

## CCS152: RACEWARS ALBANY 2019 - POST EVENT REPORT

|                              |  |
|------------------------------|--|
| <b>Proponent / Owner</b>     | : Racewars' Group Pty Ltd  |
| <b>Attachments</b>           | : <b>Confidential:</b> Racewars' Group Pty Ltd 2020 Initial Event Proposal |
| <b>Report Prepared By</b>    | : Manager Governance and Risk (S Jamieson)                                 |
| <b>Responsible Officers:</b> | : Executive Director Corporate Services (M Cole)                           |

### STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Community Strategic Plan or Corporate Business Plan informing plans or strategies:
  - **Theme:** Smart, prosperous and growing.
  - **Objectives:**
    - Strengthen and grow our region's economic base.
    - Develop and promote Albany as a unique and sought after visitor location.
  - **Community Priorities:**
    - Encourage, support and deliver significant events that promote our region and have a positive economic and social benefit.
    - Promote the "Amazing South Coast" region as a sought after and iconic tourism destination.

#### In Brief:

- Receive the Racewars 2019 Post Event Report and Proposal for 2020.

### RECOMMENDATION

#### CCS152: RESPONSIBLE OFFICER RECOMMENDATION

##### THAT Council:

1. **RECEIVES** the Racewars 2019 Post Event Report and Proposal for 2020; and
2. **AUTHORISES** the Chief Executive Officer to negotiate a 3 year Funding Agreement from 2020 to 2022, consistent with the Albany Classic "Around the Houses" Financial Assistance Agreement, and to report back to Council in August 2019.

### BACKGROUND

2. On 24 July 2018, Council resolved to consider additional funding support (cash or in-kind) for 2019 and 2020 being provided to hold the event.
3. The City of Albany successfully hosted the Racewars' Albany 2019, for the third year, providing event organisers with the exclusive use of the:
  - a. Albany (Harry Riggs) Regional Airport for two days of "Straight Line Racing "; and
  - b. Marine Drive, Middleton Beach carpark, Flinders Parade and Forts Road – as a temporary racetrack and competitor marshalling precinct.

### DISCUSSION

4. The annual Racewars' event, similar to the Albany Classic "Around the Houses" event has evolved into what could be considered a major event on the City's event calendar.

6. Major regional events could be classified as an event that:
  - a. Generates significant immediate and long-term economic, social and cultural benefits to the Albany community;
  - b. Attracts significant numbers of out-of-region and interstate participants and spectators;
  - c. Has a national profile outside of the region and state in which it is being run;
  - d. Generates significant national and/or international media coverage in markets of interest for tourism and business opportunities.
7. Value of post-event reports: Post-event reports are a valuable information tool for assessing the benefits derived from the event, developing future events and to inform good practice. They:
  - a. ensure the event holder captures the learnings from the event;
  - b. help identify how the event can grow;
  - c. provide a business rationale on how future events can create opportunities such as:
    - Attracting more sponsorship; and
    - Developing other aspects/areas of the event.

## POST EVENT REPORT

8. Attendance:
  - Total ticketed attendance was down on 2018 as a result of suspending the airport event on Sunday.
  - A post event survey was conducted by the Racewars Event Team. Based on 500 respondents, the visitation from outside The Great Southern was 71%, of this:
    - 63% came from Perth;
    - 6% “WA Other”; and
    - 2% Interstate / Overseas.
  - 84% of people stayed in Albany with 11% of those who did not reporting there was no available accommodation.
  - The number of people staying for 7+ days in the region rose to 12%. This was supported by 24% of people surveyed staying for between 4-6 nights.
  - Those only staying for 3 days fell to 42% down from 51% in 2018.
  - 61% of those surveyed said they stayed for The RW Sprint, with 14% of those who didn't stay saying it was because they weren't aware in time to arrange to stay.
  - 90% of those surveyed indicated they will stay for The RW Sprint in 2020.
  - 82% of respondents wished to see Cash Days return.
  - 96% of those surveyed will return for RW20 and 86% would return to the region for other non-motorsport related events.
  - The percentage of families attending held steady at 37%.
9. The increase in local attendance & engagement is positive but indicates growth is now local with the events external “pull” likely being constrained currently by a lack of accommodation available in the region.

11. Tourism & Economic Impact:
  - a. Visitors reported that accommodation in Albany and surrounding towns (i.e. Denmark, Mount Barker) was sold out over the long weekend.
  - b. Feedback from local businesses surveyed suggested it was the busiest they'd seen to date during the RW event period, for example: *Due South reported the RW Awards Evening had larger takings than their NYE celebrations.*
  - c. It was observed that many local businesses were stretched to capacity over the weekend which is both a positive in terms of revenue generation but also indicates capacity constraints and a potential limit to future growth.
  - d. Feedback from attendees indicates that when they left the runway on Sunday they didn't curtail their plans to make the most of their weekend and spent accordingly.
12. City of Albany In-kind Support: The City:
  - a. Constructed an additional emergency and competitor access road.
  - b. Continued to provide staff to assist with the provision of logistic and event management support through all phases of the event.
  - c. Implemented communication to community of the Sprint event and road closures;
  - d. Supported RW2019 marketing through its communication channels.
  - e. Financially supported the:
    - Relocation of the Fire Spotter Aircraft to Denmark, for the duration of the event.
    - Renting and installation of temporary fencing to provide for security of general aviation hangars and airport infrastructure.
    - Provision of traffic management.
    - Provision of mobile security for the protection of airport infrastructure.
    - Implementation of notification to residents and business owners for the sprint event (Middleton Beach – Marine Drive – Princess Royal Fortress Precinct) including variable message boards, public notification adverts and mail out to surrounding residents and businesses.
13. Lessons Learnt:
  - a. Negative:
    - Event early closure: A number of items will be addressed on a technical and operational level as a result of the two incidents on the Sunday of the event to mitigate this occurrence in the future.
    - The RW Group considers the event is now too large, complex and important for the region and automotive community for the Racewars' Group to manage on their own.
  - b. Positive:
    - The set up and clean-up process at Albany Airport was professional, efficient and well managed by all parties.
    - The relocation of competitor access to Parkerbrook Rd offered significant safety & operational improvements.

## GOVERNMENT & PUBLIC CONSULTATION

14. Airport Operations: Through the Department of Transport's Community Consultation Group, which consists of stakeholders from industry, government, and the aviation community the City negotiated for the Albany Airport to be closed to aircraft movement from Friday evening to 12.00pm Monday midday. As previously communicated air transport on the Perth to Albany route is historically low on long weekends and it is usual for selected flights to be cancelled due to insufficient demand.

15. Royal Flying Doctor & Water Bombers: The Airport remained open for emergency flights for the Royal Flying Doctor Service. To facilitate emergency use of the airport, Albany Airport staff remained on duty to ensure safety and operational compliance needs were adhered to, and to respond to any emergency air service requirements. The Royal Flying Doctor Service in consultation with the Albany Hospital scheduled non-emergency flights to accommodate the event.
16. Community: The City of Albany – Events and Airport Team conducted community and stakeholder notification on behalf of Racewars Group Pty Ltd.
17. Complaints:
  - a. Airport Event: A few airport General Aviation hangar owners and airport users requested to register their disapproval of the Race Wars Event being held at the Albany Airport:
    - Loss of business for Great Southern Aviation Flying School and Rainbow Coast Flying School; and
    - Hangar users unable to access hangars over the long weekend.
  - b. To minimise disruption to Rex and all airport users, remedial safety works were scheduled and conducted during the nights of the Racewars' Event.
  - c. Rex Airlines also supported the closing the airport for the long weekend and compensated with extra flights on the Friday and Tuesday.
  - d. Racewars Sprint event at Middleton Beach: Four written complaints were received in regards to the Racewars Sprint event at Middleton Beach, relating to rubber being left on the road and noise.
18. It should be noted that this was a trial process, and feedback will be used to determine the events success and viability for the future.

## STATUTORY IMPLICATIONS

19. Nil

## POLICY IMPLICATIONS

20. Nil

## RISK IDENTIFICATION & MITIGATION

21. The risk identification and categorisation relies on the City's Enterprise Risk and Opportunity Management Framework.

| Risk   | Likelihood            | Consequence     | Risk Analysis  | Mitigation  |
|--|-----------------------|-----------------|----------------|---|
| <b>Business Operation &amp; Financial.</b><br><i>Risk: Accelerated wear and tear to the Albany Airport runway from chip seal loss.</i>                               | <i>Likely</i>         | <i>Moderate</i> | <i>High</i>    | <i>Continue to monitor the wear resulting from the event activity.</i><br><br><i>Allocate additional funds.</i>   |
| <b>Reputation.</b> <i>There is a potential risk that the event will continue to grow and existing resources may not be able to accommodate visitor expectations.</i> | <i>Almost Certain</i> | <i>Major</i>    | <i>Extreme</i> | <i>Work with the event organisers to transition this event to be overseen by a dedicated event management entity.</i><br><br><i>Note: A fully revised operational risk management plan will continue to be refined in partnership with the event organiser as part of the event approval process.</i> |
| <b>Legal &amp; Reputation.</b> <i>Identified risk are not mitigated.</i>   | <i>Unlikely</i>       | <i>Severe</i>   | <i>High</i>    | <i>Work with incident reviewers and implement recommended works.</i>  |

| Risk   | Likelihood     | Consequence | Risk Analysis | Mitigation  |
|--|----------------|-------------|---------------|---|
| <p><b>Safety &amp; Liability:</b> Council is the venue owner, but not a participant or the event organiser.</p> <p>As venue owner Council, Council (City of Albany), is responsible to ensure the venue is safe and suitable for purpose, and set out terms and conditions of use.</p> <p>Council is also responsible for ensuring the event organiser will run a safe event.</p> <p>As owner of the venue Council should establish a set of requirements, terms and conditions for the users to meet and comply with.</p> <p>This should include insurance and indemnity requirements.</p> <p>The same level of management for Council events should be required from the event organiser depending on the size of the event.</p> | Unlikely       | Severe      | High          | <p>As a minimum the City requests:</p> <ul style="list-style-type: none"> <li>Request full details of event including site plan and conduct its own risk assessment for suitability and safety risks</li> <li>Obtain a risk assessment from organiser</li> <li>Conduct a joint site inspection with organiser</li> <li>Detail requirements in writing to the organiser</li> <li>Provide written terms and conditions (including insurance and indemnity)</li> <li>Check compliance with requirements</li> <li>Establish contingencies.</li> </ul> |
| <p><b>Reputational Risk:</b> Due to event cancellation on the Sunday in 2019, Racewars' Group Pty Ltd owes creditors, including Albany businesses.</p>   | Almost Certain | Major       | Extreme       | <p>Encourage the RW Group to secure a patron(s), sponsorship and/or funding support to pay creditors and fund the RW event in future years.</p>   |
| <p><b>Legal, Reputation &amp; Financial Risk:</b> Future event cancellation results in financial loss.</p>   | Possible       | Major       | High          | <p>Seek advice from City's Insurer in regards to City's Risk Exposure.</p> <p>Ensure event is insured for cancellation.</p>   |
| <p><b>Opportunity:</b> To continue to promote Albany as a unique and sought after visitor location to attend and hold internationally recognised events and meet our Communities priority to encourage, support and deliver significant events that promote our region and have a positive economic and social benefit.</p> <p>It is still believed that there is the potential to develop this event into an internationally recognised event.</p>  |                |             |               |   |

## FINANCIAL IMPLICATIONS

22. Previously the City estimated a conservative funding support of \$68,000.00 over a three year period.
23. This funding support has now been expended with 1 year remaining under the current 3 year agreement by Council. It is recommended a new 3 Year Funding Agreement from 2020 to 2022 be negotiated by the Chief Executive Officer.
24. It is recommended that additional funding is considered by Council to:
  - a. Improve the safety of conducting this event at the airport, in particular the potential installation of an "Arrestor Bed" at the end of the Runway. Noting this will mitigate the potential General Aviation runway over-runs. (Note: Estimated cost approximately \$20,000).
  - b. Improve the runway surface, by installing a concrete warm up pad. This will mitigate the possibility of damage to the runway surface.
25. The City of Albany experienced visitation and revenue loss to the National Anzac Centre and The Forts Store as a result of the Racewars Sprint on the Monday public holiday, despite the event organiser arranging and promoting shuttle buses for patrons to access the site.
  - a. Attendance figures to the National Anzac Centre for Monday, were only 51, compared to 127 in 2018.
  - b. Sales through the Forts Store totalled \$476.00 dollars, 50% lower than the previous lowest takings on this day in the past 4 years.

26. However, visitor numbers and takings for the Saturday, Sunday and Tuesday after the long weekend were similar.

### LEGAL IMPLICATIONS

27. Nil.

### ENVIRONMENTAL CONSIDERATIONS

28. Nil.

### ALTERNATE OPTIONS

29. Nil.

### CONCLUSION

30. The event supports the objectives of our Community Strategic Plan - Albany 2030 which were developed in consultation with our community, specifically to *"Encourage, support and deliver significant events that promote our region and have a positive economic and social benefit"*.
31. The Racewars' Sprint event fits with our rich history of street car racing, which pioneered in Australia was here in Albany with the first round-the-houses car race known as the Albany Tourist Trophy in 1936. This event has evolved into what we now know as the Albany Car Classic which races through the streets in our CBD.
32. The Albany Vintage and Classic Motorcycle Club's hill-climb racing event up Marine Drive last November, and the annual hill climb up Apex Drive are further examples of the successful street-style racing events our City has hosted over the years.
33. Events like this help attract people to our city through participation and spectators.
34. The Racewars' event at the airport injected an estimated \$9.7 million into our economy in 2017 and 2018. Extending this year's Racewars to Middleton Beach meant those participants and their families, and visiting spectators stayed in Albany at least an extra night, adding further economic benefit. That is positive for our community.
35. Future Support: Consideration should be given to:
- a. Cash and/or in-kind support should be defined through a formal agreement;
  - b. The request from the RW Event Team's "off track" role support; and
  - c. The financial viability of expanding the RW Events.
36. THAT the Committee AUTHORISE the Chief Executive Officer to negotiate a funding agreement for a period of 3 years commencing 2020 with a further report to be submitted to Council for approval.

|                                   |   |  |
|-----------------------------------|---|--|
| <b>Consulted References</b>       | : | Local Government Act 1995  |
| <b>File Number (Name of Ward)</b> | : | All Wards  |
| <b>Previous Reference</b>         | : | OCM July 2018, Resolution CCS066<br>OCM November 2017, Resolution CCS009 |