



# Destination Wollongong Explanatory Memorandum Constitution changes May 2021

## INTRODUCTION

Wollongong City of Innovation (trading as Destination Wollongong) has delivered tourism services on behalf of Wollongong City Council since 1979. Council has provided financial assistance for tourism services, both in the form of direct monetary assistance and in-kind assistance including IT, graphic design and subsidised leasing of Council's facilities.

The current funding agreement with Wollongong City Council commenced on 1 July 2016 and is due to expire on 30 June 2021. The funding agreement sets out the services to be provided by Destination Wollongong as well as the budget and key performance indicators.

At the time of entering into the current agreement in 2016, substantial changes were made to the Wollongong City of Innovation Ltd Constitution (the Constitution), confirming Council's interest in Destination Wollongong.

Over the last six months, a review of both the funding agreement and the Wollongong City of Innovation Ltd Constitution has been undertaken. Council has worked with Destination Wollongong to further align the organisations, including a focus on enhancing their constitution to further reflect Council's significant and ongoing interest in the organisation.

## RELATIONSHIP

Wollongong City Council has proposed that as part of a new five (5) year funding agreement the relationship between Council and Destination Wollongong be further strengthened.

Whilst the company will remain limited by guarantee, the new Constitution removes the previous membership categories (akin to shareholders) of the company and replaces it with a single member, Wollongong City Council, with consequential revisions around the ability of the single member to vote, pass resolutions and appoint and remove directors. It provides for updated objects of the company and a revised list of suitable skills for appointment as a director.

A recognised strength of Destination Wollongong is its Partnership program, which delivers marketing services on behalf of the local tourism industry. This program will continue under the terms of the new funding agreement.

## RESOLUTION

In accordance with the Council Resolution of Monday 19<sup>th</sup> April, 2021, the General Manager has been delegated authority to finalise negotiation of the new funding agreement with Destination Wollongong, providing the Members agree to adopt the new constitution as proposed in the attached documentation. A hard copy of the proposed constitution is available for review at the Company Office, located at 93 Crown Street, Wollongong.

A special General Meeting of the Members has been called to consider the following resolution:

### **The existing Constitution of the Company be replaced with the new constitution**

The method to vary or replace the Constitution is via the passing of a resolution by the company which first requires the giving of lawful notice under the Corporations Act 2001 (Cth), and, secondly, that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

The approval of the Minister for Local Government is required pursuant to Section 358 of the Local Government Act 1993 before the new Constitution can be given effect, since it would amount to the acquisition of a controlling interest in a corporation or other entity for the purposes of that section.

## OPERATIONS OF THE COMPANY

During the negotiation of the proposed agreement with Wollongong City Council, the following

- a) Objects of the Company,
- b) Skills for Appointment as a Director, and
- c) Funding Agreement Deliverables

have been proposed, demonstrating Wollongong City Council's long term commitment to the visitor economy and the important role that Destination Wollongong will continue to play in positioning it for future growth.

### a) PROPOSED OBJECTS OF THE COMPANY

The objects for which the Company is established are:

1. Promoting and marketing the City of Wollongong and the Illawarra Region as a vibrant and diverse place to live, work and play;
2. Developing and deploying physical and digital assets to generate revenue and support the positioning of the City of Wollongong and the Illawarra Region;
3. Championing a culture focused on broadening the commercial base of Wollongong and the Illawarra Region, increasing visitation and investment attraction;
4. Attracting, supporting, facilitating and holding events that showcase the strengths of Wollongong and the Illawarra Region.

### **b) PROPOSED SKILLS FOR APPOINTMENT OF A DIRECTOR**

The Board will nominate persons for appointment to the Board having regard to the nominee's specific skills in commerce, finance, governance, marketing, tourism, hospitality or business generally or such other skills as determined by the Board.

### **c) PROPOSED FUNDING AGREEMENT DELIVERABLES**

The funding agreement will specify the activities to be delivered by Destination Wollongong as well as clarifying funding provided, performance measures and reporting requirements. These are proposed to include:

1. Destination Marketing - delivering a marketing strategy for Wollongong's visitor economy and an integrated visitor services program. The focus of this pillar would be around building Wollongong's external profile to the rest of Australia and internationally, acknowledging that it should also align with other Council initiatives and programs, such as Invest Wollongong and the Wollongong CBD revitalisation. The focus should be on 'growing the pie' and attracting new visitors to the region.
2. Major Events - including major event acquisition and broadening of event profile. This pillar is supported by the Major Events Strategy and links to the Economic Development Strategy 2019-29 which notes the benefits to the economy of attracting more major events and tourism infrastructure. The direct short-term benefit is the economic impact of visitors to the event who spend locally, providing an immediate injection across a range of businesses.

They also provide longer lasting benefits including showcasing the city to a new audience and publicity associated with the event.

3. Business Visitor Economy - including growing the business visitor economy and attracting business conferences. The focus of this pillar is around growing the business visitor economy to bring new business events/conferences to Wollongong. These events are beneficial as they are generally held mid-week (providing support for accommodation operators during lower occupancy rate periods) and business travellers who have a greater capacity to spend than many other visitor categories. This pillar also has synergies with Council's Economic Development Strategy 2019-29 and other areas of Council, including Invest Wollongong and provides an opportunity to profile the city from a business perspective. This pillar will support the new hotel investment that looks set to come online during the term of the next funding agreement.
4. Support growth in tourist related infrastructure/new product development - including facilitating new investment in tourism infrastructure with a focus on attracting new service offerings to diversify and strengthen the region's appeal.
5. Cycling - including cycling as a key regional priority by leveraging the profile and legacy of Wollongong 2022.

Mark Sleigh  
Company Secretary  
Wollongong City of Innovation Ltd

20th April 2021