

***Managing a world class event
- failure is not an option !***

**Melbourne Cup Carnival
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Background



- Melbourne Cup first run in 1861
- Annual Four Day Carnival (Derby, Cup, Oaks and Stakes Days)
- 28,000 Members
- Attendance over the Carnival is 400,000 (grown from 200,000 in 1993)
- National and International media coverage (120 countries, 700M people in 2008)
- Economic Benefit to Victoria in 2008 was \$366Million

Temporary Infrastructure



To accommodate a crowd the size of the City of Ballarat:

- Marquees (20,000 people per day)
- Infield Grandstand Seating
- Catering Facilities (6 contract caterers)
- Access Control System (integrity of Members' Reserve and ticketing)
- 15 Large Screens (sound and vision)
- Emergency Services (Police, Fire, Ambulance, SJAA, SES) Facilities
- Fashion on the Field Stages

Costs



- \$20Million in sunk costs each year to stage the event before gates open on Derby Day
- Since Equine Influenza in 2007, forced to take out Event Cancellation Insurance (Costs = \$1Million per annum)

Risk Considerations



FINANCIAL

- Corporate, Member and Public hospitality package price points (in light of GFC)
- Timing of package sales
- Communication Strategy (Corporate, Members and Public) (eg. content, timing, and so on)
- Event cancellation (eg. Equine Influenza)
- Quality of race fields (affects attendances and betting)
- Cash Flow (50% of revenue for the year comes from the Melbourne Cup Carnival)



Risk Considerations (contd)



EVENT READINESS AND CONTROLS

- Event Build Schedule (build commences on 31 July)
- OH&S issues (eg. compliance with the Act and Regulations as overseen by WorkSafe Victoria, staff and patron safety, crowd management and so on)
- Regulatory issues (eg. gas safety, occupancy permits, and so on)
- Crowd Limits (capped at 120,000 in 2007 and moved to pre-sold ticketed event in 2007)

Risk Considerations (contd)



OTHER:

- Weather/Flood (New track/Bund Wall)
- Public Transport 60% of attendees (2008 Oaks Day rail transport issues)
- Underage gambling and drinking
- Intoxication
- Unruly behaviour
- Neighbouring residents
- Helicopter transport
- Horse-Public interaction

Risk Considerations (contd)



OTHER (contd):

- Traffic Management (Vehicle and Pedestrian)
- Bomb Threats/Suspicious Packages
- Terrorist threat (heightened awareness post 9/11 and Bali)
- Critical Infrastructure (power, air-conditioning, gas) failure
- Emergency Management
- Reputation

Risk Management



MITIGATION STRATEGIES:

- To start with, have the right people in the right roles – the risk management frontline
- AS4360:2004 Risk Management approach
- Identify all possible risks to the event, even the most unlikely (Murphy's Law)
- Analyse them in terms of likelihood and severity of consequence
- Put plans in place to mitigate those risks

Risk Management (contd)



- Weigh the benefits of mitigating risks against the cost of not staging the event
- Don't let the cost of mitigating risks be a hindrance – the cost of not mitigating them will be an even bigger one !
- Partnerships with contractors, Police and other emergency services

Conclusion



- Risk management principles need to be applied to every aspect of planning and delivering an event such as the Melbourne Cup Carnival.
- Given the iconic status of the Carnival as a Major Event, not just in Victoria but across Australia and the economic benefit that it generates, failure to properly manage this event would have catastrophic short and long term consequences from an image, reputation and economic perspective.
- Therefore, failure is definitely not an option !

Questions

