

Attachment 10.1

McLaren Vale and Fleurieu Visitor Information Centre

4 pages

Governance Models for Visitor Information Services

This paper highlights the options that exist for the governance of Visitor Information Centres (VIC's) owned by Councils. It is based on research undertaken for the South Australian Tourism Commission which has involved a review of interstate models and direct consultation with 14 Visitor Information Centres and 8 Councils involved in the provision of Visitor Information Services.

Option One: Council Owned facility Managed by an External organisation

In this model Council owns the building which houses the Visitor Information Centre but outsources the management of the Centre to another organisation. Managers of this kind of VIC include private travel agencies, art galleries, National Trust branches, community based tourism associations and Rural Transaction Centres.

Council is responsible for meeting all costs associated with the building including maintenance and capital improvements. In many cases Councils also provide some funding for staffing these centres.

This would be the model that would exist if The City of Onkaparinga were to buy the McLaren Vale Visitor Information Centre and contract another organisation to manage the provision of information. This model operates successfully in Ceduna where Council tenders the service every 3 years providing a fixed fee for the provision of services.

Advantages

This model enables Council to clearly identify the resources it is willing to spend and to tie these to legally binding outcomes in a contract. Costs to Council may be reduced if a business or organisation is able to absorb some of the costs of equipment, staff backup and insurance. In the Ceduna model the business pays rent to Council for the building, and also pays Council rates and utility costs.

Disadvantages

The model relies on Council's ability to find a suitably qualified operator to manage the Visitor Information Centre on their behalf. Council has limited control, once the contract has been let, over the standard and quality of the information provided.

If the contractor is operating their own business, eg travel agency then they may sometimes experience tension between the competing roles.

Option Two: Council owned facility managed by a subsidiary Committee

This model would involve the establishment of a subsidiary body under Section 42 of the Local Government Act to manage the Visitor Information Services. This body would act like a Board of Management being responsible for establishing the directions for the centre, ensuring that management of the centre delivers on these directions and for overseeing the budget. The Section 42 subsidiary could also have a role in property management. Council can establish

the charter for the Section 42 authority however both the charter and all appointments must be approved by the Minister for Local Government.

In the past many Visitor Information Centres were operated under Section 199 Authorities. When the new Local Government Act replaced these provisions with subsidiaries under Section 42 most Councils did not continue these arrangements. Feedback from Councils and VIC Managers suggests that replacing the Section 199 authorities with direct links to strong Council management and elected member governance has improved the effectiveness of the management of Visitor Information Centres.

Advantages

The subsidiary could be comprised of persons with extensive experience in tourism and customer services, business operations and an ability to introduce entrepreneurial thinking to the way in which Visitor Services are provided.

The members of the subsidiary can offer independence and potentially provide a strong profile for tourism in the City of Onkaparinga, separate from that being provided by Council.

Disadvantages

There is a danger that a subsidiary body could become unduly preoccupied by operational issues, blurring the lines between governance and management.

If people with high level strategic skills are encouraged to become members of the subsidiary they may feel constrained by a role which concentrates on delivering information services through a facility.

Research has indicated that striking the right balance between setting strategic directions and managing an effective operation is a difficult challenge for Boards of Management. Council would be relying on the skills of these members to achieve this balance. This model does not give Council direct control of either the strategic directions or the management of their delivery through the Visitor Information Centre.

Option Three: Council owns and manages the Centre as a core service and an integral part of its role in economic development

This option is the most prevalent across South Australian VIC's and increasingly so for the major tourism destinations in Western Australia. The model involves Council establishing an internal staff team with a Senior Manager, usually at Director level to co-ordinate strategic planning for and investment in tourism across a range of areas such as events, facilitating product and infrastructure development, co-operative marketing and the delivery of visitor information services.

Council employs the Manager and staff of the Visitor Information Centre and works with them to develop a Business Plan that identifies the income to be derived through sales of products, line of facilities and commissions on bookings.

Council can also establish the basis for the use of volunteers in the Centre including requirements for recruitment and training.

Research has indicated that this model works best when there is a close relationship between all members of Council's Tourism Team and a regular process of reporting to Council against agreed performance measures. Visitor Information Centres such as Wadlata in Port Augusta and the Lady Nelson, Mount Gambier and Signal Point in Goolwa are managed by staff who are part of Council's management team and have the opportunity to contribute to setting strategic directions for tourism, events and the arts.

Disadvantages

Council will need to establish a strong profile and credibility in the field of tourism without any direct external support. This will require a significant investment in hiring staff with the kind of skills that contribute to building relationships and driving outcomes for tourism businesses.

Advantages

This model gives Council an opportunity to take control of the provision of Visitor Information Services and to build a business model for the VIC that reflects Council's strategic goals for tourism. This could include strengthening the focus on food, wine, art and coastal attractions through partnerships with other organisations.

There is an opportunity for McLaren Vale to be recognised as the Regional gateway to the Fleurieu Peninsula. This is more likely to be achieved by council than by an organisation that is strongly aligned with McLaren Vale as the primary destination. Council's leadership is likely to facilitate regional partnerships and to obtain the support of the South Australian Tourism Commission.

Other Opportunities

Council could combine Option 3 with the establishment of a Tourism Task Force or Think Tank of leaders in tourism, business and entrepreneurship. In contrast with a subsidiary under the Local Government Act Council can invite those people it considers will make a significant contribution and establish Terms of Reference in partnership with the members of the group.

The Task Force can act as champions for the development and promotion of tourism within the City of Onkaparinga as well as providing Council with creative ideas to build tourism as a key contributor to economic development.

Recommended Governance Model for the Fleurieu Peninsula Visitor Information Centre

The preferred model for governance of the Fleurieu Peninsula Visitor Information Centre is Option 3 which involves Council in the direct management of the Visitor Information Centre as part of Council's commitment to tourism. It is recommended that Council support this model with a Tourism Task Force of five to eight recognised and high profile leaders in the fields of tourism, marketing, business and hospitality services. Given the opportunities for the City of Onkaparinga to contribute to the regional tourism brand through food and wine experiences, showcasing art and creativity and enhancing coastal and nature based activities, members of the Task Force could be selected to reflect these areas of interest.

Option 3 is preferred, at least for the initial period as the Visitor Information Centre moves to becoming a Council owned facility, because it provides a high level of certainty for potential

partners in the project including the SATC, Fleurieu Peninsula Tourism Marketing Committee, regional tourism operators and food, wine and allied tourism businesses.

This model provides the maximum level of Council involvement and therefore accountability for the outcomes of significant investment in both service provision and economic development. Councils such as Albany and Geraldton in Western Australia have elected to adopt this model establishing funding agreements over a number of years linked to business plans with key performance indicators. These Visitor Information Centres are operated as not-for-profit business units within Council but with the expectation that income will be derived from appropriate sources to reduce Council's financial contribution over time.

It is recommended that this governance model be adopted by Council for an initial 4 year period.

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