

ITEM 5. SPONSORSHIP - EVENTS NSW

FILE NO: S050647

SUMMARY

The NSW Government has established Events NSW (ENSW) to ensure Sydney and New South Wales are an attractive event destination. ENSW has developed a Master Events Calendar. ENSW is working with government and industry partners to develop existing events, attract new events and ensure that events are delivered in a coordinated manner.

The Sustainable Sydney 2030 vision recognises the strategic importance of social and cultural sustainability and seeks to promote the development of a vibrant, creative and diverse community. The development of a cultural based calendar for Sydney is an action arising from the vision (1.4.3; 7.2.3; & 7.4.2).

The 2030 vision's intent is to develop a globally competitive and innovative city. Events are now viewed internationally as critical pieces of economic infrastructure for global cities. They play a major role in the economic and cultural growth of cities by attracting tourists, branding the city to attract investment, and developing the liveability of the city to retain key workers and industries.

A mechanism to establish a strategic and coordinated approach to event production and planning for Sydney and NSW has been needed for some time. In response to this, the NSW Government established ENSW with the stated objective to develop a Master Events Calendar to ensure the benefits provided by events are consistent year-round and long-term. The benefits of a Master Events Calendar (Calendar) are that events can be grouped and promoted as a package, such as the new summer season festival – Vivacity, which goes from New Year's Eve to Chinese New Year covering the summer's January and early February period. The Master Events Calendar was launched by the Premier on 16 October 2008.

The Calendar has introduced a categorisation system that evaluates events based on their economic, Sydney brand, cultural and community benefits and assigns them into five tiers. There are five planned Tier One 'events' in the Calendar, Tier One being the major category. The Calendar aims to secure agreement amongst stakeholders, such as the City, on the priority given to supporting, funding, promoting and facilitating these events.

ENSW has approached the City of Sydney, seeking to enter into an agreement on the commitment each organisation will make to delivering or supporting these events. The City has been recognised as significant producer of events and as a major supporter, through the grants and sponsorship program.

The Calendar commits ENSW to supporting, the City's major events: Sydney New Year's Eve, Chinese New Year, and Art & About by increasing cash grants and in funding marketing of the events nationally and internationally. In addition, the Calendar also commits ENSW to supporting and developing, through marketing investment or direct cash funding, other festivals categorised by the City as our 'major festivals': Sydney Festival, Sydney Film Festival, Sydney Writers' Festival, Sydney Biennale, and New Mardi Gras.

The City will gain from the establishment of the Calendar and an agreement with NSW because it will deliver a clear strategic plan to enable decision making based on priorities and strategic benefits. In addition, it commits the State Government to supporting and promoting the events, thereby enhancing their economic and cultural impact.

NSW is developing three new festivals as Tier One events – Vivacity, Vivid and Crave. The aim is to ensure Sydney has a strategic and well paced calendar of unique significant events including for the first time a mid winter festival - Vivid. Vivacity is an umbrella event pulling together established events in January to early February and the October festival Crave is a similar model. However, existing events will be receiving support to develop further, such as increasing funding from NSW for Chinese New Year (Vivacity) and Art & About (Crave). On these three events NSW will be making a funding investment of approximately \$6.5 million.

As noted, NSW will support City produced events. Specifically, the City will receive new cash financial support from NSW for Chinese New Year Festival (up to \$200,000) and new cash support for Art & About (up to \$300,000) per year for three years upon NSW Board approval. In return for supporting both City produced and other events that the City is a stakeholder in, NSW is requesting that the City contribute over three years to the production and financing of the newly planned mid-winter festival, "Vivid". The lack of a significant mid winter festival or event has been seen as a weakness in Sydney's tourism and retail marketing. The development of a new festival such as Vivid, the only totally new event in the Tier One category within the Calendar, is both a challenge and an opportunity for NSW and the City's stakeholders. Because of this extra level of difficulty facing NSW they have approached the City for support due to the City's event's experience and skills.

Importantly to the City, Vivid is seen as an event that can have strong economic development benefits for industries that play a crucial role within the LGA – that is the creative, design and burgeoning sustainable industries that dominate the CBD's fringes. Vivid needs to be planned as an event that plays roles in both entertaining the public and professionals while at the same time fostering industry and professional forums, exhibitions, and seminars attracting professionals in the creative and sustainable industries from across Australia and the international region.

It is recommended that the City offer NSW up to \$275,000 in cash sponsorship to Vivid, in addition to an already approved \$25,000 cash grant to the Smart Light festival which is an integral event for Vivid. (Resolved by Council on 4 August 2008 in the Grants and Sponsorship Grants Program 2008-09 report.) In addition, it is recommended that the City offer production assistance by providing the New Year's Eve Producer to be the Executive Producer of Vivid.

NSW sees marketing as a critical element to the success of the Calendar and therefore approached the City requesting support with banners. It is recommended that the City waive the hire fees for an annual pool of banners up to the total of \$360,000 (Commercial rate ex GST) for the use of promoting five Tier One events throughout the year.

The Calendar builds on what the City is already undertaking in events planning. The only change to the City of Sydney's calendar will be the introduction of the Vivid festival which the City would support by providing the role of Executive Producer and a financial contribution.

A commitment to the Calendar would be through a Memorandum of Understanding between NSW and the City covering a period of three years.

This request is consistent with the Grants and Sponsorship Policy (March 2008) which allows for Council to approve grants and sponsorships outside of the normal process if it sees fit.

RECOMMENDATION

It is resolved that:

- (A) Council approve cash sponsorship for Vivid Festival of up to \$275,000 in the first year, \$175,000 in the second year and \$200,000 in the third year. Funding for the first year (2008-09) would be from already existing budgets;
- (B) Council approve the waiving of banner hire fees up to the equivalent of \$360,000 (Commercial rate ex GST) for Events NSW to use over five Tier One events per year for 3 years;
- (C) Council approve the provision of production assistance for Vivid Festival by City events staff;
- (D) authority be delegated to the Chief Executive Officer to enter into a Memorandum of Understanding with Events NSW; and
- (E) Council note that the City will receive cash financial support from ENSW for Chinese New Year Festival (up to \$200,000) and Art & About (up to \$300,000) per year for three years upon Board approval.

ATTACHMENTS

Attachment A: NSW Master Events Calendar

BACKGROUND

1. Events New South Wales (ENSW) has been established by the NSW Government to position Sydney and New South Wales as a preferred event destination to deliver significant economic, strategic, cultural and community benefits to Sydney and NSW through building on existing events and attracting new events.
2. The Sustainable Sydney 2030 vision has a number of objectives and actions which support the development and implementation of a master calendar and for the City to work closely with ENSW to deliver both large and local events. For example, the following Actions are relevant: 1.4.3 Work in partnership with the tourism industry and other governments to support tourism and brand Sydney; 7.2.3 Use Sydney's streets laneways and public spaces to showcase different art forms; and 7.4.1 Develop a cultural calendar for Sydney.
3. By collaborating with key government and industry partners, ENSW hopes to ensure the maximum benefit is provided with each event and that they are delivered in a coordinated manner.
4. Events are now viewed internationally as critical pieces of economic and cultural infrastructure for global cities. Events play a major role in the economic and cultural growth of global cities by attracting tourists, branding the city to attract investment, and developing the liveability of the city to retain key workers and industries. Events contribute to the creative energy essential to all knowledge based industries.
5. ENSW has developed a strategy called the Master Events Calendar (Calendar) that categorises events. This categorisation is based on the benefits gained from events and aims to assist in prioritising the levels of support they should receive from government throughout the year. ENSW has approached the City of Sydney to develop an agreement between our organisations to set out the commitment each organisation will make to City produced events and to the new top level events classed as Tier One in the Calendar.
6. The ENSW Board met on Friday 28 August 2008 to review submissions for the new Calendar and approved the concepts and the in-principle planning and budget estimates for the new events. This has the effect of enabling ENSW to move forward into a detailed planning mode for events and with key stakeholders: City of Sydney, Sydney Harbour Foreshore Authority, Sydney Opera House, NSW Office of Protocol and Special Events (OPSE) and various event proponents.
7. The Calendar commits ENSW to supporting and developing further the City's self-produced major showcase events: Sydney New Year's Eve, Chinese New Year, and Art & About by increasing cash grants and in funding increased marketing of the events nationally and internationally. In addition, the Calendar also commits ENSW to supporting and further developing, through marketing investment or direct cash funding, other festivals categorised by the City as our 'major festivals': Sydney Festival, Sydney Film Festival, Sydney Writers' Festival, Sydney Biennale, Australia Day and New Mardi Gras.
8. The Calendar establishes five event categories or Tiers with One being the most significant level down to Tier Five.

9. Not included in the Calendar are Mega Events such as the Olympics, World Cup Rugby, APEC and World Youth Day. Sydney has been unusual in having hosted all of the former listed Mega Events over the last eight years. No other City in the world has done so. This indicates that Sydney may not do so again for some time. There are only a few other Mega Events that Sydney has not hosted and they have significant lead times to attract. The Australian Government and NSW have indicated they are interested in bidding for the FIFA World Cup for 2018. NSW has indicated that the City does not need to plan for such large scale events for some time. This is a positive note for the City's budget considering the cost and implications of the last two events – APEC and World Youth Day. Note that the World Masters Games in October 2009 is only categorised as a Tier 2 event following analysis of its economic, strategic and community impacts.
10. The calendar lists five Tier One events:
 - (a) "Vivacity" in January (an umbrella event starting with New Years Eve, Sydney Festival First Night, Sydney Festival, Opera in the Domain, Australia Day, Monet Exhibition, and Chinese New Year);
 - (b) Autumn Racing Carnival in April;
 - (c) "Vivid" in June (a new umbrella event with a Sydney Opera House produced contemporary music festival, creative industries exhibitions, seminars, forums and workshops plus alternating each year the Biennale of Sydney with a new Smart Light festival);
 - (d) "Crave" in October (a month long umbrella event aiming to develop further Art & About, Sculpture By The Sea, SMH International Food Festival, Seven Bridges Walk, Spring Cycle, Dank Street Festival and other events); and
 - (e) Australian Open Golf Championship in November.
11. NSW is developing three new festivals as Tier One events – Vivacity, Vivid and Crave. On these three events NSW will be making a funding investment of approximately \$6.5 million. The aim is to ensure Sydney has a strategic and well-paced calendar of unique significant events, including for the first time a mid-winter festival - Vivid. Vivacity is an umbrella event pulling together established events in January to early February and the October festival Crave is a similar model. However, existing events will be receiving support to develop further, such as increasing funding from NSW for Chinese New Year (Vivacity) and Art & About (Crave). On these three events NSW is planning to make a funding investment of approximately \$6.5 million.
12. The lack of a significant mid-winter festival or event has been seen as a weakness in Sydney's tourism and retail marketing. The development of a new festival, Vivid, the only totally new event in the Tier One category within the calendar, is both a challenge and an opportunity for NSW and the City's stakeholders. Because of this extra level of difficulty facing NSW, they have approached the City for support due to the City's event's experience and skills. Importantly to the City, Vivid is seen as an event that can have strong economic development benefits for industries that play a crucial role within the LGA – that is the creative, design and burgeoning sustainable industries that dominate the CBD's fringes. Vivid needs to be planned as an event that plays roles in both entertaining the public and professionals while at the same time fostering industry and professional forums, exhibitions, and

seminars attracting professionals in the creative and sustainable industries from across Australia and the international region.

13. The City has been approached by NSW to support the Tier One events over a period of three years and develop a Memorandum of Understanding to detail and list the support between NSW and the City. They have requested promotional support by providing street banners with waived hire fees, cash sponsorship for the Vivid Festival, together with production support through the appointment of the Sydney New Year's Eve Producer as Executive Producer of Vivid.
14. Correspondingly, NSW has indicated that it will support the City's events, pending NSW Board approval, by providing new cash support for Chinese New Year (up to \$200,000 for three years) and new cash support for Art & About (up to \$300,000 for three years).
15. In addition, the Calendar also commits NSW to supporting and further developing, through marketing investment or direct cash funding, other festivals categorised by the City as our 'major festivals': Sydney Festival, Sydney Film Festival, Sydney Writers' Festival, Sydney Biennale, and New Mardi Gras. This increased support from NSW is positive for the City on numerous levels, including potentially decreasing their reliance on the City for cash support, for example, the NSW's recent announcement of new significant cash funding for New Mardi Gras.
16. On 2 October 2008, it was announced that NSW would support New Mardi Gras with cash funding. That support is approximately \$500,000 annually for three years. The aim is to build on the success of the event and reinforce its position as the world's leading gay and lesbian festival. The new support from NSW sets out to attract more international and national float participation in the parade, enhance the arts and cultural festival elements, integrate domestic and international marketing through Tourism NSW and secure existing and new media broadcasting opportunities.
17. A major element of the new Calendar is the development of the three new festivals – Vivacity, Vivid and Crave. While Vivacity and Crave are festivals formed by creating an umbrella brand over existing but evolving events, Vivid involves establishing new events.
18. Vivid is a new, large scale festival event, which aims to fill a gap in Sydney's tourism and events calendar with an innovative, creative and sustainable event. It would be located at the Sydney Opera House, City laneways, heritage buildings and village hubs. NSW has said elements of the festival have been proven in other parts of the world, but these elements would be specifically adapted to work for Sydney's environment, circumstances and strategic objectives.
19. The core elements of the Vivid Festival will be:
 - (a) A major contemporary music festival, located at the Sydney Opera House and other venues throughout the city of villages. It would be an adaptation of the 'Meltdown' model used by Southbank Centre in London since 1993. Meltdown is an annual festival which focuses on music events, but also features visual art/exhibitions, performance and film. This festival celebrates music as art, entertainment and as a critical creative industry employing people and generating export income.

- (b) Smart Light Sydney is an event promoting the entwining of art and sustainable lighting technology with buildings and laneways. The plan is to feature a major public artwork in the form of illumination of the Opera House sails, plus major creative lighting installations at the MCA, Customs House, Sydney Town Hall, Cockle Bay, and Sydney Observatory, as well as a "light walk".
 - (c) In alternate years, Smart Light will be replaced with Sydney Biennale. Since its inception in 1973, the Biennale of Sydney has provided an international platform for contemporary art. NSW view this as a highly regarded international event within art circles that, with their support, could be significantly broadened to a new audience.
 - (d) A creative and sustainable industries development stream of activities such as exhibitions, forums, conferences and seminars that evolve into a must attend event for the industry around Australia and the Region. NSW has stated that University Technology Sydney will play a major role in organising this stream. The aim is to bring together existing and new activities. In addition the City would align its activities to integrate into the festival, such as a City Talk and business forum plus Customs House and library activities during this period.
20. The City would like to see the village hubs used as sites for the Vivid activities, thereby promoting the significance of the creative industries to the inner city villages and of sustainable industries as a critical element for underpinning the attainment of Sustainable Sydney 2030's objectives.
21. NSW has requested that the City take an active partnership role with them and other stakeholders to deliver this event. NSW has requested cash funds from the City, production assistance and banner support through the waiving of fees.
22. It is recommended that Council approve cash sponsorship for the Vivid Festival of \$275,000 in the first year, \$175,000 in the second year and \$200,000 in the third year. The different totals of funding are due to the Biennale occurring in 2010 (Biennale is already sponsored) and the new Smart Light Festival occurring in 2009 and 2011 plus a general scaling down of funding by Events NSW to the event over the three years.
23. Funding for Vivid's first year (2008-09) would be from already existing budgets. In addition, Council should note that a grant of \$25,000 has already been approved by Council on 4 August 2008 to Sydney International Smart Light Festival Ltd when Council resolved the Grants and Sponsorships allocation of annual programs for 2008-09. These funds were a contribution to the Smart Light event for 2009. This element of the Vivid Festival is described as a core element above in paragraph 19(c). This would total \$300,000 cash being contributed to the Vivid Festival in 2009.
24. NSW has requested that the City assist with the production of Vivid. Following discussions with NSW, it is possible for the Sydney New Year's Eve Producer to undertake the role of Executive Producer. The Executive Producer would work with the individual event producers from the Sydney Opera House, UTS and Smart Light to deliver a coordinated whole – that is Vivid.

25. In regard to the waiving of banner hire fees for the event, a recommendation has been made that a total annual amount of value-in-kind waived banner fees be approved for NSW to use as it plans each Tier One event. It is recommended that \$360,000 (Commercial rate ex GST) in total value-in-kind waived banner hire fees be approved.
26. Crave is the third new festival and is timed for October each year. NSW states that it is the melding of existing, independently owned or managed Sydney events so that Sydney in October can be marketed to interstate and international visitors to drive a positive economic impact. NSW also states that Crave Sydney will link health, lifestyle, arts, culture, food, wine and outdoor living themes.
27. NSW plans to include a new Sydney International Food Festival (built on the current SMH Good Food Month in collaboration with Fairfax Media), Art & About, Sculpture by the Sea, Seven Bridges Walk, Breakfast on the Bridge, Darling Harbour Fiesta, Danks Street and Norton Street Fairs, art gallery blockbuster exhibitions, trade and business events, NSW Wine Awards, Royal Agricultural Presidents Medal dinner and others.
28. In most cases, these events have never before been marketed outside of Sydney. Therefore, there is potential to develop Crave as an umbrella event that promotes Sydney as a prime tourism and business destination during spring. NSW will own the intellectual property of the Crave brand, while the individual component events will retain their own level of financial, creative and operational independence.
29. It is proposed that the City also discuss how the Spring Cycle can be marketed under the Crave umbrella and thereby increase the marketing and promotion of cycling, while also starting the promotion of Sydney as a cycling destination. In discussions with Bike NSW, they are in favour of this and believe it would evolve the event in a positive way.
30. NSW has proposed that Art & About would receive extra funding to evolve the event to include two new elements and thereby strengthen its contribution to Crave. The first element is the inclusion of contemporary Aboriginal art work. The second new element would be to work with Sculpture by the Sea and deliver a City footprint for the sculptures. In discussions, NSW has said it believes extra funding of up to \$300,000 would be forthcoming to deliver these new two elements. Details would be outlined in any Memorandum of Understanding. The City has not undertaken any detailed scope of these new elements as they were proposed by NSW.
31. The City provides significant support to events in Sydney. Firstly, it is a major producer of events both large and small, expending approximately \$9 million annually. Secondly, through the 2009 Grants and Sponsorship program, it will contribute \$2.655 million in cash and \$917,000 in value-in-kind to events listed in the Calendar. Lastly, the City assists event producers through its Film and Event Liaison unit which aims to facilitate their production and delivery as well as venue hire and traffic management.

KEY IMPLICATIONS

32. Critically, the approach of the Master Events Calendar is to for the first time deliver a strategic approach to event planning, support and funding which is a paramount for Sydney if it is to remain a global city. This approach is supported by the objectives of the Sustainable Sydney 2030 vision which has been adopted by Council.
33. The Calendar's strategic approach and practical analysis of events supports the 2030 vision in key areas through significant contribution to direction 1, a globally competitive and innovative city; direction 5, a lively, engaging city centre; direction 6, vibrant local communities and economies; direction 7, a cultural and creative city; direction 9, and direction 10, governance: implementation through effective partnerships.
34. This complies with the Grants and Sponsorship Policy.

BUDGET IMPLICATIONS

35. NSW has requested support for specific events.
36. Provide sponsorship funding for Vivid Festival of up to \$275,000 in the first year, \$175,000 in the second year and \$200,000 in the third year. Funding for the first year would be from already existing budgets.
37. The opportunity cost for waived banner fees is \$360,000 per year. This is calculated at Commercial Rate ex GST.
38. NSW is proposing to provide cash funding to Chinese New Year of up to \$200,000 (subject to NSW Board approval) per year over three years (this would be an increase of \$100,000 on funding presently received) and to Art & About of up to \$300,000 per year over three years (ENSW have not funded Art & About before) which is new funding.

RELEVANT LEGISLATION

39. Local Government Act 1993, s356.

CRITICAL DATES / TIME FRAMES

40. Due to the size of these events, it is desirable for Events NSW to be advised of the outcome of their request as soon as possible. This also ensures that the City is able to ensure appropriate budgeting and resourcing occurs.

PUBLIC CONSULTATION

41. Discussions have been undertaken with ENSW in order to reach agreement about the contribution of each organisation to future events. ENSW publicly launched its Master Events Calendar on 16 October 2008.

ALASTAIR WALTON
Director City Engagement