

Tourism & Transport Forum (TTF)

A Division of Advocacy Services Australia Ltd | ABN 54 050 036 041

8th Floor | 8-10 Loftus Street | Sydney NSW 2000

PO Box R1804 | Royal Exchange NSW 1225

T +61 2 9240 2000 | F +61 2 9240 2020

E contact@ttf.org.au | www.ttf.org.au



A U S T R A L I A

Tourism & Transport Forum

10 OCT 2014

MIN. BIGNELL

7 October 2014

Hon Leon Bignell MP
Minister for Tourism
GPO Box 1533
ADELAIDE SA 5001

Dear Minister

Abolition of South Australian Tourism Commission board and merger of Adelaide Convention Centre board

I write to you in relation to the recent announcement of the government's intention to abolish the South Australian Tourism Commission (SATC) board and merge the Adelaide Convention Centre (ACC) board with that of an as-yet unidentified entity.

TTF is disappointed that the government has decided to proceed with the abolition of the SATC board and there are questions around whether or not it is appropriate to force the ACC board to merge with other agencies or facilities that may, in fact, be competitors.

TTF has consistently called for the maintenance of a board structure at SATC. It is good governance practice to have the SATC operate in a commercial environment at arm's length from government, with the oversight of an independent, business-oriented and expert board. This best-practice structure is also in place in every state and territory, except the ACT. A formally constituted board provides a clear layer of accountability for the chief executive, gives industry certainty about the rigour of the agency's strategic framework and encourages investment. Removing this level of governance unnecessarily exposes the decision-making process at SATC to the vagaries of the political cycle.

TTF has concerns that a formal consultation process with industry was not held before this decision was taken, nor a case made as to why the abolition is necessary. There has been no public ventilation of the full contents of the internal review that was undertaken on behalf of the government, nor the rationale for its recommendations. While it is understood that the government made a request for submissions from the chairs of each board and committee, there was no formal request for the views of broader industry. Likewise, the topic was not placed on the agenda of the recent tourism industry summit in Adelaide, when the views of a broad cross-section of industry could have been canvassed. Despite this, TTF provided its views to the government in a letter dated 5 August 2014 (**attached**).

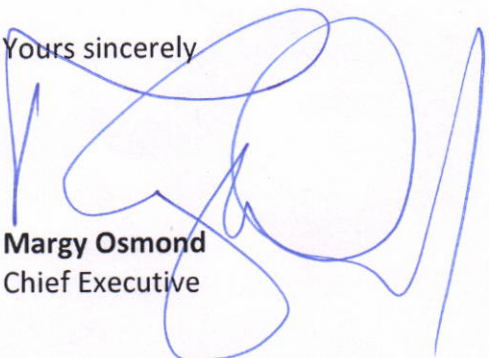
Similarly, TTF is also concerned about the industry panel that has now been proposed to replace the SATC board. While it may provide an avenue for some ongoing industry engagement, it does

not appear that its role or function will be formalised. TTF questions whether an advisory panel without any clear responsibilities under legislation, in lieu of a board that has authority to set the SATC's strategic direction, will have any substantive influence on the governance of the organisation.

Likewise, there has been insufficient detail around the proposal to merge the ACC board. Industry is concerned that an arbitrary merger of boards could impact on the commercial operations of the ACC if it is forced to merge with competitor facilities. Industry urges government to undertake a thorough review of these potential impacts before it moves ahead with any merger.

After several years of below-average performance South Australia's visitor economy finally has some positive momentum. Industry wants to ensure that the government does everything it can to allow this momentum to continue. In this respect, TTF is looking to government to reconsider its position on the abolition of the SATC board and ensure that any merger of the ACC board does not impact on its ability to compete for events.

Yours sincerely


Margy Osmond
Chief Executive

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5 August 2014

COPY

Mr Leon Bignell MP
Minister for Tourism
GPO Box 1533
ADELAIDE SA 5001

Dear Minister Bignell

Proposal to abolish government boards and committees

I write to you following the Premier's announcement of the intention to abolish all government boards and committees, effective from October 2014.

Tourism & Transport Forum (TTF) is the peak national body representing Australia's leading companies in the tourism, aviation and transport sectors, including significant interests in South Australia.

TTF has long supported the presence of an independent, commercially-oriented and expert board to oversee the strategic direction of the South Australian Tourism Commission (SATC), and we strongly oppose any proposal to abolish it. Likewise, we see a similar rationale for the retention of the Adelaide Convention Centre (ACC) board.

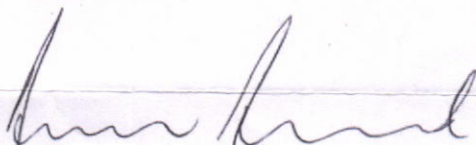
South Australia's visitor economy has increasingly positive momentum, with attention-grabbing marketing campaigns and significant investment in public assets and demand-driving infrastructure like the Adelaide Convention Centre, Adelaide Oval and the Riverbank Precinct. Removing the SATC board at this time seriously risks disrupting this momentum by creating uncertainty about the organisation's strategic direction.

While TTF recognises that the government wishes to eliminate duplication and red tape and give the community better access to government, the SATC board plays an integral part in bringing industry together and overseeing the delivery of the organisation's strategic plan. The ACC board provides important commercial oversight of an asset and a business that makes a profit for the government. The boards of both of these important organisations are able to take responsibility for the risk element of the organisation's activities while retaining full accountability to the Minister.

Removing the boards of these bodies and entrusting immediate oversight to the responsible Minister of the day will politicise the operational activity of these agencies and discourage commercial risk-taking that might otherwise expose the Minister to public criticism.

TTF strongly supports retaining these two boards as a form of cost-effective, commercially-oriented and independent oversight of some of the most important arms of the South Australian visitor economy. TTF is of the view that retaining these boards is essential to ensuring the integrity of South Australia's strategic planning for the future of its visitor economy.

Yours sincerely



Bruce Baird
Chairman

Cc: Premier Jay Weatherill MP

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2 October 2014

Hon T T Ngo
Parliament House
ADELAIDE SA 5000

Dear Mr Ngo

Abolition of South Australian Tourism Commission board and merger of Adelaide Convention Centre board

I am writing regarding the government's intention to abolish the South Australian Tourism Commission (SATC) board and merge the board of the Adelaide Convention Centre (ACC) with other, as yet unidentified agencies.

Tourism & Transport Forum (TTF) is the peak national body representing leading companies in Australia's tourism, aviation and transport sectors, including significant interests in South Australia.

South Australia's visitor economy has increasingly positive momentum, with attention-grabbing marketing campaigns and significant investment in public assets and demand-driving infrastructure like the ACC, Adelaide Oval and the Riverbank Precinct.

The decision to abolish the SATC board threatens to stall that momentum and with it the economic growth and jobs that a strong tourism industry brings.

TTF has long supported the presence of an independent, commercially-oriented and expert board to oversee the strategic direction of the SATC, and we strongly oppose any proposal to abolish it. For a relatively small amount of money, the state is able to leverage the expertise of some of the industry's most recognised contributors. We also believe there are questions around whether or not it is appropriate to force the ACC board to merge with other agencies or facilities that may, in fact, be competitors.

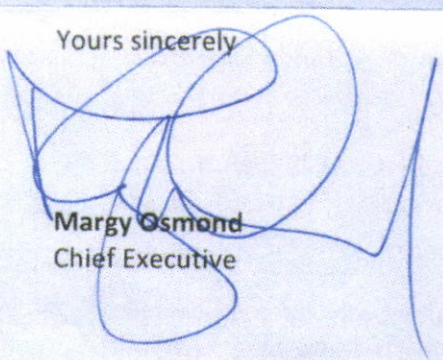
It is good governance practice to have the SATC operate in a commercial environment at arm's length from government, with the oversight of an independent, business-oriented and expert board. This best-practice structure is also in place in every state and territory, except the ACT. A formally constituted board provides a clear layer of accountability for the chief executive, gives industry certainty about the rigour of the agency's strategic framework and encourages investment. Removing this level of governance unnecessarily exposes the decision-making process at SATC to the vagaries of the political cycle and creates uncertainty for investors in South Australia.

The government has also announced that it will create an industry panel to replace the SATC board. This is a backwards step in governance for the SATC. This panel will not be formally recognised in legislation and is simply constituted at the whim of the minister of the day, with no responsibility for the organisation's strategic direction.

Industry is greatly concerned that these decisions have been made without adequate and formal consultation. The government has not made a case for the abolition of the SATC board, nor has it explained how the ACC board merger would work in practice.

TTF will continue to engage with you as this issue progresses through the Parliament, but if you would like to discuss the issue in the meantime, please do not hesitate to contact us.

Yours sincerely



Margy Osmond
Chief Executive

Hall, Tegan (PIRSA)

From: Sevenoaks, Emily <Emily.Sevenoaks@parliament.sa.gov.au>
Sent: Thursday, 9 October 2014 4:37 PM
To: PIRSA:Minister Leon Bignell
Subject: Changes to the SA Tourism Commission Board
Attachments: Tourism and Transport Forum 2 October 2014.pdf

Dear Minister Leon Bignell

The Hon Tung Ngo MLC received correspondence from the Tourism and Transport Forum about the government's intention to abolish the SA Tourism Commission board and replace it with an industry panel. It also wrote about the government's intention to merge the board of the Adelaide Convention Centre (ACC) with other agencies.

Tung is seeking information about why these changes are occurring. I have attached the correspondence for your information.

Kind regards



Emily Sevenoaks

Trainee in the office of Hon Tung Ngo

Member of the Legislative Council

Government Whip in the Legislative Council

Ph: 8237 9276

Email: emily.sevenoaks@parliament.sa.gov.au

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