

Adelaide Hills Council acknowledges that we undertake our business on the traditional lands and waters of the Peramangk and Kaurna people.

We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land.

Vision

Fabrik is a much-loved arts and culture destination and the centre for textiles in South Australia, attracting visitors from Australia and around the world.

Mission

To engage, inspire, and connect communities in the Adelaide Hills and beyond, through arts and heritage



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Executive Summary

Over the last six years Adelaide Hills Council has been activating a cluster of buildings on the site of the former Onkaparinga Woollen Mill in Lobethal, developing the cultural hub, Fabrik Arts + Heritage. During this time Fabrik has offered physical spaces and programs to connect with community, support creative industries and attract visitors to Lobethal and surrounding districts.

Fabrik has been closed since late 2022 during a redevelopment of the site that will ensure accessibility and functionality for its use as an arts and cultural facility. As the construction projects nears conclusion, a Business and Implementation Plan has been developed to ensure maximum economic and community benefit is received from the facility.

The Plan provides detailed income and expenditure forecasts which have been reviewed by an external consultant and have considered various scenario variables for Fabrik's operations such as retail sales per day and retail mark up. The Plan also details the staff resources required to operate Fabrik, including additional positions required for business development, public programs and marketing. Costs relating to these additional resources are included in the projected expenditure. Regular reporting on key metrics through the Quarterly Performance Report and a progress report following 12 months of operations at the redeveloped site are also recommended.

Introduction



Fabrik's History

Fabrik Arts + Heritage is an initiative of the Adelaide Hills Council, based in the historic former Onkaparinga Woollen Mill site in Lobethal.

The Mill and textiles are a source of identity and pride for the local community and the relationship between the community and the Mill site is an enduring one. The development of Fabrik is the result of robust consultation and community-led actions, representing wide community connection and input.

Fabrik opened in 2019 with a pop-up program, offering events, workshops and exhibitions throughout the site and attracting over 14,000 visitors in the first twelve months.

After the December 2019 Cudlee Creek fire, Fabrik's Building 20 became the Bushfire Recovery Centre, and programs extended to include an extensive Creative Recovery program.

In 2021 Council received \$3m from the Local Economic Recovery Program towards a major redevelopment of the Fabrik site. Together with an additional \$1.56m from Council, the redevelopment has significantly improved accessibility and functionality of the buildings and surrounding grounds.

Introduction (cont)

Programs

Fabrik aims to contribute to economic and community development within the region, offering:

- High calibre exhibitions
- Creative workshops
- Community projects and events
- Shop offering artisan-made goods
- *Mill Stories* interpretation celebrating the significant history of the Onkaparinga Woollen Mill
- Public-facing artist studios for hire
- Spaces for hire

Theme

In acknowledgement of the significant manufacturing history of the Mill site, Fabrik's thematic focus will be on textiles, linking with contemporary art practice, domestic makers, First Nations cultural practices, traditional textiles internationally, and connecting with relevant issues such as textile sustainability, reuse and recycling.

Facilities

Fabrik consists of three original Mill buildings and one newly constructed pavilion.

Facilities include a shop, a climate-controlled gallery, artist studios, meeting/workshop spaces, museum displays, community exhibition space, artist in residence facility and indoor and outdoor function spaces.

The Business and Implementation Plan

Given the scale of the Fabrik project the Business and Implementation Plan is intended to establish the goals and outcomes expected of the operation, along with operating costs and a realistic understanding of expected income.

Arts Program and Timing

Year 1

- Commence exhibition program including involvement in Adelaide Fringe and South Australian Living Artists (SALA) Festivals
- Establish retail operation
- Launch *Mill Stories* museum display in Mill Shed (Building 21) and Blanket Building (Building 20)
- Establish artist studio tenants
- Commence workshop program
- Commence venue hire
- Present an artist market event
- Present History Festival event

Year 2

- Continue programming as above
- Develop venue hire opportunities to meet income goals
- Develop tourism products/packages and explore philanthropic opportunities to meet income goals
- Develop artist in residence program
- Develop a major arts collaboration (eg. sustainable fashion fest)

Year 3 onwards

- Continue to refine and develop existing program





Heritage Management Plan

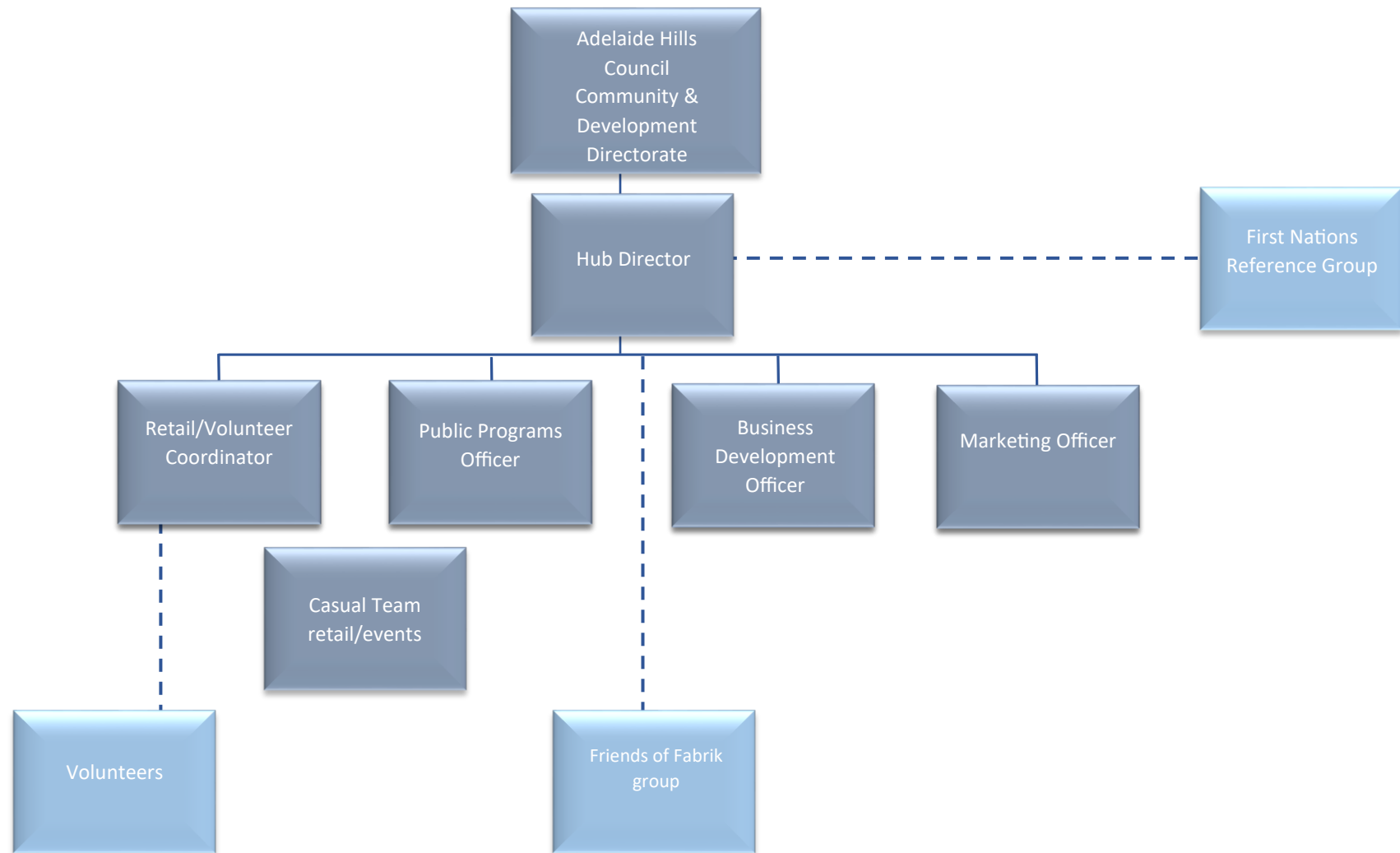
Adelaide Hills Council undertakes its work on the traditional lands and waters of Peramangk and Kaurna people. Fabrik will continue to build upon existing relationships to ensure First Nations stories and cultures are acknowledged, supported and shared.

The Lobethal Woollen Mill site was confirmed as a State Heritage Place in 2014 and acknowledged as one of the state's most significant industrial complexes, representing more than a century of industrial, commercial and social development at the site. The Heritage Assessment Report notes that Buildings 14, 20 and 21 (now buildings allocated for Fabrik's use) have high heritage significance to the complex as a whole. A Heritage Agreement between Adelaide Hills Council and the Minister for Sustainability, Environment and Conservation was signed in 2016.

The current redevelopment of Fabrik was undertaken in close consultation with Heritage SA to ensure restorations, alterations and additions were sensitive to the site's heritage and compliant with the Heritage Agreement.

Along with consideration for the built heritage, Fabrik has been gathering information and developing content in preparation for sharing the social and industrial history of the Mill, while also acknowledging the site's placement on First Nations Country and the Prussian colonial settler history of the town of Lobethal. Fabrik is a member of the History Trust of SA's Museums and Collections Program, which funds the care and presentation of South Australian history and collection items. To date Fabrik has received just under \$49,000 from various sources, funding professional research, the recording of oral histories, display development and the purchase and construction of display furniture, for Buildings 20 and 21. Relationships with former Mill workers have been formed, and an agreement with the Onkaparinga Woollen Mill Museum Inc is currently in draft form, in preparation for the loan of items for display. Further funding will be sought in the coming years to continue to develop the interpretation, and associated public programs, that celebrate the history of the Mill.

Governance and Staffing



Staffing Plan

Title	Year 1 FTE	Year 2 FTE	Level	Role Summary
Director	0.8	0.8	Contract	Existing position. Involved in overall strategy, staff recruitment/management, policies, agreements, funding applications, strategic partnerships etc. Strategic and operational involvement in exhibition program and artist residencies. Manage budget, Council KPIs and reporting.
Retail and Volunteer Coordinator	1.0	1.0	Level 5	Existing position. This role will manage retail operations; supervise weekend casual staff; recruitment, training, rostering and supervision of volunteer staff.
Public Programs Officer	0.6	0.8	Level 5	New position. This role will develop the ongoing public program including workshops and events; manage the artist studio program and work with community groups.
Business Development Officer	0.4	0.8	Level 5	New position. This role will manage venue hire, including hire agreements, costings and scheduling.
Marketing Officer	0.4	0.4	Level 4	New position. This role will implement the Marketing Plan and develop marketing collateral including invitations, posters, social media content and EDMs
Retail and Events Casuals	0.5	0.8	Level 3	New positions. This will be a pool of casual staff available for weekend retail and back up support for out-of-hours external hires. Also responsible for volunteer support on weekends. Additional paid casuals may be required if weekend volunteers are not forthcoming, to ensure Blanket Building is open to the public.
TOTAL FTE	3.7	4.6		
FTE amounts may change depending on individual personnel needs, noting this will be managed within the overall budget for staff resources included in expenditure forecasts.				

Marketing Plan

Target Audiences

- Residents of the Adelaide Hills region
- Cultural tourists and visitors from wider Adelaide, South Australia, interstate and overseas
- Artists, creatives and arts enthusiasts
- First Nations custodians and artists
- History enthusiasts
- Schools and education groups
- Local community groups, former Mill workers and their families
- Event and function clients
- Funding partners and sponsors
- AHC Councillors and staff
- Media
- Federal, state and local government

Marketing Objectives

- Build awareness of Fabrik and drive visitation to achieve 20,000 visitors per annum by 2028/29
- Develop a strong brand, positioning Fabrik as a premier regional arts and cultural destination and the South Australian centre for textiles
- Diversify and grow revenue streams including, retail, events and sponsorships
- Build an engaged and innovative digital community
- Engage the local community and key stakeholders as active participants and advocates

Marketing Plan (cont)

Brand and Positioning Strategies

- Develop a brand strategy and key messages building upon established visual identity
- Integrate the brand across all touchpoints including social media, signage, website, collateral, etc
- Tell the stories of our communities and artists

Digital and Social Media Strategies

- Develop a multi-channel digital marketing approach e.g. a news feed, electronic direct mail, social channels etc
- Continue to update the existing website
- Build upon existing social media communities and newsletter subscribers
- Leverage existing Council lists e.g. community, Council and library

Advertising and Promotion Strategies

- Create a digital marketing campaign encompassing launch, exhibitions and community building
- Develop yearly advertising plans including print, outdoor and digital
- Implement an opening campaign targeting the Adelaide Hills and surrounding regions, and the Adelaide metropolitan area
- Promote key exhibitions, events and public programs
- Explore tourism partnerships and packaging opportunities with operators
- Use storytelling as a key pillar of marketing initiatives e.g. site history, redevelopment of the site, artist stories, local stories

Marketing Plan (cont)

Comms Strategies

- Appoint a Comms Officer and develop yearly plans
- Leverage the Director and artists for media opportunities.
- Develop an inhouse media list to promote newsworthy exhibitions and events, etc
- Develop media familiarisation and press previews program
- Cross promote media opportunities with Council media
- Create quality photography and video resources that can be packaged to mediaDevelop a schedule of milestones for PR and prepare above assets

Audience Engagement Strategies

- Develop an Audience Development Plan with strategies for each target audience
- Develop an exhibition, workshop and events program that attracts Fabrik's diverse target audiences
- Continue to develop connections and collaborations with schools, cultural and community groups
- Develop information and resources to ensure inclusivity for diverse communities
- Build mechanisms to enable two-way feedback and experience sharing

Marketing Plan (cont)

Partnership Strategies

- Develop a Tourism Partner Prospectus and secure tourism partners
- Create joint marketing campaigns, packaging and offers with partners
- Continue to build upon and create new relationships within the arts and culture sector, locally, nationally and internationally, to develop collaborations that present compelling offerings and extend audience reach
- Explore opportunities for Friends of Fabrik membership, local donors, sponsors etc, to bring exhibitions of interest or significance

Measurement and Analysis

- Devise an evaluation framework that incorporates wellbeing and connectedness measures as well as visitation and revenue
- Set monthly and yearly targets for visitation, revenue, digital engagement, etc
- Implement regular audience research and gather feedback
- Track, report and analyse marketing metrics and optimise campaigns

Five Year Roadmap

- Year One – Opening campaign, branding, website, build partnerships, establish metrics
- Year Two – Expand marketing mix, build audience relationships, diversify revenue streams
- Year Three – Expand reach, build reputation, strengthen engagement programs
- Year Four – Expand market share, exploit new opportunities, investigate new revenue streams
- Year Five – Optimise programs, expand interstate/international reach, review next 5-year plan

Income and Expenditure

Major Financial Assumptions – Income

- All Costs and Incomes in \$2024
- Venue Hire Income - \$42,000 p.a.
 - 4 Studio Spaces @ \$90 per week @ 80% Occupancy (51 Weeks)
 - 3 Workspace Hire @ \$150 per day @ 20% (260 Days)
 - Mill Shed Hire @ \$800 per week (5 Bookings)
 - Growth @ 20% p.a
- Consignment Sales Income - \$135,000 @ 35% Mark Up. Growth @ 15% p.a.
- Retail Sales Income - \$87,500 @ 40% Mark Up. Growth @ 15% p.a.
- Workshop Income - \$50,000 p.a.
- Sponsorship Income - \$30,000 p.a. Growing to \$50,000 p.a. by 2026/27

Income and Expenditure (cont)

Major Financial Assumptions - Expenditure

- Salaries and Wages – \$438,097 p.a. growing to \$525,437 p.a. by 2025/26
- Marketing Costs – 5% of Total Income p.a. (\$17,200 for 2024/25)
- General Operating Costs (Utilities, Maintenance, etc.) – \$110,000 p.a.
- Arts Programming Costs (Touring Exhibitions, Artist Markets, Performances, etc.) – \$76,000 p.a.
- Contingency Costs – 5% of Total Costs

Income and Expenditure (cont)

Expected Best and Worst Case Scenarios

	Expected	Best	Worst
Commencing Consignment Sales Per Day	\$400	\$500	\$300
Consignment Mark Up	35%	50%	25%
Commencing Retail Sales Per Day	\$250	\$300	\$200
Retail Mark Up	40%	50%	30%
Additional Contingency Costs Per Annum	5.0%	2.5%	7.5%

Expected Case – Modelled Outcomes

	2024-25	2025-26	2026-27	2027-28	Years 5-10
Gross Income	\$182,088	\$209,506	\$239,957	\$263,981	\$292,214
Operating Expenses	\$666,410	\$760,847	\$763,917	\$766,871	\$770,299
Operating Surplus/Deficit	-\$484,322	-\$551,341	\$523,960	\$502,890	-\$478,085
Current 2024/25 Draft Budget Deficit	-\$457,280				

Best Case – Modelled Outcomes

	2024-25	2025-26	2026-27	2027-28	Years 5-10
Gross Income	\$222,088	\$255,506	\$292,857	\$324,816	\$362,174
Operating Expenses	\$650,543	\$742,731	\$745,729	\$748,612	\$751,959
Operating Surplus/Deficit	-\$428,455	-\$487,226	\$452,872	\$423,796	-\$389,785
Current 2024/25 Draft Budget Deficit	-\$457,280				

Income and Expenditure (cont)

Worst Case – Modelled Outcomes

	2024-25	2025-26	2026-27	2027-28	Years 5-10
Gross Income	\$91,038	\$104,798	\$119,543	\$125,505	\$132,967
Operating Expenses	\$682,277	\$778,962	\$782,106	\$785,130	\$788,640
Operating Surplus/Deficit	-\$591,239	-\$674,164	\$662,563	\$659,625	-\$655,673
Current 2024/25 Draft Budget Deficit	-\$457,280				

Operating Deficit Comparisons – Modelled Outcomes

	2024-25	2025-26	2026-27	2027-28	Years 5-10
Expected Case	-\$484,322	-\$551,341	-\$523,960	-\$505,890	-\$478,085
Best Case	-\$428,455	-\$487,226	-\$452,872	-\$423,796	-\$389,785
Worst Case	-\$591,239	-\$674,164	-\$662,563	-\$659,625	-\$655,673
Current 2024/25 Draft Budget Deficit	-\$457,280				

Social Impact benefits

Society and Place: Cultural engagement contributes to a sense of belonging, identity, and community cohesion

Innovation: Creative expression fosters innovation and new ideas

Health and Wellbeing: Cultural participation positively impacts mental and physical health

Education: Arts education enhances critical thinking and creativity

International Engagement: Cultural exchange promotes understanding and collaboration

Culture: Arts and culture enrich our lives and preserve heritage

Economy: Arts and culture generate economic activity, create jobs, and stimulate local economies



Economic Impact Assessment

It is estimated that the Operational Phase will support 11.73 FTE jobs per annum in South Australia and in the Adelaide Hills with a contribution to Gross State Product (GSP) of \$1.021 million per annum.

Operational Phase Economic Impacts Per Annum	South Australia	Adelaide Hills SAGR
Direct Jobs	3.71	2.49
Indirect – Industrial Support Jobs	3.80	4.38
Indirect – Consumption Induced Jobs	4.23	4.87
Total Jobs (FTEs)	11.73	11.73
Direct GSP	\$279,868	\$277,489
Indirect – Industrial Support GSP	\$315,487	\$316,499
Indirect – Consumption Induced GSP	\$425,874	\$427,241
Total GSP	\$1,021,229	\$1,021,229

Economic Impact Assessment (cont)

After 15 years, it is estimated that tourism will be supporting 45.13 FTE jobs per annum in South Australia (39.46 in the Adelaide Hills) with a contribution to Gross State Product (GSP) of \$6.58 million per annum (\$5 million in the Adelaide Hills).

Tourism Economic Impacts Per Annum (After 15 Years)	South Australia	Adelaide Hills SAGR
Direct Jobs	22.60	22.60
Indirect – Industrial Support Jobs	10.78	8.07
Indirect – Consumption Induced Jobs	11.75	8.79
Total Jobs (FTEs)	45.13	39.46
Direct GSP	\$2,507,205	\$2,485,894
Indirect – Industrial Support GSP	\$1,857,365	\$1,152,542
Indirect – Consumption Induced GSP	\$2,214,468	\$1,374,133
Total GSP	\$6,579,039	\$5,012,570
Cumulative Contribution to GSP After 15 Years	\$41,319,098	

Benefit Cost Analysis - SA

The Benefit Cost Analysis for SA shows that the project has a strong community benefit cost ratio (BCR) of 6.09 with a 50 Year NPV of \$113 million.

	2024/25	2025/26
Capital Costs	\$4,435,600	
Operating Costs	\$666,410	\$760,847
Total Annual Costs	\$5,102,010	\$760,847
Net Present Value of Costs (NPVC)	\$22,235,506	
Benefits		
Construction Economic Benefit – Contribution to GSP and Jobs	\$4,683,994	\$0
Operational Economic Benefit – Contribution to GSP and Jobs	\$883,660	\$1,008,883
Additional Tourism Contribution to GSP	\$207,116	\$434,944
Total Annual Benefits	\$5,774,770	\$1,443,827
Net Present Value of Benefits (NPVB)	\$135,376,118	
Net Annual Benefit/Cost	\$672,759	\$682,980
50 Year Net Present Value of Costs and Benefits (NPVCB)	\$113,140,612	
50 Year Benefit Cost Ratio (Total NPV Benefits/Total NPV Costs)	6.09	

Benefit Cost Analysis – Adelaide Hills

The Benefit Cost Analysis for the Adelaide Hills shows that the project also has a slightly lower but still strong community benefit cost ratio (BCR) of 4.69 with a 50 Year NPV of \$82 million, mainly due to the leakage of jobs and GSP to regions outside the Adelaide Hills.

	2024/25	2025/26
Capital Costs	\$4,435,600	
Operating Costs	\$666,410	\$760,847
Total Annual Costs	\$5,102,010	\$760,847
Net Present Value of Costs (NPVC)	\$22,235,506	
Benefits		
Construction Economic Benefit – Contribution to GSP and Jobs	\$4,683,994	\$0
Operational Economic Benefit – Contribution to GSP and Jobs	\$673,261	\$768,668
Additional Tourism Contribution to GSP	\$157,802	\$331,384
Total Annual Benefits	\$5,515,056	\$1,100,052
Net Present Value of Benefits (NPVB)	\$104,220,609	
Net Annual Benefit/Cost	\$413,046	\$339,205
50 Year Net Present Value of Costs and Benefits (NPVCB)	\$81,985,103	
50 Year Benefit Cost Ratio (Total NPV Benefits/Total NPV Costs)	4.69	

Implementation and Opening Action Plan

ACTION	DETAILS	TIMEFRAME	MILESTONES
1. Employ Public Program Officer	This role will be responsible for the development of public programs. The position will commence at 0.6FTE, increasing to 0.8FTE in the second year of operation to enable the development of additional programming such as markets and forums.	Employed 6 weeks prior to opening, and opening program	Suitable candidate engaged
2. Employ Business Development Officer	This role will be responsible, in the first instance, for managing venue hire and will commence at 0.4FTE. In the second year of operation the position will expand to 0.8FTE to include the development of other income initiatives, such as tours and tourism packages.	Employed 6 weeks prior to opening, allowing time to assist with bump in, and to be involved with establishment of artist studios and venue hire conditions	Suitable candidate engaged
3. Employ Marketing Officer	This role will be responsible for implementing the marketing plan, and developing marketing collateral for Fabrik	Employed 6 weeks prior to opening, allowing time to review and implement marketing plan in the weeks prior to opening	Suitable candidate engaged
4. Employ Retail Casuals	This casual pool will primarily be involved in Fabrik's retail area on weekends	Employed 3 weeks prior to opening, allowing time for site induction	Casual pool established to work weekends
5. Develop volunteer program	Volunteers will be required to assist with retail sales during weekdays, and to provide customer service in the Blanket Building (both levels) and Mill Shed Other volunteers will be required to assist with public programs, events and exhibition installation	Opening team inducted 3 weeks prior to opening Second stage recruitment commenced 2 months after opening	Pool of volunteers available to work weekdays and weekends

Implementation and Opening Action Plan (cont)

ACTION	DETAILS	TIMEFRAME	MILESTONES
6. Develop and commence marketing strategy	Develop as outlined in Marketing Strategy	To commence 6 weeks prior to opening	As per Marketing Strategy roadmap
7. Develop public program	<p>Program building on existing high-quality activities, including exhibitions, workshops and events</p> <p>The program will be developed to provide high quality experiences, while also engaging the local community</p> <p>Activities will include participation in annual Fringe, SALA and History festivals</p>	<p>First 12 months of exhibitions scheduled prior to opening</p> <p>First 6 months of workshops scheduled prior to opening</p>	Visitation targets achieved as per Evaluation Criteria for Tourism, Community and Arts Support
8. Develop Retail Space	<p>Development of a retail space within the Pavilion to showcase high quality, artisan-made goods</p> <p>Provide a source of income</p>	To be established in time for opening	Sales and gross profit targets achieved
9 . Develop venue hire package	<p>Research, develop and promote a venue hire schedule</p> <p>Develop tourism products and partnerships</p>	<p>Established in time for opening</p> <p>Established when Business Development Officer commences</p>	Income targets are reached
10. Launch Mill Stories museum display	<p>Research and planning has been undertaken since 2019, as appropriate grants have been received.</p> <p>The rollout of the display will be staged, with each stage dependent upon funding received through the History Trust of SA's Museum and Collections program.</p>	<p>Simple displays will be included in the Blanket Building (Building 20) when Fabrik opens.</p> <p>January 2026</p>	<p>Simple display in Blanket Building</p> <p>Launch of stage 1 display in Mill Shed</p>

Implementation and Opening Action Plan (cont)

ACTION	DETAILS	TIMEFRAME	MILESTONES
11. Develop First Nations reference group	<p>Build upon existing relationships to develop a reference group with First Nations custodians, artists and community members, to inform and develop a program that is inclusive and sensitive to First Nations cultures.</p> <p>Ensure the Fabrik site and its programs provide a safe place for First Nations artists and visitors.</p> <p>Ensure Fabrik's programs celebrate and share First Nation's cultures, histories and heritage.</p>	<p>August 2025</p> <p>August 2026</p>	<p>Terms of Reference and member selection completed</p> <p>Review outcomes and Terms of Reference</p>
12. Develop Artist in Residence program	<p>A live-in residency, with a focus on artists working with textiles and/or community engaged practice</p> <p>Developed and promoted to attract national and international interest and engagement</p>	<p>Scoped and advertised within first 12 months of operation</p>	<p>3 external residencies confirmed</p>

Evaluation and Monitoring

EVALUATION AREA	AIM	INDICATOR	TARGET	FREQUENCY
Financial	Develop income streams to ensure budget is met	Venue hire income Retail sales profits	Tracking against business plan and budgets	Quarterly – through Quarterly Performance Report Annually Additional targeted marketing will be developed if income streams lag
Tourism	Increase visitation and spend in the region	Numbers of intra/interstate and international visitors	30% of total visitation from outside the region	Quarterly – through Quarterly Performance Report Annually
Community	Increase participation in the arts	Number of visitors (assuming a target annual growth rate of 10%)	Year 1: 13,200 Year 2: 14,520 Year 3: 15,972 Year 4: 17,569 Year 5: 19,326	Quarterly – through Quarterly Performance Report Annually
	Increased wellbeing through creative initiatives	Experience of connection	85% of participants positively respond	Quarterly – through Quarterly Performance Report as survey data allows Annually
Arts Support	Support creative industries	Numbers of participants in business development opportunities	Year 1: 30 Ongoing: 50 attendees per annum	Quarterly – through Quarterly Performance Report Annually

Long Term Contingency Options

Should Fabrik not be successful in achieving strategic outcomes, alternative operating models or other plans could be considered, noting the following conditions of use would need to be factored in:

- The Mill site was transferred to Council by State Government (1993) with the condition that it be used solely for economic development purposes, including the proceeds from any partial realisation.
- The Local Economic Recovery Program (2021 State and Commonwealth Funded), received for the redevelopment of the Fabrik site disallows changing the approved use of the land, facility or assets without prior Government approval. This includes selling or assigning.