

# CASE STUDY



## Business diversification in the rangelands

Tony and Julie Smith own and manage 'Rawnsley Park Station', a pastoral station located 35 kilometres north of Hawker, on the southern side of Wilpena Pound in the Flinders Ranges region of South Australia.

Over 30 years Tony and Julie have grown Rawnsley Park from a small family grazing enterprise to a successful tourism venture. Today, they operate a merino dohne cross enterprise for lamb and wool production, and the station offers a range of accommodation, walking, mountain biking and four-wheel drive tracks, a shop, fuel, and a restaurant which attract 25,000 visitors per year.

This case study tells how tourism has now become the primary enterprise for Rawnsley Park and the importance of attracting and retaining employees in a regionally remote location.

*Rawnsley Park Station, May 2013 – caravan park (bottom left), eco-villas (middle) and homestead, restaurant and units (right) with Chace Range in the background*



**WATCH THE VIDEO**



**GROWING THE TOURISM ENTERPRISE**

Tourism at Rawnsley Park began in 1968 when Tony’s parents built a single accommodation cabin and conducted shearing demonstrations on a Sunday to generate extra income to supplement their sheep enterprise.



**Tony and Julie Smith**

**BUSINESS SNAPSHOT**

Name	Tony and Julie Smith
Property Name	Rawnsley Park Station
Location	35km north of Hawker, southern side of Wilpena Pound, Flinders Ranges, SA
Size of Property	12,000 hectares
Enterprise Focus	Wool, lamb and tourism
Number of people working in the business	Twenty people work at Rawnsley Park. Twelve full-time staff work across the sheep enterprise, units and eco-villas, while additional contract staff are involved in the operation of the restaurant and caravan park
Rainfall	Average annual rainfall is 300mm Previous annual rainfall recorded for Rawnsley Park include: 2010 – 450mm 2011 – 350mm 2012 – 225mm



*Rawnsley Park Caravan Park*



*The reception area was purpose-built in 2009*



*Self-contained one and two bedroom holiday units – undercover parking, picnic tables and gas barbecues are nearby*

The purchase of the caravan park assets in 1983 turned what Tony described as a 'hobby' into a business and, from this time, the business growth stepped up a notch. Over the following years, accommodation offerings were expanded to include cabins, units and eco-villas, walking trails were marked, and scenic flights were initiated. The road was realigned so that it bypassed the homestead and reduced traffic and dust, and The Woolshed Restaurant was opened.

Tony and Julie received an Australian Tourism Development Program grant in 2004 to develop environmentally sensitive, luxury accommodation. These new eco-villas began a new phase in tourism at Rawnsley Park and, since then, the business has enjoyed annual growth of 12 per cent each year.

More recently Tony and Julie purchased a portion of the neighbouring station 'Arkapena' which now provides additional accommodation, walking and four-wheel drive tracks for the tourism enterprise, and increased grazing country for the sheep enterprise.

This additional land and the tourism enterprise allowed Tony and Julie to reserve 1000 hectares of grazing country at Rawnsley Bluff, protecting its diverse native vegetation under a Heritage Agreement with the South Australian Government. Tony and Julie have recently seen Yellow-Footed Rock Wallabies return to the area with recolonisation occurring from adjacent colonies in Wilpena Pound.

The purchase of Arkapena also allowed Tony to take some pressure off stocking rate while still maintaining a commercially viable flock size.

## MARKETING

Like all rangeland businesses, Rawnsley Park must adapt to the 'boom and bust' nature of the region which affects both the sheep and tourism markets and associated supply and demand.

The drought-breaking rains in 2010 and the good flows of water coming in to Lake Eyre created a huge influx of tourism to the South Australian outback and the Flinders Ranges. But, as Lake Eyre has been drying up, so has the hype and the tourists, and Rawnsley Park experienced a slower year for 2012 as a result.

To manage the risk of these slow times, Tony and Julie have increasingly been looking at the professional marketing of their tourism enterprise to both domestic and international markets.

Noting the increasing importance of social media, and other online interaction such as feedback on tourism sites, Tony and Julie introduced Facebook – with updates posted every two days – and Rawnsley Park now has a social media plan in place.

With a growing number of enquiries and bookings now coming through from online accommodation listings (such as Wotif.com), Rawnsley Park is now exposed to a wider audience and to an increasing target market who shop online for accommodation. Julie suspects this will continue to be the trend.

Tony and Julie have also made a significant investment in their international marketing. An international marketing firm acts on behalf of Rawnsley Park in the United Kingdom to ensure British tourism operators are 'thinking about' Rawnsley

## WHAT VISITORS WILL DISCOVER AT RAWNSLEY PARK IN 2013

Rawnsley Park Station offers a range of activities, accommodation and services including:

- Eco-villas (luxury, high end individual accommodation)
- Units (one and two bedroom self-contained units)
- Arkapena homestead
- Caravan park
  - Cabins
  - Powered sites
  - Unpowered sites
  - Bush camping
  - Quality amenities
- Bunkhouse (suitable for groups)
- Shop – at the caravan park
- Fuel – at the caravan park
- Woolshed Restaurant
- Hot air balloon tours
- Scenic flights
- Guided walking and 4WD tours
- Self-guided walking, mountain bike and 4WD tracks

Park when advising tourists about their holidays to the Australian outback. It is essential that these efforts translate to bookings so that Rawnsley Park remains in the British travel brochures. Tony and Julie plan to engage a representative to cover Germany and France in the future.

The South Australian Tourism Commission also have two staff based in the UK, promoting South Australia to the UK and Scandinavia which is beneficial for Rawnsley Park.



*Rawnsley Park Eco-Villa*



*The Woolshed Restaurant, open 7 days for lunch and dinner*

## **BUSINESS AND SUCCESSION PLANNING**

With two sons working in Sydney, and one studying in Adelaide at University, Tony and Julie are unsure whether their sons have an interest in returning to Rawnsley Park but they believe that if any of their sons wish to come back to the business, it is important that they understand it.

To assist in succession planning, Tony and Julie hold quarterly business updates and planning meetings, with sons Greg, Glenn and Neville actively contributing via Skype (to accommodate for the distance between all members of the family), providing input into areas such as marketing the tourism venture.

In the meantime, having enjoyed a 6-7 year period of growth, Tony and Julie do not have any immediate plans to grow their business further. Instead they are consolidating and planning for the future.

Currently they are monitoring world economic trends to decide whether they should invest further in eco-villa development, a venture that is targeted at international visitors. Electricity supply is limited, therefore any further eco-villa development would require additional investment in infrastructure. Solar energy currently supports the limited conventional power supply to the existing eco-villas.

In the short term, Tony and Julie will focus on implementing plans to modernise the units over time.

## **EMPLOYEE ATTRACTION AND RETENTION**

Tony and Julie understand the costs of recruitment, and when you are managing a large team in an isolated area, they recognise the importance of attracting and retaining staff and offering both suitable living and working conditions.

Twenty people work full-time at Rawnsley Park and all but one live on-site. Of these, twelve staff are involved in running the sheep enterprise, units and eco-villas while the remainder operate the restaurant and caravan park, both of which are managed under contract.

Each team member has a job description. This is used to manage staff and expectations on the job but Tony and Julie also use it as a recruitment tool to identify the 'competencies' that their business needs and to outline the job and person specifications.

Vacant positions are advertised through a number of avenues which depend on the role being advertised. For example, the Stock Journal is used for advertising positions related to the grazing enterprise but media such as Seek and Frontline Hospitality are used to promote positions vacant in the tourism enterprise.

Tony and Julie believe that people must have a genuine interest in living and working in a remote location. Whether it is a livestock or tourism operation, the remoteness of a pastoral station is often not really understood until staff arrive, and if staff leave a job because of this, it is a significant cost to the business to start the recruitment process again.

Rawnsley Park has retained a number of key team members for a period of five years or more. These staff bring continuity, knowledge, confidence and expertise to the business and provide value in training new team members. This takes some of the direct pressure off Tony and Julie and gives them an opportunity to spend more time 'working on the business' rather than 'working in the business'.

Opportunities for career advancement can be limited in a small business which has a tight, efficient management structure and key people may often look elsewhere for employment opportunities. Where possible, Tony and Julie provide opportunities for staff to develop, recognising that allocating key accountabilities and increasing responsibilities for staff can improve motivation and effectiveness.

Providing good working conditions and an appropriate salary packages promotes a stable team environment. Tony and Julie have found it is important to promote the whole package (supply of gas, water, wireless internet, rations/meat and a nominal electricity subsidy), in addition to the cash component to potential employees.

Every month, the employees of Rawnsley Park get together for social activities including barbeques, dinner at the restaurant, quiz nights, or social 'get togethers' with neighbouring stations. These events support a positive team culture and help to manage the isolation of Rawnsley Park.



*Clem's Corner walking trail*



*Solar panels which provide additional support to power requirements of the eco-villas, with eye-catching Chace Range in the background*

## THE FINAL WORD – SOME TIPS FOR DIVERSIFYING YOUR BUSINESS

If Tony and Julie had their time again they would have conducted more long term planning in the early days of their tourism development, particularly looking at the role of 'scale' when establishing the different business offerings. The eco-villa development (which began in 2004) has provided a significant flow of patrons to the restaurant since their development. It was not until this time that the Woolshed Restaurant was operating at a viable capacity.

The business principles of running a grazing enterprise are very similar to running a tourism enterprise, and Tony and Julie offer some tips for other pastoral businesses that may be looking to similarly diversify.

### Do your market research

- Understand how traffic flows through your area – when are the peak times for tourism through your area and past your front gate and when are the quiet times?
- How many people are moving through your area?
- What are the characteristics of these tourists (e.g., retired couples versus two adults and two children)?
- Identify where you are going to target your marketing efforts and attract people to your tourism enterprise
- Find your special 'offer' that will interest people
- Understand and know your own story
- Put yourself in the customer's shoes

### Network

- Engage with tourism agencies for industry information
- Talk to other tourism operators in your area and learn from them – as well as being your competitors, they can also be your allies in developing the capacity of regional tourism in your local area
- Talk to tourists moving through your area – what brings them there?

### Prepare a business plan

- Prepare a business plan – formalise it on paper, and review it regularly
- Understand the business you are in and understand your customers
- Consider whether you need staff – if so, how will you handle attraction and retention of employees in remote living and working conditions?

### Staffing

- Understand employee expectations
- Understand the strengths of your team and allocate roles to match
- Allocate roles and responsibilities appropriately and learn how to delegate effectively so you (or your business managers) can spend more time 'working on the business'
- Invest in quality staff accommodation if you have staff living on-site
- Provide good living and working conditions
- Provide Internet access
- Consider team culture, and provide opportunities for social engagement – can boost team effectiveness.

### Access

- Consider access (width of tracks, slope of tracks and crossings, room to turn around a 4WD and caravan)
- Manage the perception of unsealed versus sealed roads ie. while some unsealed roads close during wet periods, there are many which can handle traffic – consider this when communicating with potential customers
- Understand local legislation and land tenure rules

## RESOURCES

If you are considering implementing a rangelands tourism enterprise there are a number of information sources available which provide insights into the industry:

### AUSTRALIAN GOVERNMENT AGENCIES

Regional Development Australia	<a href="http://www.rda.gov.au">www.rda.gov.au</a>
My Region	<a href="http://www.myregion.gov.au">www.myregion.gov.au</a>
Department of Resources, Energy and Tourism	<a href="http://www.ret.gov.au">www.ret.gov.au</a>
Tourism Australia	<a href="http://www.tourism.australia.com">www.tourism.australia.com</a>

STATE GOVERNMENT AGENCIES provide access to research and reports such as tourism profiles by region which provides visitation statistics etc.

For example visit:

SA Tourism Commission	<a href="http://www.tourism.sa.gov.au">www.tourism.sa.gov.au</a>
Destination NSW	<a href="http://www.destinationnsw.com.au">www.destinationnsw.com.au</a>
Tourism and Events Qld	<a href="http://www.tq.com.au">www.tq.com.au</a>
Tourism Western Australia	<a href="http://www.tourism.wa.gov.au">www.tourism.wa.gov.au</a>
Tourism NT	<a href="http://www.tourismnt.com.au">www.tourismnt.com.au</a>

FUNDING exists via national and state bodies for infrastructure development and upgrading of facilities.

Tourism Industry Regional Development Fund Grants	<a href="http://www.ret.gov.au">www.ret.gov.au</a>
T-Qual Grants	<a href="http://www.ret.gov.au">www.ret.gov.au</a>

(Rawnsley Park was successful in securing a T-Qual grant in 2005)

LOCALLY, there may also be opportunities to engage in local tourism networks and work collaboratively to establish tourism in your area.

## BESTPRAC

Bestprac (co-funder of this case study) is an Australian Wool Innovation network providing support for pastoral wool, sheep meat and cattle producers to improve their business and production performance. Pastoralists benefit from the tools, information and innovative ideas presented by Bestprac via a dedicated website, at forums, in e-newsletters and case studies. Visit [www.bestprac.info](http://www.bestprac.info) for more information and to register for the monthly electronic newsletter.



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**Disclaimer:** This case study was developed by Rural Directions Pty Ltd (08 8841 4500) with funding from the SA Arid Lands Natural Resources Management Board, Australian Government and Bestprac. Rural Directions Pty Ltd produced this case study with the expectation that users exercise their own skill and care with respect to its use. The case study participants and Rural Directions Pty Ltd do not guarantee, and accept no legal liability for, the accuracy, reliability, currency or completeness of any material contained within. Before relying on or altering any business practices, users should carefully evaluate the accuracy and relevance of the information for their purpose and should obtain appropriate professional advice relevant to their particular circumstances.

## FURTHER INFORMATION

On behalf of the SA Arid Lands Natural Resources Management Board, Natural Resources SA Arid Lands is delivering various regional projects in cooperation with local land managers, industry, government agencies and environmental and community groups to manage water resources, native vegetation, threatened species, weeds and feral pests. These activities aim to develop sustainable management practices which support communities, drive business activities and address processes that threaten valuable natural resources in the region.

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COUNTRY



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