

## 8. APPLICATION FOR CONFERENCE LOAN FUNDING

<b>General Manager responsible:</b>	General Manager Community Services
<b>Officer responsible:</b>	Community and Recreation Manager
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### PURPOSE OF REPORT

1. The purpose of this report is to consider an application for funding from the Council's Conference and Similar Events Bridging Loan Fund.

### EXECUTIVE SUMMARY

#### Conference and Similar Events Bridging Loan Fund

2. The Council has set up the Conference and Similar Events Bridging Loan Fund to assist organisations with funding for pre-event costs incurred when hosting significant conferences, symposiums and similar events. The loans are interest free for the period up to the end of the conference and are repaid upon receipt of income from registrations and other income as this comes in.
3. The purpose of the Loan Fund is to give support to organisers of such events by providing cash-flow to secure venues, brochure and website development and other "up-front" costs. It is focussed on significant national and international events which involve some economic benefit to the city by way of visitors staying in city accommodation and spending money in the city.

#### International Seed Federation Congress 2007 Loan Request \$95,000

##### Background

4. The International Seed Federation (ISF) is a non-governmental, non-profit organisation representing the seed industry. With members spread over 70 developed and developing countries on all continents, the ISF represents the mainstream of the world seed trade and plant breeders' community, and serves as an international forum where issues of interest to the world seed industry are discussed. The event is the annual Congress for all ISF members.
5. The New Zealand Grain and Seed Trade Association (NZGSTA) has been charged with responsibility for organising the International Seed Federation (ISF) Congress in May 2007. The NZGSTA is a registered incorporated society representing growers and seed-related industry interests in New Zealand.
6. The society is requesting a loan of \$95,000.

##### The Congress

7. The Congress will be held over five days from 19 to 23 May 2007 at the Christchurch Convention Centre and it is expected that up to 1000+ delegates and partners will attend, with 95% expected to come from outside New Zealand. It is expected that these visitors will not only stay for the Congress but will spend time before and/or after visiting the region and other parts of New Zealand. The organisers are actively promoting partner programmes to local attractions and pre/post-conference tours to areas of interest in the region.
8. The loan is to cover the pre-event costs such as promotion and marketing, securing the venues and general planning associated with the Congress.
9. A preference is given for events which bring tourism into the city during the off-season. The timing of this event is favourable in this respect in that it is in May, which is not the peak time for tourism in the city. Therefore it will assist in filling hotels and restaurants during this off-peak time.

## Financial Analysis

10. The loan is provided interest free and is repaid by way of first call on income from registrations. The level and timing of repayment will be by negotiation with the organisers and in such a fashion that minimises the risk to the Council, yet still enables the organisers to maintain adequate cash flow.
11. The Conference and Similar Events Bridging Loan Fund Account has a current balance of \$450,000. There is currently one other loan out under this scheme for \$60,000 which is for the International Symposium on Cool Climate Viticulture and Oenology in the city early next year.
12. A detailed budget has been submitted for the Congress which shows a \$157,000 surplus based on an analysis estimating attendance by 800 registrants. This is not an unrealistic expectation based on previous Congress and other international conferences of this type. The organisers are expecting approximately 1000 delegates and partners in total. There is, however, always a risk that the expected number of registrations will not be realised and income will not be sufficient to reach this breakeven point. It is unlikely this will happen given the established nature of the Congress. However should this be the case, the Council will have already received some repayment of the loan from the registrations received at that time and the International Association has a fund which it has built up from previous conferences which it will use to underwrite the New Zealand event if needed.
13. Of lower possibility yet potentially more significant risk is the scenario of the event not going ahead at all. In this case the Council loan will still need to be repaid in full following the decision to cancel the Congress. However, the Congress Organising Committee will already have outgoings up to the point where such a decision would be made and in this case there will be little or no income from registrations as these will all have to be refunded. To cover this risk, the committee has taken out insurance with a specialist company based in London, which is also insuring the 2006 Conference in Denmark.
14. The New Zealand Grain and Seed Trade Association has also already made a grant of \$20,000 to the Congress Organising Committee to enable it to cover some of the expenses to date, so the committee has some funds available.

## **STAFF RECOMMENDATION**

It is recommended that the Council grant a loan of \$95,000 to the New Zealand Grain and Seed Trade Association for the hosting of the International Seed Federation Congress 2007.