second. The volume of water contained in Rapid River is one mega litre and is heated to 26 degrees. The inclusion of Rapid River at this point of the development was essential as will provide water for the other attractions.
  - The third attraction, Billabong Beach, was completed in 2003.
  - This was followed by Outback Bay in 2005. Both Outback Bay and Billabong Beach have an Australian theme and feature a range of animals in the children's areas.
  - The final attraction in the development was the Taipan which opened in Sept 2007. The Taipan is a giant water slide where up to five guests ride down the slide in a clover style raft.
- Jamberoo is now NSW's biggest theme park with a visitation in excess of 360,000 visitors annually.

During 2006 the Management Team visited a number of sites around the world and met with key manufacturers of water slide equipment with the purpose of designing a new Master Plan for the next 10 years.

The Mission of the Company is to carry the expansion of the Park into the future with the most exciting and innovative technology available in the world.

As a result of the Management Team's 2006 investigations, the next stage of development has been proposed as a \$20 million expansion dubbed 'Kangaroo Island'. This proposed development will replace the area where the Go Cart tracks are currently situated.

The new development will easily be able to accommodate 4500 to 5000 people, reducing queue times and congestion and make for an even more enjoyable experience for guests. The new expansion will transform 1/4 of the park's grounds with 6 new thrilling rides. Targeting the excitement factor, the new attractions will cater for everyone from families to young thrillseekers – no doubt grabbing the interest of the close, captive Sydney audience.

The development will be completed over five stages over an estimated 6 years, and is scheduled to commence in 2010.

The attractions will include:

**1:** Giant Rapid River – This river attraction is twice as long as our current Rapid River and will connect all the rides in the Kangaroo Island Area. When you finish any of the water slides you will be able to get straight into the river to work your way around to other rides and attractions.

**2:** The Rocket – A rocket coaster incorporating maglev technology to propel people along the tube and up the hill

**3:** Interactive Play Area – five times the size of the current Billabong Beach play area

**4:** Mammoth Mountain Raft Ride – Two huge flumes take water rafts twisting and turning down the mountain

**5:** Behemoth Bowl – riders whirl in a spiral around the massive bowl before dropping into a splashdown pool

**6:** Tornado – Rafts loop and twist down the hill before dropping into the huge funnel and shooting out into the pool

In addition to these main attractions, the development will also include several themed highlights including suspension bridges, dripping logs, rock walls, waterfalls, wave chamber, river tunnel cave, water jets and of course food outlets, toilets, change rooms and general amenities to cater for the increasing attendance at Jamberoo.

### **Business Organisation**

The trading name of the company is Jamberoo Action Park. The owner of the Park is Propix Pty Ltd, which is a private company. There are four shareholders of Propix Pty Ltd, all members of the Eddy family.

## Assets

Jamberoo Action Park's assets include its 50 hectare site, its wide variety of rides and attractions, infrastructure (such as buildings and equipment), vehicles and stock (such as food and clothing for sale, chemicals for maintenance etc.)

## Human Resources

There are 12 permanent staff employed year round at Jamberoo. Casual staffing levels fluctuate depending on the time of year and can be anywhere between 10 during off season to over 300 in peak time.

Casual staff are divided between catering staff, retail/admissions and outdoor ride attendants. After being selected to work at Jamberoo all staff receive an orientation day and an accompanying manual after which they are given two days of intensive on the job training. New staff are then rostered with supervisors for continued support in addition to the ongoing job specific training received in day-to-day operations of the Park.

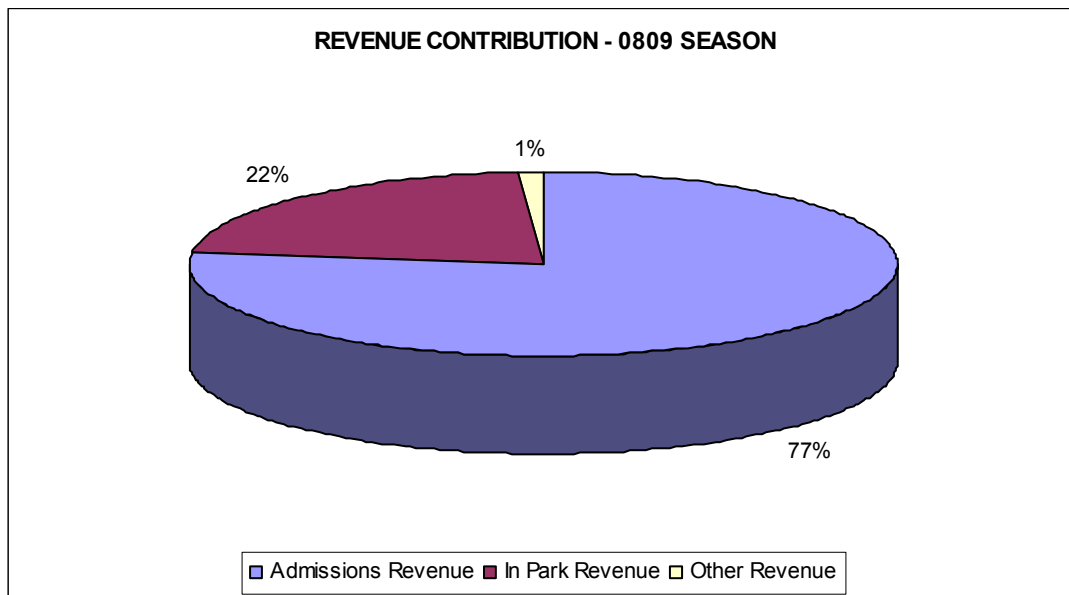
## Accounting

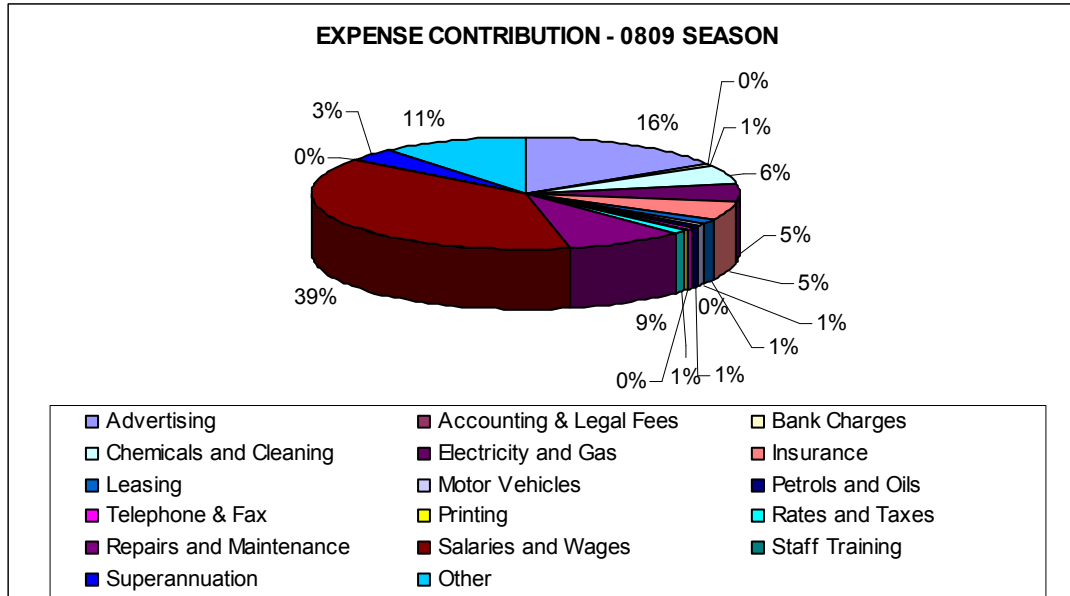
The largest expenses of Jamberoo are (in descending order):

- 1) salaries
- 2) advertising
- 3) repairs and maintenance.

Fixed costs are items of expenditure that are externally assessed such as rates, taxes and insurance. Variable costs are items of expenditure that management have some control over and include items such as maintenance and advertising.

The inputs that are purchased by Jamberoo are the food, beverage and souvenir products for resale.





**Marketing**

Jamberoo is a seasonal attraction and NSW’s biggest theme park, open from September to April each year. Jamberoo attracted 363,000 guests in the 0809 season – with over 40% of these coming in the January holidays.

Jamberoo’s target markets are:

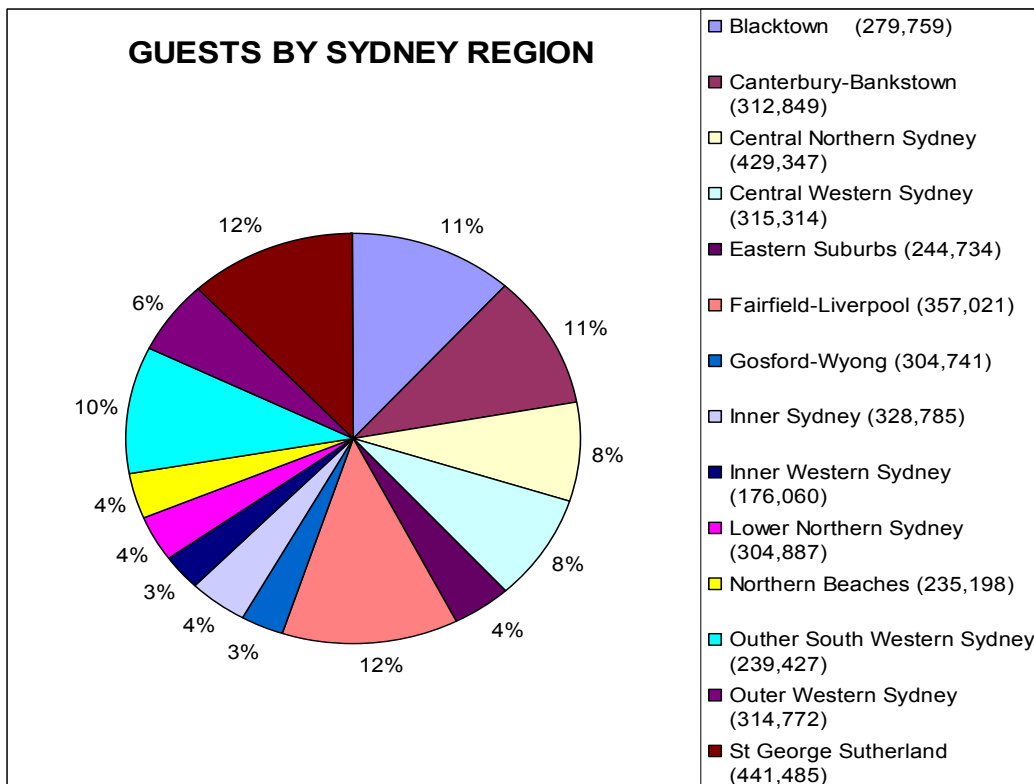
**Primary** – families with young children

**Secondary** – 10-17 year olds

Jamberoo targets these markets in the Sydney, Illawarra and Canberra areas.

Over 70% of Jamberoo’s guests come from Sydney, 18% from the Illawarra, and 4% from Canberra. The largest proportion of Sydney guests come from Western Sydney.

JAMBEROO GUEST VISITATION - 0809	
Interstate	21,780
NSW	341,220
ACT	14,520
Sydney	253,374
Illawarra	54,784



Two years ago, Jamberoo opened weekdays during the season rather than just weekends and school holidays, although this still contributes to the majority of the business. Jamberoo is a popular group destination, with November and December being extremely busy with end of season bookings. Over 30% of Jamberoo's guests are groups, with the majority of these being schools, corporate groups and social clubs.

Jamberoo's well known slogan is 'where you control the action', which has been used for most of the park's 30 year history. It is used in all advertising and in Jamberoo's logo, and is one of the most highly recognised slogans in NSW. In a recent shopping centre survey, over 90% of people surveyed were aware of Jamberoo Action Park.

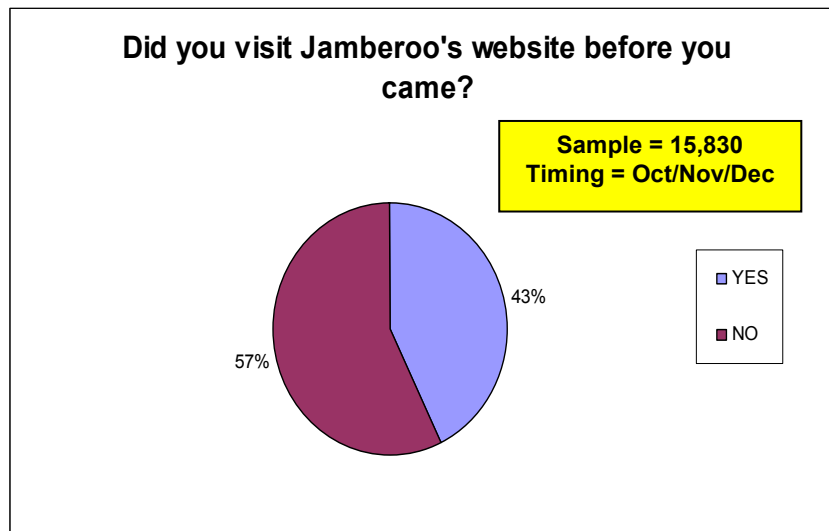
Jamberoo primary communication messages are:

- NSW's biggest theme park
- Just over an hour from Sydney (20 minutes from Wollongong, easy day trip from Canberra)
- Terrific value family fun

Jamberoo has a significant advertising budget during the season. The majority is placed on TV advertising during the holiday periods. Other forms of media include print advertising, outdoor (billboards) and on-line (search and paid advertising). Cinema has also been used in recent years. In line with visitation patterns, the majority of advertising supports the Christmas / January holiday period, with the October and April holidays a secondary priority. Recently tactical advertising has also been run in other 'shoulder' periods.

On-line communication is a burgeoning industry and the website is an integral part of a business, both for information and first impressions. Jamberoo overhauled its website for the 0809 season with improved visuals, layout and a more user-friendly format. Website hits rose by 23% to well over 300,000 hits during the season, and recorded the largest number of hits for a tourist attraction in Australia during January 2009.

Jamberoo conducts customer research largely through its in-house survey facility. Guests are asked for postcode and survey data at the ticket gates upon entry, which is then entered into the point of sale systems. This method of data collection is automated for easy reporting, and can access thousands of responses in a day during peak periods. An example of survey data collected is included below.



### New Technologies

- Telephone – Due to the ever increasing volume of calls to Jamberoo, the phone system was recently upgraded to incorporate a more efficient call queuing system.
- Clock on / Clock off – Jamberoo uses new hand print recognition technology for staff to log in and out of their shifts.
- Website – Jamberoo has recently upgraded its website and included an online 'kid's club' membership system.
- Security – An extensive system of security cameras have recently been installed around the park which can detect if an object is missing or blocking their field of vision.

### Environmental

Jamberoo Action Park is a leader in the environmental stakes - being the only theme park in the country to recycle 100% of the water it consumes, ensuring that not a single drop is wasted.

NSW's largest theme park uses 20-million litres of water a year, which according to Sydney Water is equivalent to filling 20 Olympic-sized swimming pools. Due to the park's remote location with limited

access to sewer or fresh water, it has developed a conscientious environmental policy, with nearly \$200,000 invested in ecological upgrades over the past several years.

Some of Jamberoo Action Park's environmental initiatives include:

- Investment in a massive filtration network that cleans and treats the 20-million litres of water that is collected in the park's four collection dams;
- Design of the park to maximize rainwater collection – including installation of runoff drains from the attraction's massive car park, which is then fed to an on-site treatment plant where it is then filtered to be separately treated as drinking or ride water;
- An additional new backwash filter system that further improves the park's environment efficiencies by trapping dirt and foreign particles for removal, allowing water to be efficiently recycled for rides and;
- Effluent and park waste are treated on-site and converted into fertilizer for use on the park's prolific gardens.

Through working with environmental partners such as Forbes Rigby and Leisure Engineering, Jamberoo Action Park's mission to reduce their carbon footprint has moulded its environmental model. The water recycling system is not only setting an industry example, but is a significant individual contribution to conserving water during these times of drought. Future initiatives being investigated by Jamberoo for the future include wind turbines to further move the park towards energy self-sufficiency.

## Exercise 1 - Nature of Business

1. What do you consider to be the role and importance of Jamberoo to society?

a) Provide quality goods and services

b) \_\_\_\_\_

c) \_\_\_\_\_

d) \_\_\_\_\_

e) \_\_\_\_\_

2. Classify Jamberoo according to these criteria by circling the most relevant term

a) **Legal structure:**      sole trader                  partnership                  private company

                                         public company          cooperative

b) **Activity:**                  agriculture                  manufacturing                  retailing

                                         leisure & tourism      construction

c) **Industrial Sector:**      primary                  secondary                  tertiary                  quarternary                  quinary

d) **Size:**                      Small                      SME                      Large

e) **Sector:**                      Public Sector                  Private Sector

3. What are the benefits of choosing this particular legal structure?

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**4. Using arrows match each of Jamberoo's responsibilities to the correct stakeholder**

- |                        |                            |
|------------------------|----------------------------|
| <b>a) Shareholders</b> | Career path & pay          |
| <b>b) Managers</b>     | Good returns on investment |
| <b>c) Employees</b>    | Environmental protection   |
| <b>d) Consumers</b>    | Job security & pay         |
| <b>e) Society</b>      | Value for money & quality  |

**5. What do you consider to be Jamberoo's goals in the following areas and what are the implications of these sectors?**

**a) Financial**

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**b) Social**

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**c) Personal**

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## Exercise 2 - Key Business Functions

**1. Imagine you are running Jamberoo Action Park. What are some methods you would use to ensure information is effectively communicated along the chain of command?**

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**2. What factors affect staffing levels?**

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**3. What training are staff given?**

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**4. In the 0809 season, what proportion of Jamberoo guests came from:**

Sydney \_\_\_\_\_

Illawarra \_\_\_\_\_

Interstate \_\_\_\_\_

Fairfield/Liverpool \_\_\_\_\_

**5. List the 3 geographical markets that Jamberoo targets**

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

**6. How do you think Jamberoo would market to the following segments:**

10-17 year olds \_\_\_\_\_

Families with young kids \_\_\_\_\_

Guests from Canberra \_\_\_\_\_

Schools \_\_\_\_\_

**7. Who are Jamberoo's main competitors?**

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**8. How could today's economic climate affect consumer behaviour – and what could Jamberoo do to counteract it?**

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### Exercise 3 - Establishing a Business & Developing a plan

1. What are the advantages and disadvantages of Jamberoo's location?

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2. SWOT Analysis

Use the below to outline some strengths, weaknesses, opportunities and threats you can think of for Jamberoo.

<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	<b>Threats</b>

**3. How could climatic changes threaten the future of Jamberoo?**

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**4. Name 3 things that Jamberoo does to be 'ecologically friendly':**

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**5. What else do you think Jamberoo could do to be a leader in environmental innovation?**

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