

**8 May 2007**

**CITY OF MELBOURNE EVENTS SPONSORSHIP STRATEGY  
2007 - 2010**

**Division** Commerce & Marketing

**Presenter** Peter Stewart, Manager Events Melbourne

**Purpose**

1. To seek approval from the Council to implement the City of Melbourne Events Sponsorship Strategy 2007 - 2010 subject to the funds being made available through the City of Melbourne Budget Cycle.

**Recommendation from Management**

2. That the Marketing and Events Committee recommend that Council:
  - 2.1. approve the City of Melbourne Events Sponsorship Strategy 2007 – 2010; and
  - 2.2. consider the allocation of sponsorship funding for the Homeless World Cup (\$200k), International Rugby (\$100k) and Melbourne Bicycle Festival (\$100k) in the 2007/08 financial year as part of the 2007/08 budget process.

**Key Issues**

3. The Melbourne events calendar is arguably the most extensive of any city in the world. Events ranging from international sporting championships through to local community festivals compete for dates, venues, media coverage, sponsors, participants and Council support. To ensure best value to the ratepayers of the City of Melbourne those events that provide best return on investment or have the potential to deliver substantial benefits to the City need to be identified and supported. In particular existing events, even if currently struggling, provide a far more cost effective vehicle for delivering significant outcomes than does establishing new events from scratch. New events are best established to support objectives not currently being, or potentially able to be, met by the existing events calendar.
4. A comprehensive review of the Melbourne events calendar during 2004/05, 2005/06 and 2006/07 was conducted and the following key event categories were identified.

**Melbourne Iconic Events**

5. Events that are uniquely Melbourne or that celebrate and support an iconic asset of Melbourne. These events celebrate a destination strength of Melbourne as identified in the Melbourne Marketing Strategy 2007 – 2011.

6. Events identified in the Melbourne Iconic Events category and the destination strength they support are:
  - 6.1. Melbourne Food & Wine Festival (Bars & Nightlife, Dining) – March;
  - 6.2. Melbourne International Flower & Garden Show (Parks & Gardens, Retail ) – April;
  - 6.3. AFL Grand Final Week (Sport) – September; and
  - 6.4. Melbourne Bike Festival - Incorporating the Jayco Herald Sun Tour, “Ride to Work Day” and the Portfolio Partners “Round the Bay in a Day” (Sport, Design Creativity & Innovation) – October.
7. Events in the Melbourne Iconic Events category are well established and have a proven benefit to Melbourne across a number of objectives. They have all been supported by Council over a number of years but in many instances the financial level of support has remained static. As a result these events struggle to grow as their sponsorship has diminished in real terms due to inflation. Increased sponsorship, as outlined in Attachment 1, will provide financial support that allows these events to develop and realise greater outcomes for the City of Melbourne.
8. The stable nature of events in the Melbourne Iconic Events category offers an opportunity for Council to enter into triennial sponsorship agreements with these events. Triennial sponsorship will provide a level of certainty to allow the organisers of these events to embark on long term growth strategies.
9. Financial sponsorship of events in the Melbourne Iconic Events category on a triennial basis will be recommended by a panel comprising; the Director Commerce & Marketing, the Manager Events Melbourne and three industry representatives appointed by Council. Review of these recommendations and final approval will be made by the Marketing and Events Committee of Council.

### **International and Special Events**

10. Events that have a significant global profile. These events assist in positioning Melbourne as a tourism destination in the global market through their media profile, attract visitors to Melbourne and provide economic benefit to local businesses.
11. Events identified in the International and Special Events category are;
  - 11.1. Australian Open Tennis – January;
  - 11.2. Australian Formula One Grand Prix – March;
  - 11.3. Melbourne Cup Carnival – November; and
  - 11.4. One off International Events (in 2007/08 this will include the Homeless World Cup – November and International Rugby - June).
12. Over the past two financial years \$500,000 has been approved by Council to support one off major international events in Melbourne. In 2005/06 it was for the Volvo Ocean Race Stopover and in 2006/07 it was for the World Swimming Championships. The recent commitment by the Victorian State Government through the Victorian Major Events Company to continue to attract these types of events ensures that Melbourne will be host to at least one event in this category each year into the foreseeable future.

13. The City of Melbourne uses sponsorship of these events to ensure that there is a link between city businesses and the event. In addition City of Melbourne sponsorship provides disadvantaged sectors of the community with access to the event which may otherwise be denied. The retention of \$500,000 in the budget to accommodate the International and Special Events category will enable these benefits to continue.
14. Financial sponsorship of events in the International and Special Events category will be approved by Council through the yearly Budget Cycle.

### **Cultural Events**

15. Events that celebrate a significant cultural group of Melbourne. These are events that have a long history in Melbourne due to the historical significance of the cultural group they celebrate.
16. Events identified in the Cultural Events category are:
  - 16.1. Australia Day – January;
  - 16.2. Chinese New Year – February;
  - 16.3. Antipodes Festival – March;
  - 16.4. Anzac Day – April; and
  - 16.5. Italian Festival – May.
17. Events in the Cultural Events category are well established and have a proven benefit to Melbourne across a number of objectives. They have been supported by Council over a number of years but in many instances the financial level of support has remained static. As a result these events struggle to grow as in real terms their sponsorship has diminished due to inflation.
18. The stable nature of events in the Cultural Events category offers an opportunity for Council to enter into triennial sponsorship agreements with these events. Triennial sponsorship will provide a level of certainty to allow the organisers of these events to embark on long term growth strategies.
19. Financial sponsorship of events in the Cultural Events category on a triennial basis will be recommended by a panel comprising; the Director Commerce & Marketing, the Manager Events Melbourne and three industry representatives appointed by Council. Review of these recommendations and final approval will be made by the Marketing and Events Committee of Council.
20. Cultural Events may also be supported by adoption of the “Community Events Model” as approved by the Marketing and Events Committee on 8 August 2006 and the waiving of fees for use of public spaces subject to approval by the Marketing and Events Committee of Council.

### **Docklands Events**

21. With the Docklands precinct being incorporated into the City of Melbourne from July 2007, events conducted within the Docklands need to be integrated with the broader Melbourne events calendar. The Docklands has particular needs and there is an expectation from the residents and traders in this precinct that events will be used to activate the area. A detailed Docklands event calendar is currently being developed, however based on previous years, possible events in this precinct may include;
  - 21.1. Skandia International – January;
  - 21.2. Melbourne Boat Show – February;

21.3. Contempra – February;

21.4. Dragon Boats Festival – March; and

21.5. Winter Wonderland – June.

22. Financial sponsorship of events in the Docklands Events category will be assessed and recommended through the Event Partnership Program process approved by the Business and Marketing Committee on 12 July 2005. Final approval will be made by the Marketing and Events Committee.

### **General Event Sponsorships**

23. Events not falling into any other category will be assessed under the Event Partnership Program process approved by the Business and Marketing Committee on 12 July 2005. Final approval will be made by the Marketing and Events Committee.

### **Triennial Sponsorship**

24. Events in the Melbourne Iconic and Cultural categories will be funded for a period of three years to allow for a level of certainty to permit the organisers of these events to embark on long term growth strategies. Triennial sponsorship will be dependant on events meeting strict sponsorship guidelines and while certain events have been identified in each category they will still be required to apply and meet specific criteria. Other events could also apply.
25. A Triennial Sponsorship Review Panel will be established comprising the Director Commerce & Marketing, the Manager Events Melbourne and three industry representatives appointed by Council. Council will review the recommendations of the Triennial Sponsorship Review Panel at the November 2007 Marketing and Events Committee meeting.
26. Funds will be allocated from financial year budgets for the next calendar year. That is;
- 26.1. Financial year 2007/08 sponsors 2008 event;
- 26.2. Financial year 2008/09 sponsors 2009 event; and
- 26.3. Financial year 2009/10 sponsors 2010 event.
27. A Triennial Sponsorship process for the calendar years 2008/09/10 would be conducted under the following timeline;
- 27.1. development of Triennial Sponsorship criteria & guidelines - May/June 2007;
- 27.2. appointment of Triennial Sponsorship Review Panel – July 2007;
- 27.3. applications for Triennial Sponsorship advertised - 1 August 2007;
- 27.4. applications close - 31 August 2007;
- 27.5. panel review applications and make recommendations - September 2007;
- 27.6. recommendation paper prepared for November MEC - 20 October 2007;
- 27.7. recommendations for Triennial Sponsorship reviewed by MEC - 20 November 2007;
- 27.8. notification and payment for the 2008 calendar year - December 2007;
- 27.9. acquittal report from event - 1 month post event;

27.10.notification and payment for the 2009 calendar year - December 2008;

27.11.acquittal report from event - 1 month post event;

27.12.notification and payment for the 2010 calendar year - December 2009; and

27.13.acquittal report from event - month post event.

### **Time Frame**

28. The initiatives outlined in this report are for implementation in the 2007/08, 2008/09 and 2009/10 financial years. Figures listed are in 2007 dollars and will need to be adjusted for CPI in subsequent years.

### **Relation to Council Policy**

29. Council policies that relate to this report include:

- 29.1. City Plan 2010 Strategic Direction 3.5:

*“Protect Melbourne’s distinctive physical character and ensure it continues to develop a strong ‘sense of place and identity’” has the objective to:*

*“provide and maintain a variety of quality parklands and informal public spaces to meet the passive and active recreational needs of the community”.*

- 29.2. City Plan 2010 Strategic Direction 3.3:

*“Promote, celebrate and further develop Melbourne as a City for the Arts and a sporting capital with a rich and vibrant cultural life” has objectives to:*

*“Support Melbourne as a hub of diverse arts and cultural activity”; and*

*“Support and encourage cultural activity within the public domain”.*

- 29.3. City Plan 2010 Strategic Direction 3.9:

*“Attract, facilitate and maximise benefits of major City events and festivals” has the objective to:*

*“facilitate the provision of event facilities and encourage major city events and festivals in a range of public spaces throughout the City”.*

30. Council strategies that relate to this report include:

- 30.1. Melbourne Marketing Strategy 2007 – 2011;

*“Melbourne’s destination strengths are; Bars and Nightlife, Dining, Culture & Arts, Events, Parks & Gardens, Precincts Laneways & City Character, Retail (shopping & fashion), Sport, Melbourne’s Waterfront, Design Creativity & Innovation, Attractions & Entertainment.”*

- 30.2. Melbourne Retail Strategy 2006 – 2012;
- 30.3. City of Melbourne Parks Policy; and
- 30.4. City of Melbourne Carlton Gardens Master Plan - October 2005.

**Consultation**

- 31. Consultation has been conducted with the events industry through the following forums:
  - 31.1. The Victorian Events Industry Council (VEIC);
  - 31.2. The Concurrent Events Forums conducted by the City of Melbourne in 2005 and 2006;
  - 31.3. International Special Events Society (ISES) meetings; and
  - 31.4. Post Event acquittal reports and debriefings conducted in 2005/06 and 2006/07.
- 32. Consultation with City of Melbourne residents and businesses was facilitated through the:
  - 32.1. Resident’s Perceptions Survey 2006;
  - 32.2. Businesses Perceptions Survey 2006;
  - 32.3. event surveys conducted by the City of Melbourne in 2005/06 and 2006/07;
  - 32.4. a Strategic Framework for Melbourne’s Cultural Precincts report by Ratio Consultants in February 2007; and
  - 32.5. feedback received by Frontline following major events and tracked through the CRM system.

**Government Relations**

- 33. The City of Melbourne Events Strategy 2007 - 2010 supports the “10 Year Tourism and Events Industry Strategy” released by the State Government of Victoria in October 2006.

**Finance**

- 34. The delivery of the first year of the City of Melbourne Events Strategy 2007 - 2010 as detailed in attachment 1 is within the target budget figures for the 2007/08 financial year.
 

34.1. Recommended amounts for each category.	07/08	(06/07 comparison)
Melbourne Iconic Events Category	750,000	460,000
International & Special Events Category	370,000	955,000
Cultural Events Category	260,000	210,000
Docklands Events Category	321,000	0
General Sponsorships Category	853,000	1,108,000
Total	\$2,554,000	\$2,733,000

- 34.2. The figures listed in the table in 13.1 do not include the \$500,000 for one-off special events that has previously been available for the Volvo Ocean Race Stopover (2005/06) and the FINA World Swimming Championships (2006/07). In order to support the Homeless World Cup (\$200k), International Rugby (\$100k) and Melbourne Bicycle Festival (\$100k) an additional \$400,000 will be required in the 2007/08 budget as per Attachment 1.

### Legal

35. The subject matter of this report and the recommendation are within the role and objectives of the Council.

### Comments

36. The City of Melbourne has a number of objectives that are supported by strategies prepared by various Branches of the City of Melbourne and approved by Council. The City of Melbourne is committed to ensuring that events conducted within the municipality make an effective contribution to Council achieving its' corporate objectives. To this end, the City of Melbourne Events Sponsorship Strategy 2007- 2010 has been designed to support and complement a range of recently adopted Council policies and strategies.

### Background

37. Over the past two years the City of Melbourne has been collecting data, monitoring the Melbourne Events Calendar and consulting with various sectors of the Melbourne events industry. This information is documented within the Multi Dimensional Events Calendar and Committee Reports submitted to the Marketing and Events Committee on 8 August 2006 and 12 December 2006.
38. The establishment of an Event Assessment Tool (EAT), the Multi Dimensional Events Calendar (MDEC) and a systematic event survey process has provided a number of mechanisms for evaluating the benefits of events supported by the City of Melbourne.
39. On 12 July 2005, the "Event Partnership Program" process for assessing event sponsorships by the City of Melbourne was approved by the Business and Marketing Committee. This process has now operated for a complete Melbourne Event Calendar cycle and a number possible improvements in the process have been identified.
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#### Attachment:

1. City of Melbourne Events Sponsorship Strategy 2007 – 2010 Proposed Sponsorship Levels

## City of Melbourne Events Sponsorship Strategy 2007 – 2010

## Proposed Sponsorship Levels

Melbourne Iconic Events		Sponsorship provided 06/07	Proposed Sponsorship 2008/10	Total Target Budget 2007/08 by category
	Melbourne Food & Wine Festival	60,000	200,000	
	Melbourne International Flower & Garden Show	50,000	200,000	
	AFL Grand Final Week	250,000	250,000	
	Melbourne Bicycle Festival	100,000 (Jayco)	200,000	\$850,000
<b>International &amp; Special Events</b>			<b>Proposed Sponsorship 2007/08</b>	
	Australian Tennis Open	120,000	120,000	
	Australian Formula One Grand Prix	100,000	100,000	
	Melbourne Cup Carnival	135,000	150,000	
	Homeless World Cup	Nil	200,000	
	Rugby International	Nil	100,000	\$670,000
<b>Cultural Events</b>			<b>Proposed Sponsorship 2008/10</b>	
	Chinese New Year	50,000	50,000	
	Antipodes	50,000	50,000	
	Italian Festival	Nil	50,000	
	ANZAC Day	50,000	50,000	
	Australia Day	60,000	60,000	\$260,000
<b>Docklands Events</b>			<b>Proposed Sponsorship 2007/08</b>	
			321,000	\$321,000
<b>General Sponsorships</b>			<b>Proposed Sponsorship 2007/08</b>	
			853,000	\$853,000
<b>Total</b>				<b>\$2,954,000</b>

**FINANCE ATTACHMENT**

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**CITY OF MELBOURNE EVENTS SPONSORSHIP STRATEGY 2007-2010**

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Grants & Sponsorship funding will be considered as part of the 2007/08 Budget process. Any resolution to endorse funding at this stage would pre commit funding before the finalisation of the budget process.

**Joe Groher**  
Manager Financial Services

**LEGAL ATTACHMENT**

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**CITY OF MELBOURNE EVENTS SPONSORSHIP STRATEGY 2007-2010**

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The *Local Government Act* 1989 (“the Act”) sets out facilitating objectives at Section 3C(2) including:

- “(a) to promote the social, economic and environmental viability and sustainability of the municipal district;*
- (d) to promote appropriate business and employment opportunities;”*

Further, Section 3D of the Act provides that the role of Council includes:

- “(b) providing leadership by establishing strategic objectives and monitoring their achievement;*
- (d) advocating the interests of the local community to other communities and governments;”*

Section 7 of the *City of Melbourne Act* 2001 sets out 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;*
- (d) to work in conjunction with the Government of the State on projects which that Government or the Council determines are significant to Melbourne”.*

The subject matter of the report and the recommendation are within the role and objectives of the Council.

**Kim Wood**  
Manager Legal Services