

26 April 2006

**TEAMelbourne AND WEI-G'DAY CHINA:
MELBOURNE/TIANJIN - CITY OF MELBOURNE AND
MELBOURNEfc PROJECT PARTNERSHIP**

Committee Marketing and Events

Presenter Cr Jetter

Purpose

1. To propose a 3 year project partnership between the City of Melbourne and the Melbourne Football Club (MELBOURNEfc) for two projects comprising conducting AFL exhibition matches and training clinics in Tianjin, and to become a Foundation member of TEAMelbourne.

Consideration at Committee

2. As a result of consideration at Committee the recommendation was amended to read as detailed below.

Recommendation

3. That Council, in principle, approve the 3 year TEAMelbourne and We-G'day China project partnership with MELBOURNEfc, to the value of \$450k, with the first \$150k for the 2006-2007 year to be available subject to the 2006/2007 budget process.

Council Report Attachment:

1. Marketing and Events Committee, Agenda Item 3.3, 11 April 2006

11 April 2006

**TEAMELBOURNE AND WEI-G'DAY CHINA:
MELBOURNE/TIANJIN - CITY OF MELBOURNE AND
MELBOURNE FC PROJECT PARTNERSHIP**

Division Marketing, Tourism & Major Events

Presenter Jane Sharwood, Acting Manager Melbourne International

Purpose

1. To propose a 3 year project partnership between the City of Melbourne and the Melbourne Football Club (MELBOURNEfc) for two projects comprising conducting AFL exhibition matches and training clinics in Tianjin, and to become a Foundation member of TEAMelbourne.

Recommendation

2. That the Marketing and Events Committee recommend to Council the approval of a 3 year TEAMelbourne and Wei-G'day China project partnership with MELBOURNEfc, to the value of \$450k, with the first \$150k for the 2006-2007 year to be referred to the 2006/2007 budget process.

Key Issues

3. **Wei-G'Day China Project.** Commencing in October 2006, Wei-G'day China is a three year partnership that involves MELBOURNEfc playing an annual exhibition match in either Tianjin, Beijing or Shanghai with other AFL teams and to develop Australian Rules Football in our Chinese sister city through introductory clinics (eg Auskick). It aims to build an integrated sports/business event brand to increase in-bound investment and tourism to Melbourne as well as export opportunities for Melbourne-based businesses.
4. China is Victoria's largest trading partner with consistent double digit economic growth that will continue to be an important market for Australia.
5. Tianjin's expected growth and the 25 year old sister city relationship coupled with the Council's representative office (Melbourne Office Tianjin) therefore makes Tianjin a logical target market for Melbourne companies looking to enter China as well as the development of AFL.
6. Australian Rules Football was born and bred in Melbourne and provides an excellent opportunity to build a unique sporting relationship with Tianjin and China to engage in new commercial and tourism opportunities for Melbourne.
7. Sport and, in particular, Australian Rules Football is a unique point of difference for Melbourne's business connections with China.

8. Wei-G'day China project partnership includes:
 - 8.1. annual AFL exhibition match in China (Tianjin, Shanghai or Beijing) with MELBOURNEfc and different AFL teams;
 - 8.2. introductory clinics (e.g. Auskick) with AFL players and training involving local Chinese school children and athletes;
 - 8.3. accompanying business mission and / or industry capability showcase organised by Business Melbourne and Melbourne Office Tianjin;
 - 8.4. accompanying corporate networking / functions / events / trade shows;
 - 8.5. possible inclusion of other TEAMelbourne members eg. Melbourne Tigers, Melbourne Victory, Melbourne Storm; and
 - 8.6. expected high profile in Australian and Chinese media.
9. In March 2006, the City of Melbourne signed a sports agreement with the Tianjin Sports Bureau to build on the success of the Commonwealth Games and look for linkages ahead of the 2008 Olympic Games. Tianjin is a co-host city and Australian Rules Football was included in the agreement.
10. In the spirit of the above mentioned sister city sports agreement the potential scope of business missions accompanying MELBOURNEfc with an AFL exhibition match could include:
 - 10.1 stadia infrastructure, architecture and design;
 - 10.2 venue operations and management;
 - 10.3 organisation of major events, city management; and
 - 10.4 catering and waste (in particular environmental management).
11. The AFL is expanding its international focus and Melbourne will be hosting the Australian Football International Cup in 2008. China was not represented in the 2005 international cup but the AFL is keen to develop the game in China.
12. The City of Melbourne has been successful in hosting an Australian Youth Ambassador for Development in our Melbourne Office Tianjin, who will work with the AFL to introduce Auskick and the sport into Tianjin schools and universities. The Youth Ambassador begins in April for 10 months and will work in partnership with Tianjin Sports Bureau and Tianjin Education Commission.
13. The AFL in partnership with the City of Melbourne and Melbourne Office Tianjin has indicated support for a further 2 years for another volunteer/ambassador to assist with game development with a view to developing a Chinese national team for the 2008 International Cup, which is also the 150th anniversary of MELBOURNEfc and Australian Rules Football.
14. Possible 12 week placement of Tianjin government leader at MELBOURNEfc and/or AFL as part of the Tianjin Government Leaders Work Placement Program in late 2006 to further develop the sport in Tianjin.
15. Tianjin Mayor Dai Xianglong has indicated his desire to make Melbourne's Chinese sister city the home of Aussie Rules in China.

16. **TEAMelbourne.** The TEAMelbourne project is an innovative concept that establishes direct benefits to Melbourne's sporting public while strengthening the financial sustainability of Melbourne based clubs.
17. The State Government through Sport and Recreation Victoria provided seeding funding to undertake a feasibility study on the sustainability of Melbourne's national sporting clubs and to explore a unique partnership to provide direct benefit to the clubs and Melbourne sporting public.
18. TEAMelbourne brings together a strategic partnership between national and international Melbourne based teams as follows: Melbourne Football Club AFL (China, USA), Melbourne Tigers NBL (China), Melbourne Victory FIFA (Asia League), Melbourne Phoenix ANL (Asia), Melbourne Storm NRL (International), Melbourne Racing Club (Dubai, Hong Kong, New York).
19. The brand positioning of Melbourne and the benefit to Melbourne residents and visitors provide for an integrated sports experience, with purchasing, database leveraging and promotional opportunities to strengthen and assist in the financial sustainability of these important Melbourne clubs.

Time Frame

20. The project partnership would start in the 2006/2007 financial year for a three year period subject to annual review and reporting.

Relation to Council Policy

21. City Plan Strategic Direction 2.2 Foster a civic and business culture that encourages entrepreneurship and innovation through developing partnerships to promote a culture of innovation in all sectors of Melbourne's life and business.
22. Supports Melbourne International Strategy Key Theme #5, levelling the playing field through sports and the arts and the Tianjin sister city relationship.
23. Supports Council's major events and Melbourne 'branding' policy.

Consultation

24. MELBOURNEfc and City of Melbourne have gained the support and in principle agreement for Wei-G'day China proposal from the following organisations:
 - 24.1. Australian Football League;
 - 24.2. Australia China Business Council; and
 - 24.3. Australian and Chinese media.
25. The member group of TEAMelbourne has endorsed the concept and provided funding towards the project for three years on behalf of over 170,000 members.

Government Relations

26. MELBOURNEfc has raised the Wei-G'day proposal and gained positive feedback from:
 - 26.1. The Federal Minister for Sport; and
 - 26.2. Tourism Australia.
27. City of Melbourne and MELBOURNEfc have spoken with and gained in-principle agreement from:
 - 27.1. Victorian State Government; Invest Victoria and Department of Innovation, Industry and Regional Development, Tourism Victoria; and
 - 27.2. Department of Foreign Affairs & Trade, (including Australia China Council).
28. H.E. Dr Alan Thomas, Australian Ambassador to China has accepted an invitation from the City of Melbourne and Tianjin Municipal People's Government to participate in Wei-G'day China.
29. The State Government provided the initial seeding funds for the feasibility business case to be completed for TEAMelbourne.

Finance

30. The funding agreement as part of the TEAMelbourne
31. Wei-G'day China: City of Melbourne and MELBOURNEfc project partnership is not included in the 2006/2007 budget. An amount of \$150k per year for a period of 3 years is required to fund this project.

Legal

32. Whilst no direct legal issues arise from the recommendation, legal advice has and will continue to be provided on the issues discussed in the report as required.

Sustainability

33. The projects will assist Melbourne's international students gain better access to Melbourne's sporting culture through participation in MELBOURNEfc games and activities and enrich their experience of Melbourne; they will provide a point of difference from other international education markets.
34. Wei-G'Day China will provide an international focus for Melbourne's only truly unique sports export, Australian Rules Football, and ensure its longevity and internationalisation in the world's most populous nation.
35. It will encourage innovation through leveraging more formal business, investment and tourism links.

Background

36. Melbourne City Council has been looking for ways to highlight the benefit of sister city relations to the broader Melbourne community through a range of sporting exchanges.

37. As part of the MELBOURNEfc support for the Tianjin Government Leaders the club provided a tour of the MCG, special introduction to AFL rules and history of the game, free entry to 2 matches and attendance at the Chairman's function for the group leader Mr Wu Bingxi at the Telstra Dome on June 26 2005.
 38. The Wei-G'day China concept also included exploring the concept of holding an exhibition match in China and asked Melbourne International to use its contacts in Tianjin through the Melbourne Office Tianjin (MOTJ) and other parts of China to find a suitable venue.
 39. In August 2005, MOTJ contacted the Tianjin TEDA stadium, which was designed by Melbourne architects (Peddle Thorpe) and built by Melbourne engineering firm (Connell Wagner). TEDA stadium is built for soccer matches and athletics and can accommodate 120m long by 80m wide.
 40. To mark the 2006 Chinese New Year, MELBOURNEfc established the MELBOURNEfc Oriental Merchant Chinese New Year Dinner 2006 with Lord Mayor John So at the MCG. Over 150 people attended to lend support to the Wei-G'day China project partnership.
 41. In February 2006, the City of Melbourne and MELBOURNEfc organised a series of briefing sessions with relevant State and Federal Government Agencies to outline the Wei-G'day China concept with very positive feedback and in-principle agreements.
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FINANCE ATTACHMENT

**TEAMELBOURNE AND WEI-G'DAY CHINA: MELBOURNE/TIANJIN – CITY OF
MELBOURNE AND MELBOURNE FC PROJECT PARTNERSHIP**

Wei-G'day China: City of Melbourne and MELBOURNEfc project partnership is not included in the 2006/2007 budget. An amount of \$150k per year for a period of 3 years is required to fund this project.

Approval of the recommendation represents a pre-commitment for the 2006/07 Budget and a further two years.

This funding request should be subject to the normal 2006/07 budget approval process.

Joe Groher
Manager Financial Services

LEGAL ATTACHMENT

**TEAMELBOURNE AND WEI-G'DAY CHINA: MELBOURNE/TIANJIN – CITY OF
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Whilst no direct legal issues arise from the recommendation, legal advice has and will continue to be provided on the issues discussed in the report as required.

Section 3C(1) of the *Local Government Act 1989* (“the Act”) provides that:

“The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.”

Section 3C(2) of the Act provides that in seeking to achieve its primary objective the Council must have regard to facilitating objectives including:

“(d) to promote appropriate business and employment opportunities;”

Section 3D(2) sets out the various roles of a Council including:

“(d) advocating the interests of the local community to other communities and governments;”

Section 7 of the *City of Melbourne Act 2001* provides additional objectives including:

“(a) to ensure a proper balance within its community between economic, social, environmental and cultural considerations within the context of the City of Melbourne’s unique capital city responsibilities;”

The subject matter of the report is within the objectives of Council.

Kim Wood
Manager Legal Services