

Item 10.

Grants and Sponsorship – Commercial Creative Business Events 2021, 2022 and 2023

File No: S104486.012

Summary

Two applications have been received under the Commercial Creative and Business Event Sponsorship Program from organisations seeking to deliver initiatives that support the City's objectives and commitments in the Sustainable Sydney 2030 strategy.

The intention of the Commercial Creative Business Events Sponsorship Program is to support high-impact creative events that deliver economic impact for the local government area and provide opportunities for community and business participation at scale.

An application has been received by International Management Group of America Pty Limited (IMG) to support their delivery of Australian Fashion Week. This event is Australia's only international fashion platform showcasing resort collections from emerging Australian talent. IMG seeks cash sponsorship from the City of Sydney for \$85,000 (excluding GST) per annum over a two-year period from 2022-2023.

An application has also been received from Vogue Australia to support delivery of Vogue Fashion's Night Out Sydney, a campaign aiming to drive footfall and consumer spend in Sydney's city centre during October 2021. Vogue Australia is seeking cash sponsorship of \$150,000 (excluding GST) and \$20,000 value in kind for use of civic space and City venues for one year.

Both proposals for sponsorship have been evaluated against the Commercial Creative and Business Events Sponsorship program and are recommended as they will contribute to the delivery of commitments in Council adopted strategies including the Economic Development Strategy, Tourism Action Plan and Retail Action Plan.

In June 2020, Council also adopted the Community Recovery Plan which provides a roadmap for a staged approach to supporting the economic and social recovery of the city from the Covid-19 pandemic. The plan aims to rebuild the visitor economy through the promotion of Sydney as a vibrant and safe city, and by providing more support for local businesses to adapt so that industries can evolve and grow.

Both sponsorships will specifically deliver actions to support the city's recovery from Covid-19 by promoting Sydney as Australia's premier retail destination, and providing support for initiatives that will attract visitors back to the city centre and raise Sydney's profile internationally.

Recommendation

It is resolved that:

- (A) Council approve a cash sponsorship of \$85,000 (excluding GST) per annum for two-years to International Management Group of America Pty Limited (IMG) for Australian Fashion Week 2022 and 2023;
- (B) Council approve a cash sponsorship of \$150,000 (excluding GST) and \$20,000 value in kind for the use of civic spaces and City venues for one year, to Vogue Australia (News Corp Australia Pty Limited) for Vogue Fashion's Night Out 2021; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer, sponsorship agreements with each of the applicants above.

Attachments

Nil.

Background

Australian Fashion Week 2022 - 2023

1. Australian Fashion Week continues to be Australia's only international fashion platform showcasing resort collections, further establishing Sydney as a fashion capital.
2. With an increasing percentage of global retail budgets allocated to resort collections, these collections present a large business opportunity for export, and tourism opportunities for Sydney designers and the broader fashion industry. The most influential buyers and media attend Australian Fashion Week at Carriageworks in Everleigh and through new virtual platforms.
3. The City has previously sponsored the event for three years 2019-2021 with \$85,000 (excluding GST) cash and \$70,000 (excluding GST) value in kind per annum.
4. In 2019, Australian Fashion Week showcased 70 established and emerging Australian designers. There were more than 6,000 attendees, along with 900 industry delegates, and over 600 media. The schedule promotes the NSW fashion industry, showcasing iconic Sydney locations for the attention of the global audiences through media calls and runway shows.
5. It also includes a series of seminars, industry panels, workshops and masterclasses held in partnership with industry experts, leading retailers, and the Australian Fashion Council. The series includes the Fashionably Conscious panel discussion to explore issues related to the sustainability of the industry and promotes leadership in this area.
6. In 2020, the event was cancelled at the last minute due to the Covid-19 pandemic.
7. In 2021, IMG announced Afterpay as the new title sponsor of Australian Fashion Week to ensure the evolution of the event and sustainability of Australia's fashion industry underpinned by a commitment to accessibility, diversity and inclusion.
8. The event now dedicates part of the event schedule to Aboriginal designers, emerging design talent and highlights student collections as part of its New Generation showcase, positioning Sydney as a hub for uncovering and fostering new designers.
9. In 2021, the First Nations runway show will showcase the collections of eight of the nation's most talented and highly awarded Indigenous designers. Taking place on Gadigal land, the runway show will celebrate Indigenous fashion labels founded by Indigenous women.
10. Well-respected design schools within the City's local government area have participated in the New Generation showcase each year and include Whitehouse Institute of Design (Surry Hills), Fashion Sydney TAFE (Ultimo) and The Fashion Institute (Surry Hills).

11. Amidst the Covid-19 pandemic, the event is required to support the fashion and creative industries to recover by driving retail spending, business opportunities and employment prospects within the wider events, hospitality and creative sectors.
12. Retail in Sydney continues to face numerous challenges, including the impacts of Covid-19 and a continuing shift to online purchasing. The City's research identifies the impacts of the pandemic on key industry sectors, including retail and creative industries. Retail turnover is down by 10.2 per cent from March 2020 to March 2021 with local jobs down by 8.33 per cent. For arts and recreation services turnover is down by 36.8% from March 2020 to March 2021 with local jobs down by 32.8 per cent. (Source: economy.id).
13. The continued success of events like Australian Fashion Week are essential to the future of CBD retailing as online shopping continues to compete for consumers spend. Successful retail relies on unique world-class designers and memorable experiences providing sustained reasons to visit the city's retail precincts.

Vogue Fashion's Night Out 2021

14. Vogue Fashion's Night Out (VFNO) is an international event that has been held in cities around the world each September since 2009.
15. Vogue Fashion's Night Out focuses on a series of live in-store and on-street activations designed to attract shoppers, increase dwell time and encourage retail spend. This includes in-store activations, special offers, gamification incentives and live fashion runway shows.
16. The marketing support provided by Vogue Australia is valued at over \$2.2 million and is critical to the success of the event. Vogue's website has over 1 million visitors every month, 567,300 Instagram followers and over 1 million Facebook followers.
17. In 2020, in response to the pandemic the event pivoted to a virtual campaign in the form of Vogue Fashion's Night In. The campaign included 374 retailers resulting in an average consumer spend of \$283.
18. In 2021, Vogue Fashion's Night Out will be reimagined as a hybrid campaign, driving a dual shopping strategy for in-city spending and ecommerce transactions. A week-long festival of fashion and retail, Vogue Fashion's Night Out will feature a seven-day hybrid program of events running from 8 to 15 October 2021, culminating in a one night only in-store experience in the Sydney CBD on 14 October including live fashion runway shows in Pitt Street Mall.
19. The campaign timing has been revised to launch in October, further supporting the retailers with the launch of Spring/Summer collections, Spring Racing season, and the beginning of the Christmas trading period.
20. The event is vital to support retail in our city centre by driving footfall and retail spending. The continued success of these kind of events is essential in ensuring the long-term viability of Sydney retailing which relies on in-store experiences and sustained reasons to visit the CBD as shoppers continue to head online.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

21. 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 SS2030 strategic directions and objectives:
- (a) Direction 1 - A Globally Competitive and Innovative City - Australian Fashion Week provides Australia's only international fashion platform for Australian designers to showcase their resort collections to the world, supporting the local fashion industry to compete in the global market.
 - (b) Direction 5 - A Lively and Engaging City Centre - Australian Fashion Week and Vogue Fashion Night Out bring the city to life through high quality fashion displays, interactive events, media events and runway shows. Both events bring numerous creative activations to the public realm, engaging workers, visitors and residents. The Australian Fashion Week footprint extends from the city centre and iconic tourist locations, to Carriageworks in Eveleigh.
 - (c) Direction 6 - Vibrant Local Communities and Economies - Australian Fashion Week attracts domestic and international media, buyers, bloggers and consumers, and it is expected that local food and beverage, hospitality and accommodation providers will significantly benefit from the spend of attendees at these events.
 - (d) Direction 7 - A Cultural and Creative City - Australian Fashion Week events showcase Sydney and Australian designers to the rest of the world and position Sydney as a major creative hub in the Asia Pacific region.

Organisational Impact

22. It is not anticipated that these sponsorship agreements will have organisational impacts beyond those which have been in place for the existing sponsorship agreements. The City will continue to allocate appropriate staff members to provide contract management and coordination services.
23. The City's marketing and communications teams will support both sponsorships across multiple media formats to help attract participants to the events.

Risks

24. There may be ongoing risks associated with Covid-19 that cannot be predicted. There are sufficient planning measures that have been developed to mitigate against risk including the development of Covid Safe plans for the events, informed by and subject to change in line with NSW Public Health orders. The City will work with the applicant if the event is to be postponed or converted to an online event.

Economic

25. Australian Fashion Week is the leading fashion trade event in the Australia-Pacific region and will deliver significant economic benefits for the fashion, retail and tourism sectors of the local economy.
26. Vogue Fashion's Night Out 2021 will deliver specific benefit for the local retail sector, drive industry activity and footfall to the city centre by providing an incentive for consumer spend in Sydney city centre.

Environmental

27. In 2019, Australian Fashion Week developed a three-year Sustainability Roadmap, embedding a series of initiatives to reduce the environmental impact of the event including waste minimisation, resource recovery and energy efficiency strategies. Through its role in leadership and advocacy Australian Fashion Week also promotes awareness by the fashion industry of sustainability issues, and showcases Australian designers already investing in sustainability practices and supply chain transparency.
28. The Sustainability Roadmap promotes sustainable approaches to fashion design processes, manufacturing and packaging, as well as ethical consideration of animals and the environment. These changes are inspired by the strides many Australian designers are already making and are designed to promote sustainability awareness within the national fashion industry.

Financial Implications

29. Sufficient funds are available within the 2021/22 Grants and Sponsorship Operating Budget and future year forward estimates for these sponsorships.

Relevant Legislation

30. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
31. Section 356(3)(a) - (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
 - (a) the funding is part of the Commercial Creative and Business Events Sponsorship Program;
 - (b) the details of the program have been included in Council's operational plan for financial year 2021/22; and
 - (c) the program's proposed budget does not exceed 5 per cent of Council's proposed income from ordinary rates for financial year 2021/22 and 2022/23; and the program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

32. Subject to Council approval:

- (a) Australian Fashion Week will take place at Carriageworks in Eveleigh during May-June 2022 and 2023, dates to be announced.
- (b) Vogue Fashion's Night Out will take place in Sydney during 8 to 15 October 2021 culminating in a one night only in-store experience in the Sydney CBD on 14 October 2021.

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