

ITEM 2. SPONSORSHIP – AGB EVENTS – LIGHTS OF CHRISTMAS**FILE NO: S117676****SUMMARY**

The Lights of Christmas is an annual, free light projection and storytelling event that illuminates St Mary's Cathedral and takes place in Cathedral Square.

A For-Profit company, AGB Events developed The Lights of Christmas in 2010 as a new public event to celebrate the festive season in Sydney. It is estimated that Lights of Christmas now attracts more than 200,000 people across the 17-day period of the event garnering local and international media interest.

Each December, Cathedral Square is transformed into the event hub. Sydneysiders and tourists congregate and share the light projection and storytelling experience together. There are a number of audience sittings each evening, as the show runs on a loop from early evening until midnight. The light show is accompanied by music and live performances by community choirs that travel from across the greater Sydney region to perform.

Initially, the Lights of Christmas received full funding from the NSW Government to cover the entire operational and marketing costs of the event. In 2012, the newly elected State Government withdrew funding, and AGB Events, along with the event hosts, the Archdiocese of Sydney, sought to attract corporate sponsors to ensure the continuation of Sydney's newest Christmas event. AGB Events and the Archdiocese of Sydney have been successful in attracting corporates to cover some, but not all, of the costs associated with staging this free event.

In order to sustain and grow this free festive celebration for the city, AGB Events has requested support from the City of Sydney to cover elements of the operational costs. Specifically, AGB Events has requested assistance with costs associated with the venue hire and power consumption at Cathedral Square (currently valued at \$54,000 a year), cleansing and waste management for the event (to a value of up to \$20,000 a year) and banner pole fee waiver support to promote the event to the general public for up to three weeks a year (valued at approximately \$14,438).

RECOMMENDATION

It is resolved that:

- (A) Council approve a three year sponsorship to AGB Events for the 2015, 2016 and 2017 Lights of Christmas up to the value of \$68,438 in revenue forgone for 2015 and \$68,438 plus CPI for 2016 and 2017 comprising of:
- (i) waiver of banner pole hire fees for up to 50 banners for three weeks a year up to the value of \$14,438 in 2015 and \$14,438 plus CPI in 2016 and 2017; and
 - (ii) waiver of venue hire fees for Cathedral Square and three-phase power costs to the site up to the value of \$54,000 in 2015 and \$54,000 plus CPI in 2016 and 2017;

- (B) Council note that all dollar amounts in the subject report and clause (A) are exclusive of GST and all value-in-kind (VIK) offered is subject to availability; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a sponsorship agreement with AGB Events for The Lights of Christmas event for the three years 2015, 2016 and 2017.

ATTACHMENTS

Nil.

BACKGROUND

1. AGB Events is a For-Profit company and is therefore unable to apply to a number of the City's value-in-kind Grants and Sponsorship programs. AGB Events is ineligible for banner pole hire fee waiver under the Street Banner Sponsorship program. Its For-Profit status also excludes it from accessing the City's outdoor space fee waivers for the use of Cathedral Square. In accepting this recommendation, Council is choosing to go beyond the scope of the Grants and Sponsorship Policy by waiving Council fees for a For-Profit company. This may encourage other similar organisations to request support, which will place increased demand on the program and its administration at a time when the banner pole network is reduced across the city due to the Sydney Light Rail construction.
2. AGB Events also requested support for the City to waive cleansing and waste services estimated at around \$20,000. This would be a real cash cost to the City as the area is cleaned by our contractor, and this request is therefore not recommended for support.
3. AGB Events did not provide details of the income they receive to cover the costs of this event, insisting the information was commercial-in-confidence despite the fact that City staff routinely receive commercially sensitive, confidential information in most grants and sponsorship applications. City staff were unable to determine how much the listed supporters pay in order to cover the more than \$500,000 event costs.
4. In discussions with City staff, AGB Events have stated that Lights of Christmas provides significant economic benefits to the night time economy. The application did not include evidence to verify this claim.
5. The City is able to offer the event promotional support through its marketing channels as appropriate in 2015, 2016 and 2017. This may include listings in What's On Sydney, inclusion in www.sydneychristmas.com.au (which received 126,385 unique visits in 2014), inclusion in the What's On Weekly e-newsletter (to approximately 29,000 recipients) and exposure through the City's Sydney Christmas radio promotion and social media platforms (with a combined total of over 230,000 followers across Facebook, Twitter, Instagram etc.).
6. In 2014, AGB Events requested that its banner fees be reduced from the commercial rate to the community rate, as Lights of Christmas does not make money and is run as a community event. As a For-Profit company, AGB Events did not meet the criteria to access the City's community banner fee rate and this request was unable to be accommodated. AGB Events then signed the quote at the full commercial rate, paid the deposit and utilised the banner pole network in order to publicise the 2014 event. AGB Events paid the final fees owing for their 2014 banner hire booking in August 2015.
7. Major partners on Lights of Christmas include Payce Consolidated Limited (a publicly listed property development group), the Catholic Archdiocese of Sydney (who act as the event host) and the Australian Catholic University (education partner). Supporting partners include the Catholic Cemeteries and Crematoria, the Technical Direction Company, and communication partners XT3.com and the Catholic Weekly.

8. The Lights of Christmas evening program contains three different segments, each crafted to tell the story of Christmas and touch on the universal themes of Peace, Joy and Goodwill. The first segment is a reflective piece that offers the audience time to reflect on the past year and think about the future. This year it will reference the United Nations declaration that 2015 is the International Year of Light. The second segment is designed especially for children; in 2014 the event told the story of the 12 days of Christmas through animation, which captured the fun and joy of the season. The third segment features images of the Madonna and Child. These images are provided by the Accademia Carrara Art Gallery of Bergamo, the Art Gallery of NSW and The National Gallery of Australia. Permission is granted by the individual art gallery allowing AGB Events to use digital images of the original work, many of which were created by some of the world's most well-known artists including Giovanni.
9. The 2014 Lights of Christmas Opening Night was hosted by television presenter and journalist Sandra Sully and featured prominent Australian personalities, including performances by Paulini and Mark Vincent. Over 10,000 members of the public attended the Opening Night, along with representatives of the city, including NSW Premier Mike Baird, the Lord Mayor and His Eminence Anthony Fisher OP.
10. Community choirs are approached to perform each year by the team at AGB Events. A variety of community choirs are chosen each year to ensure a diverse style and demographic of performance. A total of 574 performers were engaged to perform at the event in 2014. These included: Mark Vincent from Australia's Got Talent, the St Mary's Cathedral Boys Choir, the Australian Girls Choir, Sydney Street Choir, Sing Australia, Artes Christie Choir, George Ellis Orchestra, Copanello Duo and Copanello Trio, Louise Court and Marilyn Ng, Matt Thomas and Chloe Papandrea and Ben Marshall.
11. It is estimated that approximately 200,000 people attend The Lights of Christmas across the 17-day event. It is difficult to assess an exact number of attendees due to the nature of the event (i.e. there is no defined event entrance, the large area of the event, it is a free event with no registration or ticketing, and attendees can come and go at any time throughout the show, which runs from 7pm to midnight). As the audience is relatively static at any one time allowing counting of numbers, AGB Events therefore tracks attendances. It maps Cathedral Square to ascertain capacity, observes numbers in surrounding areas outside the square and across College Street and Hyde Park and uses media estimations and its experience in creating and producing large scale public events to develop its estimates.
12. Visitors to the Lights of Christmas could be divided into two distinct groups – intergenerational family audiences and Sydney CBD workforce and residents. It includes young families, couples, international and interstate visitors to Sydney, groups of young friends, elderly groups, coach tours and parishioners.
13. Anthony Bastic is the Principal and Creative Director of AGB Events. He is also the Festival Director, Light for Vivid Sydney and the Director of the Australian Garden Show, which typically takes place each year in Sydney's Centennial Park.

14. All grant recipients are required to sign a contract, meet specific performance outcomes, and acquit their grant.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030

15. *Sustainable Sydney 2030* is a vision for the sustainable development of the city to 2030 and beyond. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This sponsorship is aligned with the following strategic directions and objectives:
 - (a) Direction 5 - A Lively and Engaging City Centre – The Lights of Christmas expects to attract up to 200,000 visitors across 17-days each December for the next three years. The event footprint takes in Cathedral Square, St Marys Cathedral and north east Hyde Park areas. It increases engagement across and between the communities in the city.
 - (b) Direction 7 - A Cultural and Creative City – The Lights of Christmas showcases the city to the rest of Sydney as a hub during the festive season and celebrates the diversity of our creative industries. It also activates public spaces with cultural and creative initiatives.

Organisational Impact

16. The City will be required to provide a range of services to support the event, including liaison and coordination with event organisers and marketing support. Details of the nature of services to be provided will be determined in the sponsorship agreement.

Social / Cultural / Community

17. The Lights of Christmas is a free public event with good community participation levels.

BUDGET IMPLICATIONS

18. Total funding of \$68,438 value-in-kind (VIK) is requested for Lights of Christmas 2015. The \$14,438 VIK for banner pole hire waiver and the \$54,000 for Cathedral Square and three-phase power costs to the site will be absorbed in existing budgets and reflected in the current financial year forecast. The \$68,438 (plus CPI) VIK for Lights of Christmas 2016 and 2017 will be included in the Grants and Sponsorships budgets proposed for the 2016/17 and 2017/18 financial years. This will directly reduce the support available to eligible Not-For-Profit applicants across all three years.

RELEVANT LEGISLATION

19. Section 356 of the Local Government Act 1993. The City has given 28 days public notice of this proposal as required by section 356(2) of the Local Government Act.

CRITICAL DATES / TIME FRAMES

20. The event will be held in December 2015. Organisers request early advice so plans and budgets can be finalised and opportunities to recognise the City's contribution can be optimised.

ANN HOBAN

Director City Life

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