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# ATTACHMENTS

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## **Economic Development Committee Meeting**

**02 June 2015**

5.30pm

City of Albany Council Chambers

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# Terms of Reference Albany Visitor Centre Review

Prepared by: Dean M Lee

Date: 1 April 2015

## **Project Title**

Operational and Performance Review of Albany Visitor Centre

## **Project Purpose**

At the request of Council, the Chief Executive Officer has directed that a review of the Albany Visitor Centre is made to assess alignment with industry best practice and identify opportunities for optimising financial performance in the delivery of services to satisfy contemporary visitor expectations.

## **Background**

The Albany Visitor Centre (AVC) was established in the 1960s to perform the visitor service function within the tourism development trilogy of product development, destination marketing, and visitor service. The City of Albany became involved in operations around 2003/4 and assumed full operational control of the AVC in 2011.

Tourism is the fourth largest industry in Albany in terms of Regional GDP, and the City's entry to visitor centre management was predicated on its recognition of both the significance of this industry sector and the strategic opportunity it provides to serve economic development objectives. This view has subsequently been substantiated in strategic planning work undertaken by the City, Great Southern Development Commission and Regional Development Australia.

Since opening, the AVC has undergone a series of changes in management, whilst its processes and deliverables have remained largely unchanged: i.e., visitor information services, accommodation and tour booking sales, tourism promotion and retail sales. Causal in each of the management transitions has been the challenge of achieving and maintaining a sustainable financial business model.

In 2013, Tourism Western Australia engaged Haeberlin Consulting to undertake a comprehensive review of visitor centres within Western Australia. The purpose of this review was to identify key factors for success and operational modalities consistent with efficient operation in response to changes in visitor expectations and behaviour coincident with transformations in the tourism industry related to the advent and growing dominance of web-based platforms for the delivery of booking services and tourism information. The resultant 'The Future of Visitor Centres in WA' report - hereafter referred to as the Haeberlin Report - was publically released in August 2014.

## **Project Rationale**

The CoA recognises the significance of the tourism sector in its local economy and the importance of visitor servicing in supporting demand.

Prior to, and during, the City's management of the AVC, operating revenues achieved through the sales of services and retail products have been insufficient to offset operating costs; and the City has provided subsidy funding in each year of operations.

To fulfil its charter and accountability to the community, the City must periodically review business practices within each area of its activities to ensure it is - to the greatest extent possible - operating at, or close to, industry best practice, and the expenditure of stakeholders' funds is optimised.

With fresh insights to the Western Australian visitor centre sector available through the Haerberlin Report, the City has been provided with a benchmark for best practice and may now consider opportunities for reviewing the sustainable financial operation of the AVC.

## **Project Objectives**

The objectives of the Project are:

1. to critically evaluate the nature and range of services provided by AVC and their congruence with the contemporary expectations of visitors
2. to objectively establish the financial performance of each of the revenue generating activities: i.e., retail sales, accommodation booking sales, tour sales and advertising sales
3. to identify positive changes to the operating model to align with industry best practice
4. to recommend an optimal operational and financial model - inclusive of resourcing - for the continued, sustainable operation of AVC

## **Project Constraints**

The Project will be undertaken utilising the internal resource of the General Manager Business and Economic Development (GMBED). This is not an exclusive resource as the GMBED holds additional, competing responsibilities.

The future operation of the AVC is to be consistent with the City's Community Strategic Plan. The Centre's operations are included within Strategic Objective One: to be 'Smart Prosperous and Growing', and more specifically, in action item 1.3 'To develop and promote

Albany as a unique and sought-after visitor destination.’ The provision of visitor servicing must consequently be maintained as an essential function in delivering growth and development of Albany’s tourism industry, and its economy.

## **Project Principles**

The Project will be undertaken objectively with no preconceived outcome or hypotheses to be tested or proven. It will consider both quantitative and qualitative information including the views of relevant stakeholders. In analysis, development of conclusions and making recommendations, objective framing will be adopted and maintained.

## **Governance and Authority**

The Council of the CoA has directed the CEO to undertake the Project. The CEO has delegated this task to the GMBED who holds executive management responsibility for the AVC. The GMBED will undertake the Project on behalf of the CEO and report his findings to the CEO. Once satisfied with the deliverables produced through the Project, the CEO will cause this information to be reported to Council.

## **Identified Project Stakeholders**

Both internal and external stakeholders will be consulted during the Project. Internally, these will include executive officers of the CoA and staff of the AVC. As a formal review can cause a degree of employee uncertainty, it is imperative that staff of the AVC is fully briefed as to the nature and intent of the review prior to, and throughout, the Project process.

Principal external stakeholders whose views will be sought are:

- Current and past AVC managers
- Tourism Western Australia
- Tourism Council Western Australia
- Haeberlin Consulting
- Key AVC clients

## **Scope**

The Project will solely consider and make recommendations based on analysis of the current and recent past performance of the AVC. This will be accomplished through reference to CoA financial and related reports, the Haeberlin Report and consultation with identified

stakeholders The Project will not consider the potential imposts or benefits of closure or a transition in management responsibility for the AVC to a third party.

### **Target Project Benefits**

The anticipated benefits of the Project are to identify an optimal model for sustainable operation of the AVC and to ensure that the nature and delivery of services are best aligned with the contemporary expectations of visitors to Albany in keeping with strategic action 1.3: “To develop and promote Albany as a unique and sought-after visitor destination.’

### **Resource Requirement**

The Project is being undertaken utilising internal resources of the CoA. No dedicated budget is required to undertake the Project.

### **Reference Documents**

- City of Albany Community Strategic Plan: Albany 2023
- City of Albany Corporate Business Plan 2014-2018
- City of Albany Economic Development Strategy 2013-2017
- City of Albany internal Financial Reports
- Haeberlin Consulting Report, ‘The Future of Visitor Centres in WA’ 2014

## Timing

	<b>Action</b>	<b>Deliverable</b>	<b>Effort</b>	<b>Due</b>	<b>Comment</b>
<b>1</b>	CEO instructs GMBED to prepare terms of reference for the review of the Albany Visitor Centre	Terms of reference	4 hours	7 April 15	To be provided to Council by the CEO for review and acceptance.
<b>2</b>	Brief Staff of AVC	N/A	1 hour	13 April 15	GMBED on leave until 12 April 15
<b>3</b>	The GMBED undertakes preliminary activities to observe the operations of the AVC, review and analyse the Haeberlin Report, financial and business plans of the AVC and confer with identified stakeholders.	Summary of preliminary findings	40 hours	15 May 15	Not a formal report to the CEO or Council.  Due date subject to acceptance date of TORs by Council
<b>4</b>	Prepare draft report of findings and present to EMT and CEO for consideration and direction.	Draft report	20 hours	1 June 15	At the direction of the CEO the draft report may be circulated to other stakeholders including Councillors. Should this occur, additional time may be allowed for Councillors to consider and provide feedback.
<b>5</b>	Prepare final report and supporting presentation materials	Final report	8 hours	12 June 15	Subject to the above review of the draft report, presentation of the final report may be extended.