

17.1 LATE ITEM - FENACING FESTIVAL MANAGEMENT

File No:	CM.496
Responsible Executive Officer:	Director Community Services
Reporting Author:	Manager Liveability
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Applicant/Proponent:	Nil
Disclosure of Interest:	Nil
Attachment(s):	Nil

PURPOSE

For Council to consider management options for the 2022 FeNaCING Festival.

BACKGROUND

The FeNaCING Festival has been run for 48 years by the Dampier & Karratha Lions Club. The Festival is a well-loved community event held on the first weekend of August. The event attracts over 10,000 people, has over 100 exhibitors and food stalls, attracts carnival and ride operators from Perth and showcases a range of community services. The event has historically featured a large-scale live music program, local dance troupe performances and closes with fireworks on the Sunday night. The Monday is traditionally the FeNaCING long weekend public holiday.

The City has supported the event via a multi-year Agreement with a \$70,000 cash contribution to fund the children's entertainment and fireworks, plus in-kind support valued at approximately \$20,000 that covers oval hire, light tokens, ground support and waste services.

In early 2020 the Lions Club advised the City they would no longer be running FeNaCING and had lost support from Lions WA to continue as an organisation.

Following this, the Karratha Community Association (KCA) established a sub-committee to run FeNaCING. However, after a review of the event and the personnel required to deliver a successful event, the KCA decided not to continue with this opportunity. The KCA has subsequently dissolved.

With no other community groups interested in running the event, the City took responsibility and contracted Onyx Events to manage the 2021 Festival via a Request for Quotation process. The contract was for \$103,000 ex GST and provided a full-service event management contract. Onyx Events sub-contracted Wrapped Creations to manage the stallholders and carnival operators.

The 2021 Festival was delivered and received positive feedback from all involved and the broader community. Attendance numbers were strong, and the number of stallholders and carnival operators was similar to those at the last few FeNaCING events, pre-Covid. The Festival also attracted strong support from local businesses with cash sponsorship and in-kind support for event services such as waste, power, cleaning and equipment hire. Support from community and sporting clubs to assist with manning the event on the weekend was very low, with only one sporting club offering to run the bar.

Feedback from the event contractors was that, while they would like to continue to run the event, resourcing was a challenge within their existing business structures. The management of this contract was time-consuming for Officers, and acquittal compliance following the event is still outstanding.

The overall estimated figures (yet to be provided as an audited financial statement) is that the event generated \$380,000 of cash income and cost approximately \$315,000.

With only eight full months remaining to organise the 2022 FeNaCING Festival, a delivery method must be determined as soon as possible. An increasing number of enquiries are being received from exhibitors wanting to book their place at the 2022 event.

Officers have reviewed several options for the management of the event, and these are summarised below:

OPTION ONE: Community Led

The City to call Expressions of Interest from the public to form a FeNaCING Committee. The Committee would be incorporated and therefore operate under a Constitution. Under this option the Committee would be responsible for all aspects of the event, as the Lions Club were previously.

The City could have an observer/advisory role on the Committee but not an Executive position. Council is then a potential sponsor of the event and the Committee would apply for funding under the Community Grant Scheme for up to \$50,000 sponsorship each year as well as in-kind support.

Pros	Cons
<ul style="list-style-type: none"> • FeNaCING to continue as a community owned & led event. • Majority of funds would be expended with local businesses including staging, bar management, waste services, equipment hire and marketing. 	<ul style="list-style-type: none"> • Lead time to establish this Committee for the 2022 event means this option is not viable as a stand-alone option. • Some risk in the continued sustainability of a volunteer-based committee.

OPTION TWO: In-house Management

The City to employ a Project Officer to oversee the coordination of the Festival in 2022. This would be on an eight-month fixed term contract (Feb – Sept). At the same time Officers will work with the community to establish a Committee in the lead up to 2022, with a view they take on the event from 2023.

The Project Officer would sit in the Arts Development & Events team with support from officers that have experience in managing large scale events, including the Cossack Art Award and Red Earth Arts Festival. This will require an additional operational budget to cover the costs of the event, which would be offset by income generated from the event and sponsorship.

With this option it is anticipated that the officer would undertake the following tasks in-house:

- Sponsorship
- Financial management
- Site coordination and management
- Contractor management
- Entertainment

The following services would be outsourced and the contract managed by the officer:

- Staging
- Bar Management
- Waste Services
- Equipment Hire
- Marketing
- Fireworks

Pros	Cons
<ul style="list-style-type: none"> • Utilise strong network of suppliers and businesses to support the event delivery. • Greater control and transparency over the management and funds involved. • Majority of funds would be expended with local businesses including staging, bar management, waste services, equipment hire and marketing. • Budget that was spent on outsourcing could be used to fund an internal resource. 	<ul style="list-style-type: none"> • Some risk in being able to fill this role in the current recruitment market and retain them throughout the contract period. • Further establishes FeNaCING as a City owned event, rather than community owned.

OPTION THREE: Outsourced Management

As per last year run a formal Request for Tender process to secure the services of an event management contractor who would be responsible for all aspects of the event. A multi-year contract could be considered via this process.

Pros	Cons
<ul style="list-style-type: none"> • Provides professional event management services to plan and deliver the Festival. 	<ul style="list-style-type: none"> • Local capability to run the whole event is uncertain. • May attract Perth contractors which would mean a large portion of the event budget is managed outside of the region, would increase costs and risk. • Cost of outsourced contract would be higher than the proposed internal resource. Contract for 2021 was \$103,000. • Risk of Tender not attracting any suitable contractors. • Strain on internal resources to manage the contract within the current resourcing provision.

Officers have assessed all options and believe that Option 2 provides the best outcome for the City and the community because it provides a greater level of control over the event planning and delivery, will ensure sound financial management, ensures use of local suppliers and provides the opportunity to align a Community Committee to manage the event in the future.

LEVEL OF SIGNIFICANCE

In accordance with Council Policy CG-8 Significant Decision-Making Policy, this matter is considered to be of moderate significance in terms of social issues.

STATUTORY IMPLICATIONS

There are no statutory implications.

COUNCILLOR/OFFICER CONSULTATION

Council have been kept informed about the future of FeNaCING via a number of Briefing Presentations and Council items over the last 24 months.

Consultation has occurred with the Community Programs team to understand the capacity of the Arts Development & Events team to manage FeNaCING in their current structure or if additional resources would be required.

COMMUNITY CONSULTATION

Community engagement activities in accordance with the iap² public participation spectrum process to inform, consult, involve, collaborate and empower have been undertaken as follows:

Who	How	When	What	Outcome
Karratha Community Association	Meeting	2020/21	To discuss their capacity to run FeNaCING.	KCA declined the opportunity.
Onyx Events	Meeting	2020/21	To discuss their interest and capacity to run FeNaCING	Onyx Events indicated their interest to tender for the event management which they subsequently were awarded. They have indicated interest in being involved in future events.
Wrapped Creations	Meeting	2020/21	To discuss their interest and capacity to run FeNaCING	Wrapped Creations indicated they would not be interested in running the whole Festival but would consider partnering with other businesses – which they did for 2021. They have indicated they are not interested in being involved in future events.

POLICY IMPLICATIONS

There are no policy implications.

FINANCIAL IMPLICATIONS

Financial implications for each option presented in this report are provided below.

In all options the following assumptions are made:

Estimated Festival Income	\$380,000
Estimated Festival Expenditure (assumes no in-kind support)	\$315,000
Profit	\$65,000

Option One

Community Grant - City	\$50,000
In Kind - City	\$20,000
Cost to Council	\$70,000

Option Two

Project Officer salary, eight-month fixed term contract	\$105,418
In Kind - City	\$20,000
minus Estimated Festival Profit	\$65,000
Cost to Council	\$60,418

Option Three

Event Management Fee	\$110,000
In-Kind - City	\$20,000
minus Estimated Festival Profit	\$65,000
Cost to Council	\$65,000

The current budget has \$51,855 unspent for FeNaCING contractors & consultants which can be used for expenditure required in the lead up to the event.

Council is asked to consider allocating a further \$66,000 to cover the initial six-months of the Project Officer for the 21/22 financial year. The remainder of the event costs and employment costs could be allocated via the 2022/23 budget process.

STRATEGIC IMPLICATIONS

This item is relevant to the Council's approved Strategic Community Plan 2020-2030 and the Corporate Business Plan 2020-2025. In particular, the Operational Plan 2021-2022 provided for this activity:

Programs/Services:	1.d.1.1	Arts Development & Events Programs
Projects/Actions:	1.d.1.1.20.2	Partner in managing the FeNaCING Festival

RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	Each option for management has a different financial implication for Council as outlined in the Financial Implications section.
Service Interruption	Low	If recruitment of a Project Officer is not executed or the role vacates throughout the term this would pose a serious service interruption in regard to the City's ability to resource the management of FeNaCING.
Environment	N/A	Nil
Reputation	Moderate	There is a moderate risk to Council's reputation if the FeNaCING event is not delivered or is delivered to a poor standard.
Compliance	Low	Multifaceted events like FeNaCING carry a low level of risk to Officers being able to comply with Local Government Procurement requirements.

IMPACT ON CAPACITY

In each option presented for Council's consideration there is some impact on current resourcing.

- Option 1 will require significant time invested in calling for and managing the establishment of a new community Committee. This is not currently factored into resource plans.
- Option 2 will need to be resourced with an additional role as outlined in the option summary.
- Option 3 will require significant time to manage the procurement and subsequent contract with an event manager. This is not currently factored into resource plans.

RELEVANT PRECEDENTS

In 2021 the City contracted an event management company to run the 2021 Festival in the absence of a community group being able to deliver it.

Large scale events are regularly reviewed with consideration to in-house management or outsourcing. Events like the Red Earth Arts Festival and the Cossack Art Award are managed through in-house event staff with a range of external contracts in place to plan and deliver aspects of each. This aligns to the management model proposed in this report.

VOTING REQUIREMENTS

Simple Majority.

OPTIONS:Option 1

As per Officer's recommendation.

Option 2

That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to CALL for Expressions of Interest for community members to form a Committee to run the FeNaCING Festival.

Option 3

That Council by SIMPLE Majority pursuant to Section 3.57 of the *Local Government Act 1995* RESOLVES to CALL for Requests for Tender for the event management by a suitably qualified contractor to plan and deliver the FeNaCING Festival.

CONCLUSION

The 2022 FeNaCING Festival is eight-months away and planning for the event needs to commence. This report presents three options for the delivery of the event including forming a community Committee, managing the event in-house or outsourcing via a formal Tender process.

This report recommends that the event is managed via an in-house project officer due to time constraints and greater control and transparency over costs and income. Alongside this Officers are recommending that they further consult with the community to form a FeNaCING Committee with a view for them to take on the event in the future.

OFFICER'S RECOMMENDATION

That Council by SIMPLE Majority pursuant to Section 5.41(g) of the *Local Government Act 1995* RESOLVES to SUPPORT the appointment of a Project Officer on an eight-month fixed-term contract with \$66,000 allocated towards salary in 2021/22 budget, to oversee the coordination of the 2022 FeNaCING Festival.