

**ADELAIDE HILLS COUNCIL
SPECIAL COUNCIL MEETING
Tuesday 4 June 2019
CONFIDENTIAL AGENDA BUSINESS ITEM**

Item: 9.1

Originating Officer: Jennifer Blake – Manager Communications, Engagement & Events

Responsible Director: David Waters – Director Community Capacity

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 Infrastructure & Operations, Peter Bice
- Director Development & Regulatory Services, Marc Salver
- Director Corporate Services, Terry Crackett
- Director Community Capacity, David Waters
- Governance and Risk Coordinator, Steven Watson
- Manager Communications, Engagement & Events, Jennifer Blake
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 9.1: (Event Opportunity) in confidence.

The Council is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified 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 1999*, 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.

Section 90(3) (j) of the *Local Government Act 1999*, the information to be received, discussed or considered in relation to this Agenda Item is commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person/agency/business who supplied the information by disclosing specific quotes and modelling by the tenderer.

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 two (2) stage finishes for the 2020 Santos Tour Down Under (STDU) and two (2) stage finishes of the 2020 Santos Women's Tour Down Under (SWTDU).

SATC proposes that the STDU Stage 2 commences in Woodside and finishes in Stirling on Wednesday 22 January 2020, and that STDU Stage 3 finishes in Paracombe on Thursday 23 January 2020. Staff have negotiated a reduced licence fee of \$45,000 plus GST, to be paid by the Council to South Australian Tourism Commission (SATC).

SATC proposes that the SWTDU Stage 2 finish be held in Birdwood on Friday 17 January 2020 and the Stage 3 finish be held in Stirling on Saturday 18 January 2020. There is no licence fee applicable for the SWTDU stage finishes.

The offer from SATC features the Adelaide Hills more prominently than in past years with two stages of the Women's Tour and three stages of the Men's Tour.

Should 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.

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 one stage start and two stage finishes for the 2020 Santos Tour Down Under, namely the Stage 2 start in Woodside and finish in Stirling on Wednesday 22 January 2020 and the Stage 3 finish in Paracombe on Thursday 23 January 2020 for a total consideration of \$45,000 plus GST, to be paid by the Council.**
- 3. To accept the offer by the South Australian Tourism Commission for the Council to host two stage finishes for the 2020 Santos Women's Tour Down Under, namely the Stage 2 finish in Birdwood on Friday 17 January 2020 and the Stage 3 finish in Stirling on Saturday 18 January 2020.**
- 4. To allocate an additional \$10,000 budget for delivery of the Santos Tour Down Under and Santos Women's Tour Down Under events to what was proposed in the Draft Annual Business Plan for 2019-20.**
- 5. That the Chief Executive Officer be authorised to act for and on behalf of the Council to execute any contracts or other documents required to progress the matter.**

6. **That the Council notes that the Chief Executive Officer will act pursuant to the delegation provided to him in respect to considering and providing consent for road closures associated with the 2020 Santos Tour Down Under, the 2020 Santos Women’s Tour Down Under and any other ancillary events, 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.

Featuring prominently in the Women’s and Men’s Tour Down Under is a key activity in the Draft 2019-20 Annual Business Plan.

Santos Tour Down Under is a major event in South Australia. According to analysis commissioned by SATC, the 2019 event attracted 805,000 spectators along the race route and 48,000 visitors who travelled from interstate and overseas. The Stage 3 event in 2019 hosted by Adelaide Hills Council attracted attendance of 100,903 (start in Lobethal and finish in Uraidla).

The 2019 STDU generated an estimated economic impact of \$70.6 million for South Australia.

Media coverage for 2019 TDU has been valued at estimated PR value of \$230 million with a count of 25,181 traditional media items and an additional 14,500 social media items with a potential reach of 449 million

These event statistics event are expected to be released publicly during the week commencing 2 June 2019 and are strictly embargoed until the announcement is made.

➤ **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 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 and SWTUD stages, it is implicit that the Council also consents to the associated road closures.

Because the detailed road closure arrangements will not be known until closer to the event, and that the arrangements can change in the lead up to the event, it is suggested that the Chief Executive Officer acts for and on the Council’s behalf in providing consent to road closures.

It should be noted that the Chief Executive Officer already has delegation to consider the provision of consent to road closures, but the Chief Executive Officer’s usual practice is to act under this delegation only in respect to regular, well known and well accepted events such as

Christmas Pageants. Tour Down Under road closures are different each year, but for the abovementioned reasons it is not practical to come back to the Council for a formal decision on the provision of consent. As such, the Council is respectfully advised that the Chief Executive Officer intends to utilise the delegation.

For the sake of clarity, it is noted that the STDU is routinely declared to be a ‘major event’ under the *Major Events Act 2013*, and that the Act provides powers for road closure orders to be issued without the consent of the applicable council(s). However, the responsible minister has been reluctant to use the road closure powers in the past and has preferred to use the *Road Traffic Act 1961* provisions.

➤ **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 2020 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 residual risk takes into consideration the Council’s long history of participating in STDU.

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 stage starts and finishes of the STDU and SWTDU in the past has typically cost the Council in the order of \$70,000 - \$75,000 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 and marketing.

Staff will work with business and community groups in Birdwood, Woodside, Paracombe and Stirling with a view to them contributing in-kind support.

Provision has been made in the draft 2019-20 Budget for these costs as part of the Council's community events program, however, these were based on a level of involvement typical of recent years (two stage starts and/or finishes). Given that the Council has been offered an additional stage finish to what was anticipated, an additional \$10,000 budget will be necessary to deliver the events.

Council's 2019-20 Draft Annual Business Plan (including budget) is currently out for consultation. If the recommendations from this report are endorsed, the 2019-20 budget can be updated for the financial impact prior to Council's adoption of the Annual Business Plan and Budget at its 25 June 2019 Meeting. Administration will also investigate whether the amount can be accommodated without impacting on Council's proposed 2019-20 Operating Surplus of \$462k.

➤ **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.

The Adelaide Hills has a proud track record of communities getting behind both the STDU and the SWTDU and this is evidenced by recognition through regular 'Best Dressed Town' awards (see 2019 results under the Analysis section of this report).

➤ **Environmental Implications**

Not applicable.

➤ **Engagement/Consultation conducted with Council Committee, Regional Subsidiary, Advisory Group, the Administration 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 Birdwood Motor Museum with the authorisation of SATC.

Council Committees: Not Applicable
Advisory Groups: Not Applicable
Administration: Economic Development Officer
Events Officer
Director Corporate Services
Manager Financial Services

Community: Not Applicable

2. BACKGROUND

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

A key activity in our Annual Business Plan 2019-20, contributing to Strategic Plan strategy 2.6, is to again feature prominently in the Women's and Men's Tour Down Under.

The STDU 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 2020 SWTDU, namely:

- The finish of Stage 2 to be held at Birdwood on Friday 17 January 2020
- The finish of Stage 3 to be held at Stirling on Saturday 18 January 2020.

SATC has offered the Council the opportunity to host a start and two finishes for the 2020 STDU, namely:

- The start of Stage 2 to be held at Woodside on Wednesday 22 January 2020
- The finish of Stage 2 to be held at Stirling on Wednesday 22 January 2020
- The finish of Stage 3 to be held at Paracombe on Thursday 23 January 2020.

Santos Women's Tour Down Under Stage 2 finish at Birdwood– Friday 17 January 2020

Stage 2 of the SWTDU will commence in Murray Bridge moving through Littlehampton and Woodside before commencing two circuits around Birdwood. It will finish on the second pass through Birdwood with a sprint finish outside the National Motor Museum.

The National Motor Museum has long supported the STDU and hosted their first SWTDU finish this year. They are keen to be involved again, having learned some valuable lessons in 2019 and bringing ideas on how to increase community involvement.

The circuit nature of the finish is likely to draw even bigger crowds than 2019.

Santos Women's Tour Down Under Stage 2 finish at Stirling – Saturday 17 January 2020

The Stage 3 (final competitive stage) finish of the Santos Women's Tour Down Under offers a unique opportunity to support the growing profile of the Women's Tour in South Australia. The stage will commence in Nairne and loop through Woodside and Lobethal before heading towards Bradbury via River Road. It is envisaged there will be three loops through Longwood, Aldgate and Stirling before returning for the home run to the finish line at the Stirling Oval.

Stirling has a rich and enduring history with the STDU and hosted a very well received finish of the Women's Tour in 2019. The Stirling Business Association is supportive of the Women's Tour given the minimal disruption to traffic flows and Main Street traders.

There is no hosting fee from SATC for the above stages but there will be costs associated with supporting community events similar to those outlined above for the STDU stages, but with a smaller impact. Road closures are likely to be rolling except during erection and removal of the finish arch.

Santos Tour Down Under Stage 2 start and finish - Wednesday January 22

The Stage 2 circuit in its entirety will take place in the Adelaide Hills commencing in Woodside (with multiple passes through the main street) and finishing with a number of passes through, and a spectacular finish in, Stirling.

Although the final route is still being finalised, it is expected to encompass an 8km loop around Woodside and surrounds. Woodside has a particularly active community group (Love Woodside) who championed 'dressing' of the town for the 2019 STDU and SWTDU. The circuit nature of the Woodside start will provide opportunities for local businesses and community groups to leverage from crowds drawn to view the riders as they loop through a new circuit encompassing the King of the Mountain on Quarry Road for the first time.

From Woodside riders will head towards Hahndorf and Mylor for potentially three laps through Stirling, before the finish at Stirling Oval. There will be road closures and associated impacts to local businesses. Some will benefit from the extra crowds and some will experience reduced trading or service delivery.

Council will work with local businesses to activate the oval and main street for the stage finish event.

Santos Tour Down Under Stage 3 finish at Paracombe - Thursday January 23

Stage 3 will commence in Unley and head up the South Eastern Freeway to exit at Crafers. The route is still to be finalised but is expected to take in Summertown, Uraidla, Lenswood, Gumeracha and Chain of Ponds towards a multiple loop finish in Paracombe. The Paracombe community has enthusiastically embraced stage finishes in the past with activations on the oval offering local food, drink and entertainment and fundraising opportunity for local groups. Multiple laps offer a greater spectator experience and more opportunity for businesses such as the Inglewood Inn to offer associated events.

Licence fee

In return for the stage start and finishes, the Council will need to pay a total licence fee of \$45,000 plus GST. This has been negotiated down by staff from the 'shelf price' of \$55,000 (\$20,000 for each standard stage finish plus \$15,000 for the stage start).

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 events also provide 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. Adelaide Hills featured heavily in the winners' gallery for the 2019 Best Dressed Town awards and won money and other prizes to benefit the local community.

In 2019 Uraidla won Best Dressed Town - Gold with a prize of a truckload of mulch, signed framed jersey, 2 metal signs for the township and \$3000 for a community project or resources. Woodside won Best Dressed Town – Silver with a prize of a signed and framed jersey and \$1000 for a community project or resources. A resident of Summertown won Best Dressed Paddock and Lobethal Bakery in Lobethal won Best Dressed Commercial property, each winning a framed certificate, gift pack and \$1000. We also had a number of daily winners in our region showing the enthusiasm and engagement many local residents and businesses have for the event.

In 2018 and 2019 Council ran a social media campaign for members of the community to win seats in the STDU Tour Parade cars. We had four winners in 2018 and 2019 and over 100 competition entries. The 2019 winners were local residents who were very enthusiastic and appreciative of the chance to participate in the event.

In terms of negative impacts, there have been very few identified although there is an element of disruption to traffic flow and access to properties. In this instance the major full road closures are associated with the Main Street in Stirling, Onkaparinga Valley Road in Woodside and Paracombe Road, Paracombe. Surrounding roads such as Torrens Hill Road may be impacted depending on how many circuits there are and where the loop goes. There will be two road closures in Stirling within a week with the SWTUDU finish requiring partial closure outside the Stirling Oval on Saturday January 18 and the STDU requiring all day closure of Mt Barker Road from the Stirling Oval to the Avenue Road roundabout on Wednesday January 22.

There will be disruptions to 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 \$45,000 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, community members and representatives of organisations with which it closely partners.

The Council is also required to meet the cost of road closure management, 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.

Road closure consents

As noted under the 'legal implications' section of this report, the only practical approach for providing consent to road closures under the *Road Traffic Act 1961* is for the Chief Executive Officer to use the delegation already provided to him. At this stage, and dependent on the final route, the only full road closures proposed are for Main Street, Lobethal, 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 1953*, which does not require the Council's consent.

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. APPENDIX

- (1) Letter of Offer

Appendix 1

Letter of Offer

6. Special Event – 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 9.1 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 2019.

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

SANTOS TOUR DOWN UNDER

RELEASED 22 JULY 2019

ADELAIDE
TOURDOWNUNDER.COM.AU

24 May 2019

Adelaide Hills Council
Jennifer Blake
PO Box 44
Woodside SA 5244

Dear Jennifer Blake,

Events South Australia, a division of the South Australian Tourism Commission, will stage the 22nd Santos Tour Down Under in key locations throughout metropolitan and regional South Australia from 16 – 26 January 2020

We are pleased to advise that the *Adelaide Hills Council* request to host a Stage Santos Women's Tour Down Under Finish, Santos Tour Down Under Stage & Santos Tour Down Under Stage Finish of the 2020 Santos Tour Down Under has been successful.

Date: Friday 17 January 2020
Stage: Santos Women's Tour Down Under Stage 2 Finish
Location: Birdwood

Date: Saturday 18 January 2020
Stage: Santos Women's Tour Down Under Stage 3 Finish
Location: Stirling

Date: Wednesday 22 January 2020
Stage: Santos Tour Down Under Stage Two
Location: Woodside to Stirling

Date: Thursday 23 January 2020
Stage: Santos Tour Down Under Stage Three Finish
Location: Paracombe

Hosting Fee: \$45,000 + GST

The Santos Tour Down Under race route will also pass through your region on Friday 24 January 2020.

SANTOS TOUR DOWN UNDER

ADELAIDE
TOURDOWNUNDER.COM.AU

We are excited to be working with you and your appointment as a 2020 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 2020 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. 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 2020 event.

Kind regards



Ryan Healy
Event Manager
Santos Tour Down Under