

7. CONSIDERATION OF APPLICATION FOR CONFERENCE LOAN FUNDING – SUBUD CONGRESS

General Manager responsible:	General Manager Public Affairs, DDI 941-8637
Officer responsible:	Marketing Manager
Author:	Jo Naish, Events Development Manager

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 for Subud World Congress 2010.

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 up-front 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 cashflow 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.

FINANCIAL IMPLICATIONS

4. The loan is provided interest free and is repaid by way of first call on income from registrations. A schedule of repayments detailing the level and timing of repayment will be negotiated with the organisers upon the setting of registration payment dates for delegates. This will be done in such a fashion as to minimise the risk to the Council, yet still enable the organisers to maintain adequate cashflow. The conference organiser has agreed to pay back the total of \$162,735 by the end of the conference, 18 January 2010.
5. The Conference and Similar Events Bridging Loan Fund Account has a current pool balance of \$510,000. Currently there is one loan outstanding for NZ Grain & Seed Trade for \$95,000. There is also an \$8,000 loan to pay for the recently approved Royal Agricultural Society Conference - therefore the balance left is \$407,000.
6. A detailed budget has been submitted for the conference which shows a budget of \$1,189,760. This is less than previous congresses as the venue hire is cheaper in New Zealand. The registrations required to balance costs is based on a conservative attendance of 1,500 registrants at \$793 per delegate.
7. The loan is to cover a 50% deposit required by VBASE (total \$325,470) comprising three instalments: \$2,000 on signing the contract in August 2007, followed by \$32,547 by September 2008 (10% of the loan) to hold dates booked. Finally, \$128,188 would be paid by July 2009 unless the booking is challenged in which case the full \$162,735 deposit would be paid to secure the dates at this busy time of year. In order to minimise any risk, the Council will pay the deposit with the loan directly to VBASE rather than the Subud Congress Organising Committee paying the loan. VBASE are happy with this arrangement.
8. 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 upon the decision to cancel the conference. In the unlikely event of this happening, the WSA has taken out insurance to cover the only non-refundable portion of the VBASE deposit (\$32,547). The remaining \$130,188 would be paid back by VBASE. If there were not enough registrations to cover the congress organising committee's budget, the WSA has agreed in writing that it will cover any shortfall to ensure the loan is paid back. Its budget is estimated on a very conservative number of registrations (1,500 – half of what they are expecting).

Do the Recommendations of this Report Align with 2006-16 LTCCP budgets?

9. Yes

LEGAL CONSIDERATIONS

10. Yes

Have you considered the legal implications of the issue under consideration?

11. Yes

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

12. Yes – Events Strategy and Visitor Strategy

Do the recommendations of this report support a level of service or project in the 2006-16 LTCCP?

13. Yes

ALIGNMENT WITH STRATEGIES

14. Events Strategy and Visitor Strategy

Do the recommendations align with the Council's strategies?

15. Yes

CONSULTATION FULFILMENT

16. No.

STAFF RECOMMENDATION

It is recommended that the Council grant the World Subud Association a conference loan of \$162,735 for hosting the Subud World Congress 2010, on the terms set out in this report.

BACKGROUND

The SUBUD WORLD CONGRESS 2010 - 4 January 2010 to 18 January 2010 Loan Request \$162,735

17. The following description of Subud has been provided by the congress organising team for the conference in Christchurch in 2010:

Subud is an international association of men and women dedicated to the worship of God. Subud is neither a religion nor a cult, does not put forward a dogma or systems of beliefs and is open to people from all religions, cultures and nationalities as well as those with no religion. Through a simple form of worship, the latihan kejiwaan (Indonesian term meaning spiritual exercise) each member strives to feel and follow the right way to live life as a true human being. Subud exists in over 60 countries and numbers about 12,000 members. Subud has a set of cultural, enterprise and humanitarian projects around the world, and its humanitarian arm, Susila Dharma International, is a non government organisation (NGO) affiliated to the United Nations.

18. The Subud World Congress takes place every four years and brings together delegates and members from approximately 57 countries. The organising body for the event is the World Subud Association (WSA) which is legally registered in the District of Columbia, USA, and the organisational leadership rotates every four years. The current Chairperson is Osanna Vaughn (Germany). The Christchurch branch of the WSA has established a congress organising team to manage the event in Christchurch. Subud New Zealand is a Charitable Incorporated Society, registered in New Zealand. There are 204 association members in New Zealand (89 in Christchurch) and 12,000 members worldwide, spread over 60 countries.
19. The loan of \$162,735 is requested to cover the deposit of the venue required by VBASE. (A 50% deposit is required.) The WSA takes full responsibility for reimbursing the loan, if granted, as well as covering all the expenses related to this congress before, during and after it has taken place.
20. The conference will take place from 4–18 January in 2010 at the Christchurch Convention Centre and Town Hall. With a total of 3,000 attendees expected over the 15 days it is the only venue in the country that can host this many people. It will be one of the largest gatherings that the Convention Centre has seen. It expects 2,000 of these visitors will come from outside Australasia, 450 from Australia, 180 locally and 100 from the rest of the country. The numbers of delegates and length of stay is significant and will result in significant economic impact for Christchurch.
21. The last three conferences were held in Austria (2,700 attendees), Bali, (1,700 attendees) and USA (3,000 attendees). It is expected that there will be a good attendance (at least 3,000) at this Congress because it is a desirable tourist destination in summer.
22. A professional conference organiser will come on board a year before the event to manage the event.