

ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 25 May 2021
CONFIDENTIAL AGENDA BUSINESS ITEM

Item: 18.1

Responsible Officer: Jennifer Blake
Manager Communications, Engagement and Events
Community Capacity

Subject: Multi-Year Road Rally Proposal

For: Decision

1. Multi-Year Road Rally Proposal – 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:

- Chief Executive Officer, Andrew Aitken
- Director Infrastructure & Operations, Peter Bice
- Director Development & Regulatory Services, Marc Salver
- Director Corporate Services, Terry Crackett
- Director Community Capacity, David Waters
- Executive Manager Governance & Performance, Lachlan Miller
- Governance & Risk Coordinator, Steven Watson
- Manager Communication, Engagement & Events, Jennifer Blake
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 18.1 (Multi-Year Road Rally Proposal) 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)(d) 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 business who supplied the information by disclosing specific financial and sponsorship information.

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. Confidential Item – Multi-Year Road Rally Proposal

SUMMARY

The purpose of this report is to present for consideration a Multi-Year Road Rally Proposal from Massive Events Corp Pty Ltd, organisers of the Adelaide Rally (**Appendix 1**).

The Adelaide Rally (formerly known as the Classic Adelaide Car Rally) runs on sealed roads within the Adelaide Hills Region, with a large portion of the stages within the Adelaide Hills Council district and involves road closure of sections of road within 13 different regions in and around Adelaide. The event normally takes place in November. The Adelaide Hills Council district is an important focus for the event and the organiser believes the event cannot operate without the iconic Adelaide Hills stages.

For the event to run successfully throughout the Adelaide Hills, a number of full road closures are required. Before a road closure order can be issued by the Commissioner of Police, consent must be obtained from the applicable local council(s) and in the case of Adelaide Hills Council, consent has been subject to formal consideration by the elected body on an annual basis. The organiser of the Adelaide Rally is proposing a Multi-Year Agreement delivering certainty of in-principle support for road closures in the Adelaide Hills, and therefore support of the event, for a period of five years rather than the annual formal Council approval process. The Administration is recommending consideration of a three year period.

The organiser would still follow the guidelines set out in *Council's Festivals and Events Policy – Guideline No. 1 for Competitive Motoring Events* with the exception being that annual consent for road closures would be dealt with administratively (under existing delegations) rather than being subject to a formal Council decision.

RECOMMENDATION

Council resolves:

1. **That the report be received and noted.**
2. **That, in relation to the Multi-Year Agreement Proposal submitted by Massive Events Corp Pty Ltd, Council supports the conduct of the Adelaide Rally within the district for the period of three years 2021 to 2023 and acknowledge that the Chief Executive Officer will use the delegation already provided to him to consider consent for road closures under Section 33(2) of the *Road Traffic Act 1961*.**
3. **That, recognising this decision is a departure from the usual requirements of the *Festival & Events Policy*, Council determines that the reasons applying for the usual requirement for road closures associated with motorsport proposals to be brought to the Council for a formal decision on each occasion are outweighed by the expected benefits to be achieved in providing multi-year support.**
4. **That each year, support for the Adelaide Rally road closures, will be contingent on Massive Events Corp Pty Ltd, to the satisfaction of the Chief Executive Officer:**
 - a. **Complying with Council's *Festivals and Events Policy – Guideline No. 1 for Competitive Motoring Events***
 - b. **Payment of an Application Fee as per the Council's Fees and Charges Register for Temporary Road Closures**

- c. **Providing confirmation that affected business owners are aware of the proposed road closures**
 - d. **Providing written confirmation that the organiser has used reasonable endeavours to address concerns raised by affected residents and that arrangements for egress and regress for those properties can be managed within the event where practicable**
 - e. **Providing evidence of satisfactory procedures for enabling emergency services access to properties on the event route at all times**
 - f. **Providing evidence of satisfactory insurance to cover any damage to third party property caused by the event**
 - g. **Entering into a road repair agreement with Council to cover any rectification works required as a result of damage caused by the event**
 - h. **Providing written confirmation that advance notice of road closures on the affected roads will be erected at least three weeks prior to the event**
 - i. **Hosting at least one significant community event within the Adelaide Hills Council region in conjunction with the rally**
 - j. **Hosting the principal tour lunch within the Adelaide Hills Council region**
 - k. **Making reasonable endeavours to contract local food and beverage suppliers for event stages within the Adelaide Hills Council district.**
5. **That, subject to agreeing to the requirements of Item 3 being undertaken, Council provides consent for the organisers to promote the event to sponsors and participants as ‘supported by Adelaide Hills Council’ for the period 2021 – 2023.**
-

1. GOVERNANCE

➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

Goal Community Wellbeing

Objective C6 Celebrate our community’s unique culture through arts, heritage and events.

Priority C6.2 Develop, support and bring events to our district that have social, cultural, environmental, or economic benefits.

Council’s Strategic Plan recognises that events play a key role in connecting our community and are an important contributor to economic and social prosperity. They offer an opportunity to bring communities together, welcome visitors to the area, promote the unique culture of the Hills and build community spirit.

The Council’s *Festivals & Events Policy* (the Policy) contains a specific appendix with guidelines for Competitive Motoring Events wherein “Competitive Motoring (“Motorsport”) Events that involve full or partial road closures will be subject to a formal Council decision on every occasion.” The Policy is silent on how a multi-year proposal for support of an event should be treated, hence the matter is being put to Council for consideration.

➤ **Legal Implications**

Section 33 of the *Road Traffic Act 1961* (the Act) allows the Minister to declare events to be events to which the Section applies, and then to declare road closures, part closures and exemptions to the Road Rules for that event.

Section 33 (1):

On the application of any person interested, the Minister may declare an event to be an event to which this section applies and may make an order directing—

- a. that specified roads (being roads on which the event is to be held or roads that, in the opinion of the Minister, should be closed for the purposes of the event) be closed to traffic for a specified period; and*
- b. that persons taking part in the event be exempted, in relation to the specified roads, from the duty to observe an enactment, regulation or by-law prescribing a rule to be observed on roads by pedestrians or drivers of vehicles.*

The Minister has delegated this power to the Commissioner of Police (as well as to Council for local roads).

In the case of the Adelaide Rally, which typically runs on state and local roads, SA Police issue the applicable road orders, including exemptions to the observance of certain road rules (including speed limits), for the vehicles involved in the event within the closed sections of road.

However, and importantly, subsection 33(2) of the Act states:

An order to close a road under subsection (1) can only be made with the consent of every Council within whose area a road intended to be closed by the order is situated.

While the Chief Executive Officer has delegation to act under subsection 33(2), the Chief Executive Officer's practice is to only use that delegation for regular and non-controversial events. It is proposed that a multi-year agreement with the event organiser would invoke the Chief Executive Officer's delegation during the life of the agreement.

➤ **Risk Management Implications**

The pertinent risk associated with considering this opportunity is around multi-year support of the event and the associated road closures. There is some level of judgement required to determine whether the community at large will receive a benefit commensurate with the inconvenience experienced from the road closures. On balance, and based on past consultation, it is considered the benefits the event provides to the Adelaide Hills region outweigh the impact of road closures on some residents and businesses.

Indeed, if the Council does not accept the opportunity, it could represent a lost opportunity and that the event as it exists will not be able to continue with negative impacts for other associated council areas.

The acceptance of the proposed Multi-Year Rally Agreement will assist in mitigating the risk of:

Missed social and economic opportunity leading to a reduction in future opportunities to be involved in this national event.

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

The residual risk takes into consideration the Council's long history of providing consent to the road closures, but recognises that the fact that this is considered on an annual basis heightens the risk of the event not being able to operate when compared with a multi-year agreement.

The target risk rating takes into consideration the acceptance of the proposal, which will provide the event organiser with an increased level of certainty and greater opportunities to attract long term event sponsors, hence reducing the risk that the event will be lost to the region.

There remains some risk implications given the nature of the event resulting in possible injury of participants and the potential for negative feedback around road closures from unforeseen circumstances.

Properly executed road closure orders will assist in mitigating the risk of:

Conflicts between event participants, residents, business owners and road users leading to injuries and/or property/vehicle damage and/or financial loss to those affected parties.

Inherent Risk	Residual Risk	Target Risk
High (3B)	Medium (3C)	Medium (3C)

The residual risk rating takes into consideration the provision of organisers' risk management plans, public liability insurance and on-site traffic marshals and action taken to mitigate resident and business concerns following public consultation. It also considers full road closures as approved by the Council or CEO under delegation and the event run in accordance with guidelines provided by Council and Motorsport Australia (formerly CAMS).

➤ **Financial and Resource Implications**

There is no direct financial cost to the Adelaide Hills Council for the delivery of these events.

An amount of staff time is dedicated to working with the event organiser in the interests of achieving good outcomes for the community. This has been accommodated within normal operational resourcing in the past, but it is recommended that the organiser makes payment of an Application Fee as per the Council's Fees and Charges Register for Temporary Road Closures. At present, the application fee is \$1420. The organiser bears all the financial costs associated with the required community consultation.

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

The Adelaide Rally will have a direct effect on some residents, businesses and visitors through the closure of several roads. In line with the Council's *Festivals and Events Policy*, people on roads that are closed, or on roads that have no other access but onto closed roads, are given the opportunity to comment on the proposal. Some negative feedback has been received regarding the road closures in past years and organisers have endeavoured to work with the concerned parties to mitigate their concerns. A summary of community feedback on the road closures over the last six years is outlined in the Analysis segment of this report.

The business community has the potential to benefit from increased tourists to the area during the event, and the organisers have included local businesses and community groups in planning to ensure they receive maximum benefit from this influx. There is also potential for some businesses to be disadvantaged as a result of road closures reducing staff and customer access and therefore, revenue.

➤ **Sustainability Implications**

There is the potential for the event to impact the environment of residents and businesses as follows:

- Noise nuisance
- Litter from spectators
- Damage or adverse impact to roads, trees, livestock and other flora and fauna.

The cars involved in the event are required to meet certain noise standards and, while there will be some level of noise associated with the event, it will be limited. Drones may be utilised for part of the rally in those areas with less tree coverage (and therefore greater exposure to the participants) and will be operated by a licenced operator Motorsport Australia regulations and Civil Aviation Safety Authority requirements. Local news helicopters cannot be regulated by event organisers, however, it is expected that if any attend the event, they will remain at height.

➤ **Engagement/Consultation conducted in the development of the report**

Event organisers have collaborated with Adelaide Hills Council staff about the event and its impact on the community on an annual basis since its inception.

Consultation on the development of this report was as follows:

Council Committees: Not Applicable

Council Workshops: Confidential Council Workshop 9 February 2021 with presentation from the event organiser

Advisory Groups: Not Applicable

Administration: Director Community Capacity
Manager Finance
Executive Manager Governance and Performance
Manager Economic Development
Events Officer

External Agencies: Massive Events Corp Pty Ltd
Kelledy Jones Lawyers

Community: Not Applicable

2. BACKGROUND

The Council's *Festivals & Events Policy* contains a specific appendix with guidelines for competitive motoring events. These guidelines provide for road closures to be considered by Council on a case-by-case basis and in the case of the Adelaide Rally this occurs annually around May or June.

Massive Events Corp Pty Ltd is proposing a Multi-Year Agreement to provide certainty for stakeholders in the event including suppliers, sponsors, participants and other councils. Confirmation that the event will take place in November is dependent on the Adelaide Hills Council decision each year which doesn't happen until May or June. This means the event organiser is not able to enter multi-year supply and sponsorship arrangements with other stakeholders and each year is constrained with organising and promoting the event given the uncertainty around Adelaide Hills Council's decision to approve road closures.

Subsequent to submitting their proposal Massive Events Corp Pty Ltd has notified Council that they are currently in final stage negotiations with the South Australian Tourism Commission (SATC) in respect to a multi-year sponsorship and support arrangement for the Adelaide Rally. SATC advised Massive Events Corp Pty Ltd on 29 March 2021 that the information surrounding those negotiations is in "Strict Confidence", and must remain confidential until such time that SATC advises Massive Events Corp Pty Ltd to make it public.

3. ANALYSIS

Overview of the Adelaide Rally

In 2021 the organisers celebrated 25 years since the first Classic Adelaide Rally. The event was formerly known as the Classic Adelaide (1997 – 2009) and was run by Tasmanian Company Targa Adelaide between 2011 and 2013. Since 2015 the Adelaide Rally has been wholly South Australian owned and operated.

The Adelaide Rally takes place over four days and is the largest in the Southern Hemisphere with 422 cars and 844 participants in March 2021 (2020 event delayed from November due to Covid-19). There are five categories of participation Prima, Main and Branded Tour, Spirit Tour, Challenge and Competition.

Prima Tour: a one day event within the rally, leisurely with finish for lunch at an Adelaide Hills destination. Special motorsport license required – travel at 80kph or signposted limits and special safety requirements such as fire extinguisher, hazard triangles and more.

Main and Branded Tour: takes part over 3 days with promotional branded tour groups organised by car companies with guests invited from interstate and locally. Special

motorsport license required – travel at 80kph or signposted limits and special safety requirements such as fire extinguisher, hazard triangles and more.

Spirit Tour: Special motorsport license required – travel at 10kph over state limit and special safety requirements such as fire extinguisher, hazard triangles and more. Rallysafe monitoring device fitted and competitors wear helmets.

Challenge and Competition: Activity is timed and speed limits constrained using Rallysafe devices and course design including use of restricted speed zones. Special motorsport license required and special safety requirements such as fire extinguisher, hazard triangles and more. Competitors wear helmets and cars are required to have comprehensive safety features.

Over 65% of participants are in the Tours category. As it takes several hours to get the field (approximately 400 cars) past any single point meaning temporary road closures can be up to 4.5 hours.

Other councils involved with the event include Yankalilla, Mt Barker, Alexandrina, City of Adelaide, Campbelltown, Burnside, Mitcham, Tea Tree Gully and Onkaparinga.

A Multi-Year Agreement

The proposed Multi-Year Agreement involves Council resolving to support the event for multiple years (five) in the region rather than to consider support for the event every 12 months. This would require a departure from the *Festival and Events Policy Guideline No.1 for Competitive Motoring Events* that requires ‘Competitive Motoring (“Motorsport”) Events that involve full or partial road closures will be subject to a formal Council decision on every occasion’.

It is a requirement that the event aligns with Council’s Strategic Plan and The Adelaide Rally aligns with Priority C6.2: Develop, support and bring events to our district that have social, cultural, environmental or economic benefits. The event provides the opportunity for residents and visitors to participate in the events as spectators and showcases our region to a local, interstate and international market.

It is proposed that event organisers would continue to comply with all other requirements of the Policy including six months’ notice of the event followed by a Motoring Event Application with proposed road closures and a Consultation Report a minimum of three months prior to the event. This report would inform the CEO’s decision regarding approval of road closures and would include evidence of mitigation activities for impacted residents and businesses who have responded to consultation. If approved by the CEO, written notification would be sent to affected businesses and residents by the event organisers and Council-approved advanced warning signage would be installed along routes at least three weeks before the event. Provision of reasonable traffic detour information including online maps would be made available to Council and the community at least two weeks before the event is conducted.

Although the organiser is seeking a five year agreement, it is recommended that Council consider a multi-year agreement of three years as it is a shorter period before Council can review the success of the agreement.

Consultation and Community feedback

The Adelaide Rally and rallies in general can be divisive in terms of community sentiment. However, on balance from community feedback it can be surmised that a small percentage of residents and businesses directly impacted by road closures feel negative sentiment, while the wider community is either neutral (including those residents who do not respond to direct contact asking for feedback) or positive in their sentiment regarding the event.

The table below shows the Public Consultation Responses for the past 6 years.

Shannons Adelaide Rally (formerly Classic Adelaide Rally)					
Public Consultation Responses by year					
	# Contacted	Total responses	Negative	Positive	Neutral
2015	917	17	8	8	1
2016	711	9	3	4	2
2017	403	7	2	1	4
2018	738	10	5	2	3
2019	1,004	13	6	5	2
2020	1,003	23	6	15	2

The table below shows community responses on the Council's Your Say community engagement website platform. This was opened on 1 December 2020 and closed in April 2021 following Council's decision to support the date change of the 2020 Adelaide Rally due to Covid-19.

Shannons Adelaide Rally (formerly Classic Adelaide Rally)				
Survey results from EHQ when 2020 postponed to March				
	Total	Negative	Positive	Neutral
2020-21	95	5	89	1

Some respondents (16) were participants or competitors, including people from interstate, who complimented the organisation and location of the event. They also frequently referenced money spent in the region during their visit at local businesses.

There were also several local residents who live on or near the road closure points who discussed how much they enjoy the event. The five negative responses were from local residents concerned about hoon driving and the impact of road closures.

The table below shows direct calls to Adelaide Hills Council customer service or events team regarding the 2019 and 2020 rallies (the 2020 rally was delayed to March 2021 so communication around that event through March 2021 is included).

Shannons Adelaide Rally (formerly Classic Adelaide Rally)				
Communications received via AHC (pre-event)				
	Total	Negative	Positive	Neutral
2019	10	9	0	1
2020	37	29	7	1

It should be noted that 16 of the negative calls in March 2021 (included in the 2020 event figure) were through the customer service team prior to the event. On that particular day, the event organiser's new Variable Message Board (set up down in Campbelltown for the first time as an addition communication tool) had an incorrect message regarding the forthcoming road closures.

There may also be cross-over with the responses received by the organiser and complaints that were then mitigated by the organiser as was the case with Gorge Wildlife Park, which initially opposed the event on the basis that it might impact their trading but when contacted as part of Council's post-event debrief provided the following response:

"When I first voiced my concerns to council I had been led to believe that all roads leading to us were going to be closed for the rally. However this was not the case, visitors could still access our park from other directions and rally organisers were co-operative in making sure this was the case."

"We understand events like this highlight the Adelaide Hills and Cudlee Creek, so the inconvenience for a short amount of time is fine."

Safety and the environment

The Adelaide Rally is highly regarded in terms of event safety in Australia. Rallysafe devices were brought into the event around 2011 and are fitted in Competition and Challenge Categories. The device monitors speed and location including proximity to other vehicles and reports instantly to Rally HQ so they can manage safety with instant messaging back to the vehicle crew. It also creates 'virtual chicanes' to slow vehicles and the crew is penalised if they don't action this correctly. Every stage has these zones embedded making it impossible for non-participants to replicate the course and conditions in order to compare themselves to competitors.

The event uses its own FIV (First Intervention Vehicles) units for first intervention and works in cooperation and constant communication with Metropolitan Fire Service (MFS) and Country Fire Service (CFS) at all times via rally HQ. The event's Chief Safety Officer is the Metro Commander and Chief at MFS and has 35 years at MFS.

In the Rally Headquarters there are up to 20 people. Communications are actioned via digital Radio, Mobile Phone and WICEN to all emergency services. (WICEN SA is a group of volunteer radio amateurs who provide their time and equipment to emergency groups as a specialist support squad under the *South Australian State Emergency Management Plan*).

The event has exhaustive sets of regulations surrounding equipment and vehicle preparation.

South Australia Police provide up to 60 postings per event, running with the field up the front, and historically actioning the majority of the road closures. Police traditionally attend the driver briefings and speak with the participants as well as actioning breath testing and monitoring spectators.

Event organisers are dedicated to moving to integrate electronic cars, ethanol blend fuel is encouraged as a fuel for competition cars to use. Emission control systems are in place in most of the vehicles.

No major incidents were reported in 2021 by the organiser although there were a number of minor slow speed incidents with one incident resulting in a participant being taken to hospital for scans.

Economic Implications

Providing certainty that the event will go ahead for a period of years would allow the organiser to work with Adelaide Hills businesses, other councils, the state and suppliers to firm up contracts and relationships. One of the major areas would be multi-year contracts for event catering which could be worth hundreds of thousands of dollars as requested by Bridgewater Mill in **Appendix 2**.

The organiser believes a multi-year agreement with Adelaide Hills Council would help growth and most importantly leverage, such that towns and businesses can capitalise on the event as places like City of Adelaide has done with street parties. Greater community events in the Adelaide Hills could include street parties, closed road spectator events and special stages.

Implications for cherry growers could be mitigated by holding the event in early November and continuing to work with the apple and pear growers to make sure they are involved in the consultation on road closures. Some businesses may be impacted if the event is held during the school holidays or public holidays so this would need to be considered when approving road closures.

Appendix 3 shows Adelaide Hills Businesses who have had involvement in the Adelaide rally as a supplier, sponsor or recipient of promotional benefits.

Implications for other councils

There are nine other regions, some of whom promote and highly value the social and economic benefit the event brings to their council region, who are likely to benefit from event certainty across multiple years. There is concentrated economic benefit to The City of Adelaide who enjoyed over \$1 million in economic benefit in 2019 from the Gouger Street Party (12,000 people) and East End Finale (6000 people). Multi-Year arrangements with these bodies are only workable if one exists with Adelaide Hills Council given that the majority of the event is in the Adelaide Hills region. Four other councils are currently considering multi-year agreements.

Community benefits

The event operates an At Risk Youth Driver Training program in the Mt Barker Region that educates young drivers. This course employs a previous Adelaide Rally winner and director of Australian Driving Institute, Cameron Wearing, to deliver the course.

In 2020 the event provided infrastructure to the Nairne Community Group for their annual Christmas Carol Night. The event has previously supported White Ribbon Foundation (Domestic Violence Charity) and currently supports Prostate Cancer Foundation of Australia.

As part of the proposed agreement the organiser has committed to holding at least one significant community event within the Adelaide Hills Council region.

Over 320 volunteers give up their time to take part in the event.

Summary

In considering the impact of in-principle support of the rally event for multiple years, and therefore support for road closures subject to the CEO's annual approval, Council must consider the community impacts and balance them against the benefits of the event delivering more economic and tourism benefits into the future.

A resolution of support requires a departure from the *Festivals & Events Policy*, which normally requires road closures for motorsport events to be subject to a formal Council decision on each occasion. However, given that the rally event is a regular and known event, and that the benefits of holding the event in the district can be increased with a multi-year event, it is considered appropriate for the Council to consider a multi-year agreement.

It is recommended that Council support a multi-year agreement of three years (rather than the five years proposed by the organiser) as it is a shorter period before Council can review the success of the agreement. It is also recommended that an application fee be implemented to help facilitate the road closure application in line with the *Council's Fees and Charges Register*.

4. OPTIONS

Council has the following options:

- I. Receive the report and resolve to consent to in principle support of the event for a period of three (3) years subject to the requirements recommended in this report (Recommended).
- II. Resolve not to consent to in principle support of the event for a period of three years subject to the recommendations of this report. (Not Recommended).

5. APPENDICES

- (1) Multi-Year Agreement Proposal – Massive Events Corp
- (2) Request for multi-year catering agreement
- (3) Business Benefits document

Appendix 1

*Multi-Year Agreement Proposal – Massive Events Corp
Pty Ltd*



Shannons Adelaide Rally
Multi-Year Agreement Proposal – Adelaide Hills Council
13/4/21

This document is commercial in confidence and is not for public distribution.

CONTENTS	Page
Background	1
What is The Rally?	2
What Benefits does the event bring?	3
How can we work together?	4
Next Steps	5
Gallery	5
Contacts	9

Background

The Adelaide Rally is a motoring event that has linkages back to the South Australian Hallmark Event of The Classic Adelaide Rally which operated from 1997 to 2009, in more recent times the event became known as The Adelaide Rally. These events involve the closure of sections of road within 13 different regions. The Adelaide Hills Council Region is an extremely important part of the event and in fact the event cannot operate without Adelaide Hills Council support.

In June 2020 at the annual Adelaide Hills Council vote to approve the Adelaide Rally event, Councillor Herrmann suggested that the Council examine a multi-year arrangement with the Event organisers to deliver certainty to the event and streamline processes for all concerned. It became apparent in the discussion surrounding the event at that meeting, that the decisions made by Adelaide Hills Council in relation to the event have wide reaching and significant impacts on other event partners, regions and the state.

Further to this an elected member workshop was held in February 2021 which highlighted the importance of the event to the region and the benefits to council and region that would come with a more efficient, longer term partnership.

2021 marked the 25th year since the first Classic Adelaide Rally event. This quarter of a century milestone has prompted organisers to create efficiencies, certainty and benefit, by way of examining multi-year approval from the few councils that have been operating under an annual elected member vote for the past 25 years.

To date the event is very positively working through these agreements with several councils.

This document explains the event operations in brief and the peripheral events that are part of the Adelaide Rally. It also sets out a proposed pathway forward which protects council, community and the event, whilst continuing to adhere to the methodology within council's Festivals and Event Policy.

What is the Rally?

The Adelaide Rally has changed somewhat from the older Classic Adelaide Rally. The event is now the largest Tarmac Rally in the Southern Hemisphere and approximately 66% of the event is "Touring" this encompasses the Prima Tour, Main Tour, Branded Tours and Spirit Tour. The event has two large street parties integrated into it. These are currently held in the City of Adelaide and the final street party hosts the podium presentation for the competitive participants. Pre-COVID, in 2019 these were held in the Gouger Street Precinct and the East End of Adelaide. The Gouger Street event generated in excess of \$600,000 of economic benefit to the precinct in a four and a half hour period, combined, the events delivered over \$1 million of benefit to small hospitality businesses in the Adelaide City over a nine hour period. These events rely on the Adelaide Hills Council approval of the event annually despite these activities not being in the Adelaide Hills Region. The regroup stops and community events in other council regions also deliver economic benefit and exposure for those regions and similarly, also rely on the Adelaide Hills Council vote annually.

The event has several different categories and types of activity. In the tour categories, the cars are not timed and must adhere to set speed limits and enjoy the freedom of using both sides of the closed road. These cars are released in groups of up to 15 with a leader and follower car at each end of the group.

The Prima Tour is a one day event within the rally, it is very leisurely and finishes with a lunch at an Adelaide Hills destination. In 2020 the event finished at The Bridgewater Mill. This event component usually has notable celebrities taking part and is a great opportunity for people to lunch with famous faces and tour the Adelaide Hills.

Branded Tour groups are those that are organised by car brands such as Ferrari, Mercedes Benz, Audi, BMW, Ferrari, McLaren, Porsche and others. These groups often bring interstate visitors in and they also use their corporate P.R and Marketing arm to promote the event and the Adelaide Hills. It isn't uncommon to see Adelaide Hills vision and imagery sent global through the likes of McLaren and Ferrari's official media channels, some of which have millions of fans.

The Main tour is much the same as the Branded tours which take part in the last three days of the four day event. The Spirit Tour runs at a swifter pace and participants wear helmets.

The competitive side of the event bring a higher level of excitement and spectacle. The participants travel from interstate with an entourage of service crew and support vehicles. Often the participants are seasoned competitors that travel afar with a high discretionary spend in each region they visit.

The event is operated under Motorsport Australia (Formerly CAMS) regulations and insurance.

With approximately 300 tour cars and 100 competitive vehicles having taken part in March 2021, it takes over 3 hours to move the field through one location.

There are usually 34 stages in the event over 4 days.

Each stage of the event has a setup plan, safety and emergency plan as well as a pull down plan.

It takes up to 1 hour to set up and 1 hour to pull down a stage, depending on its length and the number of critical areas that need to be taped and tagged off as per Motorsport Australia regulations. This is why the road closure times required are anywhere from 3 to 5 hours long, depending on the stage. SA Police action the road closures for the event.

The event is not a small undertaking and has over 326 volunteers that give their time to help deliver the event.

Over 3000 meals are served to participants and these lunch locations are often paired with supportive council locations and logistical requirements that drive visitation to the area as well as exposure.

At the lunch and regroup locations the participants often meet up with their service crew, friends and family, as the rally is on the move for most of the day. The influx of these individuals and the sheer volume of entrants in the event creates a mass which can drive benefit to small townships and regions on event.

The typical median age for a rally participant is circa 49 years old. There are a large number of female navigators in the event and female participation within the event is the highest of any type of motorsport.

The typical rally participant is a more affluent type with a high percentage of entrants being professionals and business owners. These people have a high disposable income and have a high average spend per day as well as a higher desire to revisit tourism locations that have visited on event.

Nearly 15% of event participants are from interstate or overseas and this number is growing annually.

What benefits does the event bring?

The event brings valuable exposure benefits firstly. Being a highly visual activity with vibrancy and diversity amongst the rally field, the event creates many shareworthy moments that populate social media channels. For the very same reason, the event attracts global media attention and annually has dozens of articles published about it, most of which feature Adelaide Hills vision and imagery. This not only benefits the region but also the state as a whole.

In 2019 the event generated 268,600 reach across its own social media platforms and partner sites within the 2 weeks prior and post the event.

The event engages local businesses to provide goods and services. Just a few examples of Hills and Fleurieu businesses and organisations that have received a benefit from the event in recent times include: Applewood Distillery & Unico Zelo Wines, Amadio Wines, Cudlee Creek Tavern, Cudlee Creek Memorial Hall, Strathalbyn Oval, Bridgewater Mill, Stirling Hotel, Deviation Road Winery, Cobbs Hill Estate Winery, Longview Winery, Nairne Football Club, Stirling Cricket Club/Oval, Mt Lofty House, Uraidla Hotel, Weekender Herald, National Motor Museum, Uraidla Brewery, Words by Noel Probert, SOON Marketing, Bird in Hand Winery, Longview Winery, Penny's Hill Winery and more.

Typically, the event attracts 15% of its participant base from interstate or overseas. Each of these crews bring with them a service crew or other people to the event. In 2019 the event generated 1419

bednights in the state with participants staying an average of 6.5 days. 100% of participants undertook tourism activities in relation to their event stay.

The benefits attached to reconnaissance are unmeasured but offer another substantial economic input to the state and region in terms of local spend and accommodation. Reconnaissance is undertaken by competitive crews that visit the region repeatedly pre-event to familiarise themselves with the road, the terrain and they then plan out their competitive strategies for the event and make notes about the route. They stay in local accommodation within the region and spend locally.

The lunch stops on each day bring a concentrated influx of people to the lunch stop location. An example of real benefit here is this year's Bridgewater Lunch Stop which attracted over 2500 people on Saturday 27th March.

The event has had a partnership with City of Adelaide and precincts such as the Gouger Street Precinct to deliver large street parties that fit with the event. The Gouger Street Part and East End Finale Party generated over 18,000 attendance in 2019 and generated over \$1 million of benefit to local traders. The Adelaide Rally Gouger Street party is arguably the biggest event that Gouger Street sees each year. Special licencing is granted by Consumer and Business Services for the Gouger Street event to cater for the masses and allows traders to extend their licences and profit from the event. All the entrant's cars are on display at these events and brands such as Ferrari, BMW, Audi and Mercedes have large displays as well as host large dinners on these nights. In 2019 the City of Adelaide hosted a special Christmas party in conjunction with the Adelaide Rally and partnered with the event to have notable entrants deliver motivational speeches at the City of Adelaide function. These are some of the benefits that may be unseen by elected members that the event brings to other areas, but yet the elected member decision has great impact upon.

In Mt Barker Council region the Adelaide Rally operates an At Risk Youth driver training day whereby the event has engaged the Australian Driving Institute to deliver a seminar to young drivers.

The event currently has a cooperative program with St John Ambulance where we can coordinate CPR training for our volunteers who also receive a free First Aid Kit and certificate of completion. This we pass on at no cost and are prepared to train hundreds of people. This offer extends to anyone from any region who wishes to be involved.

All our lunch stops and street parties are entirely free to attend. These are family friendly community events that come at no cost to the community and often feature live music and entertainment.

There are many other intangible benefits the event can tailor to suit council and community. The existence of these benefits are tied to the operation and existence of the event itself.

How can we work together to create great outcomes for all?

The Adelaide Rally proposes that a five-year agreement be created which does the following things:

1. That the event continues to comply with existing Festivals and Events Policy guidelines in relation to event consultation, operation and delivery.
2. That the event agrees to host at least one significant community event within the region annually
3. That the event agrees to host the Prima Tour lunch within the region
4. That the event shall make best endeavours to contract food and beverage suppliers located within or with a major presence or manufacturing facility within the region
5. That the event shall actively engage with council events staff in relation to the expansion of the community events to drive increased visitation to the region

6. In exchange for the above the event requires no more from council than the same thing it has received over the past 25 years, that being road closure approvals to operate.
The only difference being that it requires approval in advance delivering certainty for a period of 5 years rather than 5 annual voting processes.

Next Steps

The Adelaide Rally seeks to gain the same approval that is normally given annually, but for a 5 year period, subject to adherence with festivals and events guidelines. The road closure approvals may be signed off by the CEO annually once council staff are satisfied that consultation and process has been undertaken in the usual manner, being in accordance with the current festivals and events policy.

Organisers wish to cooperate with Adelaide Hills Council staff to formulate an agreement or council decision which may help both parties achieve benefits and efficiencies.

Gallery of Images

The following imagery may be viewed to gain an understanding of the vibrancy, colour and spectacle of the event.











Proposal from: Massive Events Corp P/L T/As Adelaide Rally ABN 55984494841

Contact : Tim Possingham tim@adalaiderally.com.au

END

Appendix 2

Request for multi-year catering agreement

1 February 2021

Mr T Possingham
Adelaide Rally

**The Adelaide Rally and The Bridgewater Mill Catering Services:
Commercial-In-Confidence.**

Dear Tim,

Further to our recent negotiations, regarding the provision of our catering services via The Bridgewater Mill, I write to confirm our commitment to the Adelaide Rally this March.

As discussed, we wish to enter into a multi-year arrangement to provide our catering services, on an on-going basis. I can appreciate that this may not be possible at this time, but wish to communicate that a contract worth circa \$300,000 over 5 years would require us to employ more staff and we would greatly appreciate any information available to you that would enable us to forward plan for this as a key part of our overall business forecasting.

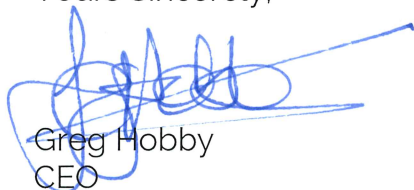
I wish to also acknowledge the flow-on financial effect of The Adelaide Rally. In spite of the cancellation of the November 2020 Rally, we are still experiencing significant restaurant bookings due to the publicity, including social media, that your event has created.

I know of this link because of the many conversations I have had with our guests who, unprompted, mention the Adelaide Rally. As recently as last Saturday we had six Bentley owners, and their wives, here for dinner due to The Adelaide Rally.

"We decided not to wait until March to try your food", was part of our conversation and their reason for booking.

We are excited about The Adelaide Rally, as are many of our locals, because of the unique and high-quality nature of your event.

Yours Sincerely,



Greg Hobby
CEO

Appendix 3

Business Benefits Document

ADELAIDE HILLS BENEFIT TO BUSINESS

The following is a list of Adelaide Hills Council Region businesses that have had previous or current (including 2021) involvement in the Adelaide Rally by way of being a supplier, sponsor or received promotional benefits. Exhaustive lists similar to this can be generated for other regions such as McLaren Vale and the Fleurieu, Adelaide CBD.

- Amadio Wines – Kersbrook
- Applewood Distillery – Gumeracha
- National Motor Museum – Birdwood
- Unico Zelo Wines – Gumeracha
- Uraidla Brewery – Uraidla
- Uraidla Pub – Uraidla
- Bridgewater Mill – Bridgewater
- Stirling Cricket Club - Stirling
- Bridgewater Oval – Bridgewater
- Cudlee Creek Memorial Hall – Cudlee Creek
- Cudlee Creek Tavern – Cudlee Creek
- Lobethal Football Club – Lobethal
- Mitre 10 Stirling - Stirling
- Deviation Road Winery - Heathfield
- Vanity Hire – Carey Gully
- The Party Company – Mt Barker/Heathfield
- Udder Delights - Lobethal
- Tough As Products - Woodside
- Mt Lofty House – Crafers
- Puzzle Shifter IT – Mylor
- Weekender Herald – Crafers
- Words by Noel Probert – Bridgewater
- SOON Marketing – Stirling
- Cobbs Hill Estate – Lenswood
- Crafers Post Office – Crafers
- Hokey Pokey – Stirling
- Sunnybank Designs
- Apple and Pear Growers Association
- The Hive Wrappa
- Bean and Bikkie Co
- Nicola Sutcliff Earrings
- Spoggy and Co
- Piccadilly Studio
- Winter Creek Olive Oil
- The Angler – Stirling

3. Multi-Year Road Rally Proposal – 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 19. in confidence under sections 90(2) and 90(3)(d) 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 and related attachments of Council and the discussion and considerations of the subject matter be retained in confidence until 31 December 2023.

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.
