

**CCS317: RACEWARS 2021 – HIATUS – TARGA WEST 2021
PROPOSAL – VERSION 2**

Land Description	: Proposed sites vested in the care and control of the City of Albany and subject to event approval by WAPOL.
Proponent / Owner	: City of Albany
Business Entity Name	: Targa West Pty Ltd and Racewars Pty Ltd
Supplementary Information & Report Prepared By	: Updated and proposed Targa West Event Maps : Manager Governance & Risk (S Jamieson) : Event Approval and Projects Officer (A Kiddle) : Acting Executive Director Community Services (N Watson)
Responsible Officers:	: Acting Executive Director Community Services (N Watson) : Executive Director Corporate & Commercial Services (D Olde)

STRATEGIC IMPLICATIONS

1. This item relates to the following elements of the City of Albany Strategic Community Plan or Corporate Business Plan informing plans or strategies:
 - **Theme:** Leadership.
 - **Objective:** To provide strong, accountable leadership supported by a skilled and professional workforce
 - **Community Priority:** Provide positive leadership that delivers community outcomes.

In Brief:

- Consider re-allocation of sponsorship money for Racewars 2021 to Targa West 2021 and endorse in principle the proposed alternate motorsport event.

RECOMMENDATION

**CCS317: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: SIMPLE MAJORITY**

THAT Council:

- (1) **REDIRECT budgeted funds of \$20,000 dollars from Racewars to Targa West in the 2020-2021 Budget for holding of proposed events in 2021, being:**
 - a) \$10,000 in direct cash sponsorship; and
 - b) \$10,000 in-kind support;
- (2) **Provide in-principle SUPPORT for the proposed Quaranup Targa Event, pending stakeholder engagement, approval of the Event Management Plan by Motorsport Australia, and subject to a City of Albany event approval.**
- (3) **NOTE that the sponsorship allocation to Targa West is for 2021 events only and any funding for future events would be subject to future consideration and budgets.**

BACKGROUND

2. In September 2020, Racewars Pty Ltd formally advised the City of Albany that the Airport Runway Event will be put into hiatus for 2021.
3. The Albany Sprint event to be held on Monday, 1 March 2021 from Middleton Beach to Mt Adelaide is still scheduled to proceed. Stakeholder engagement has commenced.
4. Currently the City is working with Targa West representative Mr Ross Tapper to conduct the Albany Sprint Event (Hill Sprint between Middleton Beach and Mount Adelaide) in 2021.
5. In addition, Targa West is proposing to hold an additional event using the road to Camp Quaranup.
6. The Royal Australian Air Force is currently confirming supporting activities in conjunction with Targa Albany Sprint 2021 as part of nation-wide celebrations of the 100th anniversary of the RAAF.

DISCUSSION

Racewars Airport Runway Event 2021

7. All parties agree that it was an immense effort by many to run RW20, especially the Australian Motorsport Alliance (AASA), City of Albany and the Racewars Team.
8. Both City Officers and Racewars Pty Ltd (Racewars) believe:
 - a. The wider uncertainty at this time and the financial risks involved make it imprudent to undertake the Racewars Airport Event in 2021; and
 - b. It would be in our collective best interests that we wait for 2022 to consider resuming operations, noting the runway event has a high cost base and needs significant spectator revenue to cover those costs in its current format.

Albany Sprint Event (Middleton Beach to Mount Adelaide) 2021

9. Racewars have advised they do not wish to unduly impede the Albany Sprint event from proceeding, as it is acknowledged that the Albany Sprint operates on a different model and is considered to be financially viable.
10. The Racewars Team also indicated, even though operationally going on hiatus, that they would provide significant promotional and social activation via their social media and relationship networks for the Albany Sprint Event.
11. Racewars transferred responsibility for delivery of the Albany Sprint Event to Targa West in March 2020 and the event was a success.
12. City Officers have confirmed that Targa West (Ross Tapper) intend to proceed with the 2021 Targa Albany Sprint on Monday, 1 March.
13. Targa has indicated it is aiming to achieve up to 100 competitors.
14. An event application has not been received for this event yet but is not expected to change significantly from last year's model.

Proposed Camp Quaranup Road Targa West Event 2021

15. Should Council support this proposal in principle, stakeholder engagement will be facilitated in early January 2021.
16. Targa West would run this as an additional event, providing an alternate to the Airport Runway Event conducted by Racewars.
17. Targa West currently hire out the Camp Quaranup site for the March long weekend.
18. Officers have been informed that Targa has had discussions with Camp Quaranup management regarding the event and the concept has been supported.
19. This event would be a Rally Sprint event held on Sunday, 28 February from 1pm to 6pm. A Rally Sprint event is different to the hill climb in that it requires a driver and co-driver.
20. Targa is aiming to have 90-100 competitors participate in this event, largely the same competitors that would also compete in the Albany Sprint Event the next day.
21. The event will require a part-day closure of Quaranup Road from Shoal Bay Retreat, and given the location has limited directly impacted residents or businesses it is expected to have low impact.
22. Stakeholder notification will be required as part of the event approval process and traffic management plan, including but not necessarily limited to the Department of Biodiversity, Conservation & Attractions, Water Corporation, Department of Parks & Wildlife, Department of Transport, Department of Local Government, Sport & Cultural Industries, and residents along Shoal Bay Retreat.
23. Road closure notification may include a Variable Message Board in position for up to a week prior to the event, pending availability.

24. Targa West is currently exploring the development of a package for competitor families and spectators that would include a ferry ride to Camp Quaranup, afternoon tea and an optional evening meal.
25. There remains considerable planning to achieve around this event and officers will ensure all requirements are met to the satisfaction of the City and other approving bodies through the Event Approval Process.

Targa West

26. Targa West have indicated interest in establishing ongoing motorsport events in Albany and have a track record of running successful and safe motorsport events across the State for the past 16 years.
27. Targa West events are sanctioned by Motorsport Australia (formerly CAMS).
28. Targa West currently runs 7 events across the State annually, including the Albany Sprint, and one of which is a six-round series.
29. Make Smoking History, Healthway and Shannon's Insurance are the major sponsors of Targa West, however the organisation also receives funding from other businesses and local governments including the City of Perth, City of Bunbury and Shire of Manjimup.
30. Each event Targa organises is free for spectators, and all competitors must comply with the vehicle regulations set by Motorsport Australia and the National Rally Code.
31. Officers are confident of the professionalism and sustainability of Targa's event model given the organisation's long history, track record and reputable affiliations.

Visitation

32. Targa has indicated it is aiming to attract up to 80 visiting competitors and 750 visitors to Albany for the weekend.
33. Current Tourism WA data shows the average spend per night of a domestic visitor to the Great Southern region is \$175. Based on the visitation assumptions, and a minimum 2-night stay, this would generate a direct local spend of \$290,500.
34. Including added value (indirect benefit), it is estimated the events could generate around \$494,000 in positive economic impact.

GOVERNMENT & PUBLIC CONSULTATION

35. Internal stakeholder engagement for the Middleton Beach event has been undertaken with the City's Major Project Team in regards to the Middleton Beach Enhancement Project (MBEP).
36. The Major Projects team has confirmed they will endeavour to complete the main car parking areas (which is currently used by Targa West as their pit lane), before the event, scheduled to be held on 1 March 2021.
37. Community notification has commenced with the stakeholders in the Forts Precinct receiving priority consultation. Middleton Beach businesses will receive a face to face visit followed up by written notification in early January 2021.
38. Targa West has been advised that the car park closest to 3 Anchors will not be available for use during the event as it is being modified to provide additional public open space.
39. The proposed alternate event (Quaranup Targa Rally) is subject to stakeholder consultation.

STATUTORY IMPLICATIONS

40. Re-allocation of budget allocation should be noted and approved by Council.

POLICY IMPLICATIONS

41. There are no policy implications related to this report.

RISK IDENTIFICATION & MITIGATION

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

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Reputation <i>Risk: Visitation to the region is lost due to the hiatus of Racewars in 2021.</i>	<i>Likely</i>	<i>Moderate</i>	<i>High</i>	<i>Provide support to Targa West to continue to run the successful Albany Sprint event at Middleton Beach, and proceed with the proposed Quaranup event and conduct stakeholder consultation.</i>
Reputation <i>Risk: Not providing sponsorship support to Targa West could affect the City’s ability to attract Targa Events back to Albany in future.</i>	<i>Possible</i>	<i>Moderate</i>	<i>High</i>	<i>Support the recommendation to reallocate a portion of budgeted Racewars funding to Targa West in the 2020-2021 Budget.</i>
Financial <i>Risk: Expectation of future City of Albany funding support for Targa West events in Albany.</i>	<i>Possible</i>	<i>Moderate</i>	<i>Medium</i>	<i>Any sponsorship allocations to Targa West events beyond 2021 in Albany would be subject to future consideration and budgets.</i>
Opportunity: <i>There is an opportunity to continue to promote Albany as a motorsport destination.</i>				

FINANCIAL IMPLICATIONS

43. The proposed sponsorship allocation to Targa West is \$20,000 dollars, being \$10,000 in direct cash sponsorship and \$10,000 in-kind support from existing budgeted funds allocated to Racewars.
44. There is currently \$47,600 in the 2020-2021 Budget for Racewars 2021, being \$35,000 in direct cash sponsorship and \$12,600 in-kind, which will not be activated due to the event being in temporary hiatus.
45. It is proposed to reallocate an amount of the Racewars’ funding in the 2020-2021 Budget to Targa West, with any balance of Racewars’ funding being accounted as surplus funds.
46. The sponsorship amount would be subject to the City’s standard sponsorship contract which would include milestone payments and a condition to provide a full financial acquittal of the funds.
47. The in-kind support to be provided would be consistent with what was provided for the Albany Sprint Event in 2019 (Racewars) and 2020 (Targa) and include traffic cones, crowd-barrier fencing, water barriers, and variable message boards to support public notification of road closures.

LEGAL IMPLICATIONS

48. Legal implications will be assessed and addressed as part of the formal event application and risk assessment process.
49. Sponsorship will be facilitated thorough the City’s standard funding / sponsorship agreement.

ENVIRONMENTAL CONSIDERATIONS

50. Environmental implications will be assessed and addressed as part of the formal event application and risk assessment process.

ALTERNATE OPTIONS

51. Council may choose to offer Targa West an alternative amount of sponsorship to that recommended by officers.
52. Council may choose not to support the reallocation of budgeted Racewars funds and not approve any sponsorship for Targa West events.

CONCLUSION

53. That the Responsible Officer's recommendation be adopted.

Consulted References	:	<ul style="list-style-type: none">• Local Government Act 1995• Local Government (Financial Management) Regulations 1996• City of Albany Budget 2020/21
File Number (Name of Ward)	:	RC.EVM.48 (Event Management – Significant Events)
Previous References	:	<ul style="list-style-type: none">• OCM 25/02/2020 Resolution CCS219• SCM 03/09/2019 Resolution SCM018.