

Margaret River HEART

BUSINESS UPDATE

June 2020

Contents

1. EXECUTIVE SUMMARY	4
2. BACKGROUND.....	5
2.1 Purpose of the Report	5
2.2 Introduction of Margaret River HEART Shire Management Model.....	5
3. ACTIVITY TO DATE	5
3.1 HEART Arts and Culture Grants Program	5
3.2 HEART Reference Group.....	6
3.3 Staffing.....	6
3.4 Budget	6
3.4.1 Fees and Charges Review.....	7
3.5 Arts Margaret River	8
3.6 Event Activity 2019/20	9
3.6.1 October to December 2019.....	9
3.6.2 January to June 2020	9
3.7 Marketing	9
3.7.1 Social Media.....	9
3.7.2 Website	10
3.7.3 Collateral	10
3.7.4 Signage	10
3.8 Building Operations	10
3.8.1 Critical Issues	10
3.9 General Venue Preparations	11
4. FUTURE ACTIVITY.....	11
4.1 Re-opening and Post COVID-19	12
4.2 Event Schedule	12
4.3 Essential Elements of the Strategic Direction	13
4.3.1 Revenue Generation.....	14
4.3.2 Marketing.....	16
4.3.3 Business Development – Events and Performances.....	17
4.3.4 Business Development – Business Events	18
4.3.5 Volunteer Program.....	19
4.3.6 HEART Grants/Sponsorships	20
4.3.7 HEART Public Art Work.....	20
4.3.8 Governance and Risk Management.....	20
4.3.9 Access and Inclusion	20
4.3.10 Staffing and Budget	21
APPENDIX	23

APPENDIX 1: KEY PERFORMANCE INDICATORS (Margaret River HEART)23
APPENDIX 2: STRATEGIC ALIGNMENT25
APPENDIX 3: OTHER POLICIES / FRAMEWORK.....27

1. EXECUTIVE SUMMARY

Margaret River HEART opened under a Shire managed model in October 2019.

A small team began the process of recruiting staff, managing building handover, and negotiating a transition from the management of the former facility via Arts Margaret River.

Multiple operational procedures and fact sheets have been completed, including finalising procurement contracting and terms and conditions of hire, and making a start on strategic planning. Essential facility maintenance, technical set up, and operational systems have been the major and continuing focus. There have been considerable pressures on the team due to handling facility set up whilst simultaneously delivering events.

Across the 2019/20 financial year, HEART reported 8764 attendees across 50 events (including rehearsals, small meetings, exhibitions, cinema and live performances). The first events in the new facility were hosted from March 2019 in SP1 now known as the STUDIO Theatre. (These events were conducted by Arts Margaret River as the prior venue managers).

In October 2019 the inaugural 'Strings Attached Festival' welcomed everyone to the entire facility, including the main Auditorium, Court 3, Courtyard, Sound Shell and grassed area. From November 2019, the MAIN Theatre also began hosting events.

COVID-19 forced the closure of the facility for an extended period from 23 March 2020, providing the team with vital time to tackle a long list of tasks necessary to get the new facility operational, including the launch of the HEART website in April and managing a growing social media presence.

Whilst COVID19 provided this opportunity, it also added to the pressure, undoing a lot of the progress that had been made with event organisers. The team had to work with them to reschedule confirmed events, cancel processed grants as well as the additional layer of administration around managing the COVID-19 situation in terms of safety and hygiene procedures and managing telecommute and different ways of working.

Venue Management systems including venue booking software, payment pathways, and a ticketing system have now been on-boarded. Staff training and integration work is an ongoing process.

The General Manager started with the facility at the start of February. An initial review of costs and organisational structure found that due to the centre opening prematurely in order to honour delivery of Arts Margaret River events, and with subsequent delays due to COVID-19, a slightly larger and more flexible team is required than initially forecast, in order to complete preparations whilst simultaneously delivering events. The potential to align future negotiated rates of pay with the appropriate model award under Fair Work also exists.

In the absence of current event activity, and the potential impact of touring cancellations on future calendar bookings, there is insufficient data to accurately define costs and project revenues; it may be 12-18 months before accurate predictions can be made.

The HEART team has worked closely and collaboratively with Arts Margaret River and will continue to actively support their activities, along with the activities of a number of local arts organisations moving forward.

In early 2020, the HEART Culture and Arts Grants program launched with 20 applications to the value of \$100,000. Subsequent COVID-19 cancellations reduced the overall funded amount to \$34,000 spread over 10 events. There are five additional funding applications currently under review. It is expected that there will be ongoing refinement of the overall program, the streams offered, and the application process to make it more user friendly.

To date 27 volunteers who have registered interest in working with HEART, and a recruitment drive will commence once restrictions have eased sufficiently.

The team successfully acquired a \$6,000 grant from Circuit West to conduct qualitative market research earmarked for June/July 2020. This research will provide a vital opportunity to host a dialogue with the community, particularly with groups who would not normally attend a facility like HEART. The research will offer audience development recommendations, identify strengths and weaknesses and inform strategies for the improvement and growth of the event program.

The level of enquiry pre-COVID-19 was very high, and current response from commercial operators is positive.

Event enquiries started at the introduction of Phase 2 easing of COVID-19 restrictions, and continue with Phase 3 easing. There is an indication that the incentives market (corporate team builders etc.) will be strong, as they cannot travel overseas for the foreseeable future, and the Margaret River region stands to benefit from this.

Although COVID-19 restrictions have placed some uncertainty around what the event program should look like and considerable pressure on the budget, the team is confident that the industry will recover and that there are many opportunities for the HEART to benefit from that recovery to be a very busy centre with a balance of both commercial and community activities and events.

2. BACKGROUND

2.1 Purpose of the Report

Following the endorsement of a Shire managed model for HEART at the Ordinary Council Meeting 28 August 2019, it was noted that 2019-20 is a transitional year and requested the CEO prepare a report on the operation of the HEART venue for presentation to Council in June 2020 and June 2021.

2.2 Introduction of Margaret River HEART Shire Management Model

Endorsement of the Shire management model included:

- o adoption of a Community Culture and Arts Development Fund.
- o formation of a HEART Reference Group.
- o employment of required staffing.
- o allocation of appropriate funds in the 2019-20 annual budget and Long Term Financial Plan.
- o notes that 2019/20 is a transitional year and requests the CEO to prepare a report on the operation of the HEART venue for presentation to Council in June 2020 and June 2021
- o possible financial contribution to Arts Margaret River to subsidise their ongoing operating costs. as well as offering in-kind office accommodation within the collaborative workspace of the HEART facility

It was suggested that the Shire monitor performance over an 18-month period allowing for the collation of data and costs and other requirements involved in running the HEART.

The strategic alignment and policy frameworks against which the Shire-managed model was conceptualised have been outlined in previous reports to Council and are attached at the appendix to this report for reference. This report provides an update on the above inclusions and other activities to date, and sets out some essential elements of strategy moving forward.

3. ACTIVITY TO DATE

The first events in the extended new facility were hosted from March 2019 in the STUDIO Theatre (formerly referred to as SP1). These early events were conducted by Arts Margaret River as the prior venue managers. In October 2019 the inaugural 'Strings Attached Festival' welcomed everyone to the entire facility, including the MAIN Theatre (SP2), the Exhibition Hall (Court 3), Courtyard, Sound Shell and grassed area; this was the first event delivered under the Shire management model.

COVID-19 forced the closure of the facility for an extended period from the 23rd March 2020 for 11 weeks until the Phase 3 Restrictions facilitated the re-opening of the building in June 2020.

3.1 HEART Arts and Culture Grants Program

The endorsement of the Shire management model included adoption of a Community Culture and Arts Development Fund. The inaugural HEART Culture and Arts Grants program was launched in February 2020. There were 20 successful applications to the value of \$100,000. Subsequent COVID-19 cancellations reduced the overall funded amount to \$34,000 spread over 10 events. There are five additional funding applications currently under review.

This result shows that in a normal event year, without a pandemic, there is an appetite for up to \$150,000 in funding from community organisations to run both large scale annual events that attract visitation to the region, as well as smaller community events and exhibitions, which provide a platform for local and emerging artists and establish the HEART as the cultural centre of the Capes region.

The initial Grants program was rolled out quickly due to timing, and a review has been conducted based on community feedback to ensure that future rounds provide support targeted to events appropriately.

3.2 HEART Reference Group

The endorsement of the Shire management model included the formation of a HEART Reference Group. Due to COVID-19 social distancing guidelines and an opportunity to conduct qualitative market research with the community, the formation of the reference group has been delayed; it is anticipated that this Reference Group will be in place before the June 2021 review.

3.3 Staffing

After August 2019 the Shire undertook initial workforce planning to determine staffing requirements develop position descriptions and subsequently recruited a team in a very short timeframe from September to November 2019. There are currently 18 people employed in total, equating to 5.4FTE, including some fixed term contract staff and a pool of casual staff:

General Manager	(5-year contract)
Technical Supervisor	FT Permanent
Administration Officer	FT Fixed Term Contract
Trainee	12 month FT Fixed Term Contract – 12 months
Marketing	FT Fixed Term Contract
Volunteer Supervisor	PT Fixed Term Contract
Event Support	4 x Casual
Technical Assistance	6 x Casual

The Centre opened in March 2019 in SP1 with Arts Margaret River as venue managers and numerous events were conducted. There was an agreement made with Arts Margaret River (when they were not successful for the continuation of their contract) to support their scheduled events while the Shire negotiated conditions for the opening of spaces in the newly completed centre.

The Shire had a tight turn around to recruit staff for the venue once the Shire managed model had been adopted, which that staff were working on setting up the venue whilst simultaneously delivering events. Normally a facility of this size and scale would not open to the public or stage events for a 6-12 month pre-opening period whilst staff recruitment, training, building systems implementation and pre-opening marketing is completed.

COVID-19 has delayed our capacity to test the market and train staff further and the team is still finalising development of facility procedures, systems and software. A slightly larger, flexible team is required than initially forecast, in order to complete the preparations whilst simultaneously delivering events. The team will evolve over a period of time and aligned to business growth, subject to future budget and mid year budget reviews. Where possible opportunities to offset staffing costs through the development of a motivated team of volunteers able to fill various roles including ushering and bar/kiosk service will be developed.

Due to the fact that the building is still undergoing set up and preparations, and the subsequent COVID-19 shut down of the facility and the lack of events, there is insufficient data to accurately calculate accurately how many staff will be required, noting there will be a heavy reliance on casual staff for events. The development of a business plan is also in progress, this will identify services and service levels in order to inform the workforce plan.

3.4 Budget

The initial allocation of funds in the 2019-20 annual budget and Long Term Financial Plan was reviewed as part of the 2019-20 mid year budget review and subsequently again by the General Manager. This process identified some improvements including:

- projected operational expenses
- edited budgetary codes to better track revenue against expenses
- renamed some items to make it easier for staff to code correctly
- developed a budget template for staff to follow to improve their knowledge and ownership of impact of expenditure
- projected capital expenditure reviewed
- scheduled maintenance budget reviewed.

Due to the COVID-19 shut down of the facility, and lack of events, there is insufficient data to be definitive about what the budget bottom line will look like in the 2020/2021 financial year. Costs and revenue over the next 12 months will be continually reviewed and incorporated into projections for the 2020-21 annual budget and revised Long Term Financial Plan.

Under normal circumstances, a facility of this nature would have a business plan and marketing strategy developed 6-12 months prior to opening. Pre-opening costs to establish the venue prior to opening would also normally be expected and budgeted for; in the case of the HEART this was not possible due to the late change in management.

Whilst traditionally a performing arts centre is loss-making, the HEART does have a number of functions capable of making a profit to reduce the cost to the community, these include:

- Commercial venue hire
- Food and Beverage (Catering/Kitchen Lease)
- Cinema
- Commissions on Art Sales
- Commissions on Food and Beverage
- Ticketing Commissions

The ability to offset costs through these strategies will take 2-3 years to fully determine as the HEART establishes its position and reputation in the market. Council should therefore anticipate that the 2020-21 Financial Year budget forecast is likely to remain similar for the first 3-5 years. This level of investment is required in order to support a team of staff offering a professional service which is attractive to business events hirers, to provide adequate access to the venue for community organisations, provide support to community events, and foster arts and cultural activities. The objective would be to increase revenue annually to offset and reduce the net cost over time.

This contribution is similar to the support provided to libraries and the recreation centre, with the added bonus that the HEART, as a tourism asset, will attract visitation to region, providing return on investment in terms of social and economic benefit across the region, as well as actual revenue returned to the HEART.

3.4.1 Fees and Charges Review

During 2019-20 a review of the venue hire Fees and Charges was conducted with recommendations for several recommendations to bring the fees and charges into line with industry standards.

Fees and Charges recommendations include:

- Reduced to 2 x streams – Commercial and Not for Profit (with discretion in delivering client cost estimates particularly for Community Groups)
- Essential increases in ticketing fees to meet industry standards and increase revenue streams.
- Deletion and addition of some items.
- Included clauses in explanation of fees and charges and to explain Deposit and Cancellation fees.

This is a key component of ensuring that the HEART is competitive both in its own right and as a midpoint venue between the BREC in Bunbury and Albany Entertainment Centre. Striking the right balance between commercial and community activation will require a degree of flexibility to offer incentives to potential hirers, particularly in the commercial marketplace.

The request to amend the delegation to grant concessions, waive or write off debts under s6.12 of the Local Government Act 1995 to provide the necessary flexibility in relation to event fee structures and timing that allow the HEART to effectively and efficiently operate in a commercial environment is included in the Council report and recommendations.

This will enable the Shire to win and retain business that provides both a quantitative and qualitative return to the Shire and the Community.

The HEART acts as a business unit aiming to maximise cost recovery through engagement with commercial and community hirers. Where possible full fees will be levied and/or organisations will be encouraged to apply for HEART or other State Government grants to assist. However, in some circumstances waiving, discounting or subsidising fees may be necessary in order to:

- Win business over competitors and enable HEART to generate revenue through such events.
- Attract events that meet non-financial KPIs for the organisation.

The recommendation to increase the value to which fees and charges can be waived to a maximum value of \$25,000 will allow for circumstances where in kind support is provided to commercial and community event users of the HEART via waivers of venue fees and charges. This would give HEART the flexibility to use dynamic pricing to assist both community access to the facility and to win business in a commercial environment.

For example, to assist some community organisations, we could offer venue hire waiver, and/or 50% off other fees, including labour. This would mean, however, that the HEART budget would need to reflect this shortfall in revenue and subsequent support in wages and salaries.

It is recommended that in future where community groups indicate they are not able to pay estimated costs; the HEART could negotiate:

- Reduction of fees by application of the CEO Venue Hire Fee Waiver and offer up to 50% off other fees
- Engage the group to apply for the HEART Grants – which are designed to subsidise community access to the venue.
- Negotiate a mutually beneficial HEART sponsorship arrangement

In 2021 the Fees and Charges will again be reviewed following a full 12-month period of operation and collating associated financial data against which to cost actual building expenses to ensure fees and charges are contributing sufficiently to cost recovery whilst also remaining competitive. (NOTE: COVID-19 event cancellations could mean that we still do not have an indicative 12-month period of full operations).

Future reviews of standard venue hire charges will include decisions around the need to include an allocation for a Venue Supervisor and Duty Manager and standard cleaning within the standard rates.

3.5 Arts Margaret River

The former Cultural Centre was subject to a Licence agreement with Arts Margaret River (AMR) for exclusive management from 2 December 2013 until 31 Dec 2019.

However, the User Agreement superseded the Licence agreement to AMR which meant the Shire took on exclusive management of the venue from 4 October 2019 until 31 Dec 2019. This is when the Shire took over bookings etc.

The Shire and HEART teams have enjoyed positive collaborations with AMR in recent months with discussions around programming, exhibitions, and working collaboratively moving forward. AMR successfully applied for a number of HEART Grants, totalling over \$60,000 to support the Readers and Writers Festival, art exhibitions and a robust program of live performances for 2020. Unfortunately, most of these events were cancelled due to COVID-19.

Endorsement of the Shire management model for the HEART included:

- possible financial contribution to AMR to subsidise their ongoing operating costs

Result: In late 2019 the Shire endorsed an agreement with AMR to pay \$50,000 annually to support administration.

- offering in-kind office accommodation within the collaborative workspace of the HEART facility

Result: Discussion ongoing.

In May 2020, AMR appointed a new Board of Directors. The new Board has indicated they will be conducting a review of activities and will be looking to work closely and collaboratively with the HEART moving forward. A meeting between

the new AMR President and Treasurer and the Shire's CEO, Director Corporate and Community Services and HEART General Manager was held in late May. Arts Margaret River indicated that it would be necessary for their organisation's viability to be able to access HEART Grants to cover the costs of venue hire, technical and staffing costs for their performing arts program moving forward, which is likely to be around 8 – 10 activities annually.

The AMR team will remove materials and equipment currently still in storage at the HEART before the end of this financial year.

3.6 Event Activity 2019/20

The HEART reports total attendance of 8,764 to date over approximately 50 events (including rehearsals, small meetings, exhibitions, cinema and live performance).

3.6.1 October to December 2019

During this quarter there were 12 live performances, and in total there were 6259 attendees across all events including small meetings and school awards and exhibitions..

A successful inaugural event was 'Strings Attached' in October 2019 for the HEART.

3.6.2 January to June 2020

The HEART hosted 11 events with 2,505 in attendance for the quarter. A successful inaugural concert, The Waifs, was entrepreneured by the HEART in partnership with The River Hotel in January, attracting more than 700 patrons over two nights.

A Community Open Day was scheduled for 4 April 2020 but was unable to take place due to Covid 19

A significant amount of staff time has been spent in liaison with event planners, identifying requirements, explaining the facility, and assessing suitability and timing. Work has included:

- 120+ enquiries processed over the quarter and loaded into our Venue Booking System
- 8 events have been processed and confirmed (including Global Eco Tourism Conference)
- 35 events lost due to COVID-19
 - estimated \$94,000 lost revenue (including HEART Grant Program revenue)
 - approximately 300 room nights lost over 13 events (generating \$60,000 - \$100,000 in lost revenue to the local economy)
 - approximately 6,500 in lost centre attendances
- 10 COVID-19 cancellations have re-booked
- 42 leads to be followed up - including several National live performance touring promoters. Overall 16 of 42 are anticipated to confirm between August 2020 and July 2021.

3.7 Marketing

3.7.1 Social Media

A social media strategy and guidelines have been developed; the team has concentrated on digital media with daily posts scheduled 2 – 4 weeks ahead, and has had the following record of engagement to date:

	Jan-20	Apr-20	May-20
HEART - Facebook	298	694	857
<i>% increase month on month</i>		57%	19%
HEART - Instagram	20	300	410

<i>% increase month on month</i>		93%	27%
----------------------------------	--	-----	-----

3.7.2 Website

The HEART website underwent a soft launch in April 2020, some additional development work is still required which should be completed over the next 6 – 12 months.

Recent examples of this type of web redevelopment include the building of a portal of “Member Registration” and for “Volunteer Information and Registration”.

3.7.3 Collateral

A myriad of printed materials and templates are required to effectively market the venue and sufficiently inform hiring clients of the specifications and venue requirements. Some progress has been made, with a great deal of work still in progress. The HEART needs collateral which tells the story of how the centre spaces can best be utilised – to better explain the facility to remote event planners to understand how their events will work in the spaces.

COMPLETED	TO BE DEVELOPED
<i>2 page Fact Sheet for Business Events</i>	<i>Floor Plans – Various Layouts</i>
<i>Support Services</i>	<i>More imagery – various layouts/events</i>
<i>Venue Specifications</i>	<i>Bid Template</i>
<i>Generic Floor Plans</i>	<i>Sponsorship Packages</i>
<i>Generic Imagery</i>	<i>Membership Packages</i>
<i>Volunteering Documents</i>	<i>Newsletter Template > PULSE Newsletter</i>
<i>HEART Grant Documents</i>	<i>Development of EDM's from Ticketing Software</i>

3.7.4 Signage

Some internal wayfinding signage will be installed in June/July 2020. External signage plans are still under consideration and pending budget approval for next financial year. The electronic signage external to HEART remains problematic with no current option but to re-build the unit. As the signage is small, and not visible from roadside, being turned off during school drop off times, this signage has limited capacity to promote the venue. It is proposed to better utilise this asset by re-purposing the screen, potentially to assist with scoreboard signage for the oval.

3.8 Building Operations

The Shire maintenance team has responsibility for looking after HEART building maintenance. However, the HEART team also contribute staff time to building maintenance to ensure every maintenance booking avoids clashes with events/hires.

It is crucial for the Technical Supervisor to be across any maintenance issues due to interconnection with the highly technical equipment installations in the building. Duty Managers need an intimate understanding of fire systems in order to problem solve if they are called upon to do so during events.

The Technical Supervisor installs and maintains the highly technical systems and is currently monitoring all current maintenance issues as well as assisting with defect management as part of the final building hand over.

This is a considerable project taking time away from the purely technical elements of the Technical Supervisor's position.

3.8.1 Critical Issues

The team is currently working closely with architects, mechanical engineers and certifiers to bring the original theatre and back stage area to the required standards under the Building Code for fire safety. This is anticipated to require a three-week shutdown for rectifications works at a potential cost of \$150,000 – \$300,000.

A refit to the retractable seating in the STUDIO Theatre is required, at a cost of approximately \$90,000. Delivery is not anticipated to be until early 2021 (mid-Jan/mid-Feb) due to Covid 19, and there will be potentially 4 weeks' downtime whilst the re-fit takes place. The seats will be funded from funds retained in the construction project budget.

The technical team is still being trained to use specialist equipment and systems.

The team is reviewing options for cleaning staff including the potential sharing of both cleaning equipment and staff across the HEART and Recreation Centre.

There are some recently identified issues with air flow in the MAIN theatre which could be improved with some elements of proposed works to rectify the fire safety to building code.

3.9 General Venue Preparations

The team has been implementing vital building systems and operations preparations whilst simultaneously delivering events, however the building is still in a state of semi-preparedness. The COVID-19 downtime has allowed some additional work to be completed although more preparation time is required. The following is an overview of general activities to date:

- Marketing and promotional activity to attract events has begun with the General Manager reaching out to seven national touring promoters from the Eastern states, as well as active relationship building with local tourism organisations, regional and national touring organisations and Business Events Perth.
- Venue Management Software – Venue Ops (Selection and implementation).
 - Training and optimisation will continue into 2021.
 - Full integration into finance will be dependent on allocation of resource to implement API integration.
- Venue Hire Agreements, Terms and Conditions of Hire and Cost Estimate Templates developed
- Centre OSH requirements review, consultation and preparation of documentation (Evac Plans, First Aid etc.).
- Accessibility Review and report completed.
- Ticketing Software – on boarding completed April
 - Training and optimisation will continue into 2021.
 - Full integration into finance will be dependent on allocation of resource to implement API integration.
- Waste Management processes defined.
- Procurement – cleaning equipment/storage cupboards/shelving/coat racks.
- Procurement – technical equipment (ongoing).
- Installation – technical equipment (ongoing).
- Ongoing focus on technical equipment set up and staff training.
- Asset Register – 70% completed.
- Developed an approach for Community Cinema – cancelled due to COVID-19.
- HEART Open Day – and call to action for volunteers - cancelled due to COVID-19.
- Library of images built – requires additional work.
- Scope of Work for Cleaning – completed.
- Training Needs Analysis (TNA) and Probationary reviews completed for 18 staff simultaneously.
- Guides for bookings processes and templates to guide staff in client liaison have been developed.
- Initial events industry networking has commenced (joining several industry associations in order to establish close ties with the performing arts and events industries).
- Multiple operational procedures and fact sheets completed, including finalising procurement contract and Terms and Conditions of hire, and making a start on strategic planning.
- Essential facility maintenance and technical set up has been a focus with the team also improving waste management, and directional signage.
- Worked with local furniture suppliers to procure furnishings including use of timber from original cultural centre in tables > progressing.
- With the Shire Environmental Health Officer, successfully applied for an extension of licence to cover the grassed area and soundshell in the Shire Precinct.

4. FUTURE ACTIVITY

4.1 Re-opening and Post COVID-19

The team has drafted a COVID-19 Safety Plan and is working closely with industry leaders to plan for re-opening in June with processes in place, which bring uniformity to the way events are managed and attendances to indoor entertainment venues are handled.

Attendance capacity will change under the 2m x 2m (1.5m spacing) guidelines to the following:

- MAIN theatre > 100 pax (from 444pax)
- STUDIO theatre > 40 pax (from 160pax)
- Grassed Area/Soundshell > 189 pax (from 400 pax)

This will impact the HEART's ability to:

- Earn revenue
- Sell the venue to hirers who will not withstand reduced ticketing return/registrations to meetings
- Meet attendance KPIs
- Maintain budget due to increased cleaning costs

However the HEART remains the largest venue in the Shire which will create revenue raising opportunities, particularly in the small meetings space with enquiries already occurring.

Opportunities	Threats
<i>Small distanced meetings (large venue)</i>	<i>No interstate travel – fewer commercial touring hires</i>
<i>Promotion of local WA tours (promoting local talent)</i>	<i>Costs of cleaning</i>
<i>Curate local artists as a gallery space and earn commissions</i>	<i>Online Meetings</i>
<i>More discretionary income – no o/s travel</i>	<i>Limited capacities</i>
<i>National research shows 80% of people 'want' to return to entertainment venues</i>	
<i>Look into 1-person shows/cabaret performances</i>	
<i>Live Streaming – fee for service</i>	

Proposed Activity Includes:

- Opening Monday 10am–12noon for over 60's only in the exhibition space with the potential inclusion of a morning movie in late June/July
- Brought forward Michael Wise exhibition, "Hugh Mann"
- Cinema launch by the end of June with procurement in progress and planning for the July school holiday period
- Small meeting enquiries and a community event booking enquiry processed
- Hosting a volunteer induction sundowner event Tuesday 23rd June – pending
- Promoting small meetings and small gatherings as much as possible.
- South West Shorts on the 1st August will be the HEART's first performance (funding pending)

Some of the ways the HEART can collaborate with local organisations to overcome the impact of COVID-19 include:

- One-person cabaret shows or performances, comedy, one-person theatre performances etc. - we can't perform main shows with social distancing.
- Incorporating a small audience with private Live Streaming.
- Non-performance based arts such as cabernet & canvas group art classes, school holiday small workshops and games nights to remain connected with our audiences until the full program can resume
- Collaboration with the Notes4Notes initiative with Creative Corner hosting artists in the facility for the filming of online performances.

4.2 Event Schedule

Judging from the level of enquiry experienced in January and February, and the level of enquiry prior to Phase 3 relaxation of restrictions a high level of interest from commercial and community hirers moving forward is expected. Despite COVID-19 and the delay in preparations and marketing, the HEART is in a solid position looking into the 2020/2021 event schedule. From July 2020 to July 2021 the current schedule includes:

- 8 confirmed events
- 16 solid tentative holds
- 26 leads
- Anticipated attendances sitting at 4,000 pax currently

NOTE:

- 35 events were lost to COVID-19
- 21 tentative holds for events post July 2021

Amongst the eight confirmed events are some annual repeat events which have proven to be very popular with both community and visitors, including the Margaret River Wine Association's Langton's Wine Show, Strings Attached and a Mini Readers and Writer's Festival, booked for January (pending author travel).

The first confirmed conference, the 2020 Global Eco Tourism Conference is booked for early December 2020 and will showcase the venue on a State and National stage.

There has been a high level of enquiry from artists to utilise the space for exhibitions. Artists with upcoming exhibitions include Michael Wise with "The Hugh Mann Project", Chris Young with "Eight – The Shift" and potentially an exhibition with Aiden Lee Smith. The team will also be meeting with Art on the Move to look at the potential for hosting State, and National touring exhibitions at the venue, as well as working with Margaret River SHS and TAFE on their student exhibitions.

Future potential events include the Western Australian Symphony Orchestra and the West Australian Opera, and a second national conference lead.

There has been a positive response to reaching out to promoters of music, comedy and children's shows from the Eastern States. We currently have tentative bookings for tribute shows including Queen, the Beatles, and Elvis, and an indicated possibility of hosting the Russian Ballet in 2022. We also have interest from comedy performances such as Jimeoin and Nat's What I Reckon.

Should social distancing guidelines permit, the HEART will host the acclaimed indigenous dance group Djuki Mala in October. This will be the first show the HEART will have fully entrepreneured (owned), and full cost recovery through ticket sales is anticipated. There will also be youth workshops available with the performance.

The team is developing a staged re-introduction of socially distanced cinema and has been working with local event planners to program cinema to complement regional events, such as hosting surfing themed cinema during the 2021 Margaret River Pro.

4.3 Essential Elements of the Strategic Direction

The HEART Business Plan and Service Profile are in draft and will be progressed over the next 12 – 18 months. The General Manager is awaiting opportunity post COVID-19 to liaise/consult more widely with stakeholders. Outcomes from the following will inform the HEART business plan:

- the SWDC funded South West Business Events Strategy > in progress
- results of qualitative market research in the community > in progress June/July 2019
- staff consultation
- consultation via the future potential establishment of the HEART Reference Group
- Creative Culture Plan 2020 – 2025 (Draft)
- Public Art Policy 2020

At the heart of any business plan are opportunities to create new pathways for the community and potential hirers to get to know the HEART.

Some essential elements of the strategic direction for the centre are as outlined below.

4.3.1 Revenue Generation

The HEART, as a public facility, has a responsibility to offer premium services at affordable pricing, whilst simultaneously reducing the cost to the community by aiming to optimise cost recovery. The HEART Business Plan will incorporate key actions which improve the venue's financial viability in order to reduce the reliance on ratepayer funding. There is a community perception that the venue will be offered for use by community groups at little to no charge, and that community volunteers will 'run' events. However, as a Shire managed facility, event management requires duty of care, governance, and the maintenance of a professional service level at the facility which will require HEART inducted volunteers and staff to oversee event management, which in turn incurs salary expenditure. Where community groups are unable to cover the cost of wages required to host an event at the HEART, the Shire will need to budget for those costs.

The ability to reinvest profits generated back into the HEART to ensure operating and maintenance cost can be met i.e. profits returned directly to the venue not a third party.

- **VENUE HIRE** > Commercial hirers will drive venue hire and ticketing service revenue. They will demand premium services at affordable pricing with professional trained staff on hand to assist with event delivery.

To appeal to commercial theatrical hires as well as meetings and incentives markets, the HEART will need professional and prompt sales and service and scheduling availability. To date, it appears the commercial hire rates are meeting market expectations, however there has been some push-back on staff pricing.

As a leader in event management regionally, and a premium offering to both community and commercial groups, the HEART has a mandate to provide a level of professional service and to build a reputation for the same.

Most community groups have applied for funding to cover staff costs and there has been resistance from some community groups regarding the costs of hire. To date, HEART management has indicated to community groups that we are willing to work together and negotiate mutually beneficial outcomes whilst there has been some suggestion to hand over the building to community event organisers and allow them to run their event themselves in a 'dry hire' arrangement.

Should this option be pursued further Council will need to consider all potential consequences such as:

- Ability for the Shire to manage risk (Emergency evac./Insurance)
- Image of the HEART brand
- Protecting building fixtures and equipment
- Reputational risk, i.e. perception of inconsistencies in service delivery

Another alternative is for Council to accept that there will need to be a level of funding provided to the HEART budget to cover the staffing of community group events. This is the preferred option to ensure that the risks to the Shire (financial, physical and reputational) are minimised.

Original proposals suggested income from conferencing could be reinvested to ensure operating and maintenance costs can be met, and to 'fund' community hires. However it should be noted that conference attraction is a 3 – 5 year process, and although there are attractive elements to the facility and the region, the facility cannot rely solely on conferencing income to balance the budget.

The HEART will be targeting and attracting enquiries and bookings from the following classifications of hire:

- Straight Commercial/Community Hire
- Business events attracting overnight accommodation/visitation to region
- Performances attracting overnight accommodation/visitation to region
- Entrepreneurial Performances (where the HEART takes the financial risk on a live performance or event)
- Box Office Split (where the HEART and the promoter share in ticket revenue)

- Minimum Guarantee (where there is a flat fee and following a box office split)
 - Share/Risk (can take many forms in different ways)
 - Community partnerships which have one or all of the following benefits for the Shire:
 - Expansion of locally based cultural industries
 - Increase social capital and the cultural economy
 - Contribute to community well being
 - Foster audience development
- **BEVERAGE/BAR** > All clients, including community groups, will eventually move to a model where the HEART manages beverage sales. As well as providing a revenue stream, this reduces risk to the Shire as approved managers control responsible service of alcohol.

The team is working with local producers to incorporate as much local produce as possible into the bar and kiosk menu. Wineries are being approached with offers to collaborate.

- **CATERING** > In the short term, the facility will develop a list of non-exclusive 'preferred suppliers' with Shire registration, to share with event organisers who require catering at their events, and potentially take a 10% commission on catering referrals. In the longer term, the HEART may need to consider upgrades to the now semi-commercial kitchen to allow for the possibility of a potential lease where the lessee would be an exclusive caterer to all HEART events, with commission to the HEART, whilst also operating an external catering service and paying the HEART for use of the kitchen.

Additionally in the short to medium term, options are being explored to have 2 – 3 small operators on short term 'kitchen hire' arrangements. Margaret River has a number of caterers and entrepreneurs who are looking for kitchen space to hire. There are also a number of people locally responding to COVID-19 with 'takeaway' business requiring kitchen space. The HEART could offer the kitchen for a small hire fee daily to assist these small businesses and add value to the takeaway dining offering for both tourists and the community. Work with the procurement team on this option is underway to determine if this is a workable proposition.

- **CINEMA** > Cinema has traditionally been well attended and was at times a solid revenue earner for the previous management at the original Cultural Centre, although it reportedly ran at a loss in 2019. Community appetite across a variety of demographics will be tested in the qualitative research project to determine the best model to maximise cost recovery opportunities..

The Cinema program moving forward will be developed in consideration of the following:

- COVID-19, and uncertainty around social gatherings moving forward
- Increased demand for online services
- To be attractive to a broad cross section of the community including adults, children and families

The annual calendar needs to have periods of 'availability' for potential commercial hires (to allow pro-active engagement with conference and commercial theatrical operators there needs to be flexibility in event scheduling). This means that regular cinema scheduling may not always be possible, however, the team will target quiet seasons and school holidays to provide a cinema-going experience to the community.

- **GRANTS/SPONSORSHIPS** > There are a number of grants programs to which HEART can apply, and the team is keeping up to date with opportunities and will make regular applications. COVID-19 has changed the grants application landscape somewhat. The team has researched relevant funding programs and will progress applications for:
 - Qualitative Research Project \$6K > Grant application in May 2020 was successful. A component of the project will allow for consultant to host individual interviews with key regional stakeholders to assist us in forging partnerships and offering sponsorship opportunities
 - Department of Local Government, Sport and Cultural Industries (DLGSC)> Arts U-\$15K Research indicates that our plans to develop our social media marketing would be eligible for a grant from this program. Considering:
 - Maximisation of revenue from ticketing services

- Optimisation of links from social media to ticketing
- Automation of direct marketing from ticketing system

The team is currently submitting a grant application for U\$15K and optimistic of success. The grant will support strategy development and assist the HEART in maximising opportunities for earning revenue.

Other grants which are under investigation include, but are not limited to:

- Arts Organisations Investment Program
- Australia Council for the Arts (many diverted to COVID relief)
- Visions of Australia
- Commonwealth Government's Festivals Australia grants
- [Regional Economic Development Grants \(RED\)](#), grants up to \$250K
- Regional Arts and Culture Investment Program (RACIP)
- [Regional Arts WA](#)
- [Regional and Remote Festivals Fund](#)
- The Department Primary Industry Regional Development Regional and Remote Touring Fund
- Department of Culture and the Arts (Arts Organisation Investment Program)
- Lotterywest and Healthway grants (on hold for COVID relief)

To date, local government organisations have been excluded from eligibility for many of the COVID-19 relief/recovery grants. Many of the above have re-directed funding for the interim.

- **SPONSORSHIP** > a sponsorship invitation for business to 'sponsor' HEART activities is under development.
- **MEMBERSHIP** > The team is working through guidelines and incentives to incorporate into a HEART membership program which we hope will be ready to release in the next couple of months, in time to promote some of the post COVID-19 events.
- **OPENING HOURS** > The decision not to open on weekends was made due to the high cost of weekend labour. The team will reinvestigate options, and consider potentially having voluntary support on weekends particularly if foyer art sales program is attracting footfall from weekend tourism.

4.3.2 Marketing

- **DATABASE** > There is a priority focus on digital media messaging and engagement. A healthy database is required to reach people cost effectively with event news, to encourage ticket sales, and be able to on-sell that database to attract promoters.
- **INDUSTRY AWARENESS** > Industry awareness and in-market sales and promotion of the new facility has commenced to a targeted list of live performance industry contacts. The initial response has been very favourable, with 4 tentative bookings in place already. Ideally this would have been done 12 months ago, it will be at least 12 months before the full impact can be determined in the form of confirmed bookings.
- **STRATEGIC ALLIANCES** > At local, state and national levels, setting up industry networks and memberships has begun:
 - MRBTA
 - Live Performance Australia
 - Performing Arts Connections Australia (PAC)
 - Arts Hub
 - Circuit West
 - Business Events Perth
 - MRCCI
 - Industry Leaders Forum
 - Art on the Move

- **MARKET RESEARCH** > The qualitative market research grant of \$6K was recently awarded by Circuit West to be conducted in June/July 2020. This research will provide, amongst other things, audience development recommendations – including audience segmentation and targeted marketing through audience segmentation. It will help the HEART identify strengths and weaknesses in current audience breakdown and provide an action plan / strategy for improvement and growth.
- **DIGITAL ACTION PLAN** > To identify opportunities for improvement, growth and success with digital marketing activity for the Centre, map current use of digital technology and set careful, measurable and achievable digital marketing goals and guidelines for the future.
- **PULSE NEWSLETTER** > Inaugural edition is currently under development (pending restrictions easing). This will be a monthly online and print publication to publicise events and ‘on-sales’.
- **COMMUNICATIONS** > The HEART will stay in touch with the community with regular communications on upcoming events and opportunities for collaboration.
- **CALENDAR MANAGEMENT** > The demand for event facilities fluctuates which makes it difficult to accurately predict costs and revenue. The key to overcome this is to secure annual repeat business to reduce the fluctuations. The HEART’s target is to see 30 – 40% of annual events scheduled with repeat business. This allows some consistency in forecasting base revenue, and busy periods, downtimes for maintenance, staffing levels and suitable times for staff to take leave.

4.3.3 Business Development – Events and Performances

Currently many of the live performances to be hosted at the HEART are hires via Arts Margaret River and the work they do through the national touring circuit. The HEART will also entrepreneur some shows from that circuit from time to time and in consultation with Arts Margaret River, to avoid programming clashes.

There is a very high level of enquiry for use from the local community; this will continue to be an important scheduling component to maximise community awareness and attraction to attend events.

To ensure revenue generation via live performance hires engagement with touring promoters from various Eastern States has commenced with positive responses but no confirmed bookings at this time.

Opportunities

- Putting the HEART into the Touring Loop. Tours are coordinated from venue to venue along the coast from Perth down to Albany. HEART is suggesting to promoters from shows booked at the Bunbury Regional Entertainment Centre to include Margaret River as part of their tour.
- Relationship building with touring promoters, bringing the HEART to their attention – selling the fact that the HEART is well positioned between Bunbury and Albany along established routes.
- Dialogues with community groups about local performance opportunities.
- Collaborating with art / dance curators in community engagement that results in live performance/events for general community attendance.
- Encouraging Soundshell use for small ad-hoc events such as UKE club and Book Club.
- Conversations with a new choreographer in town to identify opportunities to collaborate.
- Approached Groovin’ the Moo coordinator to seek satellite presence in Margaret River.
- Will approach Nannup Music Festival/Bridgetown Blues Festival and Perth Fringe to see if satellite events can be coordinated.
- Hosting an exhibition with David Dare Parker during CinefestOZ.
- Local Talent Tour coordinated with other South West Venues.
- Affordable local artist work on sale in Foyer Gallery – link with city centre operators to encourage tourists to visit the HEART and purchase with commission on art sales.
- No other facility able to hold events over 250 pax within the region.
- Large enough infrastructure and technology to be attractive to hirers.

- Aesthetic appeal to more 'premium'/high paying events.

4.3.4 Business Development – Business Events

A HEART Business Events Attraction Strategy will be developed following delivery of the SWDC funded South West Business Events Strategy. The General Manager is a member of the working group and will have input into the delivery of the strategy. The strategy aims to drive business events leads to venues in our region, and assist our region gain presence in the Business Tourism (Meetings, Incentives, Conventions, and Exhibitions – aka MICE) market to provide flow-on benefits to the local economy.

Business Events Strategy Planning Scope

Key Agencies	Venues	Industry	Government	Market
TWA	BREC	Bunbury CCI	Austrade	Corporates
PCB	BEACH	Busselton CCI	DPIRD	Associations
ASW	Abbey Beach	MR CCI	JTSI	Incentives
SWDC	Bunker Bay	MR RAP	CAPE ROC	Conferences
MRBTA	MR HEART	Film SW		Trade Shows
RDA SW		MR WTA		Exhibitions

The General Manager brings with her a significant number of contacts in the National business events industry and eight years' experience working with business events industry groups and media at a national level.

Business event attraction will target:

- Regional and metropolitan commercial enterprises and associations.
- Perth Based government offices.
- First regional, and then National Professional Conference Organisers (PCOs).
- First regional, and then National Association Event Organisers.

The quickest lead conversions and most sustainable business events are those with a strong industry connection to the region (i.e. tourism/agricultural/wine/biodiversity/marine). To support this the team will work closely with Margaret River Busselton Tourism Association (MRBTA) as they are already processing leads and recommending our facility, and they have a database of information readily able to inform event organisers and assist them in choosing the Margaret River region to host their event.

Event organiser enquiries started at introduction of Phase 2 easing of COVID-19 restrictions. Indications are that enquiries will continue to increase as Phase 3 easing is introduced. There is also an indication that the incentives market (corporate team builders etc.) will be strong as they cannot travel overseas for the foreseeable future, and the Margaret River region will benefit from this.

The business events industry is an extremely niche market and event organisers can have high demands. Many have specific requirements in terms of direct flights, accommodation star ratings and proximity to venue, and potential for industry related site visits. Some of the tasks ahead include:

- Develop accommodation database.
- Relationship building and subvention funding opportunities from Business Events Perth and Tourism Australia (up to \$10K).
- Eco-Tourism Conference – Public relations and National media that will establish the HEART's conferencing capabilities
- Executive Assistants network to support Perth relationship building.
- Site Visit – MICENET > potential to collaborate with other venues/SWDC or via BE Perth.

- Promote to conference organisers the potential to encourage pre-post event stays alongside ICON events such as the Surf Pro, CinefestOz, Reader's and Writer's Festival etc.
- Relationship building with event organisers via LinkedIn.

With limited pro-active sales and marketing undertaken by the region in the business events space of late, an "introduction" of the HEART to the business events trade is to be undertaken via targeted database, PR, advertising and trade show initiatives. These activities will be designed to provide strong, pre-qualified prospects for consideration for hosted conference planner famils and site visits to the region. With further development, these should ultimately lead to preparation and presentation of bids and proposals in order to win new business. The HEART does not currently have resources to conduct all of this activity and will be reliant on cooperation with the South West Development Commission and other regional organisations to provide assistance.

Maximising partnerships with other small regional destinations and key Professional Conference Organisers (PCOs) will be an effective way to position the HEART and Margaret River region as a business event destination of choice. Undertaking pro-active participation with relevant tourism organisations is also another way to fast-track profile-raising and attract new business event opportunities to the region.

Opportunities

- MICENET Magazine – National Business events magazine. The General Manager has solid relationships with the editor and staff and has already provided information promoting the venue. There is also the potential to host a site visit which could provide National press coverage targeting conference organisers.
- There is potential to collaborate with other venues, MRBTA, SWDC and BE Perth deliver site visits for potential conferences.
- Confirmation of the HEART's first conference from the 1st to 3rd December 2020 with between 150–200 delegates for an estimated 3 night stay in area (injecting approximately \$200,000 into the local economy). This is a collaboration with several Western Australian government organisations; a media release is anticipated post COVID-19 restrictions easing. As the first conference to be hosted at the HEART this will provide the HEART with a case study to promote the venue to other conference organisers and provide an opportunity for valuable publicity at a National level.
- The HEART received an enquiry from the Federation of Equatoria Community Association in Australia (FECAA) relocating from a Perth Venue. Although the COVID-19 shutdown meant their event was cancelled, they indicated the HEART might be considered for a future annual event.
- Conferences looking for venues and staying within Australia; with crowding in conference market this creates opportunities for new venues to be developed.
- Potential to attract satellite events from conferences hosted in Perth. This requires industry links and collaboration with BE Perth.
- Post COVID-19 restrictions, the Busselton-Margaret River Airport will resume plans to host direct flights from Melbourne, enhancing the opportunity to target Melbourne event planners.
- The MRBTA has indicated that they often receive enquiries from groups wanting to host exhibitions. These events may be suitable for the HEART Exhibition Hall.
- Opportunities to host an MRBTA Member Mingle and an MRCCI networking event, to build 'advocacy' amongst industry and connect with local businesses <https://corporate.margaretriver.com/wp-content/uploads/2018/05/Mingle-Guidelines-for-Hosts.pdf>

4.3.5 Volunteer Program

There are currently 27 volunteers registered to in work with the HEART, a recruitment drive will commence once restrictions have eased to attract more to this pool. Prior to the shutdown 10 volunteers had worked at the HEART and 20 third party volunteers had been inducted and facilitated at the venue, allowing them to continue to support local community group events.

A part time Volunteer Supervisor was recruited in early 2020 on a six-month contract and has also been working on a variety of other tasks to assist the venue to be ready for opening. The following documentation has been drafted and is ready for release:

- HEART Volunteer Procedure
- Registration Forms
- Volunteer Checklists
- Website Page
- FAQ's
- Role Descriptions in progress

A volunteer recruitment drive was scheduled to coincide with the HEART Community Open Day in April 2020, this was cancelled due to COVID-19 and will be revisited as soon as the building is open to sufficient numbers.

4.3.6 HEART Grants/Sponsorships

A review of the inaugural HEART Arts and Culture Grants program has been conducted based on community feedback.

From the review it is recommended to refine the overall program, the streams offered, and the application process to make it more user friendly. Further, rather than a 'grants' program, it is recommended to shape the funding in the form of 'sponsorship' where the HEART becomes the sponsor of the events and receives recognition for doing so.

The review is being conducted in line with an over-arching review of Shire events and grants/fee waiver policies and guidelines.

The following recommendations have been made:

- Allocate \$150,000 annually to HEART Sponsorship Fund
- Simplify the application process – the funds still come from the same pool
- All approvals need to recognise HEART as major sponsor > "Supported by Margaret River HEART"
- No streams or budget limits specified
- Year round fluid process
- No cash

4.3.7 HEART Public Art Work

The HEART Public Art work was developed some time ago, however due to circumstances it was not installed. This project has been re-activated and will soon commence installation. Five glass panels with a poem "People of the River – Wooditjup Bilya Song" will be installed in the garden outside HEART in mid-2020 following local traditional owner consultation. The 5th panel tells the artist's story.

4.3.8 Governance and Risk Management

The HEART will require copies of public liability documentation, and certificates of incorporation as proof of not for profit status for groups applying to use the centre. Standard Contracts along with Terms and Conditions to protect the Shire across all business endeavours will be issued, however. However, leniency and flexibility will be built in to the process so as to not be onerous to small groups and not for profits.

4.3.9 Access and Inclusion

The HEART has worked closely to ensure the facility is accessible and inclusive, and will work to run public events, including icon events, youth events, festivals and meetings that are as accessible as possible. The team will work to host a minimum of two events annually which contribute specifically to accessible and inclusive communities. There are a number of action items including:

- Artzability Collaboration > puppetry performance and collaboration which took place in late 2019.
- Intercultural Day > hosted in February and working towards an annual event.
- Braille Bar Menus > currently progressing.
- AUSLAN collaboration/Sign > working with a local group and the HEART trainee is a participant in a sign language project.
- Augmented hearing loop.
- Access and Inclusion training for volunteers.

- Reaching out to and encouraging NEW audiences to the HEART for those who might not ever have considered visiting a performing arts event in particular.
- Investigate feasibility of providing audio descriptions for the vision impaired at the HEART Cinema complex.
- Exploration of touring shows with 'sensory' options.
- Our website lists our access and inclusion items

4.3.10 Staffing and Budget

The General Manager started with the facility on the in early February 2020 and has conducted an initial review of staffing costs and the organisational structure.

In order to achieve key objectives for the next 2-5 years, a revised organisational structure is being developed maximise efficiencies, through multi-skilling staff members and flexible position descriptions. No permanency will be introduced at this time, with fixed term contracts being offered for a further 12 – 18 months in order to allow the team to test the market and gather real data. It will take this time to establish and build a reputation in the industry and determine the impact of our business development strategies. Building flexibility into the staffing structure will provide the ability to expand and / or contract in response to demand.

On the basis that the current staffing structure was established for the initial set up phase and with the enforced shut down of the facility due to the COVID-19 pandemic the time needed to establish the requirements for the facility to operate as efficiently as possible have been explored over the past 2-3 months.

The initial allocation of 4FTE was less than that of the former management model under the old Cultural Centre; the facility is now significantly larger, and has enhanced ability to attract business events, requiring a larger allocation of FTE.

The current staffing structure consists of 5.4 FTE – (mainly contract staff with contracts ending 30 June 2020) with the approved addition of a temporary part time Volunteer Coordinator and a Trainee.

The current projected salaries budget for the 2022/21 Financial year is \$406,700 (not including budget for casual staff – indicated to be partially covered by incoming revenue).

Future proposed increases in salaries along with a slightly adjusted organisational structure will enable the following:

- continue set up phase of the facility and event readiness (Noting a new building would normally have had a core team preparing the building for 12 months prior to opening).
- business development opportunities as outlined above in sections 4.3.3 and 4.3.4
- portray the professionalism of a leading regional convention, exhibition and entertainment venue
- best practice delivery attracting improved visitation to region

The proposed new structure will also afford the following solutions to some critical issues:

- The current team is at capacity both preparing the building and systems whilst also delivering events. In order to maintain service standards, we need to adopt a flexible staffing model to assist with set up whilst assessing the number and frequency of events.
- Resources are required to fully set up API integration between Finance and the HEART
- To reduce the risk to the Shire a second specialist technician will acquire the specialist technical knowledge and assist in passing on that knowledge to the part time and casual team, continue the technical systems set up and building maintenance/defect management as outlined above in section 3.8
- Cleaning costs and administration > currently contract cleaning costs are projected to be in excess of \$65,000 annually. It is proposed to replace with a more cost effective and efficient method employing a casual cleaner (approx. \$30,000) who can be intimately involved with the building, easier to roster, and remove unnecessary contractor management/administration
- The original structure did not allow for critical high level operational events support including client liaison, administration of contracts and venue management system, financial administration and raising of invoices and handling reconciliation of touring company box office monies back to the promoter.

These proposed adjustments create a flexible operating model aimed at best service delivery, with a shift from specialist roles (primarily marketing, technical & volunteer support) to more generalist roles working across activities

based on need. The new structure also enables all positions to have the ability to work across positions, be multi-skilled, and be focused on event delivery as well as some core duties. This creates a structure fostering staff development, succession planning, and essential skills to cover leave absences.

Direct event related staff costs can be recovered by revenue from commercial hirers, and grant/sponsorship funding. However, the budget will also need to account for time and wages for:

- Statutory training (particularly for technical team)
- Shire training and induction program
- Training Needs analysis and other Shire mandated staff administration
- On the job training/induction in use of new equipment
- OSH training and tool box meetings

It is recommended that staffing be reviewed again in 12-18 months, with a view to either expand or contract the model to fit with projected revenue and event activity. Any future changes will be incorporated into future budget rounds or mid year budget reviews depending on timing.

APPENDIX

APPENDIX 1: KEY PERFORMANCE INDICATORS (Margaret River HEART)

Key performance indicator	Annual Target	Source	Reporting frequency
Door Counter	30,000	Door Counter	Monthly
Attendance to Events	25,000	Ticket Sales/DM Report	Monthly
# of art exhibitions	8	Bookings	Monthly
# of live performance events	15	Bookings	Monthly
# Conferences (BE with over 50% delegates w.o/night accom)	2	Bookings	Monthly
# room nights (incl. organisers/speakers/artists + visiting patrons)	500	Bookings/Post Code Report	Monthly
# of major events over 1000 attendees	4	Bookings/Post Event Reports	Monthly
Total revenue generated from operations	\$65,000	Bookings/Kiosk/Food and beverage services	Monthly
# of performances fully cost recovered	50%	Post event reconciliation	Monthly
# Dark Days/Not utilised days	150	Calendar	Monthly
Customer Hire Satisfaction	80%	Post event surveys	Monthly
Attendee Satisfaction	80%	Post event surveys	Monthly
# regional events assisted > \$\$ or In-Kind / HEART Grants	10	Bookings/Grants Program	Monthly
% of attendees from areas outside the AMR Shire LG area (visitation to Region)	3%	Ticketing System Post Code Data/Post Event Reports	Monthly
# Student attendances	100	Ticketing System/Engagement Program	Monthly
# of workshops > Youth	4	Bookings/Post Event Reports	Monthly
# accessible and inclusive events/facilitations	2	Bookings/Post Event Reports	Monthly
# of Volunteers @ HEART	20	Volunteer Management	Monthly
# of Volunteer Hours @ HEART	200	Volunteer Management	Monthly

Public Value Outcomes:

- Enhanced community cohesion and connection.
 - social capital, civic pride - reflecting community diversity and inclusion.
 - affordable + accessible to all community members.
 - reduced social isolation, foster youth.
- Economic development and population attraction/retention.
 - Skills/knowledge/capacity development.
 - capacity building for the local creative community.
 - increased arts industry stability.
 - increased sustainability of cultural facilities.

APPENDIX 2: STRATEGIC ALIGNMENT

The Shire's Community Strategic Plan 2036 identifies the role of the performing arts in growing the economy sustainably, increasing social cohesion and creating distinctive, liveable places.

Community Strategic Plan 2036 (CSP) Corporate Business Plan 2019-2023

Key Result Area 2: Welcoming, inclusive and healthy communities

Objective: Strong communities are welcoming, safe and enjoy quality lifestyles that celebrate their local identities, diversities, cultures and histories. The Shire fosters community resilience, connection and wellbeing through its social planning, recreation, safety, education, preventative health and social justice strategies.

Outcome	Description	Role
Outcome 2: Strong community groups and networks		
Strategy 1:	Work collaboratively with the arts sector to share information, link like-minded individuals and organisations, and build cultural capital.	Partner
Strategy 2:	Encourage volunteering by hosting a volunteer program, and working with a community reference group.	Lead
Strategy 3:	Provide a professional performing arts space for local artists both professional, semi-professional, and amateur to be able to gather together to create new work, and express their creativity for the enjoyment of the community.	Partner
Outcome 3: Lifelong learning in the community		
Strategy 1:	Encourage participation in a variety of volunteer roles for a broad cross section of the community.	Lead
Strategy 2:	Provide opportunities for residents to learn through exposure to State and National level event expertise, and providing workplace learning experiences for TAFE and high school students.	Lead

SERVICES

- Entertain, stimulate and educate
- Encourage local participation in events
- Improve access to the arts
- HEART Reference Group
- Community and stakeholder engagement
- Leadership in event management
- Volunteer opportunities
- Cultural events, performing art events and festivals
- Support an arts and culture program
- Regional event information and calendar of events
- Training opportunities
- Corporate sponsorship + Strategic Partnerships
- Visual art displays and exhibitions
- Cinema screening

Key Result Area 4: Vibrant and diverse economy

Objective: The local community is resilient and independent, based on self-sufficiency in food, energy and services. The Shire's economic development framework is built on natural environment, tourism, viticulture, agriculture, retail, knowledge and creative sectors that provide a sustainable range of business and job opportunities.

Outcome	Description	Role
Outcome 2: Sustainable tourism and other local industries		
Strategy 1:	Work collaboratively with the tourism sector to increase visitor spend and length of stay in the Shire.	Partner
Strategy 2:	Work with the tourism sector to further promote and develop cultural tourism.	Partner
Strategy 3:	Encourage tourism by development and support of iconic events, attracting business events, and support of local artisans.	Partner
Outcome 3: Infrastructure for economic growth		
Strategy 1:	Manage major infrastructure needs to cater for increased residents and visitors.	Lead
Strategy 2:	Develop a hub for boutique and creative capital industries, innovation and digital commerce.	Lead

SERVICES

- Encourage cultural tourism
- Encourage visitation and longer stay in region
- Business events and destination marketing

Key Result Area 5: Effective leadership and governance

Objective: Council leadership is visionary, effective, transparent and trustworthy. The local government actively engages and consults the community to understand their aspirations for the future, drives positive change and diversity, and adds measurable value.

Outcome	Description	Role
Outcome 1. Effective governance and corporate leadership		
Strategy 1:	Provide a leading corporate and entertainment venue for the region.	Partner
Strategy 2:	Develop effective partnerships and strategic alliances to maximise community benefits.	Partner
Strategy 3:	Ensure the Margaret River HEART's financial performance is well managed and leads to maximise opportunities to cost recover and reduce impost on rate payers.	Lead
Outcome 5: Community and customer focus		
Strategy 1:	Ensure Shire services and processes meet or exceed customer needs and recognised industry standards.	Lead
Strategy 2:	Communicate effectively with the community and promote the Shire's positive image .	Lead
Strategy 3:	Develop KPI's and measure the performance of the Margaret River HEART and communicate same regularly.	Lead

SERVICES

- Facility management
- Promotion and marketing of events
- Food and beverage sales and service
- Technical services
- Ticketing service
- Venue Management System
- Website
- Membership Program
- Philanthropy and Bequests

APPENDIX 3: OTHER POLICIES / FRAMEWORK

The purpose and expectations of the HEART venue were further explored in the context of various other State and Federal frameworks and objectives, as part of the Business Case prepared by the Shire to support its applications for funding to complete the redevelopment of the HEART venue.

Framework	Objective	Impact
Royalties for Regions	Build capacity in regional communities	<ul style="list-style-type: none"> Improve tourist infrastructure and improved capacity to host a wide variety of events including community meetings, business and association conferences, performances and movies.
	Retain benefits in regional communities	<ul style="list-style-type: none"> Attract additional visitors and retain tourism benefits for the region.
	Improve services to regional communities	<ul style="list-style-type: none"> Attract and host a wide range of events and productions, enriching community life of the residents. Act as a high class premium cultural and business events venue.
	Attaining sustainability	<ul style="list-style-type: none"> Extend the life of existing facilities. Achieve financial sustainability through community and commercial participation in the management of the HEART venue and setting aside funds from commercial lease and hire fees.
	Expanding opportunity	<ul style="list-style-type: none"> Substantially increase business and community opportunities in the commercial, tourism, arts and creative industries.

	Growing prosperity	<ul style="list-style-type: none"> Increased domestic and international visitation, generating additional economic activity within the region and creating jobs
South West Development Corporation (SWDC) Investment Blueprint	Increase number of high quality international events, improve quality of visitor experiences, create vibrancy and activation, improve quality of iconic attractions.	<ul style="list-style-type: none"> Build convention facilities to incorporate into an international convention marketing strategy.

	Position Margaret River as a regional centre for expanded premium wine production and tourism.	<ul style="list-style-type: none"> Build a multipurpose cultural events and conference facility venue to support South West international conference visitation.
	Exploit the opportunity of high value digital animation, media, publishing, film, art and music in the region, and develop and promote a unique SW Aboriginal art industry.	<ul style="list-style-type: none"> Build a creative business hub in the region
WA Planning Commission SW Planning and Infrastructure Framework	Redevelop Cultural Centre to provide a multipurpose facility for cultural events, gallery, display, community support and large conferences.	<ul style="list-style-type: none"> Margaret River HEART will meet this objective.
WA Regional Development Trust	Regional land and food strategy and planning.	<ul style="list-style-type: none"> The HEART will be able to host regional wine and tourism events, trade fairs, conferences and seminars relating to regional land and food strategy.
	Investment in regional strategic corridors.	<ul style="list-style-type: none"> The HEART will be an attractive venue for hosting business events for outside business tourism.
	Regional business and industry innovation and support.	<ul style="list-style-type: none"> The HEART was developed in response to the Margaret River Chamber of Commerce and Industry's (MRCCI) request for the Shire to become more involved in the provision of a convention centre to host conferences and MICE activities. Perth Convention Bureau, Margaret River Busselton Tourism Association, MRCCI, Margaret River Wine Industry Association, major accommodation providers and the Shire will assist in attracting business to the venue.