



CITY OF HOBART

# MINUTES ATTACHMENTS

## COMMUNITY, CULTURE AND EVENTS COMMITTEE MEETING

### OPEN PORTION OF THE MEETING

WEDNESDAY, 9 JANUARY 2019

AT 5:03 PM

VENUE: LADY OSBORNE ROOM, TOWN HALL

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**REPORT TITLE: THE TASTE OF TASMANIA FUTURE DELIVERY MODEL****REPORT PROVIDED BY:** Associate Director City Economy, Tourism and Events**1. Report Purpose and Community Benefit**

- 1.1. The purpose of this report is to provide the Council with a recommendation for the future of The Taste of Tasmania.
- 1.2. This report will discuss a number of options in reaching that recommendation.

**2. Recommendation*****That:***

1. ***The Council resolve whether it wishes to continue to operate The Taste of Tasmania.***
2. ***If so, the Council resolve that it be undertaken in-house as is currently the situation but recognising that a significant ongoing investment of not less than \$1.6 million per annum.***
  - (i) ***In making this decision the Council also delegates full operational responsibility for the event to the General Manager including Fees and Charges with appropriate reporting back to the Council.***
3. ***If the Council does not wish to operate The Taste of Tasmania into the future then it is proposed the Council consider either options E or F as outlined in this report, being either:***
  - (i) ***Offers a significant sponsorship to ensure an event occurs over the Christmas and New Year period on Hobart's waterfront; or***
  - (ii) ***The Council resolves to cease funding the Taste and takes no further action.***

**3. Background**

- 3.1. At its meeting of 18 June 2018 the Council resolved that:
    1. ***The total budget for the 2018 Taste of Tasmania (including Kids in the Park and New Year's Eve) be increased by \$400,000 to \$1.6 million.***
      - (i) ***The increase in the budget allocation be a one-off allocation only for the 2018/2019 event.***
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2. *The General Manager provide a report by 31 January 2019 regarding the future delivery model for the Taste of Tasmania, and a Council workshop not proceed in respect to the future of the Taste.*
    - (I) *as part of the report, the General Manager consider corresponding with the State Government in respect to its involvement in delivery options for the Taste event.*
  3. *The General Manager be delegated the authority to review the future of the Taste Advisory Group.*
  4. *The General Manager be authorised to deliver the 2018/2019 Taste event.*
- 3.2. This report addressed item 2 of the above resolution.
- 3.3. This report should be read in conjunction with **Attachment A** which is a detailed assessment of a number of issues that relate to The Taste of Tasmania (the Taste), its current operational model and its recent history. Attachment A discusses these issues in detail, draws upon available data and outlines what needs to be changed should the Council choose to retain the Taste.
- 3.4. Item 3 of the above resolution will be addressed once the Council has made a decision on whether to move forward or not.
- 3.5. During the discussion that led to the above resolution it was evident that a number of Aldermen were becoming concerned at the burden upon the Hobart ratepayer of funding the Taste. Equally the officer advice in the preceding reports was unequivocal in recommending the need for an increased level of funding for the Taste on a permanent basis to arrest the brand decline of the event and to realign the event to community expectations for a more sustainable future.
- 3.6. The report of the Festival Director at the time suggested that the Taste could be returned to a more sustainable future however this would need an ongoing increased investment to get the event on a footing where sponsorship was more realistic as well as a range of ticketed events to underpin a better financial model for the event. The success of this year's event is evidence for this proposition.
- 3.7. The decline in the brand of the Taste is attributable to seven systemic issues which are detailed in Attachment A:
- 3.7.1. Lack of a vision for the event
  - 3.7.2. Lack of a clear budget
  - 3.7.3. Insufficient time to plan
  - 3.7.4. Timeliness of decision making
  - 3.7.5. Insufficient human resourcing
  - 3.7.6. Poor community and media perception of the event
  - 3.7.7. Insufficient sponsorship.

- 3.8. From the outset, it needs to be made very clear that Officer advice is that if the Council wishes to continue to deliver the Taste in its current format, the historical budgets have become patently insufficient to meet community expectation and to provide a safe event for staff and patrons.
- 3.9. Thus it is a threshold issue for the Council - is it willing to consider increased funding for the Taste on a permanent basis?
- 3.10. For the sake of clarity recent Council investments to underwrite the Taste have been:

Year	Total Operating Expenditure	Total Operating Revenue	Total Council Investment	Taste of Tasmania	NYE Fireworks	Kids in the Park
2018-19*	3,490,115	1,839,000	<b>1,651,115</b>	1,650,000	Part of Taste	Part of Taste
2017-18	2,378,454	1,528,372	<b>850,082</b>	602,599	69,260	178,223
2016-17	2,794,589	1,765,110	<b>1,029,479</b>	827,516	68,903	133,060
2015-16	2,752,552	1,902,293	<b>850,259</b>	637,120	65,622	147,517
2014-15	2,328,239	1,591,613	<b>736,626</b>	535,923	60,622	140,081
2013-14	2,106,318	1,459,107	<b>647,211</b>	480,630	59,000	107,581
2012-13	2,604,190	1,560,516	<b>1,043,674</b>	1,043,674	Part of Taste	Part of Taste
2011-12	2,083,274	1,362,986	<b>720,288</b>	720,288	Part of Taste	Part of Taste
2010-11	1,877,528	1,196,266	<b>681,262</b>	681,262	Part of Taste	Part of Taste
2009-10	1,581,569	843,903	<b>737,666</b>	737,666	Part of Taste	Part of Taste
2008-09	1,638,855	816,268	<b>822,587</b>	822,587	Part of Taste	Part of Taste
2007-08	1,058,063	720,426	<b>337,637</b>	337,637	Part of Taste	Part of Taste
2006-07	915,104	598,234	<b>316,870</b>	316,870	Part of Taste	Part of Taste

1. \*Budgeted figures for the current year, actual figures not yet available.  
2. Note: - figures do not include Capital or Plant and Equipment expenses.

- 3.11. If the Council is unable to consider an increased budget the implication of the June 2018 Council decision is that a future for the Taste should be considered beyond Council direct ownership and delivery.
- 3.12. In considering the following models Council should be cognisant of what it is trying to achieve.
- 3.12.1. While the reasons for commencing the Taste were very clear and the event filled a very real need in 1988, the same need is not as obvious in 2018, as Hobart, Salamanca and the Waterfront have all matured in their offerings. It is also noted that 2019 / 2020 will mark the 75th anniversary of the Sydney to Hobart yacht race.

- 3.12.2. The net Council investment for the 30th event is \$1.65million. This represents 2% of Council's annual rates income. Clearly in the context of the many competing demands on Councils limited resources this is a considerable amount of money. However it should also be considered from the point of view of the contribution to community wellbeing the Taste makes.
- 3.12.3. For the 2018 / 2019 event an economic and social impacts assessment has been commissioned. The results of this will not be available until the end of February 2019. The last economic study was undertaken for the 2010 / 2011 event, which found:
- Visitation was estimated at up to 250,000 people
  - Direct economic injection was just over \$20 million
  - Combined *direct* and *indirect* impact of this expenditure was an increase in output across Tasmania of \$39 million
  - 294 full-time, part-time and casual jobs created
  - An increase in Gross State Product of \$16 million.
- 3.12.4. It is a reasonable question for the Council to ask - is the Taste or an event like it even necessary in 2019 and beyond?
- 3.12.5. If the answer to this question is yes then the Council should address how the City is best placed to facilitate such an event.
- 3.13. Council has received a number of reports over the years about the future of the event. Many of the options addressed below have been put to the Council previously in those reports.
- 3.13.1. In 2006 the Council received a report from Anne Kerr and Associates detailing a number of future options for the Taste, in particular, options for the expansion of the footprint.
- 3.13.2. In 2010 the Council received a report from Neil Cameron discussing a new look Taste after the redevelopment of PW1 shed.
- 3.13.3. In September 2014, after requesting a report on an entry fee model for the Taste, the Council resolved to not charge an entry fee for the Taste.
- 3.13.4. For the 2015–16 event the Council trialed a cashless Taste.

- 3.13.5. In 2015 the Council engaged Gill Minervini to facilitate workshops with Stallholders and Aldermen. Ms Minervini facilitated a follow-up workshop with Aldermen in 2016 following the trial of the cashless system.
- 3.13.6. These workshops led to a significant officer report to the Council in May 2016 recommending a number of changes. The Council resolved, among other things, to retain ownership of the Taste, retain free entry and impose a stallholder levy of 10 per cent of gross turnover.
- 3.13.7. In September 2016 the Council resolved that the Taste would be both cash and EFTPOS thereby moving away from the 'cashless Taste'.
- 3.13.8. In 2017 the Council engaged Rhys Edwards to also facilitate a number of workshops in February and March with Aldermen concerning the future of the Taste. These workshops covered a range of different operating models.
- 3.13.9. In September 2017 the Council resolved to reduce the Stallholder levy from 10 per cent to 5 per cent after being advised the 10 per cent levy was acting as a deterrent to stallholder participation in the event.
- 3.13.10. During this time the current specialist Festival Director, Brooke Webb was also appointed.
- 3.14. Having considered the above reports in detail, broadly speaking the future options are as follows:
  - 3.14.1. Keep the event internal to Council as it is currently operated but at an increased level of investment not less than the \$1.65 million budgeted for the 2018–19 event. The event is delivered by Council staff as is the current situation but having addressed the issues outlined in Attachment A noting delegation of full operational control for the event, including fees and charges, to the General Manager.
  - 3.14.2. Retain ownership of the Taste but seek to contract an external operator to deliver the event.
  - 3.14.3. Establish a Single Authority under sections 29 and 30 of the *Local Government Act 1993* to own and operate the Taste independently of Council but still within Council ownership.
  - 3.14.4. Cease to deliver the Taste as a Council event but offer a substantial sponsorship package to ensure an external group / organisation delivers a "Taste like" event based on key criteria mandated by the Council.

- 3.14.5. Cease to deliver the Taste as a Council event but offer a substantial sponsorship for an external group / organisation to run an event with only limited requirements from the Council.
- 3.14.6. Cease to operate the Taste all together and offer no sponsorship opportunity and simply wait to see if there is demand for an event and whether the private sector seeks to fill that gap.
- 3.14.6.1. Should the Council wish to consider this option it should also consider if it still needs to have a role in New Year's Eve celebrations and the roll out of fireworks.
- 3.15. Each of these options will now be discussed in more detail.
- A. Keep the event internal to Council as it is currently operated but at an increased level of investment not less than the \$1.65 million budgeted for the 2018 /19 event.**
- Council makes a 5 year commitment to operating the Taste
  - The vision for the event is resolved
  - The budget is committed to.
- 3.16. Under this model the Taste team would continue to realign the brand of the Taste based on the successful 29th and 30th Tastes and seek to generate more meaningful sponsorship and increased revenue opportunities, leveraging upon a refreshed brand of the Taste.
- 3.17. This model would require a firm commitment from the Council to operate the event for say a five year period with a clear vision and minimum budget parameter that allows the team to create a series of Tastes that appeal to the community and just as importantly, appeal to potential sponsors and partners.
- 3.18. The success of the 29th Taste already produced dividends in terms of more meaningful sponsorship opportunities for the 30th event. However it would need a further three to five years before the Council investment could be meaningfully reduced by increased revenue opportunities.
- 3.19. Under this model a rejuvenated and successful Taste under Council ownership is possible but will require the commitment to an ongoing funding of not less than \$1.6 million. The Taste team then work to reduce this through increased sponsorship and ticket revenue over time.
- 3.20. This commitment would also allow for the Council to have a thorough discussion with the State Government regarding a more meaningful co-investment into the Taste.

**B. Retain ownership of the Taste but seek to contract an external operator to deliver the event.**

- Council owns event but subcontracts all delivery and operations.
  - Model adopted for 2011–12 event.
- 3.21. Under this model the Taste would still be a Council event and branded as such but an external event delivery company would be contracted to deliver the Taste in Council's name.
- 3.22. Council would retain complete control of the event, the brand, creative direction and key offerings, but an external provider is engaged to deliver everything to Council's specifications. That provider would then subcontract out the various components of delivery, site crew, entertainment, cleaning, waste and so on.
- 3.23. The risk is that such a provider may not deliver the event well, or to the Council and community's expectations, which would then impact upon the Council and the community's perceptions of Council.
- 3.24. As a seven day festival the Taste is the largest and therefore likely to be one of the most complex festivals in Australia. As a result there would be very few event companies suitable to take it on.

[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

(b) (7)(C), (b) (7)(D)

- 3.27. This model also has the potential for hidden costs such as traffic management and infrastructure support.
- 3.28. The potential for this model to not meet the Council's and the community's expectations is significant and consequently is not preferred.

**C. Establish a Single Authority under sections 29 and 30 of the *Local Government Act 1993* to own and operate the Taste independently of Council but still within Council ownership**

- Separate company under the *Local Government Act 1993*.
- 'Arms length' removal from the Council but ownership and cost still sits with the Council.



- 3.29. This model gives Council the 'arm's length' ownership of the event but is a step removed from the operator model above.
- 3.30. This option sees the Council establishing a separate company under the *Local Government Act 1993* to operate the event. The Council would still own the Taste by virtue of owning the Single Authority but would have no input into how the event is produced and delivered. All decisions relating to the creative and financial future of the event would be the responsibility of the Board and CEO of the Authority.
- 3.31. The advantage of this model is that it allows for separation of the event from the Council and removes, what some have termed, "the politics of the event" by removing the Council from any decision making in regard to the event.
- 3.32. The board of the Authority could be a skills / industry based board more focussed on the delivery of the Taste and not necessarily needing to consider the many other competing issues that the Council finds itself managing when considering the Taste.
- 3.33. This model would also allow for a more commercial consideration of the event and by separating the event from the Council would allow for greater sponsorship and revenue opportunities that are not always possible in a Council operated environment. It would also allow for timelier decision making that is not reliant upon the cycle of committee and Council meetings.
- 3.34. Conversely there is still potential significant cost with this model for the Council. The Council would need to underwrite the operational costs of the Authority for some time, if not indefinitely. It is unlikely the authority would have any property against which to raise capital nor would the business of a festival be an activity that the Authority could borrow money against.
  - 3.34.1. In addition this model would incur costs for Directors and a CEO of the newly formed company.
- 3.35. A further drawback is also likely to be that while decision making would be timelier, the Authority is still a creature of the *Local Government Act* and as such would still be subject to the policies and processes that local government is. While this provides a high level governance and probity, experience shows that this often conflicts with the creative side of bringing a large scale event together.

**D. Cease to deliver the Taste as a Council event but offer a substantial sponsorship package to ensure an external group / organisation delivers a “Taste like” event based on key criteria mandated by the Council.**

- Council ceases to operate Taste
  - Commits to significant sponsorship for up to 3 years
  - Requires certain event outcomes in return for sponsorship.
- 3.36. In this model the Council seeks an external provider for an event and the event is operated completely independently of the Council, however the Council uses a significant sponsorship arrangement as a lever to achieve certain outcomes.
- 3.37. For *example* the Council may publicly offer a significant 3 – 5 year sponsorship arrangement for an event that needs to fulfil the following criteria:
- 3.37.1. Operates annually between 28 December and 3 January for certain times of day
  - 3.37.2. Is located on the Hobart Waterfront
  - 3.37.3. Features Tasmanian food and beverage as its core offering
  - 3.37.4. Offers a New Year’s Eve special event
  - 3.37.5. Is free / not free to enter to the public.
- 3.38. *These are examples only* but give an indication of some of the levers the Council may be able to use if the Sponsorship was sufficient enough.
- 3.39. The advantage of this model is that it removes the Council from being the owner of the event and it simply becomes a sponsor in the same way it sponsors Dark MOFO or the Australian Wooden Boat Festival.
- 3.40. Additionally this approach puts a financial limit on the Council’s involvement that the Council is likely to be more comfortable with in the longer term.
- 3.41. It also provides the Council with a vehicle to decrease (or increase) its sponsorship in the future should the event become sustainable in its own right.
- 3.42. The disadvantage is that beyond these types of levers above the Council will have no curatorial control of the event.

**E. Cease to deliver the Taste as a Council event but offer a substantial sponsorship for an external group / organisation to run an event with only limited requirements from the Council**

- Council ceases to operate the Taste.
- Commits to significant sponsorship for up to 3 years.
- Requires minimal event outcomes in return for sponsorship.

3.43. This is a variant of model D above but rather than a number of conditions or levers for the sponsorship, the Council would only specify minimal needs. For example:

3.43.1. An event of a certain number of days over the Christmas New Year period on the Hobart waterfront.

3.44. Clearly this model would give the Council even less control but in considering this, the Council's attention is drawn to paragraph 3.12 of this report, which is asking the Council to consider what it is trying to achieve in considering this matter.

3.45. Does the Council need to control the type of event, or is it merely interested in securing a community cultural event occurs over Christmas - New Year?

**F. Cease to operate the Taste all together and offer no sponsorship opportunity and simply wait to see if there is demand for an event and whether the private sector seeks to fill that gap.**

3.46. The logical follow on from the above discussion is therefore for the Council to consider whether it even needs to be involved in an event at all.

3.47. It is an option for the Council to simply resolve that it will no longer deliver The Taste of Tasmania and take no further action. This would then provide the community and / or the private sector an opportunity to fill any perceived gaps in Hobart's festival offering.

3.48. While in one sense this option might seem extreme it does not preclude the Council from revisiting its decision in the future and it clears the way for a truly market driven response.

3.49. Regardless of which decision the Council takes there is likely to be media and community comment. However given the very negative comment in recent events prior to the 29th Taste it is expected that on balance the comment would recognise the Council for making a difficult decision about the future of the Taste and that any such decision was in the interest of the ratepayers of Hobart and the future of the Taste itself.

**4. Proposal and Implementation**

- 4.1. It is proposed that the Council resolve whether it wishes to continue to operate the Taste.
- 4.2. If so, then it is the recommendation of this report that it be undertaken in house as is currently the situation but recognising that a significant ongoing investment of not less than \$1.6 million is required (option A above). In addition the Council should delegate full operational management of the event, including the setting of fees and charges, to the General Manager.
- 4.3. If the Council does not wish to operate the Taste into the future then it is proposed the Council consider either options E or F above.

**5. Strategic Planning and Policy Considerations**

- 5.1. Over the years the Council has considered the future of the Taste many times.
- 5.2. The Council's current Strategic Plan states at section 1.3, *Vibrant city centre and suburban precincts* - 1.3.1 Support and deliver events, festivals and markets.
- 5.3. The new community vision states in Pillar 3, *Community and Culture*, at 3.2:  
*We are a creative and cultural capital; We are a city that celebrates. We value our events and festivals as sources of learning, entertainment, debate and connections with others.*
- 5.4. However as noted earlier in this report and in Attachment A, the event has suffered from a lack of a vision which in turn hinders its planning.

**6. Financial Implications**

- 6.1. Funding Source and Impact on Current Year Operating Result
  - 6.1.1. These have been discussed at a broad level in this report. Depending upon which option the Council chooses a more detailed financial analysis would be provided.
  - 6.1.2. There is also historical detail provided in Attachment A.
- 6.2. Impact on Future Years' Financial Result
  - 6.2.1. As above.
- 6.3. Asset Related Implications
  - 6.3.1. As above.

**7. Legal, Risk and Legislative Considerations**

- 7.1. There are no particular legal issues arising from this subject matter of this report and risk issues are discussed throughout.

**8. Environmental Considerations**

- 8.1. The Council should be proud of what the Taste has achieved in terms of its environmental footprint.

**9. Social and Customer Considerations**

- 9.1. These are discussed throughout this report.

**10. Marketing and Media**

- 10.1. There is no doubt there has been great media interest in the 30th Taste. The Taste has always attracted publicity for varying reasons.
- 10.2. Any Council decision about the future of the Taste will be widely publicised and it is therefore important that any decision made by the Council is messaged in a very clear and simple manner.
- 10.3. The Council's communication team have been briefed on this report and will engage with the media as necessary.

**11. Community and Stakeholder Engagement**

- 11.1. There has not been an independent assessment of, or engagement with, ratepayers of Hobart as to what they think about the Taste and its cost.
- 11.1.1. While there are no limitations as to why such a survey could not be undertaken there are of course many residents of Hobart who are not ratepayers who may feel they should also have a say.
- 11.1.2. Furthermore why the Council would only undertake a direct engagement on this decision and not other key decisions may raise more questions than it answers.
- 11.2. There are many stakeholders involved in the Taste, not the least of which are the many small Tasmanian businesses that have grown with the Taste over the years. They have been critical to the event's longevity and deserve consideration and respect in the way that the Council deals with the future of the event.

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**12. Delegation**

12.1. The matter is one for the Council.

*As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.*



Tim Short  
**ASSOCIATE DIRECTOR CITY  
ECONOMY, TOURISM AND EVENTS**

Date: 4 January 2019  
File Reference: F19/458; 18/90

Attachment A: The Taste of Tasmania Future Options ↴

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**The Taste of Tasmania Future Options**

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**Introduction**

The purpose of this paper is to present to the Council an analysis of the issues facing The Taste of Tasmania. It is designed to be read in conjunction with the report included on the Community Culture and Events Committee agenda of 9 January 2019.

This paper will conclude with three key decisions that the Council should consider if it wishes to see the Taste grow and rebuild itself under Council ownership. If the Council is unable to make these decisions, the accompanying Council report recommends a number of options for the Council to divest itself of The Taste of Tasmania.

**Background**

The Taste of Tasmania has been operating for 30 years.

The Taste is the longest and largest continuously running food and wine festival in Australia. As an event run by a local government this is a credit to the City of Hobart for having invested in the event and therefore the community for so long.

The reason for commencing the Taste was very simple – to provide an event on Hobart's waterfront for competitors in the major yacht races concluding in Hobart and as a way of attracting yachties and their families to stay longer in Hobart.

Since its commencement in 1988 it could be said that it has become somewhat iconic. It has now been operating for such a long period of time that it is part of the collective community memory and people can reflect on events in their lives that 'happened at the Taste'. Over the years the Taste has gone through a number of largely cosmetic changes and has grown and shrunk but has always had at its core the offer of Tasmanian food, wine, beer and non-alcoholic beverages.

However, in the last six years there has been a rapid decline in people's perceptions of the event which has been reflected in considerably less than favourable media coverage. This brand decline has largely stemmed from a perception that the event does not change and a perception that Council cannot make up its mind as to what the future of the Taste should be, including the issue of cost neutrality - therefore creating a high degree of uncertainty for staff, stallholders and the community. In addition Aldermen are often portrayed in the media as being at odds with each other about the future of the event. While in one sense this is a fact of life in a democratic institution such as local government, it does have the direct impact for the Taste that people perceive that the Council does not know what it wants to do with regard to the Taste.

Various Aldermen over the years have asked the question, should the rate payers of Hobart be the sole investor in an event that attracts people from all over Tasmania and Australia? This is a very legitimate question and if the Council were to proceed with operating the Taste it must be certain of why it wants to operate the event and what the long term plan is.

The Council will be aware that the net investment for the 2018–19 event is \$1.65 million. This amount represents two per cent of the rates income collected by the Council annually. Clearly this is a large investment of public money but it is also an investment in community wellbeing and the cost of the event should also be considered in this light.

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Naturally these decisions are taken against the backdrop of the myriad of competing demands against Council's limited resources.

For the 2018–19 event an economic and social benefits analysis has been commissioned. The results of this study will not be available until the end of February 2019. The last time an economic benefits analysis of the event was conducted was for the 2010–11 event. That study found the following:

- Visitation was estimated at up to 250,000 people
- *Direct* economic injection was just over \$20 million
- Combined *direct* and *indirect* impact of this expenditure was an increase in output across Tasmania of \$39 million
- 294 full-time, part-time and casual jobs created
- An increase in gross state product of \$16 million.

For the 29<sup>th</sup> Taste a new team including a specialist Festival Director was appointed which did have the effect of refreshing the event. This suggested the possibility of a positive future for The Taste of Tasmania.

However if the Taste is to have a future beyond its 30<sup>th</sup> there does need to be a serious conversation about its future and what the Council want the vision for the Taste to be going forward.

The below statistics from the event offer a snapshot into the history, scope and level of engagement of the festival. Financial parameters of the Taste for the previous 10 years have been:

Year	Total Operating Expenditure	Total Operating Revenue	Total Council Investment	Taste of Tasmania	NYE Fireworks	Kids in the Park
2018-19*	3,490,115	1,839,000	1,651,115	1,651,115	Part of Taste	Part of Taste
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\*Budgeted figures for the current year.

Note: - figures do not include Capital or Plant and Equipment expenses.



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The table shows that the cost or *net investment* by the Council into the Taste (including Kids in the Park and New Year's Eve fireworks) varies considerably over time. It is important to note that in some years New Year's Eve fireworks and Kids in the Park have been separated out from the Taste, but generally speaking it is submitted that it is more logical to consider it as one overall event as in the eyes of the community there is no difference – it is all perceived as "The Taste".

**Stallholder numbers**

<b>2018–19:</b>	114 Stallholders
<b>2017–18:</b>	74 Stallholders
<b>2016–17:</b>	72 Stallholders
<b>2015–16:</b>	68 Stallholders
<b>2014–15:</b>	74 Stallholders
<b>2013–14:</b>	68 Stallholders
<b>2012–13:</b>	67 Stallholders
<b>2011–12:</b>	data not available
<b>2010–11:</b>	data not available
<b>2009–10:</b>	70 Stallholders
<b>2008–09:</b>	73 Stallholders

Stallholders have always been reasonably constant due to the manner in which the site was viewed and managed. This year an increase in stallholder numbers has been able to occur through a change in the use of Parliament Lawns as a 'new producer space'.

**Patron numbers**

Reliable and accurate attendance for the event has been collected since the 2014–15 event. Prior to that estimates were made. Please note the numbers for the 2018-19 event are still subject to final verification.

Year	28/12	29/12	30/12	31/12	1/1	2/1	3/1	Total
2018-19	41,159	54,259	49,150	18,709	30,067	33,869		
2017-18	35,560	38,419	34,340	18,221	31,207	29,195	29,055	215,997
2016-17	30,928	35,426	41,732	20,972	13,423	34,440	30,533	207,454
2015-16	39,317	36,702	34,997	18,156	34,695	42,285	29,398	235,550
2014-15	44,397	28,759	33,151	24,368	41,999	41,289	39,222	253,185

### Issues discussion

The new team has identified the following fundamental issues with the event which will be addressed in this paper. This paper will also respectfully submit that the Council needs to make a definitive decision on the future of the Taste as quickly as possible. The ideal scenario being that an approved budget is known at the conclusion of each festival to allow the Festival Director to create the concept, recruit staff and begin the procurement processes.

The issues identified effectively feed into each other and compound upon one another. Addressing just one of the issues will not solve the issues facing the Taste and a whole of system approach needs to be taken. The below diagram represents the cyclical nature of the issues facing The Taste of Tasmania:



Each of the issues will now be explained in more detail.

1. **Lack of clear vision for the Taste** – it is only ever planned on a year to year basis – what does the Council want The Taste of Tasmania to be?

While the Taste has now been operating for 30 years, apart from the fact that the Taste is put on each year, there does not seem to have been a clearly articulated long term vision for the event or even a business plan addressing the short to medium term. When the Taste was started, Hobart and Tasmania were quite different places than they are now. The waterfront precinct has changed dramatically in 30 years, and while once the perception might have been there wasn't 'much to do' over Christmas and the New Year period, the same cannot be said today.

- What does the Council want to achieve with The Taste?

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- Is it still relevant to have a food and wine festival on the waterfront at that time of the year?
- Is there an overall size of event that the Council is prepared to support?
- Does the Council see its role as providing The Taste if Tasmania?

The Council needs to consider and articulate very deliberately that it is committed to the Taste (or not) for a defined period of time, say for example five years. The Council needs to resolve, for example, does it want the Taste to be the premier food and wine event in Tasmania? In Australia? There is no doubt that Tasmania, more than ever now has a national and international reputation for its food, wine, whisky, gin...and the list could go on. It could be argued that an event like the Taste is more important than ever in showcasing this to an ever increasingly proud local community and growing national and international visitation. The Taste could be the pinnacle showcase for what Tasmania has to offer – but the Council will need to be clear if this is the desired outcome and ensure that the festival is adequately resourced to achieve this vision. The historical budget and operating model will not allow the Taste to achieve this outcome.

2. **Lack of clear budget parameters** – the Taste has no definitive budget which staff can work to and it is only set with less than 6 months to the event.

This is related to the lack of vision for the event. The budget for the Taste is set annually and appears to have been done so solely on the advice of staff from year to year. The budget planning cycle of the Council is counterproductive to producing a festival that keeps pace with its community. Historically staff have not known whether they can rely on the budget of the previous year's event to plan for the coming event. Instead a bid for budget is put in as part of the Council's overall budget process and it is not clear until July of each year what the budget for the Taste will be. Indeed there have been some years that the budget has not been clarified until September. It would be unlikely that any other festival in Australia, with the size and complexity of the Taste, is managed under such conditions. Generally festivals commence planning two to three years ahead. This is important and a fundamental component of being able to not only conceptually program a festival but engage the highest quality talent. The lack of a festival vision and a budget that is only set, at most, six months out from the festival render this type of planning impossible. The impact of this limited time from budget being set to festival delivery means that festivals have, historically been a 'cut and paste' from the year before with minor cosmetic changes. It is this type of situation that has directly led to the perception that that the Taste is tired and boring. There is simply not the freedom to plan a different event.

Furthermore until this year, the budget for the event had become inadequate to change anything. As the Taste grew it has become much more complex, thus needing more and more of its budget to just cope with the back of house process and systems needed to run an event of this magnitude. It was thus really only enough to allow for the set up and management of the site with a small entertainment program attached to it – with no real curatorial or artistic vision for the festival. This rendered the Taste at risk of becoming an expo as opposed to a lifestyle experience – and why therefore, would people come to an event that does not change and they can get the same experience at the plethora of other events that occur in Tasmania?

3. **Insufficient time to plan each event** – because the Council budget is only set in July each year this gives less than 6 months to plan, develop and implement the Taste – this is no longer acceptable given the size and complexity that the Taste has become.

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This point again, flows from 1 and 2 above. This year's Taste is a \$3.4 million event. After income it represents a net investment by the Council of \$1.65 million. The Taste is a big business by any measurement and for it to be delivered in a six month window is a credit to the staff, contractors and stallholders involved. However this is not a sustainable model and the current process poses some serious risks for the Council if changes are not made.

- Resourcing the event and the health of staff – see 5 below.
- Management of the space for the safety of stallholders and patrons.
- Brand management – there has already been a decline in how the event is perceived – its brand – which has a financial impact on the event through the ability (or lack of) to attract sponsorship and event partners.

The Council has a clearly defined method for budget preparation – which for most areas of the Council serves it well. But for semi commercial activities like the Taste, it provides no long term certainty for the event. Staff can genuinely not be certain of what the event budget will be until July. This puts massive limitations on the event in terms of the procurement process and the availability of materials, equipment, staff, contractors and performers. Naturally it is right and proper when dealing with public money that due process is followed – and it is. However with less than six months to pull the event together the recruitment process for staff alone can take up to two months; the procurement process for contractors can take one to two months, there is then little time left then for these resources to start preparing the event.

- 4. Timeliness of decision making by the Council with regards to the event** – there have been some occasions in recent years where the decision to proceed with the Taste, or key decisions regarding the Taste, have not occurred until September, making it even harder to pull together an event.

Over the years there has been much commentary about the politics of the Taste and Aldermen 'interfering' in the Taste. To a point this is true – some decisions around the Taste have been and need to be made by the Council, which by its nature therefore makes such decisions a matter of politics and majority voting.

However there is an inherent conflict in trying to run a dynamic and fast paced business like the Taste and the need to seek the Council's endorsement of various aspects of the event. Traditionally the Council has been involved in making decisions that range from the price of a glass on New Year's Eve through to whether there should be an entry fee to enter the site. Depending on the cycle of committee and Council meetings these decisions may not be particularly timely.

The Council needs to consider whether it needs to be involved in such decisions. The more decisions the Council is involved in the more the media and publicity cycle of the Taste involves aldermanic comment about the event and its future rather than discussion on the coming event, its program and what patrons can expect. Take for example this year's event. Early this year the Council took the liberating decision to delegate to the General Manager all aspects of Taste delivery. At a subsequent meeting the Council delegated to the General Manager the setting of all fees and charges in relation to the Taste. It has to be said that the lead up to the 30th event was the most positive and controlled in recent memory. It is respectfully submitted that this is because largely the Council (Aldermen and Councillors) have not been involved in media for the event – this has been undertaken through the Festival Director role which allows for a very different

relationship with the media and further allows for the discussion to be about the event rather than any politics surrounding it.

This year is therefore a perfect example of Aldermen setting policy versus making operational decisions. For this year's Taste the Council have much more clearly taken the policy role – resolving to have a Taste, agreeing to the budget and delegating operational decision making to the General Manager.

It is submitted that this is the most appropriate model into the future should the Council resolve to keep the Taste.

#### **5. Insufficient human resourcing of the event**

This is a direct result of inconsistency of budget parameters for the Taste and the timing of budget decisions. It is very difficult to plan, recruit and train adequate staff to operate the Taste when there is less than six months to go until the event. The budget has been insufficient to employ an adequate year round team. This means that the event is reduced to recruiting, respectfully, 'who is left' come August / September when there is a budget to recruit people. Sometimes the festival is lucky and talented people are recruited; but often the festival is only left with people with insufficient skill sets. A direct flow on from this is the pressure placed on both permanent and short-term team members -

But far more importantly raises the question, is the Council providing a safe workplace for team members?

With the current and past budget-model event staff can only commence from September each year, putting an unrealistic burden on staff and contractors. Even with the increased budget for this year's event the team is brought on later than desirable because the decision is still not made until July.

#### **6. The above factors then contribute to poor events which then leads to poor community and media perceptions.**

It is a logical follow on that an event, the size of the Taste, which is under resourced and only drawn together in less than six months will have a higher probability of not meeting community and patron expectations because there is insufficient time for the event to change.

The introduction of a cashless Taste / ALBERT for the 2015–16 event is a classic example of a political decision being made on an operational matter at the Taste. It is respectfully submitted that staff at the time could not have had sufficient information to adequately advise the Council as to the appropriateness of this significant change, but possibly felt under pressure to proceed with the model.

Similarly the decision to proceed with the 2014–15 event was only made at the Council meeting September that year. This put unrealistic expectations and pressure on staff to deliver the event. This was borne out in public and media commentary which painted the event as disappointing, tired, and dull etc. That particular year looking back was perhaps one of the lowest points for the event and saw a number of staff exit the Council or refuse to work on the Taste citing it as an unsafe work environment.

7. This in turn makes **the seeking of sponsorship problematic** as sponsors perceive an association with the event as high risk – which naturally effects the quantum of the Council's investment.

At a federal and state level there is often a term known as "sovereign risk"; that is the risk for the private sector when dealing with government and the fact that government policy or indeed governments themselves change when a commercial matter or contract is being negotiated or has been negotiated. This change can leave the company out of pocket.

The situation for the Council, the Taste and the private sector is not dissimilar. Recent Tastes have seen the event portrayed in the media largely for the wrong reasons and often the media make a link back to the Council decision making for the event.

Successive Councils have been very clear with staff - and have asked them to seek increased sponsorship for the event. There are, however, two reasons why this is problematic under the current operating model for the Taste. Firstly the Council is seeking sponsorship for the event usually in August, September and October – when all large corporations have already set their sponsorship budget and in fact often exhausted it. The time to seek sponsorship for the Taste is in February or March of each year - hopefully off the back of a successful event and with a clear offer of what the coming Taste will be. This is impossible under the current model when staff cannot be certain what the Taste will be until after Council's budget is set in July.

Secondly and more importantly is that with the recent reputational decline of the Taste, the Council has to face the reality that many sponsors do not want to be associated with the event as they do not see a positive alignment with their own brand – they perceive a local level of 'sovereign risk' by being associated with an event that the City of Hobart operates because of the negative comment that has surrounded the Taste and Aldermen seemingly at odds with each other about the event in very public arenas.

An important element of the sponsorship discussion is support from State Government. Approaches to the State Government have also always been made very late in the year – for the same reasons as stated above. Again this makes a meaningful discussion with them about support for the event very difficult. It is also understood that philosophically successive State Governments have argued that as Hobart is "full" over the period that the Taste is held and therefore it does not need to make a large contribution to an event like the Taste as it does not increase visitation outcomes. In contrast this is why the State Government is such a heavy supporter of events like Dark Mofo as they are at times of the year when visitation is traditionally low – therefore at this time of the year it is easier for the Government to argue its return on investment through increased visitation. Accordingly in the case of the Taste the Council's request of State Government needs to be targeted differently and needs to be about industry support for our new, existing and emerging producers. It is partly on this basis that support was received this year for the Greener Grass initiative.

### Conclusion

This paper has demonstrated a number of systemic issues related to the Taste and the environment it operates within the Council. These issues are not insurmountable and can be addressed should the Council wish to continue to operate the Taste.

The Council needs to apply a circuit breaker to this cycle which would allow staff the ability create, plan, deliver and operate a Taste that the Council and the community can be proud

of. However the Council must make some threshold decisions. These are explained in the attached report to the Council but for the sake of clarity are repeated here.

- A. The Council needs to be prepared to fund the Taste at a *minimum* level of net investment of \$1.65 million moving forward.
- B. The Council needs to be prepared to delegate all operational decision making for the event to the General Manager.
- C. The Council needs to commit to operating the Taste for a defined period and with a clear vision into the future to allow for longer term planning of future events rather than just one year at a time. Staff need the certainty to know that, for example, there is a five year horizon for the event, with say a significant review between each five year cycle.

If the Council is willing to make the above decisions this will enable:

- Time to plan more than one event at a time
- A budget that allows:
  - More certainty with which to recruit skilled staff
  - A more curated event.

If the Council does not wish to make the above commitments then the accompanying report outlines a number of alternative operating models to consider.