

15.1 2014 Santos Tour Down Under - call for expressions of interest

This report seeks Council's direction in relation to expressing interest in participating in the 2014 Santos Tour Down Under (STDU)

This is information seeking Council direction.

Director: Philomena Taylor, Director Community Relations
Report Author: Nicole Kinnear, Manager Marketing, Arts and Engagement
Contact Number: 8384 0504

1. Recommendation(s)

1. That

- a. under the provisions of Section 90(2) of the *Local Government Act 1999* an order be made that the public be excluded from attendance at the meeting in order to consider in confidence this item.
- b. the Council is satisfied that it is necessary that the public be excluded to enable the Council to consider the information at the meeting on the following grounds:
Section 90(3)(j) information the disclosure of which 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)
- c. 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 or discussion confidential.

2. That Council express interest in hosting:

- a. Start
OR
- b. Finish
OR
- c. A start and finish (complete stage)
OR
- d. The Bupa Challenge
in the 2014 Santos Tour Down Under.

OR

3. Council do not express interest in hosting a stage of the 2014 Santos Tour Down Under.
4. That the matter of the 2014 Santos Tour Down Under – call for expressions of interest having been considered in confidence under Section 90(3)(j), of the *Local Government Act 1999* an order be made under the provisions of Section 91(7) and (9) of the *Local Government Act 1999* that the 2014

Santos Tour Down Under – call for expressions of interest and the minutes and the report of the council relating to discussion of the subject matter be kept confidential until December 2013.

2. Background

None

3. Financial Implications

The costs for hosting a start or a finish or a stage of the STDU in 2014 range from \$15,000 to approximately \$55,000. These fees are for hosting only and do not include any additional activities, events, grants, maintenance or logistics expenses.

4. Risk and Opportunity

No key risks have been identified, as an expression of interest is not a commitment of our resources, nor does it commit us to hosting. If we are offered a start/finish/stage a thorough risk analysis will come to Council at this point.

5. Discussion

Expressions of interest – hosting options

Consistent with prior years we have the opportunity to express our interest in hosting a start, a finish or a full stage (ie a start and a finish) of the 2014 STDU.

An expression of interest is not a commitment of our resources nor does it commit us to hosting. There is also no guarantee we will be offered the opportunity to host.

We can express interest in hosting:

- A start (hosting fee \$15,000 ex GST).
- Hosting only a start may make it more challenging to retain racegoers in our city as they tend to follow the race to the finish. This would impact on our decision-making regarding auxiliary and community events.
- A finish (hosting fee \$20,000 ex GST). This would impact on our decision-making regarding auxiliary and community events.
- Hosting either a start OR a finish means it is likely that fewer towns from our city would be involved and receive benefit from the race.
- A start and finish (a full stage in our council area (cost POA, traditionally \$55,000 ex GST).
- Hosting both a start and finish in our city means we receive very strong attendance. It encourages and results in overnight and extended stays in our city and provides economic benefit to our local businesses (\$7.8 million in 2012). The live coverage offered as a result of us hosting a complete stage has provided significant additional exposure and international and national promotion of our city. We received significant media coverage valued at approximately \$6.9M (calculated by Events South Australia's public relations team) including radio, TV, print and online in 2012. Television coverage by Channel 9 of Jayco Stage 5 was valued at \$806,139.

- Bupa Challenge Tour start or finish (hosting fee \$25,000 ex GST).
- This is a recreational race in the STDU and is aimed at amateur cyclists—it is not a formal 'stage' of the STDU. The Bupa Challenge in previous years has had over 7000 participants and in 2012 received an estimated 109,000 attendees to the race.
- We are able to express an interest in the Bupa Challenge Tour *in addition* to options for the actual STDU race competition or as our *sole interest*.

The benefits offered by Event South Australia for all of the above hosting options are the same, however in recent years we have negotiated additional benefits and opportunities and leveraged off of our commitment to hosting a start and finish.

In due course Events South Australia will send formal offers to successful councils. Should we receive an offer, Council will have the opportunity to accept or decline the offer.