

Grants and Sponsorships - Commercial Creative and Business Events - City2Surf 2020-2022

File No: S117676

Summary

Council adopted the City's Economic Development Strategy in 2013, a 10-year strategy that aims to strengthen the City's economy and support business. Under this strategy, the Retail and Tourism Action Plans recognise the important contribution major events make to the City's economy, cultural and sporting life.

Large scale events have the potential to attract audiences from regional NSW, interstate and overseas. The City's hospitality, tourism and retail businesses in particular are beneficiaries of major events and cultural tourism. The City's Commercial Creative and Business Events Sponsorship program is a key mechanism through which the City can support a limited number of major events each year that deliver economic, cultural and social outcomes. The program is designed to support the development of major events, secure new events to Sydney and encourage the growth, success and retention of existing events.

The City2Surf is an important major event in Sydney that the City has supported for several decades. This year will be the event's 50th year and, in anticipation of increased demand, organisers are increasing their usual sell-out capacity of 80,000 to 100,000 registered participants.

An iconic sporting event in Australia, the event attracts over 21,000 regional, interstate and international visitors who indicate their primary purpose for visiting Sydney is to participate in the City2Surf. Economic impact studies have estimated the City2Surf generates \$41 million for the NSW economy of which approximately \$13.2 million is spent within the City of Sydney.

The City2Surf is an important event as a catalyst for participation in health and fitness related activity and engagement of the local community. The event also raises significant amounts of money for over a hundred charity partners with \$45 million raised since 2008.

A sponsorship application has been received from USM Events Pty Ltd for City2Surf 2020-2022. The sponsorship request consists of a one-off cash contribution of \$15,000 for the 50th year celebrations and value-in-kind support up to \$38,748 for 2020; and value-in-kind support only for the 2021 and 2022 events, to the value of \$39,523 and \$40,313 respectively.

This application has been assessed and evaluated against the City's Commercial Creative and Business Events Sponsorships program. The value-in-kind contribution, which assists organisers with outdoor venue hire and road closures, is believed to be the most effective way for the City to support this important event. Therefore this report recommends value-in-kind sponsorship only for City2Surf 2020-2022.

Recommendation

It is resolved that:

- (A) Council approve a sponsorship of \$38,748 value-in-kind (excluding GST) in 2020, \$39,523 value-in-kind (excluding GST) in 2021, and \$40,313 value-in-kind (excluding GST) for 2022 to USM Events Pty Ltd for City2Surf 2020-2022; and
- (B) authority be delegated to the Chief Executive Office to negotiate, execute and administer a sponsorship agreement with USM Events Pty Ltd in support of this event for 2020, 2021 and 2022.

Attachments

Nil.

Background

1. On 9 December 2013, Council adopted the Economic Development strategy, a 10-year strategy to strengthen the City's economy and support business. Under this strategy, the Retail and Tourism Action Plans recognise the important contribution major events play in the City's economy, cultural and sporting life.
2. Key actions within the Retail and Tourism Actions focus on continuing to support major festivals and events that increase visitation to Sydney and market Sydney as a world class destination.
3. The City2Surf, the world's largest fun run, is entering its 50th year in 2020 and it is expected that 100,000 people will participate in this year's anniversary event. It is one of the most iconic sporting events in Australia, enhancing the Sydney major events calendar since 1971.
4. It is recognised as the largest annual mass participation event in the world. Runtastic counts the event amongst its list of the World's Most Extraordinary Races; and Running Shoes Guru lists the event as one of the top ten running races in the world. In each of these lists the City2Surf was the only Australian event to feature.
5. In 2019, of the 80,000 participants, over 7,000 were interstate visitors, 13,000 were regional NSW visitors, and 550 were international visitors from 39 countries. These travellers all indicated their primary purpose for visiting Sydney was to participate in the City2Surf, spending an estimated \$10.8 million for the duration of their stay.
6. An economic impact study conducted by Gemba has estimated the total injection from this event to the NSW economy at \$41 million, with \$13.2 million of this estimated to have been spent in the City of Sydney through spend in accommodation, hospitality, retail and tourism attractions.
7. The City2Surf is also a catalyst event for participation in and promotion of health and fitness related activities at a community level. The organisers promote an inclusive training run program encouraging individuals of all running levels, many who have never run before.
8. The event is renowned for its great community spirit, demonstrated through the large number of spectators that come to the event and line the course to cheer on participants in the race. Previous participant surveys have found 91 per cent have said having the event in Sydney creates a real buzz in the city, and 93 per cent said it enhanced community spirit, pride and enjoyment.
9. In 2019, the City2Surf raised \$4.4 million for hundreds of charities across Australia. Since record keeping began in 2008, the event has contributed over \$45 million to its charity partners.
10. The City2Surf marketing campaign has considerable reach both internationally and across Australia, showcasing Sydney to a huge television, print and online audience. In 2019, over 1,300 pieces of coverage were secured the weekend of City2Surf and the five days after. This is in addition to extensive coverage by Fairfax and its media partners in the lead up to the event. The images beamed around the world showcase Sydney as a great destination to visit.

11. The sponsorship request from USM Events Pty Ltd consists of a one-off cash request of \$15,000 for 2020 to contribute to the 50th year celebrations, in addition to value-in-kind support for 2020 and value-in-kind support only for the 2021 and 2022 events.
12. As a well-established event, the most effective way for the City of Sydney to provide support is through value in-kind contribution to operational aspects such as access to space in the City and road closures. The recommendation is for the requested value-in-kind support for 2020-2022 but not the one-off cash contribution of \$15,000 for 2020.
13. The recommended sponsorship package is designed to provide access to City assets and services to the maximum value of \$38,748 value-in-kind in 2020, \$39,523 value-in-kind in 2021 and \$40,313 value-in-kind in 2022. These differences are accounting for CPI increase each year. The proposed package includes:
 - (a) outdoor venue hire for key locations on the race day, including but not limited to Hyde Park, Cathedral Square, Queens Square, Cook and Phillip Park (subject to availability and conditions of use); and
 - (b) street closures including but not limited to, College Street North and South, Park Street between Elizabeth and College Street, St James Road, Macquarie and William Streets.
14. The City will receive recognition as an Event Partner (Government Partner) of this event, including logo acknowledgement across media platforms and other promotional material such as signage at the start line and within the event sites, media backdrop, runner bibs and street flags.
15. USM Events Pty Ltd have indicated they will be using the City Banner network to support the marketing and promotion of this major event and banners will be purchased as a commercial hire.
16. Cleansing services provided by the City of Sydney to manage street cleaning are outside of this request for sponsorship. All cleansing services are negotiated, managed and agreed separately between the organisers, USM Events Pty Ltd and the Cleansing and Waste team who invoice USM Events Pty Ltd directly for these costs.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

17. 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: This is a world-class event that adds to the major events calendar for the City of Sydney. The event is currently the largest annual mass participation event in the world and an iconic sporting event in Australia.

- (b) Direction 5 - A Lively and Engaging City Centre: This event creates a great experience for city workers, residents and visitors, both as runners and spectators, and is attributed to creating a buzz in the city by surveyed participants.

Organisational Impact

18. Sponsorship of the event over the three years will result in the nomination of a City officer to provide contract management and coordination services.
19. The City's marketing and communications teams will support the City2Surf through a marketing campaign across multiple media platforms.

Social / Cultural / Community

20. Sixty-eight per cent of City2Surf participants surveyed agree the positive impact on the community is the biggest benefit from hosting events such as City2Surf, 91 per cent of participants agreed that having the event in Sydney 'creates a buzz in the city', and 93 per cent said it enhanced community spirit, pride and enjoyment.
21. The 2019 event delivered over \$4.4 million for hundreds of charities across Australia, and since records began in 2008 over \$45 million has been raised for charity.
22. There are over 2,300 volunteers that contribute to community unity on the day, helping out at drink stations or providing music through band and school group performances along the course. In 2019, over \$95,000 was donated to community groups in recognition of their support of the event.
23. Organisers of the City2Surf are committed to promoting health and fitness in the community. The training program they promote is inclusive, encouraging individuals of all running levels to 'beat their personal best'.
24. Discarded clothing from event participants is collected and donated to the Salvation Army and in 2019, 27,000 items of clothing were collected and donated.

Environmental

25. City2Surf work very closely with the City of Sydney to ensure the impact on the environment is as minimal as possible. The most environmentally friendly drink cup available on the market is chosen for use at drink stations, these cups are then collected and treated in a composting facility. The amount of cups sent to compost and diverted from landfill for the 2019 event was 3.46 tonnes.

Economic

26. City2Surf participants and their supporters are injecting an estimated \$41million into the state economy. The main beneficiaries are the hotel, hospitality, event services and tourism sectors of the city's economy.
27. Of the events 80,000 participants, 21,000 participants travel from regional NSW, interstate and internationally with their primary purpose of travel to participate in the City2Surf. Whilst travellers account for only 30 per cent of total City2Surf participants, they contribute 51 per cent of total participant spend.
28. The Economic Impact Study conducted by Gemba estimates that of that overall \$41 million spend generated from the City2Surf, \$13.2 million is spent in the City of Sydney.

Budget Implications

29. Provision will be made in the City's Grants and Sponsorship budget for the next three years for the value-in-kind costs incurred in those financial years.

Relevant Legislation

30. Section 356 of the Local Government Act 1993.

Critical Dates / Time Frames

31. The City2Surf will take place on Sunday, 9 August 2020 and at a similar time of year in 2021 and 2022.
32. Entries and subsequent marketing for the 2020 event open on 1 April 2020.

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