

**MEETING: COMMUNITY BOARDS EVENTS INVESTMENT FUNDING
PANEL – 8 OCTOBER 2018**

Name of item: EVENTS INVESTMENT FUNDING

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1) Background

The purpose of this meeting is to determine which events will receive investment from Council for the 2018/19 financial year.

For the past four years Council has allocated funding to a contestable Events Investment Fund, inviting community groups to apply for money to help them run their events. In previous years the fund was supported by an Events Strategy designed to bring outstanding events and festivals to the District that are fun and that connect, contribute to and celebrate our communities, create pride and showcase our District. While this remains the purpose of the fund, the Events Strategy has been substituted with a new process following a decision of Council to delegate distribution of the fund to the three Community Boards, allocated to each Board on a population basis.

The Community Boards have decided that a panel including each of the Board Chairs and one additional representative from each Board will consider applications and make the decisions on awarding the fund on behalf of all Community Board members.

2) Events Investment Fund

The Events Investment Fund totals \$80,000.

Allocation on a population basis is as follows:

Bay of Islands-Whangaroa Ward	45%	\$36,000
Kaikohe-Hokianga Ward	23%	\$18,400
Te Hiku Ward	32%	\$25,600
Total fund		\$80,000

Auckland Blues Pre-Season Game

Council's Audit, Risk and Finance Committee meeting of 27 September 2018 resolved to underwrite a Super Rugby preseason game at Lindvart Park on 2 February 2019.

The purpose of the report is to seek the Committee's approval to underwrite a Super Rugby preseason game between the Blues and Chiefs franchises on 2 February 2019.

Two locations, Kerikeri Domain and Lindvart Park, were considered. The Committee agreed that the game be hosted at Lindvart Park because it was judged most likely to break even, largely due to the availability of sufficient grandstand facilities.

The Northland Rugby Union will take the lead for delivering the event. The Committee consented to Council underwriting 80% of a potential loss to a maximum

of \$59,568; the Kaikohe-Hokianga Community Board offered up \$12,000 of their event funding as a contribution.

Community Board representatives allocated to distribution of the Events Investment Fund are therefore asked to resolve reserving \$12,000 of the Events Investment Fund, and if it is not required (i.e. the event breaks even) the \$12,000 will be held over to the 2019/20 funding round). This could be divided equally between the three Boards (\$4,000 each).

This would reduce the amount of money available for distribution out of the Events Investment Fund to \$68,000, allocated as follows:

Bay of Islands-Whangaroa Ward	\$32,000
Kaikohe-Hokianga Ward	\$14,400
Te Hiku Ward	\$21,600
Total fund	\$68,000

Recommendation: That Community Board representatives on this panel agree that \$12,000 of the Events Investment Fund be allocated to underwrite the February 2019 Super Rugby Blues/Chiefs preseason game at Lindvart Park.

3) Assessment of applications

Each applicant was required to complete a standard application form and provide a business plan and financial information.

The application was then scored on its proposed economic, cultural and social benefits, and the expected environmental effects of each event.

Since the intention is to invest in events that are high profile and that bring visitors and economic benefit to the District, it makes sense that the key assessment criteria is the Return on District Investment (RODI), which is calculated using an economic modelling tool supplied by Infometrics.

In order to carry out a RODI assessment, applicants are asked to provide an estimate of:

- The number of people from outside of the district likely to travel to the event.
- The average daily spend for all attendees at the event location and surrounds. Ministry of Business, Innovation and Employment have provided expected expenditure per visitor at \$118 for domestic visitors from outside the District and \$183 for international visitors. (Stats NZ <http://nzdotstat.stats.govt.nz/wbos/Index.aspx?DataSetCode=TABLECODE7573>)
- The duration of the event (days).

The RODI report estimates the turnover total effect (an estimate of the total value of goods and services, and the earnings effects), and the *direct effect value added* (an estimate of the Gross Domestic Product based on increased spending directly in each industry associated with the event).

The RODI is calculated by dividing the *direct effect value add* by the amount of funding requested by the applicant.

e.g.

Direct effect value add	\$170,000
Council investment	\$10,000
RODI as assessed	$\$170,000 \div \$10,000 = \text{a RODI of } \17

In other words, for every dollar Council invests in the event, \$17 of economic benefit is returned to the District.

In past years additional weighting has been granted to any event outside of the Bay of Islands. This year, however, Community Boards will place a higher weighting on events that support the Tuia 250 commemorations. The weightings below were therefore used to score each application:

Item	Weight
Aligned with Tuia 250	20 points
Economic Benefits	
RODI	20 points maximum
Visitor Numbers	10 points maximum
Overnight Visitors	5 points maximum
Event Potential	10 points maximum
Organiser Capabilities	10 points maximum
Cultural Benefits	
Showcases the Far North	10 points maximum
Uniqueness of Event	10 points maximum
Cultural Highlight	10 points maximum
Social Benefits	
Event outside of high season	5 points maximum
Enhances existing events	10 point maximum
Community Involvement	10 point maximum
Environmental Effects	20 point maximum

4) Applications for 2018

Applications for this year's funding round totalled requests for \$378,973 as follows:

Bay of Islands-Whangaroa Ward	\$272,400
Kaikohe-Hokianga Ward	\$26,000
Te Hiku Ward	\$80,573
Total fund	\$378,973

Bay of Islands-Whangaroa ward applications

Event	Event Date	Requested	Score	Previous funding 17/18*
Bay of Islands Waka Festival	16/Mar/19	\$ 12,310	120	\$ 4,300
Bay of Islands Walking Weekend	13/Sep/19	\$ 9,600	112	
Kerikeri Half Marathon	17/Nov/18	\$ 10,000	105	\$ 6,450
Sanitarium Weekbix Kids Tryathlon	7/Apr/19	\$ 8,000	101	\$ 6,450
Upsurge Bay of Islands Arts Festival - Pompallier Mission	2/Apr/19	\$ 102,125	98	
Russell Birdman	13/Jul/19	\$ 10,000	90	\$ 2,795
Upsurge Bay of Islands Arts Festival - Two Worlds	6/Apr/19	\$ 7,000	88	
Breca Swim/Run	13/Apr/19	\$ 50,000	86	\$ 2,500
Bay of Islands Classic Ocean Swim	1/Dec/19	\$ 25,000	86	\$25,000
Far North Go Green Awards	28/Mar/19	\$ 10,865	77	
Reggae By the River	26/Jan/19	\$ 20,000	73	
Kerikeri Bowling Club	13/Feb/19	\$ 500	35	

Kaikohe-Hokianga ward applications

Event	Event Date	Requested	Score	Previous funding 17/18*
Tux North Island & NZ Sheep Dog Trial Championships	27/May/19	\$ 14,000	76	

Te Hiku ward applications

Event	Event Date	Requested	Score	Previous funding 17/18*
Snapper Bonanza	11/Mar/19	\$ 10,823	103	\$ 5,000
Te Houtaewa Challenge	16/Mar/19	\$ 20,000	80	\$ 5,629
Kaitaia Santa Parade and Christmas in the Park	14/Dec/19	\$ 13,750	79	
Tamariki Day	3/Mar/19	\$ 6,000	70	
Matariki Festival Ball	21/Jun/19	\$ 30,000	59	

District-wide applications

Event	Event Date	Requested	Score	Previous funding 17/18*
Te Au Marie Sestercentennial Maritime Events	Dec/18	\$ 7,000	115	

Note: if the panel chooses to support this event the funding should be allocated on a ward basis.

5) Suggested decision-making process

Given the small size of the allocation for Kaikohe-Hokianga of funds and only two events to consider, staff suggest that this Board's allocation be considered first, followed by Te Hiku and then Bay of Islands-Whangaroa. Bay of Islands-Whangaroa has the bulk of the applications and there will need to be considerable consideration given to how their funding is allocated.

As an initial consideration, staff would like the Boards to consider giving greater support to events that are both cornerstone and attract a wide section of the community as well as external visitors.

District-Wide

While there are applications across a diverse range of events, the panel should keep in mind that the following are or have District-wide importance. The panel may want to consider how they might share the funding of these events before considering how they might support more localised events. Staff have noted that the application from

Te Au Marie Trust is for a feasibility study and that the event does not take place until October 2019. Staff suggest that the event funding is for the running of specific events and not for a feasibility study. The flotilla event is being funded by Central Government.

These events are:

Kids Tryathlon	Bay of Islands-Whangaroa
Blues-Chiefs Rugby Game	Kaikohe-Hokianga
Tux Dog Trial Championships	Kaikohe-Hokianga
Kerikeri Half Marathon	Bay of Islands-Whangaroa
Bay of Islands Waka Ama	Bay of Islands-Whangaroa
Te Au Marie Sestercentenniel	Nationwide

Kaikohe-Hokianga

If the decision was previously made to underwrite the Blues-Chiefs rugby game in February, this would leave the Board with \$14,400. The Tux Dog Trial Championships are requesting \$14,000. This would mean that the Board could fully fund this event. There are no other event applications for events in this Ward, however, there remains \$400 that could be allocated from the Kaikohe-Hokianga Board to another event that has District-wide benefit.

Te Hiku

There are only four events for consideration of funding allocation, as the Kaitaia Santa Parade and Christmas in the Park will be in December 2019 and staff will carry this over into next years funding application run and inform the applicant.

The Matariki Festival Ball is for ticket holders only and staff believe this would only attract a limited participation audience. The amount shown for Te Houtaewa is \$20,000, however the application requests between \$10 - \$20,000. It is noted that all of the Te Hiku (except Snapper Bonanza) events do not score highly on return of district investment. If the Board agrees, then the events below are the ones to consider apportioning the \$21,600 to.

These events are:

Snapper Bonanza
Te Houtaewa Challenge
Tamariki Day
Matariki Festival Ball

Bay of Islands-Whangaroa

As in previous years, the bulk of applications and events are in the Bay of Islands-Whangaroa Ward.

Under previous Long Term Plans, funding was set aside for the Bay of Islands Arts Festival (Upsurge). This funding was not allocated in the 2018-28 LTP, and their applications now come under Event Funding. As opposed to previous years, the total amount funded was \$15,000 pa, they have requested \$109,125.

The Bay of Islands Ocean Swim event is likely to be in December 2019, which is outside of this financial year. Previously, they have received \$25,000 per year, and were on a three year contract. This contract has now expired. They have requested

a three-year contract. It is possible to agree to a contract and to start the funding in the 2019/20 funding round.

The Kerikeri Bowling Club has requested \$500 towards a ladies fours bowling tournament. Staff recommend this request be passed back to the Bay of Islands-Whangaroa Board for consideration more appropriately from their Community Grants funding. Participation is low and limited to club members and invitees only.

The Sanitarium Weetbix Kids Tryathlon is a cornerstone event and is asking for a three year contract. The funding they receive from Council is match-funded with a Sanitarium staff trust and the monies used for students in the Te Hiku and Kaikohe-Hokianga Wards to cover participation fees.

The Breca Swim/Run was a new event in 2018 and is only the second event in New Zealand (the other is in Wanaka) for this international series. It is noted that the RODI is not high for this event.

Additionally, Russell Birdman, the Bay of Islands Walking Weekend, Kerikeri Half Marathon and the Bay of Islands Waka Ama Festival have received funding since inception.

Other events requesting funding are the Far North Go Green Awards and the Reggae by the River.

Recommendation:

That greater consideration should be given to District-Wide and cornerstone events that have a higher rate of Return on District Investment (RODI).