

AMENDED ITEM

8 April 2015
To the Ordinary Council Meeting

Director's Report
Community and Recreation Services
Department

5.2 Sponsorship

TRIM REFERENCE: F2014/00914 - D11853346

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SUMMARY

This report informs Council of changes to the Sponsorship Program 2014/15 and asks for a decision in relation to **one new sponsorship opportunity** for 2014/15 and one new multi-year sponsorship commencing 2015/16. The Sponsorship Program aims to build the profile of Wyong Shire and improve the quality of life of our local residents. It also assists initiatives, events and activities to go from idea to reality, enhancing the quality and variety of initiatives on offer in the Shire.

RECOMMENDATION

- 1 ***That Council receive this report and note the changes that have occurred in the current 2014/15 Sponsorship Program;***

<i>Positioning</i>	<i>Initiative</i>	<i>Funding Initially Approved</i>	<i>Revised funding commitment</i>	<i>Total over 3 years</i>
Tier 1 Multi-year	Central Coast Academy of Sport	\$15,000 p/a Pre-existing agreement 2013-2017	\$15,000	\$45,000
Tier 2 Multi-year	The Entrance Triathlon	\$15,000 per year for three years (total \$45,000) approved in last EOI	\$30,000 for 2015/16 and 2016/17 (event did not proceed in 2014/15)	\$30,000
Tier 2 Multi-Year	Central Coast hosting of NSW Academy Games	Approved at March 2014 CCROC meeting	\$10,000 per year for three years	\$30,000

5.2 Sponsorship (contd)

Tier 2 Single Year	Community Automotive Sport And Recreation Park (CASAR) Virtual Launch	\$5,000 approved in principle in last EOI round	\$0 (sponsorship cancelled due to event not proceeding)	N/A
Tier 2 Single Year	Central Coast Business Awards	Pre-committed sponsorship	\$5,000 in 2014	N/A
Tier 2 Single Year	Mingara Christmas Under the Stars	Pre-committed sponsorship	\$5,000 in-kind	N/A
Tier 3 Single Year	Sports Star of the Year Award Central Coast Academy of Sport	Pre-committed sponsorship	\$3,000	N/A
Tier 3 Single Year	Success Women's Network – series of eight networking events to help women in business	\$500 per event (total of \$4,000) approved in last EOI round	\$500 for Nov2014 event then \$300 per event (total of \$2,600)	N/A

2 That Council support the allocation of **\$4,950** in available sponsorship funding for the 2014-15 year to the following new request:

<i>Positioning</i>	<i>Initiative</i>	<i>New request</i>	<i>Funding commitment</i>	<i>Total over 3 years</i>
Tier 2 Single Year	2015 Australian Men's Health Gathering (Central Coast)	New	\$5,000	N/A
Tier 3 Single year	CASAR Foundation Sponsorship	New	\$4,950	N/A

3 That Council support a new two year sponsorship for the Central Coast Business Awards and allocate \$6,000 per annum in sponsorship for the 2015/16 and 2016/17 years **subject to the event being held in Wyong in one year.**

<i>Positioning</i>	<i>Initiative</i>	<i>New Funding Request</i>	<i>Amount per year funding commitment</i>	<i>Total over 2 years</i>
Tier 2 Multi-year	Central Coast Business Awards	New 2 year funding agreement	\$6,000	\$12,000

4 That Council decide that the new Award Category for Wyong Shire Council sponsorship of the Central Coast Business Awards for the next two years will be:

- Outstanding Contribution to the Central Coast OR Creative Industries

5 That Council note that at the CCROC meeting on 19 February 2015 Council endorsed in principle allocation of an additional \$20,000 in sponsorship funding to support the hosting of a round of the Offshore Powerboat Championships on the Central Coast provided Gosford City Council and the NSW State Government also provide funding of \$20,000 and \$10,000 respectively. Provision of funds should be subject to the event being held in the Gosford and Wyong areas and that there is a business case presented to Council that demonstrates a positive net benefit arising to the Wyong Community.

6 That Council note that the information in relation to NSW Government support has not yet been received and therefore no allocation from the Sponsorship fund has been made at this time.

BACKGROUND

In 2014 sponsorship was brought into a single coordinated area under Customer and Community Relations. In May 2014, Council developed a new Sponsorship Policy and framework that provides a clear set of guidelines to apply when sourcing and negotiating sponsorship with external bodies. The Sponsorship Program looks for a return on investment (ROI) appropriate to the size and scale of an initiative. Sponsorship is supplied in return for demonstrable ROI such as economic and employment benefits, support of local businesses, visitation, tourism and community involvement and participation.

By supporting initiatives that encourage community participation and development, sponsorship creates connections, enriching experiences and building of our local profile. As well as increasing visibility and visitation, sponsorship can promote economic and social benefits for the whole region.

The new sponsorship policy and management approach provides greater alignment to Council's strategic outcomes and improves the open and transparent manner in which Council manages sponsorship.

To measure the size and scale of an initiative and its capacity to produce deliverables, initiatives are positioned within tiered categories. These categories outline where they fit in relation to marketing opportunities, recognition, size, duration, tourism benefits, economic impact, media exposure and participants/visitors. Funding amounts are determined by an appropriate fit within the three tiers and ability to deliver on outcomes. Applicants are also weighted under categories of support to determine degree of alignment with Council's strategic objectives. Our Sponsorship is ranked in Tier 1 (\$15,000+), Tier 2 (\$5,000 – \$15,000), and Tier 3 (<\$5,000).

The annual Expression of Interest (EOI) process was first issued for applications for sponsorship in May 2014 and at the Ordinary Meeting of Council on 24 September 2014, Councillors allocated \$62,000 of the available \$80,000 in funding to successful applicants, leaving \$18,000 unallocated.

All applicants were notified of their success or otherwise by the 30 September 2014. A number of sponsorship funding allocations required further negotiation in relation to benefits and deliverables and Council deferred a decision to allocate \$5,000 to CASAR Park for a Virtual Tour launch pending further discussions regarding the details of the event.

During this period further investigation of the volume of sponsorship funding Council provides was undertaken and several sponsorships that were previously committed in other areas across the business have now been identified.

Council has also received several new requests to consider additional sponsorship opportunities that have merit for consideration. Details are provided within this report.

CURRENT STATUS

Details of the below are all outlined in **Attachment 1**:

a) Success stories: Sponsored Events / Initiatives that have taken place

Several sponsored events have already taken place in 2014/15 and organisers have provided acquittal reports to Council. These are summarised in **Attachment 1**. Below is a more detailed outline on the outcomes of Council's Tier 1 event sponsorship of the Central Coast Sevens International Rugby Festival:

Central Coast Sevens (CC7s) - \$20,000 – Tier 1 event – 23-25 October 2014

The 2014 Central Coast Sevens International Rugby Festival was labelled a magnificent success that was "World Class" by prominent members of the International Rugby world.

Coverage: Officially opened by the Prime Minister of Australia, the tournament attracted significant media coverage within Australia and internationally. The tournament was broadcast live around the world via the Bar TV network and was globally live-streamed allowing anyone anywhere the opportunity to tune into the CC7s. It reached 22,319 unique views over two days of competition. The CC7s newsletter was read in over 26 countries and reached over 100,000+ people on social media.

Increased interest: Due to the success of the event, interest is at an all-time high from participants seeking to secure a position for 2015 with planning already underway to ensure delivery of another world class event on the Central Coast.

Tourism impact: The CC7s provided positive impact for tourism. A number of the teams enjoyed a variety of the Central Coasts tourist attractions. The CC7s has strong and ever growing associations and relationships in Fiji, Samoa, New Zealand, Canada, Malaysia, Japan, Brazil and the USA. The majority of teams enjoyed time on the Central Coast at venues including Kooindah Waters, Canton Beach Holiday Park, Shelly Beach Cabins, Galaxy Motel, Tuggerah Lakes Motel, Backpackers @ The Entrance, The Entrance Pub and Camp Breakaway to name a few.

Community benefit: In 2014 the CC7s assisted the following local groups with coaching and youth development activities: Central Coast Rugby Union | Central Coast Junior Rugby Union | Warnervale Rugby Union Club | Northlakes Rugby Union Club | Central Coast Fijian Community | Central Coast Maori Association | Coast Shelter | Tuggerah Lakes Local Area Command Anti-Domestic Violence Team

WSC Recognition: Council received visual recognition by way of logo placement on all print and online marketing, advertising and promotional materials and signage at all games and the Opening Ceremony. Additionally Council was verbally acknowledged as a sponsor in media coverage and at official events.

b) 2014/15 Sponsorship commitments from Expression of Interest (EOI) process

The 2014/15 Sponsorship Program originally provided a funding allocation of \$80,000, of which \$62,000 was allocated by Council on 24 September 2014 after an Expression of Interest (EOI) process.

A number of changes have occurred since this allocation, reducing the amount of the sponsorship allocated under the EOI to \$43,000. These changes are primarily due to further discussion in relation to negotiated benefits, activities not proceeding in the 2014/15 year or amendments due to changes in deliverables. These have been agreed with the parties and are finalised agreements.

c) Additional pre-existing Sponsorships commitments identified

Outside the EOI process, it has been identified that there are \$44,730 worth of pre-existing commitments for sponsorship funding allocated going forward across Council. These have been agreed with the parties and are finalised agreements.

d) New sponsorship requests received since the 2014 EOI process

Two new requests for sponsorship have been received that require a decision outside the next EOI issue due to timing of the proposed events.

Budget

The total budget and funds already committed for 2014/15 are summarised below and detailed in Attachment 2:

5.2 Sponsorship (contd)

Original EOI sponsorship budget allocation	\$80,000
Additional budget identified from service units across the business for pre-existing sponsorships and CCROC approvals.	\$36,000
TOTAL 2014/15 budget	\$116,000
TOTAL ALREADY COMMITTED for 2014/15 sponsorships	\$87,600
TOTAL sponsorship budget remaining 2014/15	\$28,400

The remaining budget of \$28,400 can be spent on ad hoc sponsorship requests, education on our sponsorship program for potential applicants or kept as savings in the business. We hope that all pre-existing or CCROC commitments have now been identified and no further commitments will be found.

THE PROPOSAL

It is recommended that the 2014/15 Sponsorship Program be amended as outlined in **Attachment 2**.

It is also recommended that Council commit sponsorship funding to the two new requests outlined below, in return for benefits in line with Council's sponsorship policy that are outlined in more detail in **Attachment 1**:

- In 2014/15 for \$4,950 (Tier 3, single year) the *CASAR Park Foundation Sponsorship* which provides benefits in the lead up to the facility development and over the lifetime of the facility to Foundation Sponsors.
- In 2015/16 and 2016/17 for \$6,000 per annum (Tier 2, multi-year) sponsor the *Central Coast Business Awards* in August each year. The organiser has requested a three year sponsorship however it is recommended that Council commit to two years and assess acquittal reports during this time to decide if further sponsorship will be committed beyond 2016/17. The organiser has advised that there is a two year cycle for the awards ceremony in either Gosford LGA or Wyong LGA and the 2015 event will be held in Gosford and the 2016 event is scheduled for Wyong, noting in 2014 that the event was held in Gosford. Council has requested for a change in the award category to reflect Council's Economic Development Strategy and this report recommends Council sponsor the category 'Outstanding Contribution to the Central Coast OR Creative Industries.'

Based on the above, and subject to the approval of Council, the total sponsorship commitment would be:

- For 2014/15 \$92,550. This leaves \$23,450 of the 2014-15 allocated Sponsorship budget uncommitted in 2014/15.
- For 2015/16 \$78,000 (second year of multi-year commitments). This leaves \$47,000 of the allocated 2015/16 sponsorship budget to support the next Sponsorship EOI process which commences in May 2015.

5.2 Sponsorship (contd)

In addition, at the CCROC meeting on 19 February 2015 Council endorsed in principle an allocation of an additional \$20,000 in sponsorship funding to support the hosting of a round of the Offshore Powerboat Championships on the Central Coast provided Gosford City Council and the NSW State Government also provide funding of \$20,000 and \$10,000 respectively. Council is awaiting this information therefore no allocation has been made at this time.

The 2015/16 Sponsorship EOI is to open 1 May 2015 and closes 15 June 2015, with applications processed and a report to Council by August 2015.

The 2016/17 Sponsorship EOI will be brought forward, with the EOI being issued in November 2015 to allow reporting to Council and finalisation of the 2016/17 sponsorship program for inclusion in the budget process by February 2016.

OPTIONS

The options proposed in this report would provide the best value spend for the committed sponsorship funding for 2014/15 and 2015/16.

Council could however choose not to commit to sponsoring any or all of the newly requested initiatives.

STRATEGIC LINKS

Wyong Shire Council Strategic/ Annual Plan

<i>Service</i>	<i>Key Action and Objectives</i>	<i>Funding Source and Description</i>	<i>Impact on Key Performance Indicators/ Service Performance Indicators</i>
Marketing and Communications	Communication and marketing services that raise staff and community awareness of Council activities and support the management of Council's brand and reputation	General Fund - Customer and Community Relations	Alignment of the delivery of Council operations with the Community Strategic Plan

Long Term Financial Strategy

Expenditure is identified in the Operational Budget 2014/15 and draft future budgets.

Asset Management Strategy

Nil

Workforce Management Strategy

Nil

Link to Community Strategic Plan (2030)

The proposal supports the delivery of the economic development objectives of the Community Strategic Plan by assisting to attract, encourage and support events that will result in increased visitation and local expenditure as well as social or cultural benefits.

Budget Impact

The changed sponsorship funding commitments are within the 2014/15 operating budget and the proposed 2015/16 operating budget.

CONSULTATION

Consultation was undertaken with organisers of the affected events.

GOVERNANCE AND POLICY IMPLICATIONS

The Sponsorship Program is run in accordance with the WSC Policy for Sponsorship Management adopted in May 2014.

MATERIAL RISKS AND ISSUES

Risks to Councils reputation from poorly managed initiatives. Risk is mitigated through the provision of business and marketing plans from all applicants and review and management of agreements. All organisations that receive sponsorship provide an acquittal report. Sponsorship agreements allow for Council to ask for return of part or all of the sponsorship monies if sponsorship benefits are not realised.

CONCLUSION

It is recommended Council receive this report providing details of success from the 2014/15 Sponsorship Program so far and note the amendments to the 2014/15 Sponsorship Program and the impact on the subsequent year's commitments and budget. The changes are primarily due to further discussion in relation to negotiated benefits, activities not proceeding in the 2014/15 year, amendments due to changes in deliverables or are pre-existing commitments identified from other areas of the business.

It is also recommended Council sponsor additional initiatives and events not considered under the original EOI process because they are new opportunities that have recently arisen and timing falls outside the next Expression of Interest process. The next Expression of Interest for 2015/16 is in May 2015 and the 2016/17 EOI is in November 2015. This change for 2016/17 is to align to Council's strategic planning.

The proposed changes seek to enhance the effectiveness of the Sponsorship Program and gain maximum benefit and return on investment for the Wyong Shire community.

All proposed sponsorships meet the key criteria of the sponsorship program.

ATTACHMENTS

5.2 Sponsorship (contd)

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| 1 | Sponsorship Program Update, Changes and New Opportunities - Detail
(Confidential) | D11907214 |
| 2 | Sponsorship program Multiyear Budget Outline | D11907218 |

Attachment 2 - Council Report - Sponsorship - 8 April 2015

WYONG SHIRE COUNCIL SPONSORSHIP PROGRAM**a. Approved under 24 Spetmebr 2014 Council recommendation from EOI process and proceeding as approved**

Tier	Name	Status	Amount			Location	Event dates	# Years	Acquittal
			2014/15	2015/16	2016/17				
Tier 1	Central Coast Rugby Sevens	Approved Sep 2014	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	Wyong Shire	25 & 26 October 2014	3	2014 report received
Tier 2	GOATS Festival	Approved Sep 2014	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00	Wyong Shire	12-April-2015	3	Event occurs in April
Tier 2	Kids Day Out	Approved Sep 2014	\$ 5,000.00	\$ 3,000.00	\$ 3,000.00	Central Coast	02-November-2014	3	2014 report received
Tier 3	Mardi Gras	Approved Sep 2014	\$ 5,000.00	NA	NA	Wyong Shire	06-December-2014	1	2014 report received
Tier 3	Relay for Life (Cancer Council)	Approved Sep 2014	\$ 3,000.00	NA	NA	Wyong Shire	11 & 12 October 2014	1	2014 report received
			\$ 43,000.00	\$ 28,000.00	\$ 28,000.00				

b. Approved under EOI but changed or not proceeding

Tier	Name	Status	Amount			Location	# Years	Acquittal	
			2014/15	2015/16	2016/17				
Tier 2	The Entrance Triathlon	Approved (Sep 2014)	NA	\$ 15,000.00	\$ 15,000.00	Wyong Shire	Twice per year: inaugural event to be in November 2015, then February 2016, December 2016, February 2017	2 not 3	2014/15 event did not proceed due to organisers issues
Tier 2	CASAR Park Virtual Launch	Decision deferred (Sep 2014) further information requested	NA	NA	NA	Wyong Shire	Not proceeding	0	Event not proceeding
Tier 3	Success Womens' Network	Approved for \$4,000 (Sep 2014)	\$ 2,600.00	NA	NA	Wyong Shire	November 2014 & Feb, Mar, Apr, May, Jun, Jul, Aug 2015	1	Sponsorship recommended to be reduced from \$4000 (originally approved) to \$2600
			\$ 2,600.00	\$ 15,000.00	\$ 15,000.00				

c. Pre-existing commitments

Tier	Name	Status	Amount			Location	# Years	Acquittal	
			2014/15	2015/16	2016/17				
Tier 2	Central Coast Academy of Sport	Pre-existing funding agreement from 2013 - 2017	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	Central Coast	Funding agreement for organisation	4	Due in May 2015 (for 2014)
Tier 2	NSW Academy Games	Approved CCROC & Council (March 2014)	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	Central Coast	10 - 12 April 2015 (and in 2016 & 2017)	3	Event in April
Tier 2	Central Coast Business Awards	Pre-existing	\$ 5,000.00	NA	NA	Central Coast	August 2014, 2015 & 2016	3	2014 event has occurred, acquittal report due and several meetings held with organisers. Next event in August 2015.
Tier 2	Central Coast Economic Breakfast	Pre-existing	\$ 4,000.00	\$ 4,000.00	NA	Central Coast	10 April & 16 October 2015	3	\$4,000 per event 2 events per year (March and September) - part of Economic Development marketing activity
Tier 2	Mingara Christmas Under the Stars	Pre-existing, in-kind	\$ 5,000.00	NA	NA	Wyong Shire	Dec-14	1	No formal agreement in place, under review
Tier 3	Central Coast Sports Federation Annual Sports Star Awards	Pre-existing	\$ 3,000.00	NA	NA	Central Coast	Nov-14	1	No formal agreement in place, under review
			\$ 42,000.00	\$ 29,000.00	\$ 25,000.00				

	2014/15	2015/16	2016/17
TOTAL Currently committed	\$ 87,600.00	\$ 72,000.00	\$ 68,000.00
Total Budget allocated	\$ 116,000.00	\$ 125,000.00	\$ 125,000.00
Budget remaining after current commitments	\$ 28,400.00	\$ 53,000.00	\$ 57,000.00

NOTE: Total budget allocated = Original budget allocation of \$80,000 + other pre-existing commitments from other service units or CCROC approvals = \$36,000. The remainder can be spent on ad hoc sponsorship requests or kept as savings in the business. We hope that all pre-existing or CCROC commitments have now been identified and no further commitments will be found.

d. New sponsorship requests recommended to proceed

Tier	Name	Status	Amount			Location	# Years	Opportunity	
			2014/15	2015/16	2016/17				
Tier 3	CASAR Park Foundation Sponsorship	New request	\$ 4,950.00	NA	NA	Wyong Shire	Ongoing	1	Foundation sponsorship
Tier 2	Central Coast Business Awards	Extension on previous sponsorship	NA	\$ 6,000.00	\$ 6,000.00	Central Coast	August 2015, 2016 & 2017	3	2014 event has occurred. Next event in August 2015.
			\$ 4,950.00	\$ 6,000.00	\$ 6,000.00				

	2014/15	2015/16	2016/17
Budget remaining after current commitments	\$ 28,400.00	\$ 53,000.00	\$ 57,000.00
TOTAL additional requests	\$ 4,950.00	\$ 6,000.00	\$ 6,000.00
Budget remaining after additional requests	\$ 23,450.00	\$ 47,000.00	\$ 51,000.00

e. New sponsorship requests still under consideration by CCROC/Councils

Tier	Name	Status	2014/15	2015/16	2016/17	Location	# Years	Opportunity
Tier 1	Powerboat Championships	Proposed (CCROC)	\$ 20,000.00	NA	NA	Central Coast	1	Host one round of Offshore Powerboat Championships in Gosford