
ACTIVITY REVIEW: EVENTS DEVELOPMENT FUND (C581)

1. Purpose of Report

In line with the requirements of Local Government Act (LGA) 2002, the Wellington City Council is developing its 2006-09 Long Term Council Community Plan (LTCCP). As part of this process Council needs to review its activities to ensure that its work aligns with the outcomes the community seeks and delivers services to the community in the most effective and resource efficient way. This report has been prepared as part of the overall activity review process being conducted and focuses on the services provided by the Events Development Fund under activity:

- 4.5.2 (Funder – Visitor Attractions)

2. Executive Summary

The Events Development Fund was established in 2003/04 to enhance the scope and quality of events in the city, both to generate economic benefit through increased out of region visitation and to build a diverse and enjoyable year round calendar of events for the people of Wellington.

The fund provides support in a variety of ways (financial and other support) to various levels of events in the city.

The events development fund has achieved significant success in attracting and retaining events for Wellington. The addition of events such as the World of WearableArt, X-Air, World Mountain Running Champs and the Global Challenge Yacht Race and Volvo Ocean Race have allowed the city to position itself as a leader in the area of event provision. Other cities have followed Wellington's lead and are developing similar events strategies and funding models. To ensure this success continues the fund should be continued at least at the current level of funding.

While the fund has been successful in achieving its desired outcomes in terms of attracting and retaining events, financially the fund has been continually under pressure from the large number and scale of events that have been supported.

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The budget overspend in the past can be attributed to a variety of factors including: unforeseen logistical issues e.g. redevelopment of Events Centre causing components of X-Air to be moved to other venues, timing for some events straddling financial years, uncertainty and shortfalls in external funding, increased demands for risk management and traffic management and demands created by the large number of events and activity supported.

Adjustments have been made to take the above factors into account and the budget for the current financial year is on target.

A primary reason for Council involvement is the potential economic return events can have for the city. This is strongly reflected in the new strategic outcomes that state:

Outcome 4: More Eventful- Wellington will maximise the economic value from promoting and hosting high-profile events.

While the economic return for high-profile events has been established through economic impact assessments, the return on investment from other events supported is less clear.

As a strategic link has been established consideration has been given to the most appropriate method of delivery and potential changes to service levels to examine whether opportunities exist to improve the level of efficiency and effectiveness.

Analysis of the delivery options points strongly to retaining the management and delivery of the fund within the Council events team.

Examinations of the service level options establish the possibility of tighter fund management in terms of the number and type of events supported within the current fund budget through a review of the existing events portfolio.

It is recommended that the size of the fund be re-examined to establish whether the fund has the financial capacity to continue to support events in Wellington at the desired level given the potential impact that Auckland City Council's increased support for events will have.

3. Recommendations

It is recommended that the Committee:

- 1. Receive the information.*
- 2. Agree that the Events Development Fund continues to be managed within the Council at the current level of funding.*
- 3. Note that an ongoing review of the Events Development Fund is in place looking into - A) the balance of events supported and B) ensuring the fund retains the capacity to attract events to Wellington*

4. Overview of Activity

The Events Development fund was established in 2003/04 to build on Wellington's reputation as New Zealand's 'events capital'. The fund was established to enhance the scope and quality of events in the city, both to generate economic benefit through increased out of region visitation and to build a diverse and enjoyable year round calendar of events for the people of Wellington. Another important aspect of the fund was to strengthen Wellington's ability to attract and retain major events. Funding committed to already established events was not to be affected. In addition, the Council set up a 'one stop shop' Events Unit to provide a stronger strategic focus to the way it goes about attracting and developing events.

The goals of the events strategy were established at this time. These goals are:

- Maximising the economic contribution of events
- Developing events that attract visitation
- Developing a diverse and vibrant year round calendar of events
- Developing events support infrastructure
- Co-ordinating and targeting events funding
- Optimising venues
- Developing sporting and participation events
- Enhancing the events profile of Wellington
- Linking events with key strategic directions
- Developing event partnerships
- Developing event organisation and supply capacity
- Ensuring effective market research and development capacity

The type of support provided ranges from co-ordination and logistics, venues, marketing, advice, facilitation and funding.

Why should Council still be involved in events?

4.1 Council /Local government involvement

While there is no legislative requirement for councils to be involved in the provision or development of events in a city, most Councils become involved because of the potential economic return on their investment in this area. Wellington City Council has been actively involved in supporting events which deliver economic benefit for a number of years. Examples of earlier involvement included the International Festival of the Arts, and the Nissan Mobil Car Race. Similarly in the community events area Council has been producing the Summer City Festival for 25 years.

The primary reason for Council's current involvement in the fund is the economic benefit that events may bring to the city. This level of benefit is measured by economic impact assessments. Economic Impact Assessments for major events in the city have found the following levels of new spend into the city – International Rugby Sevens (\$8.6 million), Neil Diamond (\$8.2 million), World of WearableArt (\$8.3 million) Lions vs NZ Test week (\$23.2 million). Projected new spend for the World Golden Oldies Rugby Festival in October 2006 is in excess of \$20 million.

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In addition to the potential economic benefit that events can provide, the Council supports events in the city to enhance the range of activities to the community. Events contribute towards:

- The vibrancy of the city
- The economic well-being of the city e.g., through tourism, job creation, industry development.
- Wellington's reputation as the cultural and events capital
- Development of community networks and stronger communities
- Providing opportunities for citizens to participate in the community
- Celebrating individual cultures and community identity
- Developing a sense of pride in living in all Wellingtonians.

Events are a key tool in providing quality of life to Wellingtonians and enhancing the points of difference of the city. Providing a fertile environment for events to grow and be nurtured will help ensure that the city retains its competitive edge as New Zealand's most vibrant city and the heart of high quality arts and cultural enterprises.

In a competitive market between cities that is present for the hosting rights of high profile events, and the high level of funding that city council's are making available, it is unlikely that the private sector alone would be able to attract and retain these events.

Given the logistical requirements of many of these events the involvement of the Council would be expected in terms of road closures, traffic management etc.

The presence of an Events Fund and associated events team provides a streamlined process for major events to be set up and continued in Wellington. It also provides the ability to influence and, to a degree, control events in the city.

The events development fund relies on and leverages off a number of other resources and infrastructure. For example the events team works closely with related internal business units in order to source resource consents, manage traffic around events and ensuring that the streets are cleaned up after events. The events team also works closely with venues such as the stadium and the convention centre in the staging of events. Because of these working relationships, the events fund can be seen as a organisation-wide function.

4.2 External Environment

Auckland City Council has recently set up an events fund and has announced that it is establishing an events strategy for the city that will seek to identify 10 signature events and streamline the perception that the council "ties up organisers in red tape". Auckland City Council has increased its events sponsorship budget by \$500,000 to \$1.24 million per annum and is working on building on the success of events such as Pasifika and Fashion Week to lift the city's international profile.

It appears that Auckland City Council has followed Wellington City Council's lead in developing an events strategy and team with funding available to secure events for the

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city. This is supported by the following comment from Graeme Osborne – Tourism Auckland chief executive in the New Zealand Herald:

...for too long Auckland had been uncompetitive in pursuing major events but the events strategy was a step in the right direction....Auckland needed to learn from Wellington, which had made an aggressive stand in the marketplace to attract events and acted quickly with financial backing to secure them.

The table below shows the current level of funding proposed by Auckland and Wellington City Councils within their respective events strategies.

	Auckland	Wellington
Funding and Retention and Sponsorship expansion of events	\$1.24 million	\$1.256 million has been budgeted in the 2005/06 annual plan.
Community Events	\$445,000	\$500,000
Arts Festivals	\$1.45 million (biannually)	\$1.5 million (\$750k per annum)

Along with the growing awareness by local authorities of the benefits that events can deliver, is an increase in competition for events. Other cities such as Auckland, Christchurch and New Plymouth are also in the market for new events. Increasingly cities are being required to bid competitively with other cities e.g. Global Challenge Yacht Race, World Golden Oldies Rugby, World Mountain Running Champs, ITU Triathlon.

All these cities have points of competitive advantage, for example Auckland's population base and aspects of Wellington's infrastructure e.g., the stadium. With this in mind, Wellington will need to continue to trade on the reputation it has developed as an 'events friendly city' in terms of management, funding and staging of events.

The recent negative experience from Christchurch City Council of support given to unsuccessful events, highlights the need for continued and rigorous review of the events supported, in terms of going support and the critical appraisal of new events needs to be undertaken to ensure the correct events are given funding.

4.3 Key components of the activity

4.3.1 Resources involved

The events team consists of 4 FTE's + and temporary staff contracted from time to time to work on specific events.

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4.3.2 Financial Overview

Council has budgeted \$1.256 million per annum for the events development fund. When examining the expenditure of this fund for the previous financial year the major expenses were: contracts (36%), grants and contributions (29%) and sponsorship (14%).

4.3.5 Financial Projections

OPEX \$000	Forecast 2005/06	Proposed 2006/07	Proposed 2007/08	Proposed 2008/09	Proposed 2009/10	Proposed 2010/11	Proposed 2011/12	Proposed 2012/13
Events Development Fund	1,256	1,258	1,256	1,257	1,256	1,258	1,259	1,260

While the fund has no CAPEX expenditure it has natural links to Michael Fowler Centre (MFC), the Convention Centre, and the Westpac Stadium. It also has close links to Council activities such as Infrastructure and Parks and Gardens business unit.

An ongoing relationship exists between the events team and Wellington Waterfront in relation to events. Information is shared and there is collaboration and co-operation around events such as the Volvo Yacht race and Chinese New Year celebrations.

Events Supported

The fund supports events which broadly fall into three main categories. These are:

Iconic

This type of event is nationally unique to Wellington and is recognised as such. They have a proven track record of success so are not considered a “one hit wonder”. They will be a major contributor to the city economy i.e. \$5 million plus or of similar promotional/ branding value. Examples of iconic events in Wellington are the International Sevens Tournament and the World of WearableArt. There is an aim to develop at least two new icon events by 2009.

‘A’ Level

An ‘A’ level event has a significant international and /or national media profile. The event may not be unique to Wellington and may be able to be replicated elsewhere. These events are a significant contributor to the city economy i.e. \$1 million plus or of similar promotional/ branding value or event is of significant prestige. This type of event doesn’t have to be ongoing but does generally involve a large audience or number of participants. Examples of ‘A’ level events recently held in Wellington are the British and Irish Lions rugby test and associated events and the Neil Diamond concert.

‘B’ Level

A ‘B’ level event has some national media profile. The event may not be unique to Wellington and may be able to be replicated elsewhere. This type of event would be a contributor to the city economy to the amount of \$200k or similar promotional/branding value or event is of significant prestige. The event does not have to be ongoing but generally does involve a large audience. Examples of ‘B’ level events held in Wellington are a Super 12 rugby game, the Jazz festival and The Food Show.

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Community events are also split into different levels with Iconic and 'A' level community events and Cornerstone events. These events are incorporated within the Recreation and Leisure KAA and are designed to provide a diverse and accessible range of events to Wellingtonians often at no cost e.g., Diwali, One Love Concert etc. Some cross funding between these funds may occur for events where different aspects of the events have a different primary focus. For example, the parade (a community event) for a major event could be funded out of C130E (the community events fund) while the primary support is from the events development fund because of its potential economic return. While part of the overall events strategy, funding for these events comes from a separate fund and activity (C130E) which is not part of this activity review.

The table below shows the number of events by event category supported from C581 (Refer Appendix 3)

	Number of Events		
	2003/04	2004/05	2005/06 (proposed)
Iconic	2	3	4
'A' Level	3	8	8
'B' Level	37	21	25
Other event work bids, feasibility etc	8	5	12
Total Number of Events Supported*	50	37	49

*the events team supports events in ways other than direct funding. This other support activity includes: Feasibility studies, economic impact assessments, event marketing and promotion, Event bids, event funding assessments, advice, facilitation and co-ordination, logistical support, venues, legal fees (contracts) and staff and office overheads.

Please note that for the 2005/06 year some events that are likely to be supported have not been included in this table as the funding has not been provided to them yet.

It is worth noting that the number of events supported out of C130E – Community Events has increased over the past three years. With 87 community events supported in 2004/05 up from 67 in 2003/04. It is projected that 90 community events will be supported in 2005/06.

While no quota exists in terms of number or proportion of events per category, the fund endeavours to provide a cross-section of different types of events across the categories.

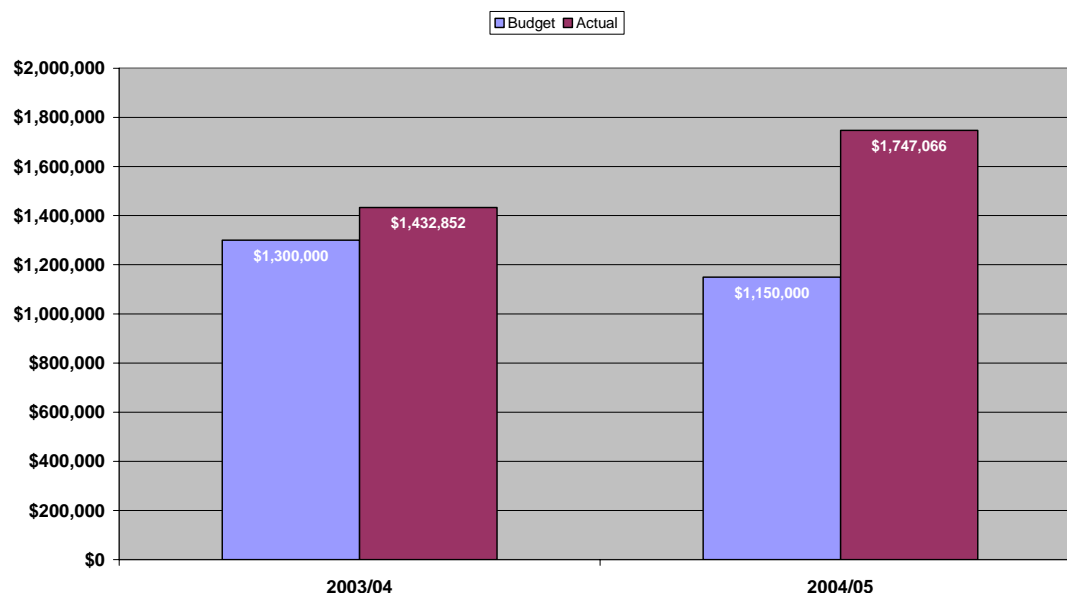
Performance – Financials

The financial performance of the fund since its inception is outlined below.

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OPEX	Budget	Actual	Variance	% Variance
2005/06	1,256,000			
2004/05	1,150,000	1,747,066	(496,404)	(43)
2003/04	1,300,000	1,432,852	(132,852)	(10)

OPEX Net Cost



The budget overspend can be attributed to a variety of factors including: unforeseen logistical issues e.g. redevelopment of Events Centre causing components of the X-Air games to be moved to other venues, timing for some events straddling financial years, uncertainty and shortfalls in external funding, increased demands for risk management and traffic management and demands created by the large number of events and activity supported.

Adjustments have been made to take the above factors into account and the budget for the current financial year is on target.

It should be noted that as the fund is paid for under the downtown levy, any overspend has the effect of transferring the cost to the general rate.

Other Event Funding

Other high profile events in the city are not funded through the events development fund. These include the \$750k provided annually to the New Zealand Festival of the Arts.

Therefore the actual cost of events in the city is \$2.006 million per annum (excluding community events (C130E) funding of \$1.277 million in 2004/05).

This raises the possibility of integrating the current funding provided to the New Zealand Festival of the Arts into the events fund.

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Or alternatively, the events that have become part of the “fabric” of the city (e.g., the Rugby 7’s tournament) into separate line items (as the NZ Festival is) with a suitable accountability structure in place, depending on how much of an ownership and financial interest we have in the event. However, doing this would require us to discover a means of protecting the disclosure of commercially sensitive amounts for some events.

A possible framework that could be adopted is that which has been recently proposed for Grants. This framework has split out the existing grants provided to organisations into strategic partnerships, contractual agreements (effectively business as usual) and grants that are available for short-term projects. The management and support of events could follow a similar framework where-by some events are given on-going support and some contest for funding from a pool for short-term or one-off projects.

Return on Investment

While the fund is meeting its goals as outlined at its inception, as the fund is primarily in place to maximise financial return from events, closer analysis needs to be conducted on the economic impact events make for the city. Examples of economic impact assessments completed include:

The Neil Diamond Concert

This concert attracted 32,449 spectators, just over half of which were from outside the Wellington region. The total new spending by spectators and corporates was estimated to be \$8.2 million. The total value added was estimated at \$4.0 million.

International Sevens – 2001

This event attracted 37,300 spectators to the stadium over the two days of the tournament. The majority of the spectators (25,000) at the tournament were from outside Wellington City.

Event	Total New Spend¹	Total Value Added²
New Zealand Festival 2000 (including Edinburgh Military Tattoo)	\$39.7 million (Festival Alone - \$22.7 million) (Tattoo Alone - \$17 million)	\$23.5 million
Neil Diamond	\$8.2 million	\$4.0 million
International 7’s – 2001	\$8.6 million	\$5.7 million
Springboks Test	\$8.3 million	\$4.8 million
World of WearableArts	\$8.3 million	\$5 million
Lions Test	\$23.2 million	\$14.7 million

¹ This total new spend is the initial boost received by the Wellington economy from the spending by the promoters, corporates and spectators of an event.

² This is the core economic benefit to the Wellington economy remaining after the total new spend has flowed through all the sectors of the economy and the out of city costs have been paid.

While there is confidence in the outcomes of the economic impact assessments outlined above it is timely that we re-examine the methodology by which the assessments are undertaken given the some disagreement amongst economists and the public as to the validity of the assessments around the V8 race proposal.

Decision Process

The event funding decision process is aimed at supporting the Event Strategy through the provision of funding for event initiatives that deliver a range of benefits ranging from economic through to city promotion, vibrancy and social cohesion and support for venues infrastructure.

The decision framework (see Appendix 1) involves a structured step by step process to ensure there are checks and balances in place.

Funding Guidelines

Proposed funding guidelines are set out in Appendix 2.

The guidelines are intended to provide for effective and transparent decisions to be made that best achieve the outcomes specified in the Event Strategy. Included are a range of measures ranging from economic benefit, event feasibility, capacity of the organisers, contribution to the vitality of the city, risk factors and community involvement.

5. Strategic Alignment

5.1 Alignment to Council Outcomes and Priorities

The events development fund contributes to a number of Council outcomes as listed in the table below.

Core Outcomes	Ancillary Outcomes
<p>The activity directly contributes to the following strategic outcome:</p> <p>Outcome 4: More Eventful (as outlined in the Economic Development Strategy)</p> <p><i>Wellington will maximise the economic value from promoting and hosting high-profile events.</i></p> <p>The aim is to ensure Wellington develops and attracts high-profile events so that maximum economic benefit to the city is achieved. Targeting events with high returns will enhance the city's status as an</p>	<p>The activity will also contribute to the following strategic outcomes:</p> <p>Outcome 1: More Liveable <i>Wellington will be a great place to be, offering a variety of places to live, work and play within a high quality public environment.</i></p> <p>Outcome 2: Stronger Sense of Place <i>Wellington will be a memorable, beautiful city, celebrating and building on its sense of place, capital city status, distinctive landform and landmarks, defining features, heritage and high quality</i></p>

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Core Outcomes	Ancillary Outcomes
<p>‘events capital’, and will help in increasing the city’s profile outside the Wellington region, and increase the quality, variety and vibrancy in the city.</p> <p>Making the city more eventful means:</p> <ul style="list-style-type: none"> • enhancing and promoting the city’s image as an ‘events capital’ • ensuring Wellington targets and attracts top international and national events • investigating opportunities to co-ordinate and promote events at a regional level. • Continuing to support high-end cultural activities while shifting support to the grass-roots level to encourage emerging talent. • Celebrating events that reflect the diversity of the people in the city • Finding new ways to support and promote youth-oriented arts, design and music. • Seeking new ways to increase the profile and professionalism of Maori art, craft and culture. 	<p><i>buildings and spaces.</i></p> <p>Outcome 11: More prosperous Wellington will have a strong and growing economy that offers a wide range of sustainable employment and business opportunities.</p>

As seen above, the events development fund has links to several of the current Council outcomes and strategies. The table below gives an assessment of the strength of these links.

Outcome	Strategy	Strength of link
More Eventful	Economic Development	Critical
Stronger sense of Place	Economic Development	Strong
More Liveable	Cultural Wellbeing	Strong
More Prosperous	Economic Development	Strong/Moderate
More Liveable	Social & Recreation	Moderate
More Liveable	Urban Development	Moderate/Weak

6. Delivery Options

6.1 Status Quo - Keep in house

Strategically this option aligns well to the recently developed strategies and Council outcomes.

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Anecdotal feedback has commented that the ability of the events team to organise an event smoothly and the attention to detail they show is a major contributing factor to attracting events.

Keeping the funding and organisation of events in house provides an opportunity to build on the strong market presence that has been established and to continue to work on the view held in the market that Wellington is an events friendly city. The flexibility and responsiveness of having the events team and funding within Council has enabled Wellington to attract and retain high profile events that may otherwise have gone to another city. The ease of co-ordination between Council business units possible by having the events unit inside Council has enabled a true 'one-stop-shop' for event promoters nationally and internationally.

6.2 Provide direct subsidy to promoters via an events company

The outsourcing of events management and resource allocation to an external agency would not deprive Wellington city of the "events capital" concept outlined in the economic development strategy. However Council would potentially lose the ability to control and influence events that it currently possesses.

The Council would lose the 'one-stop-shop' ability that was the original purpose in the establishment of the events team. It is unlikely that an external events company would be able to have the 'quick' response relationships that the events team has established around the practical requirements of running events, e.g. traffic management, road closures, road works etc.

6.3 Provide a set amount of funding to another entity such as PWT

Effectively this is a return to the state that was present before the development of the events team and the events strategy. The events team was established as a unit that was focussed and able to take a leadership role in developing event production in the city would free up PWT to concentrate on its core role of marketing the city and increasing visitor spend, length of stay and economic growth. A strong and continued relationship between the events team and PWT was seen as important as events products are a key component in PWT's development plans and for marketing and development to be fully effective they needed to be closely involved in the planning and procurement of key events.

It was recommended that the events team be established within the Council because of:

- The public good objectives that would be delivered by the unit
- The need to have "impartial" co-ordination of events
- Easier co-ordination between council business units.

It was noted in the new initiative document when the establishment of the events unit and development fund was being considered that the proposal to locate the unit within the Council had been discussed with PWT and they were in agreement with this in principle.

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Strategically, this delivery option can still contribute to the “more eventful” Council outcome and the statement in the economic development strategy relating to Wellington maximising the economic value from promoting and hosting high-profile events.

This delivery option is unlikely to save a significant amount of money and is likely to result in a step backwards in terms reducing ‘red-tape’ for event promoters in the city. It would also be more likely to result in the loss of competitiveness in terms of the city’s ability to respond quickly and decisively to new event opportunities. It would also remove a level of control the council can currently exert over the events currently in the portfolio and the discussions around attracting new events.

Benefits that this option has over the complete outsourcing option mentioned above are: the existing relationship with PWT; and the ability to continue to have a degree of hands-on control of events and the logistical constraints mentioned earlier.

It is questionable whether PWT has the infrastructure in place to be able to deliver on this activity.

It is recommended that this delivery option is only investigated if the current fund structure and management is deemed to have ‘failed’ by Council management.

7. Service Levels

7.1 Exit from Activity.

As Council has no legislative requirement to provide a fund for the attraction, retention and development of events it would be possible, although not necessarily desirable, to exit from the activity.

However, this action would run against the vision of Wellington as an events capital and counter to the Council outcome of Wellington becoming “more eventful”. Without Council involvement and backing it is likely that many of the events that are seen to be iconic in Wellington would move to a more responsive market that may be present in other cities.

While exiting from the activity would free up the current investment allocated to the fund, full recovery of this will not be immediate as much of the fund is committed to ongoing event funding and these contracts would need to be seen out.

The removal of these high profile events would have a flow on economic effect of removing the positive economic impact such events have to the city.

7.2 Reduce funding and have fewer events

A reduction in the level of funding available to the Events Development Fund in the order of 15% on the proposed 2006/07 budget of \$1.258 million would result in savings of \$188,700.

This reduction in service would not result in a failure to deliver on the components of the economic development strategy that relates to events. The specific statement that

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this relates to is that “Wellington will maximise the economic value from promoting and hosting high profile events”.

The impact of this capacity creation would be that certain events would be unlikely to proceed. Given the investment in ongoing events such as the World of WearableArt and the AXA Rugby Sevens Tournament, the reduction in funding would most impact on our ability to attract new events.

This reduction in service levels would require a review of the current events portfolio to establish which events (across the three events levels of: Iconic, A level and B Level) are both providing the maximum economic return for the money spent and providing the exposure desired for Wellington to be seen as the events capital.

Questions that need to be addressed when reviewing the events portfolio are:

- Which parts of the fund (i.e., Iconic, A or B Level) are lowest priority?
- Which events do we want to continue supporting and why?

As stated earlier, a reduction in the number of events supported may result in some events not being staged. Naturally this will result in a reduced number of events available for Wellingtonians to enjoy during the year.

As the discretionary component of the fund has reduced over the years, (due to ongoing support for some events), a reduction in the overall size of the fund will further eat into this discretionary component. This may result in a loss of responsiveness in terms of attracting new events when they become available.

7.3 Increase funding

There is the potential in the future for the fund, at its current level, to be unable to meet the development goals of events in the city. This is a result of the reduction of discretionary funds available for new events as existing events become reliant on ongoing funding.

This issue should be readdressed in the near future to ensure that the funding available is sufficient for the fund to have the flexibility that it was initially designed to have.

Any increase to funding should be sought through new initiative bids only.

7.4 No change to funding + continue to refine event investment process

During 2004/05 the events team were involved in supporting (funding, facilitation, advice, production, logistics, marketing and promotion) over 100 events throughout the year. The demand for this and funding support is greater than the funds capacity. This naturally puts pressure on the fund especially when unforeseen expenses arise around running events (e.g., a last minute change of venue for a component of the X-Air games because the Queens Wharf Event Centre became unavailable due to an upgrade project being approved).

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Additional pressure is placed on the fund when currently unscheduled events become available and or need to be supported. In this regard, the flexibility of the events fund and team inherently puts pressure on the fund because it is capable of providing quick responses to promoters. That is, because we have the ability to attract events to the city as they become available, this results in a number of events that puts pressure on the funds available. In order to effectively manage the budget demand from existing and potential events it is essential that the fund continue to include provision for contingencies.

Adjustments and allowances have been put in place to mitigate future overspends and the budget for the current year is on target.

7.5 Cap number of events funded per year

While it may be difficult to choose a specific number of events to fund during a particular financial year, a logical cut off point would be the number of events capable of being supported within the existing budget with the inclusion of a contingency fund.

While this would ensure that the budget is not overspent it would mean that no new events could be supported during that financial year. This would remove a perceived strength of the current events fund in terms of its flexibility and responsiveness. While not necessarily desirable it would only become a problem in the economic sense if the new event would be able to show a greater economic return than an event of comparable level currently in the events portfolio.

7.6 Strategically reducing funding levels over a set period of time (*this would be event specific – seed funding*)

- a. Year 1 – 100%
- b. Year 2 – 80%
- c. Year 3 – 60%

This service level looks at the development of events within the city. In a sense this gives events the support they may require at their inception and supports them while they “find their feet” in terms of audience base and sponsorship possibilities. This would ensure that Council’s funding support is not continually required and enables Council to free up a level of funding to other events as they arise.

This type of seed funding may not be suitable for certain high profile events that may require a consistent level of funding for them to be attracted to the city.

7.7 Retain Status Quo

Effectively this would mean no change to service delivery. However, it is recommended that the current events portfolio be reviewed to establish whether we currently provide support to too many events and to ensure that the right mix of events is being supported.

8. Conclusion

The events development fund has been hugely successful in attracting and retaining events for Wellington, so much so, that other cities are using Wellington as a model for their own event strategies. To ensure this success continues the fund should be continued at least at the current level of funding. To ensure this level of funding is adequate for the current level and number of events, more analysis of the value of events approaching the fund for support will be conducted.

Contact Officer: *Gavin Armstrong – Strategic Research Advisor - PPR*

Appendix: 1 – Events Funding Decision Process

Step 1 Establishment of Event Outcomes and Decision Guidelines

Clear event outcomes are established in the Events Strategy and Funding Decision Guidelines set out. These are made available to event organisers prior to an application for funding being presented.

Step 2 Applications Submitted for Consideration

Event funding proposals are then submitted for consideration. A proposal template is given to all applicants and includes a requirement for detailed information on a range of areas. This information will form part of background on which funding decisions will be made.

Step 3 Event assessment

The Events Unit will assess each proposal based on the guidelines outlined in Appendix 3. A formal recommendation will be prepared and submitted for a decision.

Step 4 Funding Decision

a) If the funding required is less than \$10,000

The City Events Manager in consultation with CEO of Positively Wellington Tourism makes a decision.

This allows for quick turnaround of decisions on events requiring smaller levels of funding. Decisions are not expected to take more than 7 days, subject to the availability of required background information.

b) If the funding required is between \$10,000 and \$100,000

A decision group comprising the CEO of Positively Wellington Tourism, the Director of City Marketing and Development and the City Events Manager. This group would meet on a monthly basis and could also be convened to discuss an urgent funding proposal.

It is expected that most funding proposals will fall within these two thresholds.

c) If the funding required is above \$100,000

A decision group comprising the Mayor, the Chair of the appropriate KAA Committee, the Chair of Positively Wellington Tourism and the CEO of Wellington City Council. This group would meet on an as required basis.

Step 5 Decision Communicated to applicant

Decisions on funding or other support are then communicated formally to the applicant.

In addition to a yes or no decision, it may be that the proposal is sent back to the applicant for modification and further consideration.

Step 6 Funding Expectations set and Funding Managed for successful applicants

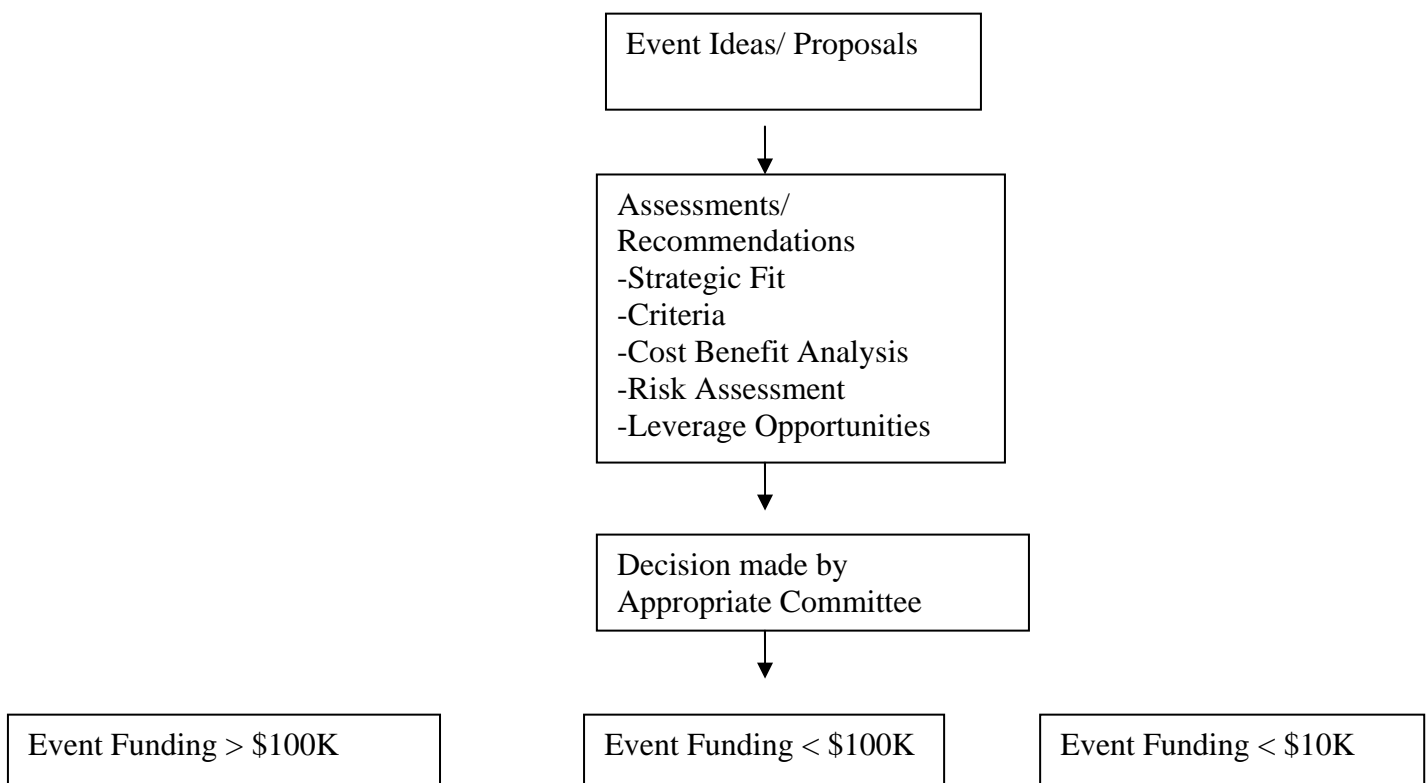
A funding contract is prepared including a performance measures, benefits to be delivered, key event planning milestones, terms of payment of funding, reporting requirements and other conditions of funding.

The funding investment is then managed to ensure the maximum leverage for Council's investment.

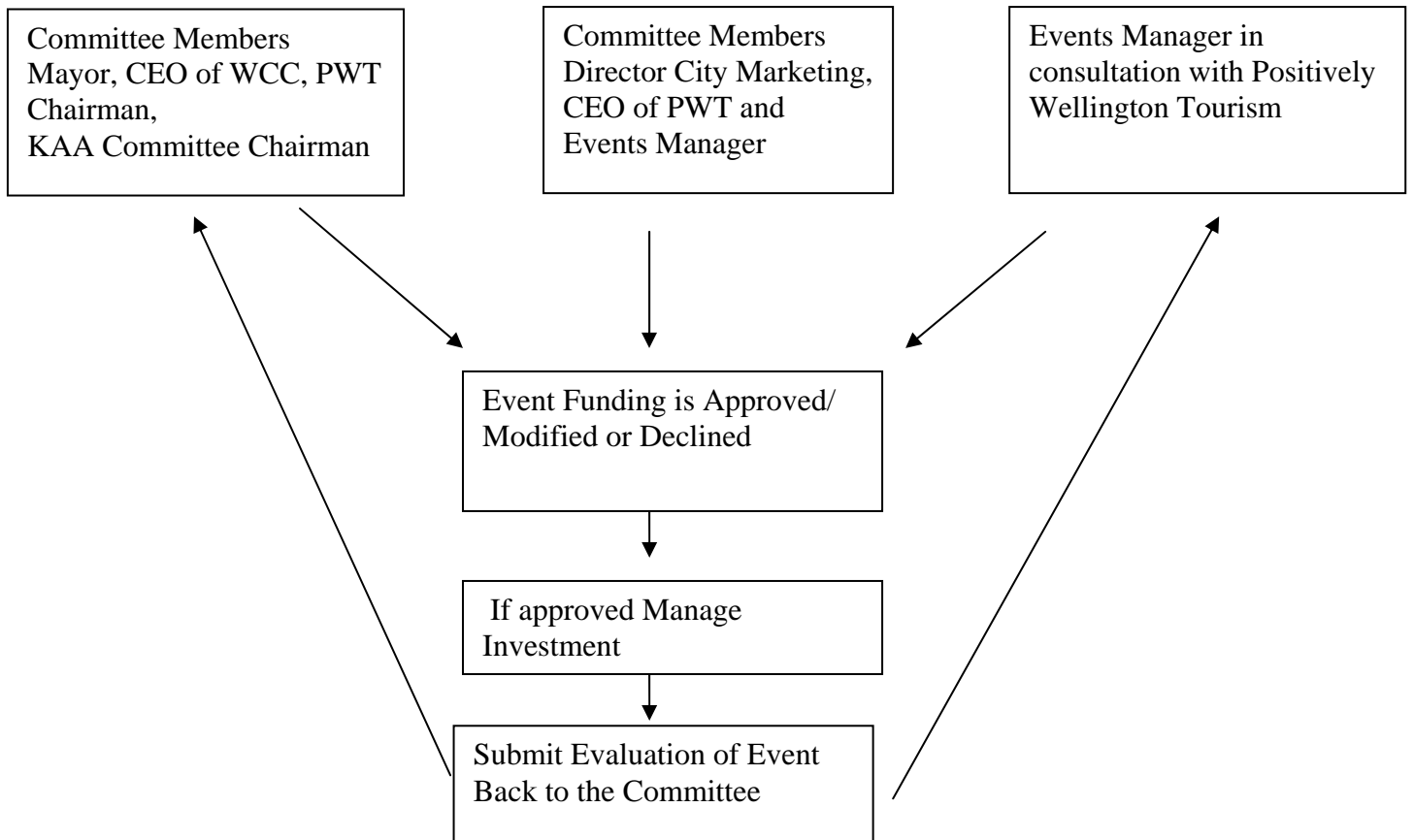
Step 7 Event Audit and Evaluation

An event audit is carried out along with a formal post event evaluation. Included in this is a report submitted by the event organiser. For specific key events, economic impact assessments will be commissioned. This information is then fed back to the decision group to assist them with future decision making

Funding Decision Process



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Appendix: 2 Funding Decision Guidelines

<p>1. Economic Benefit Event attracts new investment and visitors and has a positive economic benefit for the city (to be measured by existing PWT economic assessment model).</p>
<p>2. Strategic Fit (City Council) Event has a match with the key strategic directions of the Wellington City Council</p>
<p>3. Strategic Fit (Events Strategy) Event makes a strong contribution to achieving the outcomes of the Events Strategy</p>
<p>4. Venue Usage Event contributes to greater or more effective use of key venues in the city</p>
<p>5. Event Calendar Event fills a gap in the events calendar (seasonal low points such as long weekends, school holidays) and adds vibrancy</p>
<p>6. New Peak Time events Event delivers additional benefits during peak periods</p>
<p>7. Uniqueness Ideally the event is unique to Wellington or is to be only held in Wellington</p>
<p>8. Wellington City boundaries Event to be held within Wellington City, unless it is proven or can be shown that the event held outside Wellington will still result in significant benefits to the City</p>
<p>9. Long Term Viability Event has potential to have long term value and/or viability</p>
<p>10. Event Organiser Capability and Credibility The expertise and capability of the applicant to organise the event and realise it's objectives (included will be an assessment of track record, background checks etc)</p>
<p>11. Media Coverage The degree to which the event generates national or international media exposure that will promote Wellington City's destination profile</p>
<p>12. Overall event feasibility The event must be feasible in terms of its ability to meet the set objectives, and there must be sufficient time available given the level of planning required</p>

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<p>13. Financial Feasibility</p>
<p>The event must be financially feasible and include realistic budgets and achievable targets such attendance, sponsorship raised etc.</p>
<p>14. Ratio of Funding Support requested as a percentage of overall budget</p>
<p>Event funding support should only comprise a portion of the overall income budget and there should be strong demonstrated support from other sources e.g. sponsors, gate revenue, external funding sources.</p>

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Appendix: 3 Events funded by event level 2003/04, 2004/05 and 2005/06

Events financially supported through C581 - Events Development Fund

2003/04	2004/05	2005/06
Iconic Events		
Int Rugby Sevens	Rugby Sevens	Rugby Sevens
	World of Wearable Arts	World of Wearable Arts
	X- Air Games	X- Air Games
A Level		
BT Challenge Launch	Bledisloe Cup	British and Irish Lions Tour
David Bowie Concert	British Lions Tour	Commonwealth Karate Championships
Global Challenge	Commonwealth Karate Championships	Major Concert—Stadium
	Concert - Stadium - Neil Diamond	F69 Sinking
	Global Yacht Race	World Golden Oldies Rugby
	Golden Oldies	King Kong Premiere
	Women's World Cup Cycling	Women's World Cup Cycling
	World Mountain Running Championships	World Mountain Running Championships
		Volvo Ocean Race
B Level		
An Afternoon in Seville	Basketball	MORE FM Beach Volleyball
Brew NZ Sponsorship	Beach Volleyball	BrewNZ
Carols By Candlelight	Disney Toy Exhibition	Line 7's Regatta
Celtic Show	Festival of Japan	Marathon / Half Marathon
Chinese New Year	Line 7's Regatta	NZ Affordable Arts Show
Commonwealth 2005 Karate Championships	Mountain Bike Nationals	NZ Tango Festival 2005
Dance your socks off	National Brass Band Champs	Oceania Physical Education Conference
Downhill Mountain Bike Championships	NZ Affordable Arts Show	Round the Bays
Int Table Tennis Championships	NZ Business Games	Too hot to Handle
International Badminton Championships	NZ Sprint Triathlon Champs	Walk on Air Fashion Event
International Jazz Festival	Oceania Physical Education Conference	World Press Photos
Jose Carreras	Round the Bays	Cycle Tour of Wellington
Kaboom Production	Rugby- Samoa vs. Scotland	National Thundercat Racing
Karori Sanctuary Gut Buster	Saturday Night Fever	National Offshore Powerboats
Line 7 Regatta	Southern Orca Proposal (NRL Bid for Rugby League)	National Dragonboat Champs
MoreFM Beach Volleyball	Targa Rally	Afternoon in Provence
	Too hot to Handle	AND1 Streetball
Mountain Running Championships	Town Hall Centenary	NZ Recreation Assn Conference
MX3	Volvo Yacht Race	Michael Campbell Parade

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My Fair Lady	Wellington Cup Racing	NZ Ballroom Dancing Champs
National Events Conference	World Press Photos	NZ Music Week
National Karate Championships		Volcom Surf Event
National Swimming Championships		NZ University Games
NRL Bulldogs vs Warriors		Animation Symposium
NZ Breakers		Film Expo
Optimist National Championships		
Paintball Grant		
Pinot Noir		
Pool Event		
Red bull Flug Tug		
Round the Bays		
Saints Basketball		
Sydney Dance		
Targa Rally		
Wellington Fashion Festival		
World Press Photos		

Number of events supported through C130E - Community Events Fund

		Includes Summer City (over 100 distinct events) as 1 event. Does not include smaller non funding support eg.of stage, PA etc – another 50 plus events in this category – taken from Annual Report
2003/04	67	Report
		Includes Summer City (over 100 distinct events) as 1 event. Does not include smaller non funding support eg.of stage, PA etc – another 50 plus events in this category – taken from Annual Report
2004/05	87	Report
		5 months to run – on target for
2005/06	90 (projected)	80+