

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 24 May 2016
CONFIDENTIAL AGENDA BUSINESS ITEM**

Item: 19.1

Originating Officer: Ebony Priest, Communications and Events Officer

Responsible Director: David Waters, Director Community and Customer Service

Subject: Event Opportunity

For: Decision

1. Event Opportunity – Exclusion of the Public

a) That under the provisions of section 90(2) of the *Local Government Act 1999* an order is made that the public be excluded from the meeting, with the exception of:

- CEO, Andrew Aitken
- Director Corporate Services, Terry Crackett
- Director Engineering & Assets, Peter Bice
- Director Community & Customer Service, David Waters
- Director Strategy & Development, Marc Salver
- Manager Governance & Risk, Andrea Sargent
- Minute Secretary, Pam Williams

in order to consider Agenda Item 19.1: (Event Opportunity) in confidence.

b) The Council is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified in (a) above, be excluded to enable Council to consider the report at the meeting on the following grounds:

c) Section 90(3) (j) of the Local Government 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.

- d) Accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion 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 one (1) stage start, and one (1) stage finish for the 2017 Santos Tour Down Under (STDU).

SATC proposes that the stage start be held in Stirling and the stage finish on the same day to be held in Paracombe. They have proposed a licence fee of \$25,000 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 (in confidence)

Council resolves:

- 1. That the report be received and noted.**
- 2. To accept the offer by the South Australian Tourism Commission for the Council to host one (1) stage start at Stirling and one (1) stage finish at Paracombe for the 2017 Santos Tour Down Under, for a total consideration of \$25,000 plus GST, to be paid by the Council.**
- 3. 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.**
- 4. 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 2017 Santos Tour Down Under and 2017 Santos Women's Tour pursuant to Section 33 of the *Road Traffic Act 1961*.**

Event Opportunity – Period of Confidentiality (out of confidence)

- 1. That having considered at Agenda Item 19.1 in confidence under sections 90(2) and 90(3) (j) of the Local Government Act 1999, that an order be made under the provisions of sections 91(7) and (9) of the Local Government Act 1999 that the report, related attachments and the minutes of Council and the discussion and considerations of the subject matter be retained in confidence until the event agreements are signed and the race routes are announced by the relevant Minister, but not longer than 31 December 2016.**
- 2. Pursuant to section 91(9) (a) of the Local Government Act 1999, that Council delegates the duty to conduct an annual review of the confidentiality order to the Chief Executive Officer, or his sub-delegate.**

3. Pursuant to section 91(9)(c) of the Local Government Act 1999, that Council delegates the power to revoke the confidentiality order to the Chief Executive Officer, or his sub-delegate.
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2.1 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

Notwithstanding the fact that the Santos Tour Down Under is an event owned and managed by SATC, there are a number of risks associated with hosting a stage start/finish and ancillary events, which will be identified and addressed through an event management plan.

The pertinent risk associated with considering this opportunity 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.

Indeed, if the Council does not accept the opportunity, it could represent a lost opportunity and there exists a real risk that future offers to host stage starts/finishes will not be forthcoming.

The acceptance of the offer for STDU 2017 will assist in mitigating the risk of:

Missed economic opportunity leading to a reduction in future opportunities to be involved in this international event

Inherent Risk	Residual Risk	Target Risk
High (3B)	Low (3E)	Low (3E)

The target risk takes into consideration the acceptance of the offer, with the development of complementary events to best realise the benefits associated with the event.

➤ **Financial and Resource Implications**

Hosting one stage start and one stage finish for the 2017 STDU is likely to cost the Council in the order of \$75,000 plus in-kind costs through staff effort. Costs include \$25,000 in the licence fee, plus approximately \$50,000 for hospitality, waste management, road closures and traffic management, additional public facilities, alterations to infrastructure, promotions and ancillary costs.

Staff anticipate that this expense will be offset by around \$8,000 in cash contributions from partnering organisations and sponsors.

Provision has been made in the draft 2016-17 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**

Not applicable.

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

There is little opportunity to undertake community engagement around proposals to host STDU stages 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.

Preliminary discussions have been held with representatives of community groups at both Paracombe and Uraidla with the authorisation of SATC. Both representatives indicated strong support for the tour coming to and through their respective townships.

2.2 BACKGROUND

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

The events attract visitors to the region, with economic benefits being realised locally on the day of the event. 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 been provided with the opportunity to host both a stage start and a stage finish on the same day for the 2017 event.

2.3 ANALYSIS

SATC has offered the Council the opportunity to host one (1) stage start and one (1) stage finish in the 2017 STDU, namely:

- The start of Stage 2 to be held at Stirling on Wednesday 18 January 2017 or Wednesday 25 January 2017 (final date to be confirmed by SATC)
- The finish of Stage 2 to be held at Paracombe on Wednesday 18 January 2017 or Wednesday 25 January 2017 (final date to be confirmed by SATC)

The Stage 2 start is to take a similar form to previous years' finishes in that there will be a number of circuits around Stirling-Heathfield-Mylor-Aldgate after the start from within Mount Barker Road, Stirling. The cyclists will then continue to Paracombe with a hill-climb finish and post-event activities on Paracombe Oval.

At the time of writing this report, the exact route from Stirling to Paracombe was still being finalised, but SATC have agreed to route the stage through Uraidla to enable that community to be part of the action. Council Members may recall the Imagine Uraidla movement getting involved in the event when it went through the township in 2015. They have indicated support for hosting a stage start or finish in the future.

The circuit nature of the Stirling start 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 may sell brunch or lunch packages associated with viewing the event and community groups may sell food and other products from market stalls.

For the stage finish in Paracombe, local businesses and community groups are able to leverage from the crowds drawn to see the race conclusion. Market stands and entertainment will be the likely forms of leverage undertaken on the day.

In 2015 and 2016 the Council partnered with the Stirling Business Association and Stirling Market Inc. to create a festival atmosphere in Stirling under the event banner of *Stirling Spin*. The success of this event is largely credited for the circuit nature of recent STDU offers for this area. In 2015 the Council also worked with the Paracombe community to create a vibrant finish that highlighted the region. Both celebrations were extensively covered in the Adelaide Advertiser and local newspapers in the days following the stage.

Representatives from the Stirling Business Association and Stirling Market have indicated in-principle support for a continued partnership for 2017. Under the partnership, an appropriate 'Stirling' brand, such as *Stirling Spin* will be used where appropriate in place of the usual Adelaide Hills Council brand at the Stage start in Stirling. As Stage 2 will start and

finish in the Adelaide Hills Council region, where possible the Council logo will be used in conjunction with Stirling Spin and will be the primary brand used at Paracombe.

In return for the one (1) stage start and one (1) stage finish, the Council will need to pay a licence fee of \$25,000 + GST. This has been negotiated down by staff from the 'shelf price' of \$35,000 for a start and finish.

In considering whether or not to accept the SATC offer to host the start and finish of Stage 2, 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 fundraising 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.

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 and Paracombe Road in Paracombe. 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 \$25,000 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 start or 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 \$50,000. As indicated earlier, this should be offset by income of around \$8,000.

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, and Paracombe Road, Paracombe, in line with what has been done in previous 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.

It is also proposed to use this opportunity to clarify that the authority vested in the Chief Executive Officer extends to associated events such as the Santos Women's Tour. While staff have not yet been advised of plans for the 2017 Santos Women's Tour, it is expected to have some presence in the district and some minor road closures are possible.

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.

2.4 OPTIONS

The Council may determine whether or not to accept the offer to host the stage start and finish in 2017.

Should the Council accept the SATC offer, staff will immediately commence work with SATC on making the 2017 event happen. The local and regional benefits as outlined earlier can be realised.

Should the Council decline the offer, further opportunities to participate as a host Council 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 missed opportunity to build on regional brand awareness.

The recommendation of this report is to accept the offer for 2017.

2.5 APPENDICES

- (1) Letter of Offer

22 April 2016

David Waters
Adelaide Hills Council
61 Mt Barker Road
Stirling, SA 5152

Dear David,

Events South Australia, a division of the South Australian Tourism Commission, will stage the nineteenth Santos Tour Down Under in key locations throughout metropolitan and regional South Australia in January 2017.

We are pleased to advise that the *Adelaide Hills Council's* request to host a stage of the 2017 Santos Tour Down Under has been successful.

We are currently waiting on confirmation from the UCI on the 2017 event dates, however to assist with planning we can confirm that your stage will fall on one of the two dates listed below.

Date: 18 January 2017 or 25 January 2017
Stage: 2
Location: **Start: Stirling**
Finish: Paracombe
Hosting Fee: \$25,000 + GST

We are excited to be working with you and your appointment as a 2017 host council and all Santos Tour Down Under race information discussed and received over the coming months must still remain **CONFIDENTIAL** until the Santos Tour Down Under officially releases this information to the public.

If you are approached by the media for comment on your application it would be greatly appreciated if you could respond with *'We have received notification on the status of our application, however until the official launch of the 2017 event later in the year we are not in a position to discuss the status.'*

An official contract will be sent to you as soon as the event dates are confirmed.

If you have any queries, please do not hesitate to contact me as soon as possible on 8463 4702 to discuss. We look forward to bringing the event to the region and working with you and your team to stage a safe and successful 2017 event.

Kind regards

Sally Heading
Event Manager
Santos Tour Down Under