

Late Report GMAC 3 February 2011

7o Tourism Update

Report by Carissa Bywater dated 28/01/11

Section 1	Regional Sustainability
Objective 1h	Emergent Advocacy Issues
Reported by	Carissa Bywater
Subject	Tourism
Sponsoring General Manager	Ms Carissa Bywater

Management Plan actions 2010/2011

Support the region by advocating on emergent issues

Preamble

Following the memorandum distributed to all GM's post the November Board Meeting and Special General Meeting resolutions, it was agreed, inter alia, that *Centroc is open to CNSWT exploring amalgamation with other RTO's dependent on a commitment to supply the necessary feasibility information through a steering committee which will have an LGA representative from CNSWT.*

This was subsequently resolved at the CNSWT Board Meeting (refer appended minutes). Several other Board meetings were convened (via phone) thereafter to discuss confidential matters arising including the legal claim against CNSWT by Marje Prior & Associates along with consideration of the intention to resource the Executive Officer role and CNSWT position in regard to the FORTO funding model.

Consequently the following is provided by way of updating significant developments:

- 1. Legal claim against CNSWT by former EO*
Settlement of this legal matter was reached in mid December 2010. The settlement is subject to a confidential Deed.
- 2. 2011 Regional Tourism Partnership Program funding allocations finalised*
The Regional Tourism Partnership Program (RTPP) has a pool of funds set at a total of \$5.1M per year. As part of meeting CNSWT's obligation to achieve self sustainability it was agreed in May 2010 to move to Tier 1, and later in November agreed to be involved in a steering committee which is working on a plan of amalgamation between CNSWT, NENW and Outback RTO's.
The amount of RTPP funding allocated to each RTO also depends on the number of tier 1's verse Tier 2s for the year. In 2010, there were 5 Tier 1's and 7 tier 2's.
CNSWT has been a Tier 2 for the past 2 years as has NENW, Outback, Riverina, Northern Rivers and Capital Country.

Amalgamation as a strategy for Sustainability

Amalgamation is a key consideration which provides access to a larger budget by combining funding allocation. In addition, if the amalgamating RTO's have closely aligned marketing goals, and the structure and operation of the amalgamated entity

is well planned, an amalgamation can also improve the cost/benefit proposition for RTO members and the region in terms of visitation.

Amalgamation has always been an option under the RTPP and, given the finite pool of funds, is a responsible consideration for all participating RTO's to allow underdeveloped regions to mature and gain access to larger budgets for marketing.

To encourage RTOs that have embraced the amalgamation option, incentives were offered by TNSW to support the effort. A significant incentive for Tier 2 RTOs that elect to take this option for 2011, is that it allows these RTOs to be treated as Tier 1 for funding allocation purposes with the added flexibility of using up to 20% of the funds for operating purposes.

CNSWT, NENW and Outback are three of the five RTOs that have met the criteria which enable us to be treated as a Tier 1 for funding allocation purposes while our Steering Committee completes its work. The three RTOs have access to significant incentives from TNSW beyond base funding which provides for a budget to support a new amalgamated entity.

New FORTO Funding Allocation Model

Based on early November funding status nominations for 2011, suggesting 9 RTOs would be Tier 1 (or involved in progressing amalgamation and therefore treated as Tier 1), the original funding allocation model would have provided \$397k to each of these 9 RTOs. CNSWT, NENW and Outback would have received a total of \$1191 and this is the amount on which all three RTOs approached amalgamation discussions.

Along with Riverina, CNSWT remained committed to the original funding model being used. However most of the other RTOs favoured using a new model based largely on visitation, which allowed them to retain funding at a level closer to or higher than the amount they had enjoyed in the first two years. With a unanimous decision required for any 2011 funding to be released to any RTO, TNSW put forward a hybrid model for consideration which, after some modification, was agreed unanimously. The resulting allocation of \$1180k to the three inland RTOs leaves the three inland RTOs short of the anticipated \$1190k base funding. Even so this is \$334k (averaging \$111k per RTO) more than we received in 2010.

3. *EO vacancy*

CNSWT is now operating without an EO, largely as a result of the legal developments outlined above which leave the organisation financially incapable of continuing to fund a temporary EO. To limit expenditure to essential outlay only, several of the EO responsibilities have been divided and the solution shared among Tourism Managers (refer appended minutes of the January 2011 workshop).

4. *Steering Committee*

On the basis CNSWT is represented on the Steering committee and the committee meets the deadlines required to progress the amalgamation process; its work should result in a draft MOU for a new entity. This MOU will be available for consideration of members. In addition, during this process, the regions operators and current CNSWT members will have access to demand funding through the Steering Committee under the combined marketing plan.

5. *Political Advocacy*

In this stage of the state election cycle it would be advantageous for CENTROC to give consideration to lobbying for additional tourism funding. Moreover consideration

may be given to redefining the role of FORTO to allow regional tourism organisations in inland NSW greater control over the future destiny of tourism.

Recommendation/s

That GMAC

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| <ol style="list-style-type: none">1. receive and note the information received relating to the activities of CNSWT2. consider advocating for a sustainable tourism funding and delivery model that allows RTOs to have direct access to state funding.3. note the balance of the report |
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Attachment/s:

1. Minutes of AGM and Special General Meeting of Members
2. Steering Committee for Proposed Inland Amalgamation



Minutes of AGM and Special General Meeting of Members

Date: 30 November 2010

Location: Hermitage Hill, Wellington

Attendees:

Members: Natasha Besseling (Dubbo), Glenn Mickle (Cabonne), Kelly Hendry (Parkes), Sally Bouchier (Narromine), Felicity Baines (Bathurst), Tony Boland (Orange), Steve Baldwin (Coonamble), Rachel Frazer (Cowra), Aileen Bell (Warrumbungle), Sharon Toynton (Wellington), Sharon D'Elboux (Cabonne), Don Schieb (Coonamble), Sarah White (Forbes), Susan Brisbane (Gilgandra), Randall Medd (Gilgandra), Amy Johnson (Lachlan), Holly Condon (Orange), Auburn Carr (Weddin)

Board: Jana Pickles (Chair), Chris Porter (Deputy Chair), Carissa Bywater, Peter Hale, Christine LeFevre, Ian Bennet (acting EO)

Apologies: Lucy White (Mudgee), Anton Franze (Blayney)

Chair welcomed everyone to the meeting and introduced Carissa Bywater as a new board member.

Item 1: Resolution to Adjourn AGM and Notice of SGM of Members

That the AGM be adjourned to a date to be advised when the Annual Report is available and that the special business of the notified meeting for today be conducted as a Special General Meeting.

Moved: Tony Boland

Seconded: Kelly Hendry

Opposed: None

In favour: Over 75% of members present at the meeting

Motion passed on show of hands

Late Item: Proposed Resolution to Fill Casual Vacancy on Board

The Chair informed the meeting that the board had met immediately prior to the SGM and approved a resolution to fill the casual vacancy on the board identified in the constitution as described as “one person representing local government interests, being either a Councillor or a local government staff member.” In particular, an invitation is still outstanding for OROC to nominate a General Manager to join the board, and until such time as that invitation is accepted, there is no current OROC area representation on the board. The board would like to ensure all stakeholders are well represented and suggests a tourism manager from one of the OROC area members would provide that representation.

Resolution:

That CNSWT send an invitation for Expressions of Interest to all Local Government Members advising of the casual vacancy board position with a request for the members to consider nominating a tourism manager to join the board.

Moved: Steve Baldwin

Seconded: Natasha Besseling

Opposed: None

In favour: Over 75% of members present at the meeting

Motion passed on show of hands

Item 2: Resolution concerning amalgamation

Steve Baldwin spoke on behalf of the members. The Members had met in the morning to discuss a number of concerns prior to the meeting and nominated Steve to present on their behalf at the meeting.

Mr. Baldwin stated that, whilst no-one is against the resolution (in principle), financial support is going to be subject to a lot of detail. The Members want to express their concern that the process will have an impact on the limited resources of the organisation to conduct its ongoing business and as a group offer their support during this period.

During their morning meeting, the Members agreed on a number of specific points that they want to ensure are covered and addressed during the process as expressed below:

- A new constitution will be required
- | Has the RTO held conversations with the state opposition?
- | What is the plan for industry membership?
- | Will LGA's have, at least, an equal voice?
- | Who will oversee plans?
- | Overall communication to LGA's must be improved
- | LGA's need time to allow for required approvals especially as many councils will not meet again until February

At this stage the Chair informed the meeting that during the board meeting held immediately prior to the SGM, the board had resolved to recommend an amended resolution to the Members and would like to distribute a copy of the proposed amended resolution for consideration by the Members as it addresses many of the expressed concerns.

The meeting was adjourned by unanimous decision to allow Members to consider the revised resolution following the Board meeting held in the morning. The Board left the Members to discuss this revision in line with their comments.

The Special General Meeting resumed at approximately 2:15pm.

Resolution:

That the original resolution be accepted by the Members as a discussion paper and replaced by the new resolution.

Moved: Steve Baldwin

Seconded: Sharon D'Elboux

Opposed: None

In favour: Over 75% of members present at the meeting

Motion passed on show of hands

The recommended new resolution which had been distributed prior to the adjournment was considered and revised with the Members and was put to the Members as the new and agreed resolution.

Resolution:

1. That Central NSW Tourism Inc (CNSWT) apply to become a founding member of a steering committee for the purposes of conducting Inland

Regional Tourism as part of exploring amalgamation with other RTO's including but not limited to:

- a. New England and North West Tourism Inc., and
- b. Outback NSW Tourism Inc

2. That Central NSW Tourism Inc nominate four (4) representatives to a steering committee to include a member of the current board (Jana Pickles), 1 LGA representative (David Shaw) and 1 major industry operator (Matt Fuller) and 1 Tourism Manager (Aileen Bell) from CNSWT's region.

3. That Central NSW Tourism Inc task the steering committee with developing a business plan and marketing plan to operate from January 2011.

4. That Central NSW Tourism Inc tasks the steering committee (including a 2 month consultation period) to develop a report for Members that will address (with endorsement of Tourism NSW):

- a. Governance and structural arrangements for the new RTO
- b. The draft MOU
- c. Timelines
- d. Cost benefit analysis
- e. Risk analysis
- f. An environmental scan of the industry including advice on the fit between the mooted RTO and current State marketing campaigns
- g. Other options including amalgamation with other entities for part or all of CNSWT and standing alone pursuing Tier 1
- h. An indication of the synergies between CNSWT and the other suggested RTO's
- i. Defining the role of the new RTO
- j. Look at case studies of other tourism body mergers and provide practical examples of how marketing activities could be undertaken on the new entity
- k. Dissolution processes and timeline of Central NSW Tourism

5. That this steering committee will, as appropriate, discuss with other RTO's the potential of becoming Members of the new entity.

Moved: Tony Boland

Seconded: Randall Medd

Opposed: None

In favour: Over 75% of members present at the meeting

Motion passed on show of hands

The Members asked for the minutes and resolutions to be sent as soon as possible. The Chair committed to get the papers to the members within the next day.

The meeting closed at 3.00pm

Jana Pickles

Chair

Steering Committee for Proposed Inland Amalgamation

Date and time: 20 December 2010 at 9.45am

Location: TNSW and teleconference

Attendees in person:

Roger Collins [Chair, Outback], Jana Pickles [Chair, Central], David Shaw [Central], Les Molds [NE&NW], Les Parsons [Chair, NE&NW], Neil McGarry [NE&NW]

Attendees by phone:

Matt Fuller [Central], Wincen Cuy [Outback], Kym Fuller [Outback], John Groendyk [Outback], Randall Medd [Central]

Apologies:

Wendy Fahey [NE&NW]

Observers:

Andrew Sargent [TNSW], Mandy Bellingham [TNSW]

Minutes Secretary:

Ian Bennett

Initials have been used to determine identity of speaker.

Four documents have been provided to the Steering Committee prior to the meeting;

1. Draft Marketing Plan
2. Examples of cross regional campaigns
3. Inland visitor nights data
4. Recent Inland brand health tracking research

Expectations of mergers and key milestones from TNSW to steering committee:

Stage 1 - to be completed by 1st January 2011

1. Letter to minister [done]
2. Clear rationale as to why - 3 chairs identified touring as the cornerstone plus food and wine, agri-tourism and events, then education [done]
3. Each RTO board to support moving forward [done]
4. Create steering committee [done]
5. Appoint Project manager [to be done today]
6. Agree Timelines [start today]
7. Set up stakeholder communication channels by 1st January 2011 so members know where and how access information [start today]

Stage 2 - to be completed by 1st March 2011

1. RTO's develop and share a strategic plan
2. RTO's develop and share a marketing plan
3. Set up a single bank [NE&NW have said they will be happy to set up and manage and this is endorsed by TNSW]

TNSW will release 50% of 2011 capacity funding to the RTO's to allow work to continue whilst the steering committee develops the key documents

Stage 3 - to be completed by 1st July

1. Form a new constitution with directors and executive
2. Start to absorb existing activity into new entity
3. Have a completed and agreed funding model based around members, lga funding
4. MOU for stakeholders to agree support of the new entity

Motions, Committees, Project Manager

Motion;

That Jana Pickles be chair of the steering committee and that when/if Jana is unavailable, the other RTO chairs [Roger Collins and Les Parsons] will act as alternate.

Moved: David Shaw
Seconded :Les Molds
Carried

Motion;
That Wendy Fahey be the minutes secretary of the steering committee.
Moved: Les Molds
Seconded: Les Parsons
Carried

Finance committee:
Les Molds, Matt Fuller, John Groendyk

Governance committee:
Roger Collins, David Shaw, Les Parsons

Marketing committee:
Neil McGarry, Wincen Cuy, Aileen Bell

Stakeholder engagement/communications committee:
Les Molds with Wendy Fahey as an alternate, Jana Pickles, Kym Fuller

Motion:
That the next meeting be held in Sydney. 18th of January from 12 noon.
Moved: David Shaw
Seconded: Jana Pickles
Carried

Motion:
That Ian Bennett be the project manager for the steering committee and that Ian provide an expression of interest to the 3 RTO chairs to approve.
Moved: Les Molds
Seconded: Matt Fuller and Roger Collins
Carried

Motion;
That 2 sets of document be created. A full set of minutes to be approved by the steering committee at the next meeting and an executive summary that can be distributed to stakeholders post meeting to keep them in touch with decisions and actions.
Moved: David Shaw
Second: Neil McGarry
Carried

12.10 - The chair closed the meeting