

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 22 June 2021
CONFIDENTIAL AGENDA BUSINESS ITEM**

Item: 18.2
Responsible Officer: Jennifer Blake
Manager Communications, Engagement & Events
Community Capacity
Subject: Event Opportunity – Santos Tour Down Under 2022
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:

- 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
- Manager Communications, Engagement & Events, Jennifer Blake
- Governance & Risk Coordinator, Steven Watson
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 18.2: (Event Opportunity – Santos Tour Down Under 2022) 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

Events South Australia, a division of the South Australian Tourism Commission (SATC), will stage the 2022 Santos Tour Down Under in key locations throughout metropolitan and regional South Australia from 13 – 23 January 2022. Adelaide Hills Stages are proposed from 16-23 January 2022.

The purpose of this report is to present for the Council's consideration, a formal offer from SATC for the Council to host three (3) stage finishes and one (1) stage start of the 2022 Santos Tour Down Under (STDU) and two (2) stage finishes and one (1) stage start of the Santos Women's Tour Down Under (SWTDU). This is a total of seven (7) stages.

SATC proposes that the STDU:

- Stage 1 finishes in Stirling on Tuesday 18 January 2022
- Stage 2 starts in Uraidla on Wednesday 19 January 2022
- Stage 2 finishes in Lobethal on Wednesday 19 January 2022
- Stage 6 finishes at Mount Lofty on Sunday 23 January 2022. Stage 6 will be the final and deciding stage of the Tour.

This would constitute the Council's most extensive involvement in STDU to date. The normal hosting fee for these stages would be \$75,000 (based on \$15,000 for a start and \$20,000 for a finish) however the Administration has negotiated this down to \$60,000 plus GST, to be paid by the Council to SATC. Council staff are continuing to negotiate with SATC in regards to this fee.

SATC proposes that the SWTDU:

- Stage 2 finishes in Bridgewater on Sunday 16 January 2022
- Stage 4 starts and finishes in Stirling on Tuesday 18 January 2022.

There is no licence fee applicable for the SWTDU stage finishes.

The offer from SATC features the Adelaide Hills to a greater extent than in any previous year with four stages of the Men's Tour and three stages of the Women's Tour. In addition, Stage 4 of the STDU on Friday 21 January 2022 starts in Norwood and spends the majority of the stage in the Adelaide Hills before finishing in Campbelltown. There will be rolling road closures and SATC has agreed to cover any traffic management costs associated with this stage.

Given the uncertainty surrounding major events in the COVID-19 environment there is a strong possibility the proposed dates of the Tour will change to commence a week later being 20-30 January 2022 to allow more time for a 14 day quarantine after New Year's Eve. This would have implications for Australia Day 2022 on Wednesday 26 January with a potential start in Uraidla and finish in Lobethal.

RECOMMENDATION

Council resolves:

1. That the report be received and noted
 2. That in respect to the 2022 Santos Tour Down Under, to accept the offer by the South Australian Tourism Commission for the Council to host the:
 - Stage 1 finish in Stirling on Tuesday 18 January,
 - Stage 2 start in Uraidla on Wednesday 19 January,
 - Stage 2 finish in Lobethal on Wednesday 19 January,
 - Stage 6 finish on Mount Lofty on Sunday 23 January 2022,for a total consideration of no more than \$60,000 plus GST, to be paid by the Council.
 3. That in respect to the 2022 Santos Women's Tour Down Under, to accept the offer by the South Australian Tourism Commission to host the:
 - Stage 2 finish in Bridgewater on Sunday 16 January 2022
 - Stage 4 start in Stirling on Tuesday 18 January 2022
 - Stage 4 finish in Stirling on Tuesday 18 January 2022.
 4. To approve an increase of \$45,000 in 2021-22 budget expenditure relating to the Santos Tour Down Under, and update to the associated budgets accordingly, and that the CEO be authorised to make changes to the Annual Business Plan prior to it being released for publication to reflect this.
 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 Chief Executive Officer be authorised to consider and negotiate any changes to stage hosting details, including but not limited to start and finish locations and event dates, so long as the licence fee remains within the amount outlined above.
 7. 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 2022 Santos Tour Down Under, the 2022 Santos Women's Tour Down Under and any other ancillary events, pursuant to Section 33 of the *Road Traffic Act 1961*.
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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.*

➤ **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 road closures in place. 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 SWTDU 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. Santos 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.

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 beneficial 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 2022 will assist in mitigating the risk of:

Missed social and 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 local events to best realise the benefits associated with the event.

There remains some risk implications from the impact of the COVID-19 pandemic. SATC is currently planning for a full event program while continually monitoring the situation and investigating other potential event scenarios and possibilities. Their priority is to deliver a safe event for all. They have committed to keep host Councils informed of any changes to the event plan.

➤ **Financial and Resource Implications**

The 2020 STDU and SWTDU saw Council host five stages, the most in our STDU history. Hosting two stage finishes and one stage start for the 2020 STDU and two stage finishes for the 2020 SWTDU cost Council in the order of \$97,000 (including a \$45,000 hosting fee) plus in-kind costs through staff effort. Council approved an extra \$10,000 in the 2019-2020 budget to cover this cost. Tree management costs were also very high for the event, especially in the wake of the Cudlee Creek Bushfire.

In 2021 the STDU was cancelled due to COVID-19 and replaced with the domestic Santos Festival of Cycling. Council's cost were reduced by \$45,000 as a result.

Costs for the seven stages proposed for 2022 will include the licence fee and additional costs for road closures and traffic management, hospitality, waste management, tree management, additional public facilities, alterations to infrastructure and marketing. Given that the 2022 proposal involves seven stages, additional staff resources would need to be contracted in the lead up to the event and during event delivery (we currently have one Events Officer and a total Communications, Engagement and Events team of 3.6 FTE). It is likely that it will be a busy spring/summer events seasons with Christmas pageants and Australia Day celebrations back in full swing and a host of new events proposed.

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

Provision has been made in the *Draft 2021-22 Annual Business Plan & Budget* for costs as part of the Council's community events program. The total budget allocated for the 2022 STDU is \$87,000 based on a fee to SATC in the vicinity of \$40,000 and a similar amount in other costs. Expected costs (excluding tree-related costs) to deliver seven stages including the \$60,000 fee, is \$132,000, i.e. \$45,000 more than in the current budget proposal.

Savings may be made by reducing hospitality and entertainment options across the proposed seven days. However, depending on the final hosting fee, an additional \$45,000 budget allocation may be required to deliver the full program of events. This would comprise \$15,000 additional hosting fee, \$15,000 for additional staffing and \$15,000 additional hosting costs (especially traffic and waste management).

Estimated cost comparison for STDU 2022

<i>Item</i>	<i>Costs 2020 (5 stages)</i>	<i>Estimated Costs 2022 (7 stages)</i>
Hosting Fee	\$45,000	\$60,000
Traffic management	\$22,000	\$25,000
Toilets/Waste	\$ 6,000	\$8,000
AHC community Hospitality	\$10,000	\$10,000
Marketing, signage, decoration	\$7,000	\$7,000
Activations and other	\$7,000	\$7,000
Additional staff support	-	\$15,000
TOTAL	\$97,000	\$132,000
Original Budget	\$87,000	\$87,000
Additional requested budget	\$10,000	\$45,000
TOTAL BUDGET	\$97,000	\$132,000

➤ **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 2021 Santos Festival of Cycling results under the Analysis section of this report).

➤ **Sustainability Implications**

SATC is committed to improving sustainability outcomes for their major events and Council will encourage all associated community events to aim for sustainability outcomes. Council will consider the environmental impacts of any hospitality or activations it organises.

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

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 will be held with representatives of the Stirling Business Association and relevant community groups in Lobethal, Uraidla, Bridgewater and Crafers prior to the formal announcement by SATC in August/September 2021, subject to SATC authorisation.

Consultation on the development of this report was as follows:

Council Committees: Not Applicable

Council Workshops: Not Applicable

Advisory Groups: Not Applicable

Administration: Manager Economic Development
Executive Manager Governance & Performance
Manager Financial Services
Events Officer

External Agencies: Not Applicable

Community: Not Applicable

2. BACKGROUND

Council Members will be 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, Stirling and Woodside.

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.

The new STDU Race Director Stuart O'Grady is proposing a new and exciting final Stage 6 finish at Mt Lofty Summit. This is likely to draw worldwide attention and bring even greater focus to the Adelaide Hills as a world class cycling destination. The 2021 STDU was cancelled due to Covid-19 and replaced with a domestic Festival of Cycling.

3. ANALYSIS

SATC has offered the Council the opportunity to host four stages of the 2022 STDU and three Stages of the 2022 SWTDU. This is more involvement than ever before and provides an opportunity to secure the Tour as a predominantly Adelaide Hills focussed event.

Hosting Fee

In return for the seven stage starts and finishes, SATC has proposed a total hosting fee of \$60,000 plus GST, which is \$15,000 less than what is normally charged for the number of starts and finishes proposed.

The Council is also required to meet the cost of road closure management, additional public facilities, waste management, parking control, community consultation and tree works along the route. Council is required to organise community participation and activations of spaces at Stage finishes and starts. This includes provision of community shade, seating, entertainment and hospitality. Much of the additional effort is in-kind by virtue of it being done by staff already employed by Council; however it does impose a considerable workload on staff.

In considering whether or not to accept the SATC offer, Council needs to make an assessment of the overall community benefit in comparison to the hosting fee and additional costs.

Community Impact

At a community level, the event 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. Council staff actively seek out opportunities for community groups to fundraise and engage with the event. With multiple loops proposed (up to five) on the new final Mount Lofty stage, there should be more opportunity for communities along the loops to benefit including Crafers, Stirling, Piccadilly and Summertown as crowds on and along this route are expected to be greater than ever before. The Bridgewater finish for the SWTDU is also a new stage and host towns of Uraidla, Lobethal and Stirling have embraced the tour previously.

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. As our community continues to deal with COVID-19 the STDU presents an opportunity to spectate in a safe way and to enjoy the associated entertainment and localised celebrations.

In townships along the route, community groups typically band together to help decorate their town and create their own unique presence. Even in 2021 when the Domestic Festival of Cycling event could not start or finish in a main street due to COVID restrictions, the township of Lobethal won Best Dressed Town for the three day domestic event, receiving money and other prizes that will benefit the local community. Our communities have featured heavily in past years as town, business and individual property winners.

Since 2018 Council has run a social media campaign for members of the community to win seats in the STDU Tour Parade cars (excluding 2021). We had four winners each year and approximately 150 competition entries. The 2020 winners were frequent visitors to the region who were very enthusiastic and appreciative of the chance to participate in the event.

With multiple stages over seven days there will be many opportunities for residents and businesses to participate and spectate but there will also be disruption to public transport, residence and road access, and some residents and businesses will be disadvantaged by these factors.

Council is responsible for notifying our community of upcoming road closures and trying to mitigate any issues. This requires a considerable amount of time and staff resources to organise traffic management plans through an independent supplier and to manage consultation around road closures. Consultation includes determining mail out areas, producing letters and maps, distribution of consultation material and managing mitigation of issues or feedback.

Economic Impact

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 attending 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.

Santos Tour Down Under is designated as a major event in South Australia. 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.

According to analysis commissioned by SATC, the 2020 event attracted over 779,000 spectators along the race route and over 44,000 visitors who travelled from interstate and overseas. The 2020 STDU generated an estimated economic impact of \$66.4 million for South Australia.

The SATC online event calendar and 'Explore the Stages' tourism pages for the 2020 STDU received 37,470 and 43,128 views respectively. Traditional media items totalled 1,825 for an estimated total value of \$13,687,462. A digital advertising campaign reached 34,480 people for 75,757 impressions.

SATC does not provide regional specific analysis so it is difficult to estimate the specific economic impact for our communities. It is also difficult to predict the likelihood of international or interstate visitation in 2022 given the ongoing COVID-19 situation. While businesses in the hospitality industry are most likely to benefit, traders and service industries impacted by road closures may suffer loss of trade. Depending on routes there may be some impact for late season cherry growers.

Council staff provide SATC with commentary on our towns, experiences and businesses for use by local, national and international broadcasters. We also provide suggested media sites for helicopter footage and vignettes for use by television crews.

Community events and businesses along the route have the opportunity to list themselves as Associated Events providing them with listing on the STDU website and promotion on their many channels. We actively encourage businesses to become associated with STDU but Council staff also promote community events and fundraisers to increase awareness.

A particular highlight will be Stage 6 of the men's STDU, which will be the final (and competitive) stage of the race. This final competitive stage has never been held in the Adelaide Hills having traditionally taken place on Willunga Hill. While the finish line will be at Mt Lofty Summit, the stage is built on up to five (5) circuit loops through Uraidla, Bridgewater, Aldgate, Stirling and Crafers. It is likely to be the highest attended stage of the race and will bring opportunities for each of these townships to provide spectator experiences.

Timing and Environmental Impacts

In accordance with Council's *Festivals and Events Policy* consideration must be given to timing of the event in relation to other major events, implications for seasonal harvesting and risk of bushfire and extreme weather. The Administration has determined there are no major timing issues apart from a potential cross-over with the Australia Day public holiday, and that both Council and SATC will work to comprehensive Emergency Management Plans.

The Council's *Festivals and Events Policy* also requires consideration of environmental impacts and the Administration has determined there are no detrimental environmental impacts associated with the event beyond the need for normal waste management activities.

SATC has also indicated they will work with Council to try and minimise tree management costs along the Council routes.

Road closure consents

There is an element of disruption to traffic flow and access to properties between the proposed dates of 13 – 23 January 2022. The route details have not yet been finalised and provided to Council however, at this stage, and dependent on the final routes, full road closures are proposed for Mount Barker Road, Stirling; Mount Lofty Summit Road, Crafers; Uraidla Main Street; Mount Barker Road from Towers Road to Wembley Avenue, Bridgewater; and Main Street, Lobethal.

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.

In addition, Stage 4 of the STDU on Friday 21 January 2022 spends the majority of the race in the Adelaide Hills with rolling road closures to be managed by SATC through SAPOL.

There will be disruptions to public transport and vehicle access to some businesses, however, it has been well managed in the past to minimise disruption for the community.

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.

Should the Council wish to accept the SATC 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.

4. OPTIONS

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

Nil

3. Event Opportunity Santos Tour Down Under 2022 – 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 18.2 in confidence under sections 90(2) and 90(3) (j) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* that the report, related attachments and the minutes of Council and the discussion and considerations of the subject matter be retained in confidence until Council receives written confirmation from the South Australian Tourist Commission that the event information is no longer confidential, but not longer than 30 June 2022.

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.