

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 24 June 2014
CONFIDENTIAL AGENDA BUSINESS ITEM**

Item: 18.1

Originating Officer: David Waters, Director Community & Customer Service

Responsible Director: David Waters, Director Community & Customer Service

Subject: Event Opportunity

1. Event Opportunity – Exclusion of the Public

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except:

- CEO, Andrew Aitken
- Director Engineering & Assets, Deb Richardson
- Director Strategy & Development, Marc Salver
- Director Corporate Services, Tim Piper
- Director Community & Customer Service, David Waters
- Manager Governance & Risk, Lachlan Miller
- Communications Coordinator, Susannah Buckland
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 18.1: Event Opportunity.

The Council is satisfied that, pursuant to section 90(3) (j) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which would divulge information provided on a confidential basis by or to the South Australian Tourism Commission (SATC) in that information between the Council and SATC relating to a proposed event is requested by SATC to remain confidential until event agreements are signed.

In addition, the disclosure of this information would, on balance, be contrary to the public interest. The public interest in public access to the meeting has been balanced against the public interest in the continued non-disclosure of the information. The benefit to the public at large resulting from withholding the information outweighs the benefit to it of disclosure of the information.

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the information provided will include discussion and consideration of material relevant to the event that the SATC has requested remain confidential.

2. Event Opportunity – Confidential Item

SUMMARY

The purpose of this report is to present for the Council's consideration, a formal offer from the South Australian Tourism Commission (SATC) for the Council to host two (2) stage finishes for the 2015 Santos Tour Down Under (STDU).

SATC propose stage finishes to be held in Stirling and Paracombe and have proposed a total licence fee of \$30,000 plus GST, to be paid by the Council to SATC.

Should it wish to accept the offer, it will be necessary to authorise the Chief Executive Officer to execute the Licence Agreement for and on behalf of the Council. The Common Seal is not required in this instance.

RECOMMENDATION

That Council resolves:

1. **To accept the offer by the South Australian Tourism Commission for the Council to host two (2) stage finishes for the 2015 Santos Tour Down Under, for a total consideration of \$30,000 plus GST, to be paid by the Council.**
2. **That the Chief Executive Officer be and is hereby authorised to act for and on behalf of the Council to execute any contracts or other documents required to progress the matter.**
3. **That the Chief Executive Officer be and is hereby authorised to act for and on behalf of the Council in respect to considering and providing consent for road closures associated with the event pursuant to Section 33 of the *Road Traffic Act 1961*.**

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal 3 A Prosperous Economy

Key Issue 3.3 Tourism

Key Action 3.3.5 Support, facilitate and promote major and unique events to regional and wider audiences.

➤ **Legal Implications**

There are no legal implications associated with hosting the event, however, for the event to take place in a safe manner, it will be necessary for the event manager to put in place road closures. Under the Road Traffic Act 1961, the Council has a role in providing consent to road closures within its area.

By virtue of the Council's willingness to host STDU stages, it is implicit that the Council also consents to the associated road closures. It is suggested that the Council take this opportunity to authorise the Chief Executive Officer to act for and on the Council's behalf in providing consent to road closures, which will likely be formalised closer to the event.

➤ **Risk Management Implications**

The event is owned and managed by SATC. That being the case, the Council's exposure to public liability risks is limited.

The most pertinent risk is around the responsible use of community funds. There is some level of judgement required to determine whether the community at large will receive a benefit commensurate with the investment that the Council will make on its behalf. On balance, and based on past experience, it is considered to be a good investment.

➤ **Financial and Resource Implications**

Hosting two stage finishes for the 2015 STDU is likely to cost the Council in the order of \$50,000 plus in-kind costs through staff effort. Costs include \$30,000 in the licence fee plus approximately \$20,000 for hospitality, waste management, additional public facilities, alternations to infrastructure and ancilliary costs.

Provision has been made in the draft 2014-15 Budget for these costs as part of the Council's community events program.

➤ **Customer Service and Community/Cultural Implications**

Hosting events like the STDU is very much about creating a sense of place and fostering community cohesion through involving groups and individuals in the event. Where possible, staff will work with business and community groups to enable them to leverage the event and to design and run local promotional activities.

➤ **Environmental Implications**

Nil.

➤ **Community Engagement/Consultation**

There is little opportunity to undertake community engagement around proposals to host STDU stage finishes in particular locations, however, past event surveys generally indicate a high level of community support. Negative community impacts are considered minimal and these are discussed later in the report.

2. **BACKGROUND**

Council Members will be well aware of the Council's strong and ongoing association with the STDU. The Council has hosted several stage starts and finishes, most notably in Woodside, Lobethal and Stirling.

The events attract visitors to the region, with economic benefits being realised locally on the day of the event. But more strategically, recognition of the Adelaide Hills 'brand' is built through visitors experiencing what the region has to offer and through national and international media exposure.

The Council has again been provided with the opportunity to host stage finishes for the 2015 event.

3. ANALYSIS

SATC has offered the Council the opportunity to host two stage finishes in the 2015 STDU, namely:

- The finish of Stage 2 to be held at Stirling on Wednesday, 21 January 2015
- The finish of Stage 3 to be held at Paracombe on Thursday, 22 January 2015

The Stage 2 finish is to take a similar form to previous years, that is, there will be a number of circuits around Stirling-Heathfield-Mylor-Aldgate before the finish line crossing and post-event activities at Stirling Oval.

The circuit nature of the Stirling finish provides opportunities for local businesses and community groups to leverage from crowds which are drawn to Stirling on the day. For instance, some hospitality businesses sell lunch packages associated with viewing the event and community groups sell food and other products from fundraising stalls.

For 2015, staff are working on opportunities to partner with the Stirling Business Association and Stirling Market Inc to create a festival atmosphere on the day of the event. Under such a partnership, the business community would share with the Council in covering the SATC licence fee (nominally \$20,000 for the Stirling stage finish). In return, an appropriate 'Stirling' brand, such as *Stirling - Spirit of the Hills* will be used where appropriate in place of the usual Adelaide Hills Council brand.

The Stage 3 finish at Paracombe will be a first for the STDU. SATC is proposing a hilltop stage finish and post-event activities at Paracombe Oval. It will be the first time a STDU stage will finish with a climb, other than the recent years' Stage 5 finishes at Willunga Hill (which involves a number of passes).

SATC is planning significant promotion of the Paracombe hilltop finish and will recognise it as a point of difference for the 2015 event.

Paracombe Oval is held by a community group and not the Council. At the time of writing this report, staff were making contact with representatives of the group to secure their support for the event. Progress on these discussions can be reported at the meeting.

To provide additional value, SATC has designed the whole of Stage 3, apart from the starting point, to occur within the Adelaide Hills Council district. At this time, it is proposed to run the route three times through Lobethal, Lenswood, Woodside and Charleston before heading to Paracombe for the finish.

A drink station will be located in each pass through Lobethal and a sprint point located at each pass through Charleston. Those towns, as well as Paracombe, are therefore likely to be key spectator points and staff will work with local businesses and community groups to make the most of the opportunities provided.

In return for the two stage finishes, the Council will need to pay a licence fee of \$30,000 + GST. Council Members may recall that the normal fee for hosting a stage finish is \$20,000 per stage. Staff negotiated the reduced total fee with SATC representatives on the basis that the Paracombe finish provides particular marketing

and logistical challenges for the Council. Consideration was also given to the fact that SATC only needs to deal with one Council for those two stage finishes which provides efficiency benefits for SATC.

In considering whether or not to accept the SATC offer to host the two stage finishes, the Council needs to make an assessment of the overall community benefit in comparison to the cost.

Benefits are primarily related to economic development through increased exposure of the Adelaide Hills and hills experiences to a national and international audience, as well as to visitors to the event. This exposure helps develop brand awareness which ultimately leads to a greater inclination for people to choose the Adelaide Hills as a destination. There are also direct local economic benefits through increased trade and accommodation during the event.

At a community level, the event also provides local community groups with a unique opportunity to raise funds and build awareness of their own activities through carrying fund raising or promotional activities in association with the event.

The place-making and social cohesion benefits of hosting the event should also not be underestimated. Events, particularly where there is a strong level of community participation, help bring people together and in some cases the events can help define what it is like to be a member of a particular community. Particularly in the case of the Paracombe finish, there will be significant opportunities for community members to get involved.

In townships along the route, community groups typically band together to help decorate their town and create their own unique presence.

In terms of negative impacts, there have been very few identified. There is some element of disruption to traffic flow and access to properties, however, in this Council's case, the only full road closures are associated with Mount Barker Road in Stirling. This disrupts public transport and vehicle access to some businesses, however, it has been well managed in the past and overall the event seems to be embraced by the community at large.

In terms of costs, the Council's, i.e. the community's, contribution includes the \$30,000 licence fee plus costs associated with any activities the Council wishes to run in association with the event. Typically, Councils tend to have hospitality marquees on the finish line of each stage, to which the Council invites special guests and representatives of organisations with which it closely partners. Where applicable, this Council has also offered places in the marquee to representatives of organisations which have helped the Council meet the cost of hosting the event.

The Council is also required to meet the cost of additional public facilities, waste management, parking control, community consultation and incidentals associated with the event. While much of the additional effort is in-kind by virtue of it being done by staff already employed by the Council, it does take away from other activities. It is estimated that the Council's cash expenses in addition to the licence fee are in the order of \$20,000.

While it is difficult to quantify the overall benefit in dollar terms, it is generally accepted that the branding benefits achieved through national and international exposure of the region will exceed the community's cash contribution. Indeed, the State Government recognises the benefits to the state and it remains the bearer of the majority of the event costs.

Should the Council wish to accept the offer, it will be necessary to authorise the Chief Executive Officer to execute the Licence Agreement for and on behalf of the Council. The Common Seal is not required in this instance.

This report also seeks authority for the Chief Executive Officer to act for and on behalf of the Council in providing consent to any road closure orders proposed by SA Police as initiated by the event organisers, under the Road Traffic Act. At this stage, the only full road closure proposed is for Mount Barker Road, Stirling, in line with what has been done each year for several years. The remainder of the event during its time in this district will occur under a rolling road closure managed by SA Police under the Summary Offences Act, which does not require the Council's consent.

At this time, it is expected that the event will be declared a 'major event' under the *Major Events Act 2013*, however, the responsible minister has been reluctant to use the road closure powers that exist under that Act.

4. OPTIONS

The Council may determine whether or not to accept the offer to host the two stage finishes. While the Stirling finish has become a well established and regular feature of the annual event, it has been recognised that a stage concentrated and finishing in the northern part of the district will help spread the benefits and keep the attention on the Adelaide Hills for a greater portion of the whole event.

Should the Council accept the SATC offer, staff will immediately commence work with SATC on making the 2015 event happen. The local and regional benefits as outlined earlier can be realised.

Should the Council decline the offer, further opportunities to host stage finishes could be jeopardised and the Council is likely to receive some criticism from local business operators and community groups who have become accustomed to building opportunities around the STDU. It will also represent a significant missed opportunity to build on regional brand awareness.

5. APPENDIX

Nil

3. Event opportunity – Period of Confidentiality

That having considered Agenda Item 18.1 in confidence under section 90(2) and 90 (3) (j) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act, orders that the documents, reports and minutes pertaining to this matter, including discussions and considerations, be retained in confidence until a public announcement about the event is made by the relevant Minister, but for no longer than six (6) months.