Government of South Australia

South Australian Tourism Commission

FOI 14c/2020 (#88133655)

Mr Peter Malinauskas MP
Leader of the Opposition
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Mr Malinauskas

RE: INTERNAL REVIEW – FREEDOM OF INFORMATION APPLICATION

I refer to your internal review regarding your application requesting under the *Freedom of Information Act 1991* (the FOI Act) access to:

> *All documents (including but not limited to physical, electronic, or written briefs, internal discussion papers, minutes, emails, diary entries and any other correspondence) between the South Australian Tourism Commission and the Office of the Premier concerning the Adelaide 500 between 20 February 2020 and 30 October 2020.*

The South Australian Tourism Commission's (SATC) determination informed you that 14 documents had been identified which fit within the scope of your request.

It was determined that Document 3 was fully exempt pursuant to clause 6(1) - Documents affecting personal affairs; 7(1)(b) and (c) – Documents affecting business affairs; 9(1)(a) – Internal working documents; clause 13(1)(a) – Documents containing confidential material; and clause 16(2) – Documents concerning the operations of agencies of Schedule 1 of the FOI Act.

Document 13 was also partly exempt pursuant to the above clauses.

In your application for internal review of the determination you have specifically queried the redacted information contained in Document 3 and Document 13. You have requested these documents be released in full for the best interest of the public.

I have considered your request in accordance with the FOI Act and advise you of my determination and reasoning below:

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DETERMINATION PURSUANT TO SECTION 20 OF THE FOI ACT

Document 3

Clause 9(1) – Internal working documents states:

9—Internal working documents

(1) A document is an exempt document if it contains matter—
(a) that relates to—
(i) any opinion, advice or recommendation that has been obtained, prepared or recorded; or
(ii) any consultation or deliberation that has taken place,
In the course of, or for the purpose of, the decision-making functions of the Government, a Minister or an agency; and
(b) the disclosure of which would, on balance, be contrary to the public interest.

The exempt document contains information that was prepared for the purpose of obtaining advice from an agency in the course of the SATC's decision making. It is important the SATC can obtain assistance when investigating options to carry out its functions to facilitate an informed decision-making process to achieve the best outcome for the state.

In considering the public interest component of these exemptions, I have sought to balance the need for transparency and openness of Government and the public having an interest in understanding the decision-making processes of Government, with the importance of ensuring the SATC has the confidence to be fully frank when seeking advice from an agency so that it can make an informed decision on a core function of its work. I accordingly consider that, on the balance, disclosure of the document would be contrary to the public interest.

Consequently, I consider Document 3 is exempt pursuant to clause 9(1).

Clauses 7(1)(b) and 7(1)(c) state:

7—Documents affecting business affairs

(1) A document is an exempt document—
(b) if it contains matter—
(i) consisting of information (other than trade secrets) that has a commercial value to any agency or any other person; and
(ii) the disclosure of which—
(A) could reasonably be expected to destroy or diminish the commercial value of the information; and
(B) would, on balance, be contrary to the public interest; or

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(c) if it contains matter—

(i) consisting of information (other than trade secrets or information referred to in paragraph (b)) concerning the business, professional, commercial or financial affairs of any agency or any other person; and

(ii) the disclosure of which—

(A) could reasonably be expected to have an adverse effect on those affairs or to prejudice the future supply of such information to the Government or to an agency; and

(B) would, on balance, be contrary to the public interest.

Clause 7(1)(b) - The information has a commercial value to Supercars. Its disclosure could reasonably be expected to destroy or diminish that commercial value.

Supercars has objected to the release of certain information contained in Document 3 as it considers it is exempt under clause 7.

Supercars has advised that the information includes sensitive and confidential information on relating to existing contractual relationships with the SATC and potential dealings with the SATC. This information contained is commercially valuable to Supercars for any future partnerships regarding hosting future motorsport events in the State.

When third parties provide the SATC with material that is highly commercially sensitive to their business and if disclosed would cause serious material injury, it is essential this commercial value of the material be maintained.

While the Adelaide 500 has been cancelled, Supercars continues to stage a race at The Bend and in other states and therefore the information continues to have ongoing value to Supercars. Disclosure of this information would reveal Supercars' approach to its business dealings with commercial partners, placing it at a significant disadvantage in a highly competitive event sector. Release of this information would allow other states to use that information to gain a competitive advantage in any future negotiations regarding staging Supercars events.

The redacted information contains proprietary and confidential information concerning the business, commercial and/or financial affairs of Supercars which, because it is utilised by Supercars in a highly competitive environment to promote, sell and derive substantial revenue from its content, rights products and assets has significant commercial value to Supercars and its business operations. This is both in respect of the state tourism agencies Supercars engages with, but also other sports codes that engage with these agencies seeking to attract investment for their

major events. Such revenue forms a substantial and crucial part of Supercars' revenue to run these motorsport events.

Disclosure of the redacted information in the documents would very likely or could reasonably be expected to, destroy or diminish the above stated commercial value of it as it would allow both Supercars' competitors and other events and rights holders to exploit it to the detriment of Supercars by adversely impacting its ability to promote, sell and optimise certain Supercars' assets.

Clause 7(1)(b) - The information has a commercial value to the SATC and concerns the SATC's commercial and financial affairs.

The information contains the business and commercial affairs of the SATC. The financial information is sensitive and has value to the SATC which would be destroyed or diminished if disclosed.

In your letter, you state that given the Adelaide 500 had already been vacated by the Government, it could be argued the release of these documents could no longer cause damage or destroy the information's commercial value to the SATC.

The SATC engages with third parties to provide an economic return for the State of South Australia. In doing so, the SATC bids for events in a competitive environment.

The information has commercial value to the SATC as the agency continues to have negotiations with Supercars. If released, the commercial value in the information could reasonably be expected to be destroyed or diminished, because disclosure could damage the ability for the SATC to negotiate the best value for money proposition on behalf of South Australia.

Disclosure of sensitive and confidential information of an event owner can reasonably be expected to have an adverse effect on the SATC's affairs due to reputational damage to the agency and the state. Accordingly, disclosure of this information would affect future dealings with event organisers and impact their confidence to deal with the State.

Clause 7(1)(c) - The information concerns the SATC's business, professional, commercial or financial affairs. Disclosure could reasonably be expected to have an adverse effect on those affairs.

Business affairs is not a term that strictly relates to financial information of a business operating in the pursuit of profit. The SATC engages with third parties to provide an economic return for the State of South Australia. In doing so, the SATC bids for events in a competitive environment. Disclosure of the information would damage the business affairs and negotiation position of the SATC. The reasonably expected adverse effect of disclosure on those affairs is similar to that described above, in relation to clause 7(1)(b).

Clauses 7(1)(b) and (c) – Disclosure would, on balance, be contrary to the public interest.

It is crucial that when the SATC enters commercial arrangements with third parties the SATC can be relied upon to keep commercially sensitive information confidential. It is reasonable to expect that disclosure may prevent the future supply of such information to the SATC, as national sporting bodies and major event organisers in general do not expect such commercially and financially sensitive information to be disclosed to the public. Consequently, this would seriously diminish the SATC's ability to secure new events that deliver strong economic and job outcomes for South Australians.

In addressing the public interest requirement for the exemptions under 7(1)(b) and (c), I have considered the need for the public to be informed and the need for openness, accountability and responsibility of government. However, on balance I consider that the exempt material in the documents does not intrinsically serve this purpose given the consequences that could reasonably be expected to flow from disclosure, described above. The SATC's maintenance of our partners commercially sensitive information is essential to ensuring future opportunities to collaborate remain possible as well maintaining the confidence of event owners and promoters in general. For these reasons I believe that on balance, disclosure of exempt material is unreasonable and is not in the public interest.

Clauses 16(1)(iv) and (2) of Schedule 1 of the Act state:

16—Documents concerning operations of agencies

1) A document is an exempt document if it contains matter the disclosure of which—

(a) could reasonably be expected—

(iv) to have a substantial adverse effect on the effective performance by an agency of the agency's functions; and

(b) would, on balance, be contrary to the public interest.

(2) A document is an exempt document if—

(a) it relates to an agency engaged in commercial activities; and

(b) it contains matter the disclosure of which could prejudice the competitiveness of the agency in carrying on those commercial activities.

One of the SATC's primary functions is to bid for, develop, manage and sponsor major events for South Australia that have the ability to grow national and international visitation to South Australia and promote events and the destination through media, PR and broadcast opportunities. This activity is conducted by the SATC in a competitive domestic and international market and hinges on the return on investment of taxpayer funding. The nature of the SATC's work combines commerce and economic stimulus to satisfy the legislative duties of the

commission. I have combined the reasoning for exclusion under clause 16(1) and (2) in the same section as they are inherent intertwined.

South Australia competes against other states, territories, nations and private sector organisations to bring events and attractions to South Australia. It strategically targets and bids for these events based on a calculated return on investment.

Should this information be released, for many of the same reasons cited previously above in support of Clauses 7(1)(b) and 7(1)(c), the SATC and State Government would suffer a loss of commercially sensitive information of third parties that would have resultant reputational loss issues for the SATC and hinder its ability to negotiate similar agreements in the future.

Disclosing commercially sensitive information has the potential to hinder the SATC's ability to compete in the highly competitive events sector. The information may diminish event organisers' confidence in the SATC's capacity to bid for events and thus place the State at a competitive disadvantage when negotiating to secure new events.

In considering the public interest component of clause 16(1), I have had regard to the need for transparency of government. I consider however, that on balance, disclosure of these documents would be contrary to the public interest, having had regard to the adverse consequences that could reasonably be expected to flow from disclosure, including the breach of confidentiality, the loss of confidence in the agency and the flow on effect to the State's economy.

DOCUMENT 13

I consider that information contained in Document 3 is exempt under clauses 7(1)(b) and (c) – Documents affecting business affairs; clause 9(1)(a) – Internal working documents; clause 13(1)(a) – Documents containing confidential material; and clause 16(1) and (2) – Documents concerning the operations of agencies - of Schedule 1 of the FOI Act.

Clause 9(1) – Internal working documents states:

The exempt document records several options that were made for the purpose of the decisions making functions of the relevant Minister and satisfies the criteria in clause 9(1)(a).

I note that the covering document refers to the redacted attachment as 'draft information'.

In considering the public interest component of this exemptions I have sought to balance the need for transparency and openness of government and the public having an interest in understanding the decision-making processes of government and the agency, with the importance of ensuring that disclosure of information does not damage, on the balance, disclosure of the document would be contrary to the public interest.

Clause 7(1)(c) – The information concerns Supercar's business, professional, commercial or financial affairs. Disclosure could reasonably be expected to have an adverse effect on those affairs or to prejudice the future supply of such information to the Government or to SATC.

Consultation was undertaken with Supercars in accordance with section 27 of the FOI Act. Supercar has objected to the release of some information as it believes the information concerns its business, commercial and financial affairs.

On application of clause 7, the documents meet the criteria of 7(1)(b) and (c) as they have commercial value and concern the business and commercial affairs of the third party and the SATC.

The information contains confidential commercial, business and financial information that could adversely impact Supercars' reputation and its relationship with its corporate and government partners and stakeholders and placing it at a significant disadvantage in a highly competitive sector.

The type of information referred to above relates to Supercars' business processes and commercial approaches and its reasonably be expected to have an adverse effect on Supercars' affairs, for the reasons set out above; and prejudice the future supply of such information to the SATC.

In considering the public interest component of this determination, I had regard to the need for transparency, openness and accountability within Government and the public having an interest in understanding the decision-making processes of Government. I consider, however, that on balance, disclosure of the information would be contrary to the public interest, having had regard to the adverse consequences that could reasonably be expected to flow from disclosure as discussed above. This includes exposure to commercial damage that would impact on the third party and infringe its competitiveness in the marketplace.

Clause 7(1)(b) and (c); and 16(1) and (2)
The information concerns Supercars and the SATC's business, commercial and financial affairs and disclosure of this sensitive information could have an adverse effect on those affairs as per my reasoning above under clause 7(1)(b) and (c) and clause 16(1) and (2).

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Clause 13(1)(a)
A Sanction Agreement (the Agreement) exists between the SATC and Supercars which provides that the Agreement itself and the information contained within the Agreement is confidential. The SATC is obliged to keep the Agreement and the information contained therein confidential, including Supercars' commercial strategies, its business, operations and financial information.

The SATC is precluded from disclosing confidential information by virtue of the Agreement unless prior written consent from Supercars has been obtained. Supercars has not provided consent to the SATC to release the confidential information. Releasing this information contained in the Agreement will constitute a breach of the Agreement, pursuant to clause 13(1((a) of the FOI Act.

By operation of clause 13(1)(a), some of the information in document three is exempt from disclosure because the information contains matter the disclosure of which would find an action for breach of confidence, because:

- The information is capable of being identified with specificity (namely the information contained in document 13);
- The confidentiality terms of the Agreement expressly apply to the information in document 13; and
- The commercial relationship between SATC and Supercars in the context of the Agreement constitutes an obligation of confidence.

Conclusion

Therefore, based on the above, I have determined to uphold the initial determination that was made on 24 March 2021.

If you are dissatisfied with the outcome of the Internal Review, you have a right to apply for an external review. Please refer to the attached document that sets out how you may exercise this right.

Should you have any queries or require any further information, please do not hesitate to contact me or Carmela Ferraro on telephone 8463 4518.

Yours sincerely

Rodney Harrex
Principal Freedom of Information Officer
South Australian Tourism Commission

27 April 2021

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14c-2020 (between SATC & Office of the Premier)

Doc No	Brief Description	Date of Doc	Release Partial release Exempt
1	Email regarding holding statement	19 June 2020	Partial
2	Email regarding Media enquiry	19 June 2020	Partial
3	Email regarding updates on A500	25 June 2020	Exempt
4	Email regarding messaging on A500	1 September 2020	Partial
5	Email regarding timing of messaging	2 September 2020	Partial
6	Email regarding final messaging	2 September 2020	Partial
7	Email regarding briefing note	28 October 2020	Partial
8	Email regarding media release	29 October 2020	Partial
9	Email regarding draft media release & timings	29 October 2020	Partial
10	Email regarding final media release	29 October 2020	Partial
11	Email regarding statistics	29 October 2020	Partial
12	Internal email and draft document	28 October 2020	Exempt
13	Email regarding Minute for Premier	24 July 2020	Partial
14	Calendar entry - meeting with Premier	27 July 2020	Release

Temp 1, SATC (SATC)

From: Neville, Sally (DPC)
Sent: Friday, 19 June 2020 11:33 AM
To: Karalis, Anastasia (SATC); McFarlane, Kathryn (DPC)
Cc: Ferraro, Carmela (SATC)
Subject: RE: Holding statement - Supercars calendar

OFFICIAL

Thanks Ana – noted.

Sally Neville
Adviser to the Premier
Office of the Premier of South Australia

Level 15, State Administration Centre, 200 Victoria Square Adelaide
E: sally.neville@sa.gov.au | **W:** www.premier.sa.gov.au | [redacted]

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From: Karalis, Anastasia (SATC) <Anastasia.Karalis@sa.gov.au>
Sent: Friday, 19 June 2020 11:20 AM
To: Neville, Sally (DPC) <Sally.Neville@sa.gov.au>; McFarlane, Kathryn (DPC) <Kathryn.McFarlane@sa.gov.au>
Cc: Ferraro, Carmela (SATC) <Carmela.Ferraro@sa.gov.au>
Subject: Holding statement - Supercars calendar

Hi Sally and Kathryn

As promised, see our draft holding statement on this below. I note 9 News Adl has reached out to TLA (PR agency looking after Adl 500) requesting an interview with Hitaf based on The Bend cancellation (they're trying to get hold of Sam Shahin but have been unable and hence came to us). We have pushed back, suggesting it's not our place to comment on The Bend. We have not provided our statement as it's drafted only to combat any questions about the potential start of 2021 season in NSW.

Will keep you updated if we hear any more.

"South Australia has a strong and longstanding relationship with Supercars and is in regular communication with regards to the events.

"We understand that the 2020 calendar, and the resumption of racing, is an important priority for Supercars and for so many loyal motorsport fans.

"We continue working with them to ensure the best result for the State in 2021 and look forward to announcing the return of the Supercars to SA as soon as we can."

Anastasia Karalis
Senior Media and Communications Officer
Corporate Communications
South Australian Tourism Commission
T 08 8463 4772 [redacted]

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From: Karalis, Anastasia (SATC)
Sent: Friday, 19 June 2020 9:35 AM
To: Neville, Sally (DPC) <Sally.Neville@sa.gov.au>; McFarlane, Kathryn (DPC) <Kathryn.McFarlane@sa.gov.au>
Subject: RE: Supercars announce changes to draft 2020 calendar

Sally, Kathryn

An update – Supercars has advised that the Speedcafe article is purely speculative and this 2021 start/idea is not under discussion. None of Supercars' comms allude to or confirm it. (email attached refers).

I will share a holding statement with you shortly.

I note Speedcafe is a well-known/widely-read source for motorsport fans and Adl 500 followers.

Happy to discuss.
Ana

From: Neville, Sally (DPC) <Sally.Neville@sa.gov.au>
Sent: Friday, 19 June 2020 9:11 AM
To: Karalis, Anastasia (SATC) <Anastasia.Karalis@sa.gov.au>; McFarlane, Kathryn (DPC) <Kathryn.McFarlane@sa.gov.au>
Subject: RE: Supercars announce changes to draft 2020 calendar

OFFICIAL

Thanks for the heads up Ana.

Sally Neville
Adviser to the Premier
Office of the Premier of South Australia



Level 15, State Administration Centre, 200 Victoria Square Adelaide
E: sally.neville@sa.gov.au | **W:** www.premier.sa.gov.au | [redacted]

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From: Karalis, Anastasia (SATC) <Anastasia.Karalis@sa.gov.au>
Sent: Friday, 19 June 2020 9:10 AM
To: McFarlane, Kathryn (DPC) <Kathryn.McFarlane@sa.gov.au>; Neville, Sally (DPC) <Sally.Neville@sa.gov.au>
Subject: Supercars announce changes to draft 2020 calendar

Hi Kathryn and Sally
Further on this one, see media release from Supercars below (if you haven't already).
I note there is an article on their site today (link below) suggesting the cancelled season finale could potentially be the season opener in 2021 (to be held in NSW) – this has implications for us/Adelaide as Round 1 is traditionally the Adelaide 500.
Rod is in conversation with Supercars and I am working with TLA to prepare a holding statement.
Kathryn – I think I just missed a call from you?

Speedcafe article today: https://www.speedcafe.com/2020/06/19/supercars-confirms-changes-to-2020-calendar/

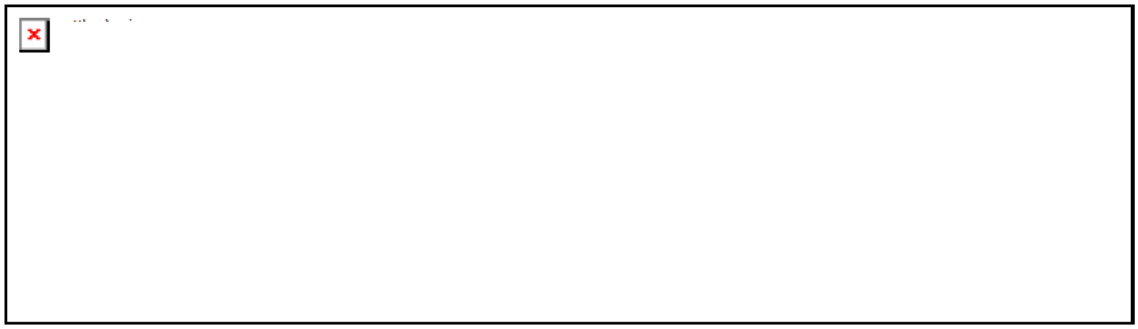
Also note, the Speedcafe article from last night,: https://www.speedcafe.com/2020/06/18/sandown-to-replace-the-bend-in-revised-2020-supercars-calendar/

> *While the initially announced season finale at Mount Panorama in support of the Bathurst 12 Hour has been cut from the 2020 calendar, it is believed Supercars could potentially open its 2021 season at the New South Wales track.*

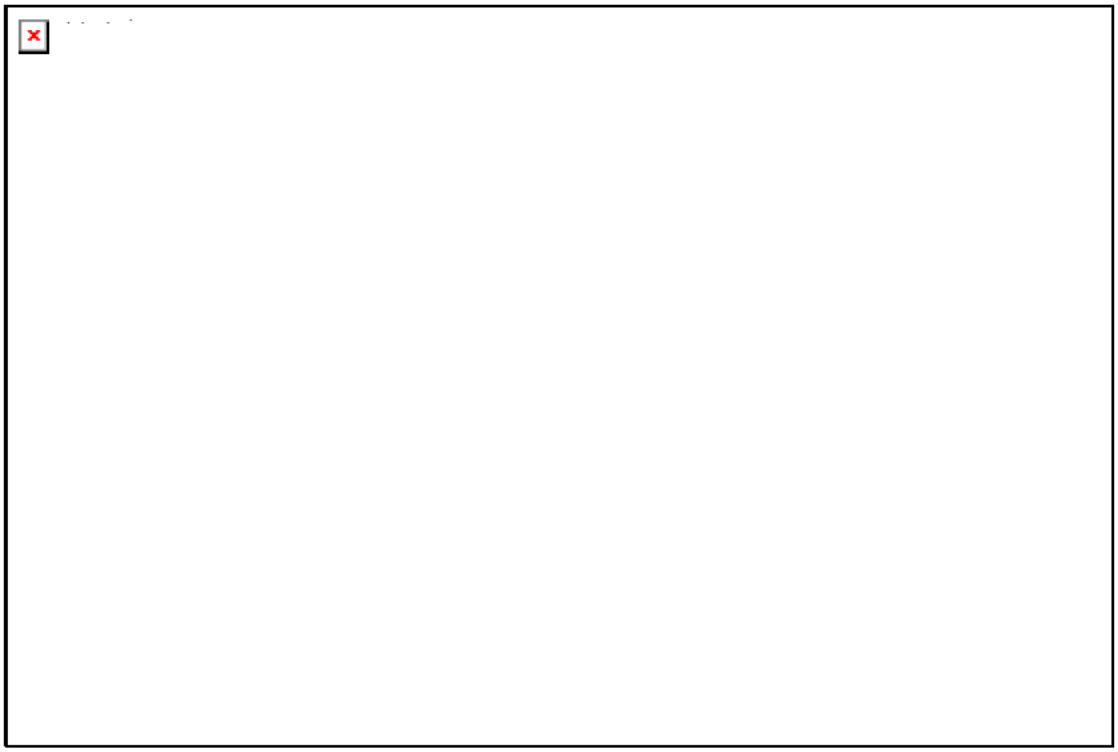
Anastasia Karalis
Senior Media and Communications Officer
Corporate Communications
South Australian Tourism Commission
T 08 8463 4772 M [redacted]

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From: Virgin Australia Supercars Championship <pglover@supercars.com>
Sent: Friday, 19 June 2020 7:29 AM
To: Betty Heaslip <bheaslip@tlaworldwide.com>
Subject: Supercars announce changes to draft 2020 calendar



Supercars announce changes to draft 2020 calendar



The 2020 Virgin Australia Supercars Championship revised calendar has been updated and will now finish under lights at Sydney Motorsport Park in December.

Supercars CEO Sean Seamer said the update to the revised calendar has been made following weeks of discussions with key stakeholders including broadcast partners and team owners.

"When the draft calendar was released four weeks ago, our primary objective was to ensure we returned to racing as soon as possible," Seamer said.

"This allowed us to put a stake in the ground and ensure we returned to the track quickly following the COVID-19 shutdown.

"The calendar announced in May was based on the best information we had at the time.

"With an eye on 2021, teams and broadcast partners have agreed it is in all parties' best interests commercially and competitively to finish this year's campaign in December and start the new season in the New Year."

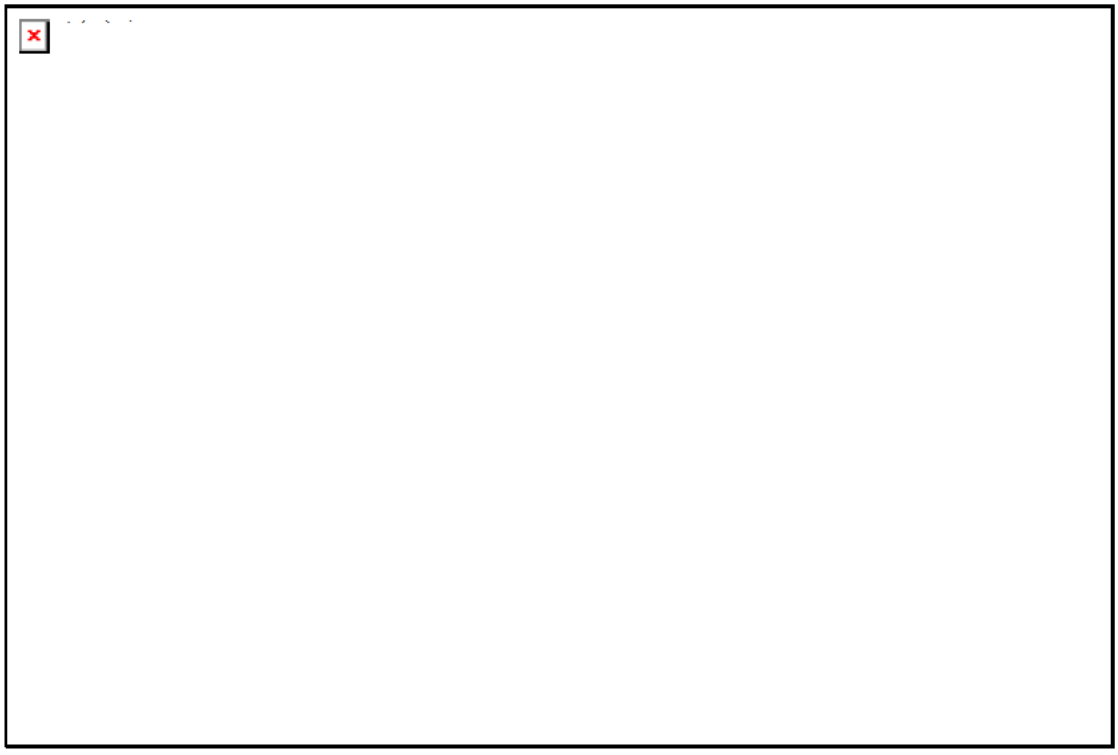
The final round of the 2020 Championship will be under lights at Sydney Motorsport Park on 12-13 December.

Deputy Premier of NSW John Barilaro said the revised calendar is a great result for fans of motorsport racing in Australia.

"This is fantastic news for fans of the Australia Supercars Championship who want to see competitive racing and see a result before the end of the calendar year."

"The Bathurst 1000 is the pinnacle of motorsport racing so to see it remain the showcase event is incredible news for everyone involved."

"To see the season end under the new $16.4 million lighting at Sydney Motorsport Park will be a blockbuster finish to the year and serve as a chance to showcase the results of the NSW Government's $33 million investment in the Western Sydney motorsport precinct."



The previously announced rounds at The Bend, New Zealand and the second event at Mount Panorama do not feature on the revised 11-round 2020 calendar. This is in consequence of the COVID-19 circumstances which are beyond the reasonable control of Supercars.

The Sandown event shifts from December to September, returning to its traditional pre-

Bathurst calendar position.

All events remain subject to change based on appropriate State, Territory and Federal regulations as they continue to be updated in response to COVID-19 and otherwise.

The rescheduled 2020 calendar is now as follows:

- *Superloop Adelaide 500 20-23 February*
- *Beaurepaires Supercars Melbourne 400 Formula 1® Rolex Australian Grand Prix 12-15 March*
- BP Ultimate Sydney SuperSprint 27-28 June
- Truck Assist Winton 18-19 July
- BetEasy Darwin Triple Crown 8-9 August
- Townsville 29-30 August
- Penrite Oil Sandown 19-20 September
- Supercheap Auto Bathurst 1000 8-11 October
- PIRTEK Perth 31 Oct – 1 Nov
- Tyrepower Tasmania 21-22 November
- Sydney Motorsport Park 12-13 December

Details regarding next year's full 2021 Championship calendar are due to be released in October.

"As was the plan for 2020 before COVID setbacks, we envisage the 2021 calendar to include a break over winter months," Mr Seamer said.

"These are challenging times for all sport, which is why we have had to remain flexible with our calendar arrangements and make significant changes to support key stakeholders.

"In 2021 we plan to return to New Zealand, The Bend and street circuits.

"Our goal now is to make sure that we deliver some amazing racing over the rest of the 2020 championship."

Primary support category, the Dunlop Super2 Series, will also alter its revised calendar.

DS2 races are now scheduled to feature on the undercard at Winton, Sandown, Mount Panorama and Supercars' season finale at Sydney Motorsport Park in December.

Supercars return to racing at Sydney Motorsport Park on 27-28 June with three 130km sprint races, broadcast exclusively live on Foxtel and streamed on Kayo.

For more information please contact Supercars Media.

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Temp 1, SATC (SATC)

From: Karalis, Anastasia (SATC)
Sent: Friday, 19 June 2020 1:19 PM
To: Heaton, Bryce
Cc: McFarlane, Kathryn (DPC)
Subject: RE: Media Inquiry

Hi Bryce

See below response to your question. Many thanks, Ana.

To be attributed to South Australian Tourism Commission chief executive Rodney Harrex:

“South Australia has a strong and longstanding relationship with Supercars, and we’re fully committed to welcoming it and all of our loyal motorsport fans back in 2021.

“The Superloop Adelaide 500 will return in 2021.”

Anastasia Karalis
Senior Media and Communications Officer
Corporate Communications



South Australian Tourism Commission
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-----Original Message-----
From: McFarlane, Kathryn (DPC) <Kathryn.McFarlane@sa.gov.au>

Sent: Friday, 19 June 2020 12:56 PM
To: Heaton, Bryce <bheaton@nine.com.au>
Cc: Karalis, Anastasia (SATC) <Anastasia.Karalis@sa.gov.au>
Subject: RE: Media Inquiry

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Hi Bryce,

Thanks for your email and chat.

Ana from SATC (cc'd) will provide you with a response.

Regards,
Kathryn

-----Original Message-----
From: Heaton, Bryce <bheaton@nine.com.au>
Sent: Friday, 19 June 2020 12:33 PM
To: McFarlane, Kathryn (DPC) <Kathryn.McFarlane@sa.gov.au>
Subject: Media Inquiry

Hi Kathryn,

I would appreciate a response to the following as soon as feasible, before 4pm if possible please:

Can the government confirm the Superloop Adelaide 500 will go ahead next year with Supercars?

Kind regards,

Bryce Heaton
9 News Adelaide
M: [redacted]
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Temp 1, SATC (SATC)

From: Harrex, Rodney (SATC)
Sent: Thursday, 25 June 2020 2:46 PM
To: Morcombe, Courtney (DPC)
Cc: Neville, Sally (DPC)
Subject: FW: Update from Supercars regarding Adelaide 500

Dear Courtney

Please find below my email to David Reynolds regarding the latest developments on the 2021 Supercars Championship series and the Superloop
Adelaide 500.

Please contact me if you have questions.

Regards

Rod

From: Harrex, Rodney (SATC)
Sent: Thursday, 25 June 2020 2:23 PM
To: Reynolds, David (DTF) <David.Reynolds@sa.gov.au>
Cc: Fenn, Greg (DTF) <Greg.Fenn@sa.gov.au>; Rozokos, Stephanie (SATC) <Stephanie.Rozokos@sa.gov.au>
Subject: Update from Supercars regarding Adelaide 500

Dear David

Further to our conversation, I write to provide an update on the 2021 Supercars Championship series.

I just received a telephone call from Supercars' Chief Operating Officer following a Supercars Board meeting and I was advised of the following:

- Sanction Agreement between the SATC and Supercars
  The Supercars Board is committed to a reduction to the Adelaide sanction fee for the 2021 event.

- 2021 Calendar
  A decision was made to retain the SA500 as the first race for the 2021 Supercars series, likely to be held in late February / early March.

  This decision has been made as Destination NSW, the event owners of the Coates Hire Newcastle 500, is now not pursing the option to host the opening race . In addition, it is understood that the Melbourne Grand Prix is moving later in the year, likely October 2021 (this is not public yet).

- Licensing the Adelaide 500 to Supercars
  The Supercars Board has also determined that it is not in a position to accept the licensing model (ie Supercars assuming management of the Event) at this time. The Supercars Board expressed concerns regarding the [redacted] Ultimately, the SATC will need to continue to run the event Clause 7(1)(c)

- Event Revenue

Supercars has indicated that with regard to future event revenues, it is most likely that the loss of revenue for the 2021 Supercars events, including the SA500 will be far greater compared to this year's 2020 events.

SATC Savings and SA500 Event Revenue

I refer to our previous conversations regarding the SATC savings measure of $2.5 million and the forecast revenue shortfall for the SA500.

During these conversations, we discussed DTF providing funding to cover any shortfall in funding for the SA500, which included both the $2.5 million in savings and the forecast revenue shortfall of $4 million, making the total shortfall for the 2021 Adelaide 500 event $6.5 million. This shortfall will continue over the forward estimates.

Given Supercars' decision not to assume management of the SA500 through a license model, the proposed savings of $2.5 per annum submitted by the SATC is now not possible.

On top of this development, the SATC is facing a significant revenue shortfall in 2021 due to the ongoing impacts of COVID-19 and the ongoing decline in revenue for this event over the past decade. This decline is being experienced across all Supercars events. The SATC has continued to manage expenses with this event and across others, the challenge in this climate is revenue.

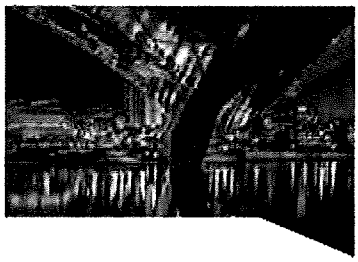
As you are aware, there was a significant shortfall in revenue for the 2020 Adelaide 500 event, however the SATC was able to cover this shortfall by reallocating existing budget (i.e. China Southern). The SATC does not have the ability to do this in 2020-21.

I would appreciate your guidance on the best way to seek additional funding for the SA500 in 2021 and going forward as it is likely that the decline advised above will be ongoing.

Regards
Rod

Rodney Harrex
Chief Executive

ADELAIDE
SOUTH AUSTRALIA



South Australian Tourism Commission
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E Rodney.Harrex@sa.gov.au
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, Carmela (SATC)

From: Rozokos, Stephanie (SATC)
Sent: Friday, 24 July 2020 2:33 PM
To: Neville, Sally (DPC)
Cc: Rasheed, Hitaf (SATC); Harrex, Rodney (SATC); Ferraro, Carmela (SATC)
Subject: IN CONFIDENCE: Adelaide 500
Attachments: IN CONFIDENCE - Adelaide 500 Information.pdf

Hi Sally

Please find attached the draft Adelaide 500 information for the Premier as requested for discussion at Monday's meeting.

Please note that this is a draft document and is yet to be discussed with the SATC Board. This information is provided in confidence between the SATC CE and the Premier for the sole purpose of the discussion on Monday.

Pending the discussions on Monday, a formal minute will be sent through the usual process.

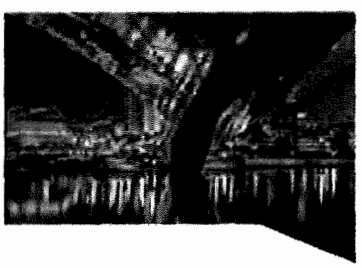
If you have any questions, please let me know.

Kind Regards

Stephanie

Stephanie Rozokos
Chief Financial Officer
Finance and Business Services

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From: Neville, Sally (DPC) <Sally.Neville@sa.gov.au>
Sent: Tuesday, 21 July 2020 9:55 AM
To: Rozokos, Stephanie (SATC) <Stephanie.Rozokos@sa.gov.au>

Cc: Harrex, Rodney (SATC) <Rodney.Harrex@sa.gov.au>; Ferraro, Carmela (SATC) <Carmela.Ferraro@sa.gov.au>
Subject: RE: Adelaide 500

OFFICIAL

Hi Stephanie,

We didn't discuss a time frame. I imagined that the work had begun as per the 26 June email.

The Premier would appreciate the high level briefing so he can take all the expenses and risks into account in order to make an informed decision.

Thanks in advance Stephanie.

Best regards,

Sally Neville
Adviser to the Premier
Office of the Premier of South Australia

Level 15, State Administration Centre, 200 Victoria Square Adelaide
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From: Rozokos, Stephanie (SATC) <Stephanie.Rozokos@sa.gov.au>
Sent: Tuesday, 21 July 2020 9:51 AM
To: Neville, Sally (DPC) <Sally.Neville@sa.gov.au>
Cc: Harrex, Rodney (SATC) <Rodney.Harrex@sa.gov.au>; Ferraro, Carmela (SATC) <Carmela.Ferraro@sa.gov.au>
Subject: RE: Adelaide 500

Hi Sally

Further to your meeting with Hitaf on 7 July, we understood that we had roughly six weeks to prepare this report with alternative options for the Adelaide 500 given the current negotiations with Supercars.

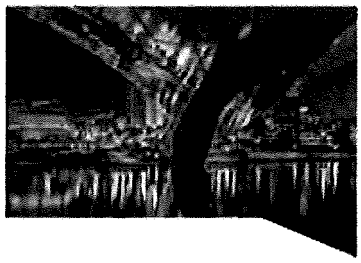
We can however, prepare a high level briefing on the Adelaide 500 for Monday's budget meeting with the Premier if required.

Please let me know if you have any further questions.

Kind Regards

Steph

Stephanie Rozokos
Chief Financial Officer
Finance and Business Services



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From: Neville, Sally (DPC) <Sally.Neville@sa.gov.au>
Sent: Monday, 20 July 2020 12:00 PM
To: Harrex, Rodney (SATC) <Rodney.Harrex@sa.gov.au>
Cc: Rozokos, Stephanie (SATC) <Stephanie.Rozokos@sa.gov.au>
Subject: FW: Adelaide 500

OFFICIAL

Hi Rodney,

Do we have an ETA on this information?

The Premier will need this prior to the Budget meeting on Monday next week.

Thanks indeed,

Sally Neville
Adviser to the Premier
Office of the Premier of South Australia

Office of the Premier of South Australia

Level 15, State Administration Centre, 200 Victoria Square Adelaide
E: sally.neville@sa.gov.au | **W:** www.premier.sa.gov.au | **M:** 0411 836 423

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From: Neville, Sally (DPC)
Sent: Friday, 26 June 2020 2:36 PM
To: Rozokos, Stephanie (SATC) <Stephanie.Rozokos@sa.gov.au>
Cc: Harrex, Rodney (SATC) <Rodney.Harrex@sa.gov.au>
Subject: RE: Adelaide 500

OFFICIAL

Hi Stephanie & Rodney,

Can I please ask you to prepare a minute for the Premier on the two options so that he can see all the scenarios, risks and cost implications.

Thanks indeed,

Sally Neville
Adviser to the Premier
Office of the Premier of South Australia

Level 15, State Administration Centre, 200 Victoria Square Adelaide
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From: Rozokos, Stephanie (SATC) <Stephanie.Rozokos@sa.gov.au>
Sent: Thursday, 25 June 2020 4:47 PM
To: Neville, Sally (DPC) <Sally.Neville@sa.gov.au>
Cc: Harrex, Rodney (SATC) <Rodney.Harrex@sa.gov.au>
Subject: Adelaide 500

Hi Sally

Rod spoke to me about the option of ceasing to stage the Adelaide 500 event in 2021.

We are currently subject to a sanction agreement that will remain in effect through the 2021 event. Currently we are contractually bound to pay the sanction fees, promote the event and pay numerous suppliers. Any departure from the term of this agreement would need to be mutually agreed to with Supercars [redacted] Clause 13(1)(a)

In the event that a new party took over the A500 in 2021, we would need to novate our contractual responsibilities over to the new party for the 2021 event. If the new party does not wish to use some of the suppliers that we have contracted, or a supplier does not wish to report to the new entity, the SATC could be faced with paying contract penalties and/or having to settle the contract. It should be noted that the SATC, and its principal contractor iEDM, have procured and contracted suppliers for the A500 through to the 2021 event (with options to extend these

arrangements beyond the 2021 event if needed). In addition to suppliers of the A500, we would need to transfer sponsorship rights to a new party.

We have been actively contracting with the expiry of the sanction agreement in mind. The risk of having contracts that we can't cancel at this stage would be minor, however we would be liable for any work completed to date.

The estimated expenditure for the 2020-21 event is $29 million. Of this, we estimate as of today, that [redacted] would be required to cover the costs and the sanction fee. Please note that this estimate o[redacted]s not based on a review of all contractual obligations as this will take a significant amount of time to complete.

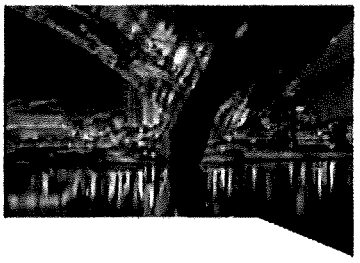
Clause 16(2)

Kind Regards

Steph

Stephanie Rozokos
Chief Financial Officer
Finance and Business Services

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ADELAIDE 500 - FOR DISCUSSION IN CONFIDENCE

PURPOSE

To provide an update and recommendations on the 2021 Superloop Adelaide 500 and future Events.

BACKGROUND

On 1 July 2015, the operations, employees and budget of the former South Australian Motor Sport Board were integrated into the South Australian Tourism Commission (SATC). The Adelaide 500 Event now sits within the Events South Australia group within the SATC.

The Adelaide 500 is the nation's largest Supercars motorsport event and is still regarded by Supercars as the premier event, along with Bathurst. The 2020 Event saw a significant decline in outcomes on the 2019 event, which delivered a record economic impact.

Independent research conducted by Economic Research Consultants found the 2020 Event achieved:

- Attendance by an estimated 206,530 spectators over the four days (254,000 in 2019)
- Total expenditure associated with the Event was $85.8m ($104.9 million in 2019)
- Economic benefit of $38.6 million was injected into the South Australian economy (down from a record $45.9 million in 2019)
- The Event created 354 new full-time equivalent jobs (435 in 2019)
- 11,906 interstate visitors travelled to South Australia to attend the Event (15,200 in 2019)
- Another key finding to note (not calculated by Economic Research Consultants) was that the PR value for the 2020 Event has been estimated at $94.5 million ($116 million in 2019)

Cost of the Event

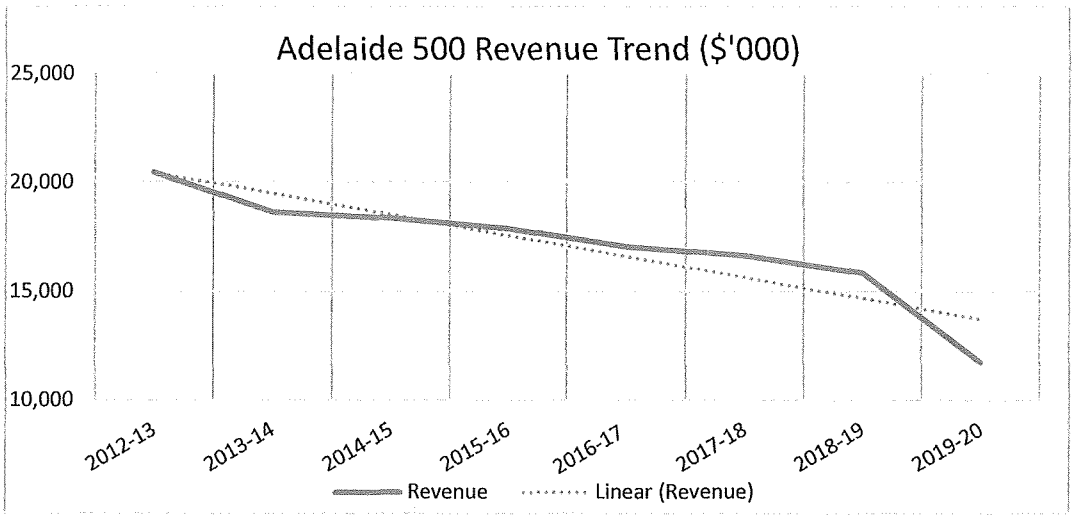
The SATC has consistently made savings in staging the Event since it was integrated into the SATC. However, each year, additional budget from other areas of the SATC has been required to cover the increasing cost pressures and declining revenue trends from the Event. Given the scale of increasing costs and declining revenue, the SATC is not able to continue to fund the budget shortfalls without making wholesale cuts from its marketing activity which will severely impact on the SATC's ability to meet its tourism expenditure targets as part of the Premier's *Growth State* program.

Historically, since the Event was run in South Australia and before its integration into the SATC, the former South Australian Motor Sport Board would submit a request and receive top up funding from the Department of Treasury and Finance (DTF), after the Event each year.

The net cost to government to stage the 2020 Event was approximately $17 million ($11.8 million revenue and $29 million expenditure) compared to a net budget of approximately $15 million. The shortfall of approximately $2 million was funded from other areas of the SATC.

Revenue

The Event has three major revenue streams: sponsorship, corporate hospitality, and ticketing. Total revenue for the 2020 Adelaide 500 Adelaide was $11.8 million. Total revenue for the 2019 Adelaide 500 was $15.9 million. The SATC is forecasting revenue for the 2021 Event of less than $10 million (this is dependent on the economic situation and COVID-19). Revenue from the Event has continued to decline over the last eight years as can be seen in the graph below:



Despite conservative revenue targets, the 2020 Event resulted in a revenue shortfall of approximately $3.8 million.

The decrease in 2020 Event revenue was due to a combination of factors including:

- Steady decline in revenue over the last eight years (combination of corporate and public ticket sales), as a result of increased competition for the corporate and entertainment dollar and general market conditions, including the decline of the automotive industry.
- Move of the 2020 Event to one week earlier at the request of Supercars, and in order to remain the first Event of the season.
- Changing consumer behaviours, including less people attending across all four days.
- The landscape at the time (economic, impact of the Australian bushfires).
- The legacy of the extreme heat during previous year's Event (further impacted by the earlier event date).
- No international headline act on Sunday night (unable to secure, despite allocating appropriate budget for this).
- The announcement a few days before the Event around Holden and its withdrawal from Australia at the end of the year.
- Non-renewal of corporate hospitality packages by major clients due to changing financial circumstances for these businesses and the bushfires in Australia [redacted] [redacted] Clause 7(1)(c)

Individual Supercar events around Australia have also experienced a downturn in patronage over recent years. This is attributable to:

- Caution in relation to consumer and corporate spending.
- Impact of limited free-to-air coverage of Supercars (only six races).
- Impact of the cessation of vehicle manufacturing in Australia.
- The increase in the number of events in the Supercar series.
- Declining patronage at most types of sporting events.

Over the last five years, there has been a steady reduction in the 'early bird' ticket sales which represent the most loyal, core fan base who purchase tickets before the next Event dates and with no knowledge of the concert artists nor attractions. This is in part due to the ageing core fan base, entertainment competition and social trends affecting the potential for the next generation of motorsport fans.

The overall decline in revenue is also attributable to:

- The higher than expected impact of Adelaide Oval opening on lost corporate hospitality clients and grandstand patrons.
- Competing with 'Mad March' entertainment options – since moving to annual, the festivals have achieved substantial growth, with affordable entertainment options. While the impetus created by 'Mad March' creates some benefits for the Adelaide 500 race this is offset by increased competition for the entertainment dollar during this period.
- Change of Supercars proposition – the Ford vs Holden tribalism that was previously core to the Supercars fan base has diminished. If Supercars is unable to convert current core audiences to the new format the entire series may be at risk.
- [redacted] Clause 7(1)(c)

  [redacted] Similarly, discussion about a move of the event to The Bend and a question on government support, has further added to the uncertainty in the market.
- Subdued business confidence, and high-profile business closures such as Holden creating employment uncertainty in core attendee demographic.
- Whilst corporate hospitality is still a significant revenue stream for the Event, generally corporate entertainment as a sector is in decline with increased corporate governance, and lower business confidence.
- The move from free to air to pay TV enhances the risk of losing casual sports viewers.
- Pricing being at the top end of competing entertainment options.

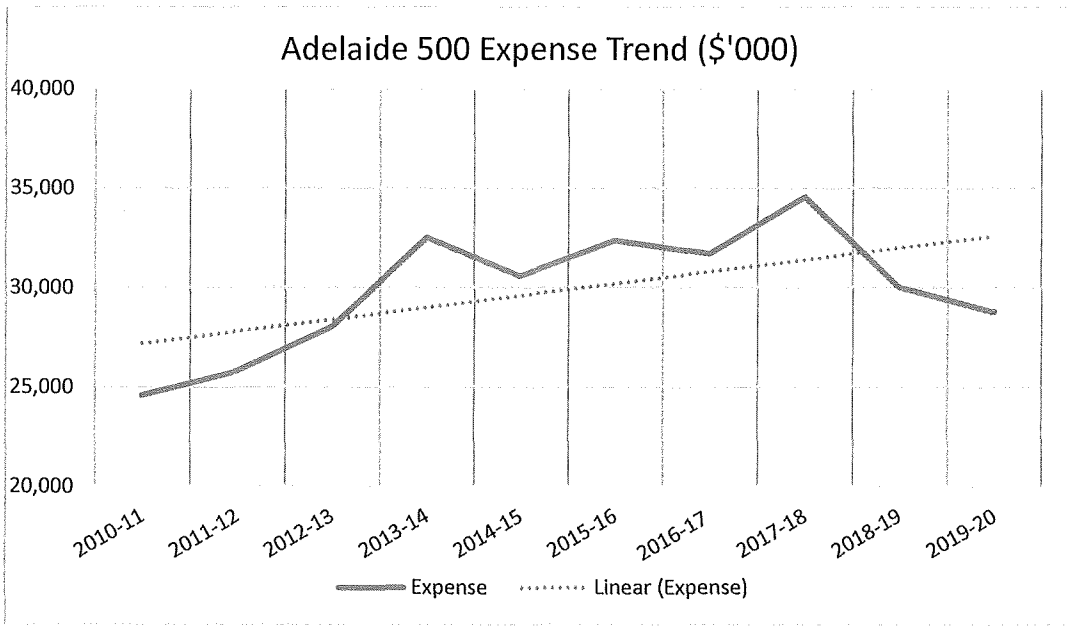
The Event has responded to these revenue trends by introducing new ticket options, alternative corporate hospitality products, family friendly options, upgraded patron facilities for improved retention and innovative motorsport and entertainment attractions such as Enduro X and Stadium Super Trucks.

It should be noted that the SATC has undertaken research each year to better understand consumer trends, and the future motor sport consumer and their expectations to inform the development of Event offerings that will attract the future motor sport consumer. A new strategic plan has been implemented for the Superloop Adelaide 500, using consumer and stakeholder insights, with the aim of growth in revenue and audiences (current and future), however this has not succeeded.

The current sponsorship and hospitality environment is depressed. Unfortunately, the current economic climate does not lend itself well to discretionary spending on sponsorships and hospitality and as a result we have found that companies are reluctant to enter long-term, high-value agreements. This is not unique to SATC owned events and is being experienced by many major rights holders.

Expenditure

The cost to stage the Event continues to increase year on year. Expenditure on the 2020 Event totalled approximately $29 million.



Clause 16(2)

It should be noted in the graph above, in 2017-18, the SATC received an additional [redacted] for concerts, including Robbie Williams.

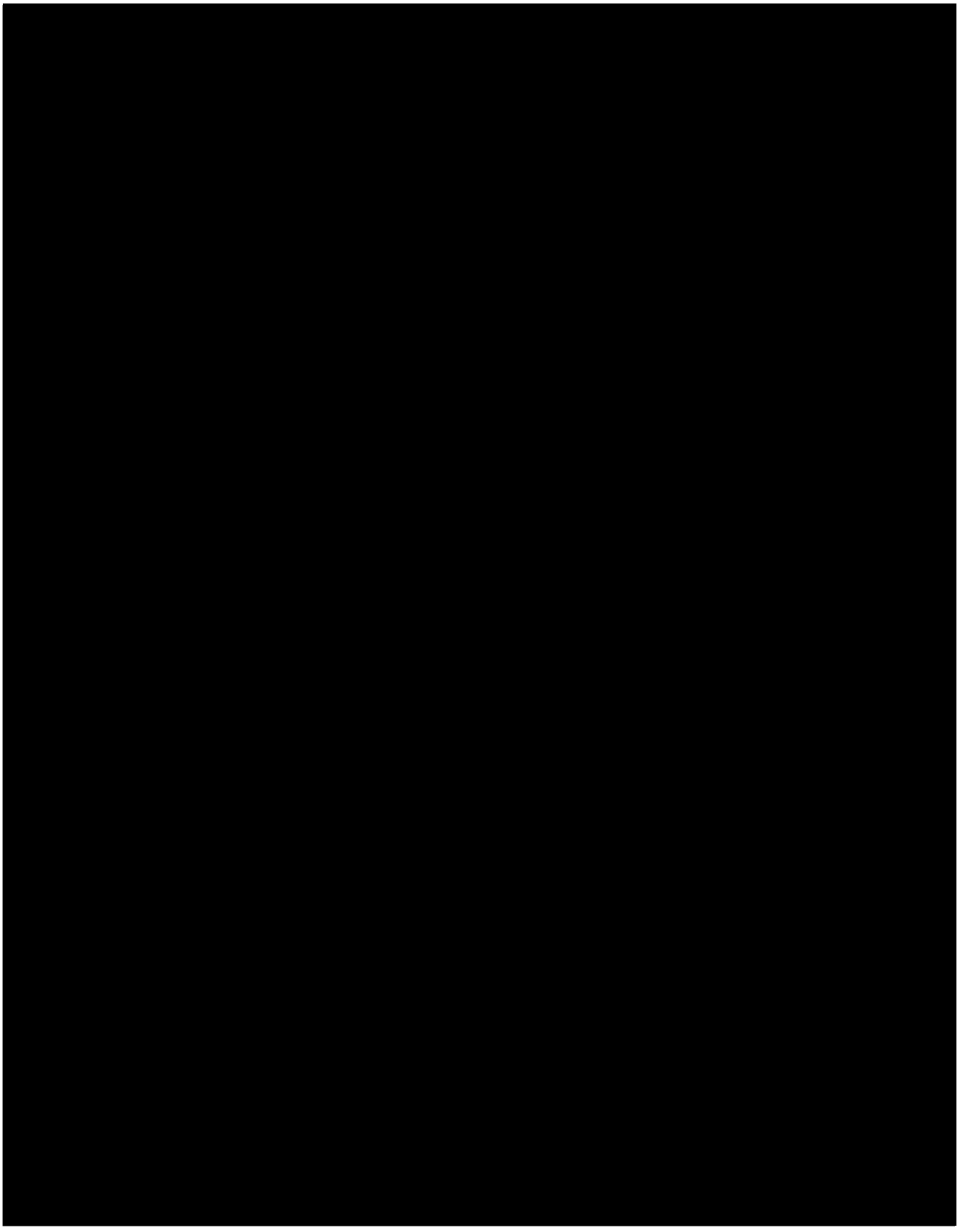
Significant reductions in expenses have been realised through modifications to infrastructure to reduce build costs, reduced civil works costs, compressing the event footprint, reductions to concert expenses and general administrative expenses such as, lease costs, ICT costs and insurance savings.

There is however limited ability to find further efficiencies in the Event over the forward estimates based on factors outside the SATC's control, including long-term contractual obligations, increasing construction costs, CPI and changes to Work Health and Safety legislation. There are significant risks associated with reducing costs in critical areas such as expenditure on work, health and safety.

Clause 16(2)

The Adelaide 500 Event is staged on a temporary street circuit, with an annual cost of approximately [redacted] to construct. Wherever possible the scope of infrastructure has been reduced, and competitively tendered in accordance with government procurement policies in order to minimise the impact of cost increases on the Event's viability.

As mentioned above, the inevitable cost pressures of the Event have meant that the SATC needs to fund budget shortfalls from its existing marketing budget, thereby impacting on the ability of the business in other areas to achieve its broader KPIs around economic impact and jobs.



Clause 13(1)(a)

Supercars Negotiations

With the current Supercars Sanction Agreement due to expire after the 2021 Event, discussions with Supercars commenced before the 2020 Event to negotiate a way forward. At the time of writing this briefing, the following summarises the latest update regarding these discussions:

Sanction Agreement between the SATC and Supercars

Clause 13(1)(a)

The Supercars Board is committed to a reduction to the Adelaide sanction fee for the 2021 Event (currently [redacted] (including GST)). The quantum of the reduction is not yet agreed, however the SATC is ambitiously seeking to negotiate the sanction fee down to [redacted] (including GST).

2021 Supercars Calendar

An in-principle agreement, subject to sanction agreement negotiations, is in place for Superloop Adelaide 500 to be moved from the first race of the Supercars series to the last race of the Supercars series in 2021 and ongoing.

This is based on: long-term ongoing discussions between the SATC and Supercars; a strategic desire by the SATC to revitalise the product and narrative around the event; cooler weather in November compared with February/March (with heat significantly impacting sales in recent years); a move away from the Festival period giving the event more flexibility in its programming; a move away from the Melbourne Grand Prix so the country's two biggest events are separated; and a belief by both the SATC and Supercars that a street circuit event in the early part of the year would not be financially viable due to the impacts of COVID-19.

It should be noted that due to COVID-19, the Melbourne Grand Prix may move to the back end of the year also, to October 2021. This is not confirmed and has been learnt on a confidential basis.

Licensing the Superloop Adelaide 500 to Supercars

The SATC discussed the option of a licensing model with Supercars (i.e. Supercars assuming management of the Event). This involved Supercars undertaking all aspects of the event and fully integrating this event into their operations like a number of other races across the national program. The Supercars Board has determined that it is not in a position to accept the licensing model at this time. [redacted]

Clause 7(1)(c)

Event Revenue

Supercars has indicated that with regard to future event revenues, it is most likely that in light of the ongoing impact of COVID-19, the loss of revenue for the 2021 Supercars events, including the Adelaide 500 will be far greater compared to this year's Event.

The SATC is seeking to negotiate a range of changes to the current Sanction Agreement with Supercars which would provide further opportunity to generate additional revenues to contribute to a sustainable event and a satisfactory level of government investment [redacted]

Clause 13(1)(a)

DISCUSSION

The following details options regarding the staging of the Superloop Adelaide 500 in 2021 and post 2021:

OPTION 1 – The SATC to stage the 2021 Event as contractually bound and then cease staging the Event post 2021.

The SATC is facing a proposed savings measure of $2.5 million from 2020-21 onwards. After considering a range of savings options, which included a reduction in SATC marketing, the SATC submitted a proposed savings measure which was approved by the SATC Board and your office. This savings measure was to "license" the Adelaide 500 to Supercars Pty Ltd, with an aim to sponsor the Event at a cost between [redacted] achieving a saving of $2.5 million per annum for the SATC". Given Supercars has indicated that it is not in a position to assume management of the Event, this savings option is no longer viable and the SATC is now faced with $2.5 million in savings for the Event with limited ability to achieve this.

Clause 16(2)

The SATC is in the middle of sanction agreement negotiations with Supercars for events beyond 2021. Within those negotiations, the SATC has secured an in-principle agreement with Supercars, to move the Adelaide 500 event to be the last race of the Supercars series instead of the first. This would mean the event would be held in November 2021 and sit within the 2021-22 financial year rather than the 2020-21 financial year.

The impact of COVID-19 on event revenues is predicted to be reduced, but not eliminated, for a November 2021 Event versus a February/March 2021 Event. It is expected that COVID-19 will impact on the corporate hospitality market in particular and possibly the sponsorship market, while ticket sale revenue is likely to be less impacted at that time.

Should the event be staged in the 2021-22 financial year (i.e. November 2021), then the savings measure and reduced revenue issue will be deferred to the 2021-22 financial year.

If the SATC is unable to negotiate significant changes to the Supercars sanction agreement going forward, including items outlined under 'Other Important Information', the SATC does not believe it would be possible to deliver an event with the capacity to drive a significant return on investment or with the capacity for growth, within the existing Government appropriation for the Event beyond 2021.

Given the ongoing financial implications and burden of the Event, there is the option of not renewing an agreement with Supercars post the 2021 Event. This would mean the 2021 Event would be the last race staged by the South Australian Government.

There would be significant implications from a public pride perspective and amongst the hotel and restaurant sector. Cancelling the Event will have a negative impact on the Event's fan base and the broader public who will feel a loss of pride and evoke feelings similar to those when we lost the Formula 1 to Victoria. There would also be the loss of significant economic and marketing return to the State.

The SATC would propose the sum which would be saved by the Government as a result of not staging the Superloop Adelaide 500, (approximately $15 million per annum), should be reinvested into major events in line with Option 4 below.

Note:
The SATC is confident that the 2021 race can be negotiated to be staged in November 2021, however as noted above all discussions to date have been on the basis that the event will continue beyond 2021, and the change in date negotiation is based on a new sanction agreement beyond 2021.

If the SATC is required by Supercars to stage the Adelaide 500 in the first quarter of 2021 in a similar format as the 2020 Event, the Event will be significantly impacted by the COVID-19 pandemic due to the likely economic conditions and restrictions on mass gathering. The impact of the pandemic COVID-19 on major events in the first quarter of next year (third quarter financial year) is primarily due to the likely lower than expected uptake of corporate hospitality and ticket sales.

The SATC is forecasting a $5.5 million reduction in revenue for the 2021 Adelaide 500 compared to the original 2020 Event revenue budget, which would be matched by a reduction in costs of $1.5 million, resulting in a net $4 million shortfall to stage the 2021 Adelaide 500.

The SATC is facing a savings measure of $2.5 million and an existing revenue budget shortfall of $4 million for the 2021 Adelaide 500, meaning there will be a $6.5 million budget gap to stage the 2021 Event. This will be the case whether the Event is staged in February/March 2021 or November 2021.

The SATC would be seeking an additional appropriation of $6.5 million to fund this budget gap in 2021. The SATC will need to prepare a Cabinet Submission to address the budget gap of $6.5 million. In the event SATC does not receive additional funding for the 2021 Event, the SATC will need to fund the shortfall from the existing marketing budget.

OPTION 2 – The SATC to stage the 2021 Event as contractually bound and then enter into a significantly improved agreement with Supercars post 2021 with the aim to change the structure of the event to make it sustainable.

As mentioned above, the SATC is contractually bound to stage the 2021 Event in a similar format to the 2020 Event. As explained above, with the savings measure of $2.5 million from 2020-21 ongoing and the forecast shortfall in revenue of $4 million, the SATC does not have the additional $6.5 million to stage the Adelaide 500 Event in 2021. Additional funding for the 2021 Event would be required regardless of whether the Event is held in February/March 2021 or November 2021.

Further, as expounded above, as the Event has one more year to run on the existing sanction agreement, many of the supplier contracts are already in place for the 2021 Adelaide 500, giving limited ability to reduce costs further. These contracts in many cases are long-term contracts which expire in line with the current sanction agreement.

Post 2021, if the decision is made by Government to continue staging the Event, the SATC would need to enter into a new agreement with Supercars.

To ensure the financial sustainability of the Event and to reduce the impact on SATC's existing budget, the SATC would look to reduce its costs, while delivering an event which has the potential to generate increased revenues over time. This is a difficult task, but the SATC has modelled this out and believes it is achievable, based on the 2019-20 Government investment of $15 million in the Event. Most critical to the success of this, is the sanction agreement negotiation with Supercars, including the new November date.

The SATC would look to realise savings and generate revenue through the negotiation of this new sanction agreement with Supercars, [redacted]. The SATC is seeking to reduce the sanction fee [redacted] while creating opportunities to generate further revenues.

Clause 13(1)(a)

Assuming a negotiation with Supercars achieves the desired result, there would also be other changes the SATC would consider (using insights and research to drive decision-making).

With the restrictions of existing contracts removed, the SATC would look to further reduce the event footprint and associated infrastructure costs, change elements of infrastructure (including possibly the Pit Building) to a more cost-effective solution and re-focus investment on and off the track to activities which directly drive revenues (commercial or public ticket sales). Growth of the event would be the desired outcome.

It should be noted that any decisions which reduce the Event's offerings (if this was necessary to right-size the Event within the existing budget), would diminish the overall Adelaide 500 experience and appeal. This will likely translate into significantly less revenue (decline in ticket sales, sponsorship and corporate hospitality).

If the SATC is not able to achieve reduced costs associated with a new sanction agreement and increased revenue opportunities, then the SATC would require additional funds from the State Government if it wanted to continue staging the Superloop Adelaide 500 event. This would be up to $4 million per annum, from 2022 onwards depending on the final negotiations with Supercars.

Furthermore, the SATC believes that if after the new sanction period (likely to be 2022-2024), the declining revenue trend continues and there is also a decline in return on investment (in particular economic impact / jobs), then at the completion of the new sanction agreement period, the decision should be made to cease running the Adelaide 500 event, and reinvest the $15 million into alternate major and regional events to drive the visitor economy and support the tourism industry.

Finally, the SATC, through its negotiations for a new sanction agreement, is trying to bring the new terms and conditions forward for the 2021 event as well, however this is unlikely to be achieved.

OPTION 3 – Mutually agree with Supercars to depart from the current Sanction Agreement which would result in the SATC no longer being required to stage the Event.

The SATC is currently contractually bound to pay the sanction fee, promote the Event and pay numerous suppliers for the 2021 Event. Any departure from the term of this agreement would need to be mutually agreed to with Supercars. The appetite of Supercars to release the SATC from its current obligations in 2021 is marginal at best, however this has not been vigorously pursued as a point of discussion with Supercars.

The SATC has been actively contracting with suppliers and sponsors with the expiry of the sanction agreement in mind. If Supercars agreed to depart from the current Sanction

Agreement, as at July 2020, the risk of the SATC not being able to cancel contracts at this stage would be minor, however we would be liable for any work completed to date.

Clause 16(2)

The estimated expenditure for the 2021 Event is $29 million. Of this, we estimate as of July 2020, that [redacted] would be required in 2020-21 to cover the costs and the Sanction Fee. Please note that this estimate d[redacted]s not based on a review of all contractual obligations as this will take a significant amount of time to complete. Going forward, the Government would save approximately $15 million per annum if it did not continue to stage the Event from 2021.

OPTION 4 – Reinvest $15 million into new major event content.

The SATC would propose that if the Government decided to cease its investment in Supercars (as presented in Option 1 and Option 3), that the government reinvest $15 million in major and regional events to continue to support the tourism industry, drive the visitor economy, create jobs for South Australians, contribute to South Australia's brand positioning and promote South Australia as a tourism destination.

The SATC is currently working on two options for this reinvestment, as follows: (1) Invest up to $15 million in a new entertainment event at Victoria Park utilising the existing Adelaide 500 track, with a FIA Formula E race at the core of the event; or (2) Invest $15 million in a range of leisure events across a calendar year, including increased investment in the regional events calendar.

Work on both these options is continuing and will be available for further discussion mid to late August.

ITEMS FOR DISCUSSION

1) Items for discussion, particularly:
   a. that the SATC is seeking to negotiate a move of the 2021 Superloop Adelaide 500 to November 2021;
   b. that there is a shortfall in SATC budget (approximately $6.5 million) for the 2021 Adelaide 500 Event, regardless of whether the event is to be held in February/March or November 2021;
   c. that if additional funding is not provided for the 2021 Event, the SATC will need to fund the shortfall from the SATC's existing Marketing budget;
   d. that the sanction agreement concludes at the end of the 2021 Event;
   e. that the SATC will focus on negotiating significantly improved conditions within the new sanction agreement with Supercars to allow the event to be sustainable within the current budget allocation from State Government from 2022 onwards, otherwise additional funding will be required ongoing; and
   f. the options available for consideration.

OPTIONS FOR DISCUSSION

1) Option 1 and Option 4 - The SATC to stage the 2021 Event as contractually bound, cease staging the Event post 2021 and allow the SATC to reinvest the recurrent Adelaide 500 funding into major and regional events.

   This option will require:

   i) Approval for the SATC to submit a Cabinet Submission seeking funding for the $6.5 million shortfall for the Event in 2021.

Or

2) Option 2 - The SATC to stage the 2021 Event as contractually bound and then enter into a significantly improved agreement with Supercars post 2021 with the aim to change the structure of the event to make it sustainable.

   This option will require:

   i) Approval for the SATC to submit a Cabinet Submission seeking funding for the $6.5 million shortfall for the Event in 2021; and

   ii) Approval for the SATC to change the structure of the Event from 2022 to make it sustainable, noting that additional funding will still be required ongoing to address the savings measure ($2.5 million) and any shortfall in forecast budgets resulting from the negotiations with Supercars.

Or

3) Option 3 and Option 4 - Mutually agree with Supercars to depart from the current Sanction Agreement which would result in the SATC no longer being required to stage the Event. Allow the SATC to reinvest the recurrent Adelaide 500 funding into major and regional events. Noting that if a mutual agreement does not eventuate, Option 1 or 2 will need to be approved.

Parente, Louise (SATC)

Subject:	Meeting: Premier + Andrew Bullock re: SATC Budget
Location:	Premier's Office: Level 15, State Admin Building, 200 Victoria Square
Start:	Mon 27/07/2020 4:30 PM
End:	Mon 27/07/2020 5:30 PM
Show Time As:	Out of Office
Recurrence:	(none)
Meeting Status:	Meeting organizer
Organizer:	Harrex, Rodney (SATC)
Required Attendees:	Andrew Bullock

From: Hancock, Eleisa (DPC) <Eleisa.Hancock@sa.gov.au>
Sent: Tuesday, 1 September 2020 10:21 AM
To: Karalis, Anastasia (SATC) <Anastasia.Karalis@sa.gov.au>
Cc: Turner, Jenny (SATC) <Jenny.Turner@sa.gov.au>; Neville, Sally (DPC) <Sally.Neville@sa.gov.au>; Ferraro, Carmela (SATC) <Carmela.Ferraro@sa.gov.au>
Subject: RE: Draft messaging Superloop

OFFICIAL

Hi all
Let's work on this being a drop for Thursday's paper.

From: Karalis, Anastasia (SATC) <Anastasia.Karalis@sa.gov.au>
Sent: Monday, 31 August 2020 5:46 PM
To: Hancock, Eleisa (DPC) <Eleisa.Hancock@sa.gov.au>
Cc: Turner, Jenny (SATC) <Jenny.Turner@sa.gov.au>; Neville, Sally (DPC) <Sally.Neville@sa.gov.au>; Ferraro, Carmela (SATC) <Carmela.Ferraro@sa.gov.au>
Subject: Draft messaging Superloop

Hi Eleisa

Apologies for the delay on this – see below draft messaging re Superloop as it stands.

I can confirm that Supercars will provide a quote in support of the decision. And also, that the supplier meeting is late Thursday (530pm) – so there is potential to do a Wed or Thurs media call, or a Tiser drop for Thursday's paper as you suggested. It is important we advise key stakeholders ahead of them hearing it via the media though of course, so we'll work backwards from whatever is landed on.

Happy to discuss.
Ana

KEY MESSAGES

- As one of the biggest event-builds in the state, we want to give our stakeholders, suppliers and fans as much notice and certainty as possible in what has been a very uncertain year.
- As you can appreciate, our world-class street circuit requires a huge amount of planning and infrastructure, and the build starts months in advance.
- Top of mind for us, is our many suppliers, stakeholders and fans who will soon start making huge investments into the event, both time and money, and we want the best result for them and the best return on their investment.
- We are making this hard decision now, to help their forward planning and provide certainty.
- Our focus now is working with Supercars to secure future dates for the Superloop Adelaide 500 to return to our city's streets at a time it can achieve its best potential.

If pushed:

- We would hate to have a situation on our hands where we would have to cancel the event just weeks or even days out, when so much has gone into it and the entire build is complete.

STATEMENT

The COVID-19 pandemic continues to affect how we live, work and play, and has forced sporting events and organisations all over the world to be flexible and adapt how they engage with fans.

Since April, the Superloop Adelaide 500 team has been working with Supercars to determine how the 2021 Superloop Adelaide 500 will operate in this ever-changing climate.

As one of the biggest event-builds in the state, we want to give our stakeholders, suppliers and fans as much notice and certainty as possible, in what has been a very uncertain year.

As you can appreciate, our world-class street circuit requires significant planning and temporary infrastructure to operate successfully, with the build starting months in advance.

As a result of these factors, and to give our stakeholders, suppliers and fans some certainty, the Superloop Adelaide 500 will not take place in its traditional time slot of late February/early March in 2021.

We understand that the successful completion of the 2020 calendar is an important priority for Supercars and are excited to see the sport return to South Australia at Tailem Bend later this month.

We are continually talking to Supercars about future dates for the Superloop Adelaide 500, aiming to achieve the best result for our stakeholders, the State and our loyal fans.

QUOTES FOR MEDIA (HITAF RASHEED):

"Our world-class street circuit requires significant planning and temporary infrastructure to operate successfully. Our event-build is one of the largest in the state and comes with considerable risk and reward.

"Top of mind for us, is our many suppliers and stakeholders who will soon start making huge investments into the event, both time and money, and we want the best result for them as well as our loyal fans.

"With this all these factors in mind, we can confirm that the Superloop Adelaide 500 will not take place in its traditional February/March timeslot in 2021.

"We are continually talking to Supercars about the effects of the COVID-19 pandemic and future dates for the Superloop Adelaide 500, aiming to achieve the best result for the State, our loyal fans, and the many small businesses that contribute to it.

"We understand that Supercars' current priority is to complete the 2020 season and we are very happy to see the sport returning to South Australia at Tailem Bend later this month."

Anastasia Karalis
Senior Media and Communications Officer
Corporate Communications



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Temp 1, SATC (SATC)

From: Turner, Jenny (SATC)
Sent: Wednesday, 2 September 2020 1:44 PM
To: Neville, Sally (DPC); Hancock, Eleisa (DPC)
Subject: FYI timings for SLA500

FYI re timings on Superloop today

- Today 1530 – email to SATC Board, confidential heads-up
- Today 1600 – key stakeholder phone calls (Ali, Clint etc) and ESA staff briefing – then all SATC staff email
- Today 1800 – supplier letter and stakeholder email communications go out
- Today 2000 – 500 Club EDM goes out
- Today 2300 – The Advertiser online embargo lifted
- Thursday 0600 – The Advertiser runs story in print. Embargo lifted for Motorsport media. Hitaf available for radio as required.
- Thursday 1200 TBC – Premier talks to media

Jenny Turner
Senior Manager, Corporate and Government Communications
Corporate Communications



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Temp 1, SATC (SATC)

From: Turner, Jenny (SATC)
Sent: Wednesday, 2 September 2020 2:25 PM
To: Neville, Sally (DPC); Hancock, Eleisa (DPC)
Cc: Ferraro, Carmela (SATC)
Subject: Final messaging doc

Importance: High

FYI – this is the key messaging to be rolled out this afternoon.
Hitaf is all set to do any morning radio requests, but will defer to Premier for any TVs – for when he does his presser tomorrow.
Please let me know if any questions or if the Premier needs any further info.
Jenny

Jenny Turner
Senior Manager, Corporate and Government Communications
Corporate Communications



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2021 SUPERLOOP ADELAIDE 500
EVENT UPDATE – SEPTEMBER 2020
DRAFT COMMUNICATIONS PLAN

ANNOUNCEMENT

Date: Thursday 3 September, 2020
Announcement: 2021 Superloop Adelaide 500 Event Update

KEY MESSAGES/STATEMENT

The COVID-19 pandemic continues to affect how we live, work and play, and has forced sporting events and organisations all over the world to be flexible and adapt how they engage with fans.

Since April, the Superloop Adelaide 500 team has been working with Supercars to determine how the 2021 Superloop Adelaide 500 will operate in this ever-changing climate.

As one of the biggest event-builds in the state, our world-class street circuit requires significant planning and temporary infrastructure to operate successfully, with the build starting months in advance.

As a result of these factors, the Superloop Adelaide 500 will not take place in its traditional time slot of late February/early March in 2021.

We are working with Supercars on revised dates for the 2021 event and are looking to have this resolved in time for their calendar release, currently planned for October.

We understand that the successful completion of the 2020 calendar is an important priority for Supercars and are excited to see the sport return to South Australia at Tailem Bend later this month.

QUOTES FOR MEDIA (HITAF RASHEED):

“Our world-class street circuit requires significant planning and temporary infrastructure to operate successfully. Our event-build is one of the largest in the state and comes with considerable risk and reward.

“Top of mind for us, is our many suppliers and stakeholders who will soon start making huge investments into the event, both time and money, and we want the best result for them as well as our loyal fans.

“We are working with Supercars on revised dates for the 2021 event and looking to have it this resolved in time for their calendar release, currently planned for October.

"We understand that Supercars’ current priority is to complete the 2020 season and we are very happy to see the sport returning to South Australia at Tailem Bend later this month."

QUOTES FOR MEDIA (SEAN SEAMER, CEO SUPERCARS):

“We have been in constant discussion with the SATC and fully support the decision.

“This is one of the showpiece events on our calendar and we agree, at this current time, with the planning and infrastructure required it would not be viable to run an event of that size and scale in February.

“Planning for Supercars 2021 calendar is underway and our intention is to announce next year’s draft calendar in October.

“We have a great relationship with South Australia and will continue to look at all options for 2021.”

MEDIA Q&A

The following Q&A will assist the South Australian Tourism Commission navigate potential queries in the wake of the event update.

It has been prepared to form the basis of a response to media as required.

All media enquiries should be directed to TLA and SATC Corporate Comms where an appropriate response will be formulated and approved by relevant parties prior to release.

FUTURE OF EVENT

Will the event definitely go ahead in 2021?

- We are working with Supercars on revised dates for the 2021 event and looking to this resolved in time for their calendar release, currently planned for the back half of October.

2021 is the last year on the current sanction agreement – what is the future of the SA500 moving forward?

- Whilst we are talking about 2021 dates, we are also in discussions about our future sanction agreement.
- As you can imagine, the COVID-19 pandemic has impacted these discussions as Supercars focus on getting through the 2020 season in difficult circumstances.

Are street circuits viable in a post-COVID-19 world? Is the Bend a better option?

- Supercars have indicated they have every intention of returning to street circuits when it is safe and makes sense to do so.

Is Tailem Bend a threat to the Superloop Adelaide 500's future?

- No. South Australia has a great motorsport heritage and a second Supercars race continues to build on this.
- We congratulate the Shahin family for everything they have achieved at Tailem Bend and we are very happy to see the sport returning to South Australia later this month.
- The two events are in the same family but offer two very different experiences – to start with one is a street circuit and the other and purpose-built race-track.
- The Superloop Adelaide 500 remains the largest domestic motorsport event in the country. It is a street circuit set up on the edge of the CBD – it's about the total city entertainment experience with great on-track racing and activity, fantastic activations

and entertainment off the track and an exciting concert series running Friday to Sunday.

When will the 2021 event date be announced?

- We are working with Supercars on revised dates for the 2021 event and are looking to have this resolved in time for their calendar release, currently planned for October.

Will the 2021 Superloop Adelaide 500 still be the season opening race of the 2021 Supercars Championship season?

- Based on today's announcement, we will not be the opening round of the Supercars Championship.
- As you can appreciate, our world-class street circuit requires significant planning and infrastructure to operate successfully.
- As a result of these factors, the Superloop Adelaide 500 will not take place in its traditional time slot of late February/early March in 2021.

If the 2021 Superloop Adelaide 500 is no longer the opening race of the Supercars Championship season, what does that mean for the event? Does the event expect a drop in attendance figures due to potential lack of interest?

- At this point in time it is impossible to predict the impact a date change and COVID-19 may have on the event in the future.
- Our focus is making the best decision for South Australia and South Australians.

If the date is moved to later in the year, what does this mean for 'Mad March' and the usual hive of activity that takes place in Adelaide during February/March?

- A date change is unlikely to affect the hive of activity during this period with events such as Adelaide Fringe, Adelaide Festival and Womadelaide still taking place.

Will the new date for 2021 be a significant change?

- It is too soon for us to comment on this.

COVID-19

How will COVID-19 impact the event in 2021?

- We are currently working with health authorities and other external stakeholders to assess all reasonable options for hosting the event safely in 2021.
- Given the ongoing uncertainty regarding the status of COVID-19, it is difficult at this point in time to forecast the possible impact it might have on the event in future,

however we will continue to monitor the situation and work with relevant stakeholders to achieve the best result for the State and our loyal fans.

COVID-19 has impacted the economy and personal finances – how will the event support this?

- We are very conscious of the affect COVID-19 will have on household finances and are working to achieve a ticket price that is respectful of the challenges being faced.

500 CLUB

Will 500 Club members be entitled to a refund if the date doesn't suit them once it is announced?

- At this stage, we are working through how the 2021 Superloop Adelaide 500 looks, with respect to COVID-19 guidelines, and ensuring we can host an incredible event that is safe for all patrons and competitors.
- Due to the ongoing uncertainty regarding the status of COVID-19, we have held off on releasing 500 Club ticket sales for the 2021 Superloop Adelaide 500 until a date is confirmed.
- Once the date for the 2021 date is determined, we will communicate this with 500 Club members.
- We are very conscious of the affect COVID-19 will have on household finances and are working to achieve a ticket price that is respectful of the challenges being faced.

PRECINCT BUILD

How much notice to you need in order to complete the circuit build in time for the event?

- The South Australian Tourism Commission hold existing contracts with suppliers which obligate all infrastructure associated with the Superloop Adelaide 500 to be built in 11 weeks and dismantled in 6 weeks (subject to unforeseen circumstances).

Will COVID-19 impact the build timelines and extend the length of park shut down/build due to social distancing i.e. less contractors/personnel allowed on site at a time?

- We are working closely with health authorities and our principal event infrastructure contractor (iEDM) to assess all reasonable options for hosting the event safely in 2021.
- Given the ongoing uncertainty regarding the status of COVID-19, it is difficult at this point in time to forecast the possible impacts COVID-19 may have on the event build.
- Event management will continue to monitor the status of COVID-19 restrictions and work with health authorities and relevant stakeholders to assess all reasonable options for building and hosting the event safely in 2021.

- Every effort will be made to ensure the build and dismantle does not exceed the existing annual timeframes, which for the past two years is down to 18 weeks.

Are there concerns that contractors will not be able to fulfil the necessary build aspects as they have done in previous years due to the date change? I.e. other contracts/commitments that means they cannot fulfil SLA500 build.

- The traditional event dates being late February / early March has seen the event held within the annual "Mad March" period when many major events occur within Adelaide. This creates issues for some suppliers within the events industry in that the majority of their annual workload is concentrated within a condensed period.
- If anything, we believe a date change may relieve supply and workload pressures for local contractors.
- Event management will be in contact with suppliers as early as possible to discuss the date change and any associated supply / delivery issues.

NAMING RIGHTS SPONSOR

Is Superloop on board for the 2021 event?

- Yes, we are in constant communication with Superloop, and all our partners and stakeholders, as we continue discussions with Supercars.
- Superloop are a fantastic naming rights partner and are totally understanding and supportive of our decision not to run in February 20201.

Temp 1, SATC (SATC)

From: Turner, Jenny (SATC)
Sent: Wednesday, 28 October 2020 7:54 AM
To: Hancock, Eleisa (DPC); Neville, Sally (DPC)
Subject: briefing note

Hi there, just wanted to let you know I will have some messaging for you re V8s shortly – so you can read before your 10am meeting with Rod/Hitaf.
Jenny

Jenny Turner
Senior Manager, Corporate and Government Communications | Corporate Communications

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Temp 1, SATC (SATC)

From: Turner, Jenny (SATC)
Sent: Thursday, 29 October 2020 10:11 AM
To: Hancock, Eleisa (DPC); Neville, Sally (DPC); Hurn, Ashton (DPC)
Subject: RE: revised...

Will triple check – Hitaf and Rod are on the phone to Supercars now.
FYI what time is the Premier calling Superloop – can it be later this arvo (4.30ish, in line with our other comms).

- 1000 - Contact Supercars (RH/HR)
- 1100 – Advise Laura at TLA and internal comms (JT/AF/HR)
- 1100 – Priority staff/supplier contacted JM, BG (Ali/HR)
- 1100 - AF to brief Digital Producer. DP to liaise with JT, HR and AF to develop assets for website and socials
- 1200 – The Bend contacted (RH/HR)
- 1400 – Contact Matt Smith, Advertiser (JT)
- 1545 – Letter to Unions sent (SR/LW)
- 1600 – SA500 Staff advised in confidence via Teams
- 1600 – Key stakeholder phone calls - including iEDM (Ali, Clint, HR)
- 1630 – Sponsor contacted (CH/Premier)
- 1630 – ESA staff advised in confidence via Teams (HR)
- 1630 – Motorsport Australia contacted (HR)
- 1630-2000 – Follow-up phone calls / visits (AM/CH/HR)
- 1830 – All SATC staff email from Rod (JT)
- 2200 – 500 Club EDM goes out (Socials manage response
- 2359 – The Advertiser online embargo lifted (Speedcafe and Supercars.com TBC)

Jenny Turner
Senior Manager, Corporate and Government Communications | Corporate Communications

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[redacted]





















Temp 1, SATC (SATC)

From: Turner, Jenny (SATC)
Sent: Thursday, 29 October 2020 1:40 PM
To: Hancock, Eleisa (DPC)
Cc: Hurn, Ashton (DPC); Neville, Sally (DPC)
Subject: RE: Media release + TDU comments
Attachments: SLA500 actions.docx

Thanks, see below straight media release... I'll call him and give him some background but we can assume he will come straight to you and then Shahin? See attached actions from our end.

Re TDU – Hitaf says we won't be ready tomorrow – that they won't have details til maybe Monday? She's on the phone so haven't been able to pin her down.

The South Australian Tourism Commission has today announced that the Superloop Adelaide 500 will not go ahead in 2021, with the contract not being renewed for future years.

This difficult decision was made after careful consideration of a number of factors, namely the impact of COVID-19 on one of the biggest event-builds in the state and the inability to recoup costs in a pandemic.

SATC chief executive Rodney Harrex said South Australia remains a strong supporter of Supercar racing, and would continue to promote the state as a venue for future events.

"South Australia is one of the premiere event locations in the nation and globe, and we will continue to invest in a range of sporting, cultural and arts events to stimulate the visitor economy," Mr Harrex said.

"Due to the high level of uncertainty around the ability of the event to proceed in 2021, the likely impact on the event for both the consumer and commercial market, and the long-term decline in the core motorsport fan, a decision has been made that it will not be possible to hold the race next year, and to not seek a contract for future years.

"We have been in discussions with Supercars for the majority of this year, working through possible scenarios. At the end of the day, with the current set of circumstances we are not in a position to deliver a sustainable, successful future for the event for next year and beyond.

"This was not an easy decision to make. The Superloop Adelaide 500 has been part of our event landscape since 1999.

"We have a terrific world-class motor racing facility at The Bend. We are very fortunate to have had significant private investment in that circuit, and we already know the motoring faithful are keen to support ongoing races there."

South Australian Tourism Commission chair Andrew Bullock said the Superloop Adelaide 500 has been a wonderful event for the state.

"We want to thank the thousands of loyal fans, commercial supporters, staff, officials, volunteers and suppliers who have worked on this event over the journey," he said.

"We are committed to delivering world class events and driving the visitor economy back to its record pre-COVID value of $8.1 billion."

The Superloop Adelaide 500 funds will be repurposed to secure and support a mix of ongoing and one-off events, continuing to drive visitation to and economic benefit for South Australia.

Jenny Turner
Senior Manager, Corporate and Government Communications | Corporate Communications

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From: Hancock, Eleisa (DPC) <Eleisa.Hancock@sa.gov.au>
Sent: Thursday, 29 October 2020 1:35 PM
To: Turner, Jenny (SATC) <Jenny.Turner@sa.gov.au>
Cc: Hurn, Ashton (DPC) <Ashton.Hurn@sa.gov.au>; Neville, Sally (DPC) <Sally.Neville@sa.gov.au>
Subject: Media release + TDU comments

OFFICIAL

Hey Jen
Can you shoot through the final media release that you plan to send to Matt?
Also, as discussed, can you flick through updated messaging re: TDU?

I'm just putting a document together for the presser tomorrow.
Cheers
Eleisa

Eleisa Hancock
Senior Media Adviser | Premier of South Australia

Mobile: [redacted] | Email: eleisa.hancock@sa.gov.au

Office of the Premier
of South Australia

SLA500 actions – Thursday 29, 2020

Key calls/actions		
When	**Who**	**Responsible to call**
1000	Contact Supercars	Hitaf/RH
1100	Confirm comms materials	Rod/JT/HR
1300	Finalise all comms	JT
1400	Follow up email to Supercars TBC	RH
1400	Advise Laura at TLA and internal comms	JT/HR
1400	Priority staff/supplier contacted – iEDM, JM, BG	AMcD/HR
1400	Brief Digital Producer. DP to liaise with JT, HR and AF to develop assets for website and socials	AMcD
1400	The Bend Sam Shahin	HR/RH
1430	Matt Smith Advertiser	JT
1630	Email to Union	LW
1800	Phone calls to Superloop • Premier to call Bevan Slattery • Clint to call Michael Blake	
1800	ESA and SA500 staff advised by phone	HR/CH/AMcD
1830	HR email to impacted staff * check that all have been contacted before sending	LW/SR
1830	Email to SATC Board	JT
1830-2000	Key sponsor/commercial partner calls	CH/AMcD/HR
1830-2000	Key SATC contacts • City of Adelaide CEO/Lord Mayor • Ian Horne, AHA • TicSA - Andrew Bullock	Rod
1830	Motorsport Australia	HR
1900	Email to all SATC staff	JT
2130	500 Club EDM goes out (ESA social manage response)	Clint/AMcD
2359	The Advertiser goes live	JT

Temp 1, SATC (SATC)

From: Turner, Jenny (SATC)
Sent: Thursday, 29 October 2020 5:09 PM
To: Hancock, Eleisa (DPC)
Subject: RE: MR
Attachments: 301020 - Media release - Adelaide farewells Supercars.pdf

Any typos??

Jenny Turner
Senior Manager, Corporate and Government Communications | Corporate Communications

South Australian Tourism Commission
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From: Hancock, Eleisa (DPC) <Eleisa.Hancock@sa.gov.au>
Sent: Thursday, 29 October 2020 4:48 PM
To: Turner, Jenny (SATC) <Jenny.Turner@sa.gov.au>
Subject: MR

OFFICIAL

Hey Jen
Can you shoot me your final release in a pdf doc?

Eleisa Hancock
Senior Media Adviser | Premier of South Australia

Mobile: [redacted] **|Email:** eleisa.hancock@sa.gov.au

Office of the Premier of South Australia

South Australian Tourism Commission

30 October 2020
MEDIA RELEASE

ADELAIDE FAREWELLS SUPERCARS

The South Australian Tourism Commission has today announced that the Superloop Adelaide 500 will not go ahead in 2021, with the contract not being renewed for future years.

This difficult decision was made after careful consideration of a number of factors, namely the impact of COVID-19 on one of the biggest event-builds in the state and the inability to recoup costs in a pandemic.

SATC chief executive Rodney Harrex said South Australia remains a strong supporter of Supercar racing, and would continue to promote the state as a venue for future events.

“South Australia is one of the premiere event locations in the nation and globe, and we will continue to invest in a range of sporting, cultural and arts events to stimulate the visitor economy,” Mr Harrex said.

“Due to the high level of uncertainty around the ability of the event to proceed in 2021, the likely impact on the event for both the consumer and commercial market, and the long-term decline in the core motorsport fan, a decision has been made that it will not be possible to hold the race next year, and to not seek a contract for future years.

“We have been in discussions with Supercars for the majority of this year, working through possible scenarios. At the end of the day, with the current set of circumstances we are not in a position to deliver a sustainable, successful future for the event for next year and beyond.

“This was not an easy decision to make. The Superloop Adelaide 500 has been part of our event landscape since 1999.

“We have a terrific world-class motor racing facility at The Bend. We are very fortunate to have had significant private investment in that circuit, and we already know the motoring faithful are keen to support ongoing races there.”

South Australian Tourism Commission chair Andrew Bullock said the Superloop Adelaide 500 has been a wonderful event for the state.

“We want to thank the thousands of loyal fans, commercial supporters, staff, officials, volunteers and suppliers who have worked on this event over the journey,” he said.

“We are committed to delivering world class events and driving the visitor economy back to its record pre-COVID value of $8.1 billion.”

The Superloop Adelaide 500 funds will be repurposed to secure and support a mix of ongoing and one-off events, continuing to drive visitation to and economic benefit for South Australia.

MEDIA CONTACT: Jenny Turner, +61 412 155 245 | jenny.turner@sa.gov.au

Temp 1, SATC (SATC)

From: Rasheed, Hitaf (SATC)
Sent: Thursday, 29 October 2020 8:14 PM
To: Neville, Sally (DPC)
Cc: Harrex, Rodney (SATC); Ferraro, Carmela (SATC); Turner, Jenny (SATC)
Subject: Stats
Attachments: Superloop Adelaide 500 _ Stats.pdf

Sally
Here are event stats over the history of the event that we compiled.
I suggest we just talk about general decline in corporate revenue.
Thanks
Hitaf

Hitaf Rasheed
Executive Director | Events South Australia

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Superloop Adelaide 500 – Key Statistics

	1999	2000	2001*	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Economic Benefit	$13.7m	$16.9m	$14.3m	$16.2m	$19.7m	$23.1m	$26.0m	$26.9m	$30.1m	$31.32m	$33.5m#	$33.76m	$34.03m	$34.01m	$36.63m
Job Creation (FTE)	250	275	290	260	320	340	360	380	408	410	420#	411	407	400	420
Visitor Bed Nights	30,600	39,500	43,400	47,100	65,000	69,000	69,400	81,400	67,898	69,054	64,900	65,945	61,266	69,750	79,394
Interstate/International Visitors	7,300	13,100	6,400	8,500	10,800	11,500	15,600	14,000	14,724	14,600	13,600	12,848	12,529	13,042	15,053
Media Benefit	$24.7m	$30.47m	$32.5m	$35m	$48.9m	$54.3m	$71.1m	$80m	$108m	$114m	$129m	$133m	$136m	$141m	$150m
Event Attendance	162,000	164,000	166,800	171,200	213,600	237,400	255,600	270,300	276,900	291,400	272,800	277,800	270,800	263,400	286,500

* Impact of Sydney Olympics and introduction of GST, # Impact of $20 million Pit Pavilion and shade structure, # Final year of Clipsal by Schneider Electric as Naming Rights Sponsor, ^ Capacity reached (tickets sold out)

	2014	2015	2016	2017#	2018	2019	2020
Economic Benefit	$35.99m	$39.76m	$40.4m	$39.4m	$41.94m	$45.9m	$38.61m
Job Creation (fulltime equivalent)	401	440	440	426	434	435	353.9
Visitor Bed Nights	60,186	67,597	72,234	72,435	81,052	90,001	89,552
Interstate/International Visitors	11,818	12,963	13,518	11,604	12,197	15,200	11,906
Media Benefit *(reported as PR value only from 2018)*	$157m	$167m	$179.5m	$156.5m	$98.34m	$116.35m	$94.5
Event Attendance	273,600	285,600	263,500	244,350	273,500	254,000	206,350

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FOI 14c/2020 (#88133655)

Mr Peter Malinauskas MP
Leader of the Opposition
Parliament House
North Terrace
ADELAIDE SA 5000

Dear Mr Malinauskas

RE: FREEDOM OF INFORMATION APPLICATION

I refer to your application received by the South Australian Tourism Commission (SATC) on 30 October 2020 under the *Freedom of Information Act 1991* (the Act) requesting access to:

> *All documents (including but not limited to physical, electronic, or written briefs, internal discussion papers, minutes, emails, diary entries and any other correspondence) between the South Australian Tourism Commission and the Office of the Premier concerning the Adelaide 500 between 20 February 2020 and 30 October 2020.*

DETERMINATION

I have identified 14 documents which fall within the scope of your FOI request. I have examined these documents and files in accordance with the FOI Act. Documents can be identified by their reference numbers. An index has been attached for your reference. Please refer to Appendix 1.

Documents Fully Released
Pursuant to Section 19 of the FOI Act, I have determined to fully release one (1) document, namely document 14. Please find this document enclosed in its entirety.

Documents Partly Exempt
Pursuant to Section 20(4) of the FOI Act, I have determined to part-exempt eleven (11) documents, namely documents 1, 2, 4 to 11 inclusive and 13. Please find these documents enclosed with the exempt information omitted.

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Documents Fully Exempt
Pursuant to Section 20(4) of the FOI Act, I have determined to fully exempt two (2) documents, namely documents 3 and 12. The attachment mentioned in document 12 has also been exempted.

Please note that some documents have been redacted in white as the information is out of scope.

The following provides my reasons for exempting the information:

Documents 3 and 12 - Fully Exempt

Pursuant to Section 20(1) of the FOI Act, I have determined to fully exempt documents 3 and 12 pursuant to clause 9(1)(a) – Internal working documents - of Schedule 1 of the FOI Act.

Clause 9(1) – Internal working documents states:

9—Internal working documents

(1) A document is an exempt document if it contains matter—
(a) that relates to—
(i) any opinion, advice or recommendation that has been obtained, prepared or recorded; or
(ii) any consultation or deliberation that has taken place,
In the course of, or for the purpose of, the decision-making functions of the Government, a Minister or an agency; and
(b) the disclosure of which would, on balance, be contrary to the public interest.

Document 3 is an internal working document of the agency. The document was prepared for the purpose of seeking advice and direction in the decision-making function of the agency. This document satisfies the criteria in clause 9(1)(a).

Document 12 is a draft of SATC paper regarding its proposed communications. The document was an internal working draft for the purpose of assisting the SATC clarify its position on a range of matters. It contains information that is not complete and is inaccurate. There is also information that is still ongoing and has not been finalised with third parties or did not eventuate. This document satisfies the criteria in clause 9(1)(a).

In considering the public interest component of this determination, I had regard to the need for transparency and openness of Government and the public having an interest in understanding the decision-making processes of Government. I consider, however, that on balance, disclosure of the information would be contrary to the public interest, having had regard to the adverse consequences that could

reasonably be expected to flow from disclosure as discussed above. This includes the ability of the agency to seek frank advice and direction regarding the future staging of an event and consider all factors involved in the decision making. It is also contrary to public interest to release drafts of documents that are not the final versions, particularly as this can result in inaccurate or incomplete information being released to the public.

Document 3 – Fully Exempt

In addition to Clause 9(1)(a), document 3 is also exempt under clauses 7(1)(c) – Documents affecting business affairs; clause 13(1)(a) – Documents containing confidential material and clause 16(2) – Documents concerning the operations of agencies - of Schedule 1 of the FOI Act.

Clauses 7(1)(b) and 7(1)(c) state:

7—Documents affecting business affairs

(1) A document is an exempt document—

(b) if it contains matter—

(i) consisting of information (other than trade secrets) that has a commercial value to any agency or any other person; and

(ii) the disclosure of which—

(A) could reasonably be expected to destroy or diminish the commercial value of the information; and

(B) would, on balance, be contrary to the public interest; or

(c) if it contains matter—

(i) consisting of information (other than trade secrets or information referred to in paragraph (b)) concerning the business, professional, commercial or financial affairs of any agency or any other person; and

(ii) the disclosure of which—

(A) could reasonably be expected to have an adverse effect on those affairs or to prejudice the future supply of such information to the Government or to an agency; and

(B) would, on balance, be contrary to the public interest.

Consultation was undertaken with Supercars in accordance with section 27 of the FOI Act. Supercars has objected to the release of some information as it believes the information concerns its business, commercial and financial affairs.

On application of clause 7, the documents meet the criteria of 7(1)(b) and (c) as they have commercial value and also concern the business and commercial affairs of the third party and the SATC.

The information contains confidential commercial, business and financial information that could adversely impact Supercars' reputation and its relationship with its corporate and government partners and stakeholders and placing it at a significant disadvantage in a highly competitive sector.

In considering the public interest component of this determination, I had regard to the need for transparency, openness and accountability within Government and the public having an interest in understanding the decision-making processes of Government. I consider, however, that on balance, disclosure of the information would be contrary to the public interest, having had regard to the adverse consequences that could reasonably be expected to flow from disclosure as discussed above. This includes exposure to commercial damage that would impact on the third party and infringe its competitiveness in the marketplace.

Clauses 16(1) and 16(2) state:

16—Documents concerning operations of agencies

1) A document is an exempt document if it contains matter the disclosure of which—

(a) could reasonably be expected—

(iv) to have a substantial adverse effect on the effective performance by an agency of the agency's functions; and

(b) would, on balance, be contrary to the public interest.

(2) A document is an exempt document if—

(a) it relates to an agency engaged in commercial activities; and

(b) it contains matter the disclosure of which could prejudice the competitiveness of the agency in carrying on those commercial activities.

I note that the SATC is engaged in commercial activities, which leads to the application of clause 16.

The SATC operates in a highly competitive event market. The ability to undertake confidential negotiations and share commercially sensitive information is one of the ways the SATC can maximise its competitiveness as well as ensure that the state receives the best possible outcome.

This information is sensitive and has commercial value for the third party. It is crucial that when the SATC enters confidential negotiations and arrangements, the agency can be relied upon to keep commercially sensitive information confidential. If the SATC cannot guarantee confidentiality, it is reasonable to expect that event promoters and corporations would be reluctant to enter future contractual relationships with the SATC to stage events in South Australia. This would clearly give competitors a commercial advantage over the State and seriously weaken the State's ability to secure new international and national events.

The information also reveals confidential internal insights on how the SATC works with event companies and promoters. This has commercial value to the SATC and to disclose it would provide competitors with knowledge that could be used to compromise / outweigh the SATC's negotiations with event organisers.

In considering the public interest component of clause 16(1), I have had regard to the need for transparency of government. I consider however, that on balance, disclosure of these documents would be contrary to the public interest, having had regard to the adverse consequences that could reasonably be expected to flow from disclosure, including the breach of confidentiality, the loss of confidence in the agency and the flow on effect to the State's economy.

Clause 13(1)(a) states:

13—Documents containing confidential material

(1) A document is an exempt document—
(a) if it contains matter the disclosure of which would found an action for breach of confidence; or
(b) if it contains matter obtained in confidence the disclosure of which—
(i) might reasonably be expected to prejudice the future supply of such information to the Government or to an agency; and
(ii) would, on balance, be contrary to the public interest.

Certain information in the document constitutes confidential information under clause 13(1)(a) of the FOI Act. The exempt information is genuinely confidential information and is required to be kept confidential. The SATC is obliged to keep this information confidential. The disclosure of this information would constitute a breach of confidence.

Certain information in the document constitutes confidential information under the FOI Act. The information in the documents is exempt as the information was provided under a contractual duty of confidence and cannot be disclosed. The SATC is obliged to keep this information confidential. Breaching confidentiality would constitute a breach of confidence and create a legal liability for the State.

Therefore, I have determined that this information is exempt under clause 13(1)(a) and 13(1)(b) of Schedule 1 of the FOI Act.

Document 9 - Partially Exempt

Pursuant to Section 20(1) of the FOI Act, I have determined to partially exempt document 9, pursuant to clause 9(1)(a) – Internal working documents.

Document 9 is a draft of an SATC paper regarding communications. It is not the final document released (the final document is Document 10). There is also information that is still ongoing and has not been finalised with third parties or did not eventuate. This document satisfies the criteria in clause 9(1)(a).

In considering the public interest component of this determination, I had regard to the need for transparency and openness of Government and the public having an interest in understanding the decision-making processes of Government. I consider, however, that on balance, disclosure of the information would be contrary to the public interest as the drafts of the documents are not the final versions, which if released could result in inaccurate or incomplete information being released to the public.

Document 13 and Attachment

Pursuant to Section 20(1) of the FOI Act, I have determined to partially exempt document 13, which includes the attachment pursuant to clauses 7(1)(b) and (c) – Documents affecting business affairs; clause 9(1)(a) – Internal working documents; clause 13(1)(a) – Documents containing confidential material; and clause 16(1) and (2) – Documents concerning the operations of agencies - of Schedule 1 of the FOI Act.

Clause 9(1)(a) – Internal Working Documents
The attachment to document 13 is an internal working document of the agency. The document was prepared for the purpose of making recommendations that were made for the purpose of the decision-making function of the Minister and the agency. Document 13 is also a draft document. This document satisfies the criteria in clause 9(1)(a).

Clauses 7(1)(b) and (c) - The information has a commercial value to the third party and concerns the third party's commercial and financial affairs
The redacted information in the document and certain information in the attachment relates to Supercars' fees for hosting a round of the Supercars Championship event. This information clearly constitutes intimate business, commercial and financial affairs of the party. Disclosure of this information would almost certainly have an adverse effect on Supercars' affairs as it would reveal its fees to other states that host Supercars events, placing Supercars at a significant commercial disadvantage.

The information also includes other highly sensitive commercial and business details concerning Supercars' commercial arrangements with the agency. Disclosure of this information would reveal Supercars' approach to its business dealings as well as how it negotiates with its commercial partners, placing it at a significant disadvantage in a highly competitive event sector and also having an adverse effect on its ability to conduct business and generate profit.

The attachment also discloses highly sensitive and confidential commercial and business strategies, outcomes, and financial affairs of Supercars. If this information was to be disclosed, it would provide competitors with information that is of substantial commercial value to Supercars. It provides information about Supercars' business models that is unique to its operations. This information is not in the public domain or known to Supercars' competitors in the sporting industry and would not otherwise be made available to other parties. Disclosure of this information would provide competitors with significant insight into Supercars' processes and commercial approaches, providing them with a significant and unfair advantage in highly competitive sporting and event sectors.

Clauses 7(1)(b) and (c) - The information has a commercial value to the SATC and concerns the SATC's commercial and financial affairs
The redacted information in the document also contains the business and commercial affairs of the SATC. It contains information that has value for the SATC in regard to existing and future SATC negotiations with the third party. Should this information be released, the SATC and State Government would suffer a loss of commercially sensitive information that would hinder its ability to negotiate and place it a disadvantage.

Clause 7(1)(c) - Prejudice the future supply of information to the SATC
It is crucial that when the SATC enters commercial arrangements with third parties that the SATC can be relied upon to keep commercially sensitive information confidential. If the SATC cannot guarantee confidentiality, it is reasonable to expect that national and international bodies and corporations may be reluctant to deal with the SATC in future projects. Consequently, this would seriously diminish the SATC's ability to secure new events that deliver strong economic and job outcomes for South Australians.

Further, it is reasonable to expect that disclosure may prevent the future supply of such information to the SATC, as national sporting bodies and major event organisers in general do not expect such commercially and financially sensitive information to be disclosed to the public.

Clause 16(1) and (2) – Documents concerning the operations of agencies
The events industry is an extremely competitive environment where South Australia competes against other States, private promoters and sponsors to bid for and secure major events. It is therefore crucial that when the SATC enters commercial contracts and negotiations with third parties that the SATC can be relied upon to keep that commercial information confidential. Breaching confidentiality would seriously damage the State's reputation. If the SATC cannot guarantee confidentiality, it is reasonable to expect that both the sporting body connected with the event and, more broadly national and international sporting bodies would be reluctant to enter into future contractual relationships with the SATC to stage events in South Australia. This would clearly give competitors a commercial advantage over the State and seriously weaken the State's ability to secure new international and national events.

In considering the public interest component of clauses 7(1)(b) and (c) and 16(1), I have had regard to the need for transparency of government. I consider however, that on balance, disclosure of these documents would be contrary to the public interest, having had regard to the adverse consequences that could reasonably be expected to flow from disclosure, including the breach of confidentiality, the loss of confidence in the agency, harm to the third party in revealing commercial sensitive information which would impinge their ability to sell and/or optimising is assets and thereby potentially reducing the revenue and profitability

Clause 13—Documents containing confidential material
Certain information contained in the document and the attachment constitutes confidential information under the FOI Act. The information in the documents is exempt as the information was provided under a contractual duty of confidence and cannot be disclosed. The SATC is obliged to keep this information confidential. Breaching confidentiality would constitute a breach of confidence and create a legal liability for the State.

Therefore, I have determined that the redacted information in the document and the information in the attachment is exempt under clause 13(1)(a) of Schedule 1 of the FOI Act.

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Documents 1, 2, 4 to 11 inclusive and 13
Some redacted information in these documents are also exempt under Clause 6(1) – Documents affecting personal affairs - of Schedule 1 of the FOI Act.

Clause 6(1) of Schedule 1 of the Act states that:

6—Documents affecting personal affairs

(1) A document is an exempt document if it contains matter the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

Personal information has been redacted in these documents. The information redacted is related to mobile phone numbers. This personal information should not be disclosed in accordance with clause 6(1), as it is unreasonable to disclose their personal affairs without their permission.

If you are dissatisfied with this determination, you are entitled to exercise your rights to review and appeal as outlined in the attached documentation, by completing the "Application for Review of Determination" and returning the completed form along with the application fee of $37.50 to Mr Rodney Harrex, Chief Executive, SATC, GPO Box 1972, Adelaide SA 5001.

Should you have any enquiries in relation to this letter, please contact me on telephone 8463 4518.

Yours sincerely

Carmela Ferraro
Accredited Freedom of Information Officer
South Australian Tourism Commission

24 March 2021

SOUTH
AUSTRALIA