

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 27 June 2017
CONFIDENTIAL AGENDA BUSINESS ITEM**

Item: 19.2

Originating Officer: David Waters – Director Community & Customer Service

Responsible Director: David Waters – Director Community & Customer Service

Subject: Event Opportunity

For: Decision

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, Peter Bice
- Director Strategy & Development, Marc Salver
- Director Corporate Services, Terry Crackett
- Director Community & Customer Service, David Waters
- Executive Manager Governance & Performance, Lachlan Miller
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 17.2: Event Opportunity to be considered in confidence.

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

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 –

- (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and

- (ii) would, on balance, be contrary to the public interest.

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 two (2) stage finishes for the 2018 Santos Tour Down Under (STDU).

SATC proposes that Stage 2 finish be held in Stirling on Wednesday 17 January 2018 and the Stage 4 finish be held in Uraidla on Friday 19 January 2018. They have proposed a licence fee of \$40,000 plus GST, to be paid by the Council to SATC. The Stage 4 finish at Uraidla will incorporate the Bupa Challenge Tour.

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

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 two stage finishes for the 2018 Santos Tour Down Under, namely the Stage 2 finish in Stirling on Wednesday 17 January 2018 and the Stage 4 finish in Uraidla on Friday 19 January 2018, for a total consideration of \$40,000 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 2018 Santos Tour Down Under and 2018 Santos Women's Tour pursuant to Section 33 of the *Road Traffic Act 1961*.

1. GOVERNANCE

➤ Strategic Management Plan/Council Policy

Goal 2	Activities and opportunities to connect.
Strategy 2.6	We will seek to bring events to our district that have social, cultural, environmental and economic benefits.

Santos Tour Down Under is a major event in South Australia. According to analysis commissioned by SATC, the 2017 event attracted 840,000 spectators along the race route and 43,000 visitors who travelled from interstate and overseas.

The 2017 STDU generated an economic impact of \$56.5 million for South Australia.

The media coverage for the 2018 STDU has been valued by iSentia at an estimated value of \$202 million, potentially reaching 738 million people worldwide.

➤ **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.

The exact extent of road closures required in the Adelaide Hills Council district is not yet known, but 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.

It is also opportune to provide the same consent for the Santos Women's Tour. At this stage it is not known if the event will travel through the Adelaide Hills Council district, but if it does, it may be necessary to consent to road closures.

➤ **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 2018 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 two stage finishes of the STDU in the past has typically cost the Council in the order of \$65,000 plus in-kind costs through staff effort. Costs include the licence fee and additional costs for hospitality, waste management, road closures and traffic management, additional public facilities, alterations to infrastructure, promotions and ancillary costs.

In addition, the Stirling Business Association is expected, as has been recent past practice, to cover the cost of street performers and novelty events in Stirling. Staff are working with community groups in Uraidla with a view to them contributing in-kind support.

Provision has been made in the draft 2017-18 Budget for these costs as part of the Council's community events program. Given that one of the finishes this year incorporates the Bupa Challenge Tour, there may be some additional expenses which will become apparent as event arrangements are made. While are expected to be accommodated in the Council's overall Operating Budget, any necessary adjustments will be made at Budget Review 1.

As has been the case in previous years, staff will investigate opportunities to offset costs with associated revenue streams.

➤ **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 the Stirling Business Association and community groups at Uraidla with the authorisation of SATC. All have indicated strong support for the tour coming to their respective townships and their groups will be involved in the event.

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.

3. ANALYSIS

SATC has offered the Council the opportunity to host two stage finishes for the 2018 STDU, namely:

- The finish of Stage 2 to be held at Stirling on Wednesday 17 January 2018
- The finish of Stage 4, incorporating the Bupa Challenge Tour, to be held at Uraidla on Friday 19 January 2018.

At the time of writing this report, staff were not privy to the start locations for either of the above mentioned stages.

Stirling stage finish

The Stage 2 finish is to take a similar form to previous years' finishes in that there will be a number of circuits around Stirling-Heathfield-Mylor-Aldgate before the end at Stirling Oval.

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.

In 2015, 2016 and 2017 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 continued offering of circuit nature stages for Stirling.

Representatives from the Stirling Business Association and Stirling Market have indicated in-principle support for a continued partnership for 2018. 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*.

Uraidla stage finish

For the stage finish in Uraidla, local businesses and community groups are able to leverage from the crowds drawn to see the race conclusion. Food and beverage stands and entertainment will likely feature. Because this stage features the bonus of incorporating the Bupa Challenge Tour, there has always been a crowd of several thousand people at the finish.

The Bupa Challenge Tour is a 'mass participation' ride where serious and not-so-serious amateur riders can register to ride the same route as the professional riders just hours

before the professionals themselves. Typically, the event attracts several thousand participants, most of whom stay at the finish to watch the end of the main race.

Representatives from Imagine Uraidla Inc, the Uraidla Soldiers Memorial Park Inc and the Uraidla Horticultural and Floricultural Society Inc have indicated in-principle support for the event in Uraidla.

In return for the two stage finishes, the Council will need to pay a licence fee of \$40,000 plus GST. This has been negotiated down by staff from the 'shelf price' of \$45,000 (\$20,000 for a standard stage finish plus \$25,000) for the Friday finish incorporating the Bupa Challenge Tour.

In considering whether or not to accept the SATC offer, 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 out 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 Greenhill Road in Uraidla. 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 \$40,000 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.

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 Greenhill Road, Uraidla. 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 2018 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.

4. OPTIONS

The Council has the following options:

- I. Accept the offer made by SATC. (Recommended)
- II. Decline the offer made by SATC. This is not recommended as negotiations have proceeded to this point in good-faith and in line with the Council's past practice to pursue two stage involvements in this district. Should the Council be inclined not to participate in the Santos Tour Down Under, it is suggested that the offer be accepted this year, but that the Council does not express interest in future years' events. (Not Recommended)

5. APPENDICES

- (1) Letter of offer

Appendix 1

Letter of offer

24 May 2017

David Waters
Adelaide Hills Council
PO Box 44
Woodside, SA, 5244

Dear David,

Events South Australia, a division of the South Australian Tourism Commission, will stage the twentieth Santos Tour Down Under in key locations throughout metropolitan and regional South Australia from 13 – 21 January 2018

We are pleased to advise that the *Adelaide Hills Council* request to host a stage of the 2018 Santos Tour Down Under has been successful.

Date: Wednesday 17 January 2018
Friday 19 January 2018
Stage: Stage 2 and Stage 4
Location: Finish Stage 2: : Mt Barker Road, Stirling (near the Oval)
Finish Stage 4: Greenhill Road, Uraidla (near the Oval)
Hosting Fee: \$45000 + GST

We are excited to be working with you and your appointment as a 2018 host council and require that your appointment along with all Santos Tour Down Under race information discussed and received over the coming months must 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 2018 event later in the year we are not in a position to discuss the status.'

An official contract will be sent to you in the coming weeks and the initial Host Council meeting will be held on Friday 16 June.

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 2018 event.

Kind regards



Ryan Healy
Event Manager, Santos Tour Down Under

3. Event Opportunity – Period of Confidentiality

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council’s decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 17.2 in confidence under sections 90(2) and 90(3)(j) of the *Local Government Act 1999*, resolves 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 2017.

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, that Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.