

Commercial Events and Festivals Sponsorship Program

Tuesday, 15 August 2023
City Finance and Governance Committee

Strategic Alignment - Strong Economies

Program Contact:
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Public

Approving Officer:
Clare Mockler, Chief Executive Officer

EXECUTIVE SUMMARY

At the 18 May 2023 meeting of the City Finance and Governance Committee, Council invited the “Adelaide Economic Development Agency (AEDA) to submit to Council for consideration the objectives and the details of its proposal for a new allocation of \$600,000 dollars for a proposed strategic events fund” as part of the 2023/24 Business Plan and Budget (BP&B).

The purpose of this report is to respond to that decision of Council by outlining the objectives and proposed use of approved funding including an allocation of \$100,000 for AEDA to use to leverage events identified as strategic opportunities as well as an allocation of \$500,000 for the delivery of a contestable Commercial Events and Festivals Sponsorship Program.

This report outlines the key elements of the draft Commercial Events and Festivals Sponsorship Program Guidelines.

RECOMMENDATION

The following recommendation will be presented to Council on 22 August 2023 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Approves the intended use of the \$600,000 funding allocated by Council to AEDA as part of the 2023/24 BP&B for a proposed strategic events fund as follows:
 - 1.1 \$100,000 allocated for the delivery of initiatives that leverage events and encourage visitors to spend extra days and nights in the city to be used at AEDA’s discretion; and
 - 1.2. \$500,000 allocated for the delivery of a contestable Commercial Events and Festivals Sponsorship Program exclusively for commercial event operators and businesses operating on an expected profit basis.
2. Notes the draft Commercial Events and Festivals Sponsorship Program Guidelines developed to direct the administration of the contestable fund.

IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Strong Economies
Policy	Draft Commercial Events and Festivals Sponsorship Program Guidelines have been developed to direct the administration of the contestable component (\$500,000) of the funding approved by Council [Attachment A].
Consultation	Assessments for the contestable component of the funding will be undertaken by a representative/s from AEDA and a representative/s from the City of Adelaide.
Resource	Not as a result of this report
Risk / Legal / Legislative	Funding recipients of the Commercial Events and Festivals Sponsorship Program will be required to a) enter into an agreement with AEDA and CoA detailing benefits in return for the sponsorship investment as well as mutually agreed KPI's; b) provide a Certificate of Currency for Public Liability and Return to Work SA Certificate of Registration; c) complete an acquittal report following the conclusion of the event/festival.
Opportunities	The leveraging component of the funding (\$100,000) will allow AEDA to be agile and flexible in its response to delivering initiatives that leverage events identified as a strategic opportunity. The contestable component of the funding (\$500,000) will allow for the continued support of events and festivals not currently eligible to apply through the annual Events and Festivals Sponsorship Program.
23/24 Budget Allocation	\$100,000 allocated for internal use for the purpose of leveraging events to encourage visitors to spend extra days and nights in the city through marketing and promotion of associated activities and/or delivery of other complementary initiatives. \$500,000 allocated for the delivery of a contestable Commercial Events and Festivals Sponsorship Program.
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Funding available for one year only in 2023/24.
23/24 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. Contestable Commercial Events and Festivals Sponsorship Program
 - 1.1. In 2021/22 and 2022/23 AEDA administered the Strategic Events Fund introduced as part of Council's City Business Stimulus Program to support the events sector during COVID in response to the decrease in people visiting the city.
 - 1.2. The Strategic Events Fund was funded for an initial two-year period (2021/22 and 2022/23) with \$1,000,000 funding available per annum to support two categories: New Events and Expansion of Existing Events.
 - 1.3. This funding was in addition to the Events and Festivals Sponsorship Program funded annually through the AEDA operating budget. The 2023/24 Events and Festivals Sponsorship budget is \$1,809,000. The program is designed to support not-for-profit organisations, incorporated associations and companies limited by guarantee in the staging of medium and major events and festivals.
 - 1.4. Funding of \$600,000 was sought from Council as part of the 2023/24 BP&B process to allow for the provision of continued support for events and festivals especially those not currently eligible to apply through the Events and Festivals Sponsorship Program.
 - 1.5. The rationale for Council's continued additional investment is strong:
 - 1.5.1. The McGregor Tan research commissioned by Council on attracting people to come back into the City of Adelaide and spend more time here highlighted the importance of events;
 - 1.5.2. As part of AEDA's Annual Business Plan & Budget consultation, 80% of stakeholders agreed that AEDA should be "attracting visitors to the city by providing grants to major events and festivals" and 94% agreed AEDA should be "developing a year-round event and activation calendar that supports city visitation, accommodation and city businesses"; and
 - 1.5.3. The economic benefits of events and festivals are not limited to tourism expenditure. Events and Festivals play a key role in supporting South Australia's creative workforce. More broadly, events and festivals can provide benefits through increased cultural engagement, place-making and destination marketing, or volunteering. These consumer, social and cultural benefits are much more difficult to measure but are, nevertheless, important when considering the value of festivals and events.
 - 1.6. The current annual Events and Festivals Sponsorship Program criteria doesn't allow for applications from commercial organisations operating on an expected profit basis.
 - 1.7. The last two years of the Strategic Events Fund has allowed requests from commercial event/festival organisers in addition to not-for-profit organisations, incorporated associations and companies limited by guarantee.
 - 1.8. To continue to provide support to commercial operators and also create a clear distinction between the two funding programs it is proposed that \$500,000 of the \$600,000 approved by Council be used to support a new program, the Commercial Events and Festivals Sponsorship Program, exclusively for commercial event operators and businesses operating on an expected profit basis.
 - 1.9. Not-for-profit organisations, incorporated associations and companies limited by guarantee have already had an opportunity to apply for funding for events and festivals to be held during 2023/24 through the Events and Festivals Sponsorship Program.
 - 1.10. The City of Adelaide Arts and Culture Grants and Community Impact Grants Programs are yet to open but also offer opportunities for these types of organisations to be considered for funding in 2023/24.
 - 1.11. The approval of Councils BP&B at the end of June 2023 does not support the design and of a funding program that can be implemented immediately. This disadvantages those organisations seeking support for events and festivals held in the first half of the financial year.
 - 1.12. For this reason, it is proposed that the funding program operates on a calendar year basis. Events and festivals occurring between 1 January 31 December 2024 would be eligible to apply. This gives all potential applicants equal opportunity to access funds.
 - 1.13. Draft Commercial Events and Festivals Sponsorship Program Guidelines have been developed to direct the administration of the program. The guidelines incorporate program improvement opportunities identified following a review of the now concluded Strategic Events Fund. The new guidelines can be found in **Attachment A** and are subject to minor changes that may provide further clarity to potential applications but not alter the substance of the guidelines.
 - 1.14. Key elements from the guidelines are summarised below:

Funding category	Small - Medium	Medium - Large
Funding available	Up to \$20,000	Up to \$50,000
Funding pool	\$250,000	\$250,000
Event/festival delivery	Event/festival must occur between 1 January and 31 December 2024	Event/festival must occur between 1 January and 31 December 2024
Timeframe	Two rounds: September 2023 and February 2024	Two rounds: September 2023 and February 2024
Approval	Funding will be presented to the Managing Director, AEDA for consideration and approval.	Funding recommendations up to the value of \$20,000 will be presented to the Managing Director, AEDA for consideration and approval. Funding recommendations in excess of \$20,000 will be presented to the Managing Director, AEDA and AEDA Board for consideration and approval.

2. Event Leveraging

- 2.1. At its meeting on 7 February 2023, the AEDA Board discussed opportunities to use a portion of any future event funding allocation approved by Council as part of the 2023/24 BP&B process to leverage State Government funded events. This would allow AEDA the opportunity to deliver initiatives to encourage visitors to spend extra days and nights in the city through marketing and promotion of associated activities rather than just provide direct support to new events through a funding program.
- 2.2. In response to the Board's request, it is proposed that \$100,000 of the \$600,000 funds approved by Council on 27 June 2023 be used for this purpose. To allow more flexibility and agility it was recommended to the Board and subsequently agreed at its 25 July 2023 meeting that leveraging/marketing activity not be exclusive to State Government funded events.
- 2.3. The utilisation of this portion of funds is at the sole discretion of AEDA and will support the delivery of initiatives that leverage events/areas identified as a strategic opportunity and align with the strategies and actions of the AEDA Business Plan FY 2023/24 including:
 - 2.3.1. Broaden the city's calendar of events and work with the state government to maximise the benefits for the city of major state-led events;
 - 2.3.2. Leverage consumer and business events to drive promotion and sales for city businesses; and
 - 2.3.3. Deliver campaigns that promote the city as a destination to invest, live, and visit.
3. At its meeting on 25 July 2023, the AEDA Board endorsed the intended use of the \$600,000 funding approved by Council for a proposed strategic events fund.

ATTACHMENTS

Attachment A – Draft Commercial Events and Festivals Sponsorship Program Guidelines

- END OF REPORT -