RECOMMENDATION

That Council:

1. receive the report by the Manager Economic Development on the Australian Government Regional Tourism Bushfire Recovery Grant Funding

2. if successful, accept $30,000 in grant funding from the Federal Government for the Mid-Western Region for the development and execution of the Fermenta Festival in partnership with Mudgee Region Tourism and Cementa;

3. amend the 2020/21 Budget and draft 2020/21 Operational Plan as follows:
   - increase grant funding received for Fermenta by $30,000, increase other income by $53,000, and allocate a project expenditure of $83,000;

4. if successful, authorise the General Manager to finalise and sign the funding agreement with the Federal Government for Fermenta Festival; and

5. if successful, authorise the General Manager to finalise and sign the MOU, between Council, Mudgee Region Tourism and Cementa.

Executive summary

In March 2020, Council applied for funding from the Australian Government’s Regional Tourism Bushfire Recovery Fund. The purpose of this report is to authorise the General Manager to accept funding and sign the funding agreement and other relevant documentation should Council be successful in obtaining grant funding.

Disclosure of Interest

Nil

Detailed report

Council applied for grant funding from the Australian Government’s Regional Tourism Bushfire Recovery Fund in March 2020. The purpose of this funding was to be provided for bespoke events, concerts, festivals and/or other visitor attractions (such as art installations and tourist walks) in fire affected regions to assist the recovery effort. The application made by Council was for funding to create and produce a new event intended to support, recover and grow the economies of the Kandos and Rylstone townships in the wake of the devasting bushfire season of 2019/20.
The inaugural ‘Fermenta’ (planned for Saturday 13 March 2021) will see a broad appeal one day event celebrating the art of fermentation hosted in the towns of Kandos and Rylstone. It is aimed to complement the local business industry and the appeal of the Mudgee Region as a destination for high quality fermented produce, food, drinks and wine. Locals and visitors will be treated to educational classes, how-to workshops and tastings to learn about the fermenting process and the potential of benefits of fermented food and drink.

Transport is planned to operate between Kandos and Rylstone to allow festival-goers the ability to participate in activities between both towns. In the evening, a street festival will be held for locals and visitors to come together to sample, enjoy and purchase fermented drinks and foods with family, friends and other like-minded people along historical streetscapes.

The event concept was originated by Alex Wisser, Creative Director of Cementa, to complement the biennial Cementa Festival which is held in the Kandos-Rylstone area. It is hoped Fermenta will become the ‘sister’ event to Cementa, the festival of contemporary art which brings together over 60 regional and urban artists for a four-day celebration of the Kandos Township and Australian contemporary art.

Utilising the production experience of Council’s Events Team, the marketing expertise of MRTI and the further local knowledge of Cementa, a collaboration between these highly invested regional bodies will work to deliver the event under a Memorandum of Undertaking (MOU).

It is expected that the March event will see an attendance of approximately 3,000 people, generating $364,800 in economic benefit to the Kandos-Rylstone community.

It is hoped that the Fermenta Festival will provide long-term visitation benefits to Kandos and Rylstone through growth into an annual event from 2022. With the event becoming a permanent annual fixture on the Kandos-Rylstone event calendar, the communities will receive increased visitation year on year by tourists who will stay in the towns and spend money.

Fermenta is intended to support, recover and grow the economies of the Kandos and Rylstone townships whilst distinguishing the Kandos-Rylstone area as a unique, regionally located destination in NSW.

It is recommended, that Council accept the grant funding of $30,000 if successful and endorse the MOU between Council, MRTI and Cementa.

Community Plan implications

<table>
<thead>
<tr>
<th>Theme</th>
<th>Looking After Our Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>Meet the diverse needs of the community and create a sense of belonging</td>
</tr>
<tr>
<td>Strategy</td>
<td>Provide equitable access to a range of places and spaces for all in the community</td>
</tr>
</tbody>
</table>

Strategic implications

**Council Strategies**
Council’s Towards 2030 Community Plan has a range of strategies supported by the projects proposed to be funded including providing infrastructure and services to cater for current and future needs of the community.

**Council Policies**
Not Applicable
Legislation
Not Applicable

Financial implications

The following table summarises the budget changes required to the 2020/21 budget.

<table>
<thead>
<tr>
<th>Income</th>
<th>2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Funding</td>
<td>$30,000</td>
</tr>
<tr>
<td>Income – Ticket Sales, Sponsorship &amp; Stallholder fees</td>
<td>$53,000</td>
</tr>
<tr>
<td>Total income</td>
<td>$83,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Delivery Costs</td>
<td>$83,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Operating Performance Ratio</th>
<th>Own Source Revenue</th>
<th>Building &amp; Infrastructure Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020/21</td>
<td>–</td>
<td>✓</td>
<td>–</td>
</tr>
<tr>
<td>Future Years</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Associated Risks

The key assumption incorporated into this project in relation to Budget is that 3,000 tickets will be sold to the street festival event and/or the workshops at an average price of $15. There is a risk that this total number of tickets will not be sold and Council may be required to provide additional funding to cover fixed costs, should there be a shortfall in ticket sales. Given Council’s previous experience in hosting events, it is believed that 3,000 tickets is achievable for this event.

ALINA AZAR
MANAGER ECONOMIC DEVELOPMENT

JULIE ROBERTSON
DIRECTOR DEVELOPMENT

21 April 2020

Attachments: 1. Draft MOU Fermenta - MRTI, MWRC, Cementa Inc.

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER
Memorandum of Understanding
Between
Mid-Western Regional Council;
Mudgee Region Tourism Inc. and
Cementa Inc.

Re: ‘Fermenta’ Event Organisation

1. Purpose

The purpose of this Memorandum of Understanding (MOU) is to facilitate and define the mutual agreement between Mid-Western Regional Council (MWRC), Mudgee Region Tourism Inc and Cementa Inc. regarding the roles and responsibilities for the design and production of ‘Fermenta’, a new event to be held in Kandos/Rylstone on 13 March 2021.

2. The nature of the collaboration

The organisations will collaborate in the following ways:

MWRC will:
- Apply to the Australian Government and other funding bodies seeking funding support for the event
- Be responsible for all grant funding processes and procedures including the acceptance of funding and provision of acquittal documents.
- Provide all financial management of the event and manage the overall budget
- Undertake the role of ‘Producer’ for event including final decision making responsibility to ensure successful event delivery
- Provide all hands-on coordination of the event including planning and designing the events, activities, sourcing vendors, suppliers, booking venues and coordinating promotion

MRTI will:
- Provide guidance and support for the event through participation in the Fermenta Event Advisory Group
- Provide access to web services.
- Provide public relations support as deemed appropriate
- Manage the online promotion of the event on the MRTI website
- Provide ticketing for the event through the 123tix portal

Cementa Inc. will:
- Provide guidance and support for the event through participation in the Fermenta Event Advisory Group
• Provide input on creative direction for the brand development of Fermenta and supporting marketing materials. Noting once overarching brand identity is developed, MWRC will manage the design and production of marketing materials.
• Provide a recommended entertainment schedule for the event, based on an allocated budget, by agreed timings.

3. The terms of the agreement

The agreement is effective for a period of 15 months from the date of this signed document and will be reviewed at the completion of the event.

4. Organisation and management of the agreement

MWRC
• Event Producer: Joanna Lindsay, Events Coordinator – 02 63782845, Joanna.lindsay@midwestern.nsw.gov.au
• Events Officer; Sally McBryde – 02 63782811, sally.mcibyde@midwestern.nsw.gov.au
• Manager Economic Development – Alina Azar – 02 63782885, alina.azar@midwestern.nsw.gov.au

MRTI
• Principal contact : Cara George, CEO - 02 6372 1020, ceo@visitmudgeeregion.com.au
• Business Development Manager: Leanne Murphy, - 02 6372 1020, bdm@visitmudgeeregion.com.au
• Marketing Coordinator: Nathaniel Smith - 02 6372 1020, marketing@visitmudgeeregion.com.au

CEMENTA
• Principal contact : Alex Wisser (Creative Director) – 0413 555 860, awisser@cementa.com.au

5. Fermenta Event Advisory Group

An advisory group will be established to provide advice and input on the design and production of the Fermenta event. This group will include:
• MWRC – Joanna Lindsay, Alina Azar (Chair)
• MRTI – Cara George, Leanne Murphy
• Cementa – Alex Wisser
• Fementing Expert – To be appointed

The advisory group will conduct monthly meetings and provide MWRC with feedback on event production and planning activities. Minutes of said meetings will be circulated to all parties.

MWRC, MRTI and Cementa will have a joint debrief meeting after the event to assess the impact of the event, key learnings and future opportunities.
6. **Communication and exchange of information**

The Fermenta Event Advisory Group will conduct monthly meetings (or more often as required) and distribute the minutes of each meeting to all parties to this agreement. This information will remain confidential. MWRC will provide Council and MWRC Executive team with updates on the progress of the event.

7. **Intellectual property**

Cementa will be recognised as a joint party to the Fermenta event to ensure brand association as the original source of this event idea generation.

8. **Marketing and publicity**

Mid-Western Regional Council will be responsible for the marketing and publicity of the event and will develop an overall marketing plan, in line with the allocated budget, and share with Fermenta Advisory Committee for feedback.

Further, both Cementa and MRTI will distribute marketing materials with relevant databases, social channels and other owned or accessible media.

9. **Settlement of disputes**

Disputes will be resolved through direct negotiation and discussion between delegations from MWRC, MRTI and Cementa. If resolution is not achieved, MWRC Executive team will arbitrate on behalf of all groups.

10. **Review and evaluation**

A quarterly meeting will be held to assess the performance of the partnership. MRTI and/or Cementa will outline any excessive demands that this partnership is placing on the staff of MRTI or volunteers or the organisations. It will also outline any ways that it can see to improve the relationship. MWRC will outline any administration challenges that it may be experiencing via the partnership.

11. **Costs, Risks and Liabilities**

All associated costs, risks and liabilities in regard to the nature of the collaboration are the responsibility of each of the parties in respect to the specified areas of delivery.
Signed:

BRAD CAM  
GENERAL MANAGER  
MID-WESTERN REGIONAL COUNCIL

Date:

CARA GEORGE  
MUDGEE REGION TOURISM INC.

Date:

ALEX WISSE  
CEMENTA INC.

Date: