

CSF242: ALBANY AGRICULTURAL SOCIETY REQUEST FOR FINANCIAL ASSISTANCE: 2016 AGRICULTURAL SHOW AND BUSINESS CASE FUNDING APPLICATION DEVELOPMENT

Land Description : Albany Leisure and Aquatic Centre, and Centennial Park West (and surrounds)
Proponent / Owner : City of Albany
Attachments : Albany Agricultural Society Request for Funding dated 27 April 2016 issued under Separate Cover.
Report Prepared By : Executive Manager Community Services (A Cousins)
Responsible Officer: : Chief Executive Officer (A Sharpe)

Responsible Officer's Signature:



STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan 2023 and Corporate Business Plan 2014 - 2018:
 - a. Key Themes:
 - 1: Smart, Prosperous and Growing
 - 4: A Sense of Community
 - b. Strategic Objectives:
 - 1.3 To develop and promote Albany as a unique and sought after visitor location
 - 4.2: To create interesting places, spaces and events that reflect our community's identity, diversity and heritage.
 - c. Strategies:
 - 1.3.1: Encourage, support and deliver significant events that promote our region.
 - 4.2.2: Deliver activities that promote Albany's unique heritage.

In Brief:

- Consider providing the Albany Agricultural Society support to deliver the 2016 Albany Agricultural Show through Sponsorship.
- Consider authorising the Chief Executive Officer to contribute financial support to the Albany Agricultural Society for the preparation of a National Stronger Regions Business Case Funding application.

RECOMMENDATION

**CSF242: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

THAT Council:

- (1) ENDORSE supporting the Albany Agricultural Society for the 2016 Agricultural Show through:**
 - a. Direct Support (Cash Sponsorship) of \$50,000; and**
 - b. Indirect Support:**
 - i. External Contract Support, up to \$20,000; and**
 - ii. In-kind Support, up to \$30,000.**
- (2) AUTHORISE the Chief Executive Officer to issue \$8000 towards the cost of the Albany Agricultural Society's preparation of a business case for the purposes of a National Stronger Regions Funding Application.**
- (3) NOTE:**
 - a. Albany Agricultural Society Support for the 2016 Agricultural Show will be ratified as part of the 2016-2017 Budget process;**
 - b. Albany Agricultural Society Support for the 2016 Agricultural Show will be subject to a detailed sponsorship contract inclusive of milestone payments, post-event report, full financial acquittal and penalty clauses for damage to property and turf remediation;**
 - c. Income forgone through Albany Leisure and Aquatic Centre and Centennial Park West Playing Fields being unavailable for use during the 2016 Agricultural Show period will be ratified as part of the 2016-2017 Budget process; and**
 - d. City financial support for the Albany Agricultural Society's preparation of a business case for the purposes of a National Stronger Regions Funding Application will be issued from the 2015-2016 operating budget.**

BACKGROUND

Agricultural Show

2. The Albany Agricultural Show (AAS) has traditionally been hosted at Centennial Park East (and surrounds) in conjunction with the permanent office site of the AAS.
3. The Show's traditional operational model consists of the event breaking-even or producing a small surplus that contributes to the AAS annual operations and ongoing sustainability.
4. Historically, the City of Albany has:
 - a. contributed to the Show for some years under a Service Agreement in which the City provides up to \$25,000 of in-kind support; and
 - b. supported the Show through various City Funding programs for specific items.

Agricultural Show - Current Situation

5. Due to the Centennial Park Development project and specifically the Stadium construction, the 2016 Show cannot be conducted at its regular site - Centennial Park East.
6. The City has offered ALAC and surrounds to the AAS as a site for the 2016 Show.
7. The City commenced regular meetings with the AAS in February 2016 to address delivery of the 2016 Albany Agricultural Show at the alternative Albany Leisure and Aquatic Centre (ALAC) and Centennial Park West site. Five meetings were held between February 2016 and April 2016.

8. During this discussion period the AAS undertook a planning exercise to consider the delivery of the 2016 Show at ALAC and Centennial Park West surrounds. This modelling indicates a significant financial loss in the order of \$70,000.
9. The AAS have provided a formal submission to the City requesting additional support for the 2016 Show in view of their current operational modelling. This formal submission has been issued under separate cover to Council.

Agricultural Society – National Stronger Regions Fund (NSRF) Business Case

10. As part of the Centennial Park Redevelopment City Officers have worked with the AAS regarding the relocation of permanent AAS office space and facilities.
11. The process of AAS relocation has included City Officers assisting the AAS to develop a NSRF Application to construct new facilities.
12. The NSRF Application requires a comprehensive Business Case. The preparation of Business Cases for this Fund is typically outsourced to professional consultants.
13. To ensure the AAS were able to meet the funding submission deadline as well as present a high quality application the AAS engaged a professional consultant under the assurance from City Officers that the City would contribute to fifty percent of consultant fees.
14. The Professional Consultant Fees equate to \$16,000.

DISCUSSION

Current Agreements and Centennial Development

15. The City has a standing Service Agreement with the AAS to provide up to \$25,000 worth of support to deliver the Show each year.
16. The Deed of Agreement (the Deed) executed between the AAS and the City outlining arrangements to finalise the Centennial Park Development does not address the delivery of the Show at the ALAC and Centennial Park West site in 2016.
17. The Deed commits the City to up to \$25,000 worth of support to deliver the Show each year at the Centennial Park East site from 2017.

AAS Submission Review

18. City Officers coordinated an information session between Council and the AAS on 28 April 2016 in which the AAS directly presented their submission for additional support for the 2016 Show.
19. City Officers briefed Council further on 10 May.
20. City Officers have liaised with the AAS to seek clarification on the submission and specifically the budget forecasting methodology.
21. A review of the submission has determined:
 - a. The Show provides material social and economic value to the local community and is well supported by the regional community.
 - b. Budget forecasting undertaken for the 2016 Show delivery is satisfactory, (measured against available information) - with the exception of a costed line item related to the Centennial Park Redevelopment for \$20,000. This item has been dismissed as part of the submission related to support for the 2016 Show, as the City has already undertaken to contribute to this cost. This item is now addressed as a separate matter through the Responsible Officers Recommendation 2.
 - c. In-kind support outlined in the submission has been analysed and costed. This includes up to \$20,000 of indirect costs in which the City will be required to engage External Contract Support, and In-kind support valued at \$30,000.

- d. Loss of income as a result of ALAC (certain areas) being unavailable for hire has been costed at approximately \$50,000.

ALAC and Centennial Park West Show Delivery Challenges

22. A range of sporting groups will be disrupted through the delivery of the Show at ALAC and surrounds. Recreation Services staff will be required to liaise with affected groups and where possible undertake rescheduling of fixtures.
23. Measures to protect the timber floor surfaces within ALAC and mitigate against damage to the redeveloped playing fields at Centennial Park West will additionally need to be managed.
24. A City internal working group from Recreation Services, Events and Works and Services will need to be formed to coordinate the support activities required to deliver the Show and manage smooth communication with the AAS.

GOVERNMENT & PUBLIC CONSULTATION

25. **Government:** Nil
26. **City of Albany:** City Officers held five meetings with the AAS from February 2016 to April 2016 to address the 2016 Albany Agricultural Show. Additionally, a Working Group between City Officers and the AAS has met monthly since January 2016 to address the Centennial Park Development in which discussions regarding the 2016 were undertaken where relevant to the development.
27. **Council:** An 'Information Session' was held on 28 April 2016 between the Albany AAS and Council. A 'Briefing Workshop' was conducted by Officers with Council on 10 May 2016.
28. **Community Groups and Stakeholders:** Should Council choose to proceed with support for the 2016 Show, engagement with ALAC and Centennial Park sporting groups that will be impacted through rescheduled fixtures, cancellations, or other disruption will be undertaken.

STATUTORY IMPLICATIONS

29. The voting requirement of Council is Simple Majority.

POLICY IMPLICATIONS

30. Should Council choose to proceed with support for the 2016 Show Federal, State and Local policies would apply to the 2016 Show implementation.

RISK IDENTIFICATION & MITIGATION

31. The risk identification and categorisation relies on the City's Enterprise Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Reputation. AAS Show not proceeding may lead to the AAS and community dissatisfaction.	Possible	Major	High	City Officers to continue to work with the AAS to identify potential alternative funding mechanisms to Support the Show proceeding. City Officers to provide the local media a comprehensive brief on Council's decision.
Reputation. As the new site is untested and unknown factors may impact patron attendance or satisfaction	Possible	Moderate	Medium	City Officers continue to work with AAS to address the unique circumstances that may result at new venues. Clearly articulate support that will be provided and define responsibility.
Reputation. AAS 2016 will disrupt some sporting groups from their regular use of ALAC and surrounds.	Possible	Moderate	Medium	City Officers to work directly with affected sporting groups to seek alternative fixture arrangements. City Officers to work with the AAS to explore options to reduce the total time required to mobilise and demobilise Show aspects that directly disrupt sporting fixtures.
Financial. Loss of income through ALAC.	Likely	Moderate	High	Lost income (through sporting group disruption) factored into 2016-2017 Budget. Officers to work with affected sporting groups to review opportunities to conduct alternative fixtures or venue hire. City Officers to work with the AAS to explore options to reduce the total time required to mobilise and demobilise Show aspects that directly disrupt Sporting fixtures.
Financial. Damage caused to new playing fields and ALAC facilities through Show use.	Possible	Moderate	Medium	Contract between City and AAS to include turf remediation clause and guidelines for use of ALAC facilities. City Officers to conduct site handover and inspection at Show mobilisation and demobilisation.
Reputation. ASS 2016 Show sponsorship may cause community dissatisfaction from other community groups.	Possible	Moderate	Medium	City Officer clearly communicate the unique circumstances related to the proposed City Support for the 2016 Show to be clearly articulated in media communications.

FINANCIAL IMPLICATIONS

32. The total *direct support* (cash sponsorship) proposed is outside of City funding and sponsorship rounds as well as beyond current thresholds for sponsorship and therefore approval is referred to Council for consideration.
33. The total value of *indirect support for external contract support* is not currently planned for the 2016-2017 Budget and therefore approval is referred to Council for consideration.
34. The total value of *indirect support through in-kind support* is above the in-kind value referred to in the current Service Agreement with the AAS and the Deed of Agreement and therefore approval is referred to Council for consideration.
35. Show delivery at ALAC may result in lost income. Lost income will be factored into the 2016-2017 Budget subject to consultation with Sporting Groups and exploration of options for alternative scheduling.
36. Financial support towards the AAS preparation of a business case for the purposes of a National Stronger Regions Funding Application will be drawn from operational savings from the 2015-2016 budget.

LEGAL IMPLICATIONS

37. Council support for the 2016 Show will be contained within a Contract between the City of Albany and the Albany Agricultural Society.
38. The 2016 Show will require an 'Event Approval' from the City of Albany inclusive of relevant permits, licenses and accreditations under the delegation of the City.

ENVIRONMENTAL CONSIDERATIONS

39. As part of obtaining Event Approval for the Show, consideration will be given to protecting the newly-constructed grounds from potential future contamination resulting from livestock-related activities.

ALTERNATE OPTIONS

40. Council may choose to amend the amount or type of Support for the AAS as contained in the Officer's recommendation.
41. Council may choose not to support the AAS.

CONCLUSION

42. The Deed of Agreement between the AAS and the City does not directly address the implementation of the 2016 Show at ALAC and Centennial Park West.
43. The AAS have provided the City with a submission requesting additional Support to deliver the 2016 Show.
44. Officers have reviewed the AAS submission and confirmed details against available information, including budget forecasting.
45. The Show is a well patronised event in Albany and the surrounding regions and does present social and economic value for the community.
46. Delivery of the Show at ALAC and Centennial Park West has a range of challenges and a City internal Working Group will be required to coordinate City support and communication with the AAS.
47. Council endorsement of the Officers recommendation should enable the 2016 Show to proceed subject to the AAS acceptance of support offered.

48. Council endorsement of the Officers recommendation will enable the City to distribute assured funds to the AAS this financial year towards the preparation of the National Stronger Regions Business Case.

Consulted References	:	<ul style="list-style-type: none">Albany Agricultural Society Submission 27 April 2016
File Number (Name of Ward)	:	(All Wards)
Previous Reference	:	<ul style="list-style-type: none">Council Information Session 28 April 2016Strategic Briefing 10 May 2016