

Grants and Sponsorship - Commercial Creative and Business Events Sponsorship - Vivid Sydney (XCelerate Program) 2023

File No: X024914

Summary

In December 2013, Council adopted the City's Economic Development Strategy which aims to strengthen the city economy and support business. Under this Strategy, the Retail and Tourism Action Plans recognise the important contribution that major events play in 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. Major events can also be the catalyst for participation and engagement, enhance a city's liveability, and encourage ongoing investment in infrastructure. Cities compete for the rights to major events in an increasingly competitive market and the cities in which levels of government and private enterprise work together are often more successful.

The City's Commercial Creative and Business Events Sponsorship Program is a key mechanism through which the City can support the development of major events, secure new events to Sydney and encourage the growth, success and retention of existing events.

Vivid Sydney is the largest event of its kind in the southern hemisphere and showcases Sydney as a global hub of art, technology and innovation. In 2019, Vivid Sydney attracted a record-breaking 2.4 million attendees across the 23 days of the festival. The program included 96 installations for Vivid Light, 250 speakers participated in 143 Vivid Ideas and 115,000 people attended 247 events at Vivid music venues. The Vivid festival retained its crown as the largest arts event in the southern hemisphere.

Vivid Sydney provides a strong economic driver for Sydney businesses during the event period. In 2019, Vivid Sydney generated over \$172 million in overnight visitor spend. For the 2023 event, the City will work closely with Destination NSW to further create opportunities for businesses within the local government areas to participate in the Vivid program and leverage the footfall and spend that the event creates during late May and June.

Covid-19 and the global pandemic have caused the cancellation of Vivid Sydney in both 2020 and 2021. Vivid Sydney returns in 2022 with an expanded program and new initiatives and opportunities that will appeal to creatives, businesses and visitors.

The City has an important role to play in the reactivation and promotion of Sydney to support a strong economic recovery post pandemic. With the lifting of restrictions on travel within Australia, demand from Australians wanting to travel around their own country is increasing. Events that support our night-time economy such as Vivid Sydney, are essential to rebuilding our status as an events capital.

The request for sponsorship for Vivid Sydney 2023 has been evaluated against the criteria for the Commercial Creative and Business Events Sponsorship Program and cash funding of \$100,000 (excluding GST) and value-in-kind up to \$300,000 (excluding GST) is recommended.

The \$100,000 (excluding GST) cash portion of the City's sponsorship is directed toward the X/Celerate live music program, to continue support of Sydney's thriving music scene with a particular focus on programming events in the villages. The value-in-kind component will be effected through fee waiver for outdoor spaces in key public domain locations, including street closures, indoor venue hire, provision of cleansing and waste services, marketing support and provision of visitor information services.

The recommended sponsorship package to Destination NSW for the X/Celerate live music program as part of Vivid Sydney 2023 is of equal value per year as per the three-year sponsorship contract provided to Destination NSW for the years 2017 to 2019 as well as 2020 to 2022.

Recommendation

It is resolved that:

- (A) Council approve a cash sponsorship of \$100,000 (excluding GST) and value in kind sponsorship of up to \$300,000 (excluding GST) under the Commercial Creative Business Events Sponsorship to Destination NSW to support the Vivid X/Celerate live music program as part of Vivid Sydney 2023; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the sponsorship agreement with Destination NSW in support of the X/Celerate program as part of Vivid 2023.

Attachments

Nil.

Background

1. The Community Recovery Plan, adopted by Council in June 2020, provides a roadmap for a staged approach to supporting the economic and social recovery of the city from the Covid-19 pandemic. Major events like Vivid Sydney will help assist the recovery of the city by addressing key actions in the plan:
 - (a) Action area 4 - Protect and empower the cultural sector by prioritising the role of local creativity, cultural spaces, talent and knowledge; and
 - (b) Action area 5 - Rebuild the visitor economy through promotion of our vibrant and safe city with activated main streets and nightlife.
2. Vivid Sydney is owned, managed and produced by Destination NSW. It takes place over 23 nights in May and June and attracted over 2.4 million visitors in 2019. It has positioned itself as Australia's largest event and the largest festival of Light, Music and Ideas in the Southern Hemisphere.
3. Vivid Sydney provides a strong economic driver for Sydney businesses during the event period. In 2019, Vivid generated over \$172 million in overnight visitor spend.
4. Vivid Sydney positions Sydney as the creative hub of Australia and the Asia-Pacific region and delivers both innovative live entertainment and creative inspiration on a grand scale. It has three pillars - music, light and ideas.
5. In 2019, the following results were achieved:
 - (a) Vivid Music featured 247 music events across 33 venues across Sydney, including the Sydney Opera House, Carriageworks, and City Recital Hall.
 - (b) Vivid Ideas featured 142 events and over 250 speakers including talks, workshops and industry-shaping forums. It included the 'Game Changer' event at Sydney Town Hall with international artist Spike Lee.
 - (c) Vivid Light featured 96 light installations and projections created by 157 artists from 22 countries. The Vivid Sydney Light Walk comprised light sculptures and installations, with the highlight being the lighting of the Opera House Sails.
6. The 2019 X/Celerate program included 170 events across twenty-five inner city venues - including Oxford Art Factory in Darlinghurst, The Imperial in Erskineville and Hollywood Hotel in Surry Hills, among others. A total of 29,894 people attended the X/Celerate events. 77 per cent of all performers featured in the program were from Sydney, 9 per cent from regional NSW, 8 per cent from interstate and 5 per cent from overseas. The proportion of male and female performers was 46 per cent and 45 per cent respectively, 9 per cent were gender diverse.
7. The 2022 Vivid Sydney program has an extended footprint of the Vivid Light Walk around the harbour to Walsh Bay and Barangaroo and along the Goods Line through Haymarket up to Central Station. This new extended event footprint has been welcomed by businesses, especially those located in the Haymarket/Chinatown area.
8. In 2022, Vivid Sydney has also introduced a new Business Engagement Program which offers the opportunity for businesses located near the Light Walk to create activations or promotions that complement the Vivid event program.

9. The request for sponsorship for 2023 has been evaluated against the criteria for the Commercial Creative and Business Events Sponsorship Program and cash funding of \$100,000 (ex GST) and value-in-kind up to \$300,000 (ex GST) is recommended. The recommended sponsorship package for 2023 is of equal value to the event sponsorship for the previous years.
10. The \$100,000 (excluding GST) cash portion of the City's sponsorship is directed toward the X/Celerate live music program, to continue support of Sydney's thriving music scene with a particular focus on programming events in the villages.
11. The investment in the X/Celerate program will also focus on diversity of venues, business type, artists and programming and audience reach. The cash investment is matched by Destination NSW to create a combined financial investment in the program of \$200,000.
12. The \$300,000 (ex GST) value-in-kind component of the City's sponsorship includes:
 - (a) waiving of fees for outdoor spaces for key public domain locations including, but not limited to, Martin Place, Customs House Square and surrounds, Pitt Street Mall and Walsh Bay (subject to availability and conditions of use);
 - (b) street closure fees including, but not limited to, Alfred Street, Hickson Road, Bridge Street, George Street, Pitt Street, Young Street, Loftus Street and Phillip Street;
 - (c) indoor venue hire fees for use of, but not limited to, Sydney Town Hall for marquee Vivid Ideas events and Customs House Library. Applicable for venue hire only (subject to availability);
 - (d) provision of cleansing and waste services;
 - (e) marketing support including social and digital assets; and
 - (f) provision of visitor information services.
13. The City's sponsorship of Vivid Sydney will be subject to a range of performance indicators as determined under the Commercial Creative and Business Events Sponsorship Program. These indicators include continued growth of the event footprint, increase in audience participation, economic impact on surrounding businesses, increased recognition of Sydney as a major event city, and capacity for businesses to benefit from and leverage event audiences.
14. The City will receive recognition as a sponsor of this event including logo acknowledgment across all media platforms and other promotional materials. Key benefits will be negotiated directly with Destination NSW commensurate with the value of the sponsorship agreement.

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 1 - A Globally Competitive and Innovative City - Vivid Sydney 2023 helps to position Sydney as Australia's premier international tourism and business gateway.
 - (b) Direction 5 - A Lively and Engaging City Centre - Vivid Sydney 2023 expects to attract over 2.4 million visitors across 23 nights. The event footprint extends from the CBD and across multiple iconic tourist locations.
 - (c) Direction 6 - Vibrant Local Communities and Economies - Vivid Sydney 2023 will bring the city to life annually in the public domain through dressing and lighting of the city and streets. It is expected that local food and beverage, hospitality and accommodation providers will significantly benefit from attendees at the event.
 - (d) Direction 7 - A Cultural and Creative City - Vivid Sydney 2023 showcases Sydney to the rest of the world as a major creative hub in the Asia-Pacific region and celebrates the diversity of our creative industries. It provides a platform for Sydney to host a significant number of industry conferences and events.

Organisational Impact

16. The City will be required to provide a range of services to support the event, including cleansing and waste services, marketing support, customer service support, and venue management support. Details of the services to be provided will be negotiated and determined in the sponsorship agreement.

Risks

17. The City of Sydney works closely with all agencies across this event to manage pedestrian safety and road closures. This is led by the NSW Government Traffic Management Committee and Destination NSW.

Social / Cultural / Community

18. Vivid Light is a free public event with significant community participation levels. Destination NSW has developed a strong social justice program working closely with Indigenous groups and access and inclusion groups to ensure accessibility across the event.
19. In 2019, 56 of the 61 Light Walk installations were audio described and had text to text functionality.
20. Three accessible viewing areas were installed at Sydney Opera House, Dawes Point/under the Bridge and Darling Harbour; and four accessible information booths were installed in Customs House, Overseas Passenger Terminal, Royal Botanic Garden and Darling Harbour.

Environmental

21. Vivid actively works towards the delivery of a more sustainable event. In 2019, Destination NSW again partnered with the Banksia Foundation to measure and improve Vivid Sydney's sustainability performance. All grid-connected lighting installations were powered by 100 per cent Green Power-accredited renewable energy, sourced from regional NSW.
22. Destination NSW purchased certified Carbon Offsets, sourced from Regional NSW for Light Walk energy use and headline talent travel.
23. Other Vivid Sydney environmental and sustainability initiatives included: a) use of efficient LED technologies, b) extensive promotion of the use of public transport, c) waste minimisation initiatives, d) electronic ticketing and e) use of reusable cups at the Royal Botanic Garden Pop Up Bar.

Economic

24. This event is designed to deliver economic benefits to the hotel, retail, hospitality and tourism sectors, and in 2019, injected more than \$172 million into Sydney's economy.

Financial Implications

25. Funding for the cash and value-in-kind sponsorship noted above has been included in the draft 2022/2023 budget which is subject to Council approval in June 2022.

Relevant Legislation

26. 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.

Critical Dates / Time Frames

29. The event will be held in May/June 2023.

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