

6.9. TOURISM PORT DOUGLAS DAINTREE FUNDING PROPOSAL

REPORT AUTHOR Tourism and Economic Development Officer

MANAGER Manager Community Services

DEPARTMENT Community Services

RECOMMENDATION

That Council:

1. **Notes the performance of Tourism Port Douglas Daintree Pty Ltd for the funding period of 1 July 2021- 30 June 2025.**
2. **Resolves to enter into a three-year Resource and Performance Agreement with Tourism Port Douglas Daintree Pty Ltd for the period 1 July 2025 – 30 June 2028, with funding of \$513,500 ex GST in 2025/2026 increased by the lesser of three (3) percent, or the Brisbane All Groups Consumer Price Index (CPI) per annum, for each subsequent year of the agreement.**
3. **Delegates authority under Section 257(1)(b) of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise, and execute any and all matters associated with the agreement.**

EXECUTIVE SUMMARY

This report sets out the obligations and outcomes of the Resource and Performance Agreement between Douglas Shire Council and Tourism Port Douglas Daintree (TPDD) for the period 1 July 2021 – 30 June 2025.

The Resource and Performance Agreement sets out the minimum requirements to be delivered, achieved, and reported for the duration of the funding period. Council Officers monitor and review TPDD's reports and performance. While it is noted that significant challenges have occurred during this funding period, TPDD have continued to deliver positive outcomes for Douglas Shire.

TPDD submitted a proposal for a new Resource and Performance Agreement commencing 1 July 2025.

It is recommended that a new three-year Resource and Performance Agreement be entered into with funding starting at \$513,500 ex GST and increasing by Consumer Price Index (CPI) (Brisbane) for each subsequent year of the Agreement.

Key Performance Indicators (KPI's) for the new agreement will focus on enhancing the organisations contribution to the community with sustainable economic growth through destination marketing, destination management and destination development.

BACKGROUND

Tourism has been identified in the Douglas Shire Economic Development Strategy 2021-2024, as a priority sector, contributing approximately 85% of GRP to the regional economy. It contributes \$742 million in total business output and supports more than 3,382 jobs.

A Resource and Performance Agreement was signed with TPDD for financial years 2021-2024 with increasing funding each year. In 2024 a further one-year extension was signed with funding of \$500,000 ex GST for financial year (FY) 24/25. This Agreement expires 30 June 2025.

It must be noted that the period covered by the Resource and Performance Agreement 2021-2025 included many significant challenges. It includes 6 months of state and international border closures due to COVID-19 ending on 17 December 2021 with a huge impact on the tourism industry.

In addition, the region experienced the devastation of Tropical Cyclone (TC) Jasper and consequent flooding in December 2023. The impacts of TC Jasper were significant and are ongoing. An Economic Impact Assessment of TC Jasper identifies a GRP loss of \$56.3 million with 100% of businesses impacted. The region continues to suffer as a result of TC Jasper due to road access issues and associated risks. Further, the region suffered more setbacks after the Far North Tropical Low in January 2025. Visitation to the region also suffers from continued cost of living pressures and increased outbound domestic travel.

TPDD's vision remains to position the Douglas Shire as a world-leading nature based sustainable destination, delivering inspirational experiences that attract high-value visitation.

Some of the highlights that TPDD has delivered toward achieving this goal are:

1. Financial - TPDDs audited accounts for FY 23/24 showed total revenue of \$697,000, expenditure of \$653,000 with a net profit of \$44,000. Retained earnings are at \$156,000.
2. Membership – FY 24 saw an increase in membership by 14% generating income totalling \$78,910
3. Marketing – TPDD have implemented a brand refresh and embarked on significant content creation and enhanced social media and broader digital activities. The content includes showcasing destination product aimed at driving conversion as well as improved sub-destination highlights to drive regional dispersal. This has resulted in significant increases in engagement and impressions as measured in the August – November 2024 period. Instagram has seen an increase of 115% in engagement and 207% increase in brand awareness. The updated website and search engine optimisation have generated 66,000 new users. Electronic direct mail activity has seen an open rate increase of 9%.

TPDD continue to deliver through key distribution partnerships, campaign activity with a focus on driving year-round visitation, domestic and international trade activity, public relations, trade and media familiarisations, and event and wedding sector activity.

4. Collateral – TPDD have produced a suite of new aspirational publications, including a refreshed Discover Paradise, a new Destination Guide, and a new Couple's Itinerary.
5. Communication and engagement – TPDD took a significant lead role in industry communications and engagement during the aftermath of TC Jasper.

TPDD's current strategic direction is to:

1. Drive year-round visitation.
2. Champion sustainability.
3. Enhance industry connectivity.
4. Support diversification of tourism offerings.
5. Create meaningful partnerships.

PROPOSAL

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3. Delegates authority under Section 257(1)(b) of the *Local Government Act 2009* to the Chief Executive Officer to negotiate, finalise, and execute any and all matters associated with the agreement.

FINANCIAL/RESOURCE IMPLICATIONS

Recommended funding for TPDD is \$513,500 ex GST for FY 24/25 and increasing by CPI (Brisbane) each subsequent year of the Agreement.

RISK MANAGEMENT IMPLICATIONS

The Resource and Performance Agreement will set out clear performance and reporting requirements including monthly board minutes, quarterly reports against the Agreement KPIs including financial results and compliance requirements provided to Council. Council Officers will monitor reporting against KPIs and liaise regularly with TPDD to ensure the objectives of the Agreement are being met.

SUSTAINABILITY IMPLICATIONS

Economic:	Investing in tourism enables a thriving Douglas economy and community. The tourism sector contributes more than 80% to the local economy.
Environmental:	Responsible environmental management is central to Douglas becoming a world-leading sustainable destination. TPDD's core strategic goals are to be a champion of sustainability.
Social:	A thriving tourism industry that considers and partners with community enables social well-being.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 1 - Celebrating Our Communities

Douglas Shire Council embraces the diversity of our communities and values the contribution that all people make to the Shire. We recognise that it is a core strength of the region. We acknowledge our past so that it may guide us in the future. We recognise the wrongs done to our Indigenous community and we actively seek to reconcile so that we may all benefit from and enjoy our Shire. We acknowledge early European settlers who forged an agricultural base for our economy, and we welcome all new arrivals as part of our broader community.

Goal 1 - We will celebrate the diversity of our community and ensure that all infrastructure, programs, and services are underpinned with inclusiveness and accessibility.

Goal 2 - We will deliver programs and services that protect and enhance the livability of our beautiful Shire.

Goal 4 - We will promote arts and cultural programs and events that bring vibrancy to the community and compliment the tourist experience.

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 2 - *We will work with partners to promote the Shire as the World's leading sustainable tropical destination and encourage business investment.*

Operational Plan 2024-2025 Actions:

New project arisen during the financial year.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Funder	Council often partly funds services, events or community organisations through grants, donations, subsidies and in-kind support. Council will apply robust governance to ensure that such funding is fair and appropriate.
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CONSULTATION

Internal: Council staff have been consulted in the preparation of this proposal. Councillors have been consulted in Workshops on 18 March 2025 and 15 April 2025.

External: Representatives of TPDD have been consulted in the preparation of this report.

ATTACHMENTS

Nil