

**Report to the Future Melbourne Committee****Agenda item 6.6****Events and Sponsorship Review Outcomes****7 June 2022****Presenter:** Louise Scott, Director Tourism and Events**Purpose and background**

1. The purpose of this report is to seek endorsement of a set of guiding principles for events along with a number of proposed changes, following a recent review of the City of Melbourne program of events.
2. Council Plan 2021-25: Major Initiative 5 (MI5) identifies the need to review and refresh the program of City of Melbourne-owned and sponsored events to maximise opportunities to drive visitation and spend. The program will be diverse, accessible and affordable and showcase Melbourne's unique culture and creative strengths.
3. Prior to the pandemic, Victoria's major events generated around \$2.5 billion in economic benefits for the state, attracted 6.9 million visitors and contributed approximately 3,350 local jobs. The COVID-19 pandemic has significantly impacted the events industry in Australia. Between March 2020 and November 2020, almost all event activity was cancelled across the state. For the rest of 2020 and most of 2021, event activity was constrained by social distancing requirements, highly uncertain interstate travel restrictions, and further containment measures.
4. In the short to medium term, Melbourne and most capital cities in Australia and globally are faced with the challenge of reactivating their cities. Events will play a pivotal role in supporting Melbourne's recovery from the pandemic while also shaping the future of the city.
5. Deloitte Access Economics was commissioned in 2021 to undertake a review of City of Melbourne's (CoM's) events calendar to identify areas for realignment to drive visitation and spend for the city. The review takes into account the suite of events sponsored and delivered by CoM alongside other key events that make up the broader events calendar.

**Key issues**

6. Melbourne is widely acknowledged as the leading events capital in Australia, with a rich calendar of sporting, cultural and creative events throughout the year. These events attract visitors from interstate, international and Victorians to participate at these events, celebrate and enjoy event festivities and the city's many tourism offerings.
7. CoM plays a major role in the events industry through delivering a suite of premier events and providing sponsorship support to event organisers through the Event Partnership Program (EPP) and the Arts and Creative Investment Partnerships.
8. These events form a critical part of Melbourne's broader events calendar each year. Many have become the core fabric of Melbourne's destination brand and identity which local residents, visitors from outside Melbourne – both interstate and international – have come to associate with Melbourne.
9. Events can provide a competitive advantage for a destination. Melbourne has established a portfolio of world class, iconic events that celebrate the city's culture and lifestyle, strengthen the city's identity and serve as important motivators for tourism. The investment to develop Melbourne's position as the premier events capital has directly contributed to the growth of the city's visitor economy, generating economic activity and employment.
10. The review has generated recommendations relating to CoM's events calendar, including short term support for COVID-19 pandemic recovery and longer term support to sustain economic recovery and build brand legacy.
11. The review concludes that overall, CoM's model of both sponsoring and delivering events is providing significant value to Melbourne. There are opportunities to build on the current model and take a targeted approach to how CoM uses events to accelerate the city's economic recovery. The approach

recommended is to focus CoM's investment into events that attract critical audience mass and which generate demand and spend with local businesses.

11.1. A key output of the review has been the development of the Event Assessment Tool, which estimates the economic impact of an event based on attendance and spend. Outputs from the tool will be included in the decision making process for CoM owned events and used to inform the future recommendations of the Event Partnership Program.

11. In relation to events delivered by CoM, the review recommends that:

11.1. Events are programmed and planned to create unique offerings to avoid competition and that events are programmed for quieter times in the calendar.

11.2. The offering and footprint of events is broadened to generate demand for local business.

11.3. A four year plan for individual events should be developed and endorsed by Council.

11.4. Events should continue to evolve, working in partnership with stakeholders.

12. Drawing on the recommendations in the review, a set of event principles (see Attachment 2) is recommended. In cementing the approach to sponsorship, planning and delivery of events, application of these principles will contribute strategically to the recovery and the longevity of sustaining events as a key driver to the city for economic impact and reputation. The proposed event principles include the following recommendations from the review:

12.1. Prioritise activation of the city to support COVID-19 recovery.

12.2. Consider the distribution of commercial benefits – across the calendar, event hosts and local businesses.

12.3. Ensure events meet the expected thresholds for accessibility, sustainability and inclusivity.

12.4. Prioritise sustained economic impact – events that leave a legacy and elevate the city profile.

12.5. Events should align with the strategic priorities of CoM.

13. Once endorsed, an assessment of CoM's existing event program against these principles will inform further decisions.

14. In relation to event sponsorship, the review makes a number of recommendations for implementation into the EPP:

14.1. Raise the minimum number of attendees from 1,000 to 5,000 people, to ensure the events receiving sponsorship are the ones most likely to make a meaningful impact in terms of city vibrancy and spend through critical audience mass. A small number of EPP events would no longer be eligible to apply for sponsorship. These events would, however, be eligible to apply for a community grant.

14.2. Maintain the requirement for events applying to the EPP to offer a large-scale free event component.

14.3. Prioritise support for events in non-peak months (April to September).

14.4. Remove the differentiation between commercial and community event types in the application process, to instead focus support on an event's ability to draw significant attendance by people who value spending time (and money) in the city.

14.5. Reduce the number of sponsorship tiers from four down to three for simplification.

15. Further changes may be recommended once the outputs of the new event assessment tool are known. These outputs will be considered during the assessment process for the next round of the EPP.

16. Outcomes and actions coming from the review will form part of the deliverables for Major Initiative 5 (establishment of Experience Melbourne) and Major Initiative 18 (unique Melbourne events).

### **Recommendation from management**

17. That Future Melbourne Committee:

17.1. Endorses the Event Principles at Attachment 2 and requests that management assess the City of Melbourne event program against the principles and return with further advice.

17.2. Endorses the changes to the Event Partnership Program proposed at paragraph 14 of this report.

### **Attachments:**

1. Supporting Attachment (Page x of n)
2. Draft Event Principles (Page x of n)

## Supporting Attachment

---

### Legal

1. There are no direct legal implications associated with the proposal contained in the report.

### Finance

2. Financial implications of the recommendations contained in this report do not adversely impact existing budget assumptions contained in the draft Budget 2022-23.

### Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

### Health and Safety

4. In developing this proposal, no Occupational Health and Safety issues or opportunities have been identified.

### Stakeholder consultation

5. Deloitte Access Economics undertook external stakeholder engagement in developing their recommendations with relevant agencies including the Victorian Government, Visit Victoria and the Victorian Tourism Industry Council.

### Relation to Council policy

6. Council Plan 2021-25: Major Initiative 5 (MI5) requires CoM to undertake an event review to support the city's recovery from the impacts of COVID-19. In addition, it supports the delivery of Council Plan 2021-25 priorities:
  - The city economy is stronger, resilient and fully recovered from the impact of COVID-19
  - Melbourne's unique identity and place is celebrated and protected
  - First People's culture will enrich the city's growth and development

The delivery of this initiative will support Council's Economic Development Strategy 2031, including:

- Priority 8: A joint effort – Collaborating for a thriving city economy

### Environmental sustainability

7. In the delivery of events we engage with internal and external sustainability leaders for feedback, collaboration and innovative approaches to sustainable event practises, including engagement of service suppliers that undertake environment and social practises.
8. Events receiving funding through the Event Partnership Program are encouraged to develop environmental sustainably practices in the delivery of their events.

## Draft Event Principles

### Vision

- To position Melbourne as a locally loved, globally recognised city and destination of choice through delivering and supporting a diverse calendar of uniquely Melbourne events,
- To ensure Melbourne's events calendar is well curated and seeks to maximise visitation and spend whilst offering a diverse and accessible showcase of Melbourne's cultural and creative strengths.
- To maintain Melbourne's position as the events capital, broadening the traditional base of key sporting events to showcase a variety of incredible event experience accessible to all.

### Why we support events

- *To provide a competitive advantage.* Melbourne has established a portfolio of world class, iconic events that celebrate the city's culture and lifestyle, strengthen the city's identity and serve as important motivators for tourism. The investment to develop Melbourne's position as the premier events capital has directly contributed to the growth of the city's visitor economy, generating economic activity and employment.
- *To support the functioning of the city economy.* Events underpin the strong, mutually-reinforcing relationship between the visitor economy, the creative economy and the knowledge economy. If any of these are weak, it weakens the others. For example food, entertainment, events and retail are a key attractors for knowledge workers and international students.
- *To support city reactivation.* Events are an important catalyst causing people to return to the city. With Melbourne already enjoying a well-established identity as the events capital of Australia, events organised and staged in the short to medium term have a critical role in supporting Melbourne's recovery from the pandemic.
- *To contribute to long-term economic growth.* Actions taken now should contribute to the long term economic growth of the city and enhance the 'Melbourne' brand.

### Factors that influence our decision to support events

- Activation of the city to support Covid-19 recovery.
- Distribution of commercial benefits across the calendar, event hosts and local businesses.
- Events to meet expected thresholds for accessibility, sustainability and inclusivity.
- Delivering sustained economic impact that leaves a legacy and elevates the profile of the city.
- Alignment with the strategic priorities of City of Melbourne.

### When it is appropriate that COM delivers an event in-house

- Where there is market failure (ie when an event wouldn't exist if COM didn't deliver it)
- Where there is community expectation (eg Christmas and New Year's Eve).
- To support and develop key industries identified as priorities.
- Where CoM identifies events/activations can deliver on priorities such as increasing visitation and spend to particular precincts.

### When it is appropriate that COM sponsors an event

- Where individual programs agreed by council exist and in accordance with their guidelines.
- CoM may sponsor events to increase visitation and spend, to foster community engagement, to foster creative development and to support community development.

### When we would consider ceasing to deliver or sponsor an event

- When the competitive/strategic environment changes.
- When budget can be better applied elsewhere.
- When results achieved are no longer meeting targets/objectives
- If an opportunity arises to outsource or find an alternative deliver model that is cost effective for council.