

Huonville & Geeveston Visitor Information Centres

From VICs to a strategic Visitor Economy Development &
Support Service



4 November 2019

Executive Summary

The Huon Valley Council operates two Visitor Information Centres (VICs), one at Huonville, the other at Geeveston. The cost of operations in 2018/19 exceeded revenue by approximately \$288,000. Council is concerned about this cost and seeks to consider their ongoing contribution, viability and sustainability.

The Huon Valley Visitor Centre is a member of the 'yellow i' national VIC network, meets accreditation requirements and participates actively in associated professional development and marketing activities.

The Geeveston Visitor Centre is a non-accredited member of the Tasmanian Visitor Information Network (TVIN) that operates under the auspice of a 'white i' centre.

The Huonville and Geeveston centres exhibit different characteristics and personalities. The Huonville VIC reflects a stand-alone retail operation, offering a mix of product and information to seek revenue. The Geeveston VIC while providing a similar retail focus is co-located and integrated with an interpretation/experience centre and community hub.

Industry consultation indicates support for the VICs role and staff, in particular by smaller scale operators and suppliers which, in terms of numbers reflect the greater proportion of tourism enterprises across the Huon Valley. Larger operators, while generally supportive do not view the VICs as critical to their business performance but express concern over the impact of closure.

VIC staff perform a range of roles beyond the provision of visitor information and booking. These are provided in an unstructured and informal manner based on 1:1 interaction with operators and suppliers; these include:

- Connecting people to the market and importantly market intelligence;
- Providing a sounding board for ideas;
- Showcasing the characteristics, products, skills and other attributes of the Huon Valley and its people; and
- Creating an awareness across the community and demonstrating what is happening in their patch.

These roles can be characterised as industry and community development roles, not normally attributed to a "retail" role; rather they are roles often embedded in Council core development roles.

The VIC costs are dominated by salary costs and costs of goods sold. Salaries are determined by the required span of opening hours and costs of goods directly linked to revenue and are essentially fixed costs. The goal of achieving increased revenue carries with it an increase in variable supply costs in the current "retail" model.

The current model and its market positioning, while providing critical value to smaller tourism operators and craft/product suppliers, is not considered productive or to offer any likelihood of achieving break-even or a loss that can be equated with flow-on benefit to the community. This is in part, related to the Huon Valley's relatively low level of visitation compared with the State overall. The challenge is to consider how to best use the resources available to improve the contribution of visitation to the Huon Valley community.

Of the \$887m in output generated within the Huon Valley Community in 2017/18, tourism contributed \$24m, and around 200 jobs (Source: [National Institute of Economic and Industry Research \(NIEIR\)](#)). If the Huon Valley was performing to the state average, it would be generating in the order of \$75m and contributing approximately 600 jobs. These are goals worth pursuing and as identified in Councils strategies and plans are in an industry where Council can impact. In effect Council is currently expending around \$320,000 in attempting to progress to some \$50m in increased income to the Huon Valley.

It should also be recognised that infrastructure, facilities and services that meet visitor needs, also contribute to the liveability of the Huon and community wellbeing.

It is critical to consider the future of the VICs within the context of the Huon Valley visitor economy and Councils associated strategic objectives. The Huon Valley Council has made decisions to support the growth and contribution of tourism to the Huon Valley economy and its community. This priority is reflected in Councils *Strategic Plan*, the *Economic Development Strategy*, the *Arts and Culture Strategy* and the *Branding Strategy*.

In effect, the Huon Valley does not have a structured tourism sector. It is characterised by disconnected natural and built attractors and experiences, accommodation providers, craft suppliers and hospitality businesses. These do not collaborate or combine to provide a coherent and attractive offer to the current and emerging visitor market. This is a market failure that renders councils strategies challenging to implement.

While VICs can be an effective tool in local tourism, they are not a substitute for strategic and structural deficits in the implementation of visitor economy plans. Councils are at risk of overweighting dependence on the operation of visitor information services as the means to achieve these objectives in the absence of strong demand side initiatives and facilitation of operator/supplier capacity building to provide contemporary market offers

The following summarises the approach designed to integrate the VIC approach into a coherent visitor economy strategy and structure. Furthermore, that delivers on the objectives of the endorsed Council strategies and plans through building on existing initiatives.

The focus is on generating demand and increasing the capability of the supply side to viably deliver a product and experience mix that matches the current and emerging market.

On the demand side, the approach focuses on:

- Implementation of the brand strategy and the Huon identity and market offer;
- Re-casting the relationship and arrangements with Destination Southern Tasmania to ensure a closer alignment with the needs of the Huon Valley; and
- Ensuring promotion.

On the supply side the approach focuses on:

- Increasing collaboration and the bundling of experiences, products and hospitality;
- Ensuring businesses directly and indirectly associated with the visitor sector are aware of visitor behavioural trends and needs;
- Linking tourist, cultural and arts businesses and potential start-ups or those who can expand their current business into the visitor sector, with enterprise development support; and
- Facilitating the development of a visitation sector group and improved networking, alignment with the place's offer and innovation.

It is critical that both sides are implemented in a paralleled, systemic manner.

The organisation design to achieve this is based on restructuring and re-designing roles within the existing staff complement. This is consistent with the endorsed actions to undertake a re-structure of the two VICs and other agreed actions to improve services productivity.

The implementation of these roles matches the budget allocation within the endorsed VIC business plan.

It is recommended that the VICs continue to operate within the broader visitor economy strategy, with redesigned roles that make a stronger contribution to the success of the sector in line with the above approach.

The combined approach provides for a new mix of services and sector support in conjunction with opportunities to change the physical form in a way that complements the more integrated, systemic approach.

It is proposed that the physical form of the Geeveston VIC and its role in ensuring the Town Hall interpretation, activities and facilities continue to connect the community and visitors remain essentially as is. From an operational perspective the initiatives identified within the *Visitor Information's Services Business Plan (2019)* be implemented to improve performance and productivity. In addition, the centre could provide financial transaction services for Council's rates and other payments. This would assist the local community, especially those who are unable or unwilling to make on-line payments.

This change raises the question of whether the continuation and costs of a separate incorporated entity for the management of the Geeveston Town Hall is appropriate. Other facilities operate with an advisory structure to inform council management.

The multi-purpose and bundled services approach to the Geeveston centre provides the principles for the Huonville VIC to be integrated with Council services and the community to create additional value from bundling.

The Huonville VIC and its services could be integrated into a community, visitor and enterprise services hub. A "stand-alone" VIC is shown to be neither desirable or as Council has identified, nor one that is likely to deliver value without strategic and operational integration.

This face-to-face services focus can be connected to community spaces and in conjunction with visitor interpretation, further community and industry showcasing provide a picture of the Huon Valley, helping to define the sense of place.

This proposal is an extension of the Civic Centre proposition discussed prior to the last election.

In summary, the broad options considered are as follows:

- 1 Maintaining the status quo – not an option;
- 2 Productivity improvement – must occur in line with Visitors Services Business Plan (2019);
- 3 Council abandoning its active role in VICs – too high an opportunity cost;
- 4 Adopting an integrated visitor economy strategy implementation model in-line with Council's Strategic Plan and the complementary Economic Development, Branding and Arts & Culture Plans;
- 5 The further integration of key elements of this approach with the concept of a "civic centre" model; and
- 6 Privatising operations – within the recommended options, Council operation is considered most appropriate.

This report has clearly progressed to options (4) & (5) as a staged approach to productively realising Council's tourism goals; with an ongoing focus on (2) to improve productivity, rather than solely cost cutting. The report provides the logic to this combined approach to creating community value. The specific actions necessary to implement these conclusions are a structured change management process to enable:

- Restructuring and job design to align with the integrated model;
- Continuous review of costs and mechanisms within the centres to seek best value to the market and return;
- Implement the networks and collaborative processes to support the visitor economy initiatives and value creation potential identified;
- Feasibility analysis of the combined civic & services centre, gallery, enterprise and visitor hub; and
- Subject of confirmation of feasibility; identification and commitment of Council, State and Federal government financial and community resources to activate the hub.

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Introduction

Intrastate, interstate and international visitation forms an integral part of the Huon Valley's economy. In-line with international trends, visitation is becoming increasingly integrated with production and cultural sectors as firms extend their value chains to offer value added products and services.

As tourism evolves to include more engaging visitor experiences, the manner in which local communities identify and meet these market opportunities must evolve to a point where they play a part in creating these new forms of community value.

Internationally and in Australia, visitor centres have long played a part in local tourism. Emerging from an era within which printed material was the primary source of information for visitors, centres provided a local dimension to this hierarchy of information and from this a connection and conversion to localised business. This connection tended to occur in two forms:

- A consumer link to a travel agent and/or, for example a focused call centre such as Tasmania's Temptations; and
- The local visitor centre on arrival to a destination.

Increasing digitisation has seen these two mechanisms either evolve to a different form or to lose viability.

Notwithstanding the need to both attract visitors and to convert those visitors to increased consumption and sales remains paramount.

The Huon Valley Council owns and operates two visitor information centres (VICs), one in Huonville, the other in Geeveston. They operate in different locational and market contexts, ownership structures and human resourcing models (see Visitor Services Business Plan).

The Huon VIC is a 'yellow i' operation and has recently relocated from a shared "valley entry" location on the Huon Highway to a Huonville retail and service centre location. Council "took over" the operation of the VIC in 2010, prior to which it was privately operated until it became commercially unviable. The Geeveston VIC, operates as a 'white i' and is located within the Geeveston Town Hall, adjacent to a range of community initiatives. This centre emerged from initial investment by Forestry Tasmania in developing the Tahune Airwalk and the Geeveston Forest & Heritage Centre in the early 1990's. Council assumed the management of this VIC in 2018 from a community board.

While achieving significant revenue, each centre incurs an annual financial loss from operations. This loss appropriately leads to questions relating to the community benefit and cost balance resulting from their ownership and operation. This concern has led to the following key questions:

Questions

- What socio-economic contribution do the Huonville and Geeveston Visitor Information Centres make to the Huon Valley Community?
- What initiatives could increase this contribution and achieve at minimum a cost-neutral budget outcome for each centre? Or, in combination.
- Is continued operation of the centres sustainable in benefit-cost terms?
- If continued what business model and management mechanism is best suited to the defined purpose?

Context

With 282 of Australia's 453 (or 62.25%) of visitor information centres owned and operated by local government, the above questions are frequently raised across the country. Visitor information centres have been a primary local government tool to support visitor conversion for decades; underpinned by a recognition of flow-on economic and social benefit from tourism and tourism expenditure.

Visitor information centres are a component in the tourism marketing and value creation system that supports visitation and tourism yield as a component of regional development.

While these 453 centres operate within the 'yellow i' brand framework, their characteristics vary around the associated prescribed roles to reflect the location and characteristics of the local tourism market.

Within a local tourism context, the visitor information centre position has altered from an attitude of "used to search out" to "If see it might call in". This is the impact of digital information technology and content on the way we access, utilise information, and connect as a consequence.

Organisations such as VisitScotland have closed around 40% of its visitor centres. Importantly centres in high traffic locations have been retained. To off-set closures over 1,500 VisitScotland information partners in existing tourism businesses and a team of outreach staff have been formed. This is to ensure there is always face-to-face advice on what to see and do and where to go wherever people are.

This example provides an important indicator that visitor centres still provide value but in some contexts, alternate strategies are used to complement/replace the centres.

The challenge in the current and emerging tourism environment is to determine:

1. How the VICs can create value for the visitor, industry and community that exceeds operational costs;
2. Whether the funds could deliver better value if refocused; and
3. Whether there are options to create this value using a mix of community and sector resources.

These questions frame the conclusions that follow this analysis.

Current Operations

Council is operating its centres at Huonville and Geeveston as two separate enterprises.

While sharing their information provision role, the two centres reflect different "personalities":

- The Huonville Centre reflects a retail personality; while
- The Geeveston Centre reflects a community hub/showcase personality.

The Huonville Centre reflects a typical VIC expansion from information, promotion and booking to include significant retail based on local craft/product suppliers and more common souvenir lines. As with most centres in smaller population centres, this strategy is designed to off-set the relatively high fixed costs associated with the 'yellow I' accreditation.

The characteristic of the Geeveston Centre arises from its location in the Geeveston Town Hall and:

- Its operation as a "showcase" for local crafts and production;
- Use by local community groups; and
- The basic infrastructure and interpretation in place from its earlier manifestation as the Forest & Heritage Centre and more recent investment.

This results in the visitor information, promotion and booking service being complemented by:

- Local craft/product suppliers being exhibited in more of a gallery style;
- Crafts practitioners being on-site and available, enabling visitors to "have a go". This is enabled by both community groups and crafts professionals; and for example
- The regular monthly twilight feast.

The combination results in the site being used as a point of visitation, reflective of the local identity. Visitors and the community do not differentiate between the visitor centre and the other activities operated under the auspice of the Town Hall Committee.

This variation is reflective of different "starting points", focus and sites. They provide valuable insights into the potential to connect to visitors and create value to them and the community.

The financial reports for each centre identify an operating loss for each for the year ending 30 June 2019, on the back of slightly declining revenue from the previous year. As with operators, this decline is attributed to the visitation impact of the early 2019 bushfires.

The major cost for both centres is wages, followed by Costs of Goods Sold (COGS) in the form of retail stock and the balance of ticket sales returned to the operator. Both centres operate under full cost attribution accounting standards, as such the full costs are transparent.

The following key figures summarise the performance of and variation between the centres.

Revenue & COGS

	2018-19- \$	% SALES	2018-19 - \$	% SALES
	HUONVILLE		GEEVESTON	
Booking Sales - Attractions	55,424.23	20	61,724.18	21
Booking Sales - Accommodation	52,533.67	19	1,089.09	0
Commission	20,724.00		1,532.12	
Consignment Sales	4,432.23		35,361.77	
Stock Sales	127,016.88	46	190,855.06	66
Brochure Advertising	16,671.27		150	
Rent				
Reimbursements			513.19	
TOTAL REVENUE	276,802.28		291225.41	
Attraction Sales COGS	56,503.94		50,016.66	
Accommodation Sales COGS	50,593.68		1,112.84	
Consignment Sales COGS	4,790.21		27,769.33	
Stock Sales COGS	70,188.40		113,067.68	
TOTAL COGS	182,076.23	66	191,966.51	66
GROSS PROFIT	94,726.05		99,258.9	

Product sales provide the largest proportion of income to both sites and while Huonville exhibits a balance between attraction and accommodation sales, Geeveston has a high proportion of attraction sales and also the sale of consignment stock in addition to its purchased stock lines. Despite these differences the COGS ratio is relatively constant between the two sites.

	2018-19- \$	% SALES	2018-19 - \$	% SALES
	HUONVILLE		GEEVESTON	
EXPENSES				
Salaries	259,439.03	85	157,823.83	89
Total Expenses	303,483.60		178,316.05	
NET RESULT	- 208,757.55		-79,057.15	

Within both centres, salaries are in excess of 85% of total expenses. In absolute terms, Geeveston has a much lower salary cost, the major contributor to its lower net result.

The cash and overhead cost deficit are significant, leading the dual questions of sustainability and value. Care must be taken when viewing any figures. Understanding how they are constructed and what is included is critical to their usefulness as a decision making tool.

The mix of revenue indicates a similarity in overall performance. For the centres to break-even, the current expense level would require sales revenue to be in the order of \$890,000 p.a. for Huonville to break-even. The historic booking margins largely reflect those for large scale call centres and are too low to support low frequency centres, particularly when the individual bookings are often not associated with a broader package and longer stay.

However, the reports do not differentiate wages cost by activity, as such attributing the cost of salaries solely to achieving direct sales ignores the wider industry and community support role played by the staff in each centre. The consultation process sheds some light on this broader contribution.

Consultation

The consultation process included:

- In-depth discussions with key industry players;
- Telephone interviews with operators;
- Workshops with VIC staff; and
- Workshop with Council.

Industry and Operator Perspectives

Discussions with a sample of operators, ranging from larger to smaller business, accommodation to attraction/experiences indicates:

- Strong, favourable views of the staff;
- Provision of local exposure and a connection/support within what is a fragmented supply side;
- A high level of importance is attached to the visitor centres. Smaller businesses indicate strong support,. Larger businesses, while indicating the direct VIC impact on them was small, expressed concern at what would happen to complementary smaller operations if the centres were not in place;
- Smaller operators and suppliers identifying the centres as an important source of sales – for accommodation as both direct sales;
- Craft suppliers view the centres as an important, local outlet. The Geeveston centre is viewed by them as a more authentic outlet. Some indicate a preference for consignment sales to enable them to better alter product mix to match sales performance;
- Larger operators do not view the bookings through the visitor centres as critical to their business, but consider the commission they pay as a contribution to the operation of the centres;
- All respondents view the VIC as a complement to their digital marketing – providing a channel that offers a knowledgeable, personal recommendation as an alternate to on-line reviews. Larger operators indicate a primary focus on digital marketing, with much less dependence on printed materials.

Contribution

As a result of not capturing activity in salary allocation, the range of industry, visitor and community support roles performed by staff are not necessarily recognised or accounted for. The financial reports could be read to infer that the wages costs are fully attributable to revenue generation through sales.

Consultation indicates a wider range of staff roles. Across both centres staff provide a contact and support role to operators, during peak periods this can extend to an understanding of current vacancies. Informal liaison between

operator and centre staff provides the link between tourism sector issues and the operators. Inclusion of marketing collateral in a local visitor information centre is mostly motivated through an engagement between staff and suppliers as part of an exchange of market information. This is an informal industry development role, in particular valued by smaller, start-up business.

The devastating fires of early 2019 highlighted a support role in advising people of the safety associated with travel to the region. In particular a large volume of requests associated with safety of planned travel to Hartz Mountain and other locations.

Staff are part of the VIC network and conform to attending conferences and industry familiarisation visits to support sales cooperation within and between the state's regions. This goes beyond a normal retail operation and reflects the responsibility and combined value of 'yellow i' status.

The Geeveston VIC sits in a particular context, seamlessly integrated with the Town Hall community based operation. In this case visitors and community activity share the space enabling a local connection with the visitor, adding to the continuous presence of the woodturner and promotions such as from Huon Aquaculture. This integration consolidates "brand identity" and demonstrates the link between the broader promotion of the Huon and its on-ground activity. In this instance VIC staff act as coordinators for community activity within the town hall – a case of the VIC cross-subsidising a community program and in doing so creating new value for both the community and visitor.

Benefit/cost

Available information lacks sufficient detail to perform a quantitative benefit/cost analysis. However, the consultation and analysis provide a picture of the benefits that accrue to the tourism sector and community.

The benefits identified include:

- The local, face-to-face connection to the visitor to offer advice, identify and navigate to local attractions (not all of which are promoted) to complement broader marketing;
- Provide a central sales outlet to local attractions, accommodation and crafts practitioners;
- An informal advisory and support service to small scale operators who are generally disconnected from the industry as a whole; and
- Provides a "window" on the Huon for locals and visitors.

In addition, the Geeveston Centre enables the day-to-day operation of the Town Hall as a place that is used by locals, provides a "makers" environment that creates a tangible link to the forests and wood leading to an experience for the visitor that reflects the nature and authenticity of the place. The co-location of the VIC and the Town Hall operation demonstrates "identity". The concept of identity has been recognised by Council in its Huon Valley Branding Strategy; in this instance the VIC plays a role in its reinforcement

These are important, beneficial contributions to the performance of the Huon economy, its social fabric, identity and the connections between them. These benefits come at a combined cost of almost \$288,000 in 2018/19.

Discussion

The establishment of a "centre" can lead to a change in management focus from the provision of a high quality value add service to one of minimising the cost of the centre. The centre and its direct cost, becomes an end in itself where the original outcome sought is a stronger visitor economy through the provision of high value support

services. Traditionally the "centre approach" low volume locations, has led to the retail model, that while generating additional revenue introduces further fixed and variable costs rarely "breaking -even" in a rural setting.

The risk to communities is "throwing the baby out with the bathwater" in response to operational cash losses.

On-ground visitor services are an important component of the visitor economy value chain. However, to work they require externally focused marketing investment to bring visitors into area and they need "product" to sell. Without this complementary investment on both the demand and supply side they will struggle to create real value.

Councils have tended to use the VIC model as their default investment in tourism, without also providing complementary support in the other areas, in effect a mis-direction of funds. The effort and investment is funded on at a step in the value chain which is dependent on earlier steps, without those elements being in place. It is not necessarily about investing more funds, but better focussing them to support the strategic development of the visitor economy.

This is not an argument to close centres or withdraw from such services, but one to strategically integrate Councils involvement in the visitor economy value chain by bundling the VIC resources with marketing and sector business development activities and support services. The approach is designed to better combine existing council resources with complementary government development programs and visitor sector marketing investment to make a bigger "pie" to support visitor economy growth.

Rather than provide visitor information services as an important tangible part of a complete strategy, the Huon Valley has fallen into this position of having unrealistic objectives of VICs by positioning them as the primary vehicle in the visitor economy strategy..

A re-designed visitor economy services model that combines marketing, operator support activities/services and visitor services is consistent with initiatives identified within Councils key strategies and plans.

Operational Conclusions

The VICs provide a considerable stream of benefits to the community and value to tourism operators, particularly smaller scale operators. However, apart from direct sales of local product, the wider, business support benefits that flow from the VIC role/staffing tend to arise from circumstance, for example:

- which staff are talking to particular operators;
- what may be occurring at the Geeveston Town Hall when visitors arrive etc..

The community operations of the Geeveston Town Hall and the associated benefits are derived from the Town Hall day-to-day operation occurring under the umbrella of the VIC. Such benefits are incidental and opportunistic, not based on a structured, planned footing. The Visitor Services Business Plan (2019) goes to this point.

The traditional "stand alone", retail oriented visitor information centre model, in a low volume rural location is shown to not be one that can deliver an income that covers the costs of operations. These centres generally operated on a deficit basis because of the high labour content associated with 7-day opening. Core to this is a low level of visitation, a potential mis-direction of focus and investment by the operating Council.

It is important to consider both the physical characteristics of the VICs in conjunction with the scope and quality of the services offered as two interdependent parts.

The establishment of a "centre" can lead to the a change in focus from the provision of a a high quality value add service to one of minimising the cost of the centre. The centre becomes an end in itself where the outcome sought

is a stronger visitor economy through the provision of high value support services. Traditionally this focus has led to the retail model, that while generating revenue introduces further fixed and variable costs. This misses the point that a viable on-ground visitor centre requires complementary investment to drive visitation and product to sell.

As identified above, the scope of service within the Huon Valley's centres goes beyond that focused solely on visitors to include broad community and informal support to the suppliers of products and visitor services. All of these factors combine to help consider how best to consider the future of the VIC as part of the visitor economy strategy within the Huon Valley context.

The Geeveston VIC provides a partial demonstration of a potentially sustainable VIC model. It is one that integrates visitor services with facilities and operations that also facilitate community networking activities and services; creating an environment within which visitors and the community/operators can engage to create new experiences and value.

The role of visitor services, and from this how and where they are delivered, needs to be considered within the context of:

- the relatively poor performance of the Huon Valley visitor economy relative to both the state's performance, its proximity to Hobart and the offer potential that resides in its natural, build and cultural attributes;
- the strong focus in Council's strategies and plans on the development of tourism; and
- the overweighted dependence on the operation of visitor information services as the means to achieve these objectives in the absence of strong demand side initiatives and facilitation of operator/supplier capacity building to provide contemporary market offers.

The balance of this report focuses on these points.

Future

It is important to consider the future contribution of VICs in the context of tourism within the Huon.

Tourism in the Huon Valley

The Huon Valley experiences a much lower relative economic contribution from tourism than Tasmania as a whole. This lower performance is highlighted in the following 2017/18 comparison.

Measure	Huon Valley	% Huon Industry	Tasmania's %
Employment Total	195	3.7	10.0
Employment FTE	127	2.9	9.4
Output (\$m)	23.3	2.7	8.6
Value Add (\$m)	12.8	2.7	8.3

Source: [National Institute of Economic and Industry Research \(NIEIR\)](#)

This indicates that the Huon Valley's tourism performance sits at about 33% of that of the state as a whole. It is worth noting the heavy skew towards Hobart and other attractors in the State's tourism performance. However, the comparison indicates 2 important factors:

1. opportunity and
2. the slightly higher employment contribution that tourism achieves compared with the average of the sectors in the Huon Valley economy.

Of the \$887m in output generated within the Huon Valley Community in 2017/18, Tourism contributed \$24m, and around 200 jobs. If the Huon Valley was performing to the state average, it would be generating in the order of \$75m and contributing approximately 600 jobs.

It should also be recognised that infrastructure, facilities and services that meet visitor needs, also contribute to the liveability of the Huon and community wellbeing.

These are goals worth pursuing and as identified in Councils strategies and plans are in an industry where Council can impact. Compared with other industries, tourism has a particular local focus, one where the intervention of Council can affect the outcomes, as long as the intervention is well focused.

After peaking in 2017/18, interstate and overseas visitation to and stays in the Huon declined in the order of 20% in 2018/19. This result was consistent with most regional locations within Tasmania other than the West Coast and some northern and N/W locations that experienced small growth (general below the overall state growth figure)

While the Huon was affected by fires, falls in other regions were independent of such events. This is an indicator of the challenge for local areas to attract visitors to disperse beyond Hobart. At its 2018 peak, Huonville attracted only 18% of the visitor numbers to Hobart.

While Hobart and the Huon could be described as complementary, the Huon is in competition with other regions for visitation.

The scheduled arrival of new Bass Strait Ferries in 2021 is forecast to increase sea travel numbers by 40%, these independent, mobile travellers are important for the Huon.



The Huon nestles between the Wellington Range, the South West World Heritage Area and D'Entrecasteux Channel, as a result it includes a rich inventory of natural resources and varied natural attractions. In terms of operational "created attractions" the Huon offers the Tahune Airwalk and Hastings Caves, with a range of experiences based around the Huon River and waterways. Emerging investment in food and beverage, increasingly blended with hospitality offers, is aligning the Huon brand to contemporary motivations. What makes a "tourism enterprise" is evolving.

Accommodation is primarily cottage based, with some offering multiple units and a single hotel. A significant proportion of the accommodation is offered by people as a "hobby" where owners are focused on covering costs and achieving a small profit.

While there are some great offers and experiences, it is argued that the sector is highly disconnected and that no demonstrable "Huon Valley Identity and Offer" exists. The disconnect also applies to the role and value other members and groups within the community could gain from engagement with the sector.

The Huon Valley does not appear to make obvious or tell the stories of its indigenous heritage and history, its place in establishing early connections between them and European discovery expeditions.

Apart from Far South Tasmania, the Huon Valley does not have any form of overarching tourism industry association, in effect the VIC operation provides this in part and by default.

To gain back visitation and then to capitalise on the potential of the new ferries, the Huon requires a transition to a coherent identity, position and offer. This requires a much higher level of collaboration between the strategic and operational players than currently exists. A VIC can play a role in this but cannot compensate for the shortfalls.

From VICs to facilitating a Visitor Economy.

Local government operated visitor centres are a limited form of market intervention; their traditional form is arguably mis-aligned with the Huon's visitor industry context. Analysis indicates the requirement for intervention on both demand and supply sides if tourism potential and the socio-economic benefits are to be realised

Visitor information centres are one tool in the suite of socio-economic interventions that local government utilises to improve the liveability of a place and its capability to realise opportunities to improve people's livelihoods and futures. To optimise benefits and achieve best value, these tools must be used in concert.

Council has a framework for these interventions within the:

- *Strategic Plan 2015 -2025;*
- *Economic Development Plan;*
- *Brand Strategy;*
- *Huon Valley Arts & Culture Strategy 2018-2022; and*
- *Visitor Centre Business Plan.*

The following is designed to provide an approach to ensure these work together to achieve what are common outcomes.

Council Focus and Plans

The VICs operation is framed by both Council and the tourism industry structures and plans. As local centres, funded from local resources, the primary focus is driven by council plans and policies.

Strategic Plan

Characteristic 9 of the 2015 to 2025 *Strategic Plan* frames the approach to ensuring:

"Arts, culture, recreation and tourism characteristics of the Huon Valley make a major contribution to community wellbeing and visitor attraction"

The underpinning strategies summarise specific approaches to achieving this goal. The critical points are that:

- Tourism is not "stand alone" it works in concert with the community's natural, cultural, production and infrastructure capital base and critically the characteristics of the people;
- The strategies are complementary and interdependent; and
- Their effectiveness is lessened when one or more are not pursued in concert with the others.

Economic Development Strategy

The following objectives and ways in which Council can influence achievement of those objectives through direct intervention and facilitation are drawn from *Council's Economic Development Strategy*.

Objectives

- Enhance and develop the Huon Valley as a destination for high quality tourism experiences and services;
- Revitalise the Huon Valley economy through developing a dynamic place for business and investment;
- Enhance the Huon Valley's reputation as being an attractive and desirable place for business and investment, where the balance between lifestyle and work can be achieved;

- Effectively leverage off the Huon Valley's strategic location for the purposes of attracting residential and business investment and growth, and improve the destination appeal for visitors;
- Plan for the future growth and prosperity of the region;
- Support the Huon Valley's primary production sector to transition into innovative primary industries and non-traditional practices; and
- Enhance the Huon Valley's regard nationally as a creative region.

Means of Influencing

- Supporting and facilitating business networks;
- Enhancing existing industry clusters and encouraging the development of new clusters;
- Supporting appropriate tourism development that balances the benefits of visitation as well as against amenity and environmental impacts;
- Nurturing entrepreneurialism through support for new and potential industries and businesses; and
- Encouraging and facilitating innovation.

Huon Valley Brand

The Huon Valley Council has commissioned the development of a branding strategy and collateral as a centrepiece for its positioning and promotion of a core identity.

This investment has been supported by recurrent funding to contribute to its success.

The Huon Valley Brand budget has recurrent funding of \$50,000 year on year (this has been the case for the past three years). In addition to this, it currently has a reserve allocation of \$72,753 which is available to support brand initiatives in 2019/20.

Council also contributes a further \$25,000 towards joint funding the Southern Trove regional marketing initiative and pays an annual subscription/membership fee of \$6,300 per annum to the regional tourism organisation, Destination Southern Tasmania (DST).

Huon Valley Arts & Culture Strategy 2018-2022

Vision

A vibrant community in which art and culture is an expression of place, story and people that is unique to the Huon Valley

Principles underpinning the strategy

- To ensure that the Aboriginal history, heritage, art and culture is acknowledged and included through early engagement with members of the Aboriginal community;
- Focusing on short term goals with long term vision to ensure that each step taken builds on the previous one and moves towards the Huon Valley being seen as an exciting and desirable arts and cultural destination;
- Building and attracting additional resources to encourage growth and sustainability; and
- Making art visible and accessible while maintaining the authenticity of the region.



GOAL 1: SUPPLY - DELIVER CREATIVE PRODUCTS, SERVICES AND EXPERIENCES

OBJECTIVE ONE - Reinvigorate, protect and showcase heritage assets and places of significance

OBJECTIVE TWO - Build the capacity for artists and producers to supply arts and cultural products and experiences

OBJECTIVE THREE - Establish the Huon Valley as a destination for arts and cultural experiences

GOAL 2: ACCESS - CONNECT PEOPLE WITH CREATIVE PRODUCTS, SERVICES AND EXPERIENCES

OBJECTIVE ONE - Enable people to find art and culture in the Huon Valley

OBJECTIVE TWO - Enable people to participate in the arts and cultural sector

GOAL 3: STRUCTURE AND RESOURCES - BUILD AND SUPPORT A STRONG CREATIVE SECTOR

OBJECTIVE ONE - Design and implement a functional arts and cultural development structure

OBJECTIVE TWO - Create a funding and resource base to support arts and cultural development in the Huon Valley

OBJECTIVE THREE - Identify and develop the infrastructure for the future arts and cultural needs of the Huon Valley

Bringing the themes together

Council has developed and approved a strong platform of strategies and initiatives within which to consider a new, sustainable Visitor Economy model that incorporates visitor services and creates greater value.

Each of these four plans/initiatives while adopting slightly different language and structures, clarify common outcomes, provide a strong focus and integration of tourism with economic and social development within the community; underpinned by a strong notion of identity.

They recognise a strong synergy between tourism and visitor engagement with community, artisans, primary production & value add, attractors and experiences; in effect an alignment with tourism trends.

Importantly, both the strategic and economic development plan identify a range of tools that are designed to work together to execute plans to achieve objectives.

The balance of this report considers how the approaches, positioning and tools included in the above plans can be used by Council to progress these goals and objectives and from this, generate a productive contribution from the visitor centres.

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Close the Centres/Service?

One option available to Council is to close the centres and retreat from such active involvement in services supporting the tourism sector. Closing the VICs would eliminate more than the provision of visitor information. It would also remove the informal, but important, support to smaller operators and suppliers in what is an already fragmented sector.

Closure carries costs. These include:

- Staff redundancy – estimated in the order of \$90,000.
- Under-utilised buildings, resulting in Council assets providing a reduced return to the community;
- Elimination of direct support and an important network and channel for smaller scale tourism operators and craft producers; and
- A negative social impact – signalling and directly removing an indicator of Council's commitment to economic development in the Huon Valley.

Closure would carry a significant opportunity cost in particular by:

- Removing a presence and expertise that provides a physical and digital connection between the tourism operators and the visitor;
- Eliminating the platform of connections and services that can, with redesign, support the implementation of Council's *Strategic Plan 2015 -2025, Economic Development Strategy, Brand Strategy and the Huon Valley Arts & Culture Strategy 2018-2022*;
- Increasing isolation between operators and suppliers in what is already a fragmented sector providing little in the way of a cohesive offer;
- Reducing the potential for generating a stronger partnership between the sector and Council in collaborating to grow visitation and associated revenue;
- Removing infrastructure on which other community and economic support services can be combined to leverage further value.

In combination these reduce Council's capacity to effectively implement the suite of approved plans that frame the development of the sector and to achieve the associated flow-on benefits.

This does not mean "business as usual". The *Visitor Services Business Plan (2019)* identified need for, and options to reduce cost. These are endorsed. This report focuses on the parallel pathway of improving productivity by strongly aligning focus to Council's plans to deliver more value to the sector and the community. This includes a mix of organisation design to and reconfiguration of, the physical form of the VICs to integrate them with other Council customer service operations.

This is critical if the Huon Valley is to:

- Achieve a visitor economy proportionate to the Tasmanian average and take advantage of the forecast increase in tourism as a consequence of the increased carrying capacity of the new Bass Strait Ferries; and
- Productively deliver these services.



Close one centre?

The proposed visitor economy model incorporates visitor services into hubs that combine councils inquiry and financial transactions and provide a civic centre environment designed to strengthen social participation, interaction and community identity. In this context the visitor services cost is minimised through economies of scope and becomes a part of the Huon Valley offer. This integration also contributes to the community having a better awareness of the full scope of the Valley's activity and attractions.

This same logic, also supports the conclusion that privatisation is not an appropriate option (see later discussion).

The key challenge is how Council strategically invests and manages change to achieve its plans and realise the visitor economy opportunity.

A pathway to a combination of visitation growth and supply side capacity building is described below.

A value focused future

While Council has a strong role in delivering physical and administrative services, much of its role is in the delivery of intangible decisions, lobbying, facilitation and advocacy. While important also invisible to many in the community; as such the value is often not recognised.

The VICs are a tangible representation of Council's role and as such become a focus. This is valid, however just as in Council's broader governance role, when the tangible and intangible work together, things happen.

The same principles apply to socio-economic development in a place and particularly in tourism and visitation. The attractor is the place - its natural, people and productive socio-economic capitals.

The Huon is rich in community capital, heritage, artisans, artists, primary production and value add plus a range of natural and built attractors that highlight the natural capital base. Combining and adding value to these capitals and creating new value to both the visitor and community is the strategic dimension inherent in the above plans.

Tourism has particular attraction as an industry:

- It is an "export" attracting income from out of the area;
- The additional patronage contributes to the profitability of businesses that also service the local community and add to the place's liveability;
- It provides an almost immediate flow-on effect, compared with other sources of external income; and
- It increasingly utilises local inputs, value adds and employment.

From an income and expenditure viewpoint, visitors create an effective full time resident equivalent population.

The ABS "Tourism Satellite Accounts" indicate how visitor expenditure flows through a place through direct expenditure and flow-on effects.

Visitor \$ Distribution	% Allocation
Accomm, Food Services	47
Transport, Postal & Warehousing	16.2
Retail	8.3
Ownership Dwellings	6.6
Manufacturing	6.5
Education & Training	3.7
Arts & recreation	3.6
Rental	1.5
Wholesale	1.5
Agriculture	1.2
Info, Media	1.6



This expenditure varies between the origin of the visitor and those who stay overnight and the day-trippers. A recent Victoria report highlights this variation and the importance of the overnight stay.

The average overnight visitor spend in Victoria for intrastate visitors is \$160 per night, with interstate visitors spending \$240 a night. Daytrip visitors spend approximately \$95 a day. (Source: Visitor Servicing Toolkit – Victoria Tourism Industry Council 2019)

While Victorian in origin, it is indicative of relative value based on origin and visit characteristics. This indicates the importance of providing an offer that is both attractive and leads to a stay based on experiences that deliver value and consume time. It also highlights that while visitor numbers are an important indicator of success, the length of stay and are critical determinants of revenue. This is an important strategic question for Council, the sector and the community – how do we position – what proportion of day-trip, to extended stay?

Visitation and tourism are increasingly expanding from an initial focus on the tangible (views, buildings, locations) to more intangible experiences (knowledge, understanding, skills) that sit in the localised context combining both perspectives. The following excerpt from 'TripAdvisor' while couched in marketing terms, highlights this trend

*HOLIDAY-MAKERS ARE DITCHING THE SOUVENIR MARKET BY INSTEAD COMING HOME WITH A NEW SKILL.
"IMMERSIVE EXPERIENCES ARE OFFICIALLY THE NEW TRAVEL SOUVENIR,"*

Achievement of the visitation and tourism potential requires the appropriate, parallel balance of tangible and intangible focus and investment. The intangible focus supports longer stays.

Changes to this offer profile, in addition to adding to the spend, will alter the distribution of tourism expenditure, likely maintaining the hospitality and transport proportions but spreading the distribution across the community.

The economic development plan and strategic plan summarise the tangible and intangible tools available to Council to achieve the balance of social and economic outcomes sought. These are captured in the initiative column of the table below, with the complementary economic development plan descriptors included in *italics*.

Identifying the value that can be created from the strategies helps meet the challenge in activating those plans to achieve the visitation, expenditure and employment results potentially generated from carefully implementing and managing the range of strategies.

Visitation initiatives and value creation potential

Initiative	Application to visitation and tourism	Value creation
<ul style="list-style-type: none"> Land Use Management <i>Supporting appropriate tourism development that balances the benefits of visitation as well as against amenity and environmental impacts</i> 	<ul style="list-style-type: none"> Use of Council built assets and facilities to support integrated tourism and community socio-economic development 	<ul style="list-style-type: none"> Assets have multiple uses and benefits Shared fixed costs
<ul style="list-style-type: none"> Build networks & relationships focus & support <i>Supporting and facilitating business networks</i> <i>Enhancing existing industry clusters and encouraging the development of new clusters</i> 	<ul style="list-style-type: none"> Council, DST and Tourism Tasmania (TT) relationship Tourism operators, producer/value adders and arts/artisan/cultural networking – virtual clustering 	<ul style="list-style-type: none"> Huon visitor identity and contemporary offer to visitors and tourists People and places working together to generate new value A Huon tourism sector that works as such
<ul style="list-style-type: none"> Encourage, facilitate and directly invest <i>Nurturing entrepreneurialism through support for new and potential industries and businesses</i> 	<ul style="list-style-type: none"> Extending definition of tourism value chain across community and within businesses Infrastructure New business 	<ul style="list-style-type: none"> Extending contact and conversion opportunity New business income and employment
<ul style="list-style-type: none"> Facilitate learning, creativity and innovation <i>Encouraging and facilitating innovation</i> 	<ul style="list-style-type: none"> Networking, briefing, workshopping Business development programs New joint offers between suppliers and attractors 	<ul style="list-style-type: none"> A dynamic visitation and tourism value adding culture - reflective of strong/emerging visitation and tourism motivators and needs
<ul style="list-style-type: none"> Market and communicate to encourage and facilitate engagement and volunteering 	<ul style="list-style-type: none"> Branding outwards Aligning community to brand Joint and collaborative marketing 	<ul style="list-style-type: none"> Recognition, interest and conversion in visitation, population and investment
<ul style="list-style-type: none"> Govern and manage based on information, process, respect and inclusion <i>Supporting appropriate tourism development that balances the benefits of visitation as well as against amenity and environmental impacts</i> 	<ul style="list-style-type: none"> Research, analysis, understanding and dynamics Balanced outcomes focus as per Strategic Plans 	<ul style="list-style-type: none"> Government and private focus, effort and investment aligned to achieve improved socio-economic performance and productivity.



The VIC model is an important but partial initiative to improving tourism industry performance in the Huon Valley. They should remain but be fully integrated into a systemic visitation development program based on Council's *Strategic Plan, Economic Development Strategy, Arts & Culture Plan* and the *Huon Valley Brand Implementation Plan* to achieve the visitor economy as identified within these approved plans.

This section focuses on how to translate these findings and conclusions into beneficial, productive action. A key design principle is "form follows function", using this approach places the VICs into the context of visitation and tourism within the Huon.

Visitation and tourism are directly related to the attractiveness of a place and its connections with people's values, interests and motivations to travel. Visitation and tourism can be considered as part of the Huon fabric, inviting people in to enjoy and experience what is a unique Tasmanian place.

Scope

This model has both a physical form and a tourism sector development structure with mechanisms that aim to achieve an increase in visitation (demand side) and supply side capacity.

The supply side capacity includes both the scope and performance of private and community enterprise that can deliver value to the visitor market. This includes:

- Natural attractors;
- Built attractors – traditionally these are represented by facilities such as Tahune Airwalk and experiences like Huon Jet boats and the Ida Bay Railway. The market has extended this to include primary industry value add enterprises such as Willie Smiths and Home Hill;
- The contemporary market by extending these opportunities to include knowledge and skills experiences such as those available through the Wooden Boat School, the Geeveston VIC and the arts and culture sector as identified within the *Huon Valley Arts & Culture Plan*; and
- Importantly supporting the accommodation and hospitality sector's capacity to offer greater length of stay to more people.

This highlights the need for both public and private investment. Public investment focused on the provision of infrastructure and facilities that complement natural attributes and attractor locations. These can be used by the local community and visitors along with the development services clarified within the *Economic Development Strategy, Arts & Culture Strategy* and the *VIC Business Plan* – all underpinned by the *Huon Valley Brand Strategy*.

This strategic orientation must be balanced with the operational actions within the *VIC Business Plan* endorsed by Council, aimed at improving the performance and productivity of core services surrounding visitor information and showcasing/retailing local production.

Support & Services Roles & Structure

The consequence of this is the re-positioning of the visitor centres as hubs that link information and development support as part of the implementation of Council's strategies; Council's physical presence in the industry that complements its structured, strategic, facilitation and support roles.

Proposed changes to roles and focus on performance are complementary to the operational productivity initiatives identified for both centres within the *Visitor Information Services Business Plan (2019)*. This combination of strategic and operational re-focus requires a structured change management intervention to ensure success and return on investment.

The roles associated with the development of the visitor economy and the visitor centres are designed to formalise responsibilities associated with the implementation of the *Strategic Plan, Economic Development Strategy and Brand Strategy*; and by collaborating with the Community Services Unit, contributing to the implementation of the Arts and Culture Plan. These changes fit within approved business plans and budgets and are central to their implementation.

This provides a specific focus for the previous decision to restructure the VICs and to better align and integrate the two centres to increase productivity within the budget bottom-line.

The link between the Council's Economic Development Unit and the government funded enterprise development centres, indicates the potential importance of their role in the development of the visitor economy supply side. This must be balanced by the Huon Valley's specific branding/promotion and focused collaboration with DST and Tourism Tasmania.

Similarly, the cross-unit collaboration within Council between Corporate Services (specifically relating to Geeveston), Community Services and Economic Development Unit is critical to the achievement of complementary plans and objectives.

FOCUS	Economic Development Manager	Visitor Economy Business Coordinator	Visitor Services Team Leader	Visitor Services Advisors
Huon Market Position & External Offer Development	<ul style="list-style-type: none"> • Branding Strategy • DST, DSG (inc SkillsTAs), TT • Product/experience development support 	<ul style="list-style-type: none"> • Translation to visitor market • Wider trends – meaning to Huon • Product/experience development support 	<ul style="list-style-type: none"> • Support staff and operators/suppliers to align 	<ul style="list-style-type: none"> • Direct face to face promotion of the Huon offer
Sector connections, communication & understanding	<ul style="list-style-type: none"> • Facilitation of sector group workshops • Tourism Tracer data interpretation & utilisation • Market trends • Facilitate collaboration 	<ul style="list-style-type: none"> • Day to day liaison with group members, operators and suppliers • VIC network liaison • Information and meaning provision • New offers (VIC facilitated) 	<ul style="list-style-type: none"> • Participation in sector group meetings • Pass information to suppliers • Promote centre engagement 	<ul style="list-style-type: none"> • Private & community suppliers • Visitors
Promotion	<ul style="list-style-type: none"> • Huon as place to live, invest and visit – identity • Promotional events • Digital, face to face 	<ul style="list-style-type: none"> • Huon environmental, physical attractors; tangible and intangible experiences approach • Input to and value of group 	<ul style="list-style-type: none"> • Offers to visitors, match to interests, new opportunities to experience • Vision to operators/suppliers 	<ul style="list-style-type: none"> • Specific recommendations to visitors
Supply side capacity building, integration, investment & innovation	<ul style="list-style-type: none"> • Integration of visitor, cultural and production sectors to Huon offer • Access to development programs • Intangible product, value development 	<ul style="list-style-type: none"> • Coordination operator and supplier workshops, events & training • Commercial & community/cultural integration • Liaison with EDO, new enterprise role 	<ul style="list-style-type: none"> • Supplier and potential supplier discussions and referrals • Local events 	<ul style="list-style-type: none"> • Provide visitor feed-back and findings to system

FOCUS	Economic Development Manager	Visitor Economy Business Coordinator	Visitor Services Team Leader	Visitor Services Advisors
Centre operations	<ul style="list-style-type: none"> Centres as contributor to strategy and sustainability 	<ul style="list-style-type: none"> Product/market fit Visitor market Supplier market New, fee for service income streams, brokering 	<ul style="list-style-type: none"> Day to day & project coordination activities, staff, suppliers Product mix 	<ul style="list-style-type: none"> Day to day activities, visitor advice, supplier contact
Cross Program (e.g. tourism, with Culture and Arts, Infrastructure, Branding)	<ul style="list-style-type: none"> Management Team briefing, cross program strategic design and coordination 	<ul style="list-style-type: none"> Joint activity planning for activities to create wider value and alignment to visitor sector objectives 	<ul style="list-style-type: none"> Local event coordination and support – promotion and bundling bookings 	<ul style="list-style-type: none"> Specific recommendations to visitors Face to face promotion
Budget Allocation		<ul style="list-style-type: none"> 20% visitor centre 	<ul style="list-style-type: none"> 50% visitor centre 	<ul style="list-style-type: none"> 100% visitor centre

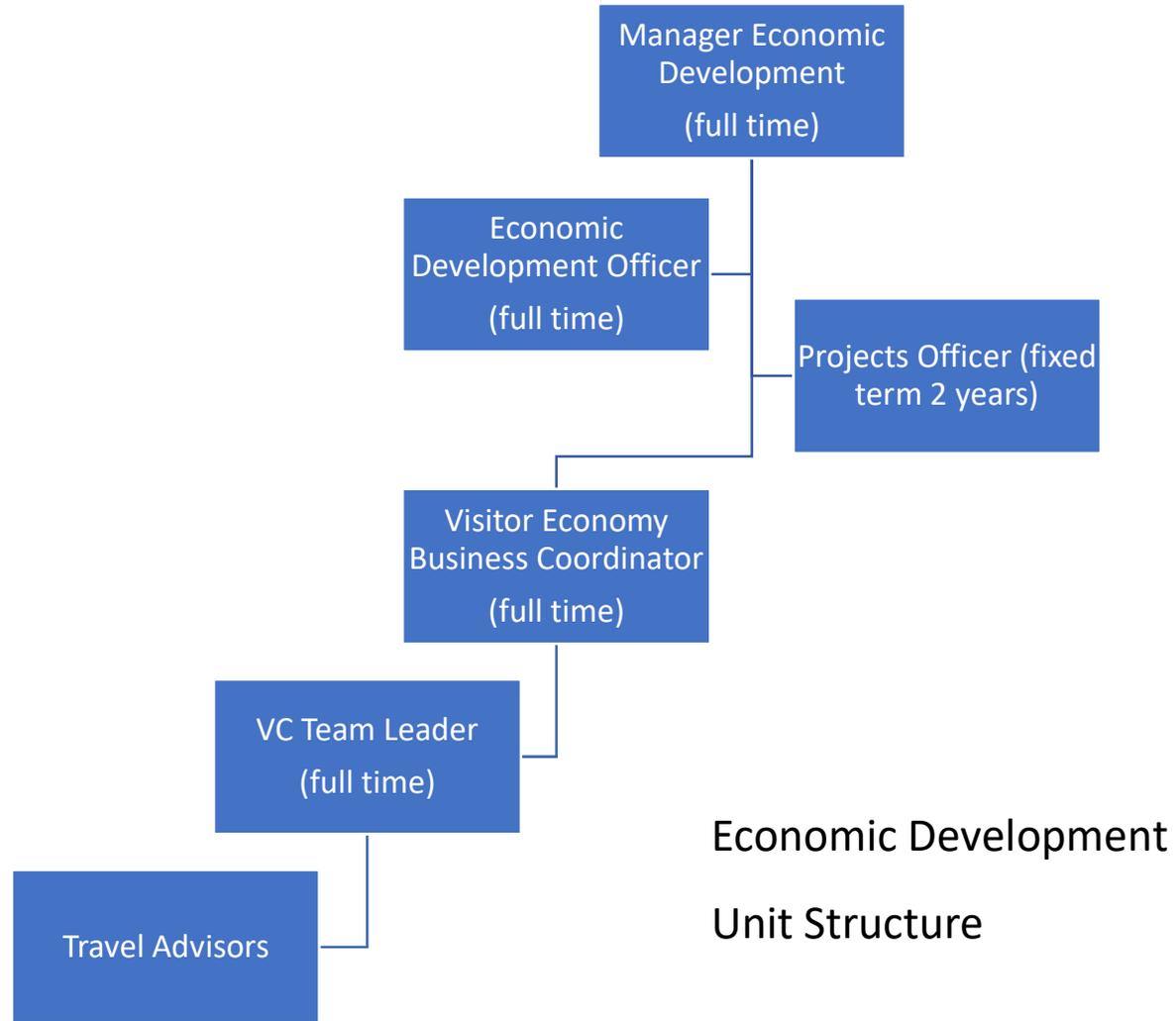
The staff resources applied to these 3 visitor services roles, reflects the numbers currently in place.

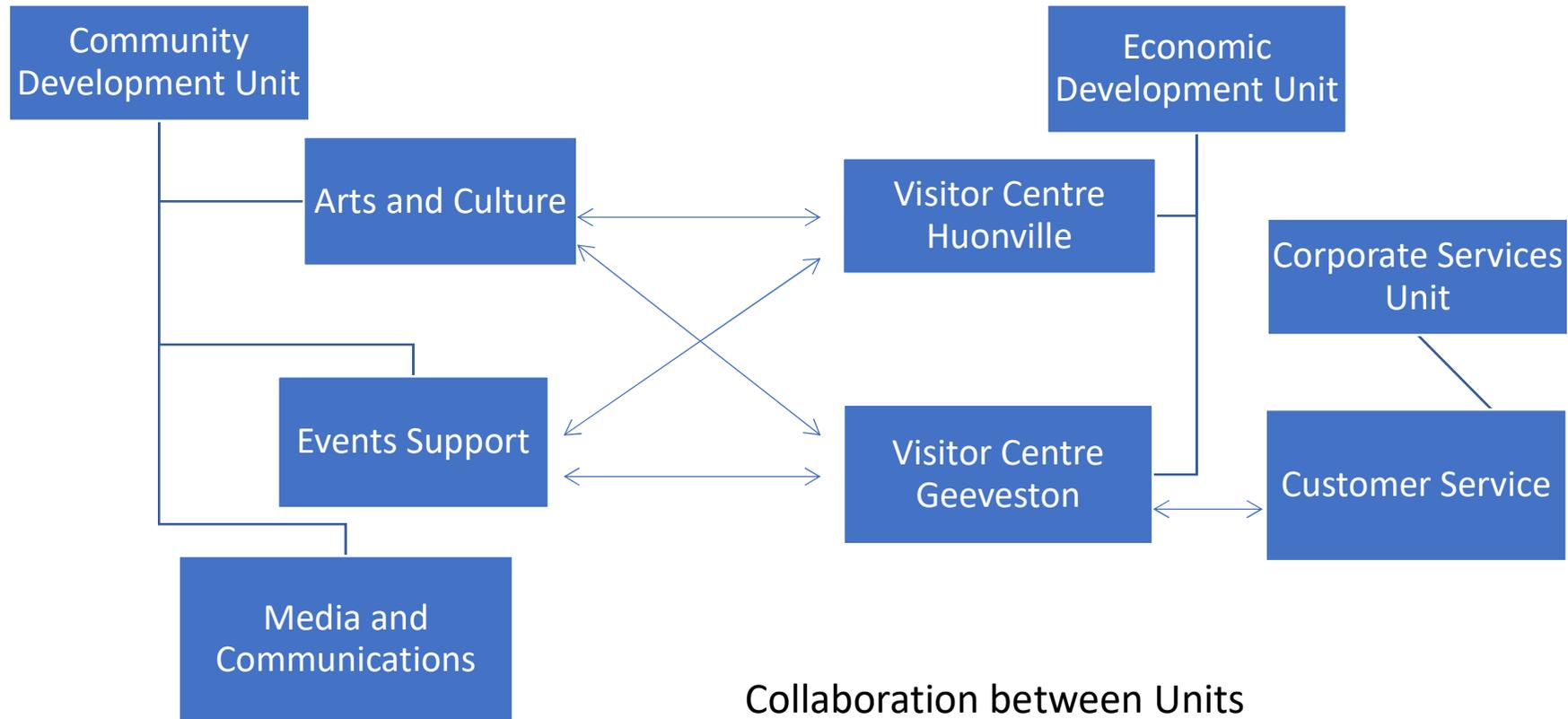
The critical integration of roles of Councils Strategic Plan and Economic Development Strategy implementation indicates that the visitor advisor role remain as part and are not suitable to be outsourced to private providers.

The following diagrams reflect the relationships between the roles and the organisational structure that follows. This structure has an internal unit and an organisation wide collaboration focus

Enterprise Centre
Tasmania

Kingborough Huon
Business Enterprise
Centre





Private operations?

The redesigned roles and activities identified in this report are central to increasing demand and visitation and the parallel development of the operator/supply side of the Huon Valley visitor economy. They are focused on achieving the objectives identified within Council's plans and strategies; including formalising the visitor offer to include cultural and heritage products and experiences, and facilitating development of the capacity of local organisations and enterprises to deliver this part of the offer.

This facilitation and support is about building the capacity and capability of our community to identify and pursue business and social enterprise ideas to better participate in the visitor economy. It focuses on building and utilising existing community capital, facilities, peoples skills and organisational capacity to the benefit of the community as a whole.

While this development must occur in partnership with private enterprise and community organisations, these functions work as part of the "system" that will deliver a prosperous visitor economy. The visitor information service is a part of this system. The centre based component of this is a part of the embryonic system and is considered a critical Council role at this stage. As with VisitScotland, if a proven network of information partners could be established, subsequent change could be evaluated. At this stage visitor information should be delivered by Council as part of its strategic visitor economy development program.

At this early development stage of the structured approach to growing the Huon Valley's visitor economy, the role of Council as the "champion" of this direction is pivotal. This goes to the points of:

- Validity;
- Wide sector engagement; and
- Conflict of interest (if managed by a private organisation that is active in visitor market operations)

Active implementation of the strategies

The above indicates an active implementation to increase visitor demand and to support development of supply side capacity to ensure visitor satisfaction, increased length of stay and expenditure.

Within this there are key opportunities, primarily built around collaboration. These include:

- Recasting the scope of support provided by DST to ensure a stronger focus on Huon Valley objectives;
- Providing tourism association membership on a fee basis – this could include access to information sessions and business development workshops (alternatively there could be a lower membership fee and payment for session involvement)
- VICs bundling product and promoting e.g. exclusive bundling of Huon Valley experiences and from this encouraging longer stays by including accommodation. This could include limited time specials. The digital platform supports this being a cost-effective option with a potential value for both the supplier and VIC.
- Considering the opportunity based on this collaborative mode, the staff skill sets and the booking technology to consider the viability of wholesaling specific market bundles, specials and a range of higher value niche experiences linked to the Huon Valley offer.

These are provided as examples of achieving a more balanced stream of revenue to offset the costs of the program while creating new value across the Huon Valley.

Physical Form of the VICs

The Geeveston Visitor Centre, its co-location with community activities, its combination with the gallery, meeting rooms, the interpretation of local heritage and identity creates a "personality and contribution" the demonstrates principles that can also be applied to a Huonville Centre to ensure that it creates additional community value.

Geeveston Centre

It is concluded that given the place, visitor and community characteristics of the "southern half" of the Huon Valley, the Geeveston hub maintain its current complementary operations, with coordination facilitated by visitor services trained staff. This service offer can be extended to enable the community to make rates and other payment transactions locally through the centre.

In line with the current visitor delivery model for the Geeveston Visitor Centre being maintained and extended to deliver more value to the community, it is proposed that the current, "Town Hall" incorporated structure be reviewed on a "fit for purpose" basis. The potential for a composite model where Council operates the centre, with input from the community into the associated decision making and events and other activities, is consistent with the hall committee/community group model that works in other instances.

Huonville Centre

This leads to consideration of how a hub model, reflective of Huonville and the strategies Council has in place, could be applied to the Huon Valley Visitor Centre. The following characteristics are considered relevant.

A place that creates connections – interests, narratives, digital, face to face

- Community & visitor engagement – a place that brings us together and demonstrates who we are and how you can engage, whether a community member or visitor- a reflection of our identity and capability;

- A meeting and activity centre;
- Huon's industry, artists and makers and producers to the community and visitor – a gallery & visiting artisan/maker concept;
- People to services; and
- A showcase of key Huon perspectives, industry, culture, environment.

A hub for civic, community and enterprise support services

- Council inquiry and payment services;
- Information and interpretation– face to face, brochures, displays and digital (design, establish, use and refresh);
- Enterprise development support to small business and social enterprise; potentially a small business incubator; and
- Community networking, workshops and interest groups.

Physical form

The physical form and interior design are important. It would ideally include:

- An accessible, welcoming multi-purpose centre, with a core focus on civic, enterprise development, "Huon Showcase" and visitor services;
- An engaging, interesting entry that leads to service and interest information/interpretation pathways;
- Interconnected display and gallery space;
- Meeting and workshopping spaces; and
- Outside space for events and spill-over activity.

Existing site footprint options

These characteristics require a central, accessible site, which importantly is one which demonstrates a continuous flow of people. Two potential sites include:

- Current Visitor Centre site
- Town Hall – Council Chambers site

This adaptive re-use and potential further development can be linked to the concept of the community centre, which was noted as a potential funding project prior to recent elections.

The above concept would support Council seeking investment assistance that is linked and totally aligned to its strategic direction, economic, culture and arts plans.

Options for Council

As with all reviews such as this, Council has a range of response options. The broad options are as follows:

- 1 Status quo – The VICs contribute significant value and the visitor service should be retained, however are not found to be strategically focused in terms of achieving a return for the cost incurred. Some of this value occurs informally and is obscured:
 - Facilitating the coordination of operations within the Geeveston Town Hall;
 - Advisory and information services to tourism operators & product suppliers;
 - General promotion of the Huon Valley; and
 - Market information from both in-centre trends and involvement with the VIC.

The model demonstrates elements of success; however, they exist without a range of effective, complementary strategic growth initiatives; change to the strategic and operational model is critical if Council is to achieve its cited objectives
- 2 Productivity Improvement – Labour represents the most significant cost, followed by cost of goods and fixed costs. The requirement to provide coverage for the 7-day opening span, and its associated payment regime make it challenging to reduce the labour component. Increasing use of a consignment model for suppliers would reduce costs but would likely reduce margins. Cost reduction would be marginal in this context. The alternate strategy is to improve HR productivity by re-designing the roles to reflect Councils strategic objectives, with the visitor centre fitting these, rather than the limited focus within the current model.
- 3 Council abandoning its active role in VICs. – This could occur via closure or by making the VICs available to private operation. Closure of the VICs would overwhelmingly affect smaller operators, further isolating and fragmenting the supply side. It would eliminate the foundations that can be productively utilised to connect the operators and suppliers with Councils development strategies as per (4) & (5) below. In the case of Geeveston, unless replaced with an alternative, it would have a negative impact on the role of the Town Hall as an important hub and connector. Privatisation, if the operator is already a participant in the industry, would remove the direct connection between Council and the industry, as proposed in (4) and (5) below, likely negating the value potential of (4) & (5) below.
- 4 Adopt integrated strategy implementation model – The VIC model will not work without complementary strategy in place to drive demand and ensure there is product to refer and sell. Strategic success is underpinned by adequate and strongly aligned investment. Huon Valley Council has approved key strategies and plans, the integrated visitor economy model proposed within this report provides a mechanism to make inroads into the implementation of the strategic and economic development plans, the brand strategy and the Arts and Culture Strategy.
- 5 The further integration of key elements of this with the concept of an integrated “civic & services centre” located in Huonville, supports a compelling base for determining its feasibility as the basis for investment.
- 6 Private operation of the Centres – the role of the centres as the “tangible” on-ground component of Councils visitor economy strategy. Their integration into the civic and services centre highlights the importance of Council continuing as the operator of the centres, in the different model as described.

This report has clearly progressed to options (4) & (5) as a staged approach to productively realising Council's tourism goals for the place; with an ongoing focus on (2) to improve productivity, rather than solely cost cutting.



Key Strategic Development Sequencing

The specific actions necessary to implement these conclusions are a structured change management process to enable:

- Restructuring and job design to align with the integrated model;
- Continuous review of costs and mechanisms within the centres to seek best value to the market and return;
- Implement the networks and collaborative processes to support the visitor economy initiatives and value creation potential identified;
- Feasibility analysis of the combined civic & services centre, gallery, enterprise and visitor hub; and
- Subject of confirmation of feasibility; identification and commitment of Council, State and Federal government financial and community resources to activate the hub.

This report was prepared by *creating Preferred Futures*.

The contribution of Huon Valley Council staff and the community members who gave their time is recognised and appreciated.

Dr Martin Farley

Cert CivEng, BEc, MEc, PhD

Principal Consultant



GPO Box 882, Hobart 7000

(m) 0418 122 783

martin@creatingpreferredfutures.com.au

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