

CCCS070: LOCAL TOURISM ORGANISATION – DETAILED DESIGN

- Attachments** : Lower Great Southern Economic Alliance - Minutes for the meeting held 05 October 2017.
- Report Prepared By** : Acting Executive Director Commercial Services (A Cousins)
- Responsible Officers:** : Chief Executive Officer (A Sharpe)

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
- **Theme:** Smart Prosperous & Growing
 - **Objective:** To develop and promote Albany as a unique and sought-after visitor location
 - **Community Priority:** Promote the “Amazing South Coast” region as a sought after and iconic tourism destination to increase the number of people visiting and the duration their stay.

In Brief:

- Note the Minutes of the October 2017 Lower Great Southern Economic Alliance Meeting.
- Council consideration for a financial contribution of \$15,000 towards the Detailed Design of a Local Tourism Organisation for the Lower Great Southern.

NOTE: For the purposes of this Report, a Local Tourism Organisation (LTO) and a Destination Marketing Organisation (DMO) are referring to the same entity; which is considered as an Industry led and constituted organisation representing the interests of the local tourism sector.

RECOMMENDATION

CCCS070: DRAFT MOTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY

THAT CCCS070: Local Tourism Organisation-Detailed Design, be ACCEPTED for consideration by Council as a late item.

CCCS070: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY

THAT Council:

1. **NOTE** the Minutes from the 05 October 2017 Lower Great Southern Economic Alliance meeting as outlined in the Attachment.
2. **APPROVE** a financial contribution capped at \$15,000.00 (Ex GST) towards the Detailed Design of a Local Tourism Organisation (LTO).
3. **AUTHORISE** the CEO to enter into a Funding Agreement with the Discover Albany Foundation (DAF) and/or Denmark Tourism Incorporated (DTI) to commission Churchill Consulting to undertake the Detailed Design of a Local Tourism Organisation as outlined in 2, subject to the following terms:
 - a. A milestone payment schedule linked to project Key Performance Indicators;
 - b. DAF/DTI to be responsible for any cost overruns; and
 - c. The Lower Great Southern Economic Alliance has access to the intellectual property contained within the final report.

BACKGROUND

2. The Lower Great Southern Economic Alliance (the Alliance) commissioned the preparation of a Tourism Development Strategy (TDS) and Destination Marketing Strategy (DMS) to achieve sustainable and enhanced tourism outcomes across the region. These reports were finalised and endorsed in 2017.
3. The TDS comprises a number of key strategic focus areas. Initiative 1.1 – Tourism Organisation review, includes; building a tourism organisation structure and funding model that is able to execute compelling marketing, engage industry and advocate for destination development.
4. Since March 2017, the Alliance has been working with Discover Albany Foundation (DAF) and Denmark Tourism Incorporated (DTI) to progress this initiative.
5. DAF and DTI have formally requested \$30,000 of financial support from the Alliance partners towards the Detailed Design of a Local Tourism Organisation.
6. The Alliance resolved at its 05 October 2017 meeting to support this request, with the City of Albany contributing \$15,000 and the Shire of Denmark and Shire of Plantagenet each contributing \$7,500. See Attachment for the Minutes of this meeting.
7. Both the Shire of Denmark and the Shire of Plantagenet have resolved at their October 2017 Ordinary Council Meetings to support the DAF/DTI request and Alliance resolution.

DISCUSSION

8. The TDS comprises a number of strategic focus areas including;
 - i. Sustainable Leadership: Destination Marketing Organisations (DMO) and industry engagement.
 - ii. Enhanced Visitor Servicing: Visitor servicing.
 - iii. Optimising Demand: Destination Marketing including brand development, target audiences, marketing and where to play.
 - iv. Enriching Experiences: the tourism products and events engage the visitor whilst in the region.
 - v. Destination Development: infrastructure, accommodation and services to enable visitation.
9. DAF and DTI commissioned a feasibility study (undertaken by Churchill Consulting) in March 2017 to assess initiative 1.1.1 within the TDS - under Sustainable Leadership. This activity included a Tourism Organisation Review – defined as, *building an optimal tourism organisation structure and funding model that is able to execute compelling marketing, engage industry and advocate for destination development*. Key activities under this initiative included;
 - 1.1.1 Assessment of the model options for improved destination marketing and servicing:
 - Design of the model and funding options
 - Assessment of sustainable model and funding options
 - Identification of the issues, barriers and critical success factors associated with new models.
 - Stakeholder forums for developing, assessing and selecting the preferred model
 - Development of the implementation plan.
10. The above work was delivered in July 2017 and recommended a single membership-based destination marketing organisation for the Lower Great Southern (Albany, Denmark and Plantagenet Shires).

11. To progress this project, the single membership-based destination marketing organisation requires further investigation. This Detailed Design process will include examining;
- Interim CEO/ Project Lead and Advisors
 - Stakeholder and change management
 - Visitor Servicing
 - Destination Marketing
 - Organisation and Systems
 - Financial and Tax (including pro forma balance sheet, cash flow, P&L and transition costs);
 - Legal and Contractual (contractual and legal review); and
 - Governance Model and Constitution design.
12. A quote to undertake Detailed Design was obtained by Discover Albany Foundation (DAF) and Denmark Tourism Incorporated (DTI). Both organisations are prepared to make a financial contribution, however have requested that the Lower Great Southern Economic Alliance contribute 50% of the total cost.
13. The issue was considered by the Lower Great Southern Economic Alliance on 5th October 2017. At this meeting, it was resolved unanimously;
- “That the Lower Great Southern Economic Alliance (LGSEA) recommends to the member councils that a contribution be made towards the Churchill proposal ‘LTO Operating Model Design’ dated 4 October 2017, based upon a maximum contribution from the Alliance members of \$30,000.00 (ex GST) with the City of Albany contribution being no more than \$15,000.00 and the contributions from the Shire’s of Denmark and Plantagenet being capped at \$7,500.00 each, subject to the contract being entered into by Discover Albany Foundation and/or Denmark Tourism (Inc)”.*
14. This item seeks \$15,000 from the City of Albany as per the Alliance resolution.

GOVERNMENT & PUBLIC CONSULTATION

15. Nil

STATUTORY IMPLICATIONS

16. The Lower Great Southern Economic Alliance has no decision making authority, with all decisions required to be made by the individual Councils.

POLICY IMPLICATIONS

17. Nil.

RISK IDENTIFICATION & MITIGATION

18. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
<p>Reputation <i>Risk: There is a risk that by not supporting the financial request from DAF/DTI (and the October Alliance resolution) the LTO detailed design does not proceed generating negative media and tourism industry feedback for the City.</i></p>	Likely	Moderate	High	Ongoing briefing and consultation with Council related to this matter.
<p>Financial <i>Risk: The City does not receive value or appropriate outcomes for its Financial Investment into the Detailed design of the LTO.</i></p>	Unlikely	Moderate	Medium	<p>A funding agreement will be established with DAF/DTI to establish accountability and project control. This will articulate required project outputs and milestone payments.</p> <p>The consultant DAF/DTI have commissioned (Churchill Consulting) has suitable qualifications and experience to deliver against the scope of works to a high quality.</p>

FINANCIAL IMPLICATIONS

19. The Financial Year budget for 2017-2018 does not include an allocation of \$15,000 for this activity.
20. An amendment to the 2017-18 budget will be listed for consideration in the Mid-Year Budget Review.

LEGAL IMPLICATIONS

21. Nil

ENVIRONMENTAL CONSIDERATIONS

22. Nil

ALTERNATE OPTIONS

23. Council may choose to not support the financial request from DAF/DTI.

CONCLUSION

24. The development of a single Local Tourism Organisation has been an objective of the Lower Great Southern Economic Alliance for some time. At the October 2017 Alliance Meeting, the group endorsed making a 50% contribution to the Detailed Design of a single membership-based destination marketing organisation for the Lower Great Southern.
25. In making this decision, the Alliance was very clear that any cost overruns would not be the responsibility of the Alliance and would rest with the commissioning organisations being Discover Albany Foundation and Denmark Tourism Inc.
26. It is recommended Council support the Officer recommendation for a financial contribution of \$15,000 towards the Detailed Design of a Local Tourism Organisation, and that this be executed through a suitable Funding Agreements inclusive of the terms as outlined.

Consulted References	:	
File Number (Name of Ward)	:	All Wards
Previous Reference	:	



SUBREGIONAL STRATEGIC ECONOMIC DEVELOPMENT Lower Great Southern Alliance

MINUTES

Of a meeting held at the Shire of Denmark Council Chambers
Thursday 5 October, 2017
commencing at 1.00pm

1. WELCOME AND APOLOGIES

Shire President Cr David Morrell welcomed those in attendance and

ATTENDEES:

Dennis Wellington	City of Albany Mayor
Bill Hollingworth	City of Albany Councillor
Paul Terry	City of Albany Councillor
David Morrell	Shire of Denmark Shire President
Jan Lewis	Shire of Denmark Councillor
Peter Caron	Shire of Denmark Councillor
Bill Parker	Shire of Denmark Chief Executive Officer
Ken Clements	Shire of Plantagenet Shire President
Len Handasyde	Shire of Plantagenet Deputy President
Chris Pavlovich	Shire of Plantagenet Councillor
Rob Stewart	Shire of Plantagenet Chief Executive Officer
Bruce Manning	GSDC Chief Executive Officer
Adam Cousins	City of Albany Executive Director Commercial Services (Acting)
Michael Cole	City of Albany Executive Director Corporate Services
Matthew Hammond	Manager Tourism Development Services (Acting) City of Albany

APOLOGIES:

Andrew Sharpe	City of Albany Chief Executive Officer
Brett Bell	Shire of Plantagenet Councillor
Paul Camins	City of Albany Executive Director Development Services

2. MINUTES

Moved Cr Len Handasyde, seconded Cr Jan Lewis
That the Minutes of the LGS Alliance Meeting held 7 September 2017, be accepted.
Carried

3. FINANCIAL STATEMENTS

The Lower Great Southern Alliance Financial Statements to the period 30 September 2017 were tabled and noted without comment.

4. ACTIONS FROM PREVIOUS MEETING

4.1 Incorporation Progress

Michael Cole advised that a workshop had been held with City of Albany officers on 4 October 2017 and that the results of this workshop would be forwarded to the CEOs with the intention of the matter being presented to the Alliance prior to the end of the calendar year.

4.2 Regional Local Emergency Management Committee (LEMC)

Rob Stewart noted that this matter had been referred to the Shire of Plantagenet's Manager Community Services and that he expected that a report would be available for the next meeting of the Alliance.

4.3 Regional LTO

Adam Cousins reported that the CEOs met with representatives of Discovery Albany Foundation and Denmark Tourism Inc on 3 October 2017. He advised that the meeting went well and that a letter from Peter Snow had been circulated seeking a contribution towards the Churchill Consultancy from the three Alliance member councils of \$30,000.00. He advised that Mike Evans would present to the Alliance in support of the request.

Mike Evans then presented to the Alliance.

Motion:

That the Alliance recommends to the member councils that a contribution be made toward the Churchill Consultancy for a single Local Tourism Organisation based upon a maximum contribution of \$30,000.00 exclusive of GST with Albany's contribution being capped at \$15,000.00 and the contributions from Denmark and Plantagenet being capped at \$7,500.00 each subject to the contract being entered into by either Denmark Tourism Inc or Discovery Albany Foundation and no further contribution toward that Consultancy being made by any Alliance member.

Carried.

5. Update – Strategic Objectives (Business Plan attached)

No change from September meeting.

6. BUSINESS

6.1 Alliance Meeting Schedule

Moved Cr Ken Clements, seconded Cr Paul Terry

That Alliance meetings be held every two months and a schedule be published for the balance of the financial year.

Suggested dates and venues are: 14 December 2017 – Plantagenet

8 February 2018 – Albany

12 April 2018 – Denmark

14 June 2018 - Plantagenet

6.2 Managers working group

Members noted that this was largely an operational matter for CEOs but that the group supported the dissemination of ideas, procedures and processes between officers of the member councils.

6.3 Tourism Advisory Group – Membership

Adam Cousins addressed the meeting regarding the Tourism Advisory Group (TAG).

Mayor Wellington noted that he would prefer to see additional members of the TAG from

Tourism Businesses as opposed to only peak bodies. It was also noted that the Tourism Advisory Group may only be in existence until the formation of a Local Tourism Organisation.

Moved Mayor Dennis Wellington, seconded Cr Jan Lewis

That the Tourism Advisory Group be restructured so that:

1. Membership be restricted to nine.
2. Three members be classified as public.
3. Six members be classified as industry.
4. Expressions of interest be sought as to membership of the committee.

Carried.

Members noted that they would be happy to confirm membership 'out of session' and that the reconstituted committee should meet prior to the end of November 2017. Members also noted that the group should elect its own chair.

6.4 Destination Marketing Strategy – Website

Adam Cousins and Matthew Hammond presented details related to the commission based model for the new Amazing South Coast Website – as presented at the Tourism Advisory Group Meeting held 31/07/2017.

MOTION

Moved Cr Paul Terry, seconded Cr Chris Pavlovich

That the Alliance endorse the commission based revenue model for the New ASC website – which includes the allocation of all revenue generated by the website to a central destination marketing fund to be distributed for the purposes of marketing the region, as assessed and approved by the Alliance on a case by case basis.

Carried.

6.5 Tourism Projects update – Verbal Update

A summary of tourism projects was tabled and attached to these minutes. Matthew Hammond noted a letter from Tourism Western Australia confirming the destination marketing grant and this letter is attached to these minutes. He noted that City of Albany staff would be attending a meeting in Perth on 9 October 2017 to discuss next steps regarding the development of an MOU for this funding. Cr Clements asked whether the grant funds would have any 'expenses' on behalf of the State Government, thereby reducing the amount received. It was indicated that this was not expected.

7. OTHER BUSINESS

7.1 The Chair noted federal funding of \$5m for two bridges on Albany Highway in the Shire of Williams and how important such expenditure was for easy access to the Great Southern. He requested a letter be prepared and forwarded to Rick Wilson MP for O'Connor.

7.2 Rob Stewart's memorandum regarding positive outcomes through Alliance collaboration for Environmental Health Services was noted.

He also noted the very positive response from Porongurup residents when Adam Cousins and Matthew Hammond attended a tourism meeting at the Porongurup Tea Rooms.

Rob also noted the progress being made with regard to a Regional Waste Strategy which would, in due course, be presented to the Alliance.

7.3 Jerramungup Membership

Cr Clements asked whether the Alliance should formalise the membership of Jerramungup in the Alliance.

It was felt that the incorporation of the Alliance would possibly be the catalyst for this progress.

7.4 Mayor Wellington noted the forthcoming 100 year commemoration of the end of World War I and funding that had been received for Apex Drive to be lit using solar lights.

7.5 Breath

Bruce Manning noted that the film Breath which was made in Denmark has been picked up for distribution. He noted that there was a big financial input for the local economy for the production of this film. He also noted the film makers were very complimentary of the natural assets of the Great Southern being a big draw card.

8. MEETING CLOSURE

Cr David Morrell closed the meeting at 3.00pm.

Next meeting: 14 December 2017, Shire of Plantagenet, 1.00pm