Major events acquisition is a core pillar in driving the visitor economy, which is an important growth enabler for a city in transition. The trend within tourism of taking “short breaks” works to Wollongong’s advantage, given its proximity to Sydney. Events are immediate and economic, providing instant return and opportunities for unskilled labour. Furthermore, they provide a mechanism for attracting visitors without the need for expensive infrastructure.

Ideally, Wollongong should be competing with regions of similar size and proximity for major events – Geelong, Sunshine Coast and Newcastle – but, realistically, lacks the funding and leverage to do so.

A snapshot of the 2012-15 Major Events Strategy revealed success in establishing a nimble business model, advocating changes to the events process, and engaging collaborative partners. Event acquisition saw a portfolio of 20-26 events created, the sports sector effectively mined, seed funding used to kick-start new sustainable initiatives, and signature events established.

Considerations in preparing the for the 2016-2020 Major Events Strategy include Wollongong’s lack of a distinct destination brand within market, which should ideally take the form of a collaborative, multi-layered model that ultimately aligns with this and other relevant strategic documents.

The mission is to increase visitation, enhance perceptions and engage the community by hosting major events that showcase Wollongong’s strengths. Key aims of the strategy are: (1) to achieve staged growth as a core pillar of the visitor economy; (2) deliver on reputational reward that complements Wollongong’s brand values; (3) align with the city’s strategic imperatives and product development aspirations; (4) secure staged investment in major events to rival comparable regional cities; and (5) demonstrate the most “user-friendly” application process of any Council in Australia.

There are two priority action items that illustrate the maturity and refined focus of the events portfolio. The city must place greater emphasis on reputational impact by targeting events that enhance its perception and promote its brand values. And it must align with the city’s economic, strategic and infrastructure goals, to ideally achieve a long-term community legacy project.

Other action items identified include: flattening the summer spike to avoid accommodation bottlenecks, securing mass participation events with loyal followings, converting the growing day-tripper market to overnight stays, prioritising multi-day events with a minimum threshold of 400 bed nights, and targeting specified sectors.

Wollongong boasts some distinct and emerging advantages in the events industry to exploit. Its value proposition lies in: its proximity to Sydney; the ability to promote its natural assets as an “adventure playground”; the capacity to double its available accommodation (through the University) during summer school holidays; a burgeoning appetite among corporate entities to collaboratively support events; and marked improvements in providing a streamlined approvals process for event organisers.

In regard to roles, Wollongong City Council should remain an enabler, sponsor and champion of major events, while Destination Wollongong remains the broker and promoter. Ideally, neither entity should act as event operators in this space.

Delivery can be guided by a four-tier ‘Events Pyramid’, providing strategic direction on the number, scale and type of events to be targeted. This calls for one or two Signature Events; three to five Major Events; 10
to 15 Key Regional Events and numerous Community Events. This pyramid also forms the basis for funding appraisal, with each tier assigned funding thresholds set according to indicative elements. Events are assessed using four **criteria**: (1) reputational impact; (2) economic impact; (3) community and business engagement; and (4) legacy and lifecycle.

Six **priority event sectors** have been identified, considering the city’s current offerings and strategic imperatives. These are: (1) the adventure tourism space; (2) the arts; (3) innovation, as a niche market to capitalise on competitive advantages in this sector; (4) sport; (5) regionally-relevant food and beverage offerings; and (6) motoring, to trade off traction garnered by Grand Pacific Drive and Sea Cliff Bridge.

**Key activity** currently being progressed includes the streamlining and triage of the events process within Council, and the introduction of a commission-based accommodation portal to provide an additional revenue stream for Destination Wollongong. The addition of specific funding for signature events, BRAVO Challenge and Blender, has also been welcomed. Other initiatives that should be considered include value-in-kind subsidies for event-related activity, establishment of a seasonal city banner program, creation of a dedicated grants’ writing resource, and the introduction of a suite of brand business tools.

The Major Events Advisory Group provides a suitable platform for quarterly **reporting** and strategic direction, while systematic KPI reporting and updates to Council and the Destination Wollongong board provide further layers of governance.

Figures show a significant **return on investment** in the major events space, with $20 return in economic impact for every dollar directly attributed to event funding. However, without further funding, the ceiling for return on investment is imminent. A **staged investment strategy** is recommended for Wollongong to rival relevant competitors, with additional funds potentially coming from the accommodation portal, an internal revision of major events allocation within Destination Wollongong, additional Council funding, and as an effective facilitator for event operators to access external funding options.

**Performance measures** are defined to include: development of two Signature Events and three Major Events, securing events across all six nominated priority event sectors, and seeking an event that facilitates a significant community legacy project.

Against the backdrop of a region in transition, a robust major events portfolio looms as a key economic driver and perception-changing initiative. It is an obvious and easily accessible opportunity that can deliver both immediate economic results and long-term reputational benefits.
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SITUATION ANALYSIS

History and Status

Wollongong successfully created and implemented its Major Events Strategy 2012-15 and the core argument as to why this is a crucial cog in the city’s evolution remains. Wollongong is not a ‘top-of-mind’ destination compared to other NSW regions such as the Hunter Valley, Blue Mountains or Byron Bay. The city also lacks iconic or historical sites.

However, the strong trend within tourism of taking “short breaks” works to Wollongong’s advantage, given its proximity to Sydney. This accessibility to Australia’s biggest market, including proximity to Sydney’s domestic and international airports, makes Wollongong an attractive option for national entities such as sporting associations and corporate chains wanting to both engage their largest constituency and ensure efficient travel for interstate participants or affiliates.

Events are, essentially, a form of “forced tourism” in that those attending are often attracted to the event function (eg. competing in the national championships) rather than the destination. However, capturing an otherwise disengaged market is a great way to broaden the visitor base and enhance perceptions whilst contributing significant economic impact. These are important growth enablers for a city in transition, moving from a reliance on its traditional manufacturing base, to a multi-faceted hub with competitive advantages and illustrated growth in knowledge services, technology and tourism.

IRIS data (based on 2013 Census figures) lists tourism as the Illawarra’s fifth largest employer, contributing $830 million to the economy annually. In adding accommodation and food services, it becomes the region’s second largest employer. Major events is a core pillar in driving this visitor economy.

Much of the work implemented for the Major Events Strategy 2012-15 focused on establishing a business model and approvals process that could compete in the events landscape. With this essentially achieved, the model should now mature to achieve more refined goals.

A small sample survey of Wollongong’s business leaders and influencers (external to Council) noted that 62% favoured a perception-based model (being few events of higher profile) in the acquisition of major events, compared to 14% favouring an economic-based model (being a high number of low-profile events), while 24% preferred an equally balanced portfolio. The same survey saw respondents rate reputational impact (referring to positioning statement and brand association) as the priority criteria for funding events, ahead of economic impact (both local activity and out-of-region visitation) and regional exposure (media presence and industry or sector-specific profile).

Market Summary

A PESTE Analysis reveals strong economic benefits, while the need for political positioning and sociological impact should not be under-estimated.

Political: The State Government is belligerent in its goal to double visitor economy expenditure by 2020, with major events being a cornerstone of this aim. Wollongong, in comparison to Sydney, has the capacity
(due to available occupancy) to contribute significantly to this. On both Federal and State fronts, helping the Illawarra’s profile and economic development is politically savvy given recent job losses.

**Economic:** Evaluation of the 2012-15 Major Events Strategy revealed that every dollar spent directly funding major events yielded a $20 return. While it is true that a Council does not see this investment in direct return to its coffers, for a city in transition and grappling with challenges in employment and economic growth, this is a story to be celebrated. Events are immediate and economic, providing instant return and opportunities for unskilled labour, which is important in a university city. Furthermore, events provide a mechanism for attracting visitors without the need for expensive infrastructure.

**Sociological:** A 2012 study revealed that Wollongong collectively suffered from low self-esteem and rarely gave itself enough credit for its achievements. Major events can act as a great confidence boost for a region, especially when traditional sectors face uncertain futures or are in transition. It could be easily argued that Wollongong needs initiatives that promote consumer confidence, engage the community and influence external perceptions.

**Technological:** There are no broad implications here for the events sector. However, the NBN roll-out could play a part in Wollongong’s capacity to host digital events and the success of start-up and research-based entities improves the region’s credibility for hosting events in this space.

**Environmental:** There are some category-specific considerations here. For example, how is the environment best utilised, managed, promoted and protected when considering adventure-based events? Secondly, consideration can be given to how events fit a broader environmental ethos for the region, such as supporting a cycling event that complements a “whole-of-cycling” strategy to promote a healthy, environmentally-friendly pursuit.
Competition

Competition for events increased exponentially in the decade from 2000, as countries and regions realised the economic impact events provided, and entities became more proficient in capturing this information. The market has maintained the rage, with events for as little as 70 or 80 people being “sold” into regions by minor sports, specific-interest groups and event brokers. The market is more aggressive and cluttered than it was even three years ago, so maintaining a proactive and mobile presence is essential if Wollongong is going to compete for events. But while the market is fluid, certain truths remain – some events are difficult to host in certain terrains or populous areas, iconic tourist areas are subject to event fatigue and proximity to cities and airports is a key factor in decision-making. Wollongong can mine these truths to its advantage.

Ideally, Wollongong should be competing with regions of similar size and proximity for major events – places such as Newcastle, Gold Coast, Geelong and Sunshine Coast. Realistically, it isn’t in the same ballpark. These regions have hosted events of international significance, demonstrated strong political leverage and been largely unapologetic in chasing goals within an emotive and disruptive sector. Reasons behind their success are complex, but include superior accommodation and destination appeal (Sunshine Coast), collaborative corporate support (Geelong), a strong tourism-based brand (Gold Coast) and political clout (Newcastle). It is also fair to assume all possess vastly superior major event budgets to Wollongong, given their activity in the market and illustrated event partners.

Direct competitors for the size of events Wollongong bids for include Bathurst, Mudgee, Orange, Cairns and several regional Victorian cities, which receive grants from their State Government to secure events. Isolated cities such as Albury and Albany are prepared to invest heavily to entice events away from traditional metropolitan hubs. Bathurst Regional Council is reportedly paying in excess of $250,000 a year (almost Wollongong’s entire major events budget) to host one Penrith Panthers game a season in the city.

The below table illustrates the per capita spend for tourism and events by similar sized regions and highlights the disparity in investment between Wollongong and its competitors.

<table>
<thead>
<tr>
<th>Location</th>
<th>Major Events Spend/ Annually $</th>
<th>Tourism Spend/ Annually $</th>
<th>LGA Population 2011 Census</th>
<th>$/Per Capita Tourism and Events</th>
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<tr>
<td>Wollongong</td>
<td>300,000</td>
<td>1,700,000</td>
<td>192,418</td>
<td>$10.39</td>
</tr>
<tr>
<td>Sunshine Coast</td>
<td>1,410,000</td>
<td>3,760,000</td>
<td>306,909</td>
<td>$16.84</td>
</tr>
<tr>
<td>Gold Coast</td>
<td>3,300,000</td>
<td>13,900,000</td>
<td>494,501</td>
<td>$34.78</td>
</tr>
<tr>
<td>Geelong</td>
<td>1,000,000</td>
<td>4,500,000</td>
<td>210,875</td>
<td>$26.08</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>500,000</td>
<td>1,400,000</td>
<td>68,413</td>
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<tr>
<td>Bendigo</td>
<td>1,900,000</td>
<td>2,100,000</td>
<td>100,617</td>
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*Figures are based on approximations from reported budgets for each regions Council

2012-15 Major Events Strategy Snapshot

A review of the 2012-15 strategy reveals some significant achievements, a successful foray into events acquisition, some key learnings and untapped potential.
Achievements:
- Structure: A flat and flexible business model, ratified on the floor of Council and entrusted to progress its charter, has allowed Destination Wollongong to be nimble in a fluid environment and secure some significant events at short notice.
- Approvals: Working with Council to develop generic DAs, streamline processes, implement a triage template and delineate between community and major events has seen marked improvements and remains a work in progress.
- Partnering with Destination NSW: Securing funding for individual events and proactively seeking and securing a collaborative “It’s ON!” marketing campaign for a summer cluster of events has broadened relations and leverage.

Event acquisition:
- Portfolio: Destination Wollongong has contracted 20 to 26 events annually in the past few years, with 2015 figures forecasting economic impact of almost $40 million.
- Sports sector: Mass participation sporting events have proven a reliable economic boon, with the Eastern University Games, Police Games, CrossFit Games and Tri the Gong achieving large out-of-region visitation, often in shoulder seasons.
- Seed funding: Offered on a sliding scale to introduce select worthy events to the Wollongong calendar, initiatives such as Sunset Cinema and Run Wollongong benefited from early support and now offer a popular and sustainable product.
- Signature events: Specific funding was secured for two events in key strategic sectors, with the BRAVO Challenge introduced in the adventure tourism space and Blender – a Destination Wollongong brainchild fusing music, the arts and technology – making an auspicious debut in 2015.
Learnings:
- Less in more: There is a temptation to support more events each year, however, focus needs to remain on procuring a select number of events that provide significant reputational and economic impact.
- Despite best intentions: Events require significant collaboration which isn’t always achievable (Gran Fondo, despite significant Destination NSW support, didn’t eventuate after NSW Police withdrew its long-held in-principle support)
- Local impact: Insist that the event entity or governing body is in contact with the relevant local association to ensure it is aware of the impact, requirements and opportunities associated with a major event coming to the region.

Considerations

In planning for the 2016-20 Events Strategy, there are some considerations that – while not core elements in the delivery mechanics of the strategy – potentially have significant impact on the both the structure and profile of the portfolio. These are:

- It must be noted that this strategy excludes both business events and community events. Given their respective high yield potential and acceptance values, activity in these sectors should consider and complement the Major Events Strategy.
- Despite preliminary work having been done, Wollongong does not have a genuine destination brand in market. Ideally, initial work done over 2012-15 should be progressed, with collaborative stakeholder engagement to advance the objectives, funding and delivery of a multi-layered model. Again, this work should influence a Major Events Strategy to ensure aims are aligned.

- Given funding for major events acquisition comes from Wollongong City Council, this strategy has been specifically written to advance Wollongong’s reputation and return in this space. However, some events – and some avenues of funding – lend themselves to the promotion of a broader, regional approach. This approach will be considered and adopted on an event-to-event basis.

- The Major Events Strategy should be considered in conjunction with, and be implemented as part of, Council’s activity in economic development, property acquisition, product facilitation and commercialisation of assets. Destination Wollongong is not chartered with advancing these initiatives on a day-to-day basis, but should be involved in a consultative process as part of identifying and progressing tourism and commercial priorities.

- Consideration should be given to revisiting IRIS’s image studies of the region in the early 2000s. This provides valuable benchmarking opportunities. If Council has allocation for on-going research initiatives, consideration should also be given to introducing an industry-accepted tool, such as a Net Promoter Score, that monitors word-of-mouth advocacy (as featured in British Columbia’s Tourism Strategy).

- The events space inevitably evokes strong emotions. There will be complaints about disruption, noise, inconveniences and the spending of public money. Being able to address – but look beyond – these concerns to the significant economic, social and reputational benefits is crucial to the program’s success.
STRATEGY

Mission

To host major events that showcase the region's strengths, deliver strong economic return and enhance Wollongong's reputation

Aims

1. To achieve staged growth as a core pillar of the visitor economy
2. Deliver on reputational reward that complements Wollongong's brand values
3. Align with the city's strategic imperatives and product development aspirations
4. Secure staged investment to rival comparable regional cities
5. Demonstrate the most "user-friendly" application process of any Council in Australia

See Appendix A for an expanded flowchart on the key Aims, Actions and Outcomes for the 2016-2020 Major Events Strategy.

2016-20 Action Items

This includes some predictable but important work, along with two priority actions that can be “game changers”, reflecting the maturity of the portfolio and increased influence it can have in coming years.
- Flatten the summer spike by targeting shoulder and low season events, so as to avoid accommodation bottlenecks and provide sustained income for local businesses.

- Continue to generate significant economic impact by securing mass participation events with loyal followings and/or proven models (such as schools events and junior sports).

- Use major events to convert the engaged and growing day-tripper market of 3.6 million visits annually to help boost overnight visitation.

- Strengthen government and private enterprise relations (University of Wollongong, GPT, NSW Venues Authority, relevant State Government departments, hotel chains, major event entities).

- Advocate for a steady but significant increase in the major events budget to mirror like regional cities and be proactive in exploring alternatives for new revenue streams, such as a commission-based accommodation portal.

- Prioritise multi-day events, given objectives for overnight visitation, with exhibitions and long-form festivals and tournaments to be targeted. Events that can illustrate a minimum threshold of 400 bed nights to be targeted, unless significant reputational reward or winter scheduling is achieved.

- Target specific sectors where the region boasts market place advantages, be it utilising world-class infrastructure, or showcasing attractions such as Sea Cliff Bridge and tourist drives to the motoring industry.
Priority Actions

- Place greater emphasis on reputational impact by targeting events that can immediately enhance the perception of the city and deliver favourable exposure in line with identified brand values.

GAME CHANGERS

**STEP 1:**
Greater emphasis on perception enhancers (reputational impact)

**STEP 2:**
Align with strategic plans, ED and product development to identify legacy projects

**REPUTATIONAL REWARD**
Use events to influence how we’re perceived and as a driver for change

- Align with the city’s economic development goals, strategic development and potential tourism product/infrastructure development to identify and undertake legacy projects.

The above example sees mountain biking identified as an activity of great potential in a priority sector (adventure/sport). Subsequently, facilitation – by way of policy changes and the creation of trail networks and support infrastructure – should be explored. Bidding for and ultimately hosting an associated major
event (Australian and/or World BMX Championships) would achieve significant economic impact and fast-track Wollongong’s burgeoning reputation as a cycling destination. This event infrastructure could then be converted to a Community Bike Park, incorporating a pump track, skills park, cross country course and learner program, to promote all-year use by a broad section of the community and visitors.

**Value Proposition**

Wollongong has some distinct and emerging advantages in the marketplace and it is important that these be promoted within the events industry. Crucially, the following points are key considerations for decision-makers when it comes to choosing a host venue.

**Proximity:** This is an obvious and crucial advantage, with Wollongong being 75km from Sydney’s domestic and international airports. Being able to tap into a market of almost 6 million people within a three-hour radius is a strong motivator for event organisers in comparison with other regional cities.

**Natural Assets:** The IRIS Image Study found the area’s beaches and natural assets, along with its proximity, were the perceived clear strengths of Wollongong. Use of these assets fits with our aim of becoming an “adventure playground”. You can’t build natural assets, so Wollongong has what you could call a natural advantage – but we must facilitate their use more effectively.

**Capacity:** Focus on this sector his sector can improve and be mined more effectively in regard to accommodation and infrastructure. For example, while coastal cities are generally at capacity during the summer school holidays, Wollongong has about 1800 additional beds in the market place with the
university accommodation becoming available. This can be mined to provide short-term gains. The potential commercialisation of Council assets and the strategic prioritisation in the development of tourism product will provide greater opportunities for improved scale and yield of visitation over the longer term.

**Appetite:** This is a city-wide challenge, as events cannot just be the priority of the events agency. Illustration of a city-wide support network is powerful and these improved linkages have been crucial in winning some recent events. Demonstrating potential partnering opportunities (be it direct sponsorship, accommodation or event build requirements), media partnerships, transport solutions and, ultimately, community acceptance and attendance play a definitive role. Advances have been made in this area, but it can be further matured into a key selling tool for the city.

**Approvals Process:** What an event operator can secure by way of financial assistance, will always be a high priority. Achievements borne from the 2012-15 strategy now see us active in the marketplace, though we’re yet to reach the scale of investment afforded by like regional cities. The approvals process – a pivotal “moment of truth” within the events sector – has improved dramatically. Once a glaring weakness, it has the potential to be an influential point of difference, with the advent of the generic major event development applications. Further improvements on the triage process, a shift away from the need for cumbersome DAs and a cultural shift in welcoming events (including those that are unapologetically commercial) must continue to be embraced and fine-tuned.
Both Wollongong City Council and Destination Wollongong should ensure the original roles outlined for each entity remain.

Wollongong City Council should continue to undertake the following roles:

- **Enabler**: Develop and refine relevant and accessible processes for the approval, regulation and coordination of events.

- **Sponsor**: Strategically invest in events, via cash funding (directly and through Destination Wollongong), along with stipulated value-in-kind.

- **Champion**: Provide significant support in advocating and accommodating a vibrant events platform, including community, private and public sector engagement.

Destination Wollongong should continue to undertake the following roles:

- **Broker**: Proactively create, chase and secure events; explore funding options and revenue streams; and engage governing bodies, event operators and potential commercial partners.

- **Promoter**: Drive and/or support communication and marketing/PR strategies for events, including leveraging opportunities for local businesses.
Council and Destination Wollongong should not act as event operators, given the skill sets or resources required. Being effective enablers and promoters will attract creditable event operators to the region. It is noted that Council’s delivery of community or cultural initiatives remains part of a broader charter.

**Delivery Model**

An ‘Events Pyramid’ provides strategic direction on the number, scale and type of events to be acquired, retained and/or developed.

![Events Pyramid Diagram]

This Events Pyramid forms the basis for funding appraisal, with each tier assigned funding thresholds. Events criteria has been refined and simplified to focus on four categories:

- (1) reputational impact (being exposure and brand alignment)
- (2) economic impact
- (3) community and business engagement
- (4) lifecycle and legacy

*See Appendix B* for a table depicting event selection criteria, including a scoring system which weights reputational impact and economic impact as the primary drivers.

The Events Pyramid delineates whether funding comes from Council or Destination Wollongong, pending the scale and goals of events assessed. Destination Wollongong’s criteria – with reputational impact and economic impact being the two key drivers – addresses strategic and commercial objectives, separate to Council’s local engagement and enrichment model for community events. Increased exposure and out-of-region visitation can see events outgrow community events classification, with the Illawarra Folk Festival and Australia Day Aquathon both progressing up the pyramid in recent years.
See Appendix C for an Events Classification table, displaying indicative characteristics of events across each of the four tiers.

Event Categories

The aim is to develop a well-rounded portfolio of events that engage varied demographics, influence multiple sectors and utilise a broad range of infrastructure. However, there are certain categories that Wollongong can and should focus on, considering both its current offerings and strategic imperatives.

Priority Sectors:

- **(1) Adventure:** Given Wollongong’s current tourism product in this space and its great potential to develop infrastructure to facilitate adventure-based activity, this must be seen as a priority sector for the region. Event’s that entrench Wollongong’s burgeoning brand as an “adventure playground” simply make sense.

- **(2) The Arts:** Tapping into the impressive list of creative professionals, a swathe of which reside in the northern suburbs, will bear fruit over the longer term. Riding on the coat-tails of the traction and expertise offered by the Illawarra Performing Arts Centre and Wollongong Art Gallery via complementary events is strategically sound.

- **(3) Innovation:** This is a tough category to leverage in the events space, but should not be ignored. The achievements of the University of
Wollongong, competitive advantages in R & D and knowledge services, regional start-up success stories and a sliding reliance on manufacturing point to a focus on innovation within the digital, technology and research sectors. Niche events that provide industry gravitas should be explored.

- **(4) Sport:** Wollongong has a strong sporting culture and significant sporting infrastructure. Embrace it. Celebrate it. Commercialise it. Not to the point of creating a one-dimensional portfolio, but by playing smart in a big space. Target sports where we boast world-class infrastructure (hockey), provide strong economic impact in soft months (Eastern University Games), or bring a desired demographic (CrossFit Games). Potential legacy infrastructure projects can also be championed via sports industry channels.

- **(5) Food & Beverage:** The record number of small bars and cafes opened in Wollongong is the last two years point to opportunities in this sector, either as stand-alone events, or support elements. The city should play to its strengths as a casual but cutting edge foodie destination. Instead of traditional food and wine offerings, think whiskey bars, baristas, craft beer and cider, food trucks, seafood, farmers’ markets and culturally diverse offerings.

- **(6) Motoring:** With Grand Pacific Drive and the iconic Sea Cliff Bridge showcased as part of Wollongong’s destination collateral, along with strong traction in the self-drive market, the motoring sector is a natural fit. Events in this space often attract a high-spending demographic who regularly extend their stay. Proximity and the region’s natural beauty play a big part in capturing this market.
IMPLEMENTATION

Current Landscape

Successful government event units work autonomously but illustrate strong partnering, both internally and externally. EventsCorp, established in Western Australia in 1986, and the Melbourne Major Events, from 1991, are good State-based models, while the Geelong Major Events Committee (GME) was formed in 2009 to attract, assist and fund events on behalf of its council. Auckland boasts one of the most proactive and successful models, having combined a number of organisations and business units to create Auckland Tourism, Events & Economic Development (ATEED).

Destination Rotorua, in conjunction with its council, has developed an aggressive approach and multi-layered platform. It manages the region’s leading stadia and conference facilities and has implemented a volunteer partnership program – effectively a bed tax – to siphon commission from its 400+ accommodation houses and create an additional revenue stream of NZ $700,000+.

Wollongong has and should continue to learn from all of these. The Major Events Unit within Destination Wollongong has illustrated nimbleness and speed of delivery in the market, having been allocated pre-approved funding and had its charter ratified by Council.

Activity, Resourcing & Reporting

In assessing the initial recommendations to Council from 2012 to structure and resource the events sector across Council and Destination Wollongong, many have been implemented, while some process and infrastructure challenges are being progressed or require attention.

Those that have been implemented:

- Establishment of a major events unit within Destination Wollongong to deploy the events strategy
- Creation of a Major Events Advisory Group to provide governance and strategic support
- Creation of an integrated online events calendar
- Third parties (event operators) being contracted to ensure acknowledgement, branding and messaging requirements are met on behalf of the city
- Soft launch of an Events Toolkit, showcasing eight generic major events sites lodged by Council, representing a major step forward in this sector
- Partnership with Destination NSW to promote
summer events cluster, via “It’s ON!” campaign

- Specific funding secured for identified potential signature events (BRAVO Challenge and Blender)

**Those in progress:**

- Streamlining of departmental responsibilities and triage of events within Council
- Accommodation of budget-relieving value-in-kind elements have been introduced within Council for nominated major events (BRAVO Challenge and Blender)
- Some informal work has been done on exploring the feasibility of a festival site, though this needs to be progressed formally and find a platform from which to champion it
- Introduction of a commission-based accommodation portal to be promoted by event organisers and to provide an additional revenue stream for Destination Wollongong

**Those yet to be addressed and requiring consideration:**

- Value-in-kind subsidies for waste, parks, traffic management and select marketing platforms of major events are hobbled by budget restrictions but should be considered, given other councils are active in this space
- Establishing a seasonal city banner program requires cross-departmental collaboration and budgetary planning, but should be viewed as a worthwhile longer-term task
- Creation of a dedicated bids and grants writing resource (which could be achieved through redeployment and training of an existing resource) has not been explored but could potentially be responsible for significant funding support for Council
- Introduction of business tools (master brand, image library, usage guidelines, workshops, apps, social media) should be pursued as part of a broader branding program
- Internal evaluation by Destination Wollongong as to a potential staged increase in the allocation of funding for major events
- More meaningful campaign or event-specific engagement with potential commercial partners (for example: GPT, University of Wollongong, WIN) to provide a unified and layered value proposition for event operators in priority sectors

**Resourcing and management of the major events unit is in place, consisting of:**

- Two dedicated resources, one at strategic management level and a second at coordination level to attract, retain and develop major events
- A Major Events Advisory Group, meeting quarterly, consisting of Council, Destination Wollongong and industry representatives, to provide strategic recommendations and monitor activity
- Access to Council resources for ancillary support and alignment with complementary programs
- Regular reporting mechanisms, including quarterly KPI reporting to Council, bi-monthly reporting to Destination Wollongong Board and distribution of quarterly ‘Crowd Seeker’ major events snapshot to political, industry and broader local business community
Funding

Return on Investment

Australian Tourism Research figures estimate a spend of $201 per person, per day for domestic tourists, and $251 per person, per day for sporting tourists. Council’s Rem Plan modelling also gives us the ability to accurately forecast and evaluate events within our portfolio. For example, the 2016 Eastern University Games will attract almost 3000 people over five days during the traditionally soft winter months, providing an economic return of almost $2.5 million.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Direct Effect</th>
<th>Industrial Effect</th>
<th>Consumption Effect</th>
<th>Total Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output ($M)</td>
<td>$1.372</td>
<td>$0.563</td>
<td>$0.525</td>
<td>$2.460</td>
</tr>
<tr>
<td>Long Term Employment (Jobs)</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>13</td>
</tr>
</tbody>
</table>

Destination Wollongong currently allocates $300,000 annually for the funding of major events and management of the portfolio. A Deed of Variation from Council saw an additional $83,000 allocated annually for the provision of two signature events for three years from 2015.

Major events contributed $20.8 million in economic impact to the local economy in the first two quarters of 2015. Current tracking points to an annual economic impact figure for the 2015 calendar year of almost $40 million. Given our direct spend in major event funding has been $200,000 annually; this represents a $20 return in economic impact for every dollar invested in major events. On this basis, a further $100,000 invested in this space equates to an additional $20 million boon for the region.

Accommodation Portal

Destination Wollongong aims to introduce a commission-based accommodation portal, providing a new revenue stream that can be pumped back into securing more events. Base elements include:

- Capturing new revenue and reinvesting, via a 10% commission structure
- Promoting this online portal within all of our event and destination collateral, along with providing links and messaging to event partners to promote to their databases
- Ensuring event operators have an incentive to promote the portal, by linking final payments to a conservative minimum threshold of bookings to be achieved
- Implementing a three-year plan to secure $100,000 annually in additional revenue
Staged Investment Strategy

Without further funding or revenue streams, it is predicted Wollongong has hit its ceiling for return on investment. While a $40 million return is impressive, it pales in comparison to the investment and subsequent return achieved by like regional cities (Geelong invested $1.39 million in major events in the 2014/2015 financial year and reported economic return of $56.9 million).

A staged investment strategy should be considered a priority, with exploration of additional funds potentially coming from the accommodation portal, internal revision of major events allocation within Destination Wollongong, additional funding from Wollongong City Council and any other potential revenue streams.

A target of $1 million by 2020 represents a significant but much-needed commitment to bring Wollongong up to industry standards in relation to major event acquisition. The graph below illustrates the significant incremental returns, based on reaching a combined total investment of $800,000 by 2018 (with an aim of hitting $1 million by 2020).
Controls

Governance

Governance parameters are outlined in the Funding Agreement between Wollongong City Council and Tourism Wollongong, notably section 3 “Provision of Funding” and section 6 “Performance of the Services”. Reporting parameters are outlined in the Funding Agreement, notably section 8 “Reports and Records”.

Performance Measures

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Reporting Frequency</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain, attain or develop 3 x Major Events (tier 2)</td>
<td>Annual reporting, achievable by 2017</td>
<td>$2 million economic impact and/or specified regional exposure</td>
</tr>
<tr>
<td>Develop a diverse, vibrant and relevant stable of events</td>
<td>Annual reporting, achievable by 2017</td>
<td>All event categories represented across the six priority sectors</td>
</tr>
<tr>
<td>Attain or develop 2 x Signature Event (tier 1)</td>
<td>Annual reporting, achievable by 2018</td>
<td>$4 million economic impact and/or specified regional exposure</td>
</tr>
<tr>
<td>Secure an event that facilitates a significant community legacy project</td>
<td>Annual monitoring, achievable by 2020</td>
<td>Legacy project built</td>
</tr>
</tbody>
</table>

Contingency Planning

Externally, Wollongong City Council can intervene, as outlined in the Funding Agreement, notably section 3.4 “Right to withhold funding”, upon compliance failure or a reasonable basis for its belief.
CONCLUSION

Against the backdrop of a region in transition, a robust major events portfolio looms as a burgeoning economic driver and perception-changing initiative. Visitors travelling to major events stay 20 per cent longer and spend 30 per cent more than the average domestic overnight visitor (Tourism Research Australia, 2013, National Visitor Survey).

This two-pronged rationale – economic and reputational – forms the basis of why major events represent a strategically wise investment. The sector provides for relatively immediate return (as opposed to infrastructure builds, for example) and delivers a highly emotive product, producing the ideal environment for engagement, messaging and positive brand recall.

The Tourism & Transport paper of 2014 (researched by Repucom), entitled Backing Major Events, articulates the year-round economic argument for major events:

“A well-planned, vibrant and appealing annual events calendar can more evenly distribute major events throughout the year and create demand for accommodation and visitor services outside seasonal peak periods. This consequently drives economic growth and employment throughout the year for destinations that are otherwise at the mercy of the seasonal boom and bust cycles of visitation.”

Auckland has been one of the most progressive southern hemisphere cities in using major events to enhance its reputation over the last decade. Auckland’s Major Events Strategy identified four main benefit streams associated with events: immediate economic benefits, city branding, social wellbeing and legacy benefits. In summarising the opportunities for city branding and legacy, the paper, in part, stated:

“Hosting major events can have a significant impact on a city and its image, and can be a cost-effective means of promoting the city’s brand to a wide audience of potential visitors, investors and immigrants . . . Elevating the host’s global stature and accelerating its economic and social development, major events can be a significant catalyst for change.”

This is most pertinent to Wollongong, given the city’s changing economic drivers and continuing struggles to achieve positive perception externally. Furthermore, Wollongong is ideally placed to be significantly more aggressive in major events acquisition, given proven successes in the sector from 2012-15, key industry advantages, and the development of a streamlined applications process.

It is an obvious and easily accessible opportunity that can deliver both immediate economic results and long-term reputational benefits.
APPENDICES

Appendix A: Flowchart: Aims, Actions & Outcomes
Appendix B: Template: Event Selection Criteria
Appendix C: Event Classification: Indicative Table
MAJOR EVENTS STRATEGY 2016-2020

**AIMS**
- Achieve staged growth as a core pillar of the visitor economy
- Achieve reputational reward that complements Wollongong’s brand values
- Align with the city’s strategic plans and product/infrastructure development aims
- Increase the major events budget to comparable levels of like regional cities
- Demonstrate the most ‘user-friendly’ event application process of any council in Australia

**ACTIONS**
- Contract 20-35 events annually that contribute to stated economic objectives
- Host a major event annually within each of the six priority sectors
- Select and grow two signature events in differing priority sectors (eg the Arts and Adventure/Sport)
- Target one small scale reputational event (eg Innovation) to act as a positioning statement for the city
- Target a major event that acts as the catalyst for a legacy project
- Secure a staged increase in annual funding
- Introduce a commission-based accommodation portal
- Promote and implement the Events Toolkit, featuring generic major events DAs
- Revise, adopt and improve event application process for those not requiring a DA

**OUTCOMES**
- Demonstrated return on investment of $20 for every $1 secured for direct event funding
- Industry engagement and national coverage across the Arts, Adventure, Innovation, Food & Beverage, Sport and Motoring
- Region becomes synonomously linked and can leverage off these sector-specific events
- Increased industry credibility, networking opportunities and showcasing of competitive advantages
- Facilitate an event infrastructure build that is subsequently utilised as a community asset
- Major events budget of $600,000 by 2018 and $1 million by 2020
- New revenue stream of $100,000 by 2018
- Secure national awards in event delivery space
- Track feedback, use testimonials from event organisers and secure State Government sanctioning
### Event Criteria: Indicative Table

<table>
<thead>
<tr>
<th>Category</th>
<th>Reputational Impact</th>
<th>Economic Impact</th>
<th>Community and Business Engagement</th>
<th>Participant and Spectator Numbers</th>
<th>Sustainability</th>
<th>Lifecycle and Legacy</th>
<th>Indicative Event of Events</th>
<th>Funding &amp; # of Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dedicated television broadcast</td>
<td>More than $4 million economic impact from third year or as a one-off event</td>
<td>International and national sponsors; Demonstrated corporate partnering and cross-promotional strategy; Potential global or national business networking; Includes opportunities for local suppliers</td>
<td>More than 10,000 paying participants / spectators OR More than 40,000 free participants; Target of 30% out-of-region</td>
<td>Ability to attract more than $200,000 corporate sponsorship</td>
<td>Need for seed funding or one-off support</td>
<td>World Series Extreme Rallycross</td>
<td>$100,000 to $200,000; 1 to 2</td>
</tr>
<tr>
<td>2</td>
<td>Dedicated television broadcast or minimum of national/state reporting; Typically multi-day festival or event</td>
<td>$2 - $4 million economic impact from third year</td>
<td>National sponsorship; Demonstrated corporate partnering and cross-promotional strategy; Includes opportunities for local suppliers</td>
<td>More than 5,000 paying participants / spectators OR More than 20,000 free participants; Target of 20% out-of-region</td>
<td>Ability to attract more than $100,000 corporate sponsorship</td>
<td>Typically strong regional affiliation; Typically strong potential to enhance external perception of the city</td>
<td>Illawarra Folk Festival</td>
<td>$20,000 to $40,000; 3 to 6</td>
</tr>
<tr>
<td>3</td>
<td>Blanket regional coverage; Possible State-based media interest</td>
<td>Typically $500,000 to $2 million economic impact from third year (estimated)</td>
<td>Strong stable of local sponsors; May include a charity component; Aligned to local organisations and/or community groups; Maximises opportunities for local suppliers</td>
<td>More than 1,000 paying participants / spectators OR More than 8,000 free participants</td>
<td>Ability to attract more than $30,000 corporate sponsorship</td>
<td>Strong stable of local sponsors; Typically demonstrates strong growth potential</td>
<td>Sunset Cinema Eastern University Games</td>
<td>$5,000 to $20,000; 5 to 15</td>
</tr>
<tr>
<td>4</td>
<td>Local and/or sector specific interest</td>
<td>Typically a not-for-profit with no major financial objectives</td>
<td>Driven by local groups</td>
<td>Loyal but limited following</td>
<td>Typically low level sponsorship with primarily VIK components</td>
<td>Locally entrenched</td>
<td>Greenacres Mountain to Mountain</td>
<td>Up to $5000; Unlimited</td>
</tr>
</tbody>
</table>

Notes:

a) Events may not hit thresholds in every category. For example, an event may boast strong regional exposure due to a dedicated television broadcast, but generate relatively low economic impact due to it being elite, one-day event. Thresholds are indicative only and to be used as a guide.

b) Events should complement and reinforce the key messages promoted by Destination Wollongong and align with the strategic direction of Wollongong City Council.

c) Funding is for one-off or annual events. Repeat seasonal events, such as regular sporting fixtures, are not eligible. While all event funding will be considered on a case-by-case basis, it is not likely to support those that: involve capital works; are politically or racially themed; essentially seek a charitable donation; or are not open to the general public, such as business conventions and those restricted to members or delegates. Funding for any single entity is restricted to a maximum of two events annually, unless extenuating circumstances are established.

e) Events that will be looked upon favourably include those that: may require initial seed funding, but demonstrate strong growth potential with a view to reaching a sustainable business model over three years; can demonstrate immediate impact in regard to out-of-region visitation; are likely to help secure associated gains in regard to other events, economic development or lasting infrastructure.