

SERVICE STRATEGY

Service Package Name: Port Stephens Business Centre

Group: Development Services

Section: Strategy & Environment

Unit: Economic Development

INTRODUCTION

Background

Opening in 2000 the Port Stephens Telecentre was funded by a State Government grant of \$50,000 and funds from Port Stephens Council. Continued funding throughout the years was gained through grant applications and projects in conjunction with the CTCA (Community Technology Centre Australia.) The centre was mainly used by the community as a way of accessing the latest in computer technology, which at the time was uncommon in households in the area. As the centre grew it became a tourist information centre servicing around 60 individuals a month. With staff changes the centre started providing IT services including the creation of websites, database design, website and email hosting. The centre has an extensive history of providing training courses to the community ranging from unemployed youth to senior citizens.

In 2009 the centre changed its name to Communicate Port Stephens, with the focus of the centre changing. The training rooms were rented by local training providers to run accredited courses for up to 20 students per course. TAFE NSW moved into the training room two days a week to provide an outreach service for their 'pathway to education' program. The vacant offices were leased to businesses looking to establish themselves in Raymond Terrace, some of which, once established, moved into permanent premises within the town with the assistance of PSC Property Section.

The centre has hosted work experience students from schools throughout the Hunter region as well as technology programs in partnership with Cisco Systems and Irrawang High School. With the development of close working relationships with local job providers, the centre started to accept *Work for the Dole* participants to help them gain 'on-the-job' experience as well as transitioning them from government benefits into the workforce.

In 2014 the centre changed name again, this time to Port Stephens Business Centre (PSBC). Since 2014 the PSBC has focused on small business workshops, training and a business advisory service, whilst retaining existing services. Within the broader Economic Development Sustainability Review of 2014, the PSBC was earmarked for review. Starting in July 2015, the new Economic Development Coordinator became aware of anomalies in service reporting and developed monthly reporting parameters to clearly demonstrate the scope of activities being undertaken from the centre, and assist in the review process.



Facility

The PSBC currently occupies shops 6, 7, and 8 on 42 William Street Raymond Terrace Centre, property owned by Council. Information provided by Council's Property Services indicates the PSBC does not have a current lease, and up until late last year when it was leased to a community group the PSBC also occupied shop 9. Originally there was a lease for shops 6 & 7, this expired in 2003. Then there was a lease to Business Port Stephens however this was terminated in 2009 with the aim to combine all the shops into one lease but this did not eventuate (ATTACHMENT 1). Rent was paid via an internal transfer until the internal journals were abolished.

An audit of the facility is conducted yearly in accordance with Council's *Managing the Work Environment and Facilities Code of Practice*. Cleaning and electricity costs are expensed to the Communicate Port Stephens budget, within the Economic Development Unit.

The PSBC is also identified in the Strategy & Environment *Business Continuity Plan* as an alternative facility for critical incidents should the General Manager of Council determine the Committee Room of the Administration Centre to be affected by a business continuity event.

Resources

The PSBC has a dedicated staff member for the day-to-day operation of the facility. Graded at a Level 14, the Port Stephens Business Centre Coordinator (ATTACHMENT 2) operates the centre with the help of volunteers for front office duties (averaging 140 volunteer hours per month) and *Work for the Dole* participants (averaging 97.5 hours per month). Recently, the *Work for the Dole* contract was not renewed based on information provided by Council's legal section regarding the enterprise agreement, whereby potential staff employment opportunities should not be covered by this type of arrangement.

The current Port Stephens Business Centre Coordinator started at the centre as a parttime contract worker from Hudson in 2008 for 9 months and was then appointed to the role of Acting Telecentre Coordinator, and subsequently appointed FT as the Telecentre Coordinator in August 2009.

During this time this staff member has worked with the help of volunteers and *Work for the Dole* participants who cover the operation of the centre in the PSBC Coordinator's absence (e.g. lunch breaks, council meetings and appointments). The PSBC Coordinator advised volunteers receive first aid, fire and evacuation training as per the standard training requirements for wardens and officers of Council. Council's Economic Development Project Officer has assisted in covering annual leave, medical appointments etc.

The Economic Development Coordinator has identified gaps in induction and operating procedures. For example, the PSBC Operating Guidelines were last reviewed/updated in April 2013 and training is ad hoc.



Service Provision

The evolution of the centre and associated name changes is reflected in current service provision from the PSBC. This includes: business workshops; room hire (users include education providers, employment agencies, training providers, community and business); office and internet services; handling general business and tourism enquiries; and managing the Raymond Terrace CCTV system.

Originally the Raymond Terrace CCTV system was under the management of The Lower Port Stephens Chamber of Commerce and housed in one of the members' business premises on William Street. With The Lower Port Stephens Chamber of Commerce disbanding in 2014 the CCTV system was moved into the PSBC and a Memorandum of Understanding was prepared by the Strategy and Environment Section Manager and cosigned by Council's General Manager and the Commander of the Port Stephens Local Area Command on 3 June 2015 for a period of 6 months, and now expired (ATTACHMENT 3).

The PSBC Coordinator works with the Local Area Command Police to release CCTV information. Whilst the MoU identifies funding, installing, maintaining and repairing and replacing of all assets and infrastructure associated with the CCTV system, including all hardware and software needed to operate, monitor and maintain the system is the interim responsibility of Port Stephens Council, the PSBC Coordinator reports there are no formal procedures/guidelines for funding this system, or the handling of CCTV footage, which is governed by strict legislative requirements (refer to CCTV Document: NSW Government Policy Statement and Guidelines for the Establishment and Implementation of CCTV in Public Places).

Note: A discussion paper is being prepared by S&E for the ELT on CCTV systems. This is a heavily legislated area for which strict guidelines exist for the handling of information. In terms of the on-going management of the Raymond Terrace CCTV system this discussion paper should be given due consideration as there is no indication of The Lower Port Stephens Chamber of Commerce re-establishing or resourcing available currently to drive this initiative.

STAGE 1 INFORMATION:

1) Service Description

Service/Activity/Function	Outputs	Link to the 2013-2023 Community Strategic Plan
Office and Internet Services	Access to internet services for business Note: These services have also been made available to residents and tourists	12.1.2.3 Provide small business services from Council's Business Centre



Service/Activity/Function	Outputs	Link to the 2013-2023 Community Strategic Plan
Office/Room Hire	Affordable casual rates for small business (hourly, daily, weekly) Access to technology No start-up costs	12.1.2.3 Provide small business services from Council's Business Centre
Business Workshops	Training for small business owners/managers Reduce reliance on Newcastle based training/mentoring services	12.1.2.1 Provide programs for businesses to assist in development.
Business Advisory Services	Training and mentoring for small business owners as office space is provided F.O,C. to the Newcastle-based business advisors	12.1.2.1 4.1.2.4 Provide programs for businesses to assist in development.
IT Services	Assist small business establish an online presence	12.1.2.3 Provide small business services from Council's Business Centre
Services being offered from the P	SBC with no identified link to the C	Community Strategic Plan
Training Room Hire for Education Providers providing Employment Pathways	Pathways for education to employment Provides locals with limited transport an educational training option	
Broadband for Seniors Kiosk	Improving interaction/exposure to technology for seniors	
Seniors IT Training	Unemployed youth provide tutoring in computer skills for seniors	
CCTV System	Footage available to the Raymond Terrace local area command to assist in crime reduction/identification of offenders in the CBD	
Visitor Information	Travellers have access to brochures, maps etc. for Port Stephens and tourism providers in the Hunter	

The following table provides an indication of average service/activity/function output levels from July 2015 – March 2016.

Service/Activity/Function	Output Levels
Office and Internet Services	On average 37 users of office services per month i.e. printing, photocopying and faxing.
	On average 22 users of the internet per month (not business specific, includes residents).



Service/Activity/Function	Output Levels
Office/Room Hire	On average 38 instances of room hire per month across the following types of clients: • Education Providers – 8; • Employment Agencies – 18; • Training Providers – 5; • Businesses – 2; • Council – 1; • Community – 4.
Business Workshops	Eight workshops from July 2015 to March 2016.
Business Advisory Services	The PSBC is making referrals to The Business Centre Newcastle Region. On average the office space at the PSBC may be used once per month or not at all as the Business Advisor tends to frequent the clients business premises to provide this service.
IT Services	Ad hoc. Domain names/hosting (existing domain names are renewed bi-monthly or annually through TPP Wholesale with the PSBC Coordinator invoicing clients. Websites and emails are hosted on an external server hosted by Ilisys. The PSBC Coordinator assists uploading files to websites, and fixing any problems as they arise, averaging 1 hour to 20+ hours per week if there is a major problem.
Services being offered from the P	SBC with no identified link to the Community Strategic Plan
Training Room Hire for Education Providers providing Employment Pathways	Refer to Office/Room Hire figures (above)
Broadband for Seniors Kiosk	Ad hoc – seniors from the local area frequenting the centre to use broadband (e.g. average 14 users per month)
Seniors IT Training	Seniors weekly computer course (e.g. average 70 per month)
CCTV System	Ad hoc – as required in response to requests made by Raymond Terrace Local Area Command (e.g. average 1 per week)
Visitor Information	Tourism enquiries (e.g. average 40 per month).

Note: Currently the PSBC has regular room hire users as per (ATTACHMENT 4) including a current Licence Agreement with The Ors Group Pty Ltd for 12 months commencing on 1 July 2015 (ATTACHMENT 5) and a User Agreement with TAFE NSW for the Hunter TAFE Literacy and Numeracy Classes for the local community dating back to 9 September 2010 (ATTACHMENT 6). The Schedule of Fees and Charges for the PSBC is reviewed each year as part of Council's annual review of fees and charges, and reported to Council accordingly (ATTACHMENT 7).



2) Requirement for PSC to control the service (key drivers for control)

Service/Activity	Is PSC legally required to control the service please list the Act or regulation which specifies that Council must control the service	Is PSC required to financially control the service? please provide evidence as to the driver to financially control the service, i.e. revenue generation that allows other specific services to occur	Is PSC required to operationally control the service? Can the service be controlled through either contract, direct labour, partnerships, etc. so that PSC controls the level of output and /or has the ability to change the systems that deliver the service?
Office and Internet Services	No	No	No
Office/Room Hire	No	No	No
Business Workshops	No	Link to Special Rate Levy and the Economic Development Strategy, 2007	No
Business Advisory Services	No	Link to Special Rate Levy and the Economic Development Strategy, 2007	No
IT Services	No	No	No
Services being offered f	rom the PSBC with n	o identified link to the Comm	nunity Strategic Plan
Training Room Hire for Education Providers providing Employment Pathways	No	No	No
Broadband for Seniors Kiosk	No	No	No
Seniors IT Training	No	No	No
CCTV System	No	No	No
Visitor Information	No	No	No

STAGE 2 INFORMATION:

- 3) Agreed <u>level</u> of service.

 There is no identified Service Level Agreement for the Port Stephens Business Centre.
- 4) Resources



Budget figures for 2015/16

Operating Expenditure	\$102,221
Capital Expenditure	\$0
Income	\$67,784
Staffing (EFT)	\$88,842 (1 FTE)

Actuals as at 31 March 2016

Operating Expenditure	\$79,697 (78% of budget)
Capital Expenditure	\$0
Income	\$39,709 (59% of budget)
Staffing (EFT)	\$69,304 (78% of budget)

5) Strategic Direction of the Economic Development Unit and the Role of the PSBC

The Economic Development Unit (EDU) of Council plays a leadership role in building economic capacity in the Port Stephens local government area including improvements to the investment climate and shaping a business enabling environment to enhance competitiveness, job creation and incomes.

The Economic Development Unit provides a range of programs and services to promote a 'sustainable and diversified economy'. This includes engagement, facilitation, support and activity in the following areas:

- Investment attraction and job creation
- Business communication and events
- Economic data and advice
- Business and industry support, growth and development

Currently 3 FTE resources have been identified to progress these four areas:

- The Economic Development Coordinator
- The Economic Development Project Officer
- The Port Stephens Business Centre Coordinator

Two of the three existing resources are dedicated to business engagement, investment attraction, economic data and advice, and business and industry support, growth and development through website, e-newsletter, social media, media release, events (including the Business Leaders Luncheons and the Mayoral Academic Scholarships), and the Small Business Friendly Council Program. Current projects include a new Economic Profile (internal document) and a new Port Stephens Snapshot (external marketing collateral).



Funding arrangements with the Trader Associations are handled within this unit together with referrals; economic data and advice to internal and external stakeholders. Place Management and Activation is a new focus area earmarked for action in this unit. Under current resourcing arrangements, progress includes inclusion of the town centre strategies into Council's *Strategic Asset Management Plan* and a media campaign to attract nominations to the *Raymond Terrace and Heatherbrae Implementation Panel* (readvertising currently underway). An audit of the town centres was completed by resources within the Strategic Planning unit (to assist the Economic Development Coordinator in the absence of an Economic Development Project Officer at the time); however further work is required.

The PSBC is identified in the operational plan to provide small business services, and to a degree provides business and industry support, growth and development through the provision of business workshops and business advisory services. However these services are facilitated by negotiations with stakeholders such as The Business Centre, Newcastle Region and the Hunter Region Business Enterprise Centre (typically funded through State and Federal government grants to assist business and industry), with service delivery undertaken by these organisations and the PSBC providing the workshop venue if required and/or office space for a business advisor. Currently office space is provided to The Business Centre, Newcastle Region F.O.C. each Wednesday. However, this office space is not used regularly as the business advisor visits the business owners/managers onsite.

The range of services currently available from the PSBC is broad and has shifted away from core activities identified in the Operational Plan of Council 2015-16 i.e. to provide economic development services to local business through: i) the provision of programs for businesses to assist in development; and ii) the provision of small business services. This change has increased over time with these activities reducing and a move back towards supporting the disadvantaged and seniors as evidenced in the type of clients now accessing office services and room hire, and the types of programs being run through the centre e.g. Education Providers running Employment Pathway programs, Seniors IT Training programs, and a Broadband for Seniors Kiosk.

There is a misalignment between the PSBC activities and those identified in the Operational Plan of Council to provide economic development services to local business. Whilst the services currently on offer may provide value to the broader community, they are not congruent with the repositioning of the Economic Development Unit whereby the focus is being directed toward robust activity in the aim of adding value to both internal and external stakeholders of council i.e. those involved in providing improvements to the investment climate and the business community.



6) Emerging Trends

The provision of basic internet services were relevant to emerging businesses in the 1990's, however with the evolution and greater access to technology, the take-up of internet services from the PSBC for businesses is minimal. Demand for these types of services is being generated by the disadvantaged and seniors.

The Raymond Terrace Library provides internet stations including seven computers for the general public and four for children. There is also a meeting space available which caters for approximately 12 people around tables or 20 theatre style; however it does not have the infrastructure which is currently available at the PSBC in the main entry, training room and offices (ATTACHMENT 8). Council's IT unit estimates ongoing annual costs of \$12-\$15K with asset replacement due in 2017-2018, at a cost of approximately \$35K.

Over time, the PSBC Coordinator has also provided IT Services to assist businesses in establishing an online presence. This service could be redirected to more resourced and specialised providers including The Business Centre, Newcastle Region, the Hunter Region Business Enterprise Centre, and local businesses. Office hire and training room hire generates a revenue stream however the income from activity at the centre does not offset operating expenditure. In recent times 'Smart Hubs' and 'Hot Desking' are popular concepts for small business to share resources, networking and popular with start-ups however if this approach was to be seriously considered, research should be undertaken in terms of demand for this type of service in Raymond Terrace and whether the PSBC is suitable and/or capable of providing the types and levels of services expected.

With the release of quarterly and yearly figures for unemployment, the Economic Development Unit of Council acknowledges the relatively high unemployment rates for Port Stephens i.e. 9.8% for the December quarter and 9.5% for 2015 (up by 2.9% on the previous year and tracking above Hunter, NSW and national figures for unemployment). This is an important indicator for the economy and currently the Operational Plan of Council states 'Support identified needs for education and training in the Port Stephens Local Government Area by providing training programs for small business from Council's Business Centre', which is specific to training for small business.

The PSBC currently hires out the training Room at a small fee to education providers who deliver 'Employment Pathway Programs' e.g. TAFE, Max Employment, however this function could still take place in a Council owned facility and managed by Property Services rather than being directly linked to Economic Development.



STAGE 3 - INFORMATION:

7) Alternate Service Delivery Options:

Options	Relevant Function/Activity	Details, issues and implications using key metrics
Sharing services and resources with other councils		
Strategic relationships e.g. Hunter Councils		
'Arm's length entities' to manage the service	IT Services	Stakeholders such as The Business Centre, Newcastle Region and the Hunter Region Business Enterprise Centre run workshops to assist small business in this area and/or can refer small business to reputable providers.
Joint ventures or public private partnerships (PPP's)		
Community run services or enterprises		
Outsource service or activities to external providers		
New business enterprises to generate additional income		
Other		Please see Alternative In-House Service Delivery Options table below



8) Alternate In-House Service Delivery Options (including specific end users):

Options	Relevant Function/Activity	Details, issues and implications
Community Services - Libraries	Office and Internet Services	Advertise availability of internet and office services from local libraries. Fees and charges reviewed in line with current offering.
Property Services	Office Hire/Room Hire	Property services take up provision of available office space/room hire at a market rate affordable for start-ups/small business/training organisations. Fees and charges reviewed in line with current offering. e.g. TAFE NSW SEE program - Service remains in Raymond Terrace, PSC still receives income, room with PC's needed, agreement attached e.g. ORS Group - Service remains in Raymond Terrace, PSC still receives income, formal agreement attached e.g. MAX Employment Services - Service remains in Raymond Terrace, PSC still receives income, no formal agreement in place – casual booking
Economic Development	Business Workshops	Provide a budget that will cover room hire, catering, equipment costs to work collaboratively with stakeholders to run workshops in the LGA including Raymond Terrace to assist small business
Economic Development	Business Advisory Services	Work with Hunter based providers to secure a meeting space in Council (this should be minimal as BAs tend to work mobile)
Services being offer	ed from the PSBC with no ide	ntified link to the Community Strategic Plan
Property Services	Training Room Hire for Education Providers providing Employment Pathways	Refer to Max Employment example above However it is important to note that infrastructure is required in terms of PCs and this would need to be managed by Council.
Community Services - Libraries	Broadband for Seniors Kiosk	Advertise availability of internet and office services from local libraries. Fees and charges reviewed in line with current offering.
Community Services - Libraries	Seniors IT Training (Computer Group)	No Council staff needed to run sessions however tutor needs to be inducted as per Guidelines for Volunteers of Council. Most participants bring their own equipment. Internet connection essential, room for 20 people, disability access required. Income averages \$280 a month.
Facilities and Services	CCTV System	CCTV system retained as Council asset and managed with policies and procedures as determined by legislation in this area.
PSC Foyer	Visitor Information	Small area needed for brochures, and staff trained in providing local information.

IMPLICATIONS OF OPTIONS:

Currently the PSBC has no formal lease arrangement with the Property Services section of Council for use of the facility. There is however operating costs associated with the running of the facility which is not being recovered by income.

Alternate in-house service delivery provides end-users with the option to continue operations. By transferring to a property management/lease model with Council's Property



Section potential implications for clients i.e. ORS Group, MAX Employment and TAFE NSW, is the loss of front office services. Currently the PSBC volunteers act as a reception service for clients. Clients may also incur setup costs associated with relocating to other premises including phone lines, internet, power and signage.

It has been noted that volunteers may rely on work hours at the centre to substantiate government benefit payments and a consideration should services be relocated/cease.

SUMMARY OF OPTIONS:

Option 1	Details	Prioritisation (refer matrix)
Continue on, however seek to continuously improve the service	This is not a preferred option given the broad nature of service delivery currently undertaken from the centre and associated operating expenditure to do so.	
	Approximate annual costs to maintain the equipment and services at the PSBC is in the vicinity of \$12-\$15K. Asset replacement is due in 2017-2018 at an approximate cost of \$35K. These costs need to be considered, together with potential costs to upgrade the facility to meet market need.	

Option 2	Details	Prioritisation (refer matrix)
Change the way the service is delivered (i.e. process or supplier improvement)	This could be considered once a clear strategic direction for the centre was established. This could be a community service centre catering for the disadvantaged, seniors and youth requiring specific training to provide pathways to education and employment	
	Costing of services would need to be undertaken to understand the true cost of operating this type of service.	

Option 3	Details	Prioritisation (refer matrix)
Remove ED from activities such as room hire, centre management and CCTV, to focus on key ED Objectives, with other associated activities relocated.	As there are no current licence agreements in place with respect to room hire or programs run through the centre this could be achieved in a timely manner. Advise stakeholders to negotiate potential room/facility hire directly with Property. Notify clients of publicly available internet from the library. Engage OD to assist with staff/volunteers at the centre with respect to employment/volunteer opportunities at Council. Negotiate exit strategy for the CCTV system with LAC, and organising a committee to coordinate the ongoing ownership and management of assets located at the centre.	



RECOMMENDATION:

Option 3 is the preferred option with the removal of ED from 'non-core' services as described under *Alternate In-House Service Delivery Options* (including specific end users).

SUMMARY:

The Port Stephens Business Centre has morphed over time from its original inception in 2000. In 2016 there appears to be no clearly defined role or purpose as demonstrated by the range of activities undertaken at the centre.

Recent events have highlighted the lack of necessary planning, processes and procedures in place including:

- No formal procedures for the handling of the Raymond Terrace CCTV system (as per legislation), and no forward planning regarding cost of repairs/maintenance of this system should The Lower Port Stephens Chamber of Commerce remain inactive.
- Out of date operating procedures for the PSBC dating back to April 2013.
- Limited induction procedures for volunteers/Economic Development staff to cover the operation of the centre in the absence of the Port Stephens Business Centre Coordinator (including annual leave, flex leave, and sick leave cover).
- Activities being undertaken with no clear linkage to the Community Strategic Plan or strategy developed by Council.
- The likely costs of upgrading and managing services to align with changing demands and technology.

Recommendation to council following review and internal discussions suggest the best option is to remove the role of PSBC as a centre manager. Subject to appropriate consultation and negotiation, with no current licence agreements in place with respect to room hire or programs being run through the centre this can be progressed in a timely manner. It is recommended that discussions with stakeholders commence as soon as possible with future negotiations regarding room/facility hire to be directly with Property. Also, to engage Organisational Development to assist with volunteers at the centre with respect to alternative volunteer opportunities within Council. In addition, to cease management of the CCTV system and negotiate an exit strategy with Local Area Command in line with Council's policy guidelines (under development). Also, notify PSBC clients of publicly available internet from the library.

There are compelling operational grounds for the consolidation of Economic Development resources and services to be focussed on activities that provide the greatest value to Council and local business. A separate process is underway with Council's Organisational Development Section regarding the position of the PSBC Coordinator. This includes identifying training and development needs to ensure greater value being generated from the position and assist in the personal development of the employee involved. This is required whether PSBC services are realigned or relocated or not.



Completed by: Jane Perrin

Position: Economic Development Coordinator

Review Team involved: Economic Development Unit

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