

Funding Submission

to the

City of Karratha

Financial year 2015/16

Submitted 25 November 2015

Funding Submission to City of Karratha

Funds requested for financial year 2015/2016: \$150,000

In support of our request for this funding amount we raise the following points:

- the amount reflects a reduction in the overall percentage of Roebourne Visitor Centre (RVC) income requested from the City of Karratha
- significant reductions in a number of expense areas are budgeted for the year
- increases in income streams are projected for the year despite an expected drop in visitor numbers; these projections are based on demonstrated increases in per-visitor-income since May 2015. Together with the drop in expenses, this will see the RVC's overall budgeted loss for the year reduced from \$221,000 to around \$155,000
- improved financial management / reporting practices will be applied throughout 2015/16
- bus tours will be increased and diversified this year, for example specialist heritage, photography, art, wildflower, bird watching, and school tours, as well as bus charters
- the RVC's relationship with the Ngarluma & Yindjibarndi Foundation Ltd (NYFL) has been strengthened this year, with a number of anticipated collaborations in the year to come
- the amount requested equates to the wages budget for the year with other expenses covered by generated income
- funds have been sought through grants from Chevron (successful) and Tourism WA (pending)
- the RVC provides both a Visitor Centre service and access to a heritage tourist attraction (Roebourne Old Gaol) which would otherwise be closed to the public
- the RVC has provided a Cossack Café service from August to October 2015 and hopes to continue this service in 2016 (pending Council acceptance of Cafe submission)
- greater community involvement is planned via utilising the Old Gaol for community business and heritage group meetings
- the RVC will work more closely with the Karratha Visitor Centre (KVC) in the coming year, in the area of membership, committee meeting attendance and investigating areas of cost savings through joint promotion and marketing initiatives
- progress has been made on Strategic Plan goals, and this will be ramped up during the remainder of 2015/16

Significant changes for 2015/2016

- Purchase of a bus through RioTinto funds (June 2015) will allow RVC to run tours more cost effectively. A minimum of one extra bus tour per week will be run during the 2016 tourist season and a bus charter service promoted throughout the year.
- Measureable quarterly goals have been set by the new RVC Committee; these are focussed on increasing income streams for 2016 (in particular new tours), improving both digital and traditional marketing activities and adhering closely to budget
- Significant reduction in Expenses and Cost of Sales budget figures (see Budget Sheet for details)
- Wages cost efficiencies based on reduction of permanent staff hours over summer and policy of linking casual staff wages directly to running of bus tours or other income-generating activity
- Removal of bookkeeping role from Manager to allow focus on income-generating activities
- Fee increases for tours and museum entry have ensured a steady or increased income in these areas despite drop in visitor numbers for 2015 tourist season
- Reductions in stock-on-hand have commenced, with the aim of dropping from \$76,000 to around \$40,000 by end of 2015/16
- Membership fee increases and introduction of tiered membership structure have taken effect
- NYFL has provided in-kind support throughout 2014/15 and this support will increase significantly during 2015/16 (further details given below). NYFL has also indicated interest in taking over the lease of the Old Gaol site.

New Management Committee voted in at AGM October 2015

Chair:	Bruce Jorgensen, General Manager NYFL Commercial
Vice-Chair:	Eileen Wright, Curator/Historian NYFL
Members:	Helen McGregor, Manager Point Samson Resort/Tatas Restaurant Beth Smith, Manager of Five Mile Nursery and Roebourne DHS Canteen Corinne Oakes, Community Officer Wickham/Cape Lambert, RioTinto Adrian Wilson, Roebourne Café Manager Wayne Wardell, Manager Harding River Caravan Park Dion Regan, Manager Point Samson Tavern Fiona White-Hartig, Glenburnie Consulting Pty Ltd
Councillor Rep:	Gary Bailey, ex-Officio member, non-voting
RVC Manager:	Ruth Ellis, ex-Officio member, non-voting

Allocation of Retained Earnings

Cash on hand 30 June 2015:	\$129,428
Debtors (not including \$9K "doubtful debt" Department of Lands):	\$8,583
Total:	\$138,011
<u>Asset expenditure July-Oct 2015</u>	
Purchase of Coaster Bus August 2015 (from RioTinto funds)	\$39,500
Purchase of copier/printer/scanner, less Chevron \$5K grant	\$840
<u>Liabilities</u>	
Current liabilities (as per 30/06/15 Balance Sheet)	\$23,000
<u>Unexpended RioTinto funds</u>	
To be retained for agreed future use	\$4,440
<u>Other contingencies</u>	
Contingency for Gaol repairs post-cyclone or other major structural damage	\$25,000
Purchase of Cossack Café equipment if Tourism WA grant is unsuccessful	\$15,000
Cash contribution to Heritage Trail project if Tourism WA grant is successful	\$9,500
Retain for July 2016 expenses (to cover CoK funding coming in July/Aug 2016)	\$20,000
Total:	\$137,280

Stock figures

Stock on hand 30 June 2014:	\$57,233
plus stock purchases 2014/15:	\$77,653
less stock on hand 30 June 2015:	(\$76,347)
equals cost-price value of sales:	\$58,539
Retail sales 2014/15:	\$100,617
Profit on sales:	\$42,078, equating to 71.88% average mark-up
Average spend per visitor:	\$6.43

We intend to reduce our stock on hand by the end of 2015/16 to around \$40,000 and this is reflected in our Stock Purchases budget figure for 2015/16 of \$50,000.

City of Karratha funding percentage:

2013/14	\$292,572	66% of total RVC income
2014/15	\$109,082	43% (due to \$122,000 RioTinto sponsorship)
2015/16	\$150,000	45% of projected RVC income (if Cossack Café included)
		51% of projected RVC income (if Cossack Café not included)

Visitor Numbers

	2013/14	2014/15	2015 – 1 st quarter
July	3740	3364	1450
August	2446	3374	2982
September	1950	2438	1498
October	1344	1334	
November	524	469	
December	293	202	
January	264	277	
February	198	360	
March	239	446	
April	488	533	
May	1313	1191	
June	2693	2243	
Totals	15,492	16,231	5,930

While the 2014/15 visitor figures show a 4.77% increase on 2013/14, this is misleading as to overall visitor trends. Comparison of 2014 and 2015 figures from May to September show a significant drop in visitors this tourist season and extrapolating these figures we anticipate at least a 20% drop in visitor numbers from the 2014 to 2015 calendar years. We have therefore based our projected income and expenses on a “worse case” of 11,500 visitors for 2015/16, and aim to increase this figure through targeted marketing.

Income per Visitor

	Museum entry \$	Retail purchase \$	Other \$	Overall \$
2013/14	0.86	7.16	1.93	9.95
2014/15	0.80	6.43	1.82	9.05
2015/16 1 st quarter	1.94	8.34	3.19	13.47

Note: Museum entry changed from voluntary donation to a \$3 fee in January 2015; and the Port to Port tour fee increased from \$20 to \$35 in May 2015. These changes have impacted on our per-visitor-income.

Port to Port tour bookings

Period	No. of bookings	Income
2013/14	1051	\$ 16,314
2014/15	992	\$ 19,778
2015/16 1 st quarter	393	\$ 13,340

As mentioned above, the tour fee increased from \$20 to \$35 in May 2015. Our budget for 2015/16 is based on retaining the \$35 fee, however we may raise to \$40 in 2016 with some added features and to be in line with the Karratha Visitor Centre.

Memberships

The RVC currently has 17 members. During 2015/16 we aim to personally visit a number of local businesses to solicit more memberships and to discuss cross-promotion ideas.

- Spring of Wellness
- Cove Holiday Village
- Samson Beach Caravan Park
- Point Samson Resort
- Samson Tavern
- Samson Beach Chalets
- The Esplanade Hotel, Port Hedland
- North West Shelf Visitor Centre (Woodside Energy Ltd)
- Damper Mermaid Hotel
- Harding River Caravan Park
- Eco Beach, Broome
- Karijini Eco Retreat
- Ngarluma Yindjibarndi Foundation Limited
- Roebourne Cafe
- Palm Grove Holiday Resort, Broome
- Ahoy Buccaneers/Blue Moon Tours, Broome
- Glenburnie Consulting P/L

Partnerships and Funding Sources

Ngarluma Yindjibarndi Foundation Limited (NYFL)

NYFL continues to provide ongoing in-kind assistance to the RVC. During 2015/16 this includes:

- Significant time provided for the Chair and Vice-Chair to undertake RVC-related work
- Hands-on financial management responsibility undertaken by Chair and Vice-Chair
- Support in running Cossack Café (pending Council approval) via the Roebourne Café during 2016, including assistance with menu, pricing, barista instruction and provision of cost-price stock
- NYFL's WY work program will supply one staff member to Cossack Café in 2016 (free of cost to RVC)
- IT services to RVC to be provided by NYFL IT at discounted rate
- Maintenance work at the Old Gaol to be provided by NYFL Maintenance at discounted rate
- Assistance from NYFL Curator with cataloguing RVC-owned museum artefacts and use of NYFL's museum cataloguing system
- Collaborations with Whim Creek Hotel - including cross-promotions and package tour/meal deals

Dependent upon the outcome of NYFL's application to lease the Old Gaol site, the nature of NYFL's relationship with and support of the RVC may change in nature during 2016.

Karratha Visitor Centre

The RVC will be working more closely with the KVC from now onwards, this will include:

- Collaboratively developing advertising and promotional initiatives and investigating means of reducing our respective expenses in the areas of bookkeeping, marketing and general administration
- Linkages with website and on-line presence
- Joint Visitor Centre Memberships
- Attendance of RVC and KVC Committee members at Board meetings
- Development of a Memorandum of Understanding by June 2016

The relationship between the RVC and the KVC will be an ongoing item for discussion at RVC Management Committee meeting and KPIs will be set in this area.

Rio Tinto

Rio Tinto has indicated that they are amenable to considering funding the RVC in the 2016 calendar year (towards provision of Road Permits and resource and school tours), dependent upon the RVC submitting clear financials and achievable goals for 2016. Under our new Committee we believe this is achievable. A meeting with Rio is planned for December, however we have not included any Rio funding in our budget forecast. Should it be forthcoming it will reflect in a reduced request for City of Karratha funding in 2016/17.

Chevron

A successful Chevron Community Spirit grant for \$5,000 was submitted in May 2015 and this allowed the purchase of a high quality colour copier/printer/scanner. This purchase will reduce printing costs significantly and will allow the production of quality copies of our brochures. We will apply for this funding stream again in 2016.

Tourism WA

Two pending grant applications were submitted to the Tourism WA Regional Visitor Centre Sustainability Grant program in August 2015. We hope to hear the results of these by December.

1. Roebourne Heritage Trail

The RVC applied for \$17,317 towards the construction of heritage trail signage and brochures. We were unaware at the time that the City was planning a similar project for 2016 and should we be successful, we are happy to collaborate and roll our funds in to the City's project.

2. Cossack Café funding

The RVC applied for \$39,275 towards equipment for the Cossack Café, including professional standard coffee machine and grinder, signage and generator. Should we be unsuccessful in our submission to the City for the running of the Cossack Café in 2016, these funds will be returned to Tourism WA.

Both grants require a cash input from the RVC and these amounts have been accounted for above in our allocation of retained earnings from 2014/15.

Eastern Well

Eastern Well offers grants of \$2000 to community organisations. The RVC did not apply this year, however will apply in the next grant round in August 2016.

Strategic Priorities

The top 10 goals from the RVC Strategic Plan 2014-2018 are listed below, along with achievements during 2014/15 and aims for 2015/16.

Strategic Goal	Activity towards goal 2014/15	Activity towards goal 2015/16
1. Secure a suitable lease for the RVC and Old Roebourne Gaol historic sites	Following queries from the RVC during 2014, Dept of Lands staff conducted a condition/conservation assessment of the Old Gaol. We have been unable to obtain a copy of this. NYFL has made initial enquiries towards taking over the lease of the Old Gaol.	NYFL will continue to pursue a lease and we hope for clear direction on this issue from the Dept of Lands by early 2016.
2. Develop a Master Plan for the RVC-Old Gaol that includes the location of a purpose-built Visitor Centre.	On hold until above issue is resolved.	
3. Listen to and work with RVC members and key stakeholders to assist them in their business and social objectives. Act as a constructive conduit between visitors and members.	During 2014/15 RVC staff attended the following networking events: Cherratta Lodge Sundowner; Tourism Connect & Tourism Boost forums, Tourism Australia, Karratha; Budget Breakfast, City of Karratha; Caravan and Camping Show, Perth; Tourism Advisory Group meetings, City of Karratha.	The RVC Management Committee now includes three tourism operators. During 2015/16 one of the KPIs for the RVC Manager is to make on-site visits to members and prospective members, to discuss business and tourism issues and solicit membership of the RVC. The RVC will improve networking efforts with the KVC and local / state government tourism agencies.
4. Promote the best tourism products and services in the Roebourne	All the staff at the RVC are long-term locals; they have an extensive knowledge of the area and know the local	During 2015/16 the RVC will focus on effective marketing, particularly in relation to tour promotion

<p>region to increase visitors' experiences, length of stay and 'word of mouth' publicity.</p>	<p>product well. The RVC receives consistently good feedback on the quality service it provides to the visitors.</p> <p>The RVC promotes all available tourism products and services to ensure that visitors not only have a great experience, but are encouraged to stay an extra day or two and provide word-of-mouth recommendations to others.</p>	<p>and attracting local residents to visit the Old Gaol.</p> <ul style="list-style-type: none"> - KPIs will include demonstrable increase in use of social media to promote RVC tours, bus charters and special events, as well as in-person promotion and tour sales at various CoK markets. Target audiences will be Grey Nomads, backpackers and residents of the wider Pilbara region - We have budgeted funds to update our website, enabling visitors to communicate and make bookings on-line. This upgrade will be done in collaboration with the KVC's website <p>KPIs will also include the development and promotion of new RVC tourism product and services, including:</p> <ul style="list-style-type: none"> - package deals with the Whim Creek Hotel - Aboriginal art tours - Specialist tours: heritage, photography wildflower, bird watching - School visit programs and tours
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<p>5. Provide high quality information and support services (physically and on-line) to enhance visitor awareness and increase their access to positive tourism experiences.</p> <p>In conjunction with the KVC, develop a digital platform as a key marketing tool and assist the local tourism industry to be able to convert using the digital platform.</p>	<p>The RVC maintains a full selection of local tourism brochures and stocks an extensive range of books on local and regional history, heritage, archaeology, flora and fauna. These are popular with those who prefer “hard copy” resources.</p> <p>We believe that the information and advice service offered to visitors by our long-term local staff is excellent, as has been repeatedly reported by visitors, however, we aim to improve our digital and social media marketing.</p> <p>A QR code is now set up and installed in the Visitor Centre cell area and will be printed on any future brochures and signage.</p> <p>Free Wifi is provided in the Old Gaol site</p> <p>Staff members Yohanna Kelly and Tracy Goscombe have completed Certificate IV studies in Travel and Tourism in June 2015.</p>	<p>From mid-August to October 2015, the RVC ran the Cossack Café. This allowed us to provide tourist information resources and to sell stock - in effect running a “satellite” RVC. This was popular with visitors and we hope to continue this service in 2016.</p> <p>We are currently working on an “Extend your stay” brochure, providing ideas for three days of activities in the locale. This will be completed before the 2016 tourist season.</p> <p>Pending 2015/16 budget targets being met, the RVC is considering engaging a curator/historian during 2016/2017 to update and improve interpretation on the 24-year-old museum cabinet and wall displays in the Old Gaol. Museum entry fees are anticipated to be \$22,000 for 2015/2016 which would justify an expenditure of \$15-20,000 on this project. Following the upgrade, the RVC would increase the entry fee to the Old Gaol Museum to an amount to be agreed, perhaps \$4 per person, with a \$10 family ticket.</p>
<p>6. Showcase the attributes of the Roebourne region (physically and on-line).</p>	<p>As above, plus staff provided a promotion booth at the Perth Caravan and Camping Show in March 2015 and the Love Where You Live expo in Roebourne in May 2015.</p>	<p>The RVC will be upgrading its website during 2016 to improve information and to enable on-line bookings and purchases.</p>

<p>7. Create a vibrant hub for community engagement.</p>	<p>The RVC is situated in the Roebourne Old Gaol and therefore hosts a heritage attraction as well as providing traditional visitor services. It also is an educational resource for visiting school classes – in 2014/15 this included Derby, Marble Bar and Baynton West schools. During 2015/16 we aim to develop some specialized school visit programs and promote more intensively with local schools.</p>	<p>Given the nature of the Old Gaol and its history, the potential for venue hire is limited, however during 2016 we will look to establish a “Friends of Roebourne History & Heritage” group, which would meet quarterly for presentations and discussions, and to independently lobby for support and funding for heritage projects. This group may incorporate a Museum Management Committee or one may be formed separately, in order to provide direction and support to Old Gaol Museum.</p> <p>The RVC will to run a local business information evening for Point Samson, Wickham and Roebourne businesses to elicit interest in ongoing events.</p>
<p>8. Develop, maintain and support strong partnerships.</p>	<p>Information provided in Partnerships and Funding Sources section above.</p>	<p>Information provided in Partnerships and Funding Sources section above.</p>
<p>9. Ensure Governance structure and best practices for the Management Committee to guide the advancement of the RVC.</p>	<p>Changes were made to the constitution in 2014 to allow the organisation to hold land and to increase the number of Committee Members to alleviate problems of attaining a quorum.</p>	<p>At our AGM in October 2015 five new Committee members were elected including a new Chair and Vice-Chair. As of the AGM there are no longer any RVC staff members sitting on the Management Committee, as per recommendation in our Strategic Plan.</p> <p>As mentioned above we intend to form a Museum Management Committee during 2016 as is standard practice for museums, in order to separate the management of the Museum from that of the RVC.</p>

<p>10. Put the RVC well on the way to a sustainable financial model. Separate the finances of the RVC and the Roebourne Old Gaol.</p>	<p>Our Strategic Plan recommended separating the finances of the Visitor Centre and the Old Gaol Museum. This has taken effect as of July 2015 and in addition the RVC's chart of accounts has been "cleaned up" in order to provide clarity on income and expenditure areas.</p> <p>Cossack Café venture: although we did not turn a profit running the café from August to October 2015, this was due to teething problems and staffing issues that we are confident we will be able to overcome should the City agree for the RVC to run the Cafe for May-October 2016. NYFL will play a key role here in providing advice, wholesale stock and one staff member at no cost to the RVC. Our budget forecasts us breaking even for 2015/16 with the ability to turn a profit in 2016/2017.</p> <p>Museum "entry by donation" was replaced with a mandatory \$3 entrance fee in January 2015. This has increased the per person average museum income from 80c to \$1.94 despite a 2015 tourist season drop in visitor numbers. The Port to Port tour fee was increased in May 2015 from \$20 to \$35.</p> <p>Our Membership fee structure was amended to a 3-tier system based on brochure display and advertising options. This has increased our income in this area.</p>	<p>Although the RVC is proud of the service it has offered to visitors, we acknowledge that future activities must focus on income-generating services, in particular tours, and that we must continually look at economies in our expenditures. The new Committee is dedicated to achieving these goals in 2015/16 and onwards.</p> <p>The Chair and Vice-Chair will be taking a very hands-on approach in relation to the financial management of the RVC and will focus on maximizing income streams, reducing expenses where possible, and ensuring adherence to budgets, Key Performance Indicators and Strategic Plan goals.</p> <p>We have engaged a bookkeeper as of October 2015, in order to enable the RVC to achieve clear quarterly goals, to ensure highest quality financial record-keeping and reporting, and to free up the Manager to focus on income-generating activities.</p>
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