

Park Lands Event Site Fees

Strategic Alignment - Dynamic City Culture

17 October 2023

**City Finance and Governance
Committee**

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EXECUTIVE SUMMARY

This report responds to the Council decision of 12 September 2023, that Council:

1. *Requests Administration to prepare a report for the October 2023, City Finance and Governance Committee meeting on fees and other conditions that would aid Council's capacity to support long term events.*
2. *Endorses the provision of multi-year event licences will be reinstated in 2023/24.*

Following stakeholder feedback received through the 2023/2024 Business Plan and Budget process, Council reinstated Park Lands Event Site Fees and amended these fees to reflect rates previously charged in 2020. These fees have been reinstated from 1 October 2023.

The report provides Council with advice on potential support for events occupying Park Lands for extended periods of time and provides considerations on the current fees and principles. The recommendations in this report have been developed as a result of feedback and suggestions provided to Council by major event organisers in Adelaide, and research into the approaches taken by other Capital City Councils.

RECOMMENDATION

The following recommendation will be presented to Council on 24 October 2023 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL
THAT COUNCIL

1. Approves a discounted fee model for events occupying a Park Lands location for greater than 28 consecutive days.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2020-2024 Strategic Plan	Strategic Alignment – Dynamic City Culture Major events contribute significantly to Adelaide’s reputation as a renowned global Creative City, a tourist destination, and a highly ranked world liveable city.
Policy	The Adelaide Events Guidelines is the overarching management guideline for the facilitation of events on Adelaide Park Lands and on roads.
Consultation	This report has considered the outcomes of community engagement for the 2023/24 Business Plan and Budget, relating to the reinstatement of events fees.
Resource	The City Events Team facilitates event organisers to deliver events safely and effectively, providing a single point of contact for liaison with the external organisations and internal services and charges as required.
Risk / Legal / Legislative	Not as a result of this report
Opportunities	The opportunity to further support events based in the Park Lands long term (longer than 28 days consecutively).
23/24 Budget Allocation	Not as a result of this report
Proposed 24/25 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
23/24 Budget Reconsideration (if applicable)	Approximately \$117,000 reduction to current budget forecast income through reducing event fees by 50% after 28 days. This is in addition to the proposed \$87,000 reduction at Q1, which was a result of site fees returning to the 2020 rate.
Ongoing Costs (e.g. maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

Park Lands events site hire fees – Background

1. This report responds specifically to the Council decision on 12 September 2023 that Council:
 1. Requests Administration to prepare a report for the October 2023, City Finance and Governance Committee meeting on fees and other conditions that would aid Council’s capacity to support long term events.
 2. Endorses the provision of multi-year event licences will be reinstated in 2023/24.
2. The City’s ‘long term’ events (which we have defined as events occupying the same location for over 28 days consecutively) have a reputation for being significant, iconic, popular and highly beneficial to the City economy and cultural vibrancy.
3. Many of these events have historically received Council or State Government sponsorship support.
4. Data shows that in the current financial year, based on known event bookings at this time, there are nine events that will occupy a Park Lands site for longer than 28 days consecutively. This represents 11% of all current major Park Lands event bookings. Five of these long-term events will occur during the 2024 summer festival season.

Proposed option to support long term Park Lands events in 2023/24

5. The proposed model provides financial support for events that occupy a Park Lands site for longer than 28 consecutive days (four weeks) in total.
6. It is proposed that once an event enters its fifth week (from day 29 onwards) of Park Lands occupation, a 50% discount is applied to each event day for the remainder of the event. This would then reflect the fee currently charged for ‘bump in’ and ‘bump out’ days, which is already charged at 50% of the full event day rate.
7. The discounted rate shall only apply for a maximum of 8 weeks in total. We are seeking to strike a balance between supporting long terms events while not unduly impacting public access to the Park Lands further.
8. The proposed discount will not apply to ‘bump out’ days occurring after four weeks, as this rate is already discounted to 50% for all events within the current fees.
9. The below table (Table 1) shows future events (based on current data) that will occupy a Park Lands site for longer than 28 days and the approximate percentage of fee savings they would receive for their event.

Table 1.

Events occupying Park Lands for over 28 Days	Location	Total reduction from current fee
Gluttony	Rymill Park/ Murlawirrapirka	-29%
The Garden of Unearthly Delights	Rundle Park/ Kadlitpina	-29%
Fringe Box Office	Rymill Park/ Murlawirrapirka	-25%
Illuminate Adelaide*	Victoria Square/ Tamtanyangga and Rundle Park/ Kadlitpina	-25%
Wonderland Spiegeltent	Hindmarsh Square/ Mukata	-24%
Fools Paradise	Victoria Square/ Tamtanyangga	-23%
Tasting Australia	Victoria Square/ Tamtanyangga	-10%
Tour Down Under	Victoria Square/ Tamtanyangga	-5%

* Denotes event will operate primarily in 24/25 financial year

10. It is proposed that this model is adopted once approved by Council and made applicable to all events held from 1 October 2023. It would then be subject to review annually as part of the Business Plan and Budget process.
11. Approving this measure will lead to a reduction to the current forecast budget income of approximately \$117,000 within the 2023/2024 financial year.
12. This measure will be monitored, including ongoing engagement with applicable event customers, and outcomes will be shared with Council to note its impact and effectiveness.

Comparison with other Capital Cities

13. In development of this option, it was found that the City of Melbourne uses a similar event fee model, applying a 40% discount once events exceed 30 days in duration.
14. City of Sydney was found to not be as comparable to Adelaide as Melbourne, as the parks for event sites operated by the City of Sydney are limited in number, and they have no longer have events operating for a number of weeks in their parks.
15. It was noted that City of Perth charge a nonrefundable 'application fee' for an event application to be submitted. This is an additional fee on top of any event site fees. We are not proposing to adopt this for Park Land event site fees as it would propose a new fee to City of Adelaide events.

Existing City of Adelaide funding support for events

16. On Tuesday 22 August 2023 Council approved a Commercial Events and Festivals Sponsorship Program which is administered through the Adelaide Economic Development Agency (AEDA). This is a \$500,000 total funding pool designed to provide financial support to eligible for-profit organisations to assist in the staging of events and festivals that create a vibrant and dynamic city experience. Through this funding program, a range of eligible commercial events have opportunity to access up to \$50,000 sponsorship that previously has not been available to them.
17. In addition to the new funding detailed above, AEDA also administers the Events and Festivals Sponsorship Program, the outcomes of which are approved by Council annually.
18. Council also supports events through Arts and Cultural Grants and Community Impact Grants.

Existing support for city-wide distribution of events

19. The City of Adelaide currently has financial incentives to encourage distribution of events. In the Adelaide Event Guidelines the Park Lands are categorised into three tiers, 'Premium', 'Popular' and 'Standard' for the purpose of applying event site fees. The site fees are higher for a 'Premium' location and then reduced for 'Popular' and further reduced for 'Standard' respectively.
 - 19.1. A Premium site is defined as an iconic city park, central and accessible in location with good event infrastructure in place.
 - 19.2. A Popular site is a park that can be used as a major event space, with day and night use and has adequate event infrastructure.
 - 19.3. A Standard site is any other remaining site that can be booked for events.
20. To demonstrate the difference in cost between Premium and Standard sites, a major event using an Eastern Park such as Rymill Park / Murlawirrapurka (Park 14), compared to a Western Park such as Ellis Park / Tampawardli (Park 24), would cost 27% more in site hire fees per day.
21. Light Square / Wauwi is currently categorised as a 'Popular' event space but will be defined through a revision in the Adelaide Event Guidelines as a 'Standard' event space, providing a further 20% discount per day in site hire fees for an event to use this location. Feedback was provided through the consultation on Council's 2023/2024 Business Plan and Budget that stakeholders do not consider this site to have adequate infrastructure at this time.
22. The majority of other Western and Southern Park Lands are already classified as 'Standard' event sites, therefore already providing the lower event site hire rate.
23. A key objective of the tiered approach is to encourage the distribution of events across the City.

Current principles of event fees

24. The principles underpinning the current fee structure include:
 - 24.1. Promoting City of Adelaide event sites as locations of choice
 - 24.2. Fairness

- 24.3. Equity
- 24.4. Valuing the Park Lands
- 24.5. Sustainability (of both the event and of Council's ongoing support for the event).
- 25. To achieve these principles, fees and charges are set in a way that:
 - 25.1. Considers the value of the location
 - 25.2. Considers the size of the event
 - 25.3. Considers the seasonality
 - 25.4. Considers the ability of the event holder to pay, i.e. commercial ticketed events will be charged more
 - 25.5. Financially incentivises events to be held in locations away from those used most frequently.
- 26. From 1 October 2023 road event fees are now being charged in line with the current endorsed rate of \$850.49 per application for commercial applicants. For the application of this fee, this is defined as commercial entities (non-government) that operate for the purpose of engaging in commercial trade.
- 27. Administration is currently working on a new schedule and hierarchy of road closure event charges. It is acknowledged the current one-off fee of \$850 is inadequate for major events that seek to close major roads for longer than 24 hours.
- 28. In 2022 there were over 100 road closure events, with only four of these closing a 'major' road for over 24 hours at one time. These included the Adelaide 500 and Harvest Rock.
- 29. We are working with internal and external stakeholders, to develop a road closure fee hierarchy, to ensure that when a major event seeks to close a major road, there is a more appropriate fee in place that reflects the impact of the road closure on the city's residents, businesses and visitors.
- 30. The model will include mechanisms in place to ensure that multi-day road closures are not a frequent occurrence, as is currently the case. Additionally, we want to ensure that all considerations are evaluated and that small events are not charged in line with major events closing major roads for extended periods.
- 31. Administration proposes to have this road closure fee model ready for implementation in the 2024/2025 financial year.

ATTACHMENTS

Nil

END OF REPORT -