

Item 4.

Grants and Sponsorship - Ad Hoc Grant - Australian Fashion Week

File No: S117676

Summary

The City of Sydney's Grants and Sponsorship Program supports initiatives and projects that build the social, cultural, environmental and economic life of the city. To achieve the objectives of the Sustainable Sydney 2030-2050 Continuing the Vision, genuine partnership between government, business and the community is required.

The provision of grants and sponsorships is a mechanism to further the aims identified in the City's social, cultural, economic and environmental policies. Applications are assessed against these policies and against broad City objectives and plans. In this way, the City and the community act collaboratively to achieve the goals of Sustainable Sydney 2030-2050 Continuing the Vision.

In June 2023, Council approved a multi-year Festivals and Events grant of \$100,000 per year for 3 years with International Management Group of America Pty Ltd (2023/24-2025/26) to organise and deliver Australian Fashion Week. After delivering last year's event, International Management Group of America Pty Ltd recently informed the City that it will not proceed with the 2025 and 2026 events. The contract with International Management Group of America Pty Ltd will now be cancelled.

The Australian Fashion Council Ltd has advised the City that it intends to run the 2025 and 2026 Australian Fashion Week events. The Australian Fashion Council Ltd is currently negotiating with the NSW Government to secure funding through Destination NSW.

This report recommends in principle support of \$100,000 per year for the next two years (2024/25 and 2025/26) for Australian Fashion Council Ltd to run the 2025 and 2026 Australian Fashion Week events. The grant agreement will not be signed and payment of the funding will not occur until the following pre-conditions are met:

- Australian Fashion Council Ltd provides and the City approves the detailed project plan for the 2025 and 2026 events;
- Australian Fashion Council Ltd can provide evidence confirming it has secured other income and funding to deliver the 2025 and 2026 events; and
- the grant agreement with International Management Group of America Pty Ltd has been formally terminated and the agreed funds owed to the City for the 2025 event are repaid to the City.

If the above pre-conditions are not met by 31 March 2025, approval to provide the grant to Australian Fashion Council Ltd will be automatically rescinded.

Australian Fashion Council Ltd will be required to sign a contract, meet specific performance outcomes and acquit its grant. All figures in this report exclude GST.

Recommendation

It is resolved that:

- (A) Council approve the recommendation of up to \$100,000 in financial assistance per year for two years (2024/25 and 2025/26) to Australian Fashion Council Ltd for the final two years of the project Australian Fashion Week 2024-2026;
- (B) Council note that the grant agreement will not be signed and payment of the funding will not occur until the City is satisfied that the following pre-conditions are met:
 - (i) Australian Fashion Council Ltd provides and the City approves the detailed project plan for the 2025 and 2026 Australian Fashion Week events;
 - (ii) Australian Fashion Council Ltd provides evidence confirming it has secured other income and funding to deliver the 2025 and 2026 Australian Fashion Week events; and
 - (iii) the agreement with International Management Group of America Pty Ltd has been formally terminated and funds paid to International Management Group of America Pty Ltd for the 2025 event are repaid to the City ;
- (C) Council note that all grant amounts are exclusive of GST;
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the agreement with Australian Fashion Council Ltd under terms consistent with this resolution and the Grants and Sponsorship Policy;
- (E) Council note that it will be advised by CEO Update when the grant agreement is signed by both parties;
- (F) Council note that if the grant agreement is not signed by both parties by 31 March 2025, the Council approval to provide the funding will be automatically rescinded; and
- (G) authority be delegated to the Chief Executive Officer to correct minor errors to the matters set out in this report, noting that the identity of the recipient will not change, and a CEO Update will be provided to Council advising of any changes made in accordance with this resolution.

Attachments

Nil.

Background

1. The City of Sydney's Grants and Sponsorship Program supports residents, businesses and not-for-profit organisations to undertake initiatives and projects that build the social, cultural, environmental and economic life of the city.
2. On 26 June 2023, Council approved a Festivals and Events grant to International Management Group of America Pty Ltd (ABN 23 001 788 343) for 3 years for the delivery of Australian Fashion Week event. International Management Group of America Pty Ltd was approved to receive a total of \$300,000 cash over 3 years paid in \$100,000 instalments each year:
 - (a) Year 1 - 2023/24 \$100,000
 - (b) Year 2 - 2024/25 \$100,000
 - (c) Year 3 - 2025/26 \$100,000
3. In October 2023, the Year 1 - 2023/24 funding of \$100,000 was paid by the City.
4. In May 2024, International Management Group of America Pty Ltd delivered the first year of this grant successfully with 58 activities and sessions with a total number of 28,648 attendees. In addition, the following was achieved:
 - (a) 168 local businesses participated in the festival, 56% of which reported an increase in turnover due to the festival.
 - (b) Targeted programming focussed on diversity and inclusion at the festival including Indigenous fashion, fashion for inclusion and presentations and seminars on diverse design.
 - (c) 2024 event spotlighted designers who prioritised eco-friendly materials and methods and the event organisers partnered with Clean Vibe to reduce event waste by 77%.
 - (d) 59 new creative works were created through this project. Site-specific art installations were created that utilised Carriageworks' industrial space, creating immersive and visually striking experiences that attracted art enthusiasts and tourists.
5. Following the submission and approval of the Year 1 - 2023/24 acquittal documentation in August 2024, funding for Year 2 - 2024/25 was paid by the City in accordance with the payment schedule in the funding agreement.
6. In November 2024, International Management Group of America Pty Ltd confirmed it would not proceed with 2025 and 2026 event.
7. The City has sought a cancellation of the contract with International Management Group of America Pty Ltd, which includes that the agreed funds owed to the City for the 2025 event are repaid to the City.
8. Approval is sought to provide financial assistance under a new contract with Australian Fashion Council Ltd (ABN 57 167 225 774) to contribute up to \$100,000 per year for two years (2024/25 and 2025/26) for the delivery of Australian Fashion Week 2025-2026. Australian Fashion Council Ltd has been registered as a charity since 2022.

9. Australian Fashion Council Ltd will review the event delivery and consider its scope with a focus on sustainability.
10. It is recommended that Council approve payment of the grant funds now, to enable Australian Fashion Council Ltd to have certainty that funding has been secured. However it is recommended that the grant agreement not be signed and payment of the funding not occur until pre-conditions are met as outlined earlier in this report.
11. It is further recommended that if the pre-conditions are not met by 31 March 2025, approval to provide the grant to AFC is automatically rescinded.
12. Council will be informed via CEO Update when the grant agreement is signed, or if the grant approval pre-conditions have not been met by 31 March 2025.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

13. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities' vision for the sustainable development of the city to 2050. 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 8 - A thriving cultural and creative life - the recommended grant in this report contributes to supporting artistic and creative endeavours in our city, helping foster initiative, experimentation and enterprise by creative workers and providing new opportunities for audiences to engage in the city's cultural life.
 - (b) Direction 9 - A transformed and innovative economy - the recommended grant in this report contributes to helping stimulate business and promote economic activity. They encourage partnerships with other organisations on business development and assist groups of businesses to work together for the collective benefit.

Organisational Impact

14. The grants and sponsorships contract management process will involve key staff across the City of Sydney. Identified staff set contract conditions and performance measures for each approved project, and review project acquittals, which include both narrative and financial reports.

Risks

15. The event details, partnerships and collaborations, and details on the budget are still being finalised by Australian Fashion Council Ltd. Conditions and requirements, where appropriate, will be further discussed and defined during the contracting phase.

Cultural / Economic / Environmental / Social

16. The City's Grants and Sponsorship Program provides the City with a platform to support cultural, economic, environmental and social initiatives from the communities and business, within the local area.

Financial Implications

17. There are sufficient funds allocated in the 2024/25 grants and sponsorship budget to support the recommended grant. An invoice for \$100,000 has been issued to International Management Group of America Pty Ltd to return their 2024/25 grant. International Management Group of America Pty Ltd are in regular contact with the City and are finalising their accounts for the event.

Relevant Legislation

18. 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.
19. Section 356(3)(a) to (d) is satisfied for the purpose of providing grant funding to for profit organisations because:
 - (a) the funding is part of the Festivals and Events Sponsorship program;
 - (b) the details of the program have been included in the Council's draft operational plan for financial year 2024/25;
 - (c) the program's proposed budgets do not exceed 5% of Council's proposed income from ordinary rates for financial year 2024/25; and
 - (d) these programs apply to a significant group of persons within the local government area.

Critical Dates / Time Frames

20. Australia Fashion Week will be held in May 2025 and 2026.

EMMA RIGNEY

Executive Director City Life

Samuel Adame Lorite, Grants Coordinator