

10. COMMONWEALTH AGRICULTURAL CONFERENCE: APPLICATION FOR LOAN FUNDING

General Manager responsible:	General Manager Public Affairs, DDI 941-8637
Officer responsible:	Events Development 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 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.

BACKGROUND

23rd Commonwealth Agricultural Conference, 14-17 November 2008 - Loan Request \$8,000

4. Delegates meet every second year to discuss agriculture in the world. A representative from each 'Royal' Show is invited from each Commonwealth country. This group was formed to make sure they help each other and last met in New Zealand in 1970. Decision makers and politicians are also involved and there is a strong likelihood that Princess Anne will be attending in 2008.
5. The Royal Agricultural Society of the Commonwealth and the Royal Agricultural Society of New Zealand, both non-profit organisations, are applying for funds to cover initial establishment and marketing expenses until registrations and any sponsorship funds are received. Normally, the Royal Agricultural Society seed fund the conference from profits made from the previous fund. They were promised 50% of funding to be covered by the Canadian Government in the 2006 year and as they have not yet been paid these funds, they request another form of seed funding.
6. The conference will take place from Friday 14 November until Monday 17 November 2008. It will be a major part of New Zealand Cup and Show Week, and delegates will be encouraged to come and stay longer to enjoy the week's activities.
7. It is expected to attract 200–250 delegates and 50 accompanying partners. Of the total number of delegates, 30 are expected to come from Canterbury, 100 from the rest of New Zealand, 60 from Australia and 70 from other countries.
8. The conference is held every two years, and in 2004 the conference was held in Australia, attracting 199 delegates (the most the conference has attracted over the past six years).

FINANCIAL IMPLICATIONS

9. 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. The conference organiser has agreed to repay the proposed loan of \$8,000 at the end of the conference, 19 November 2008.

10. The Conference and Similar Events Bridging Loan Fund Account has a current balance of \$510,000. At present there is one loan still outstanding for NZ Grain & Seed Trade for \$95,000. Therefore the balance left is \$415,000.
11. A detailed budget has been submitted for the conference which shows a budget of \$168,910 based on an analysis estimating attendance by 150 registrants. This is not an unrealistic expectation based on previous conferences and other international conferences of this type. Members of the Royal NZ Agricultural Society have already been over to Australia to promote the conference and are expecting strong attendance at this early stage. 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 conference and that a member of the Royal family will most probably be attending. If it was the case, the conference is backed by the Royal Agricultural Society and who act as informal underwriters.
12. 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. However, the Royal Agricultural Society will have already have some 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. For the majority of cases where this may be arise the conference has taken out insurance.

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

13. Yes.

LEGAL CONSIDERATIONS

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

14. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

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

15. Yes – Events Strategy and Visitor Strategy.

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

16. Yes - Events Strategy and Visitor Strategy.

CONSULTATION FULFILMENT

17. NA.

STAFF RECOMMENDATION

It is recommended that the Council advance the Royal Agricultural Society a conference loan of \$8,000 for hosting the 23rd Commonwealth Agricultural Conference.