

CORPORATE & COMMUNITY SERVICES

Finance

TITLE: TOURISM ADMINISTRATION POLICY (DRAFT)

ADOPTED: OCM – Page

REVIEWED: OCM – Pages
OCM – Pages
OCM – Pages
OCM – Pages

ASSOCIATED LEGISLATION: Local Government Act 1995 Section 6.33 Differential general rates

ASSOCIATED DOCUMENTS: Kadar Pearson & Partners Pty Ltd Tourism Initiative Review 2009
Domenic Carbone & Associates and Darren Long Consulting Tourism Initiative Review 2010

REVIEW RESPONSIBILITY: Manager Financial Services

DELEGATION:

Previous Policy Number X.X.X

Objective:

Council recognises that tourism offers a range of social and economic benefits, and that a sustainable tourism industry requires balance with environmental, cultural and heritage values, and community lifestyle. The intent of this Policy is to realise the benefits from tourism and minimise any potential negative impacts.

This policy describes:

- a) Council's role in relation to the use of these tourism resources;
- b) the scope of Council engagement in the development and marketing of the Shire as a visitor destination, both directly and in partnership with the community and other stakeholders; and
- c) the extent of Council's direct financial assistance to tourism initiatives.

Council recognises that a successful visitor destination is built on partnerships and will facilitate collaborative, constructive partnerships with the local community, business groups, tourism industry operators, community organizations, and other stakeholders and agencies to implement this Tourism Policy.

Definitions:

Nil

Policy:

1.0 Visitor Information Services

- 1.1 Council will work collaboratively with the Broome Visitors Centre for the provision of visitor servicing.
- 1.2 The Shire will commit financial resources to the operations of the Broome Visitors Centre (BVC) on the basis that the BVC shall prepare a four year business plan and identify the financial support required from the Shire for operational and other tourism initiatives. The business plan is to be reviewed annually and submitted on an annual basis to the Shire for consideration.
- 1.3 Subject to the Shire receiving the business plan the Council shall give consideration to the request for funding and allocate financial resources as it considers appropriate.
- 1.4 The Broome Visitors Centre, in its request for funding, should:
 - (i) provide assurance that the Centre is financially viable;
 - (ii) identify the activities/projects of expenditure to be funded by the Shire;
 - (iii) determine performance indicators in relation to the achievement of the identified activity or project; and
 - (iv) provide the Shire with a copy of the Centre's audited financial statements for the preceding year.
- 1.5 Subject to the above, the BVC shall provide a report to Council on an annual basis in relation to the expenditure of funds and the performance criteria set.
- 1.6 The BVC shall acknowledge the financial assistance received from the Shire on any promotional materials connected with the specific projects and in the Centre's annual report.

2.0 Marketing

- 2.1 The Shire of Broome shall work collaboratively with the Australia's North West (ANW) for the promotion of the Broome shire as a visitor destination to external markets.
- 2.2 The Shire will commit financial resources to the operations of the ANW on the basis that the ANW shall prepare a four year business plan and identify the financial support required from the Shire for destination marketing initiatives. The business plan is to be reviewed annually and submitted on an annual basis to the Shire for consideration.

- 2.3 Subject to the Shire receiving the business plan the Council shall give consideration to the request for funding and allocate financial resources as it considers appropriate.
- 2.4 The ANW, in its request for funding, should:
- (i) provide assurance that the ANW is financially viable;
 - (ii) identify the activities/projects of expenditure to be funded by the Shire;
 - (iii) determine performance indicators in relation to the achievement of the identified activity or project; and
 - (iv) provide the Shire with a copy of ANW's audited financial statements for the preceding year.
- 2.5 Subject to the above, the ANW shall provide a report to Council on an annual basis in relation to the expenditure of funds and the performance criteria set.
- 2.6 The ANW shall acknowledge the financial assistance received from the Shire on any promotional materials connected with the specific projects and in its annual report.

3.0 Collaboration

- 3.1 Council will encourage liaison between groups and organisations to maximise exposure to events in the area.
- 3.2 Council will encourage business and community groups to become members of and participate in relevant regional and sector specific organisations, such as ANW, BVC, etc.

4.0 Tourism Industry Development

- 4.1 Council will lobby State and Federal Government departments to ensure the Shire of Broome is receiving its fair and appropriate allocation of available funds for industry development.
- 4.2 Council will act as auspice agency, where appropriate, for grant applications.
- 4.3 Council will endeavour to ensure that other industries are not adversely affected by the tourism industry and encourage industries to work together.
- 4.4 Council will encourage networking amongst the operators, Local Business Associations, Tourism Associations, and Tourism WA within the Shire as a means to expand product knowledge.

5.0 Planning

- 5.1 In the formulation of its planning policies and development frameworks, Council will be mindful of the effects on and needs of the tourism industry.
- 5.2 Council will, in reviewing its planning strategies and other forward

planning documents, take into consideration policies on tourism and other leisure activities.

- 5.3 In the preparation of local laws, Council will have regard to their impact on tourism and the balanced development of the Shire.
- 5.4 When considering tourism developments, Council will consider the social, economic, cultural and environmental impact of the proposal within the Shire.

6.0 Infrastructure and amenities

- 6.1 In the development of its capital works program, Council will allocate appropriate budgets to facilities that will support and encourage visitors to appropriate areas within its boundaries, for example, toilet blocks, boat launching facilities, directional and interpretative signage, walkways etc.
- 6.2 Council will seek financial support from other agencies whenever possible for the provision of tourist facilities.
- 6.3 Council will, where possible, support the enhancement of specific natural features, conserve areas of outstanding beauty and recognise items of heritage and cultural significance.

7.0 Tourism Advisory Group

The Chief Executive Officer, may, at his/her discretion appoint an advisory group from the Broome Tourism Industry to advise him/her in relation to any matter pertaining to Broome tourism. It is envisaged that the Chief Executive Officer would report to Council on issues pertaining to the tourism industry in Broome.

8.0 Multiplier Effect Rating Model

Based on the Kadar Pearson and Partners Pty Ltd Report – Tourism Impact Assessment 2009, the tourism multiplier effect for the Shire of Broome was quantified to determine that for every \$1.0 spent in the Broome Tourism sector, the Broome Commercial sector derives a benefit of \$1.65. This proportion is used as the basis to determine the contribution model from relevant differential rates to raise a sum certain, as determined by Council, for the purposes of supporting tourism initiatives and marketing.

In accordance with the multiplier principle for differential rating, the distribution of rates to raise a sum certain will be in the proportion of;

	Multiplier	Proportion
Broome Commercial rated properties	\$1.65	62.3%
Broome Tourism rated properties	\$1.00	37.7%

The rating process of applying the multiplier principle and a sum certain, is to remove the sum certain from each relevant differential rate, add the general rate increase percentage applicable for the year, then add back the sum certain according to the multiplier principle across relevant differential rates.

The "rate in the \$" is then calculated on the required \$ yield from each relevant differential rating group.

Broome Resort General Managers Group
c/o PO Box 2740
Broome
WA 6725

7 October 2011

Ken Donoghue
Chief Executive Officer
Shire of Broome

Dear Ken,

Please find attached a submission regarding Draft Tourism Administration
Policy review.

If you have any questions please do not hesitate to contact me.

Regards,

Michael Leake
Secretary
Broome Resort General Managers Group
c/o Habitat Resort Broome
08 9158 3500 (w)

Draft Tourism Administration Policy Review Submission

A copy of the Draft Tourism Administration Policy review was circulated amongst the members of the Broome Resort General Managers Group. The following feedback was received.

Definitions

“Tourism Industry - this needs to be clearly defined as operators in the industry who provide direct services to visitors to Broome and, tourists are a major/majority component of their business.” This definition is needed to identify key stakeholders and differentiate them from peripheral stakeholders such as developers, who do not provide any direct services to tourists.

Subsections 1.3 and 2.3 – it is unclear whether the shire will commit to funding on a 4 year basis, with the funding reviewable annually or whether the shire will only commit funding on an annual basis. These sections need to be reworded more clearly to clarify the intent.

Add a new Section after 2.0

2.0A Other Tourism Bodies

Council may choose to work collaboratively with other tourism related groups/bodies/organisations which approach the CEO and which are recognised and approved by the Tourism Advisory Group (see section 7). There should also be an amount of funds that these organisations could tender or bid for that may be used for tourism related purposes such as Tourism Strategy Development, special marketing initiatives, other tourism related activities but excludes infrastructure development.

Section 7:

Change wording to:

The Chief Executive Officer, **will** appoint an advisory group from the Broome Tourism Industry to advise him/her in relation to any matter pertaining to Broome tourism. This group must include at least a representative from each of the following groups:

1. 1 person nominated from the Broome Visitor Centre
2. 1 person nominated from Australia's North West
3. 1 person nominated from the Broome Resort General Managers Group
4. 2 persons from a licensed Tourism Accommodation property (as voted by all accommodation providers who are full members of the BVC) 1 small, 1 large property
5. 2 person from Tour business (as voted by all tour operators who are full members of the BVC), 1 large and 1 small business.

Each representative will be appointed for a two year term.

It is envisaged that the Chief Executive Officer would report to Council on issues pertaining to the tourism industry in Broome.

Section 8

This section is very hard to understand and no-one could understand exactly how it worked. This section may benefit from the inclusion of a sample calculation. Terms may benefit from definitions (eg 'sum certain').

Sum certain is the amount to be raised under this policy to support the agreed initiatives of the BVC, ANW and an amount allocated each year eg \$30,000 to support activities from 'Section 2.0a (above) Other Tourism Bodies'.

Section 9

A section needs to be included that states this policy will be reviewed after 'x' years, probably 2 years would be suitable as this policy is in its infancy and will need to be refined after it has been implemented and issues identified.

Time frames

Time frames need to be included so that there is a required time for submission of the four year plans from the BVC and ANW, and also for when they are required to submit their annual acquittals. EG these dates must allow for the shire budget preparation process.

End

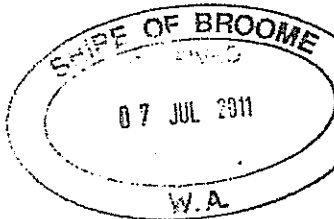


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FILE:	AR A01	
ACTION OFFICER:	CEO	
ACTION: (sign & date)	NOTED	RESPONDED
RECORD NO:	I110707-61913	
FURTHER REFERRAL	Already noted, E-mail / ...	
ACTION OFFICER		
ACTION REQUIRED	NOTE / RESPOND	

Mr Kenn Donohoe
Chief Executive Officer
Shire of Broome
PO Box 44
BROOME WA 6725

Dear Mr. Donohoe,

Representatives from Australia's North West Tourism, and a number of other Broome tourism stakeholders, attended a consultative workshop at the Shire of Broome offices in November 2010, and provided input into the benefits and distribution of the Broome Tourism Differential Rate.

To enable Australia's North West Tourism to make forward planning decisions going into the new financial year, it would be beneficial for the organisation to have some feedback on the results of this workshop, and what decisions have been made regarding the future distribution of this rate.

The Board of Australia's North West Tourism wish it to be made known that the Broome Differential Rate is a key source of funding for the organisation, and over the past decade these funds have enabled Broome to become one of the most identified tourism destinations in Western Australia. It has enabled the development of a strong partnership between the Shire of Broome and Australia's North West Tourism, one that is unparalleled across the State.

Over the past three years this funding has remained static, whilst the revenue pool has continued to increase, due to further investment by the tourism sector into the town. It would be appreciated if Council's considerations on the rate distribution could allow for some incremental increase to offset other rising costs associated with the marketing of Broome.

There are significant changes facing Broome over the next few years, and the successful promotion and marketing of Broome's unique identity and brand will be more important than ever.

Yours Sincerely

Glen Chidlow
Chief Executive Officer
4th July 2011



FILE:	ARA01	
ACTION OFFICER:	DCCS	
ACTION:	NOTED	RESPONDED
(Sign & date)		
RECORD NO:	I1107- 64293	
FURTHER REFERRAL	Already received	
ACTION OFFICER	Shire of Broome	
ACTION REQUIRED	NOTED	

SHIRE OF BROOME
RECEIVED
07 OCT 2011
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Chief Executive Officer
Shire of Broome
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BROOME WA 6725

Dear Mr Donohoe,

Reference is made to the call for submissions on the Draft Tourism Administration Policy. Please find below comment from Australia's North West Tourism (ANW) in relation to the proposed policy.

Overall it is felt that the policy is sound and clarifies the relationship between the Shire and the recognised tourism organisations in Broome – being the Broome Visitor Centre and ANW, and the following suggestions are provided to provide greater clarity, certainty and administrative ease in the ongoing relationship with ANW.

Item 2.2 refers to the requirement of a four year business plan to be provided by ANW to the Shire, which is to be resubmitted and reviewed annually. It is suggested that rather than a four year plan, a one year plan be provided. The nature of the organisation's activity, and the changing requirements of marketing, mean that a four year plan would be an administrative task with no real worth. A one year plan is considered more appropriate, and ties in with the current reporting requirements of ANW to the State Government, through Tourism WA, who is ANW's largest financial stakeholder.

Item 2.3 refers to Council reviewing the business plan before allocating financial resources as appropriate. It would be necessary for ANW to have some indication of funds available prior to the development of the business plan to ensure a realistic budget is considered in the planning process.

Item 2.4 (ii) refers to the requirement to detail specific activities on which funding is to be spent. It is recognised that the Shire needs to see value in their investment, however it is worth noting that due to the changing nature of the industry it is often difficult to give exact account of all expenditure at the start of the financial year. For example, in the 2010-11 financial year, Qantas announced in August that they would be commencing direct services between Brisbane and Broome. The flights commenced in April of the same financial period. Without some flexibility it would have not been possible for ANW to invest considerable effort into the marketing of these services. It is therefore recommended that the business plan be structured in such a way as to allow flexibility, rather than specific detail of line item expenditure.

Item 8 refers to the revised calculation of rateable properties which will ultimately provide the basis of funding the Tourism Administration Policy. As the example does not provide sufficient information to see what revenue will be raised from current rateable properties, it is not possible to provide any comment on this methodology.

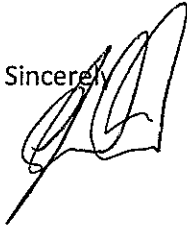
As further input into the Policy, it should be noted that whilst the revenue raised from the current differential rate method has increased year on year, the funds allocated to ANW have remained static. It is acknowledged that the funds have provided an excellent opportunity to successfully market Broome as a tourist destination, however without some kind of growth the level of

marketing activity is effectively going backwards. Broome is probably a standout within Western Australia over the last 20 years in regards to marketing itself as a tourist destination, and in the current climate it is even more crucial to invest in the promotion of our unique town.

As a major stakeholder in the Tourism Administration Policy, ANW would also like to provide some constructive comments to allow for improved future communication between the Shire and stakeholders. As a 'Call for Comment' was made by the Shire on this policy, it is considered that it would have been appropriate for the stakeholders to be advised of the process. In this instance it was only realised by ANW when perusing the public notices of the local paper. Additionally there has been no other communication with ANW on this matter since a stakeholder workshop was held in November 2010.

It is therefore suggested that greater communication between stakeholders would be welcomed by all parties.

Yours Sincerely



Glen Chidlow
Chief Executive Officer
5th October 2011

