

## 4. Sapphire Coast Tourism Limited 2009/10 Business Plan

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Sapphire Coast Tourism Limited has provided a Business Plan for 2009/10 and is seeking funding support from Council.

**Group Manager Community and Relationships**

### **BACKGROUND**

In 2008 an independent company, Sapphire Coast Tourism Limited (SCT Ltd), was created and following a nomination process a nine member Board appointed. The Board assumed responsibility for tourism marketing and promotion shortly after the commencement of the 2008/09 financial year.

10 Initial priorities for the Board were the development of its Constitutional objectives and a comprehensive Business Plan for 2009/10. Representatives of the Board discussed a draft Business Plan with Councillors at a workshop on 13 January 2009 and formally adopted the Business Plan on 2 February 2009.

The critical consideration for the Council as a result of the adoption of the Business Plan by the Board is a request for direct funding of \$434,000 from Council to SCT Ltd for staffing, preparation of planning and marketing reports, and one off projects.

A copy of the SCT Ltd Business Plan (The Plan) has been separately circulated to Councillors.

### **ISSUES**

20 **Legal**

SCT Ltd is an independently constituted company controlled by a nine member Board of Directors. The Board is Chaired by Mr. Bruce Leaver and includes representatives from the tourism industry, and broader community. Councillor Tony Allen is Councils representative on the Board. Councillor Adrian Sandrey was appointed as an industry representative prior to the September 2008 Local Government elections. The 2009 Annual General Meeting of SCT Ltd will include Board elections subject to the requirements of the relevant legislation.

Funding has been provided to the Board for the 2008/09 year under agreement with Council that includes liaison and reporting requirements.

30 **Policy**

Council's position on tourism over recent years has significantly altered the distribution of responsibilities for the provision of tourism infrastructure and the management of tourism marketing and promotion. Through the implementation of a series of Council resolutions, the structure of tourism marketing and promotion management has been

refocused in the Shire. Council's tourism reform program has seen the tourism industry take greater responsibility for its own marketing and promotion and more clearly defined the Council's role as an infrastructure provider, supporting the tourism industry.

40 It must be noted however that throughout the reform period of the last three years, Council has continued to provide direct funding support for marketing and promotional activities in the order of \$200,000 per annum. Additionally, Council has continued to provide premises for three Visitor Information Centres recently valued by Langshaw Valuations as an annual contribution of a further \$75,815. Significant amounts of staff time have also been dedicated to ensuring the various reforms, resolved by Council are implemented as smoothly as possible.

Much of Council's focus has also been on the revision of infrastructure projects and programs that assist tourism access, recreation, utilities and presentation of the Shire.

### **Economic**

50 The Plan identifies visitor expenditure in the Shire in the order of \$214M per annum. Anecdotal evidence from the 2008/09 summer holiday period indicates a strong performance that appears to be at odds with general domestic tourism trends. It is apparent that the Shire has positive visitor appeal and an underlying strength that provides a sustainable foundation on which future growth and activity can be built.

### **Strategic**

60 The Plan identifies a number of strategic priority areas that are identified for specific activity. These include: targeting international visitors, progression of Australia's Coastal Wilderness under the National Landscapes program, National Parks tourism, Visitor Information Centres, aviation and cruise ships. Branding and marketing are also seen as critical with the creation of an identity and clear articulation of what the region best offers.

### **Consultation**

Representatives of SCT Ltd met with Councillors at a workshop on 13 January 2009 to discuss a draft Business Plan and various financial options.

This workshop discussed the option of providing \$250,000 from the application of a special variation on business rated properties for essential tourism management 'infrastructure' such as professional tourism and marketing staff, office space and operational hardware.

### **Financial**

70 The SCT Ltd Business Plan seeks \$434,000 in direct funding from Council for the 2009/10 financial year. This amount is significantly greater than the sum of \$250,000 discussed at the workshop with Councillors and SCT Ltd Board representatives on Tuesday 13 January 2009.

A review of the budget figures provided under section 7.1 of the Business Plan suggests:

- Income estimates provided at Item 13 do not appear to include the provision of \$250,000 from Council as previously indicated. When combined with the other identified income a total estimated income of \$436,000 is achieved. Added to this are the funds identified at Item 14 (Cash Carry-over from 2008-09) of \$210,000 bringing the total available funds to \$646,000.
- 80 • Income estimates do not appear to include securing any grant funds, sponsorship or fund raising activities. It is suggested that these sources of funding should be pursued for a number of the expenditure activities identified under section 7.1 (Budget Estimates). Activities that may attract grant funding or sponsorship include: Australian Coastal Wilderness initiatives, web-site enhancement, Cultural Heritage strategy, gateway brand signage and the development of a digital library.

It is recommended that Council refer the request for direct financial assistance to the 2009/10 budget development process.

### **Operational Plan**

- 90 The draft 2009/10 Operational Plan that is currently being developed for public exhibition in the second quarter of the year will articulate the position of Council in relation to tourism management, funding and infrastructure provision.

### **RECOMMENDATION**

1. That Council receive and note the Business Plan for Sapphire Coast Tourism Ltd.
2. That Council refer the request from Sapphire Coast Tourism Limited, for direct financial assistance to the 2009/10 budget development process.