

## 15.1 LATE ITEM - SHIRE OF ROEBOURNE COMMUNITY EVENT

<b>File No:</b>	<b>RC.65</b>
<b>Responsible Executive Officer:</b>	<b>Director Community &amp; Corporate Services</b>
<b>Reporting Author:</b>	<b>Manager Community Facilities</b>
<b>Date of Report:</b>	<b>29 November 2012</b>
<b>Applicant/Proponent:</b>	<b>Nil</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>
<b>Attachment(s)</b>	<b>Confidential - Community Event Feasibility</b>

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### PURPOSE

To seek Councils direction on the scale of a “one off” community event planned for 2013.

### BACKGROUND

Through the November 2012 Ordinary Council Meeting, Council resolved to allocate funds towards a community event to take place in 2013, via the November Budget Review. The Shire President has suggested a musical event attracting a highly recognised international artist. At the time of allocations of the funds the community event scope and detail was not established, and officers were requested to investigate options and report back to Council at the December 2012 meeting.

There are a number of significant financial and resource associated risks that are inherent with providing large scale event (see financial implications and risk considerations). Officers have particular concerns with the number and type of community events currently planned in the North West between June and September 2013.

As detailed in the attachment the follow major community events are scheduled in the North West –

Event	Proposed / potential Date (s)
Cossack Art Awards	19 July – 11 August
FeNaCing Festival	3 – 4 August
Nameless Festival (Tom Price)	10 – 12 August
Broome Cup	17 August
Pilbara Boating and Leisure Festival	6 – 8 September
Red Earth Arts Festival	7 – 21 September

Should Council wish to progress with a highly recognised international artist, the “lead – in” time will be significant and incorporate not only negotiating / securing the artist and associated production requirements, but also the financial assistance required to accommodate the event. It is anticipated that a minimum of six months “lead” time would be required, hence it would be anticipated that the proposed event would take place in the second half of 2013. Given these practicalities and assumptions officers would suggest that to minimise the impact of existing events as well as increase the profile of an existing Shire managed event that Council incorporate the Community event into the Red Earth Arts Festival, with the major musical event performing as the opening or closing event of the Festival. Should the community event be incorporated into REAF the dates suggested above may alter slightly to accommodate a suitable act.

## **LEVEL OF SIGNIFICANCE**

This matter is considered significant under *Council Policy CE-8*, as there are potential financial and capacity implications depending on Councils direction.

## **COUNCILLOR/OFFICER CONSULTATION**

Council provided direction to initiate a community event in 2013 following an allocation of funding through the November 2012 budget review. Officers have held preliminary discussions with a local event management firm who has developed a high level feasibility study (attached). Officers now seek further direction from Council to determine the scope and level of community event requested.

The attached feasibility study investigates cost and indicative event content for Councils consideration. Council should note event content suggested in the attachment is for information only and discussion with these artists has not occurred. Furthermore, the costs and risks associated with a "one off" large/medium community event are significant.

Officers consider an alternative option is to further support the Red Earth Arts Festival, to gain additional external funding and create an aspect of the event which is of higher scale. This would use existing resources and the impact on officers would be minimal. Additionally, it will support the direction of REAF to become a nationally and internationally recognised festival.

## **COMMUNITY CONSULTATION**

No community consultation is required.

## **STATUTORY IMPLICATIONS**

Section 3.1 of the *Local Government Act 1995* as outlined;

### 3.1 General function

- (1) The general function of a local government is to provide for the good government of persons in its district.
- (2) The scope of the general function of a local government is to be construed in the context of its other functions under this Act or any other written law and any constraints imposed by this Act or any other written law on the performance of its functions.
- (3) A liberal approach is to be taken to the construction of the scope of the general function of a local government.

## **POLICY IMPLICATIONS**

There are no policy implications.

## **FINANCIAL IMPLICATIONS**

Council allocated \$250,000 towards a community event through the November 2012 budget review process. A local event management firm has provided a feasibility study of a medium and high scale community event (attachment 1). Officers have revised the costs provided (increasing event contingency to 10%, proposed a more conservative ticket allocation and slightly amended local costs, based on officer's experience). The summarised costings are provided in the table below, with the funding gap and total event cost highlighted.

In order to reduce the funding shortfall Officers have identified potential funding sources include; industry, Lotterywest, state government, Events Corp, and local (in kind) support.

However, given existing community events already committed during 2013, funding timeframes and the State Government election being held in early 2013, it would be high risk to consider extensive funding submissions being fully successful via these sources. Again, these considerations add weight to the Officers recommendation to incorporate a medium scale international act into REAF, in order to benefit from the financial “economies of scale”.

The revised costs involved are summarised in the table below;

Event Type	Council Contribution To Date	Event Funding Gap/Risk	Total Event Cost
Medium Scale International Act	\$250,000	\$588,960	\$838,960
High Scale International Act	\$250,000	\$1,134,960	\$1,384,960

Furthermore, officers have provided a table below, which outlines indicative items and costs associated with an event of this scale.

Item	Assumption (\$)
<b>Income</b>	
Ticket Sales	\$425,000
Alcohol Sales	\$100,000
Stall Holders	\$4,000
<b>Total Income</b>	<b>\$529,000</b>
<b>Expenditure</b>	
Entertainer Fee	\$1,000,000
Production	\$321,000
Services	\$245,000
Marketing and Communications	\$30,000
Event Management Fee	\$150,000
Contingency	\$100,000
<b>Total Expenditure</b>	<b>\$1,846,000</b>
<b>Deficit/Sponsorship Required</b>	<b>\$1,317,000</b>

## STRATEGIC IMPLICATIONS

The context of this agenda report has specific implications to the Shire of Roebourne's 2009-2013 Strategic Plan:

Key Goal #1	Communities “We will further develop and maintain the infrastructure and facilities to create aesthetically attractive and liveable towns which will develop into more diverse and balanced communities.”
Objectives:	Facilitating inclusive and engaged communities. Building capacity, capability and partnerships across the community. Encouraging the building of stable and diverse communities.
Initiatives 2009-13:	Enhance the sense of community by coordinating a range of community events and activities.
Priorities 2011/12:	Enhance the sense of community by coordinating a range of community events and activities. Encourage engagement of transient workers in community/sporting activities.
Key Goal #3:	Local Economy “Managing and maximising the benefits of growth in the region while diversifying our economic base.”
Objectives:	Growing tourism. Creating opportunities for growth and diversification for local business.

## **RISK MANAGEMENT CONSIDERATIONS**

As outlined in the Financial Implication section of this report, a significant funding gap exists depending on the scale of community event Council seeks to explore. Further risks include the ability to attract funding from external funding streams considering:

1. Funding body timelines
2. Funding body guidelines
3. State Government election
4. Funding committed to existing events

In addition, delay in the direction to the scope and size of the event will also provide significant risks and affect the selections of act(s) and their flexibility around dates. Typically, an act will need to be finalised in early 2013, providing a minimum of 6 months lead in time.

The acceptance of risk and financial burden if the event does not perform (in terms of ticket / VIP sales, sponsorship, etc.) is another high risk factor. Officers have had conversations with a local event management firm regarding the “ownership” of a “one off” community event. The event management company was firm on their position that they would not accept project management/coordination role with the Shire to “sponsor” the event, citing a financial loss as a significant possibility. Given this approach by an experienced event management firm, officers would suggest Council should be highly cautious to accept such a burden and the associated risks with providing a stand alone significant community event with an international artist in a short timeframe (6 – 9 months). These risks were another set of considerations when forming the Officer Recommendation.

## **ISSUES**

### **Economic Issues**

A community event of medium to high scale will have a positive economic impact on the Shire, with an influx of tourism over a short period of time. Should Council resolve to proceed with a high scale event, national and international awareness could result from attracting an international act. Officers are unable to advise if this will result in continued economic benefit, however this will be focused on following Councils direction from this report.

### **Social Issues**

The Shire of Roebourne is passionate about creating places not spaces. We know that it is arts and culture, not bricks and mortar which build strong, resilient and sustainable communities. Community events and festivals play an intrinsic role in transforming our community from a resources town into a vibrant, world class City of the North. Events and festivals create a sense of pride and build social activity through community.

### **Environmental Issues**

There are no environmental issues related to this matter.

### **Cultural and Heritage Issues**

There are no Cultural & Heritage issues related to this matter.

### **IMPACT ON CAPACITY**

If Council direction is to coordinate a medium to high scale community event internally, this will have a significant impact on officers; additional internal support will be required, further impacting on costs and resources. Officers suggest the management of the event be incorporated into the REAF and accommodated within the management functions of the Festival providing reduced impact of officer capacity as well as decreasing financial risk.

### **RELEVANT PRECEDENTS**

The Shire of Roebourne currently delivers several annual community event of medium to large scale. Most notable is the Red Earth Arts Festival and its vision to transform into a national arts festival which is highly regarded and well attended by national and international visitors.

### **DELEGATED AUTHORITY**

There are no delegated authorities relevant to this matter.

### **VOTING REQUIREMENTS**

Simple Majority

### **OPTIONS:**

#### Option 1

As per Officer's recommendation.

#### Option 2

That Council by SIMPLE Majority pursuant to Section 31 of the *Local Government Act 1995* RESOLVES to INSTRUCT the Chief Executive to seek funding and partnership opportunities to provide a major international act for a community event in late 2013 and provide outcomes / recommendations at the March Council Meeting in 2013.

#### Option 3

That Council by SIMPLE Majority pursuant to Section 3.1 of the *Local Government Act 1995* RESOLVES to INSTRUCT the Chief Executive Officer to seek funding and partnership opportunities to provide a medium international act for a community event in late 2013 and provide outcomes / recommendations at the March Council Meeting in 2013.

### **CONCLUSION**

Council provided direction to officers to initiate a large scale community event in 2013 following allocation of funding through the November 2012 budget review. Officers have held preliminary discussions with a local event management firm who has developed a high level feasibility study for a high profile community event (attached).

In order to minimise the number of risk factors mentioned in the report as well as increasing the profile of an existing Festival, officers have recommended that the allocated funds be directed to the Red Earth Arts Festival, with a medium scale international musical act performing as the "opening" of the Festival. The recommendation is conditional on securing funding and sponsorship from a number of external sources and with costs being limited within the existing Festival budget and the \$250,000 allocated within the November 2012 budget review.

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**OFFICER'S RECOMMENDATION**

**That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to**

- 1. DIRECT Officers to explore possible funding and sponsorship sources to expand the 2013 Red Earth Arts Festival to incorporate a medium scale international musical act to perform at the Festival; and**
- 2. UTILISE the \$250,000 Community Event funds budgeted in the November 2012 Budget review to procure a medium scale international musical act to perform at the Red Earth Arts Festival in September 2013.**