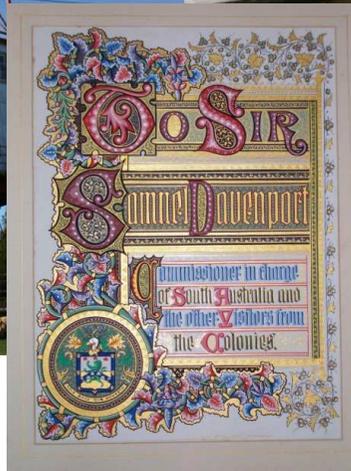
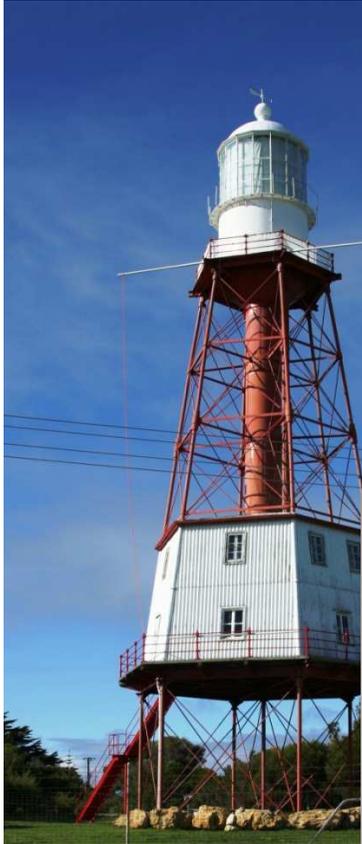




# Changing for our Future...



National Trust of South Australia  
**Strategic Directions**  
2012-2015





## Executive Summary

Since 1955, the National Trust of South Australia (NTSA) has worked actively, as a not for profit organisation, to conserve and protect the heritage of South Australia for future generations.

But, it has now reached a critical point in its history. Put simply, it does not have sufficient income to carry out its activities.

This is not new. As long as fifteen years ago, this situation was foreseen - but insufficient action has been taken to put the Trust on a sound financial footing.

As a consequence, after such a long period of time, significant changes - in focus, governance, operations, and culture - are required for NTSA to flourish in future.

Hence the sub-title of this document - "*Changing for our Future*".

These changes will be difficult. Many may be unpalatable, and may lead to some adverse reaction among members - but they are necessary.

The Plan proposes a demanding set of integrated changes be implemented over the next 3 - 4 years, aimed at putting the NTSA on a sound financial foundation - thus enabling it to flourish into the future. It proposes a short-term shake-up of the NTSA.

**But, it must be remembered that it is a "plan" - proposing priorities and directions to be followed. It does not set out the complete answers to the issues identified.**

It identifies *what* needs to be done - not *how*!

**Many of the strategies proposed involve further investigations, research, and work to bring them to fruition.**

**In the nautical sense, the Plan plots a course - but as conditions change, so will some of the responses needed.**

To meet the challenges facing NTSA, the Plan sets out five key Strategic Priorities:

### Strategic Priority #1- Attaining Financial Stability

### Strategic Priority #2 - Increasing Active Membership and Volunteers

### Strategic Priority #3 - Conserving Heritage through Respected Advocacy

### Strategic Priority #4 - Raising Standards and Strengthening Regions

### Strategic Priority #5 - Improving Operational Performance

The final part of the Plan deals with the critical factors required for successful implementation.

To **Attain Financial Stability**, the Plan proposes:

- Relentlessly pursuing government funding, both interim and continuing, in support of the public benefit provided by the Trust;
- Establishing a high-powered Fundraising Committee, to oversee fundraising activities;
- Raising an additional \$400K per annum after three years, rising to \$700K after five years through:
  - Improved relationship based giving - sponsorship, donations, benefactors etc; and,
  - A significant increase in events - including an annual flagship event capable of raising \$250K per annum
- Increased income generation through;
  - Much greater return from properties and collections; and,
  - Later in the period, measured use of entrepreneurial activities

For **Membership and Volunteers**, the Plan proposes:

- Doubling membership within three years - and significantly increasing supporter numbers - through a well-researched membership attraction and retention strategy; a review of membership categories and benefits; and, a more compelling on-line presence and better use of social media;
- A target of 20% of members under the age of 30 within three years; and,
- Doubling the number of active volunteers within three years.

**Respected Advocacy** is vital for the attraction of younger members needed to provide the energy and vision for the future of NTSA, as well as its next generation of leaders. It will require:

- Developing a robust strategic policy framework for advocacy in SA;



## "Changing for our Future..."NTSA Strategic Plan 2012-2015

- Implementing a comprehensive advocacy on-line portal, making NTSA the leading advocacy proponent for heritage conservation in this State;
- A strong campaign framework and support infrastructure; and,
- Building advocacy networks and partnerships to extend the Trust's range and expertise

The Plan proposes **Raising Standards and Strengthening the Regions** to present NTSA as a 'best practice' operation where its places and collections are maintained and presented to the public at a standard befitting the international National Trust brand. The strategies proposed include:

- Undertaking a rigorous assessment of all property holdings and their suitability and relevance, and disposing of those not required;
- Setting up a high-powered Task Force to oversee this process;
- Building stronger and more sustainable Branches as a focus for all members in a geographical area, breaking any nexus with a property, and representing all facets of NTSA activity including managing nature reserves and advocacy;
- Providing inspiring museums, which have a compelling visitor experience, and stimulate repeat visits; and
- Strengthening NTSA leadership in Regions.

To **Improve the Trust's Operational Performance**, it is proposed to have:

- A comprehensive Governance Review of the Council, Committees and Branches to improve performance;
- Sufficient key staff employed by the Trust to ensure that its highest priority goals and demands are satisfactorily achieved, and to review staff allocations to ensure that they are allocated to areas of highest priority;
- A robust business model for the NTSA which recognises the relative importance and contribution of Branches and the State Office;
- A much improved on-line presence and social media technology; and,
- Integrated management processes, systems and technologies which support the achievement of the Trust's needs and priorities.

These are very significant changes, which will not be easy, requiring a concerted effort over the next three to four years to provide a strong foundation for the Trust.

They will require strong leadership from Council, and to facilitate this, it is proposed to appoint an Interim Management Board of seven members from Council, primarily to oversee the implementation of this Plan.

Recognising the need for urgent action, this Management Board will meet at least fortnightly initially, and will report to the whole Council which will meet quarterly to oversee progress, and guide the operations of the Management Board.

Subject to the outcomes of the Governance Review, and subsequent approval by Members at either an Extraordinary Meeting, or an Annual General Meeting, a smaller Board is suggested for consideration to lead the NTSA in future.

But, most importantly, for successful implementation, more key staff with the necessary expertise are essential, to be supported by enthusiastic volunteers.

Funding approaches are identified to enable the appointment of:

1. A full-time 'Fundraising Coordinator' responsible for 50% of their time to assist the Manager, Marketing and Development with events and fundraising, and for the other 50% to increase membership.
2. An Information, Technology and Communications (ITC) Officer, responsible for upgrading the on-line presence of the NTSA including use of social media; and for managing a range of essential databases; and,
3. A full-time Manager, Regions and Branches to provide essential support to Branches for implementing the changes required from the Plan.

The first of these appointees will need to justify their continuing appointment by, initially, covering the costs of their employment, and, subsequently, by achieving the targets in the Strategic Plan.

As some offset to these additional costs, it is proposed that the Manager, Natural Heritage position be converted to a part-time role, and be funded from relevant Endowment Funds.

Once the strong foundation envisaged by the Strategic Plan is achieved, the NTSA can reassess the allocation of staff and funding resources to ensure the continuing vitality of its operations and its longer term development.



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## Our Story

Since 1955, the National Trust of South Australia (NTSA) has worked actively to conserve and protect the heritage of South Australia for future generations.

It is an independent, not-for-profit organisation, supported by its members and the community, and constituted under the National Trust of South Australia Act, 1955 for the purposes of promoting:

- (a) the preservation and maintenance for the benefit of the people of South Australia of lands and buildings of beauty or historic, scientific, artistic, or architectural interest and, as regards lands, the preservation (so far as practicable) of their natural aspect features and animal and plant life;*
- (b) the protection and augmentation of the amenities of such lands and buildings and their surroundings;*
- (c) the preservation of furniture and pictures and chattels of national, historic, artistic, or scientific interest;*
- (d) the access to and enjoyment of such lands, buildings, and chattels by the public.*

It is the leading heritage and conservation body in SA - operating heritage museums, historic properties and nature reserves open to the public.

The NTSA has custody of 127 properties across South Australia:

- 66 owned in its own right - including 55 built heritage places
- 42 State Government owned - dedicated by the Minister to the NTSA
- 2 owned by SA Government Statutory Authorities
- 1 privately owned
- 16 owned by Local Government - most formally leased back to the NTSA

Among these properties are 28 nature reserves. Of these, 11 are owned by the NTSA as a direct gift; 14 are either dedicated Crown Lands, or on perpetual lease from the Crown; and, 3 are owner-leased to NTSA.

The Government owned properties comprise 11 nature reserves, 27 historic buildings (including the lease of Ayers House), 3 ruins, and 1 relic.

The built properties house historical items of national, state and local significance - making it one of the largest museum collections in the State.

NTSA's other primary activity is active and enthusiastic public advocacy on heritage matters - both cultural and natural heritage - including national responsibility for the Significant Trees heritage.

The NTSA has approximately 2 800 memberships, some of which are 'joint' or 'family' memberships involving two or more members.

In addition, an estimated 1 000 volunteers/'friends', many of whom are not members, contribute strongly to the work of the Trust.

It is clear from its Act that the NTSA is explicitly set up for public benefit - yet it currently receives minimal public funding to carry out its objectives.

However, the dedication of State Government properties to the Trust has produced a number of significant benefits to both the citizens of South Australia, and the State Government and its agencies.

- Conservation of habitat and biodiversity in nature reserves;
- Property maintenance - cash and 'in kind';
- Development of themed regional heritage trails, and provision of museum services adding to the tourism infrastructure of SA, and making significant contribution to the local economies - attracting more than 60,000 visitors annually;
- Active volunteers contributing more than 65 000 hours annually to heritage properties;
- Use of its 'not for profit' status to source grant funds, not normally available to the State Government and its agencies.

NTSA makes a valuable contribution to South Australia.



# The Changing World of the Not-for-Profit Sector

In 2012, the 'not-for-profit' (NFP) sector is facing significant change<sup>1</sup>.

From October 1<sup>st</sup>, 2012, the Australian Charities and Not-For-Profit Commission<sup>2</sup> (ACNC) will be established as an independent regulator for the Sector. It will determine 'charitable' status; provide education and support; and, administer a regulatory and reporting framework.

The Commission is proposing to establish an on-line information portal which will provide an easy opportunity for funders, donors and the general public to compare and contrast the range of Australian NFPs.

NFP organisations can also use this portal to promote their approach to sound governance and to demonstrate that they can be trusted with public funds.

In Australia, there are around 600 000 NFP entities, of which 60 000 are charities, with around 21 000 having DGR status. So, the competition is significant, and the portal will allow the general public, donors and funders to review the performance of NFPs (ie to conduct due diligence) before committing support.

In this environment, those NFPs which can articulate clearly the public benefits they deliver; demonstrate sound governance; and differentiate their offerings, are likely to be the most successful in raising funds.

At the same time, the Federal Government will create a statutory definition of a "charity" - aimed at improving public trust and confidence.

One idea being considered by the Government, is that, to be considered a 'charity', an entity "should have to demonstrate public benefit"<sup>3</sup>.

At this stage, it is expected that NTSA will transition with its existing taxation benefit, but from July 2013, the ACNC will progressively assess the status of all registered charities<sup>4</sup>.

A third area of reform is the proposal to tax unrelated commercial activities of NFPs - to tax commercial earnings when they are not applied towards the altruistic purpose of the organisation.

Faced with the establishment of the ACNC, NTSA therefore will need to ensure that:

- its governance and accountability is sound - both in Branches and centrally;
- it can demonstrate and report the public benefit it delivers; and,
- it can articulate its competitive position in order to attract the funding it needs.

<sup>1</sup> David Knowles, Exec Director, Philanthropic Services, J B Were; in Sydney Morning Herald, December 23-25, 2011.

<sup>2</sup> <http://acnctaskforce.treasury.gov.au/content/content.aspx?doc=home.htm>

<sup>3</sup> David Knowles (as above)

<sup>4</sup> Australian Treasury "Not-for-Profit Reform Fact Sheet - Introducing a Statutory Definition of 'Charity'" - October 2011



# Our Challenges and Priorities for Change

## Our Vision

*To be recognised as the leading independent voice in South Australia for the advocacy of heritage, and its rightful place and contribution to the development of our society.*

*Our credibility will be based on:*

- *Building alliances in support of our advocacy and drawing on diverse expertise to present soundly based, accurate, concise and engaging arguments;*
- *Our custodianship of highly significant properties and collections, showcasing key facets of the heritage of this State, the quality of which will be of world standard; and,*
- *Our growing base of active members, supporters and volunteers.*

## Our Current Situation

This Plan is based on extensive consultations with more than 160 people - members, staff, Councillors, and external stakeholders - in both workshops and through individual personal contact.

These consultations highlighted a number of positive factors for NTSA:

- A great international brand - which we should make more of;
- Very energetic and dedicated staff, volunteers and members who are resilient, have stamina and are persistent;
- We make the most of what little funds we do have;
- Credibility in advocacy - both in built and natural heritage; and,
- Branches covering local heritage - but some collections are below standard or need better presentation.

But, there are a number of important challenges;

- Financial position is deteriorating - too little income, with very low corporate sponsorship and bequests; and, rapidly increasing costs;
- Too many properties - most not generating sufficient income for long-term sustainability;
- Many Branches incurring a financial loss, or generating barely enough income to cover expenses:
- No Government funding to recognise NTSA 'public benefit';

- Poor standards of governance and accountability - many Branch Committees not complying with NTSA By-Laws; and, some must improve employment and volunteer engagement approaches;
- Lack of a unified "one National Trust" culture - Branch/State Office relations need improvement, along with better collaboration between individual Branches;
- Ageing membership and volunteer base - not recruiting younger members/volunteers; no succession policies and plans;
- Questionable benefits of being a member - membership subscriptions seen by some as high - especially the 'joining fee';
- Very poor use of emerging information technologies - thus not engaging younger people, nor being an enticing destination;
- Perceived as a 'conservative, elite club', 'reactive' not pro-active in heritage issues. Not seen as a 'vote-winner';
- Too few staff with the necessary skills to support its priorities.

Collectively, these challenges require marked change for NTSA to flourish in future - hence the sub-title for this Strategic Plan - ***Changing for our Future...***

To meet these challenges, the Plan has five key Strategic Priorities:

**Strategic Priority #1- Attaining Financial Stability**

**Strategic Priority #2 - Increasing Active Membership and Volunteers**



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**Strategic Priority #3 - Conserving Heritage through Respected Advocacy**

**Strategic Priority #4 - Raising Standards and Strengthening Regions**

**Strategic Priority #5 - Improving Operational Performance**

### **An Integrated Plan**

This Plan seeks to ensure NTSA will flourish in the future - making best use of its assets and capabilities, and being relevant to the community.

It focuses on increasing income, ensuring capacity to achieve its goals, and, improving standards to conform with its international brand.

Individual Goals and Strategies proposed are part of an integrated approach - not items on a menu where the most attractive, or palatable, ones are chosen, while ignoring others.

### **"One National Trust"**

The National Trust is an international body, renowned around the world for its high quality and rigorous approach to conservation of heritage.

In addition to their own locality or programs, NTSA Branches and Committees must consider regional, State, national, and international issues in conducting their affairs - to adequately represent the National Trust movement, and continue to grow its reputation and brand.

It is necessary to take a "One National Trust" view - to unite, and overcome the "them and us" dichotomy which has developed between Branches and the State Office.

So, this it is not just a Plan for the State Office - but a Plan for the whole NTSA.

Once approved, Branches/Committees will need to prepare their own Strategic Plans based on the same agreed priorities and directions.

### **The Need for Leadership**

The current difficult financial situation of the NTSA has been emerging for some years - but, little has been done to stabilize and grow its financial base.

The improvement actions in this Plan should have been given priority earlier. That they haven't has made the task now more onerous, and has added to the urgency to get things right.

One possible reason for the lack of concerted action in the past could have been the lack of suitable staff resources for effective execution of NTSA plans.

This Plan proposes finding funds (refer Implementation Considerations Section) to appoint three extra staff in areas of great importance - including, where appropriate, the requirement for them to recover their costs as an initial priority,

Also proposed with some reluctance, is the conversion of the role and funding of the Manager, Natural Heritage to part-time - retaining the position as a model for future operations in the Trust, but, in this time of limited financial resources, using the funding freed up to offset partially the costs of the additional high priority positions.

To provide stronger, and more focused leadership in implementation, it is proposed to modify the operation of the Council, in the short term, by appointing an Interim Management Board (IMB) of six members from Council.

In response to the need for urgent action, it is proposed that the IMB will meet at least fortnightly in the first instance - reporting to the whole Council which will meet quarterly.

But, all involved in NTSA leadership - Councillors, collectively and individually, along with Committee members and Branch leaders - will all need to show strong leadership for the Plan to be successful.



## Strategic Priority #1- Attaining Financial Stability

### Our Challenges

The NTSA is at a critical point in terms of its finances.

A deeper analysis shows the financial situation more clearly.

#### *Branches*

The financial position of Branches is deteriorating.

In 2010/11, Branches collectively operated at a loss of \$31K.

Furthermore, 40% of Branches made a loss, and only 15% (7 Branches) made a surplus of more than \$5K - an unsustainable situation, since even this level of surplus does not generate sufficient reserves for essential property maintenance.

Notwithstanding this, Branches collectively held \$1.94m (of which \$1.25m is in long-term investment funds) at June 30, 2011, with three Branches holding in excess of \$200K. These funds show on the NTSA Balance Sheet, but, by convention, have not been accessible for the highest priority day to day operations of the Trust - being retained by the relevant Branches.

Meanwhile, costs of Branch operations are increasing faster than income.

And, due to shortcomings in reporting, the current financial situation for Branches during the year is not known to the Council - nor is it possible to forecast the aggregate financial outcome for Branches at the end of the current 2011/12 year.

#### *State Office*

Until 2009/10, the operations of the State Office relied heavily on annual State Government recurrent grants of around \$200K in recognition of the public benefit provided by the Trust.

These grants have been discontinued, and concerted action has not been taken to replace this source of funds.

Consequently, the State Office has operated at a deficit in the past two years, and its cash reserves are being depleted. In the current year (FY 2012), the projected State Office deficit is around \$341K.

But, this deficit figure contains more than the cost of State Office support for the operations of NTSA.

Once again, due to the limitations of the Trust's reporting systems, the figure includes the financial results of a number of properties assigned to the State Office (eg Ayers House, Collingrove, Wellington Courthouse, Overland Corner Hotel) as well as the State-wide Natural Heritage program assisting a number of Natural Heritage Reserves of the Trust.

For more effective financial control, these properties/programs need to be singled out from the State Office, and their financial performance reported separately.

#### *NTSA Finances as a Whole*

In keeping with the international National Trust movement (and its own enabling legislation and Rules), the NTSA is comprised of both Branches and the State Office. Neither can be effective without the other, and, its Annual Financial Reports reflect this - showing the combined position of Branches and State Office.

For FY 2010/11, the Trust as a whole reported a loss of \$127 106. This compares with a profit of \$364K in the year before.

For the current FY12, once estimated depreciation<sup>5</sup> of \$130K, is added to the expected State Office deficit (which, as stated above, includes numerous properties and programs), an annual deficit for the Trust as a whole, of around \$470K is predicted. This may increase further depending on the annual financial outcomes from Branches (which are not yet available).

Based on last year's Branch results, a possible annual deficit for the current 2012 year for the Trust as a whole could be as high as \$500K.

This cannot continue.

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<sup>5</sup> For the Trust as a whole - including Branches



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### *The NTSA Business Model*

Hitherto, Branch and State Office finances have been managed independently of each other, despite being reported jointly in the Annual Accounts.

But this has resulted in a significant portion of the Trust's funds not being available for allocation to the areas of greatest need - individual Branches hold significant funds which traditionally have not been available for wider use.

Some have commented that the major financial problem of the Trust is the cost burden of State Office. Others have gone even further to say that it should be reduced to a small unit and allow Branches to operate independently.

These suggestions have no merit - the two arms of the NTSA are mutually dependent for its success.

And, we have already seen that the State Office finances are affected by the inclusion of a number of properties and the state-wide natural heritage program supporting additional natural heritage properties.

A high proportion of State Office costs are for staff, and meaningful cost reduction will require loss of more staff - further reducing its capacity. State Office is already too poorly resourced to support a viable and sustainable NTSA.

And replacing staff with volunteers is not feasible - they cannot be held accountable for critical tasks. They play a vital role supplementing the work of staff, but they need to be led, mentored, and encouraged by accountable staff.

A new NTSA business model is required which will ensure that the funds of the Trust are able to be allocated to the areas of greatest priority.

This is considered in Strategic Priority #5.

### *Raising Funds*

The biggest challenge facing NTSA is generating sufficient income for a sustainable future - a difficult task in current economic times:

- Competition for charitable giving is increasing, and some have questioned whether NTSA is 'emotional' enough for people/governments to give;
- Government funding is increasingly tied to results and showing public benefit;
- Corporate philanthropy has become less charitable and more strategic;

- Major donors are using tax-effective charitable trusts to structure their giving;
- Retail giving is going digital, via smart phones, social media, and the internet.

A volunteer-based Fundraising and Membership Committee was formed in 2010 to develop a 10-year fundraising plan. It set a target to raise around \$100K in 2011 but this was not achieved. Following the appointment of a grant-funded Manager, Marketing and Development in 2011, Committee activity has reduced.

Income generated from NTSA properties is too low. In FY 2011, \$784K was raised - an average of only \$6 200 per property, or around \$120 per week. In the current year, our most prestigious property, Ayers House, is expected to make a loss of \$10K

Over recent years, other sources of income - donations, fundraising, sponsorship, and bequests - have declined significantly.

### **Changes for the Future**

NTSA needs to change dramatically - building a more business-like, commercial culture, supported by concerted action to generate substantially higher revenue.

If it is to secure financially the achievement of its goals, fundraising needs to become an integral part of all of its operations - it cannot be a stand-alone activity.

For the Trust to have a sustainable and flourishing future, a minimum fund-raising target of an extra \$400Kpa revenue within two years is proposed (above any government funding). This needs to rise to a minimum of \$700Kpa within five years<sup>6</sup>.

This is the minimum required. It will not allow replenishment of cash reserves - depleted by operating deficits in the past two years. A higher level of fund-raising will be very beneficial.

Any recurrent government funding which can be negotiated, must be in addition to these fund-raising targets - allowing faster replenishment of cash reserves, and setting aside some capital for necessary property upgrades and development projects.

<sup>6</sup> These targets are in addition to any increased revenue from an increase in memberships (see Strategic Priority #2), and any income generated from increasing returns from NTSA properties and collections



## "Changing for our Future..."NTSA Strategic Plan 2012-2015

Approaches for generating improved revenue include:

- Seeking Government recurrent grants;
- Seeking Government project/program-based grants;
- Relationship-based giving - sponsorships, corporate and 'high net worth' (HNW) individual philanthropy/donations, bequests, benefactor programs, and establishment of Private Ancillary Funds (PAFs);
- Fund-raising events;
- Increased return from NTSA properties and collections;
- Entrepreneurial activities
- Membership growth (see Strategic Priority #2); and,
- 'Retail' donations (ie individual small amounts - related to membership and supporters - see Strategic Priority #2).

### *Government Recurrent Grants*

The NTSA charter requires it to provide "public benefit". Given this, application should be made to the government for recurring funding - especially in the context of the proposed Property Review (Strategic Priority #4).

As a general principle, the retention of Government-owned properties should be contingent on receiving continuing recurrent government funding.

The government should also be approached for three years' interim funding to enable the implementation of this Strategic Plan. This will facilitate the Trust becoming more self-sufficient, and able to continue delivering its 'public benefit'.

Any application for government grants needs to demonstrate the public benefit it delivers. NTSA must get better at measuring and reporting its 'public benefit'.

A key priority for the President and CEO is to build strong, continuing relationships with key decision-makers in government.

### *Government Program/Project-based Grants*

The NTSA needs a strategy to attract more program/project-based grants - involving;

- Developing a portfolio of high priority projects as the basis for applications;
- Rigorous monitoring of the availability of suitable grants;

- Formally specifying and appointing a volunteer position to co-ordinate the search and applications for all potentially suitable grants - a role which could be shared between two or more volunteers; and,
- Training in grant application, to increase chances of success.

### *Relationship-based giving*

The key role for the Manager, Marketing and Development, supported by a team of enthusiastic and well-connected volunteers, is relationship-based fundraising - sponsorships, corporate and high net worth individual philanthropy, bequests and benefactor programs. This requires:

- 'Packaging' of the NTSA story to ensure it is attractive, and raises its profile;
- A strategic engagement plan to build strong networks with key potential sponsors, donors, and benefactors - involving the President and CEO;
- A program of projects/campaigns for use in attracting donations - eg funding an IT/Social Media Strategy; digitising collections (photos etc);
- Introduction of Private Ancillary Funds to attract philanthropic donations;
- Considering:
  - The possibility of corporate sponsorship for major properties;
  - Linking sponsorships with member benefits (such as the discounts formerly offered to Trust members by Haymes Paints in Victoria);
  - Opportunities for 'co-branding';
  - Positioning NTSA as a 'beneficiary of choice' and ensuring that potential benefactors are given recognition while still alive; and,
  - Regular giving programs.

### *Events*

NTSA needs a more concerted approach to event management - developing a series of popular, recurring events which are synonymous with the Trust.

In particular, it needs at least one high-recognition, 'flagship' annual event, capable of achieving a contribution of at least \$250Kpa.

This should be supported by a range of other events attracting repeat attendances from members, supporters, corporate bodies, and the general public.



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To ensure success, an additional staff member - a Fundraising Coordinator - will be needed<sup>7</sup>, supported by enthusiastic volunteers for each series of events.

The Fundraising Coordinator will have an initial target of raising sufficient funds from events and increased membership to pay their costs, and, subsequently, to achieve a marked increase in revenue.

The "Events Strategy" should also include:

- Requiring Branches, supported by the Fundraising Coordinator if workload permits, to develop a calendar of recurring events, synonymous with NTSA locally, to increase local involvement in Trust activities;
- Consideration of travelling displays of NTSA collections (where feasible) to support events in other locations, and access by other communities;
- Provision of better and more comprehensive event information on the NTSA website, including more compelling material for the general public; and,
- Greater use of social media to attract a wider base of supporters and the general public to Trust events.

Finally, to maximise return from high profile, recurring events, the property management and venue hire of both Beaumont House<sup>8</sup> and Stangate House should be transferred to the State Office - allowing better coordination and integration with major events at Ayers House, and, subject to lease arrangements, Collingrove.

### *Increased Return from Current Properties and Collections*

Owning or managing properties with little commercial income, or capital to earn an income stream for upkeep, is a flawed business model.

The current "Property Review" (see Strategic Priority #4), in addition to rationalisation of the property portfolio, must ensure that:

- Every property generates an improved income stream, and,
- Wherever possible, all NTSA properties have a regularly updated, commercially based business and management plan.

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<sup>7</sup> Allocated approximately 50% to supporting the Manager, Marketing and Development, and 50% to the related area of driving membership growth (Strategic Priority #2)

<sup>8</sup> NB: The transfer of Beaumont House to State Office will be necessary to allow for the accommodation of the extra staff needed as a result of implementing this Plan

This will require a more commercial and business-like culture among members/volunteers and Branches, to maximise the earning potential of existing assets while minimising the Trust's exposure to risk.

A strategy to increase return from NTSA assets should include:

- A comprehensive review of existing leases to protect the interests of the Trust and ensure that the potential income is maximised;
- Joint partnerships and other arrangements, where NTSA retains ownership of a property, but shares in income generated;
- Whether other properties, currently unleased, could make better returns from leasing or other arrangements; and ,
- Providing access to Trust records, data-bases and Library on a fee-for-service basis.

Later in the Plan, consideration should be given to possible opportunities for merchandising the NTSA collections for sale on the website, at every property, and, depending on cost/benefit, through a dedicated retail outlet.

### *Entrepreneurial Activities*

Later in the planning horizon, it may be appropriate to consider a return to more entrepreneurial activities (eg hosting tours etc) which may have a higher risk, but the potential for good income generation<sup>9</sup>.

### *Oversight and Coordination of Fund Raising*

The urgent generation of substantially higher levels of income for the NTSA is critical to its future - requiring intense activity, and committed focus for success.

To provide leadership and increased capability in this activity, it is proposed to replace the existing Fundraising and Membership Committee with a new, high powered Fundraising Committee<sup>10</sup> of no more than 8 members, comprising the President, CEO, Chair AF&G Committee and 3 - 5 invited members from commerce with good corporate networks, able to make connections with funders and donors, and to act as ambassadors for the Trust.

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<sup>9</sup> Need to consider policy guidelines from the new ACNC relating to the taxation of unrelated business activities of charitable organisations.

<sup>10</sup> The Manager, Marketing and Development is proposing a "Heritage Icons" Committee which may carry out this role



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This Committee would need to focus solely on fundraising, and could be a precursor to a formally constituted "NTSA Foundation" in later years of the Plan.

To support fund-raising and income generation, the Manager Marketing & Development, and the Fundraising Coordinator, supported by the ICT Officer, will need to develop a strategic Marketing and Communications Plan.

### **How we plan to achieve our changes - our goals and strategies...**

#### **Ensure that NTSA focuses on the importance of fund-raising while not compromising its core activities of advocacy and heritage conservation**

- Establish a high powered Fundraising Committee to contribute to the income generating activities of NTSA, as a possible precursor to an NTSA Foundation;

#### **Sustain NTSA operations by generating additional revenue of \$400K within two years rising to \$700K within 5 years**

- Establish Private Ancillary Funds (PAFs) for NTSA grant making purposes;
- Actively pursue relationship-based fundraising activities;

- Implement a program of recurring events, in both Branches and State Office, which are synonymous with NTSA, and which the community and members look forward to on a regular basis;
- Maximise returns on investments;
- Introduce entrepreneurial activities to increase income for the NTSA;
- Develop a strategic Marketing and Communications Plan.

#### **Maximise funding from Government sources**

- Actively pursue SA Government recurrent funding (both short and longer term) based on the public benefit that is derived from NTSA activities and particularly its management of government owned properties;
- Maximise funding received from program/project based government grants;

#### **Maximise return from current NTSA properties and collections**

- Adoption of a more commercial and business-like culture among members/volunteers and Branches, to maximise the earning potential of existing assets while minimising the Trust's exposure to risk.



## Strategic Priority #2 - Increasing Active Membership and Volunteers

### Our Challenges

- NTSA membership is ageing - 95% of members are older than 50 and more than 70% older than 65; and, volunteers are expected to show a similar age profile;
- "Young Trust" and "Junior Trust" have been discontinued, and there is difficulty in attracting younger members;
- NTSA has a disproportionately low membership per head of population compared with some States;
- Memberships have been decreasing over time, despite a slight increase in recent years;
- About 50% of members are not aligned with a particular Branch - and more than 70% of members reside in the greater Adelaide area;
- Members are concerned about the high cost of subscriptions, (particularly the Joining Fee) and perceived low level of membership benefits;
- Supporting members is costly in both dollar terms and volunteer time;
- The traditional concept of membership is becoming out-dated. Community organisations and Service Clubs are finding it increasingly difficult to attract members in the traditional sense. Increasingly, such organisations are seeking "supporters" who are more 'cause' or project focussed;
- The NTSA website lacks attractive features and content to engage members, supporters and volunteers. It does not use technology well - including social media;
- Not all of the approximately 1 000 volunteers are members;
- While volunteers are vital to the work and success of the NTSA, little is done to support their development and acknowledge their contribution; and,
- There is a lack of formal registration, and minimal training for volunteers. Unlike other States there is no separate "volunteer support area" on the web-page.

### Changes for the Future

#### *Members and Supporters*

Doubling the membership to match more closely the population intensity of Victoria would energise the NTSA, and result in extra income of around \$100Kpa, less any costs associated with membership attraction and support.

Key targets for increasing membership should be new geographical areas, new cultural groups, but most particularly, younger age groups (see later),

And, attracting large numbers of cause-related supporters has the potential to increase income further, and build credibility and the political clout of the Trust.

A new position of Fundraising Coordinator is needed (see Strategic Priority #1) - with 50% of time assisting fundraising and 50% on increasing membership - to be supported by the formal appointment of a volunteer Membership Coordinator.

Funding for this is discussed in the Implementation Section, and their initial aim must be to recover their costs in increased membership and supporter contributions.

The Coordinator will need to develop a well-researched membership / supporter 'attraction and retention' strategy as a key priority.

And, a comprehensive member/supporter/donor data-base, will need to be set up and maintained by the ICT Officer proposed in Strategic Priority #5, supported by a substantially improved on-line presence with compelling content, social media, and electronic 'apps' for attracting, retaining and increasing the engagement of members and supporters.

The current Publications Committee should convert to a "Member Communications" Committee, seeking further volunteer expertise, and replace the "Heritage Living" publication with one of more utilitarian quality, supplemented by regular electronic communications.

And, Branches need to implement innovative annual 'member engagement plans' - to ensure that members and supporters are actively involved in the Trust's work.

As new members join, and existing members renew, they should be invited to nominate areas of expertise which may be of use to the NTSA, and to indicate their willingness to be more actively involved.

All NTSA events should have a strong membership/supporter attraction focus.



### *Attracting Younger Members*

NTSA needs to determine why it is not attracting younger members.

The Fundraising Coordinator should seek corporate sponsorship for "Youth" or "Young Adult" Forums, involving both metropolitan and country based young people, to discuss heritage and what would capture their interest - leading to a range of activities of interest to younger people, possibly including:

- Family oriented events such as a 'Grandparents Fair', or a 'Teddy Bear's Picnic, at a flagship NTSA property;
- A "Young Trust" and/or "Junior Trust" (or suitably named "Clubs");
- Including on the website a specific, i-pad friendly "Junior Trust" component, developed in conjunction with education providers to supplement the recently introduced History Curriculum - providing a possible avenue to attract families to become supporters and members;
- Targeting Schools for involvement in heritage activities, tapping into the perceived interest of the younger generation in environmental and natural heritage matters.

### *The History Curriculum*

The recently introduced History Curriculum provides an ideal opportunity for the Fundraising Coordinator to develop a formal plan for engagement with educational institutions as a means of attracting younger supporters and members - particularly through the involvement of their families, and also as a result of the demand for learning history.

### *Volunteers*

Strategic Priority #4 proposes the appointment of a Manager, Regions and Branches whose responsibilities include overseeing Volunteer Management and Coordination.

The contribution of volunteers is an important 'public benefit' provided by NTSA, and should be better recorded/reported as a key indicator of its performance.

A more formal "Volunteer Strategy" is required, which includes the necessary registration and training, as well as recognition for contributions made by individuals and groups.

Because of legal liabilities and insurance, consideration should be given to the desirability of requiring volunteers to be members of NTSA - perhaps in a separate member category, paying a reduced fee with an undertaking to provide a minimum annual volunteer assistance contribution.

In return, registered volunteers could receive a suitable package of member benefits - a relationship involving rights and obligations on both sides.

The upgraded website should be used to advertise formally volunteer positions and opportunities, and incorporate a separate, password-protected Volunteer section to include material of specific interest (including training and personal development material), and recognising volunteer contributions.

### **How we plan to achieve our changes - our goals and strategies...**

#### **Double NTSA membership and increase supporter numbers**

- Implement membership/supporter "Attraction and Retention Strategies";
- Upgrade NTSA website for better member/supporter attraction and retention;
- Review member publications.

#### **Achieve 20% of membership under age 30 within 3 years**

- Use advocacy activities of the NTSA to attract younger members;
- Introduce suitable 'club' and events and activities for younger members;
- Work with educational institutions in support of the "History Curriculum".

#### **Double the number of active volunteers within three years**

- Implement integrated Volunteer "Attraction and Retention Strategies";
- Use upgraded website better to support Volunteers.



## Strategic Priority #3 - Conserving Heritage through Respected Advocacy

### Our Challenges

While NTSA has made substantial contributions to conservation of SA's heritage, the State faces increasing conservation challenges. Economic pressures and a strong development lobby have combined to endanger much of our heritage.

NTSA is recognised as the lead body for heritage conservation - its Act requires it to **promote** "*preservation and maintenance...protection and augmentation...and access to and enjoyment of lands, buildings, and chattels by public*".

Advocacy is a central activity of NTSA, but it faces challenges:

- Extensive property and collection holdings have meant advocacy has taken a 'back seat' to the operation of museums and the management of assets;
- Apart from the energetic efforts of a few key Branches and Heritage Advisory Committees, advocacy has been left to a few key individual volunteers, with limited staff support. Advocacy campaigns are largely confined to the greater Adelaide metropolitan area, with little activity in Regions;
- Advocacy has been largely reactive in nature. Lack of staff dedicated to advocacy is detrimental to credibility - and NTSA is often unfairly perceived as 'anti' development;
- The website needs improved coverage of advocacy to enthuse supporters.

### Changes for the Future

A high profile, respected, engaging and compelling approach to advocacy is fundamental to attracting a new generation of members and supporters - needed to ensure continuing enthusiasm, energy and vision for the NTSA.

An active, high-level Advocacy Committee is proposed, to develop:

- An underlying philosophy and strategic framework for advocacy, and ways of engaging with key decision-makers to ensure continuing credibility/respect;
- Prioritisation of areas where a pre-emptive approach may be needed;
- A process, including a 'kit', for campaigns, and engaging the community;
- Establishment of suitable advocacy training programs for Regions;
- Awareness raising activities such as *Heritage@Risk*, and high profile events such as forums, seminars, and displays;

- Compelling advocacy content on the NTSA website - including a portal recognised as SA's primary point for heritage advocacy;
- Social media initiatives for each campaign - vital for attracting the next generation of cause-related supporters;
- Access to specialised support and expertise, and collaboration with like organisations, to amplify NTSA reach and ensure coordinated, large-scale advocacy campaigns in SA.

Due to funding shortages, the appointment of a dedicated staff member for advocacy will need to wait until later in the Plan - meanwhile, a continuing strong volunteer commitment is required,

### How we plan to achieve our changes -our goals and strategies...

#### Be seen as the leading independent advocate for built, cultural and natural heritage in SA

- Establish a high level Advocacy Oversight and Support Committee to drive the advocacy activities of NTSA;
- Establish a strategic policy framework for conservation of heritage and promote it widely;
- Establish a high quality 'heritage portal' as part of the NTSA on-line presence to be recognised as the primary location for heritage advocacy in SA.

#### To successfully conserve the heritage of South Australia through strategic, prioritised advocacy campaigns

- Establish a strategic advocacy engagement plan for key decision-makers, political parties, businesses and government agencies;
- Building on the "*Heritage@Risk*" program, maintain a comprehensive strategic assessment of areas of greatest risk in SA from loss of heritage;
- Introduce a standard process for responding to new heritage threats and concerns;
- Where appropriate adopt a pre-emptive approach to advocacy.

#### To build a network of advocacy partnerships aimed at extending the Trust's reach and to encourage wider public involvement

- Identify key like organisations concerned with advocacy, and develop working relationships with them to establish effective advocacy alliances;
- Establish a range of forums, seminars and other events to build collaboration with interested parties.



## Strategic Priority #4 - Raising Standards and Strengthening Regions

### Our Challenges

The wide scope of the NTSA Act has been welcomed as not unduly limiting its operations. But, as a result, the Trust has embraced a wide range of activities, not always with regard to its available resources, leading to a suggestion that NTSA 'tries to be too many things for too many people' - spreading its resources too thinly. Standards required to uphold the international NT brand can suffer.

Currently The NTSA faces many challenges.

### *Property Holdings*

Challenges include:

- NTSA has a disproportionate number of properties (127) under its care, when compared with interstate and international Trusts<sup>11</sup>; and,
- It does not have the income, staff resources, nor capital to ensure its properties are well-maintained and meet high international standards of presentation.

Property numbers in NTSA need to be reduced significantly.

### *Branches*

Challenges include:

- Over-commitment to property operation, and the clear 'nexus between Branches and one, or a limited number of properties, has led to a disproportionate number of Branches compared with other States, and a low average number of members in each Branch<sup>12</sup>;
- The work of the Trust falls on much fewer, ageing members - and not all Branch members are active;
- The small number of active members in a Branch militates against keeping their property, and any associated collections, at a high standard, and a small group of members may come to dominate a Branch, perhaps unintentionally excluding new members, or members with different views;

<sup>11</sup> NTSA holds around 30% of all National Trust properties in Australia, and, internationally, is believed to be second only to the UK National Trust for the number of properties held.

<sup>12</sup> One Branch has only two members, and almost 50% of Branches have fewer than 20 members.

- Many Branches do not undertake advocacy, or protection of natural heritage reserves and other areas of concern in their locality;
- Branches named after a specific locality or town, can lead to potential members from a wider region being deterred from joining.

While the existing Branch structure has tapped huge reserves of energy and commitment from members and volunteers, the increasing age of members is decreasing the viability of Branches. Already some have been lost, and others are indicating they may be ready to fold.

### *Collections/Museums*

The strong commitment of local members and volunteers to their museum and properties is applauded. And, because of a dire lack of resources, they do it with limited support.

But, challenges faced by the NTSA include:

- Over-commitment to properties has resulted in a large number of museums. Very few properties are operated as alternative income-producing vehicles;
- Although some museums are well presented, many displays lack wider appeal, not being refreshed for many years, and have limited opening hours;
- Many lack focus, 'telling stories' poorly - collections may be set up in isolation from the places in which they are located. A rethink is needed of why and how things are collected, interpreted and presented;
- There is a duplication of collections (and buildings), diminishing the 'exclusivity' and 'differentiation' of NTSA offerings. Some branches hold a surfeit of items which can be of questionable quality;
- Branch Members generally have never been trained in the appropriate care and interpretation of important collections;
- Museums generally do not use modern technologies - to make them more engaging for the visitor;
- Within a single Region, there may be a lack of coordination among NTSA museums which, if remedied, would enhance the visitors' experience;
- The incidence of repeat visits from locals is low - the majority of visitors are tourists or travellers from elsewhere;
- The traditional history museum is becoming an anachronism - of limited interest to younger generations. The general public now expects a diverse adventure when visiting museums - creative/imaginative interpretation and presentation, making use of interactive technology, providing a virtual



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experience, being refreshed regularly. With very few exceptions the NTSA is not meeting these community expectations.

As a result, many Trust museums are not matching the international Trust brand, and are losing their position as pre-eminent examples of high quality displays of Australia's and the State's heritage.

### *Support for Regions and Branches*

NTSA Regions vary in relative strength, and sustainability (Appendix 1).

Appendix 2 shows the comprehensive range of services provided from State Office for the Regions. In addition, Regional Councillors are expected to support Branches and represent their interests. Nevertheless, many Branches complain that they receive insufficient support, training and recognition.

And, for the most part, Regional meetings are not found interesting, and many Branches are not committed to attending, let alone contributing.

A more compelling approach to Regional support and coordination is needed.

### **Changes for the Future**

NTSA must become a 'best practice' operation where its places, reserves, and collections are accredited, maintained, and presented to the public at a standard befitting the international National Trust brand - self-sustaining *Centres of Excellence* different from other 'history' museums.

For credibility and continuing relevance in the face of diminishing resources, the Trust needs to "raise its standards" with:

- Fewer properties, but ones of high significance;
- Fewer, larger Branches; and,
- Fewer museums of higher quality, providing a more compelling experience.

### *Properties*

A reduction of its property portfolio is the key plank for the success of this Plan - to ensure a more sustainable and flourishing future for the NTSA.

The property portfolio needs to showcase the most important features of national and SA's built and natural heritage.

The 2001 Property Review (updated) should be the basis for an orderly reduction of the NTSA property portfolio - each property needs a rigorous assessment, and recommendations made about future action - retention, or, sale, transfer, or other disposal, where the property is not seen to have high heritage value.

Given the interest of Branches, the assessment needs to be transparent, and based on objective factors, published beforehand.

Criteria could include:

- The stories it can tell, and its significance for the State's/Australian heritage - not just local;
- Its intactness; ability to become a *Centre of Excellence*; and the significance of its collections;
- Property condition, expected maintenance costs and funding options;
- Commercial opportunities;
- Form of tenure, and any moral or legal obligations arising from gifts/bequests;
- Member/staff/Branch support levels or options for each property; and,
- How it contributes to the overall collection of NTSA properties and experiences - perhaps based around its contribution to possible 'themes'.

For Government-owned properties the assessment should consider links to Government funding;

- Properties with little or no income potential could be handed back if funds are not provided for the public benefit delivered by NTSA, unless the property has significant heritage value, where special arrangements may be negotiated;
- For ones having commercial potential - either income-generation, or a sizeable return from sale - NTSA should negotiate for security of tenure and/or free-holding.

A special Task Force should be established to oversee the property rationalisation, with representation from Council and the AF&G Committee, and support from people with real estate experience.

The process needs to consider:

- An orderly reduction over (say) a three year period - commencing with relevant State Office properties, and any non-commercial government ones;
- The response of Branches - it will be necessary to articulate clearly the need for, and benefits of, selling NTSA properties;



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- Ways of involving the relevant Branches - including possible sharing of proceeds to assist Branch sustainability, and/or allocation to other priorities;
- Negotiating an outcome satisfactory to both parties where properties may not qualify as a *Centre of Excellence* but are able to operate well at a lower level.

Branches continuing to manage properties will need to establish Property Management Committees (PMCs) for each property, or group of properties, under their care. These PMCs:

- Might include people, not currently members, with appropriate expertise - eg strategic planning, property/collections management and conservation, volunteer coordination, financial management, and public relations;
- Would prepare Conservation and Management Plans including:
  - Income generation and fundraising;
  - Maintenance goals and implementation plans;
  - Collections conservation plans, themed exhibitions and local history displays,
  - Promotion and publicity plans, regional tourism strategies;
  - Volunteer recruitment; and,
  - Where appropriate, natural heritage plans.

The proposed Manager, Regions and Branches will be the dedicated State Office resource for assisting Branches with this.

### *Branches*

The establishment of the ACNC will require Branches to demonstrate greater accountability; better governance; and, higher standards. Demands on Branches will escalate - likely to be felt most by smaller Branches with ageing members.

NTSA will establish accreditation criteria in a suitable "Governance Manual" for Branches to remain within the Trust. These may include:

- Branches being the focus for all members in a wider geographical area not specifically related to a particular property or named locality;
- Branches extending their role beyond the custody of buildings and collections to playing an advocacy role, and, as relevant, the care and custody of natural heritage reserves in their locality - both vital to ensure they represent the National Trust as a whole, and in line with the international NT brand;
- Branches being required to develop Strategic Plans which build on this Plan, but have specific relevance to the Branch.

The addition of advocacy and natural heritage to Branch responsibilities provides stronger opportunities to attract more members with a different range of interests - leading to larger more sustainable Branches. But, Branches will need training and support in advocacy and natural heritage activities to ensure members are able to take on these responsibilities.

And, for natural heritage, Branches can be assisted by establishing collaborative relationships with bodies such as Field Naturalists Societies, Trees for Life, etc, to bring expertise and, potentially, greater numbers of volunteers.

Once the disposition of properties has been determined, some Branches may lose their property(ies), or have their property responsibilities diminished.

Whatever the case, Branches could be asked to consider amalgamation to improve their membership catchments, enlarge volunteer bases, promote new interests and ideas, and stimulate regional tourism approaches.

Once again, the proposed Manager, Regions and Branches will provide continuing support for Branches in this work.

### *Museums*

NTSA museums must be of a consistently high standard befitting the international National Trust brand. They need to be inspiring places providing a compelling visitor experience, and a desire to return for repeat visits.

They will need to meet 'Minimum Museum Standards' set by the Collections Committee, based on Australian Museum Standards, and Tourism accreditation. These standards could cover:

- Cataloguing;
- Conservation;
- Security;
- Presentation/Interpretation/Labelling/Guiding/Refreshing;
- Promotion;
- Opening hours/Admission charges/Records of public attendance and staffing;
- Improved, integrated marketing/promotion of properties and collections;
- Greater consistency of 'branding' through the use of a 'corporate style'.

And, the 'visitor experience' needs to be improved by use of better museum technology in interpretation and guiding, and use of online resources and



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applications such as Quick Response (QR) technology, leading, in the future, to virtual access to Trust properties and collections.

To fund these initiatives, a suitable grant application, or a specific fund-raising initiative(s) will be conducted.

### *Regional Support*

Implementation of this Plan will impact heavily on Branches, and they will require substantial support and expertise from the proposed Manager, Regions and Branches to help them adapt and flourish.

In addition, more effort is required from Regional Councillors and Branch leaders to foster collaboration within Regions, and to support Branches facing difficulties - making better use of expertise across the Region.

### *Regional Councillors*

The role of NTSA Regional Councillors needs to be strengthened, and better support and formal training provided for them.

A formal succession plan could be considered for Regional Councillors, such that there is a three-person group comprised of the immediate past Regional Councillor, the current one, and the Councillor-elect - sharing workload; providing a range of ideas and views; and ensuring momentum is maintained over time.

### *Regional Committees*

A Steering Committee for each Region should be formed, comprising representatives of each Branch in the Region, the Regional Councillor group (above), a 'youth' representative, and the Manager Regions and Branches to:

- Assist with the implementation of this Strategic Plan;

- Oversee strategic management of the properties retained in each Region;
- Promote properties on a more regional basis;
- Create links with other appropriate organisations in the region;
- Promote increased membership in the region;
- Develop more themed exhibitions and local history collection displays;
- Implement fundraising and sponsorship plans; and,
- Recruit and train volunteers.

### *Annual Regional Conference*

The Manager, Regions and Branches will organise, in conjunction with the Regions & Branches Committee, an Annual Regional Conference involving educational workshops on areas such as, advocacy, technology, conservation, presentation, interpretation, promotion and other useful topics.

### **How we plan to achieve our changes -our goals and strategies...**

**NTSA is a 'best practice' operation where its places and collections are maintained and presented to the public at a standard befitting the international National Trust brand.**

- Provide dedicated staff support for Branches and Regions as a primary point of contact in State Office;
- Undertake a rigorous assessment of the suitability and relevance of all property holdings and dispose of those not required;
- Build stronger and more sustainable Branches as a focus for all members in a geographical area, breaking any nexus with a property, and representing all facets of NTSA activity including advocacy;
- Provide inspiring museums which have a compelling visitor experience and which prompt repeat visits

### **To have a strong, credible NTSA identity and presence in Regions**

- Strengthen NTSA leadership in Regions



## Strategic Priority #5 - Improving Operational Performance

### Our Challenges

Improvements required to put NTSA onto a more sustainable and business-like footing have been well recognised for some time, but there has been a lack of concerted progress implementing them. Contributing factors include:

- Ineffective governance;
- Failure to unite the NTSA in pursuit of its priority goals;
- Limited staff resources not allocated to the highest priorities of the Trust; and,
- Lack of suitable systems/processes to support effective operations.

### Governance

The governance of the NTSA needs dramatic improvement.

Council is too large, And, being elected by members, it is not always possible to ensure the most appropriate mix of skills to govern effectively the complex NTSA, while Regional Councillors may feel constrained to focus on the concerns of their Region, rather than what is best for the organisation as a whole.

As a result of low staff numbers, Council tries to do too much operational work which should more properly be done by the CEO and staff.

Being committed volunteers, Councillors assume responsibilities in Committees, making it difficult to separate operational Committee roles from governance, with its obligations to act in the best interests of the NTSA as a whole.

Many NTSA Committees have continued for a long time without evaluating whether they are still relevant, or whether there are better ways to carry out their functions.

And, given the impending establishment of the ACNC, Branches will need to improve dramatically their financial management, accountability, and governance.

### A failure to unite NTSA

The concept of "One National Trust", representing the well-respected international brand, is lacking in NTSA.

Many Branches and Regions tend to see themselves as separate from the NTSA structure - there is a culture of 'them and us'.

The dichotomy between Branches and the State Office is most evident in the area of financial management. Historically the NTSA branches have maintained a strong independence to manage their own financial affairs, resenting the intrusion of State Office.

As stated earlier, Branches collectively held \$1.25m in investment funds at June 30, 2011, with three Branches holding in excess of \$200K. These funds show on the NTSA Balance Sheet, but, by convention, they have not been accessible for day to day operation of the Trust. In effect, the majority of Trust funds have conventionally not been available for its highest priorities.

Notwithstanding this, to an external 'funder' such as the Government, NTSA is viewed as having a large balance of available funds.

Moreover, there is a lack of common standards and consistency between State Office and Branches in administration systems, forms, financial reporting, logos and letterheads etc. resulting in a disparate presentation to the public.

### Staffing

There is too much reliance on too few key people<sup>13</sup> and committed volunteers. Due to a lack of 'middle ranked' staff, the CEO has to do more routine work, taking time from matters of much higher priority.

And, key staff are currently not engaged in areas of greatest need - eg a full time Manager Natural Heritage, but no staff for Asset Management, Collection Management, Volunteer Coordination, or Membership and Branch Support.

Some members expect that NTSA should, somehow, consistently deliver benefits without adequate investment - using volunteers instead of paid staff.

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<sup>13</sup> CEO and five State Office staff



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But, while volunteering is essential to the NTSA, it waxes and wanes. Relying solely on volunteers for critical work, instead of staff, results in less accountability, and generally leads to lower performance in highest priority goals.

A limited number of additional key professional staff is needed to:

- Provide essential support for the successful implementation of this Plan;
- Provide leadership and mentoring of volunteers in delivering the highest priorities of the Trust; and
- Move beyond the current 'crisis management' and 'making do'.

### *Systems and Processes*

Financial and management reporting systems need significant improvement, and more consistency between State Office and Branches to ensure effective governance.

The Council, and the Audit, Finance and Governance Committee (AF&G), cannot carry out their fiduciary duties easily, since, without Branch data, less than 40% of total NTSA expenditure is regularly reported.

Administrative and management systems in State Office need improvement to:

- Capture and report regularly on Branch income and expenditure, to ensure proper accountability of the Council;
- Show consistent information on properties/assets and their condition and provenance;
- Simplify manually intensive, excessively complicated, non-integrated, and unwieldy, systems; and,
- Overcome piecemeal development in the past.

The Trust website is deficient - lacking compelling features and content. It is not attractive and engaging for users. Information is out-of-date, and it is not linked to internal management systems for effective e-commerce.

## Changes for the Future

### *Governance*

A comprehensive review of the governance arrangements for NTSA is needed - involving:

- Making the Council more effective, refocussing on strategy and policy while undertaking monitoring and supervising of performance;
- Achieving the mix of skills and experience to oversee effectively the Trust's complex operations;
- Effective Regional representation and input to the Council's deliberations without compromising good governance;
- Assessing the effectiveness of current Committee arrangements to ensure relevance; appropriate delegations/accountability; balancing the demands on key resources; and appropriate succession planning guidelines;
- Improvements in Branch governance for compliance with the new ACNC.

Following the Governance Review, all policies should be progressively reviewed and revised as necessary to ensure that they underpin effectively the Trust's new directions.

The UK model of governance could be considered. This could result in a smaller Board - with (say) 6 elected members, and with the ability to appoint (say) 2 other members to ensure the right mix of skills - responsible for the general oversight and governance of the NTSA.

The Council would then be larger, elected by members, and be the over-arching body representing members and Branches, meeting bi-annually to advise the Board on directions, and responsible for appointing the Board.

The more streamlined governance; greater consistency of standards; more effective oversight; and, increased accountability for Branch operations resulting from the Governance Review, will benefit the Trust by ensuring it presents a more credible operation to potential donors and funders.

If Branches find the additional compliance and governance demands difficult, they can be assisted to merge to consolidate the Trust's operations and ensure greater sustainability.

### *Staffing*

The execution of this Strategic Plan must not be compromised by the lack of the necessary skilled staff resources.

The roles of all current staff will be reviewed to ensure that they are allocated to meet the Trust's highest priorities - including any retraining and support required.



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For successful implementation of this Plan, a limited number of additional staff will be necessary:

- Fundraising Coordinator;
- Information, Communications and Technology (ICT) Officer (see below); and,
- Manager, Regions and Branches,

Funding options for these staff are covered in the Implementation Section. But, to partially offset these additional costs, it is proposed to convert the role of Manager, Natural Heritage to a part-time arrangement.

These additional staff members will mean that the State Office will need to expand and take over the whole of Beaumont House to accommodate all staff in a reasonable environment.

### *Systems and Processes*

Grant funding, or the allocation of appropriate endowment funding, is needed to develop a business-driven Information and Communication Technology (ICT) Strategic Plan for the Trust.

Such a Plan should include:

- Specifying business needs of NTSA for improved systems and technology, and identifying improvements required;
- Proposals for a more compelling and effective online presence for NTSA, including information about advocacy issues, and applications for interactive capture of local and oral history, and community engagement;
- Improving engagement with the general public, members, supporters and volunteers; and,
- e-commerce applications for payment of membership subscriptions; venue hire; sales of merchandise; sponsorship; secure donation facilities; etc.

Better information is also required for;

- Membership, volunteer, and supporter management;
- Donor and benefactor management;
- Records management;
- Property and collections management - provenance, condition, value and heritage contribution;
- Risk management; and,
- Measurement and articulation of the public benefit provided by the Trust

The appointment of a suitable ICT Officer is necessary to ensure the success of these initiatives - supported, as needed, by suitable, formally appointed volunteers.

The potential return on investment of the ICT Strategy is high:

- More efficient management operations;
- More effective supporter and member engagement;
- Easier and cheaper fund-raising;
- Increased relevance with younger generations; and,
- Quicker and cheaper communications both internally and externally.

### *A new business model for the Trust - cost and revenue sharing between Branches and the State Office*

The NTSA needs a more sustainable and effective business operating model to ensure that all of its financial resources are available for allocation to the areas of greatest need.

This new business model should consider;

- Cost and revenue sharing between Branches and State Office
  - There is generally wide support for Branches contributing to the cost of services they receive from State Office (see Appendix 2);
  - Although there are some with an alternative view, many Branch representatives are supportive of Branches sharing some of their revenue with State Office - paying a 'levy', or other contribution. This could take the form of a two-tier contribution from Branches - a base fixed amount paid by all Branches, plus a % of Branch turn-over;
- Branches collectively within a Region bearing the cost of their Regional Councillor's participation in the governance of the Trust;
- Branch accounting being done centrally to ensure compliance with accountability, auditing and governance standards; to ensure that the requirements of the new ACNC are met; and saving administrative and auditing work at Branch level<sup>14</sup>;

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<sup>14</sup> Branches have already accepted policy positions requiring Council or State Office approval for purchase/sale of property, construction work etc. It makes good sense for Branches to adopt centralised financial reporting to obtain better individual and collective outcomes. Furthermore, modern accounting information systems can ensure that Branches get reports on their finances, and so, there should not be any concerns about loss of control etc



## **"Changing for our Future..."NTSA Strategic Plan 2012-2015**

- Branch investment funds being aggregated centrally and invested in bulk to maximise earnings - a proposition which has widespread general support.

These initiatives demand a change in culture from all concerned.

Council will need to act with conviction to establish the necessary standards required for Branches to continue under the NTSA umbrella.

State Office will need to provide proper leadership and consultation with Branches to ensure their concerns are listened to, and acted on. It would also have to demonstrate that it was effectively managing its costs, and reducing them wherever possible.

And, Branches will need to be open to the crucial factors which the NTSA has to tackle for its future, and be willing to collaborate for the greater good of the NTSA as a whole.

### **How we plan to achieve our changes - our goals and strategies...**

**A governance framework which supports the goals, ethics and priorities of the Trust; which is rigorous, robust and transparent; which is expressed in up to date policies and procedures; and which is adopted by the entire Trust organisation.**

- Establish a small Interim Management Board of Council (supplemented as needed by others) to oversee the implementation of this Plan;
- Develop a governance framework resulting in effective oversight and accountability for the Trust's operations, and ensure it is widely communicated and adopted;
- Introduce a suitable governance framework for Regions and Branches which improves viability, accountability, sustainability, succession, and reduces administrative burden;
- Establish a formal Policy Review process which ensures that the Trust's policies are regularly assessed for relevance and revised as required;
- Introduce training and development for Council and Committee members and ensure regular evaluation of Council performance;

**Sufficient key staff employed by the Trust to ensure that its highest priority goals and demands are satisfactorily achieved.**

- Subsequent to approval of this Plan, ensure existing staff are appointed to the areas of highest priority, including implementing any retraining required;
- Seek funding options to enable the appointment of any additional staff needed for its successful implementation.

**A robust business model for the NTSA which recognises the relative importance and contribution of Branches and the State Office.**

- Consult and negotiate with Branches on the level of support provided to them by State Office and the corresponding contribution required from them annually towards to the cost of operating the State Office.

**Integrated management processes, systems and technologies which support the achievement of the Trust's needs and priorities.**

- Develop a business-driven integrated ICT platform to include:
  - A more compelling on-line presence supported by social media and relevant e-commerce applications; and,
  - Upgraded internal management systems based on integrated whole-of-Trust computer-based systems
- Improve the accuracy, timeliness and coverage of Trust information records and systems to support its operations more effectively.



## Implementation Considerations

The demanding changes proposed in this Plan will require strong leadership from the Council and concerted effort from key staff for successful implementation.

### Leadership

To provide the necessary focused leadership for successful implementation, a temporary change to the Council structure and operations is proposed.

A small Interim Management Board (IMB) of seven Councillors should be appointed, with a suitable mix of skills, experience and commitment, and with specific responsibility to drive the successful implementation of this Plan, and oversee the Trust's operations.

The IMB would meet as required, but given the urgency for action, at least fortnightly in the first instance. It would report to Council meeting quarterly.

The CEO, the Fundraising Committee, and the Property Review Task Force, would report to the IMB.

This would be an interim structure only, until the completion of the proposed Governance Review, and any revised Governance and Committee Structure has been approved.

### Staffing

The current State Office staff needs to be augmented to ensure the successful implementation of this Plan.

It is proposed to appoint three new staff, supported by formally selected and appointed volunteers as needed. The proposed new positions are:

1. A full-time 'Fundraising Coordinator' - 50% assisting the Manager, Marketing and Development with events and fund-raising, and 50% membership;
2. A full-time Information, Technology and Communications (ITC) Officer, to upgrade NTSA's on-line presence (including social media); and manage a range of essential databases; and,
3. A full-time Manager, Regions and Branches providing essential support to Branches for implementing the changes from the Plan.

### Funding

The appointment of these necessary staff will require funding in the immediate future - the options include:

- Review of Endowment Funds - reviewing the conditions of the Trust's Endowment Funds to assess their flexibility;
- Use of NTSA Heritage Fund - any remaining after setting aside sufficient funds to ensure the maintenance of Endowment Fund balances;
- Changing the role of the Manager, Natural Heritage to part-time<sup>15</sup> - funding it from relevant Endowment Fund earnings, and using savings achieved;
- Sale of properties and collections - those of low heritage value;
- Accessing 'Branch' funds - options include a 'levy' on Branches; a revised Business Model of cost-sharing; 'bulking up' Investment Funds to earn higher interest and using this; using Investment Funds; retaining Branch Allocations; and, seeking contributions from Branches;
- Actively seeking Government funding - continuing recurrent funding; support for implementation of this Plan; and, transfer of properties for potential sale;
- Short term, urgent fund-raising initiatives.

### Other Implementation Support

As the Plan is implemented, the resource implications arising from each initiative will become clearer (eg the centralising of Branch Accounts may require more staff time in State Office), and appropriate steps taken at that time to engage it.

And, there may be a need from time to time, to provide temporary support to the CEO and staff for implementation initiatives.

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<sup>15</sup> This proposal may not be welcomed in all parts of the NTSA. However, since the model used in Natural Heritage, based around the activities of the Natural Heritage Manager, may be a useful one for the Trust to consider in the future, it is proposed to maintain it at a part-time level. What scarce resources are available need to be allocated to the areas of greatest need for successful implementation of this Plan - in particular fundraising, membership attraction and associated support. Furthermore, only 27 (22%) of all NTSA properties are nature reserves, and only 11 (9% of all properties) are owned by the Trust. Contrasted with this, there are 99 built heritage properties - of which 55 are owned by NTSA in its own right.



## Appendix 1

### The make-up of NTSA Regions

Region	Branches	Members	2011 Agg T/O (\$000)	2011 Agg Profit / (Loss) (\$000)	Comment
Central	6	342	54.7	9.6	
Eyre Pen	6	74	57.2	(11.7)	Koppio provides 47% of T/O
Mid-Nth	5	100	242.4	(4.5)	Burra is largest Branch - providing 43% of members and 66% of revenue, and its loss overrides the surplus of others
Riverland	5	59	60.6	(32.1)	Renmark provides 41% of members, and almost all the loss
Sth East	9	164	140.0	(3.4)	3 small branches in Kinston, Beachport and Tatiara. Millicent and Beachport deficits outweigh others' surplus
Sthn Hills	10	310	130.0	(9.8)	Goolwa, Hahndorf, Kingscote and Penneshaw are small membership branches. Mt lofty and Victor Harbor have highest T/O. Goolwa, Penneshaw, and Willunga are major contributors to deficit
Yorke Pen	5	93	485.1	24.2	Moonta contributes 78% of T/O and reported a deficit of \$23K

***NB: More than 50% of members are not aligned with a particular Branch - and more than 70% of members reside in the greater Adelaide area.***



## Appendix 2

### Services Provided by State Office to Branches

The State Office at Beaumont House, 631 Glynburn Rd Beaumont is, of necessity, a small but essential part of the NTSA.

The paid staff of six (not all full time) compares with some other States, where around 80 people are employed with far fewer properties. All staff work long hours.

Furthermore, hundreds of volunteer hours are contributed through State Office: eg in the coordination of the implementation of MOSIAC; the voluntary Editorial and Publications Committee which collates, writes, illustrates, edits and proofs Heritage Living; the Cultural and Natural Heritage Committees which run Heritage@ Risk each year, among others.

#### *Roles played through State office include:*

- Processing of memberships State-wide;
- Provision of forums for 46 Branches and the wider membership (e.g. the AGM)
- Regular publications and mailing to members as well as maintaining a web-site with its links;
- Liaison with State and Federal government and the obtaining of grant funding support;
- Reciprocity member benefits with interstate and overseas arms of the National Trust;
- Ownership and maintenance of the globally recognised National Trust "brand", legal structure/identity and public liability;
- Advice and support to Branches (e.g. legal support with leases etc.);
- Back up for Branches when they have difficulties or big obstacles;
- Insurance for the entire organisation;
- Political advocacy at Local, State and Federal government levels (which Branches can take advantage of when local sensitivities are a problem, or State-based clout is needed);
- Undertakes marketing, promotion and events for the wider benefit the NTSA movement in South Australia;
- Maintains continuous membership of the Australian Council of National Trusts and the International National Trust Organisation as well as close working relationships with like-minded organisations such as ICOMOS;
- Delivers the South Australian component of the Federal Government's, Australia wide National Trust Partnership Program;
- Tax Deductibility status for gifting; and Registered Organisation under the Federal Tax Office Cultural Gifts Program
- Registered organisation for operating Restoration Appeals, such as St. Peter's Cathedral, St. John's Blakiston, Tynte Street Baptist Church, etc.
- Provides for Members and Branches at Beaumont House, a Library, extensive database and file records, Historic Building Register files, newspaper clipping service, meeting rooms and much more.

In addition, State Office manages "flagship" State properties (e.g. Ayers House, Collingrove) and supports the management of 28 natural heritage reserves around SA.