Blue Mountains City Council: Economic Development & Tourism Review

Key Findings & Recommendations
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Key Findings & Recommendations

April 2020
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>4</td>
</tr>
<tr>
<td>Introduction</td>
<td>9</td>
</tr>
<tr>
<td>Context</td>
<td>10</td>
</tr>
<tr>
<td>Best Practice Governance</td>
<td>17</td>
</tr>
<tr>
<td>Stakeholder Consultation</td>
<td>18</td>
</tr>
<tr>
<td>Critical Focus Areas</td>
<td>19</td>
</tr>
<tr>
<td>Governance Lessons</td>
<td>22</td>
</tr>
<tr>
<td>Governance Review Recommendations</td>
<td>23</td>
</tr>
<tr>
<td>Recommended Governance Structure</td>
<td>35</td>
</tr>
<tr>
<td>Appendix A – Governance Models</td>
<td>36</td>
</tr>
<tr>
<td>Appendix B – Tourism Best Practice</td>
<td>38</td>
</tr>
<tr>
<td>Appendix C – Stakeholder Consultation</td>
<td>39</td>
</tr>
<tr>
<td>Appendix D – Stakeholder Survey</td>
<td>46</td>
</tr>
</tbody>
</table>
In January 2020 Blue Mountains City Council (BMCC) engaged Delos Delta to conduct an independent expert review of economic development and tourism (EDT) governance for the Blue Mountains. A summary of the review method, key insights, recommendations, and proposed governance structure is presented below.

The Review Method

This Report was informed by a range of engagement, consultation and assessment processes, including:

- Workshops and interviews with key stakeholder groups, and an online stakeholder survey
- Review of existing governance arrangements – history, context, strengths, weaknesses, risks, etc.
- Review of governance arrangements for a sample of other local government areas
- Assessment relative to best practice governance principles

Key Insights

The key insights of this Report, and their consequent implications, are summarised in the table below.

<table>
<thead>
<tr>
<th>Insight</th>
<th>Implication</th>
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<tr>
<td>There has been a significant change in the strategic and</td>
<td>Economic Development and Tourism</td>
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<td>operating environment for economic development and tourism in the</td>
<td>governance for the Blue Mountains should be updated to best accord with the</td>
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<td>Blue Mountains since the current governance arrangements were</td>
<td>new strategic environment.</td>
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<td>established.</td>
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<tr>
<td><strong>Best practice</strong> Economic Development and Tourism governance does</td>
<td>Governance should be fit-for-purpose and tailored to the objectives,</td>
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<td>not imply a single best model of governance.</td>
<td>circumstances and challenges of the Blue Mountains.</td>
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<td>Amongst the various stakeholders, there is residual</td>
<td>Economic Development and Tourism roles and responsibilities (and the</td>
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<td>uncertainty about the broader Economic Development and Tourism</td>
<td>broader governance framework itself) should be clarified, formally</td>
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<td>governance framework, and, more specifically, the roles and</td>
<td>documented, and communicated.</td>
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<td>responsibilities of the various actors including the</td>
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<td>Council and Blue Mountains Economic Enterprise (BMEE).</td>
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<td>More broadly, there is an opportunity to improve the</td>
<td>Blue Mountains to enhance documentation of Economic Development and</td>
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<td>documentation and formality of Economic Development and Tourism</td>
<td>Tourism governance, and to formalise key relationships in agreements/</td>
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<td>governance arrangements, both being critical to effective governance.</td>
<td>contracts/Memorandums of Understanding.</td>
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<td>Economic Development and Tourism strategies (being a critical</td>
<td>BMCC to coordinate development of a new Economic Development and Tourism</td>
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<td>determinant for governance and achievement of coordinated and</td>
<td>strategy in close consultation and collaboration with key stakeholders.</td>
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<td>aligned action) need to be updated.</td>
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<td>BMEE has made a significant contribution to economic development in</td>
<td>BMCC to thank BMEE for their substantive contribution and to work with the</td>
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<td>the Blue Mountains. However, the current unprecedented shocks from</td>
<td>Board to</td>
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<td>bushfires and COVID-19,</td>
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<td>Insight</td>
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<tr>
<td>combined with the need for coordinated and integrated city, economic</td>
<td>wind up BMEE in accordance with its constitution.</td>
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<td>and tourism planning, as well as strong leadership and partnerships</td>
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<td>with other levels of government and key stakeholders, necessitates a</td>
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<td>new revitalised Economic Development and Tourism governance model to</td>
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<td>drive economic recovery and sustainable economic development into the</td>
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<td>future.</td>
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<td>BMCC should move from the current ‘external’ BMEE economic development</td>
<td>BMCC to establish a new Council led and facilitated ‘partnership’ model of</td>
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<td>model to a Council led and facilitated ‘partnership’ model of economic</td>
<td>EDT governance including:</td>
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<td>development and tourism governance.</td>
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<td>➤ BMCC central governance role in leading, planning and enacting economic</td>
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<td>development and tourism strategy on behalf of City in close consultation</td>
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<td>with key stakeholders</td>
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<td>➤ Council working with other levels of government and key economic and</td>
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<td>tourism agencies to optimise outcomes for Blue Mountains</td>
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<td></td>
<td>➤ Council to establish an Expert Advisory Panel for EDT</td>
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<td></td>
<td>➤ Continuation of the Mayoral Reference Group for Business as a primary</td>
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<td>interface between Council, Regional and local Chambers of Commerce and</td>
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<td></td>
<td>local business</td>
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<td></td>
<td>➤ Formalisation of a collaborative partnership between Council and BMATA,</td>
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<td></td>
<td>bringing together local government and local industry to drive tourism</td>
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<td>outcomes</td>
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<td>Strengthening EDT governance is not a one-shot process, but depends on</td>
<td>Blue Mountains should adopt a governance ‘maturity model’ working together</td>
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<td>a long-term, formal process of collaboration, alignment of focus,</td>
<td>to strengthen and improve governance across all Economic Development and</td>
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<td>assessment and capacity building.</td>
<td>Tourism actors and relationships</td>
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Summary of Recommendations

This Report makes sixteen recommendations for the consideration of BMCC, as summarised in the table below.

<table>
<thead>
<tr>
<th>Category</th>
<th>Recommendation</th>
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<tr>
<td>Overarching</td>
<td>1. Adopt a formal and documented process of regular Economic Development and Tourism governance reviews.</td>
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<td>2. Economic Development and Tourism governance to be updated to account for changes in the strategic operating environment.</td>
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<td></td>
<td>3. BMCC to coordinate development of a dedicated Economic Development and Tourism Strategy (or strategies) that contributes to recovery in the short term and in the medium to longer term, the achievement of the community Vision for the City of Blue Mountains of A More Sustainable and Successful Blue Mountains</td>
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<td>4. BMCC to document and communicate the processes and criteria for assessing Economic Development and Tourism initiatives.</td>
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<td>5. Develop Economic Development and Tourism Funding &amp; Resourcing Framework to coordinate the allocation and deployment of resources (recognising the various players and funding sources) in alignment with the adopted Economic Development and Tourism Strategy.</td>
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<td>6. Economic Development and Tourism governance to leverage new digital models and tools to improve operations and results.</td>
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<td>Economic Development</td>
<td>7. BMCC to review Council’s Economic Development and Tourism Service, including functions and resourcing, to support delivery of coordinated and sustainable economic development and tourism outcomes for the City.</td>
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<td></td>
<td>8. BMCC to move from an ‘external’ BMEE model of Economic Development governance to a Council led and facilitated ‘partnership’ model, and, consequently, to wind up BMEE, thanking the Board for their significant contribution to the City over the last eight years.</td>
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<td>10. BMCC to affirm the Mayoral Reference Group for Business as a critical governance entity supporting local economic development and business activity within the different towns and villages of the Blue Mountains</td>
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<td>11. BMCC to affirm and document its long-standing role in tourism, and, in the shorter-term, to work with stakeholders to support a coordinated tourism recovery process in response to the impact of the bushfires and the coronavirus on visitation to the Mountains.</td>
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<td>12. BMCC and BMATA to strengthen their collaborative relationship, working to formalise arrangements in a formal Agreement.</td>
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<td>13. Broader tourism governance arrangements (accounting for Destination NSW, DSSN, Tourism Australia, National Parks &amp; Wildlife Services, et. al.) to be clarified, documented and communicated.</td>
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<td>Implementation</td>
<td>14. BMCC to establish a Governance Tiger Team to progress agreed recommendations.</td>
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<td>Category</td>
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<td></td>
<td>15. The Governance Tiger Team to coordinate ongoing communications with key stakeholders during implementation.</td>
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<td></td>
<td>16. BMCC to adopt a governance maturity model, working with key stakeholders to strengthen Economic Development and Tourism governance over time.</td>
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Proposed Governance Structure

Subject to consideration of this Report by BMCC, Delos Delta proposes an updated Economic Development and Tourism (EDT) governance structure, as represented in the diagram below. The diagram acknowledges the central role of BMCC in coordinating and progressing EDT outcomes for the City of Blue Mountains, and recognises the critical contribution of other stakeholders and entities – including other levels of governments, BMATA, National Parks & Wildlife Services (NPWS), regional and local chambers of commerce and local business (included within the Mayoral Reference Group), other tourism entities (such as Destination NSW and DSSN), and the general community.

The key structural changes proposed for Blue Mountains EDT governance are:

- The move from an ‘external’ BMEE model of ED governance to a revitalised Council led and facilitated ‘partnership’ EDT model, including the wind-up of BMEE
- A stronger role for BMCC in planning, facilitating and enacting coordinated economic development and tourism in collaborative partnership with BMATA, the Mayoral Reference Group, other levels of government and key stakeholders
- The establishment of a new Expert Advisory Panel
- The ongoing strengthening, documentation and formalisation of tourism governance arrangements for the Blue Mountains, both the collaborative relationship between BMCC and BMATA (as the key local players), as well as the arrangements with regional/state/national tourist entities (such as DSSN, Destination NSW, Tourism Australia & National Parks & Wildlife Services).

[Diagram showing the proposed governance structure]

Blue Mountains Economic Development & Tourism Outcomes

Contributing to a Sustainable and Successful Blue Mountains

BMATA

Other Tourism Entities
- DSSN
- DNSW
- Tourism Australia

Council

ELT

EDT Unit

Other Stakeholders | Community
MTNS Made, Creative Industries

Other levels of Governments

Mayoral Reference Group for Business

Expert Advisory Panel
Introduction

Blue Mountains City Council (BMCC) have undertaken a strategic review of Economic Development and Tourism activities in the Blue Mountains LGA. This review aims to investigate the effectiveness and efficiency of current systems and processes, focusing on realising benefit for the local economy, tourism and business industry.

To assist with this process, Council has engaged governance and resourcing experts, Delos Delta. Delos Delta provided objective expert advice and recommendations aimed at the continual growth and enhancement of the economic development and tourism sectors in the Blue Mountains.

The scope of this project includes assessing the efficiency of existing economic development and tourism structures and examining the current roles and mandate of Council, Blue Mountains Economic Enterprise (BMEE) and tourism stakeholders in the Blue Mountains.

Particular focus will be put on the role of BMEE and Council, and how the structures in place work to drive economic development. Based on contextual research, engagement and consultation with similarly structured Council’s, this report will make recommendations on the best options and structural arrangements to continue to build the economic opportunities of the Blue Mountains.

The review will also look at the governance arrangements between Council and the Blue Mountains Accommodation and Tourism Association (BMATA), as the peak industry member association in the Blue Mountains. BMATA is an independent member-based association, therefore this review will not make any governance recommendations to BMATA, rather it will focus on the role Council can play in delivering tourism activities.

Why is this review being undertaken?

BMEE is now in its eighth year of operation, and as a matter of good governance it is timely to review progress and achievements to date and reconfirm the roles of BMEE and Council in economic development. Additionally, there have been significant changes to the economic climate of the Blue Mountains, including the development of the Western Sydney City Deal Strategic Alliance opening up a range of economic development opportunities, as well as more recent unprecedented challenges associated with the combined impact of bushfires, major storm events and Covid-19. A review of key players in economic development will ensure the Blue Mountains remains agile and coordinated in their approach to these opportunities and challenges.

Tourism is an economically significant sector to the Blue Mountains. Changes to the structure of Tourism organisations has led to confusion and duplication of effort in Tourism activities in the Blue Mountains. This review of the structure, roles and responsibilities aims to help characterise the governance arrangements between Council and BMATA and promote collaborative, coordinated action.
The broad context of economic development and tourism in the Blue Mountains is summarised in this section.

**Strategic Context – Economic Development**

**Historical Context**
In the 2000s and early 2010s BMCC focussed its economic development attention and funding primarily on resourcing tourism outcomes, with the Council contributing over $450,000 annually to Blue Mountains Tourism Limited (BMTL). Economic development was less well-resourced a driven initially by a Manager Economic Development and after 2009 by the Manager Corporate and City Outcomes and a single economic development employee. Mostly, economic development focused on small scale initiatives, but there were notable successes including:

- Establishing the Blue Mountains World Heritage Research Institute
- Building on the City’s designation as inaugural City of the Arts including developing the Blue Mountains Cultural Centre in Katoomba (later complemented by the Blue Mountains Theatre and Community Hub in Springwood
- Building on the City’s designation as a City within a World Heritage Area including developing the World Heritage Interpretive Centre
- Securing significant funding ($3.4M) for developing the Blue Mountains Business Park, Lawson as a sustainable ‘Clean Technology Park’
- Initiating the Blue Mountains Economic Enterprise
- Initiating the Blue Mountains Business Advantage Program with more than 400 accredited businesses engaged in the program at its height
- Initiating development of the Blue Mountains Tourism brand in partnership with BMTL and Biznet
- Establishing ‘Publish Blue Mountains’

**Contemporary Context**
The governance structures of economic development currently include both the BMCC and BMEE. The BMEE was created after the 2008 Better Futures Economic Forum identified the need for an independent entity to focus on addressing the economic challenges faced by the Blue Mountains region.

BMEE was established in 2012 as a partnership between business and Council and is constituted as an independent entity, with Council as the sole shareholder and member. It is governed by a Board of Directors and employs a CEO and 2 staff. BMEE receives funding from Council to support operation and also sources grants and sponsorship agreements. Since inception BMCC has invested approximately $2.8 million into BMEE. In 2019/20 this included a core investment of $350,000 and an additional $50,000 per annum from the Council to support creative industries employment generating initiatives.
In addition to BMCC and BMEE, other key players in economic development in the Blue Mountains include:

- Local Business Chambers
- Local Village Associations
- Mayoral Reference Group for Business
- State Government
- Federal Government
- Western Sydney City Deal through the Western Sydney Investment Office
Strategic Context – Tourism

Historical Context

Historically, BMCC had worked alongside the Regional Tourism Organisation (RTO), Blue Mountains, Lithgow and Oberon Tourism (BMLOT) organisation. BMLOT was a member-based not-for-profit organisation that conducted strategic destination marketing for the region from 1998 to 2015.

To support BMLOT’s Destination Marketing and Management of the Blue Mountains BMCC entered into $200,000 per annum agreement. BMCC’s financial support of BMLOT was composed of two components - $140,000 subscription and $60,000 top-up funding. Under this agreement BMCC and BMLOT worked together to develop KPIs and progress was reported in person to the BMCC General Manager twice yearly. BMLOT was disbanded in September 2015.

In 2012, in order to focus more specifically on local destination marketing the Blue Mountains Accommodation Association (BMAA) evolved into the Blue Mountains Accommodation and Tourism Association (BMATA) – and industry-led, member-based registered Local Tourism Organisation (LTO).

The NSW Government on July 6, 2016 announced it would invest $43 million over four years in a major overhaul in the way regional and rural areas attract visitors, including the creation of six new Destination Networks throughout NSW to replace the Regional tourism Organisation structure.

Contemporary Context

Currently, the major players in Blue Mountains tourism are BMATA and BMCC. BMCC and BMATA have worked together to develop a Destination Management Plan and organise and coordinate events. In response to the 2020 bushfire crises BMCC and BMATA have a Destination Marketing Memorandum of Understanding (MOU) in place. This provides a strong basis to form a future, comprehensive MOU, clarifying roles and remits of all parties.

In addition to BMCC and BMATA, other key players in tourism in the Blue Mountains include:

- Local tourism and business operators
- Destination NSW
- Destination Sydney Surrounds South
- Tourism Australia
- NSW Government
- The Australian Government
- National Parks and Wildlife Service
Economic Development & Tourism – Key Players

Blue Mountains City Council (BMCC)

ECONOMIC DEVELOPMENT
Council has a broad role in economic development in the Blue Mountains, bringing together tourism, infrastructure, environment, industrial management, community planning as well as supporting and advocating for improved investment and employment within the City. Alongside researching and completing a piece of work on Council economic impact on the local economy, Council activities include:

- Strategy Development
  - Blue Mountains Destination Management Plan 2017
  - Blue Mountains Economic Statement 2019-2021
  - Draft Events Strategic Plan 2020-2025
  - Local Environmental Plan 2015
  - Local Strategic Planning Statement

- Events approval and promotion

- Business support
  - Regular shop vacancy audits of key town centres
  - Free business trainings offered quarterly, new procurement process training and specialised sector training

- Advocacy and partnership development
  - Some ongoing partnerships include Council’s work with BMEE and the Small Business Friendly Council program

- Recent (sector) advocacy includes Council organising economic recovery emergency meetings with the significantly bushfire affected sectors

- Infrastructure development and zoning

- Visitor infrastructure development and management

- Management of industrial estates and developments

- Facilitation of Mayoral Reference Group with Business Chambers

- Commercial property investment

- Major employer

TOURISM
In recent years, Council has demonstrated a strong commitment to tourism in the region. For example, Council has invested in local visitor information centres, key visitor infrastructure and has developed and adopted a destination management plan. BMCC also lead the Local Environmental Plan and the planning and zoning for the city – facilitating the sustainable development of tourism in the Blue Mountains. Most recently this has been evidenced through Council’s role in leading and facilitating the establishment of the Regional Strategic Alliance and the development of the Destination Management Plan.
The Regional Strategic Alliance (RSA) was a partnership between Blue Mountains, Hawkesbury and Penrith City Councils. The RSA adopted a collaborative and collective approach to tourism marketing, delivering increased awareness and visitation to the region as a whole. Its main objectives were to identify economies of scale in the development of Tourism marketing products, present a consumer-focused approach and to secure collective funding opportunities.

Key achievements during this period:

- Regional Visitor marketing campaign in market in collaboration with DNSW
- Secured Grant funding of $175,000 in its first year for development of regional tourism
- Regional signage audit of visitor signage leading to the region
- Success in developing proactive relationships with DNSW & DSSN
- Increase in famils and media coverage across the region
- Increase in regional representation of businesses in Get Connected on DNSW
- Redevelopment and update of all local websites content on DNSW
- Reframing of the region as a whole as a place to visit - increase consideration and intent to visit for the areas of Penrith and Hawkesbury and increase areas to visit for Blue Mountains
- Increase in marketing collateral for all whole of region

Blue Mountains Economic Enterprise (BMEE)

As an independent entity BMEE is able to provide the Blue Mountains with flexibility and efficiency in its delivery of services and activities. It is able to combine both public and private sector funding and leverage the skills and expertise of the private sector.

The Objectives set for BMEE as outlined in its constitution are:

- To identify, pursue and support strategies aligned to “Sustainable Blue Mountains 2025” for promoting economic activity within the City;
- To stimulate, diversify, grow and strengthen the employment base of the City;
- To encourage and foster interest in, and support by governments, trusts, grant making bodies, corporations, commerce, industry, benefactors and friends of the City for the benefit and promotion of business and economic activity in the City; and
- To achieve those broad Objectives by:
  - Encouraging economic diversification
  - Encouraging employment generation
  - Influencing planning and policy
  - Contributing to the development of a sustainable economy
  - Conducting marketing and business development to promote the area as a business destination
  - Facilitating the growth of existing businesses
Attracting investment consistent with the local environment

Stimulating economic activity

Identifying and reducing the barriers to development

Motivating local businesses to innovate

Contributing to long term planning

BMEE’s Strategic Plans guide direction and action for a period of 4 years, detailing ‘pillars for action’. In both 2013 and 2016 these pillars were:

- World heritage industry development (including tourism, food and bushfire building innovation)
- Health and well-being (including aged care and disabilities)
- Creative Industries
- Education

An updated Strategic Plan is due for release in 2020.

Over the last eight years BMEE has made a significant contribution in stimulating economic development in the Blue Mountains through advocacy, investment and support for local industry development focused on delivering outcomes against its four key strategic pillars.

Key BMEE achievements to date include:

- Establishing the annually held Bushfire Building Conference and Expo
- Investing, promoting and marketing creative industries through Mountains Made
- Establishing a monthly Salon for Creatives to meet, profile their projects and network
- Supporting local and regional industry development in such areas as brewing, local food production
- Producing a range of industry profiles
- Producing the “Post-school Pathways for Blue Mountains Young People Research Report”
Blue Mountains Accommodation and Tourism Association (BMATA)

Tourism is one of the Blue Mountains key industries and the second largest employer. Historically there have been a number of shifts in responsibility for Tourism activities, from Industry and Council and back again, dating back to the 1970s.

BMATA or Blue Mountains Tourism (BMT) has been the peak local tourism industry association since 2012, defining themselves as a tourism focussed, industry led and membership-based organisation. BMATA is comprised individuals and businesses that have an active interest in the promotion of a sustainable tourism industry in the Blue Mountains. BMATA is recognised as the official Local Tourism Organisation (LTO) for the Blue Mountains.

The Vision of BMATA is ‘to lead our industry to be the number one in NSW Regional Tourism and to provide the best tourism experience’.

BMATA’s strategic objectives are:

- Grow and Engage Membership
- Identify and build productive and collaborative stakeholder relationships (including BMCC, DNSW, TA, DSSN)
- Develop destination and in destination marketing (e.g. the Blue Mountains Brand)
- Be the recognised and respected leader of the Blue Mountains Tourism Industry
- Be a financially sustainable, well-resourced and well governed association.
**Best Practice Governance**

*Governance encompasses the system by which an organisation (or group of organisations) is controlled and operates, and the mechanisms by which it, and its people, are held to account.*

*E.g. structures, processes, contracts, performance/accountability frameworks, reporting, communication systems, evaluation*

Good governance is central to the successful operation of organisations, allowing them to work within a framework that enables and supports their objectives and drives improvement.

According to the Australian Public Service Commissioner good public sector governance is equal parts performance and conformance. So, an organisation’s governance arrangements should allow them to successfully and efficiently deliver its services while meeting legislative requirements.

A public sector governance framework should be built on the best practice principles of

- Accountability
- Transparency/openness
- Integrity
- Stewardship
- Efficiency and leadership
- Review and refine

This review of the current economic development governance systems in the Blue Mountains has leveraged the above principles to guarantee the BMCC will have a strong governance framework moving forward.

*Source: Building Better Governance, Australian Government Australian Public Service Commission, 2018*

**Governance Models**

There are various governance models that are applied by governments around the globe to the common functions for promoting economic development and tourism.

The models are myriad, but all exist on a broad continuum, which can be broken into three distinct types:

- **Internal**: where council takes a central leadership/coordinating role
- **Partnership**: where council formally partners with another entity (or entities) to coordinate and deliver economic development
- **External**: where an entity (legally) independent of council is created (or empowered) to lead economic development and/or tourism.

Within each of these three types, there are numerous individual models, each slightly different in construction. While acknowledging this diversity in detail, when assessing options, it is most useful to focus on the overarching governance types.

*Additional information and diagrams of the three basic governance models are included in Appendix A.*
Stakeholder Consultation

A critical element of this review is to engage with key stakeholders to understand, discuss and unpack areas of concern and opportunity for future success of Tourism and Economic Development in the Blue Mountains LGA. Over the course of this review Delos Delta engaged with 52 stakeholders in additional to the boards of both BMATA and BMEE. Delos Delta, on behalf of Council engaged with stakeholders via three mechanisms;

- Face-to-face workshop sessions with:
  - External economic development and tourism stakeholders
  - BMATA
  - BMEE
  - BMCC Councillors
  - BMCC Executives
- One-on-one interviews with:
  - Relevant Council Staff
  - State/regional Tourism bodies
  - Local governments who have considered undertaking, or undertaken the external economic development governance model
- Online stakeholder survey, open to all members of the Blue Mountains economic development and tourism community.

Engagement Summary

The key insights and ideas expressed during the consultation sessions are displayed below. A full summary of these consultation sessions and survey can be found in Appendix C and D.

- Some uncertainty and confusion over roles and responsibilities of Council, BMEE and BMATA in tourism and economic development
- Perception of barriers to tourism/economic development
- Perception of fragmentation and at times duplication in delivery of economic development and tourism
- Need for a clear strategy, collaboratively developed to support alignment of key stakeholders in working together with agreed focus
- Opportunities to improve communication/transparency of actions and performance
- Perception by some that Council could best support economic development/tourism through improved communications and promotion
- Opportunities to formalise the communications and feedback channels for economic development and tourism processes and activities
- Perception that accountability and performance transparency could be improved
- Opportunities to build trust and relationships within tourism and economic development sectors
Critical Focus Areas

Over the course of this review Delos Delta engaged with 52 stakeholders in additional to the boards of both BMATA and BMEE via workshops, interviews and surveys. Engagement with these stakeholders revealed the following Key Focus areas for Council and BMEE in relation to economic development and Council and its relationship with BMATA in relation to tourism.

Roles and Responsibilities

Economic Development

Discussions with stakeholders revealed that there is some uncertainty over the current roles and responsibilities of Council and BMEE with regards to driving economic development in the Blue Mountains.

Generally, stakeholders found it difficult to talk about the external governance structures in place due to uncertainty over the role of BMEE in economic development. Therefore, conversations tended to focus on the roles and actions of Council.

Approximately 63% of survey respondents defined the role of BMEE in economic development as ‘unsure’ or similar. Many of these respondents also assumed BMEE’s role was to support Council or was a part of Council. A further 16% of respondents declined to answer this question.

When prompted to define the role of Council in economic development a number of respondents were similarly unsure.

Furthermore, the BMEE Board and Members of Council acknowledged the changing nature of economic development in the Blue Mountains and the need to redefine/communicate specific roles and responsibilities to each party in economic development.

Tourism

Similar issues of uncertainty around roles and responsibilities in tourism were observed during discussions with stakeholders.

Stakeholders were generally unsure of the broader role Council plays in tourism beyond running the Visitor Information Centres and developing a Destination Management Plan. Approximately 56% of survey respondents were ‘unsure’ of the role Council plays in Tourism.

However, there was a general keenness for Council to become more involved and to collaborate with the industry.
The above observations may not reflect the reality of the roles and responsibilities; however, they do reflect the perceptions of key stakeholders within the Blue Mountains economy and tourism industry.

Good governance requires clear communication of roles and responsibilities, not just to the related parties but to the tourism and economic development sectors to ensure there is full transparency and accountability of action.

**Leadership**

Engagement discussions revealed an appetite from stakeholders and Council employees alike for BMCC to take more of a leadership and coordination role in both economic development and tourism.

12% of survey respondents identified leadership as one of the main challenges to driving economic development in the Blue Mountains.

Similarly, 12% of respondents identified leadership as one of the key ways Council can help support economic development. 13% of respondents also suggested leadership was a key way Council could help to support tourism.

The issue of leadership can be linked to both roles and responsibilities and communication of these roles and responsibilities. Good governance requires clear and defined leadership to ensure projects, initiatives, processes and systems run efficiently and effectively with all key stakeholders and partners involved.

**Strategic Direction**

In general stakeholders were uncertain about the current goals, objectives and outcomes of Council and BMEE in tourism and economic development.

Stakeholders viewed the following governance elements of both economic development and tourism as current weaknesses:

- Transparency of actions and performance
- Evidence-based strategies and policies for improved efficiency
- Timely communication of strategic objectives and priority actions

These perceptions can be linked to stakeholder's current uncertainty of Council's strategic direction in economic development and tourism.

In terms of good governance, a key way Council can boost perceptions of strategic direction is through increased collaboration and engagement opportunities. 14% of respondents viewed limited collaboration as a key challenge to driving economic development.
Communications

Stakeholder were very keen to increase communication from Council to the tourism/economic development community and from the economic development/tourism community to Council.

According to survey respondents the best way Council can support both economic development and tourism is through communications and promotion (~23%).

Effective communication and promotion have three critical aspects:

- Communication internally within Council
- Communication and transparency with key stakeholders
- Communication and promotion of tourism and economic development to the region, nation and even internationally

Essentially, all three preceding critical focus areas are dependent on clear communications and appropriate communications policies and systems to ensure the governance of tourism and economic development is efficient and effective.
**Governance Lessons**

Based on our observations throughout this review process, Delos Delta has identified a number of governance lessons to ensure BMCC are employing good governance measures in economic development and tourism into the future.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Lesson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance disagreement</td>
<td>Develop clear and measurable KPIs in consultation and agreement with all relevant parties</td>
</tr>
<tr>
<td>Uncertain roles and responsibilities</td>
<td>Define, review and redefine regularly all relevant party's roles and responsibilities. Communicate with stakeholders.</td>
</tr>
<tr>
<td>Board renewal</td>
<td>Ensure there are appropriate processes to renew, refresh and select boards to ensure the right people are in these positions</td>
</tr>
<tr>
<td>Board remuneration</td>
<td>Give consideration to board members being paid. Ensures greater accountability and gives Council additional oversight and authority with regards to performance.</td>
</tr>
<tr>
<td>Dual role of BMCC Staff and Councillors on Boards</td>
<td>Councillor's/Staff are included on boards as Council representatives/liaisons</td>
</tr>
<tr>
<td>Reporting processes</td>
<td>Increase number and method of reporting to Council. e.g. CEO/chair of BMEE could provide an economic development update and discuss with BMCC General Manager quarterly.</td>
</tr>
<tr>
<td>Dedicated review processes</td>
<td>To reflect the ever-evolving nature of economic development and tourism governance review processes ensure Council remains agile, efficient and effective</td>
</tr>
<tr>
<td>Communication</td>
<td>Increase communication with all stakeholders to collaborate, and address challenges and concerns. Ensure appropriate feedback channels are in place.</td>
</tr>
<tr>
<td>Collaboration</td>
<td>Work with industry experts and stakeholders to develop plans, strategies and performance measures to gain additional expertise and buy-in</td>
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Governance Review Recommendations

This section presents Delos Delta’s recommendations, based on our expert assessment, taking into account best practice governance principles/models, and the specific requirements, challenges and aspirations of the Blue Mountains.

These recommendations have been formulated by Delos Delta for consideration and decision by BMCC. Recommendations have been classified into four categories:

- Overarching
- Economic Development
- Tourism
- Implementation

Overarching Recommendations

1. Governance Reviews

Governance frameworks should be regularly reviewed to account for emerging opportunities, risks, new governance models, and changes in the strategic/operating environment.

Ideally, governance arrangements would be subject to a basic annual review as part of the strategic/budget planning cycles, with a more detailed review every 3-5 years.

To date, there has not been a formal process for such governance reviews in place for economic development and tourism in the Blue Mountains.

Recommendation

Adopt a formal and documented process of regular Economic Development and Tourism governance reviews.

2. The Strategic Environment

As noted above, changes in the broader strategic and operating environment are critical considerations in the ongoing appropriateness and effectiveness of associated governance arrangements.

For the Blue Mountains, there have been significant change in the strategic and operating environment for economic development and tourism since the formation of existing governance arrangements.
These changes include:

- The simultaneous macroeconomic shocks of the 2019-20 bushfires, and the Coronavirus
- The advent of the Western Sydney City Deal, and the ongoing negotiations between Federal, State and Local Governments
- The approval of the new Western Sydney Airport, which will have broad implications for the region

**Recommendation**

Economic Development and Tourism governance to be updated to account for changes in the strategic operating environment, with reference to the particular insights and directions in this Report.

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3. **Forward Strategy & Performance**

A critical subset of the strategic environment are the actual strategies that aim to direct and coordinate economic development and tourism for the Blue Mountains. Strategy and governance are fundamentally inter-dependent and should be carefully constructed to align and complement each other.

A range of strategies and policies have guided economic development and tourism in the Blue Mountains over the last decade. Nonetheless, stakeholders have identified opportunities for improvement in the broader strategic framework, relating to clarity, mandate, unity, communications, accountability, and integration/alignment with relevant governance frameworks. In addition, there was broad consensus that performance monitoring, reporting and accountability (for both economic development and for tourism) could be enhanced.

**Recommendation**

BMCC to coordinate development of a dedicated Economic Development and Tourism Strategy (or strategies) that contributes to recovery in the short term, and, in the medium to longer term, the achievement of the community Vision for the City of Blue Mountains of *A More Sustainable and Successful Blue Mountains*.

This strategy development should include a supporting economic development and tourism performance framework, and integrated consideration of optimal governance arrangements/reforms moving forward.

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4. **Decision Making Processes**

Clarity of aspiration and strategic directions are critical for effective governance. So too is certainty and transparency of decision-making criteria and processes.

Such certainty of criteria and process is even more important when economic-development and tourism proposals must be balanced against a range of interests and criteria (sometimes competing and sometimes complementary). That is to say, a particular economic development initiative will invariably be assessed not only...
against economic/business criteria but also against relevant environmental and social impacts (i.e. a triple bottom line assessment).

Certainty of criteria and process helps all parties to focus on exploring and developing high-value proposals and initiatives, with the highest likelihood of approval. It also allows objective debate and dialogue about the merits of various proposals and helps to build trust and confidence.

Through this engagement process, key stakeholders indicated their desire for an enhanced understanding of such decision-making criteria and process. (Delos Delta notes that while such criteria and process may be self-evident to Council, this certainty does not always transmit to external stakeholders and the community.)

**Recommendation**

BMCC to document and communicate the processes and criteria for assessing Economic Development and Tourism initiatives.

5. **Funding and Resourcing**

Ultimately, the success of economic development and tourism governance depends on its ability to prioritise and deploy funding and resources for planning, communication, investment and activity. Such funding and resources (people, infrastructure, skills, expertise, influence, knowledge, etc.) can and should be drawn from a range of sources, which may include:

- Government (local, state and federal)
- Relevant industry associations and membership-based groups
- The private sector in general (local, national and international)
- Academic and research partners
- Specific industries and sectors (depending on the particular priority)
- The general public (e.g. via crowdsourcing)

A mature and effective governance system supports:

- Efficient use of resources with minimum duplication
- Focus on strategic priorities
- Dialogue and negotiation of funding arrangements between various entities
- Open collaboration to identify and prioritise funding opportunities
- Clarity of financial governance and accountability
- Ability to effectively delivery programs and outcomes
- Transparency of funding arrangements and performance
- Ability to attract funding from a range of sources
- Agility and the ability to quickly respond to new risks and opportunities
Clarity of processes for the consideration and allocation of funding

There are a range of opportunities for the Blue Mountains to improve the governance and management of funding and resourcing for economic development and tourism. This is a long-term proposition, requiring ongoing effort to increase the maturity of this critical governance dimension (see Recommendation 16). As a first step, Blue Mountains should work to prepare and document an Economic Development and Tourism Funding/Resourcing Framework

**Recommendation**

Develop Economic Development and Tourism Funding & Resourcing Framework to coordinate the allocation and deployment of resources (recognising the various players and funding sources) in alignment with the adopted Economic Development and Tourism Strategy.

6. Governance in the Digital Age

Just as digital technology is disrupting business, economy and society, so too is it disrupting governance (in both the public and private sectors).

In general terms, digital technology is changing the very nature of governance itself, and the expectations of governance by stakeholders and the general public. More specifically, digital technology is:

- Increasing the ability of members and stakeholder to participate in dialogue and decisions
- Accelerating the pace and breadth of information flows
- Allowing more frequent and broader reporting (e.g. via online dashboards)
- Requiring decision-makers to collect, analyse and act on ‘big data’
- Streamlining and quickening communication between the various actors in a governance setting
- Enhancing the demand for, and supply of solutions, which increase transparency and accountability
- Enabling crowd sourcing of ideas, intelligence and proposals

**Recommendation**

Economic Development and Tourism governance to leverage new digital models and tools to improve operations and results.

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Blue Mountains City Council: Economic Development & Tourism Review
Economic Development Recommendations

7. Council’s Role in Economic Development

BMCC plays a critical role in economic development for the Blue Mountains, via a number of channels including:

- As planners and approvers of land use and development
- As coordinators of strategy and policy development
- As the central liaison point for intergovernmental collaboration and funding
- As planners and builders of local infrastructure
- As an employer
- As a capital investor
- As a property owner
- As shareholder and funder of Blue Mountains Economic Enterprise
- As the approval authority for events and festivals

Council’s role and responsibilities in this field have increased significantly over the last few years, noting in particular the changing strategic environment mentioned above. Much of this activity relates to intergovernmental collaboration, which requires direct Council involvement, and cannot be delegated to other agents, entities or individuals.

This increase in responsibility, while reflecting particular local factors, also reflects a broader national trend of local governments taking a more active role in economic development.

BMCC has a very small economic development team of circa 2 FTEs (including 1/3 of a management portfolio), which, relative to other similar-sized councils, is well below average. It is Delos Delta’s view that BMCC should increase internal resourcing for economic development functions and activities, noting that any change should be subject to a thorough internal review.

Recommendation

BMCC to review Council’s Economic Development and Tourism Service, including functions and resourcing, to support delivery of coordinated and sustainable economic development and tourism outcomes for the City.

(Note that this work will also depend on the broader Economic Development and Tourism Strategy - to be developed, as per Recommendation 3).
8. Blue Mountains Economic Enterprise

Since its establishment in 2012, BMEE has been an important element of BMCC’s economic development agenda, and has delivered many successful programs and initiatives including:

- MTNS Made
- The Australian Bushfire Building Conference
- Cluster Development Programs
- Expert private sector leadership and advice

Notwithstanding these achievements, the strategic/economic environment of 2020 is now significantly different to 2012 (when BMEE was designed and established. Key factors of difference include:

- The current and unprecedented economic shocks of the bushfires and coronavirus
- Ongoing negotiations and implementation of the Western Sydney City Deal opening up significant economic development opportunities
- The need for more closely coordinated and integrated city, economic and tourism planning to drive key economic development outcomes for the Blue Mountains (such as the attraction of a University)
- The increasing importance of the Blue Mountains as a destination for events

All the change noted above require the direct leadership and authority of the BMCC. For example, intergovernmental negotiations to coordinate economic stimulus, and authority for city planning and events approvals, all rest with BMCC, and cannot be delegated to external agents or entities (such as BMEE). In such an environment, BMEE will no longer be able to play a significant role in coordinating, leading or managing the current (and ongoing) economic priorities of the Blue Mountains. That is to say, the existing governance model for economic development is no longer optimal for the Blue Mountains, and governance should be changed accordingly.

Delos Delta consequently recommends that BMCC reform governance of economic development, moving from an ‘external’ governance model (where BMEE has lead responsibility for economic development) to a more Council led ‘partnership’ model (where BMCC in collaboration with select external partners have lead responsibility for economic development).

Such a change will require the formal wind-up of BMEE as a legal entity (in accordance with its constitution). Recognising the many successful programs and functions of BMEE, consideration should be given to how best to maintain high value assets/services of BMEE within the new governance model. (N.B. the wind-up of BMEE should be subject to formal legal advice about how best to ensure an effective and orderly transition).

**Recommendation**

BMCC to move from an ‘external’ BMEE model of Economic Development governance to a Council led and facilitated ‘partnership’ model, and, consequently, to wind up BMEE, thanking the Board for their significant contribution to the City over the last eight years.

Notwithstanding the critical and ongoing role of BMCC in economic development and tourism (see next section), Council will still need to access deep expertise and external knowledge in both fields to advance outcomes for the Blue Mountains.

With BMEE no longer playing this role, Council must be sure not to lose this valuable governance element.

To access and leverage such economic and tourism expertise, a very successful and widely used model is the Expert Advisory Panel. As the name suggest, such panels provide expert advice, experience and guidance, and do not hold any direct authority to direct or enact policies or initiatives.

The benefits of Expert Advisory Panels include:

- Direct access to deep subject matter expertise and experience
- Clarity/consolidation of accountability for action and outcomes (being vested in the entity being advised)
- Simple to establish, administer, modify and dissolve
- Increased connection to wider networks of ideas and actors
- Enhanced profile of the relevant fields

Delos Delta recommends that BMCC establish an Expert Advisory Panel for Economic Development and Tourism. While the details of this Panel should be subject to decisions of BMCC, consideration should be given to the following suggestions:

- Panel to be chaired by the Economic Development and Tourism Unit of Council (reporting to ELT and Council itself), who also provide secretariat services
- A small number of expert panellists – ideally three (minimum of 2 and maximum of 4)
- Terms of reference to be prepared by the Governance Tiger Team (see Recommendation 14) and regularly reviewed/updated
- Panel expertise aligned with strategic priorities
- Appropriate remuneration for the expert panellists
- Selection of experts with national/international standing and experience
- Regular review and refresh of the panellists
- No dedicated budget for the Panel, beyond panellist remuneration and administration – i.e. the Panel can advise Council about the allocation of funding, but does not have dedicated funding to allocate itself
- Use of digital technology to maximise the efficiency of the Panel – both meetings and collaboration

**Recommendation**

10. The Mayoral Reference Group for Business

Council recently established a Mayoral Reference Group for Business, which acts as the primary interface between Council, the various chambers of commerce, and local business in general. The primary purpose of the Group is to promote dialogue and coordinated action to advance local economic and business issues. The Reference Group has proven very effective and is positively supported by all participants.

A well-designed economic development governance framework must include local business. To this end, the Mayoral Reference Group is a robust mechanism for the Blue Mountains and should be retained as an essential component.

**Recommendation**

BMCC to affirm the Mayoral Reference Group for Business as a critical governance entity supporting local economic development and business activity within the different towns and villages of the Blue Mountains.
Tourism Recommendations

11. The Role of BMCC

Tourism is a pillar of the Blue Mountain’s economy, and, as such, BMCC has an abiding interest and role in supporting, growing and sustaining this sector. Key roles include:

- Delivering tourism infrastructure
- Collaborating with the tourist sector to support branding, marketing and promotion of the Blue Mountains
- Balancing the economic, social and environmental impacts of tourism
- Working with other governments to support tourism outcomes for the Blue Mountains
- Managing city/spatial/statutory planning aspects of tourism initiatives and activities
- Coordinating event planning and approvals
- Representing all tourism stakeholders

In the current economic environment, i.e. coronavirus and the 2019/20 bushfires, the tourist sector will bear a disproportionate impact. BMCC will need to play a larger role in tourism over the short-medium term to hibernate the industry during the coronavirus crisis and accelerate the bounce-back thereafter.

Recommendation

BMCC to affirm and document its long-standing role in tourism, and, in the shorter-term, to work with stakeholders to support a coordinated tourism recovery process in response to the impact of the bushfires and the coronavirus on visitation to the Mountains.

12. BMCC & BMATA Collaboration

A critical success factor for high-performing tourist destinations is a strong and formal collaborative arrangement between the local government and the local tourism organisation (LTO).

Best practice LTO/council governance generally includes:

- A commitment to collaboration and coordination of purpose and activity
- A formal agreement between the two parties, noting strategic objectives, roles/responsibilities, funding, communication protocols, etc.
- Collaboration to develop and deliver tourism branding, marketing and promotion
- Regular meetings between the LTO and council representatives (both elected and officers)
- Coordination of engagement with other stakeholders, e.g. Destination Networks/RTOs, State tourism entities, and Tourism Australia

While BMCC and BMATA have a good working relationship, there are opportunities to strengthen and formalise this collaboration.
BMATA and BMCC recently entered a MOU to progress the Destination Marketing Campaign (in light of the recent bushfires). The parties should continue this collaboration, working together to develop a more holistic, detailed and formal Tourism Agreement. This Agreement should address strategic objectives, roles/responsibilities, funding, governance, communication protocols, dispute resolution etc.

**Recommendation**
BMCC and BMATA to strengthen their collaborative relationship, working to formalise arrangements in a formal Agreement.

13. **Broader Tourism Governance – Roles & Responsibilities.**
The tourism sector is multi-dimensional and multi-stakeholder, and accordingly, has always had a busy governance environment. Beyond BMCC and BMATA (as discussed in Recommendations 11 and 12) it also includes:

- Other local tourist groups
- National Parks & Wildlife Services
- Destination Sydney Surrounds North
- Destination NSW
- Tourism Australia
- NSW Government
- The Australian Government

Each of these actors has an important role to play in governing and progressing tourism for Blue Mountains. To play these roles effectively depends above all on clarity of roles, responsibilities and collaborative/communication protocols.

However, based on stakeholder engagement, there remains some ongoing uncertainty about the various roles and inter-connections within this broader governance framework. Such uncertainty is easily addressed by clear documentation of this broader framework.

**Recommendation**
Broader tourism governance arrangements (accounting for Destination NSW, DSSN, Tourism Australia et. al.) to be clarified, documented and communicated. (Note that this recommendation can be progressed in parallel with Recommendations 11 and 12).
Implementation Recommendations

14. Governance Tiger Team

The recommendations put forward in this Report are multi-faceted and inter-dependent. Most critically, they involve a large number of stakeholders. Implementation will require time, effort, and collaboration.

To progress agreed recommendations, a formal working group – a Governance Tiger Team – should be established to lead and coordinate this work.

The Tiger Team should be chaired by an executive of Council, with representatives from key teams within Council, and may also include external representation.

The Team should be directly accountable to the Executive Leadership Team, and ultimately Council itself.

**Recommendation**
BMCC to establish a Governance Tiger Team to progress agreed recommendations.

15. Communications and Engagement

Throughout the engagement process, key stakeholders expressed a desire to remain engaged through implementation and beyond.

Not only is such ongoing communication/engagement desirable, for the sake of broad mandate, support, cooperation and coordination of action, it will be imperative.

As part of their Terms of Reference, the Governance Tiger Team (noted above) should manage and coordinate communication and engagement with key stakeholders to expedite and advance effective implementation of the agreed recommendations.

**Recommendation**
The Governance Tiger Team to coordinate ongoing communications with key stakeholders during implementation.
16. Governance Maturity

Implementing the agreed recommendation of this Report is not a 'one-shot' process. Enacting the broad structural changes to governance is only the first step in an ongoing multi-dimensional and multi-stakeholder process.

To be effective, these reforms must aim to build governance maturity, both of the entire governance framework, and of the individual components.

Ideally, Blue Mountains would adopt a governance maturity model, with the various actors working together to build maturity, individually and collectively.

Such a maturity model should cover critical governance dimensions and support periodic assessment of maturity (from Beginning to Developing to Embedding to Leading).

Critical governance dimensions to monitor and measure include:
- clarity of roles and responsibilities
- accountability mechanisms
- decision making processes
- performance management/outcomes
- risk management
- communication
- reporting and transparency
- capability
- collaboration and partnership
- budget and financial management
- compliance
- shareholder/member/stakeholder support and mandate

As governance maturity develops it is appropriate that entities with higher governance maturity take a leadership role, both in planning/action but also in helping to build the governance maturity of other entities.

**Recommendation**
BMCC to adopt a governance maturity model, working with key stakeholders to strengthen Economic Development and Tourism governance over time.
Based on the recommendations of this Report, the governance of economic development and tourism in the Blue Mountains is represented in the diagram below. Key points to note include:

- BMCC’s central governance role in planning and enacting economic development and tourism strategy on behalf of the Blue Mountains
- The critical collaborative relationship between Council and BMATA, bringing together local government and local industry to drive tourism outcomes
- Council will work actively with other governments (Australia, NSW and surrounding local governments, in particular) and government agencies to optimise policies and funding for the Blue Mountains
- An Advisory Panel providing expert advice to BMCC to advance key priorities
- The Mayoral Reference Group for Business will continue to be the primary interface between Council, local chambers of commerce and local businesses, aiming progress local economic development issues
- The ongoing engagement and collaboration with other regional/state/national entities to coordinate tourism and visitation investment and programs for the Blue Mountains
- BMCC to continue engagement with other key stakeholders and the community to inform and coordinate economic development and tourism plans/activities
The Governance Continuum

**Internal**
An internal governance model is where Council takes full ownership and control over all economic development and tourism functions that drive regional outcomes.

This approach provides Council with the most agency and responsibility when designing and delivering economic and tourism strategies and programs.

In practice, the Council led governance approach is still supported by input and expertise from external, independent resources. However, this support is auxiliary, and not based on specific contractual/legal relationships and obligations.

**More Possibilities**
The three governance options modelled above are three key degrees of Council ownership and governance over economic development and tourism functions in the Blue Mountains. However, there are a myriad of potential combinations regarding the possible outsourcing or retention of economic development and or tourism functions.

**DIAGRAMMATIC REPRESENTATION**

```
Economic Development & Tourism Outcomes

Council

RDA
Local Business Chamber
Other External Stakeholders
```
**Partnership**

A partnership model of governance is enacted via formal arrangement, most often where Council enters a contractual relationship with an independent entity to cooperatively drive economic and tourism functions.

**DIAGRAMMATIC REPRESENTATION**

- Economic Development & Tourism Outcomes
- Council
- Partner
- RDA
- Local Business Chamber
- Other External Stakeholders

**External**

The external governance model includes the creation of a separate, independent, legal entity to lead and coordinate economic development and/or tourism on behalf of Council and the community.

In this model, the independent entity, not only has operational responsibilities, but also sets the broader strategic agenda for economic development and tourism.

Council will generally still retain some residual functions and accountability, depending on the exact nature of the independent entity.

**DIAGRAMMATIC REPRESENTATION**

- Economic Development & Tourism Outcomes
- Council
- Independent Entity
- Regional Development Australia
- Local Business Chamber
- Other External Stakeholders
Appendix B – Tourism Best Practice

Despite governance models for economic development and tourism being on a continuum, current leaders in Tourism work collaboratively with the peak local tourism industry to help drive tourism. Best practice tourism governance according to Delos Delta’s leading tourism expert requires:

- A unified voice between Council and Industry to drive brand/reputation
- Council to support the expertise and experience of the local tourism industry
- Strong boards and leadership from all entities involved, with clear governance processes and roles and responsibilities
- A collaborative approach to strategic direction and marketing with leadership and expertise from industry
- Open approach to destination management plans with actions and objectives consistently reviewed and updated to reflect the ever-changing tourism environment
- Appropriate funding models to ensure the delivery of tourism objectives and actions
- A structured quarterly meeting with peak industry body and mayor to progress tourism actions and objectives
- A biannual presentation by peak industry body of business plan and key deliverables for the past six months, and planned deliverables for the next six

**Tropical North Queensland - Showcase**

The above best practice principles can be identified in the governance approach taken by Tourism Tropical North Queensland (TTNQ) and Cairns Regional Council. TTNQ is a membership-based organisation the focuses tourism marketing and driving tourism growth to the region. Other major bodies in tourism for Tropical North Queensland (TNQ) include:

- Advance Cairns: Membership-based economic development organisation for Tropical North Queensland, focussing on long-term outcomes
- Cairns Chamber of Commerce: Chamber that focuses how they can help foster a grow local business of all genres
- Cairns Regional Council: Major funding partner

TTNQ works in conjunction with Council to drive tourism in the region. They have been particularly effective at lobbying State and Federal Government due to their collaborative and unified approach, regardless of sector. In only 5-year incorporation.

The above best practice principles outline an ideal and mature approach to tourism governance in the current climate. It may take some time for BMCC, in collaboration with BMATA to put the systems and processes in place to develop an approach such as that in Tropical North Queensland.
Delos Delta, on behalf of Council engaged with stakeholders via three mechanisms;

- Face-to-face workshop sessions with
  - External economic development and tourism stakeholders
  - BMATA
  - BMEE
  - BMCC Councillors
  - BMCC Executives
- One-on-one interviews with
  - Relevant Council Staff
  - State/regional Tourism bodies
  - Local governments who have considered undertaking, or undertaken the external economic development governance model
- Online stakeholder survey, open to all members of the Blue Mountains economic development and tourism community

**Stakeholder Roundtable**

BMCC hosted two stakeholder roundtables attended by 18 key external stakeholders. Stakeholder included people representing; the creative industries, local businesses, business chambers and village associations, health and disability industry, transport industry and the food, beverage, accommodation and tourism industry.

**Review Impacts and Outcomes**

Roundtable attendees were asked to consider the aim of the review – to strengthen economic development and tourism governance and coordination, and to identify the outcomes of a successful review. Key Impacts and outcomes include;

- Increased openness to innovation
- Enhanced collaboration, visibility, participation and inclusion
- Enriched communications, engagement and community/industry participation
- Reduced duplication of effort and improved coordination
- Increased transparency of reporting, objectives and roles
- Strong Blue Mountains brand and reputation
- Improved communication of processes and timeliness

**Governance Challenges – Economic Development**

Roundtable attendees were asked to identify key governance challenges to economic development in the Blue Mountains. Challenges identified include:

- Transparency of roles and responsibilities of Council and BMEE
Balance of resident desires vs. business aspirations
Visibility of strategic direction, actions and objectives
Accessibility and inclusion in clusters/organisations
Communication of leadership, contact lines and process
Building and supporting innovation

Governance Challenges – Tourism
Attendees were asked to identify key governance challenges to tourism in the Blue Mountains. Challenges identified include:
- Development of Blue Mountains Brand/reputation
- Transparency of roles and responsibilities
- Value chain for tourism
- Communication of leadership, contact lines and process
- Narrow visitor branding
- Accessibility to industry groups
- Agility to leverage crisis platforms
- Communication and balance with resident needs

Synergies
Attendees were asked to consider the opportunities to improve alignment and integration of economic development and tourism governance. Ideas identified include:
- Clear definition of roles and responsibilities
- Integrated and coordinated communications within Council and externally to stakeholders
- Plug and play infrastructure – off the shelf innovative initiatives
- Coordinate with State/Federal Government
- Leverage local expertise
- Forums for listening and discussion of new ideas

Moving Forward
Attendees were asked to finish the session by identifying how we can work together to enact agreed improvements in governance and collaboration. Ideas included:
- Being open to a culture of innovation
- Ensuring two-way communication
- Employing measurable and accountable KPIs
- Ensuring transparency of process and responsibilities
- Building educations and knowledge sharing opportunities
- Underpinning our governance processes in ethical behaviour
**BMEE Workshop**

The BMEE board participated in a workshop facilitated by Delos Delta with the aim of understanding the strengths, weaknesses and ideas for BMEE and BMCC to evolve and strengthen into the future.

**Successes**

BMEE are proud of the work they’ve done to build and grow the creative industry through the MTNS MADE initiative, acknowledging this, along with the Bushfire Building Conference are amongst their greatest successes. The Bushfire Building Conference was in response to the 2013 Bushfires, which opened a number of doors to project funding. Other successes include strength, stability and corporate knowledge of the current board, ability to be a mediator between community, Council and private sector, cluster development and industry led initiatives and craft brewing.

BMEE recognise that there are a number of elements within the current governance structure that have worked better in the past and could prove to be opportunities for improvement. These opportunities include, engaging and collaborating with Council representatives and clear communications of roles and responsibilities within economic development.

**Challenges**

BMEE identified the following challenges to economic development within the current governance structure:

- Communication of roles and responsibilities
- Limited opportunities to meet and collaborate with Council
- Maintaining independence as an independent entity
- Funding processes, approvals and model
- Dual role/responsibility of councillors/council staff as BMEE directors
- Communication and setting of KPIs, objectives and action

**Solutions/Options**

In response to the challenges identified, BMEE developed the following solutions/options;

- Broaden KPI setting process to include board members and Council
- Allow BMEE to run CEO recruitment
- Workshop and document roles and responsibilities with Council
- Focus on areas that Council cannot access
- Communicate communications channels and protocols
- Director training opportunities
- Improve strategic planning processes

**Big Ideas**

In response to the review, BMEE were asked to identify ‘big ideas’ to renew and open new opportunities;

- Explore external funding
- Potential to combine economic development and tourism under its responsibilities
- Investigate education opportunities
Blue Mountains City Council: Economic Development & Tourism Review

- Look at co-working/remote working opportunities
- Explore different ownership models
- Investigate commercial/NFP models
- Developing a joint Economic Development Strategy with Council

**BMATA Workshop**

The BMATA board participated in a workshop facilitated by Delos Delta that aimed to understand how Council and the Tourism industry can better work together.

**Successes**

BMATA identified the following success for tourism within the current governance structure:

- Designated Tourism Council Staff
- Visitor Infrastructure Plan
- Collaboration with Parks NSW
- Quarterly formal meeting with Stakeholders
- Council leverage tourism collateral/magazine
- Lines of communication are improving
- Current Bushfire Recovery MOU – opportunity to continue to build
- BMT renewal
- New Visitor Information Centre
- New destination website

**Roles**

BMATA would like to see BMCC become a major partner, funding and collaborating with the Tourism industry to continue to drive the tourism economy.

**Challenges**

BMATA identified the following challenges to tourism within the current governance structure:

- Communication about tourism infrastructure
- Clarity of roles and responsibilities
- Funding arrangements
- Building trust and transparency of processes
- Local Government red-tape and streamlining processes and approvals
- Tourism skills and capacity of Council Staff – leverage BMATA
- External media/promotional campaigns

**Solutions/Options**

In response to the challenges identified, BMATA developed the following solutions/options;

- Leveraging BMATA’s expertise and experience
Increase collective accountability for tourism results
Developing a holistic performance and accountability framework including actions, KPIs and accountability
Increase evaluation/assessment of programs/campaigns
Take a collaborative approach to direct/drive tourism investment
Refresh Destination Management Plan
Streamline events approvals

Moving Forward

BMATA was asked to finish the session by identifying how they can work together with Council to enact agreed improvements in governance and collaboration. Ideas included:

- Kick goals with Council – deliver an initiative/project together
- Develop engagement protocols/plans
- Encourage BMCC to become a member of BMATA
- BMCC provide BMATA with a statement of support
- Develop opportunities to meet with Mayor
Economic Development Governance

In order to gain insight into economic development governance structures being employed by Councils across Australia, Delos Delta reviewed models currently in place at Lake Macquarie City Council, Camden Council and Liverpool City Council. These Councils have either implemented a similar governance models to that of BMCC and BMEE, or have explored this model before opting for another.

<table>
<thead>
<tr>
<th>Council</th>
<th>Lake Macquarie City Council</th>
<th>Camden Council</th>
<th>Liverpool City Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>External &amp; Internal</td>
<td>External</td>
<td>Internal</td>
</tr>
<tr>
<td>Danita is the economic development company for Lake Macquarie City</td>
<td>Camden Region Economic Taskforce (CRET) is an independent company set-up by Camden Council</td>
<td>Liverpool City Council City Economy Unit is a business unit within Council</td>
<td></td>
</tr>
</tbody>
</table>

Aims/ Objectives

- Attract investment and new business
- Promote the City as a regional business centre
- Represent business and the community in employment growth
- Support the growth of local businesses
- Facilitate partnerships
- Advise on the adoption of policies
- Job creation
- Securing investment
- Infrastructure development
- Creation of an environment that supports growth of industry and business
- Seek the advice of specialist advisors
- Work with business and other stakeholders
- Provide an environment that supports sustainable economic growth and opportunities
- Develop and implement strategic policies, projects and actions
- Guide future economic prosperity
- Build strong and consistent communications processes to ensure Council and independent entity work together in unity
- Ensure communications/objectives are built on robust governance rather than relationships and personalities
- Manage and maintain healthy relationships with all stakeholders
- Recognise the limits of your own knowledge – seek the advice of specialist advisors
- Communicate clear roles, responsibilities and expectations
- Clear leadership and communications from Council
- Independent entities should work towards the overall strategic priorities of Council
- Independent entities often have support from local business through strong engagement, trust and record of action
- Success of independent entities is based on robust governance and active management
- Commit to continual improvement/regular review of governance

One-on-one interviews with the above Council’s as well as the Blue Mountains local business chambers revealed the following key points on the issue of economic development governance:
Tourism Governance

Delos Delta reviewed the current tourism models being employed at Port Stephens Council and in the Orange Region. The current models are displayed below.

<table>
<thead>
<tr>
<th>Council</th>
<th>Port Stephens Council</th>
<th>Orange Region</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structure</strong></td>
<td>External</td>
<td>External</td>
</tr>
<tr>
<td><strong>Destination Port Stephens</strong> is a standalone not-for-profit member-based organisation supported by Council. Funding sourced from Council, other partners, grants and members</td>
<td><strong>Orange 360</strong> is an industry-based organisation, representing Orange City Council, Blaney Shire Council and Cabonne Shire Council and funded by Local Government</td>
<td></td>
</tr>
</tbody>
</table>
| **Aims/ Objectives** | ▶ Improve industry sustainability  
▶ Attract visitors from diverse markets  
▶ Develop the industry in harmony with the environment and the community  
▶ Undertake a range of marketing activities | ▶ Overall destination marketing  
▶ Visit, stay, invest structure  
▶ Develop village viability strategies  
▶ Improve links between villages |

One-on-one interviews with the above Council’s as well as Destination Sydney Surrounds north, Destination NSW, BMATA members and key Council Tourism Staff revealed the following key points on the issue of economic development governance:

▶ Develop clear roles and responsibilities – who takes the lead
▶ Outsource particular activities to industry association
▶ Formalise current relationships with contractual arrangements
▶ Opportunity to build up senior leadership/mandate/connections
▶ Build trust, cooperation and collaboration
▶ Industry play a key role in tourism in the region
▶ Potential for regional strategic alliances
▶ Sufficiently resource tourism within Council
▶ Establish clear vision for tourism and economic development
▶ Communicate decision-making tools
▶ Work to make Tourism inclusive
Appendix D – Stakeholder Survey

Delos Delta worked with BMCC to develop a stakeholder survey that aimed to identify the key challenges, strengths and gaps in the governance of economic development and tourism in the Blue Mountains. The survey was open to all stakeholders involved in the Blue Mountains economy and tourism industry and encourage respondents to think about the roles and their interactions with Council, BMEE and BMATA.

19 stakeholders responded to the survey and were predominately involved in the Blue Mountains economy as a local business owner (35%) or as a member of the tourism industry (32%).

Generally, stakeholders interact with Council, BMATA or BMEE with regards to tourism and/or economic development on a yearly (37%) or monthly basis (26%) and the overall experience is good (37%) – adequate (26%).

The survey was split into two sections to dig down into the challenges and key areas of focus for both economic development and tourism. Respondents answered questions relating to both topics.

Economic Development Survey

A summary of responses includes:

- **Respondents were asked to express in their view what the current role of Council is in economic development**:
  - Researcher and facilitator of LGA economy
  - Pro-active and agile in disaster management economic support
  - Provide the platform and support (financial or policy) to new and existing businesses
  - To advocate for business and resident stakeholders
  - Staying up to date with local business needs
  - Overseeing and approving/disapproving new development
  - Enforce policies and restrictions
  - Support all local townships
  - Economic strategic planning
  - Support tourism
  - Uncertainty over current role

- **Respondents were express in their view what the role of Council should be in economic development**:
  - Conduct additional economic research
  - Further develop its role as an enabler of the local economy
  - Continue to support tourism
  - Provide support to new and existing businesses
  - Support the promotion of all mountain areas
  - Make the Blue Mountains a place for people
  - Improve small business representation
  - Facilitate opportunities for development
  - Improve communications with business owners
  - Be a positive, fast-acting influence
  - Support and invite inward investment
  - Expand our strategic work
Respondents were asked to express in their view what the current role of BMEE is in economic development

- Uncertainty over current role
- Deliver Mountains Made and the Bushfire Conference
- Support local spending and businesses
- Generate more jobs
- Advocate and provide a voice for businesses
- Support business with information and education
- Being a conduit between businesses and Council
- Support Council
- Links businesses with opportunities
- Support the arts sector
- Stimulate investment and grow jobs

Respondents were express in their view what the role of BMEE should be in economic development

- Complementary to Council’s role
- Uncertainty over current role
- To advocate for and support local businesses
- Work with Council towards strategic goals
- Develop events and resources to assist businesses
- Assist with tourism goals
- Remain agile and flexible to take advantage of opportunity
- Facilitate (with Council) economic development
- Improve inclusivity of available support

Respondents were asked to select the main challenges to encouraging economic diversification, generating employment and fostering strategic alliances between governments and business

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red tape</td>
<td>16%</td>
</tr>
<tr>
<td>Limited collaboration</td>
<td>12%</td>
</tr>
<tr>
<td>Financing and Funding</td>
<td>10%</td>
</tr>
<tr>
<td>Leadership</td>
<td>8%</td>
</tr>
<tr>
<td>Infrastructure and access</td>
<td>6%</td>
</tr>
<tr>
<td>Risk aversion</td>
<td>4%</td>
</tr>
<tr>
<td>Skills and capability</td>
<td>2%</td>
</tr>
<tr>
<td>Competing priorities</td>
<td>2%</td>
</tr>
<tr>
<td>Coordination</td>
<td>0%</td>
</tr>
<tr>
<td>Partnerships</td>
<td>0%</td>
</tr>
<tr>
<td>Business models</td>
<td>0%</td>
</tr>
</tbody>
</table>

In terms of Council economic development governance in the Blue Mountains, respondents were asked to rate the following governance elements as either a major strength, minor strength, acceptable, minor weakness, major weakness or unsure.
Clearly defined governance and organisational structures to drive economic development

Mechanisms to ensure accountability

Transparency of actions and performance

Evidence-based strategies and policies for improved efficiency

Mechanisms to track and enforce performance measures

Strong leadership

Clear understanding of roles and procedures in decision making

Transparency of investment and return

Funding transparency

Stakeholder coordination and collaboration processes

Timely communication of strategic objectives and priority actions
Respondents were asked to identify where they thought economic development in the Blue Mountains should be focussed.

Respondents were asked to indicate how successful they thought economic development initiatives led by Council and related entities have been in the Blue Mountains.
Respondents were asked to indicate how they think Council can best support economic development.

- Communications and promotion (including Destination Marketing)
- Financing and Funding
- Infrastructure investment
- Leadership
- Collaboration and Coordination
- Better Local Services
- Partnerships
- Training and Capacity building
- Business models
Tourism Survey

A summary of responses includes:

<table>
<thead>
<tr>
<th>Respondents were asked to express in their view what the current role of Council is in tourism</th>
<th>Respondents were express in their view what the role of Council should be in tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Uncertainty over current role</td>
<td>▶ Tourism advertising</td>
</tr>
<tr>
<td>▶ Support Visitor Information Centres</td>
<td>▶ Proactive and agile to crises</td>
</tr>
<tr>
<td>▶ Developed Blue Mountains Tourist Map</td>
<td>▶ Improved marketing and support of businesses</td>
</tr>
<tr>
<td>▶ Supports and promote local businesses</td>
<td>▶ Promote the whole mountain</td>
</tr>
<tr>
<td>▶ Develop Destination Management Plan</td>
<td>▶ Improved event compliance management</td>
</tr>
<tr>
<td></td>
<td>▶ Provide tourism opportunities to local businesses</td>
</tr>
<tr>
<td></td>
<td>▶ Work with peak tourism organisations and NSW and Federal Government</td>
</tr>
<tr>
<td></td>
<td>▶ Provide timely and informative advice</td>
</tr>
<tr>
<td></td>
<td>▶ Drive Destination Plan actions</td>
</tr>
<tr>
<td></td>
<td>▶ Provide inclusive and impartial promotion of the area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondents were asked to express in their view what the current role of BMATA is in tourism</th>
<th>Respondents were express in their view what the role of BMATA should be in tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Uncertainty over current role</td>
<td>▶ Support Council in promotion of the region</td>
</tr>
<tr>
<td>▶ Promote Blue Mountains externally</td>
<td>▶ Explore funding opportunities for members</td>
</tr>
<tr>
<td>▶ Support stakeholders and members</td>
<td>▶ Support all stakeholders</td>
</tr>
<tr>
<td>▶ Deliver quarterly magazine</td>
<td>▶ Inclusive support services</td>
</tr>
<tr>
<td>▶ Develop marketing</td>
<td>▶ Primary local information centre</td>
</tr>
<tr>
<td></td>
<td>▶ Work with Council in supporting local businesses</td>
</tr>
<tr>
<td></td>
<td>▶ Build local brand</td>
</tr>
<tr>
<td></td>
<td>▶ Provide inside industry knowledge and advice to Council and stakeholders</td>
</tr>
</tbody>
</table>

In terms of Council tourism governance in the Blue Mountains, respondents were asked to rate the following governance elements as either a major strength, minor strength, acceptable, minor weakness, major weakness or unsure.
Clearly defined governance and organisational structures to drive tourism and visitation

Mechanisms to ensure accountability

Transparency of actions and performance

Evidence-based strategies and policies for improved efficiency

Mechanisms to track and enforce performance measures

Strong leadership

Clear understanding of roles and procedures in decision making

Transparency of investment and return

Funding transparency

Stakeholder coordination and collaboration processes

Timely communication of strategic objectives and priority actions

Major strength

Minor strength

Acceptable

Minor weakness

Major weakness

Unsure

52
Respondents were asked to indicate how successful they thought tourism initiatives have been in the Blue Mountains region.

Respondents were asked to indicate how they think Council can best support the tourism sector.
Respondents were asked to indicate how engaged they thought the Blue Mountains should be with the Western Sydney City Deal to support economic development and tourism.

Respondents were asked to provide other comments or feedback on the processes and governance of tourism and economic development in the Blue Mountains.

- Leverage innovative town centre place making options
- Increase communications around programs and opportunities in Economic Development and Tourism
- Diversify our economy
- Enhance inclusivity of access to groups and programs
- Increase support to small businesses
- Ensure engagement is meaningful and results communicated back to stakeholder
- Leverage and support initiatives of now discontinued partnership with Hawkesbury and Penrith Councils
- Explore options to develop internal Council capability and capacity
- Ensure appropriate KPIs and reporting mechanisms are put in place