

Fun4Kids: the missing bits



OPINION

When the Warrnambool City Council gathers tonight (3/11) for its monthly public meeting, there will be one item missing from the agenda: the full picture of the parlous state of the Fun4Kids festival, as outlined to councillors a fortnight ago.

For some strange reason, this report – unlike others – did not make the cut and will not be released to the public until at least December, despite the future of the festival being the topic of the moment.

But the full report provides some fascinating details, such as the fact that there is, as yet, nobody to run the 2015 festival.

[As you now know, the eight-day festival](#) – whether you love it, don't like it, or are not-fussed either way – posted a record loss in 2014 which requires \$593,000 of council funds to cover, or around \$150,000 more than anticipated.

It also posted a record low attendance of just 19,758. By way of contrast, in 2005, the event attracted 32,112 people.



Mayor Michael Neoh remains confident that the fading Fun4Kids festival can be turned around in six months. Image: ABC

Fun4Kids is dying, and has been for some years, but several councillors and **Mayor Michael Neoh** remain confident that they can turn things around in just six months and will spend at least another \$450,000 to do so.

This means that the total ratepayer subsidy since the festival began is closing in on \$7 million.

Let me say that again: **\$7 million**.

It has already been pointed out by **Cr Peter Hulin** that if Fun4Kids was producing such a stimulus to the local economy, why are there so many empty shops in the heart of Warrnambool?

And isn't it just a little strange to spend \$450,000 on Fun4Kids to stimulate the local economy while also asking traders to pay a compulsory levy to raise \$300,000 to stimulate the local economy? (In a neat piece of synchronicity, [objections to this levy close today](#)).

And why can't the council afford to offer 8 weeks of free summer car parking in the CBD to try and make visitors linger longer – at a cost of \$100,000 – yet it can fund 8 days of Fun4Kids for \$593,000?



None of it makes sense, and it makes less sense when you see the full details of the Fun4Kids briefing provided to councillors on October 20.

While we wait for the official release, here is a summary in dot points:

- * As it stands, there is nobody to run the Fun4Kids festival. Both the Service Manager (Events and Promotion) and the Marketing Manager have resigned from their roles. Both positions have been advertised, but not filled. Another part-time staff member will be taking maternity leave in December.

- * There has been "an erosion" in sponsorship and in-kind support for the festival, but the 2014 event still

secured \$646,250 of in-kind support. (Imagine the cost to ratepayers without it!)

- * Ticket sale revenue has dropped 30% from 2012 to 2014 (\$505,381 to \$372,479).

- * Locals are abandoning the festival. Of the 19,758 people who came to the 2014 festival, 9100 were from Warrnambool, compared to 13,812 in 2013. This is despite heavily discounted ticket prices for locals in the final days of the event.

- * Less people are coming from Melbourne: 3965 in 2014 compared to 5590 in 2013.

- * Council staff met with a lot of groups after the 2014 Fun4Kids festival to discuss the disappointing results: these groups included Sovereign Hill, Great Ocean Road Tourism, Federation Square and Melbourne Major Events. These groups highlighted a lack of local support and the increased competition in children's entertainment as significant issues.



Given all of the above, it is not surprising that council staff recommended Fun4Kids not continue in 2015.

This is the nub of what they said to councillors on October 20:

"Despite the positive feedback and suggested recommendations, Council officers are not confident, given the above findings, the financial results of the festival, the loss of events and

promotions capability within the organisation, and the overall increases in the costs of running the festival, that it would be possible to attract back the levels of audience participation that the festival needs to meet its financial targets."

They then went on to recommend that community groups, traders and tourism bodies be told as soon as possible that the event was ending, and that council develop an "events strategy" to build on the city's strengths and attract tourists all-year round.

But we know what happened: the advice was dismissed and the council now has six months to pull off a miracle turn-around.

While nobody wants to be the person who closes down Peppa Pig, it takes true grit and leadership to admit that the event has had its day and another \$450,000 could be better used on developing a fresh attraction.

Fun4Kids faces axe after cost blow-out



Opinion – Carol Altmann

The 2014 Fun4Kids festival is expected to show a record loss of up to \$600,000, prompting a recommendation from Warrnambool City Council staff that it be axed in 2015.

Bluestone believes that the figures – due to be released by the council early next month – will confirm that the cost to ratepayers to subsidise the annual, eight-day festival has quadrupled in less than 10 years.

As a result, it is understood that council staff have taken a 360-degree turn from last December, when it was recommended the 14-year-old festival be funded for another three years at a cost of up to \$450,000 a year, to recommending it be closed.

The total subsidy for the festival since it started in 1999 is now in excess of \$6 million with, as some councillors have argued, not a lot to show for it.

As it happens, in anticipation of the 2014 figures being released, I had already spent some time crunching the numbers from Fun4Kids in 2005 – which was a good year – compared to 2013, and this is how they stacked up:

[box]Total cost of the event:

2005: \$672,223

2013: \$1,082,070 (up 60%)

Total revenue from the event:

2005: \$523,115

2013: \$614, 242 (up 17%)

Council subsidy for the event:

2005: \$156,354

2013: \$467,827 (almost tripled)

As you can see, even before the release of the 2014 figures, the public subsidy for the event has almost tripled and is about to get a whole lot worse.



Before I am accused of attacking an event that is designed for kids, it is worth remembering the Warrnambool City Council's own aims when Fun4Kids first started in 1999.

At that time, the idea was for the festival to break-even or be "cost neutral" within a few years.

By 2003 – four years on – the council was told by external consultants that this was still unrealistic and that, "for the next few years at least", it would need to spend around

\$100,000 a year on helping Fun4Kids to meet its expenses.

Any thoughts of even trying to break even have since been forgotten and, each year, the event has become much more expensive to run.

This might not be such an issue if Fun4Kids was drawing record crowds, but less people are showing up.

In 2005, attendances were at 32,112. By 2009, this had fallen to 24,349 and by 2013, it was down to 22,217 people, or a third less than the 2005 numbers.

It appears the numbers for 2014 will be even worse, despite ticket giveaways and drastically reduced ticket prices for locals in the final days of the event.



One of the biggest costs has been in paying performers, as the festival has sought to attract more high-profile artists: the performance costs were \$69,970 in 2005 and \$220,000 in 2013. Talent does not come cheap.

When I asked the council last week about the rising cost of running the event, its spokesman replied:

"The increase in the cost of Fun4Kids from 2005 is largely explained through a changed accounting methodology which included the cost of staff salaries (the time commitment of events staff into the project) and inflation."

But internal council staffing costs of around \$82,000 were included in the 2005 total and inflation has been low for the past decade: around 3 per cent.

On any measure, Fun4Kids cannot be deemed a financial success for the council, but it has previously justified its subsidy on the wider spin-offs for the city, and there is no doubt tourism operators and a few local businesses see Fun4Kids as a boost in what can be quiet months of the year.

Again, however, the wider spin-offs for Warrnambool have not grown in step with the rising cost.



According to the 2005 figures, the wider economic benefit from Fun4Kids was estimated at around \$4.5 million. By 2013, this had not grown, but *fallen* to \$3.69 million.

The more direct economic impact (using a different formula, based on actual spending), was set at \$1.51 million in 2005 and had climbed to \$1.94 million in 2013, which is a slight, but not significant, improvement after eight years.

Of course there are lots of immeasurables around an event such as Fun4Kids, including providing a fun event for young families, and encouraging those tourists who do attend to visit Warrnambool again.

The event has also been recognised in the past with tourism awards and, no doubt, adds to the number of “things to do” in Warrnambool during the off-season.

But it was never set up to be a loss-making exercise and I

wondered when it was decided to reposition Fun4Kids from becoming “cost neutral” to heavily subsidised.

I emailed this question to the council’s media and communications manager to see if he could flush out the history.

“Council makes a decision annually on the festival, including decisions relating to its budget,” was the reply.

While the subsidies are not quite on the scale of a Melbourne Formula One Grand Prix, the question needs to be asked as to what a regional council is doing in the business of commercial event management, especially when the event is losing its lustre?

And would any other publicly funded event in Warrnambool, such as Wunta, be given as much financial leeway as Fun4Kids before it was reigned in?

Irrespective of your attitude about Fun4Kids, I believe these are legitimate questions to ask of those in charge of spending your money and more people, no doubt, will be asking the same questions when the 2014 losses officially come to light.

[box] Sources used for this piece include: WCC agenda 10.5.05; Auditor-General Victoria report, *Results of Special Reviews and other Investigations*, May 2005; WCC Budget 2004-05; Fun4Kids Service Review, WCC minutes 9 Dec, 2013.[/box]

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What about more fun for grown-ups?



The Fun4Kids festival in Warrnambool is gone for another year – and the grass re-growth begins ...

OPINION

[dropcap style="color: #a02f2f;"] A [/dropcap]s Warrnambool restores the grass on the Civic Green after another whirlwind Fun4Kids festival, I can't help but wonder when we will turn our attention to more permanent attractions for grown-ups.

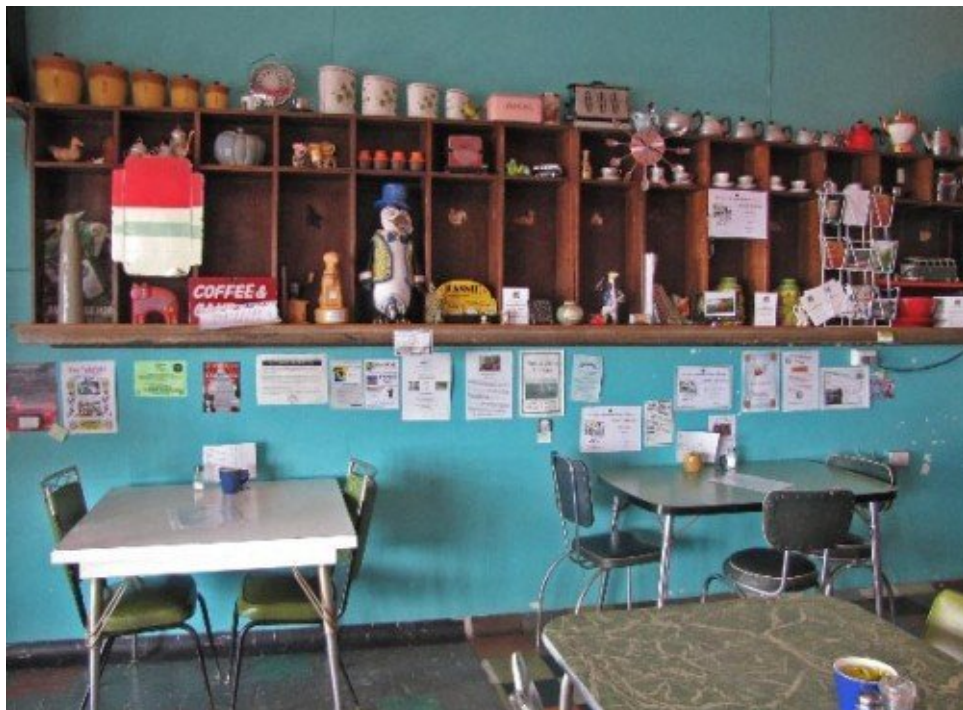
As one local put it, "Warrnambool is great for kids and great for the elderly, but there is not a lot for people in the middle" – and she is spot on.

Most regional cities in Victoria are coming up with new ways to attract the cashed-up, time-poor, middle-aged, middle class who want to spend their dollars on unique experiences and

personal indulgence, but Warrnambool persists with “big things” that lose money.

Two of our attractions – Fun4Kids and Flagstaff Hill – cost the Warrnambool City Council around \$1 million a year to prop up. In a queer kind of logic, we continue to subsidise the cost of these attractions to ensure their survival, but still consider them successful and necessary.

It would be understandable if these attractions were just starting out and trying to find their feet, after all, every new concept needs time to establish itself. But Fun4Kids is in its 14th year – 14th! – and still doesn’t break even despite the valiant efforts of all those involved and how much fun there is to be had.



Quirky shops and cafes – like this little cafe in the town of Penguin, Tasmania (popln 3924) – are what put a town (or city) on the tourist map.

[dropcap style="color: #a02f2f;"] A [/dropcap] report commissioned by the council last year was upbeat in its assessment of Fun4Kids. It found the event created direct expenditure of around \$1.9 million and that this, in turn, stimulates even more economic activity which – based on a series of sums and guesstimates – brings the total benefit to an estimated \$3.69 million.

These figures, however, are always hard to quantify – where does this \$3.7 million, if it exists, actually go?

From the council report, it appears local accommodation is a big winner through filling more beds in winter, but other traders are less affected.

Of the 95 traders who responded to a council survey, 50 per cent said their turnover *remained about the same for this time of year* and only nine (10 per cent) said it was significantly higher.

Some may consider \$450,000 a year a small price to pay for an injection of winter tourists, but if we add up the total cost over 14 years – around \$6 million – you start to wonder what we have to show for the money.

Perhaps the \$6 million would have been better spent helping to establish a series of experiences that run all year round?

You only have to look at any of the recent Victorian tourism reports to see where the future lies: eco-tourism, food, wine, art, culture, boutique/quirky shops and unique, luxury experiences. In other words, fun for grown ups who may, or may not, also want to take their kids along.



Tanya Connellan and Liz Foreman from the Merrijig Inn are part of a new artisan food trail that has started around the Port Fairy district.

[dropcap style="color: #a02f2f;"] 0 [/dropcap]nce again, Port Fairy is leading the way. It is hard to believe today, but 30 years ago Port Fairy was a very cheap place to live because it was considered a dumpy backwater.

Since then, it has reinvented itself spectacularly by tapping into its natural assets – its seaside location, history, charming buildings (see our story this week on [Coffin Sally's bar](#)) and its access to the rich, fertile soils that support a boutique food and wine industry.

The same week as Fun4Kids started, for example, Port Fairy used its [Winter Warmer Weekends](#) to launch an artisan food trail.

Shane Clancey, from Basalt Wines, Killarney, has teamed up with the [Merrijig Inn](#), Port Fairy, and [Shaw River Buffalo Cheese](#), at Yambuk – among others – to showcase the fantastic food and wine that is produced in the area.

I can see Melbourne folk salivating already at the thought of driving down the Great Ocean Road, taking in the 12 Apostles, winding their way through the [12 Apostles Gourmet Food Trail](#) that incorporates the [Timboon Distillery](#), [Newton's Ridge](#), Apostle Whey Cheeses and others, then zooming on to Port Fairy to do more of the same, before retiring for the night in a gorgeous 1800's cottage with a crackling fire.

Why would they bother to linger in Warrnambool?



Warrnambool has an ecological, environmental and cultural gem on its doorstep with Tower Hill, but does little to capitalise on its potential. Image: [Travel Victoria](#).

[dropcap style="color: #a02f2f;"] I [/dropcap] have [written before](#) about how frustrating it is that Warrnambool does not make more of its natural advantages. We have one of the most spectacular and accessible coastlines in south-west Victoria, but is there even one classy restaurant with sea views?

We have Tower Hill on our doorstep, which [has already been identified](#) as a potential tourism mecca, but what are we doing to help capitalise on its appeal to bushwalkers,

birdwatchers and international visitors who appreciate our indigenous heritage far more than we do?

We have a city centre full of historic intact buildings – those that have not burnt down or been demolished – but what are we doing to assist those people trying to convert them into cafes, galleries, cosy wine bars, jazz clubs and boutique shops?

We have an incredible whale nursery, but is there a fun, interactive place for visitors to go and hear a whale sing, or to touch its 'skin', or learn about how and why they come to Warrnambool each year?

And we have an art gallery that was one of the best in regional Victoria when it opened in 1986, but has not seen any meaningful funds spent on it since – there isn't even a cafe – and it now relies increasingly on corporate events and weddings for income.

Imagine, just for a moment, if we didn't spend \$450,000 a year on subsidising 8 days of Fun4Kids, but instead divided this money to help kickstart great ideas – food trails, artisan studios, laneway cafes, cosy bars, boutique shops, a bush tucker cafe at Tower Hill and the like.

Perhaps then Warrnambool would have some enduring funk – as well as fun – for people of all ages.



The [Whale Museum](#) in Friday Harbor, Washington State, is devoted to orcas and shows that a museum does not have to be big, to be interesting.

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