

ITEM 5. SPONSORSHIP – SYDNEY FILM FESTIVAL TRIENNIAL AGREEMENT 2014 TO 2016**FILE NO: S113150****SUMMARY**

The Sydney Film Festival, established in 1954, is recognised as one of Australia's leading cultural events, and forms an important part of the NSW annual events calendar. The Festival showcases emerging and established Australian and international actors, producers, writers and directors and provides audiences with an opportunity to access diverse and high quality film making from all over the world.

The annual Festival takes place over 12 days in June across 11 venues located in Central Sydney. The City of Sydney has supported the Sydney Film Festival for over 18 years. For the 2013 Festival, the City provided cash support of \$127,308 (excluding GST) and value in-kind support of up to \$127,000 (excluding GST) for the use of the Lower Town Hall.

2013 marks Sydney Film Festival's 60th anniversary and follows four years of substantial growth. The triennial agreement between the Sydney Film Festival and the City of Sydney expires in 2013. The Sydney Film Festival has submitted a proposal for a new triennial partnership and has requested \$300,000 in 2013/14, and \$300,000 plus CPI for 2014/15 and 2015/16.

The Sydney Film Festival has also requested value in-kind of \$200,000 per annum for the use of venue, park, open space and banner pole hire for 2013/14, 2014/15 and 2015/16.

The Festival continues to undergo a great deal of growth and development, including a significant increase in audiences and expanded programming reflecting new and diverse audiences. Some new initiatives have budget implications, such as the introduction of new venues and family-friendly programming.

However, in light of competing priorities from other cultural organisations, a smaller increase to the City's support for Sydney Film Festival of \$250,000 in financial year 2013/14; \$250,000 (plus CPI) in 2014/15 and \$250,000 (plus CPI) in 2015/16 is recommended. Such an increase represents a 96 per cent growth in core funding. Further, it is recommended that the Festival's value in-kind request be granted, so Sydney Film Festival is able to optimise its use of City assets to animate the public domain and activate the City's built assets around this important cultural event.

The Sydney Film Festival aligns with and complements the City's delivery of Sustainable Sydney 2030, in particular in the delivery of culture, innovation and support for creative industries. By supporting the Sydney Film Festival with a further triennial agreement, the

City is able to use the significant expertise, experience, community connections and creativity of the organisation to provide a clear and inclusive demonstration of Sustainable Sydney 2030 ideals.

All figures in this report are exclusive of GST.

RECOMMENDATION

It is resolved that:

- (A) Council approve a cash sponsorship of \$250,000 in 2013/14 to Sydney Film Festival for the 2014 Sydney Film Festival; \$250,000 (plus CPI) in 2014/15 for the 2015 Sydney Film Festival; and \$250,000 (plus CPI) in 2015/16 for the 2016 Sydney Film Festival;
- (B) Council approve value in-kind of up to \$200,000 per year for use towards venue, park, open space and banner pole hire to Sydney Film Festival for 2013/14, 2014/15 and 2015/16; and
- (C) authority be delegated to the Chief Executive Officer to enter into an agreement with Sydney Film Festival.

ATTACHMENTS

Attachment A: Comparative Cash Funding across the Major Festivals Program

BACKGROUND

1. The City supports and provides sponsorship to eight key festivals through the City's Major Festivals Program, one of 20 programs in the Grants and Sponsorships Policy. This is in recognition of their significant contribution to the social, cultural and economic life of Sydney and the benefits that both the City and the Festivals receive from maintaining an ongoing relationship.
2. Comparative cash funding across the Major Festivals Program is outlined in the table at Attachment A.
3. The City's sponsorship of these organisations contributes to their day-to-day operational costs, and the City seeks specific outcomes from each of them. These sponsorships have traditionally been ongoing, and have been renewed every three years. In recent years, annual funding increases have been granted to all clients of this program, with sponsorship increases varying between \$10,000 and \$300,000.
4. Organisations receiving funding through the Major Festivals Program make their applications for support on an ad-hoc basis, and funding arrangements, including the development of contracts, are then directly negotiated between the organisations and the City.
5. A review of the Grants and Sponsorships Program will be undertaken in 2013. Specifically, the outcomes of the Cultural Policy Discussion Paper will influence cultural funding, including the City's support of key festivals and events.

Sydney Film Festival

6. Sydney Film Festival is an iconic public international film festival, which supports Sydney's position as a leading creative global city. It is Sydney's and New South Wales' pre-eminent showcase for contemporary cinema from Australia and around the world.
7. Established in 1954, Sydney Film Festival is one of the world's longest running film festivals. Festival patrons include Gillian Armstrong, Cate Blanchett, Jane Campion, Nicole Kidman, Baz Luhrmann, Dr. George Miller, Sam Neill, Phillip Noyce and Hugo Weaving.
8. The Sydney Film Festival program is presented over 12 days in June at 11 Central Sydney venues; the State Theatre (Market Street), Event Cinemas (George Street), Dendy Opera Quays (East Circular Quay), Sydney Opera House (Circular Quay), Art Gallery of New South Wales (The Domain), Martin Place Amphitheatre, Sydney Town Hall, the Grasshopper Bar, Apple Store (George Street), Hilton Hotel and the Museum of Contemporary Art.
9. The Sydney Film Festival is the launching event for films by new and established Australian and international filmmakers. It has long had a reputation for presenting the best of the year's films to an appreciative audience of patrons, as well as practitioners.
10. Following the constitutional and structural reform, which was recommended in the 2009 Booz and Co Report, Sydney Film Festival has achieved organisational stability and, consistent with the objectives of the subsequent Five Year Strategic Business Plan developed in 2010, there has been significant growth in box office income, audience attendance and sponsorship income.

11. Key highlights over the past three years (2010 to 2012) have been:
 - (a) growth in attendances from 99,000 to 122,000 (19 per cent);
 - (b) launch of Sydney Film Festival Hub at Sydney Town Hall;
 - (c) development of Vivid Sydney cultural partnership;
 - (d) growth in reputation and significance of Official Competition and the Sydney Prize;
 - (e) launch of Sydney Film Festival's online publication celebrating its 60th anniversary year;
 - (f) government funding as a proportion of income has decreased from 30 per cent to 25 per cent;
 - (g) box office as a proportion of income has increased from 21 per cent to 29 per cent;
 - (h) sponsorship as a proportion of income has remained stable at 37 per cent; and
 - (i) Nashen Moodley has successfully assumed the role of Festival Director.

Funding Request 2014 - 2016

12. Underpinning Sydney Film Festival's 2013-2017 Five Year Strategic Plan is a commitment to maintain and enhance the current business model and build reserves for future development. The findings of the 2012 Booz & Co Update Report and Market Research show that the Sydney Film Festival brand image is extremely strong; current revenue streams are achieving near capacity revenue; low profit margins per session show the expanding audience does not significantly increase profit; and costs are at a minimum.
13. The total cost of the event in 2014 is budgeted at \$3.7 million. Of this sum, box office income represents \$1.69 million (44.1 per cent) of its total revenue streams and \$567,050 will be raised from corporate sponsorship and other self-generated sources. In addition, \$145,000 will be provided by the Federal Government, \$1.07 million will be provided by the NSW Government, \$53,000 will be provided by local government sources in Sydney, Queensland and the Northern Territory (in support of the Travelling Film Festival), with the remainder expected from the City of Sydney's sponsorship.
14. Across the 2014 to 2016 triennium, the Sydney Film Festival expect to grow revenues from box office, sponsorship and other self-generated sources by \$252,491 (from \$2.26 million to \$2.51 million).
15. In recognition of Sydney Film Festival's significant growth and achievements, and to ensure that the scale, quality and reputation of the exhibition can be sustained, the City has been approached by the Sydney Film Festival to increase its sponsorship allocation (currently \$127,308 per year) for the coming three events (2014 to 2016 inclusive) by \$172,692, to \$300,000 per year.

16. In recognition of competing priorities of other cultural organisations, an increase of \$122,692 to the Festival's funding over the next three years is recommended, providing an annual cash sponsorship of \$250,000 for financial year 2013/14, \$250,000 (plus CPI) for 2014/15 and \$250,000 (plus CPI) for 2015/16.
17. From 2014 to 2016, Sydney Film Festival plan to expand upon the success of The Hub and introduce an annual program of events throughout the City's Library network.
18. The Sydney Film Festival Hub ('SFF HUB') is a new initiative introduced as part of the 2012 Sydney Film Festival. Based in the Lower Town Hall, the venue is ideally located between the State Theatre and Event Cinemas, in the geographical heart of the Festival. Its objective is to provide an interactive social platform for festival-goers, an entry point for new audiences (especially those aged 18-35) and a curatorial space to explore aspects of moving image culture that don't fit within the traditional confines of cinema exhibition.
19. The SFF HUB includes a suite of curated performances, a flagship exhibition, a theatre featuring talks and screenings, a bar, a pop-up book store, sponsor-activated spaces and box-office selling (exclusively) discounted film festival tickets and offering free consultations with "program gurus". With a few exceptions, entry to the SFF HUB is free at all times.
20. The SFF HUB's positioning as an accessible and inclusive hive of creativity in the field of film and moving image strengthens the City of Sydney's offering in under-represented cultural areas. With 60 years' experience in film curation, the Sydney Film Festival is uniquely placed to provide added value in the area of screen culture. The SFF HUB is the mechanism by which the SFF remit can extend and reach out across disciplines to incorporate interactions between film and business, new ideas, technology and art.
21. Following the release of the City's Cultural Policy Discussion Paper, particularly Direction 7 ('Sharing Knowledge'), Sydney Film Festival also plans to use City of Sydney library network to create a series of pop-up venues, which can host the SFF HUB year-round. Programming would stay within the SFF HUB's strategic curatorial objectives:
 - (a) world class programming and access to established, acclaimed talent;
 - (b) free sharing of knowledge and information;
 - (c) presenting cinema-inspired programming in a safe, social environment that is accessible to all; and
 - (d) facilitating connections between Sydney's creative industries and successful practitioners, including those based interstate or overseas.
22. Sydney Film Festival proposes a close working relationship with the City's Library programming staff to create an annual program of film discussion clubs and screenings to run in City Libraries. A detailed proposal will be developed to launch the program from early 2014 and will include film discussion led by Sydney Film Festival's programming team and other leading filmmakers and critics (including SMH and ABC journalists); film excursions and film streaming.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030

23. *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 1 – A globally competitive and innovative city – Sydney Film Festival represents an ongoing effort to promote Sydney as a truly global city and provide significant tourism outcomes.
 - (b) Direction 5 – A lively, engaging city centre – Sydney Film Festival promotes the concept of a lively, engaging city centre.
 - (c) Direction 7 - A cultural and creative city – Sydney Film Festival supports access to cultural participation and interaction. Sponsorship of the Sydney Film Festival allows the City to demonstrate cultural leadership, and forge important cultural partnerships.

Social / Cultural / Community

24. With the advent of DVDs, Blu-Ray technology, home projector theatre systems and the ability to download movies from the internet, it is reasonable to question if cinema attendance is declining. According to Screen Australia data, the proportion of Australians attending the cinema at least once a year has averaged 69 per cent since 2000, with an average of about eight visits per year. After last reaching a high of 72 per cent in 2004, the attendance rate has averaged 68 per cent in the subsequent seven years.
25. This is reinforced by data published by the Australia Bureau of Statistics (Attendance at Selected Cultural Venues and Events, Australia, 2009-10). With two out of three Australians aged 15 years and over attending a cinema at least once in the 12 months prior to interview, going to the movies was found to be Australia's most popular surveyed cultural activity. Sydney Film Festival is Sydney's and New South Wales' pre-eminent showcase for contemporary cinema from Australia and around the world.
26. The Sydney Film Festival is a very well-run and organised event, with no significant health or safety issues and limited impact on the city. It is a tangible demonstration of the concepts raised in Sustainable Sydney 2030 regarding the value of the provision of public spaces for leisure and connectivity.
27. Sydney Film Festival takes pride in its rich Aboriginal and immigrant history and heritage through a culturally diverse program, giving voice to artists of all ethnic background, and providing cultural pathways into the Festival for culturally diverse audiences.
28. Sydney Film Festival focuses on under-represented cultural areas. Given existing innovative international and national offerings of new media centres, Sydney currently has an inadequate number of facilities for this genre. The SFF HUB provides a showcase for the latest media-relevant technologies, from smartphone filmmaking to video game design, and from crowdfunding to digital distribution.

Economic

29. Sydney Film Festival has been working to encourage inner city restaurants and bars to participate, with many taking advantage of the large audiences brought in for the event.
30. The Festival opens opportunities to Australian and international filmmakers to further their craft and careers.

BUDGET IMPLICATIONS

31. Funding of \$250,000 has been provided in the draft 2013/14 Major Festivals Program budget for Sydney Film Festival.

RELEVANT LEGISLATION

32. Section 356 of the Local Government Act 1993.

CRITICAL DATES / TIME FRAMES

33. Planning for a program of the size of Sydney Film Festival requires considerable lead time. The scale and logistical complexity of the event means that it is necessary to secure budgets at the outset of the planning process. It is therefore desirable that Sydney Film Festival is advised of Council's decision as soon as possible.

PUBLIC CONSULTATION

34. While no direct public consultation has been undertaken on this recommendation, the positive public response and enthusiasm for the Sydney Film Festival, as demonstrated through attendance, longevity, media response and community commitment clearly indicates high levels of public support for the event.
35. Public endorsement of the themes of Sustainable Sydney 2030 would also clearly indicate that there is general support for the articulation of these themes through a creative and accessible event such as Sydney Film Festival.

ANN HOBAN

Director City Life

Alex Bowen, Manager Culture & Creativity Programs