

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 June 2018
CONFIDENTIAL AGENDA BUSINESS ITEM**

ITEM RELEASED 16 NOVEMBER 2018

Item: 19.1

Originating Officer: Jennifer Blake – Coordinator Communications & Events

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 19.1: 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 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.

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 finish for the 2019 Santos Tour Down Under (STDU) and two (2) stage finishes of the 2019 Santos Women's Tour Down Under (SWTDU).

SATC proposes that the STDU Stage 3 commences in Lobethal and finishes in Uraidla on Thursday 17 January 2019. Staff have negotiated a reduced licence fee of \$30,000 plus GST, to be paid by the Council to SATC.

SATC proposes that the SWTDU Stage 1 finish be held in Birdwood on Thursday 10 January 2019 and the Stage 3 finish be held in Stirling on Saturday 12 January 2019. There is no licence fee applicable for the SWTDU stage finishes.

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 one stage start and one stage finish for the 2019 Santos Tour Down Under, namely the Stage 3 start in Lobethal and finish in Uraidla on Thursday 17 January 2019, for a total consideration of \$30,000 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 2019 Santos Women's Tour Down Under, namely the Stage 1 finish in Birdwood on Thursday 10 January 2019 and the Stage 3 finish in Stirling on Saturday 12 January 2019.**
 - 4. 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.**
 - 5. 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 2019 Santos Tour Down Under, the 2019 Santos Women's Tour and any other ancillary events, pursuant to Section 33 of the *Road Traffic Act 1961*.**
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➤ **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 2019 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 stage starts and finishes of the STDU in the past has typically cost the Council in the order of \$40,000 and \$30,000 plus in-kind costs through staff effort, respectively. 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. Costs associated with the women's event are somewhat lower as no licence fee applies.

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

Provision has been made in the draft 2018-19 Budget for these costs as part of the Council's community events program.

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.

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.

➤ **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 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.

<i>Council Committees:</i>	Not Applicable
<i>Advisory Groups:</i>	Not Applicable
<i>Administration:</i>	Economic Development Officer
<i>Community:</i>	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 Woodside, Lobethal, Paracombe, Uraidla and Stirling.

A key activity in our Annual Business Plan 2018-19, contributing to Strategic Plan strategy 2.6, is to grow our involvement with the Women’s Tour and continue our support of the Men’s Tour.

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 a full day of the 2019 STDU, namely:

- The start of Stage 3 to be held at Lobethal on Thursday 17 January 2019
- The finish of Stage 3 to be held at Uraidla on Thursday 17 January 2019.

SATC has offered the Council the opportunity to host two stage finishes for the 2019 SWTDU, namely:

- The finish of Stage 1 to be held at Birdwood on Thursday 10 January 2019
- The finish of Stage 3 to be held at Stirling on Saturday 12 January 2019.

The Saturday finish of the SWTDU offers the Stirling Business Association an alternative opportunity to be involved, given that a stage of the men's event has not been offered for 2019.

Santos Tour Down Under Stage 3 start and finish

The Stage 3 circuit in its entirety will take place in the Adelaide Hills Council area commencing in Lobethal (with multiple passes through the main street) and finishing with a number of passes through, and a spectacular finish in, Uraidla.

Although the final route is still being finalised, it is expected to encompass Cudlee Creek and head towards Chain of Ponds before moving south through Lenswood and multiple circuits with the Piccadilly Valley/Uraidla region. The circuit nature of the Uraidla finish will provide opportunities for local businesses and community groups to leverage from crowds drawn to view the riders as they fly down Greenhill Road on numerous occasions jostling for the lead. 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.

Lobethal has previously hosted the STDU and has shown great community spirit during previous tours and the recent Queen's Baton Relay celebrations, decorating the main street and getting school children involved in the events. The Administration plans to work with the Lobethal Community Association (LCA) and other local community groups to maximise the potential benefits from the Stage 3 start in 2019. The ongoing development of the Arts & Heritage Hub at the Old Woollen Mill also provides opportunity for activations and engagement through this space around the STDU.

In 2018 the Uraidla community came together to provide a dynamic and creative force for their Stage 4 finish, developing their own Uraidla High Road branding and organising food and entertainment with support from Council's event team. Although the Bupa Challenge event was cancelled due to extreme weather conditions, valuable experience was gained and lessons learnt. This experience can be used to mobilise the community to take advantage of opportunities provided by the 2019 finish without the complexity of the Bupa Challenge.

In return for the stage start and finish, the Council will need to pay a licence fee of \$30,000 plus GST. This has been negotiated down by staff from the 'shelf price' of \$35,000 (\$20,000 for a 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 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 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 Main Street in Lobethal, Greenhill Road in Uraidla and potentially surrounding roads depending on how many circuits there are and where the loop goes. This disrupts public transport and vehicle access to some businesses, however, it has been well managed in the past and overall the event seems to be embraced by the community at large.

In terms of costs, the Council's (i.e. the community's) contribution includes the \$30,000 licence fee plus costs associated with any activities the Council wishes to run in association with the event. Typically, Councils tend to have hospitality marquees on the 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 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 well 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.

Santos Women’s Tour Down Under Stage 1 and Stage 3 finishes

Stage 1 of the SWTDU will commence in Hahndorf moving through Balhannah, Woodside before commencing two circuits through Lobethal, Gumeracha, Birdwood, Mt Torrens, and Charleston. 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, having stage a vintage car display on the roadside for each of the last two years when the Tour has passed through the township. A SWTDU finish is recognition of that effort.

The Stage 3 finish of the 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 move through Oakbank, Hahndorf, Echunga and Flaxley before heading north through Biggs Flat into the Council area. From Mylor the riders will take Aldgate Valley Road passing through Stirling to commence a final loop encompassing Heathfield and Aldgate and returning for the home run into the main street of Stirling.

Stirling has a rich and enduring history with the STDU but has yet to host a finish of the Women’s Tour. Initial conversations with the SBU have been positive.

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 will be rolling except during erection and removal of the finish arch. After the arch is in place and during the final circuit, traffic will continue to flow.

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

SANTOS TOUR DOWN UNDER

4 June 2018

Adelaide Hills Council
Jennifer Blake
PO Box 44
Woodside SA 5244

Dear Jennifer,

Events South Australia, a division of the South Australian Tourism Commission, will stage the 21st Santos Tour Down Under in key locations throughout metropolitan and regional South Australia from 10 – 20 January 2019.

We are pleased to advise that the *Adelaide Hills Council* request to host a stage of the 2019 Santos Tour Down Under has been successful.

Date: Thursday 17 January
Stage: Stage Three
Location: Lobethal to Uraidla
Hosting Fee: \$30,000 + GST

We are excited to be working with you and your appointment as a 2019 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 response with *'We have received notification on the status of our application, however until the official launch of the 2019 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 2019 event.

Kind regards



Ryan Healy
Event Manager
Santos Tour Down Under

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 19.1 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 2018.

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.