



MINUTES

SPECIAL COUNCIL MEETING

Tuesday 3 September 2019

6.00pm

City of Albany
Council Chambers

CITY OF ALBANY COMMUNITY STRATEGIC PLAN (ALBANY 2023)



SPECIAL COUNCIL MEETING
MINUTES – 03/09/2019

CONTENTS

| | Details | Pg# |
|----------|--|------------|
| 1 | DECLARATION OF OPENING | 3 |
| 2 | PRAYER AND ACKNOWLEDGEMENT OF TRADITIONAL LAND OWNERS | 3 |
| 3 | PUBLIC QUESTION TIME | 3 |
| 4 | RECORD OF ATTENDANCE | 3 |
| 5 | DECLARATIONS OF INTEREST | 3 |

| | Special Council Meeting | |
|--------|---|---|
| SCM018 | RACEWARS PROPOSED SPONSORSHIP AGREEMENT | 4 |

| | | |
|----------|---------------------------|-----------|
| 6 | CLOSURE OF MEETING | 11 |
|----------|---------------------------|-----------|

SPECIAL COUNCIL MEETING
MINUTES – 03/09/2019

1. DECLARATION OF OPENING AND ANNOUNCEMENT OF VISITORS:

The Mayor declared the meeting open at 6.00pm.

2. OPENING PRAYER:

“Heavenly Father, we thank you for the peace and beauty of this area. Direct and prosper the deliberations of this Council for the advancement of the City and the welfare of its people. Amen.”

“We would like to acknowledge the Noongar people who are the Traditional Custodians of the Land.

We would also like to pay respect to Elders both past, present and emerging”.

3. PUBLIC QUESTION AND STATEMENT TIME:

Each person asking questions or making comments at the Open Forum will be **LIMITED** to a time period of **4 MINUTES** to allow all those wishing to comment an opportunity to do so.

4. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED):

| | |
|---|----------------------------|
| Mayor | D Wellington |
| Councillors: | |
| Breaksea Ward | R Hammond |
| Breaksea Ward | P Terry |
| Frederickstown Ward | G Stocks |
| Frederickstown Ward | R Stephens |
| Kalgan Ward | E Doughty |
| Kalgan Ward | B Hollingworth |
| Vancouver Ward | J Shanhun |
| Vancouver Ward | T Sleeman |
| West Ward | A Goode JP |
| West Ward | S Smith |
| Yakamia Ward | R Sutton |
| Yakamia Ward | A Moir |
| Staff: | |
| Chief Executive Officer | A Sharpe |
| A/Executive Director Corporate Services | D Olde |
| Executive Director Infrastructure and Environment | P Camins |
| Executive Director Community Services | S Kay |
| Manager Governance and Risk | S Jamieson |
| Meeting Secretary | J Williamson |
| Apologies: | |
| Acting Executive Director Development Services | J Van Der Mescht (Apology) |

5. DECLARATIONS OF INTEREST:

| Name | Report Number | Nature of Interest |
|------|---------------|--------------------|
| Nil | | |

SCM018: RACEWARS PROPOSED SPONSORSHIP AGREEMENT

- Proponent / Owner** : Racewars Group Pty Ltd (RACEWARS)
- The following confidential documents have been circulated to all Elected Members separately under confidential cover:*
- *Sponsorship Agreement*
 - *Business Plan – Racewars Group Pty Ltd*
 - *Racewars Event Regulations (Technical)*
 - *Racewars Risk Management Plan(s)*
 - *City of Albany Risk Assessment (Albany Airport)*
- Report Prepared By** : Manager Governance and Risk (S Jamieson)
- Responsible Officers:** : Chief Executive Officer (A Sharpe)

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 formal business plan/case; which includes a detailed costing model for Racewars 2020 event; and
- Note the City’s Risk in regards to approving the conduct of future Motorsports Events (not limited to RACEWARS).

RECOMMENDATION.

SCM018: RESOLUTION

VOTING REQUIREMENT: SIMPLE MAJORITY

MOVED: COUNCILLOR SUTTON

SECONDED: COUNCILLOR STOCKS

THAT:

- (1) **The City of Albany’s Risk Exposure in regards to sponsoring and approving Motorsports Events be NOTED.**
- (2) **The Racewars Pty Ltd, Business Plan and associated supporting documents be NOTED.**
- (3) **The decision to enter into a Sponsorship Agreement with Racewars Pty Ltd for the next three (3) years be APPROVED.**
- (4) **The Chief Executive Officer, formally advise Racewars Pty Ltd, that the proposed Racewars Events are subject to the issue of an Event Approval Permit by the City of Albany (Approving Authority) in accordance with the Sponsorship Agreement, noting each event site will be assessed on a site by site basis, for example:**
 - **The Racewars Principle Event located at the Albany (Harry Riggs) Regional Airport; or**
 - **The Racewars Middleton Beach Hill Climb Sprint Event.**

CARRIED 12-1

Record of Vote

Against the Motion: Councillor Goode

BACKGROUND

2. In July 2018, Council resolved to consider additional funding support (cash or in-kind) for 2019 and 2020 being provided to hold the event.
3. Noting the event cancellation in 2019, at the Ordinary Meeting of Council held in July 2019, Council resolved to request additional information to critique the events viability and evaluate the associated risks prior to making a decision to continue supporting the event.

DISCUSSION

4. It is important that the City has confidence in RACEWARS and its ability to deliver an attractive and safe event.
5. It is acknowledged that the City cannot distance itself from being involved in the airport event noting that the airport may be required to re-open to aircraft to support emergency situations.

Governance Role

6. Under the Environmental Health Regulations the City also has a regulatory role to ensure public events are safe.
7. As the event permit authority, the City's involvement should be limited to providing approval and sponsorship.
8. It is the role of the event organiser (RACEWARS) to organise, manage and regulate the event in accordance with conditions imposed by the permit authority.
9. The City is entitled to rely on RACEWARS to run, organise and manage the event to the requisite standards in order to minimise risk and ensure safety.
10. The Agreement clearly states that the City will take control of airport operations should emergency use be required (RFDS/Water Bombers), and that the City will not be liable for any losses to RACEWARS associated with the emergency use of the airport.

Event Approval

11. The Racewars Event Proposal details major locations, being:
 - a. The Racewars Principle Event located at the Albany (Harry Riggs) Regional Airport; and
 - b. The Racewars Middleton Beach Hill Climb Sprint Event.
12. Both sites are subject to different event approval requirements that must be met prior the City being able to issue an Event Approval Permit.
13. As previously reported in May 2019, the Racewars Middleton Beach Sprint Event 2019 was a trial. Four written complaints were received in regard to this event relating to rubber being left on the road and noise.
14. It is recommended that Council note the feedback received formally and anecdotally, both in support and against the trial event, noting the positive economic impact previously reported.
15. Given the low level of complaints it is not intended to undertake further consultation in relation to the Middleton Beach Sprint Event. Community will be informed of the event.

Promotion and Marketing

16. It is desirable that the City obtain significant publicity and recognition from any event being hosted within this City's jurisdiction.
17. Whilst it is acknowledged that the City may be seen to have responsibility for the event, the event organiser is solely responsible.

Preparation of Event Site(s)

18. The City is obliged, and is expected, to ensure that the area at the airport set aside to be used for the event should be fit for purpose at the point of handover.
19. Anything that makes it more difficult for RACEWARS to prepare the event site (or that creates additional risk), and that is within the control of the City, should be fixed by the City prior to formally handing over the site to RACEWARS.

Racing Safety

20. RACEWARS current position is NOT to seek sanctioning from CAMS.
21. RACEWARS has advised they have ongoing dialogue with race event specialists and key personnel within CAMS and other bodies to ensure Racewars continues to operate to a standard in line with or surpassing the requirements set by CAMS for grassroots-style events.
22. RACEWARS current position is to remain directly insured with a specialist underwriter, who also underwrites other motorsport sanctioning bodies.
23. It is noted that the Racewars Event Technical Regulations have been fully revised and enhanced vehicle safety standards have been mandated.
24. Example of new technical standards being:
 - a. **300km plus:** Mandatory roll over protection, frontal head restraints paired with FIA (Fédération Internationale de l'Automobile) / SFI (SFI Foundation, Inc) approved seating, harnesses and driver protective clothing. An example of additional checks, being: Vehicles fitted with parachutes will be required to have a crew member display the chute pin to the driver and a start line official prior to making a pass.
 - b. **Sub 300km:** Safety measures cascade down to lower performance entrants.
25. To ensure that all competitors are aware of the risk of entering into a runway racing event of this type, a condition of approval will be that:
 - a. The dimensions of the track (i.e. length, width and end of runway surface treatments) must be given to all entrants and visually displayed along the route to the start line;
 - b. Technical safety vehicle treatments, are promoted and made available to all entrants, in order to promote best practice racing safety.
26. The City will continue to encourage RACEWARS to align their technical regulations with CAMS and seek CAMS sanctioning of the event.

GOVERNMENT & PUBLIC CONSULTATION

27. Consultation has been conducted with the City's:
 - a. Insurance Broker (LGIS); and
 - b. Legal counsel.
28. Prior to the event the following consultation will be conducted:
 - a. Airport Operations: Through the Department of Transport's Community Consultation Group, which consists of stakeholders from industry, government, and the aviation community the City will seek permission for the Albany Airport to be closed to aircraft movement from Friday evening to 12.00pm (midday) Monday. As previously communicated, air transport on the Perth to Albany route is historically low on long weekends and it is usual for flights to be cancelled due to insufficient demand.

- b. Royal Flying Doctor & Water Bombers: The Airport will remain open for emergency flights for the Royal Flying Doctor Service. To facilitate emergency use of the airport, Albany Airport staff will remain on duty to ensure safety and operational compliance needs are adhered to, and to respond to any emergency air service requirements. The Royal Flying Doctor Service, in consultation with the Albany Hospital, may schedule non-emergency flights to accommodate the event.
- c. Community & Stakeholder Consultation: The event organiser will conduct community and stakeholder notification, with the access to targeted audiences being facilitated by the City.

STATUTORY IMPLICATIONS

29. Nil

POLICY IMPLICATIONS

Health & Safety:

- 30. RACEWARS is fully responsible for ensuring its obligations under the OSH Act are met.
- 31. The Health and Safety clause in the Agreement clearly states that the City assumes no supervisory role with regard to OSH.
- 32. The City, as the event permit authority, can instruct and/or take direct action if it considers that obligations under the Act are not being met by the event holder.

RISK IDENTIFICATION & MITIGATION

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

| Risk | Likelihood | Consequence | Risk Analysis | Mitigation |
|--|-----------------------|-----------------|----------------|---|
| Business Operation & Financial. <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. Allocate additional funds from an appropriate budget line.</i> |
| Reputation. <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>Encourage the event organisers to transition this event to be overseen by a dedicated event management entity. A fully revised risk management plan will continue to be developed which formulates potential event approval conditions to mitigate and/or manage hazards as part of the event approval process.</i> |
| Legal & Reputation. <i>Identified risks are not mitigated and/or managed by the Event Organiser.</i> | <i>Unlikely</i> | <i>Severe</i> | <i>High</i> | <i>The City as the permit authority allocates dedicated compliance staff to monitor and work with the Event Organiser. Further guidance and advice has been taken from the City's insurer. Separate legal review has been undertaken.</i> |

| Risk | Likelihood | Consequence | Risk Analysis | Mitigation |
|--|------------|-------------|---------------|--|
| <p>Safety & Liability: Council is the venue owner, but not a participant or the event organiser. As venue owner Council, (City of Albany), is responsible for ensuring the venue is safe and suitable for purpose, and set out terms and conditions of use. Council is also responsible for ensuring the event organiser will run a safe event. As owner of the venue Council should establish a set of requirements, terms and conditions for the users to meet and comply with. This should include insurance and indemnity requirements. 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 will:</p> <ul style="list-style-type: none"> Request full details of event including site plan and conduct its own risk assessment for suitability and safety risks Obtain a risk assessment from organiser Conduct a joint site inspection with organiser to evaluate plans and processes. Detail requirements in writing to the organiser as part of the event approval process. Provide written terms and conditions (including insurance and indemnity) as part of the formal sponsorship agreement. Ensure Event Holder establishes contingencies. |
| <p>Legal, Reputation & Financial Risk: Future event cancellation results in financial loss.</p> | Possible | Major | High | <p>Condition of Event Approval that Event Cancellation Insurance must be in place to the satisfaction of the City's Insurer (LGIS).</p> |
| <p>Opportunity: 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. It is still believed that there is the potential to develop this event into an internationally recognised event.</p> | | | | |

FINANCIAL IMPLICATIONS

34. It is proposed to provide sponsorship of \$35,000 per annum for a period of three (3) years for the RACEWARS event, bound by a formal sponsorship agreement.
35. This sponsorship agreement will cover the event activities for the full program of events for the March long-weekend.
36. Wear of runway surface to be monitored and funded from appropriate budget lines.

Business Case:

37. The business case is acceptable and demonstrates that the event is sustainable, noting that the incorporated association, was set up as a not for profit.
38. Review of previous events (2018, 2019, and 2020) shows an increase in revenue and expenditure.
 - a. Racewars 2018 cost **\$222,098** which included **\$20,311** carried over from 2017.
 - b. Racewars 2019 **\$285,586** which included **\$11,200** carried over from 2018.
39. Noting the Middleton Beach Hill Climb Event was included for the first time, some of the major expenditure differences from 2018 to 2019 identified were:

| | |
|--|-------------------|
| a. Grandstand | \$ 11, 541 |
| b. Traffic management for Sprint | \$ 9, 812 |
| c. Sprint concrete barriers and set up | \$ 8, 041 |
| d. Additional mega screens | \$ 7, 735 |
| e. Addition of the monster truck | \$ 7, 500 |
| f. Crews to mobilise and demob | \$ 4, 000 |
| g. Helicopter | \$ 3, 712 |
| h. Additional toilet facilities | \$ 3, 039 |
| Total: | \$ 55, 380 |

40. RW 2020 Additional Revenue:
- a. Competitor pricing has been increased, in particular for premium entrants; and
 - b. The “Cash Days Event” will be netting revenue for the first time.

Additional Funding Required to Hold Event

41. The following additional expense will continue to be met by the City:
- a. Erection of security fencing to protect general aviation users;
 - b. Grading of end of runway and drainage treatments;
 - c. Grading of internal competitor return road;
 - d. Emergency Services Support: Pilot accommodation and meal allowances for the DBCA (Fire Spotter) relocation; and
 - e. Road Traffic Management and Control (Albany Highway and Parker Brook Rd);
42. The above in-kind sponsorship expenditure is approximately \$20,000.

LEGAL IMPLICATIONS

Indemnity Clause:

43. The Indemnity Clause in the Agreement is drafted broadly and favourably to the City.
44. The clause covers damage to the “airport and surrounding grounds” as well as any potential claims against the City by a third party.
45. Default clause and Force Majeure Clause: Is considered acceptable.
46. It should be noted that the City is within its right to terminate the contract prior to the 3-year term, if event approval conditions are not complied with or a breach of the sponsorship agreement occurs.

ENVIRONMENTAL CONSIDERATIONS

Noise Regulations:

47. Airport Runway Racing Event: Not applicable.
48. **Middleton Beach Hill Climb Event:** The Racewars Sprint (Marine Drive) does not require a noise exemption or permit.
- a. Noise emissions from the propulsion and braking systems of motor vehicles operating on a road are exempt from the *Environmental Protection (Noise) Regulations 1997*, as per point (a) of Part 2 titled Allowable noise emissions of Division 1 titled General provisions.
 - b. Given the one-off nature of the event it is something, the City, as the Local Authority can approve through the events approval process and not necessarily through a noise exemption under Regulation 18 Approval under the Noise Regulations, noting Racewars Group are managing the noise with the following conditions:
 - 60kmh speed limited reconnaissance prior to 9am, and
 - Racing from 9am and finished by 6pm.
49. The Noise Section of the Dept. of Health Guidelines apply to events on premises.

ALTERNATE OPTIONS

50. Council has the following options:
- a. Approve the recommendation detailed in the report.
 - b. Approve the recommendation with additional amendments, such as further consultation required on the Middleton Beach Hill Climb Sprint Event.
 - c. Resolve not to support the recommendation with reasons provided.

CONCLUSION

51. The City’s approach should provide confidence that due process has been undertaken, noting additional reviews conducted by both the City’s Insurer and the City’s appointed Legal Counsel.
52. It is recommended that the RACEWARS EVENT Sponsorship Agreement is APPROVED in accordance with the sponsorship agreement and subject to event approval.

| | | |
|--|----------|---|
| <p>Consulted References</p> | <p>:</p> | <ul style="list-style-type: none"> • <i>Local Government Act 1995</i> http://www.waspeedwaycommission.com.au/ • <i>SFI Foundation, Inc. (SFI) is a non-profit organization established to issue and administer standards for the quality assurance of specialty performance and racing equipment.</i> https://www.speedwayaustralia.org/safety/safety-and-the-sfi-foundations • <i>CAMS is the National Sporting Authority (ASN) for motor sport in Australia, and is delegated this responsibility by the Federation Internationale de l'Automobile (FIA).</i> https://www.cams.com.au/ • https://www.andra.com.au/ |
| <p>File Number (Name of Ward)</p> | <p>:</p> | <p>All Wards</p> |
| <p>Previous Reference</p> | <p>:</p> | <ul style="list-style-type: none"> • <i>OCM May 2019, Resolution CCS152</i> • <i>OCM July 2018, Resolution CCS065</i> • <i>OCM November 2017, Resolution CCS009</i> |

6.0 CLOSURE OF MEETING:

There being no further business the Mayor declared the meeting closed at 6.10pm.

(Unconfirmed Minutes)

Dennis W Wellington
MAYOR