



12.2 **ST KILDA FESTIVAL 2022**

EXECUTIVE MEMBER: **KYLIE BENNETTS, GENERAL MANAGER, CITY GROWTH AND ORGANISATIONAL CAPABILITY**

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1. PURPOSE

- 1.1 To present Councillors with information on the 2022 St Kilda Festival and seek direction on Council's preferred way forward.

2. EXECUTIVE SUMMARY

- 2.1 The St Kilda Festival is Council's flagship event, held annually in central St Kilda and showcasing more than 50 artists/bands in a celebration of live music, community spirit, and St Kilda itself.
- 2.2 The Festival makes a significant contribution to live music, social wellbeing, cultural activation and local economic growth, with the event attracting upwards of 400,000 people each year and an average economic benefit of \$21m annually from its one-day celebration.
- 2.3 Public events and gatherings have faced significant challenges in response to the COVID-19 pandemic, with public health restrictions often forcing fundamental change, exponential expenditure growth, or more commonly forcing cancellation altogether.
- 2.4 In 2020, Council resolved a one-off cancellation of the 2021 St Kilda Festival and redistributed the St Kilda Festival funds to other initiatives during the year to support economic and social recovery. Council made the one-off cancellation decision in 2020, when lockdowns were occurring but there was no vaccination program in place or National Cabinet transition plan.
- 2.5 Currently the St Kilda Festival is scheduled to be held in February 2022. In July 2021, National Cabinet released a four-step plan to transition Australia's National COVID-19 Response. From the targets in this Plan, National Cabinet is aiming to be in the "Vaccine Consolidation Phase" by February 2022. This stage includes highly targeted lockdowns and exempting vaccinated residents from all domestic restrictions.
- 2.6 The return of the Festival presents an opportunity to propel recovery efforts for local trade and for live music. It also provides the community with a safe occasion to gather and participate in live music and cultural activity. There is however a risk that the Festival may need to be cancelled if it fell within a lockdown period. While arrangements would be put in place to minimise financial risk, the entire risk cannot be mitigated.
- 2.7 In light of the above, three options have been explored by officers and these are outlined in this report:



- 2.7.1 The first option involves proceeding with the St Kilda Festival but to present a safe event that is compliant with likely restrictions, while maintaining expenditure within budget, the Festival would need to shift to a multi-day format in 2022. This change would provide opportunities for Council to explore longer term change to the event, diversify target audiences and may potentially lead to a reduction in impact on local amenity.
- 2.7.2 The second option is establishing a series of two smaller 'St Kilda Festival' branded events to be held at different stages of 2022.
- 2.7.3 The third option is to cancel the 2022 St Kilda Festival with Council to then consider how it wishes to use the saved funds.
- 2.8 There are risks associated with progressing with either Options 1 or 2 including:
 - 2.8.1 It is impossible to predict whether the events will fall in a lockdown period;
 - 2.8.2 In the event they do fall within this period, while arrangements would be put in place to minimise the financial risk, the entire risk cannot be mitigated.
 - 2.8.3 The need to ensure the Festival is a COVID safe event. This risk would be mitigated through regular engagement with the Victorian Department of Health and the development and implementation of an agreed COVID safe event plan.
- 2.9 There are a number of opportunities in proceeding with either Option 1 or 2 including the potential positive economic impact for local traders and businesses as well as artists and the creative sector. There is also the potential for positive health and wellbeing outcomes for the community of attending a COVID safe event. These opportunities are not present or would be minimised in Option 3.
- 2.10 Direction is required from Council on the preferred option, at the earliest possible opportunity, to ensure that appropriate arrangements and planning can be undertaken and that any costs that do not need to be incurred can be mitigated.

3. RECOMMENDATION

That Council:

- 3.1 Notes that National Cabinet has released a four-step plan to transition Australia's National COVID-19 Response and from the targets National Cabinet is aiming to be in the Vaccine Consolidation Phase by February 2022.
- 3.2 Notes the challenging environment for events amidst the COVID-19 pandemic, and the changes that public health settings can have on an event's format and budget.
- 3.3 Notes the following three options available to Council with respect to the St Kilda Festival and the associated opportunities and risks: -
 - 3.3.1 Option 1 A – Hold a multi-day St Kilda Festival Format in February 2022.
 - 3.3.2 Option 1 B – Hold a multi-day St Kilda Festival Format later in 2022.
 - 3.3.3 Option 2 – Hold a series of two smaller 'St Kilda Festival' branded events at different periods of 2022 with dates to be determined.



3.3.4 Option 3 – Cancel the 2022 St Kilda Festival with Council to then consider how it wishes to use the saved funds at a later date.

3.4 Resolves to pursue Option[insert option] and delegates to the Chief Executive implementation of this option.

4. KEY POINTS/ISSUES

- 4.1 Public health restrictions are having a significant impact on all events and public gatherings, and these are forcing changes to planning and event design globally.
- 4.2 For the St Kilda Festival, settings with significant impact include those relating to capacity and density requirements, zoning and scheduling within event sites, mandatory pre-registration for event attendees, travel restrictions and hygiene requirements.
- 4.3 National Cabinet has released a four-step plan to transition Australia’s National COVID-19 Response, and from the targets would be aiming to be in the “Vaccine Consolidation Phase” by February 2022. This stage includes only highly targeted lockdowns and exempting vaccinated residents from all domestic restrictions. If the timeline is not on track Australia would likely be in the “Vaccine Transition Phase”. In this phase lockdowns would be less likely (but possible) and restrictions eased for vaccinated residents.
- 4.4 A high number of other local government authorities and event promoters are planning major events in the first quarter of 2022 due to perceived lower risk, including the Cities of Melbourne (Moomba) and Darebin (FUSE), the Australian Open, and events and tours from Live Nation, Zaccaria Concerts and Frontier Touring.
- 4.5 Regardless of which restrictions are in place, the current one-day format of the St Kilda Festival is not able to be staged while delivering on Council’s aims and obligations. Attendance would have been reduced, costs would increase, and the impost on local residential and business community would have been unreasonable.
- 4.6 In light of the above, officers have considered three options. Each has opportunities and risks associated with them and these are outlined below for Council’s consideration.

Options 1 A & B – Hold a multi-day St Kilda Festival Format in 2022

- 4.7 Options 1 A and 1 B, involve a multi-day format for the event, with an indicative program as follows:
 - 4.7.1 Opening day on Acland Street and surrounds, featuring live music and opportunities for local business patronage and promotion.
 - 4.7.2 Mid-week programming on South Beach Reserve (original main stage location), featuring live music, programming partners, local business patronage and promotion.
 - 4.7.3 Closing day on Fitzroy Street and surrounds, featuring live music, community group activities, the Esplanade Market, and opportunities for local businesses patronage and promotion.



- 4.8 Under Option 1 A, the proposed dates would be from Saturday 5 February to Sunday 13 February 2022. This period would also include Pride March on Sunday 6 February 2022 and Yaluk-ut Weelam Ngargee at the South Beach Reserve site on Saturday 12 February 2022.
- 4.9 Under Option 1 B, the proposed dates would be later in 2022, with the intent of providing a slightly longer period for vaccinations to occur which may potentially reduce the likelihood of lockdowns.
- 4.10 The proposed format under this option allows for flexibility to increase or decrease the length of the mid-week event at South Beach Reserve, based on potential partnerships and collaborations, the outcomes of current funding requests, and budget planning.
- 4.11 The multi day format allows for an increased diversity of programming for both artists and for attendees, with multiple target markets achievable.
- 4.12 This option enables the St Kilda Festival to continue in a COVID safe way in as close to as possible format as previous years and enables some innovation. With respect to risk mitigation, in this option, officers would seek to increase online content for the event, such as the New Music Stage / Competition, so that some benefits can be delivered to all stakeholders, even in the event of a total cancellation. A cautious approach would also be taken with all contracts and agreements, allowing for flexibility and contingency should the event be subject to a cancellation. To a certain extent the St Kilda Festival has always been a high-risk event for cancellation – traditionally due to extreme weather, or lack of resources from emergency services if there are other priorities. More recent risks have also included air quality from the 2020 bushfires, and an elevation to the terrorism threat level.
- 4.13 In previous years, if a cancellation was forced within 48 hours of the event, close to 100% of expenditure would have been committed and required to be paid. This risk would be more proactively managed in 2021/22 as clauses would be added to contracts where possible to redirect this expenditure or tie it to milestone deliverables.
- 4.14 Despite the above there is a risk that the St Kilda Festival may fall within a period of lockdown. While officers would use their best endeavours to mitigate financial exposure through contract management, online broadcast and redirecting some services to other events, this will not be possible in all circumstances and there is financial risk associated with this option.

Option 2

- 4.15 In this Option two smaller 'St Kilda Festival' branded events would be held at times to be determined throughout 2022. If Councillors are interested in this option, officers will undertake further work on the creative elements and present this back to Councillors at the earliest opportunity.
- 4.16 This option enables the St Kilda Festival to continue in a COVID safe way, in a different format from previous years. It may help avoid a lockdown period for one event, or it could mean that two events are cancelled, if both fell in separate periods of lockdown.
- 4.17 Costs would need to be managed carefully as it would involve installing infrastructure for two separate events, thus reducing the efficiencies involved in installing



infrastructure over the one period. Economic benefit would need to be assessed under this format.

Option 3

- 4.18 In this option, the St Kilda Festival would be cancelled for 2022. This option would remove all risk associated with lockdowns, however, would also remove all opportunities that could be realised by holding the St Kilda Festival for example the economic impact for local traders and businesses, support for local arts and creative sectors and the enjoyment and wellbeing aspects the event brings to some members of the community.
- 4.19 In this option, officers would work with Council and seek direction on the use of Council funds not expended as a result of this decision.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 A representative group of local businesses have been consulted on Option 1 and the response was uniformly positive, with many feeling opportunities could increase with the proposed change.
- 5.2 Stakeholders that are critical to the success and delivery of the Festival include:
- Victorian State Government health and public events teams;
 - Victoria Police and all emergency services;
 - Yarra Trams and VicRoads for road closures and tram route alterations;
 - Local businesses within the site.
- 5.3 Stakeholders that are important to the success of the Festival include:
- The live music industry including artists and their support network, venues, suppliers and contract staff;
 - Potential funding partners, both public and private;
 - The Port Phillip residential community;
 - Visitors and potential festival attendees;
 - Programming partners and collaborators;
 - Port Phillip based community groups.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 As outlined previously there are a range of risks and opportunities associated with the St Kilda Festival. Ultimately the decision to proceed or not being related to the risk appetite Council has with respect to the matter.
- 6.2 If Council was to proceed with either Option 1 or 2 legal advice would be sought on flexibility and cancellation clauses for all agreements, including with artists and participants, personnel and suppliers.
- 6.3 The Festival has an extensive risk management system in place relating to public safety. While this would be expanded to include measures relating to the pandemic, the



processes and stakeholders involved would not change significantly. The management committee includes representatives from state government, emergency service agencies and public transport providers.

- 6.4 In line with all major events, under Option 1 or 2 a COVID safe plan would be developed. Officers have and would continue close discussions with the Victorian State Government health and public events teams to ensure that COVID safety requirements are met.
- 6.5 The risk of cancellation due to a lockdown or extreme level of public health measures is likely to remain through to event delivery in February 2022. The impact of such a cancellation would depend on when the decision was made. An overview of this is as follows, with all costs approximate – noting that expenditure may be offset. This is based on some measure of payment being made to artists and personnel once a contract is in place. Further general overhead expenses are to be considered in addition to the figures listed below, as a whole these expenditures comprise the total approved budget of \$1.7million.

Options 1 A & B – Hold a multi-day St Kilda Festival Format in 2022

6.5.1 Event cancellation in December:

- Staffing costs incurred and committed to: \$200k
- Artists contracted and committed to: \$210k
- Infrastructure and supplier costs contracted and committed to: \$500k
- No revenue able to be earned, any income received would have to be refunded

6.5.2 Event cancellation in January:

- Staffing costs incurred and committed to: \$300k
- Artists contracted and committed to: \$210k
- Infrastructure and supplier costs contracted and committed to: \$600k
- No revenue able to be earned, any income received would have to be refunded

6.5.3 Event cancellation within 7 days:

- Staffing costs incurred and committed to: \$350k
- Artists contracted and committed to: \$210k
- Infrastructure and supplier costs contracted and committed to: \$650k
- No revenue able to be earned, some portion of funding or sponsorship may be retained depending on circumstances, contracting or benefits already delivered



7. FINANCIAL IMPACT

- 7.1 The Festival budget is under a great deal of pressure regardless of format. Expenditure is set to increase to meet COVID-safe requirements, and all income streams are likely to be reduced through either the drop in capacity, or market conditions for partners that pay sponsorship or site fees.
- 7.2 The multi-day format as outlined in Option 1 allows for a reduction in many costs, particularly in infrastructure and road closures, which would allow the event to proceed within Council's budget allocation.
- 7.3 Option 2 would need to be carefully considered given the costs associated with infrastructure for two separate events.
- 7.4 Under Options 1 or 2, further income would be sought from both state and federal funding opportunities, corporate sponsorship and examination of ticketing opportunities would also occur. Any of these would allow the scale, profile and quality of the event to increase and as a result deliver more effectively on benefits to the local economy and the live music industry.
- 7.4 Option 3 would result in a saving for Council, which Council could then consider how they wished to manage.

8. ENVIRONMENTAL IMPACT

- 8.1 The St Kilda Festival addresses its environmental impact in a number of ways and aims to decrease impact further each year.

9. COMMUNITY IMPACT

- 9.1 Delivery of the St Kilda Festival has the potential to bring economic, social and cultural benefit to the community, potentially more so than at any other time.
- 9.2 A conservative estimate of projected economic impact is \$2,997,500 to St Kilda, based on ten years of average economic spend divided by average attendance.
- 9.3 Option 1 and 2 have the potential to lessen the impact and burden on the local community that host the event.
- 9.4 Community engagement and focus on local programming would be a priority throughout event planning and programming.
- 9.5. If the event needed to be cancelled due to lockdown, this would have a negative impact on the community.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 The St Kilda Festival aligns to the Vibrant Port Phillip direction of the Council Plan
- 10.2 The Festival further delivers on outcomes within Council's Live Music Action Plan
- 10.3 The Festival has the potential to deliver economic benefit to local business, and employment and engagement for the live music industry, relating to Council's declaration of an economic emergency. It also has the potential to be a financial risk for Council.

ORDINARY MEETING OF COUNCIL – 01 SEPTEMBER 2021



11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

11.1.1 Once Council has resolved its preferred position officers will action accordingly.

11.2 COMMUNICATION

11.2.1 Officers will communicate and action the decision of Council accordingly.

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 No officers involved in the preparation of this report have any material or general interest in the matter.

ATTACHMENTS Nil