

Not relevant




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MTOR08/007CS

Minister for Tourism's Item (Jane Lomax-Smith)
APPROVED

Not relevant



CABINET COVER SHEET

1. **TITLE:** Bid to secure Lance Armstrong to make his comeback race the Tour Down Under in January 2009.
2. **MINISTER:** **Jane Lomax-Smith**
Minister for Tourism
3. **PURPOSE** To seek Cabinet's approval for USD\$1 million (approximately AUD \$1.2m) to secure for Adelaide the return to cycling of Lance Armstrong at the Tour Down Under.
4. **IDENTIFY THE RELEVANT GOVERNMENT POLICY AND/OR SA's STRATEGIC PLAN TARGET** This proposal contributes to the following South Australian Strategic Plan Targets:

T1.1 Economic growth: exceed the national economic growth rate by 2014.

T1.15 Tourism Industry: increase visitor expenditure in South Australia's tourism industry from \$3.7 billion in 2002 to \$6.3 billion by 2014.
5. **ICT COMPONENT** Does the submission have a material ICT Component?
No
6. **RESOURCES REQUIRED FOR IMPLEMENTATION** USD \$1 million is required (approximately AUD \$1.2 million) to secure Lance Armstrong's participation in the 2009 Tour Down Under.
7. **COMMUNITY AND ENVIRONMENTAL IMPACT** It is estimated that Lance Armstrong's presence would double the number of event specific visitors from 15,000 to 30,000 and increase the economic impact from \$17.3 million to almost \$30 million.

It could also see a quadrupling of media attention for South Australia – which last year generated \$40 million in exposure. This could increase to almost \$200 million in media value in the build up and during the event.

Due to Lance Armstrong's commitment to raising awareness of cancer, Lance would also promote South Australia's credentials in cancer research and treatment if we were to secure his participation in this event.

Does the submission have an impact on business? **No**

There are no business compliance costs associated with this submission.
8. **RISKS** No risks are associated with this submission.
9. **CONSULTATION** Due to Lance Armstrong's management requiring that these negotiations be kept confidential, consultation has been kept to a minimum.

10. COMMUNICATION STRATEGY

Lance Armstrong's management have indicated that they will make a decision about his comeback event on Wednesday 24 September. In the event that South Australia is successful, the Premier will be invited to be part of the announcement.

A full communication and marketing strategy will then be developed for the 2009 Tour Down Under and the lead up to the event.

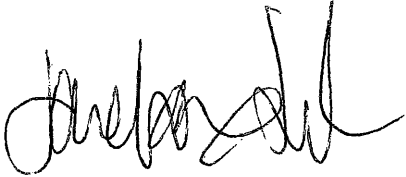
11. URGENCY

This is not within the ten day rule due to the deadline from Lance Armstrong's management.

12. RECOMMENDATIONS

4.1 That Cabinet approves appropriation and expenditure authority of USD\$1m (approx \$1.2m) to the South Australian Tourism Commission in 2008/09 to secure Lance Armstrong's participation in the Tour Down Under.

I declare that I have no actual or potential conflict of interest in relation to the proposals contained in this submission.



Jane Lomax-Smith
MINISTER FOR TOURISM

Date 22/11/08

Contact Officer: Julia Sumner – 8226 3873

TO: THE PREMIER FOR CABINET

RE: Bid to secure Lance Armstrong to make his comeback race the Tour Down Under in January 2009

1. PROPOSAL

1.1 To seek Cabinet's approval for USD\$1 million (approximately AUD \$1.2m) to secure for Adelaide the return to cycling of Lance Armstrong at the Tour Down Under.

2. BACKGROUND

2.1 On September 9, Armstrong announced he would make a return to professional cycling with his aim to compete in the 2009 Tour De France.

2.2 Apart from attempting to win an unprecedented eighth Tour De France (he won seven from 1999-2005), Armstrong declared his comeback was to raise global awareness and funds for cancer research and cure.

2.3 Lance Armstrong is the biggest name in world cycling, and one of the two most famous sports people (along with Tiger Woods). Through his successful battle with testicular cancer he has an elevated status that transcends sport.

2.4 Since retiring, Armstrong has set up the Lance Armstrong Foundation (LAF) that aims to empower cancer survivors to live life on their own terms and raise awareness of the fight against cancer.

2.5 A trademark of the LAF is the yellow **LIVESTRONG** wristband, of which 60 million have been sold. The LAF has raised in excess of USD \$250million.

3. DISCUSSION

3.1 *Commitment to Lance Armstrong*

3.1.1. USD \$1million is required to secure Lance Armstrong for the 2009 Tour Down Under Event. His management (Bill Stapleton) has been clear that this is the asking price. He will ride one race for free – the Tour De France. He is only considering a few other events including the Tour of California. His asking price is the same for each event.

3.1.2 Exposure for his charity and for cancer research and treatment. In this regard letters from the Premier, Federal Minister of Health and the head of the Anti Cancer Council speaking to the State and the country's credibility in the area of cancer research and treatment have been organised.

3.2 Commitment from Lance Armstrong

- 3.2.1 The Premier will be part of the official announcement of Armstrong's comeback– scheduled for September 24 New York time (early morning Thursday in Australia).
- 3.2.2 Armstrong would promote the TDU before and during the January event. He would also hold various media conferences during the event.
- 3.2.3 He would attend the TDU Legends Night Dinner and be interviewed on stage.
- 3.2.4 SATC will negotiate another business event (two hour function where he would be interviewed on stage for 30-45 minutes).
- 3.2.5 Possible auction/raffle to ride with Lance Armstrong.
- 3.2.6 Put his name and image to TDU merchandise: appearance in the Victoria Square Tour Village, general use of his image.
- 3.2.6 Exposure of SA's credentials in cancer research and treatment.
- 3.2.7 Possible naming of a cancer health facility or building.

3.3

Confidentiality

- 3.3.1 Armstrong's management have asked for absolute confidentiality on details of any deal struck between the SA Government and team Armstrong.

3.4

3.4.1 Economic, financial and budgetary implications

The SATC and its events division, Events South Australia, will use the money to finalise negotiations with Armstrong's management bringing a global focus to South Australia in January 2009 for what would be his actual comeback to competitive cycling.

It is estimated that his presence would double the number of event specific visitors (from 15,000 interstate and overseas visitors in 2008 to 30,000) and increase the economic impact from \$17.3m to almost \$30m.

It could also see a quadrupling of media attention for South Australia and the event – which last year generated more than \$40m in exposure and over 80 hours of TV globally. This could increase to almost \$200m in media value in the build up and during the event.

3.4.2 Required resources.

A one-off grant of approximately \$1.2 million would be required for the South Australian Tourism Commission in order to finalise the negotiations with Lance Armstrong's management.

3.4.3 South Australia's Strategic Plan

This proposal contributes to the following South Australian Strategic Plan Targets:

T1.1 Economic growth: exceed the national economic growth rate by 2014.

T1.15 Tourism Industry: increase visitor expenditure in South Australia's tourism industry from \$3.7 billion in 2002 to \$6.3 billion by 2014.

3.4.4 Information and Communication Technology Requirements

There are no material ICT requirements related to this proposal.

3.4.5 Staffing implications.

None

3.4.6 Impact on the community and the environment

- It is estimated that Lance Armstrong's presence would double the number of event specific visitors from 15,000 to 30,000 and increase the economic impact from \$17.3 million to almost \$30 million.
- It could also see a quadrupling of media attention for South Australia – which last year generated \$40 million in exposure. This could increase to almost \$200 million in media value in the build up and during the event.
- Due to Lance Armstrong's commitment to raising awareness of cancer, Lance would also promote South Australia's credentials in cancer research and treatment if we were to secure his participation in this event.

3.4.7 Risk Management Strategy

Armstrong's presence would mean a need for upgraded security. Depending on the Cabinet outcome it is planned to meet with Chief of Police Mal Hyde with regard to security.

3.4.8 Consultation

Due to Lance Armstrong's management requiring that these negotiations be kept confidential, consultation has been kept to a minimum.

3.4.9 Implementation Plan

A full implementation will be developed in the lead up to the 2009 event if Lance Armstrong's presence can be secured this week.

3.4.10 Communication Strategy

A full communication and marketing strategy will then be developed for the 2009 Tour Down Under and the lead up to the event.

3.4.11 Executive Council

This proposal does not need to go to Executive Council.

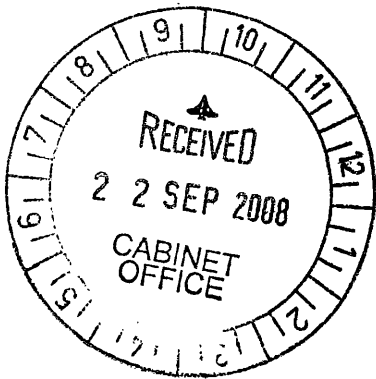
4. Recommendations

It is recommended that Cabinet:

- 4.1 Approve appropriation and expenditure authority of USD\$1m (approx \$1.2m) to the South Australian Tourism Commission to secure Lance Armstrong's participation in the 2009 Tour Down Under.

Jane Lomax-Smith
MINISTER FOR TOURISM

22/09/08



In Cabinet

22 SEP 2008

