

## **5.7. TOURISM PORT DOUGLAS DAINTREE RESOURCE AND PERFORMANCE AGREEMENT 2021/2024**

<b>REPORT AUTHOR</b>	Mary Martin, Tourism and Economic Development Officer
<b>MANAGER</b>	Lisa Golding, Acting Manager People and Community Services
<b>DEPARTMENT</b>	People and Community Services

### **RECOMMENDATION**

**That Council resolves to**

- 1. Enter into a Resource and Performance Agreement with Tourism Port Douglas Daintree as a specialist service provider for destination marketing and management under S235(b) of the *Local Government Regulation 2012*, for the financial years 1 July 2021 to 30 June 2024.**
  - a. Contracted to the amount of:**
    - i. \$400,000 (Ex GST) year 2021/2022; and**
    - ii. \$450,000 (Ex GST) year 2022/2023; and**
    - iii. \$500,000 (Ex GST) year 2023/2024.**
- 2. Delegate authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to finalise the minor amendments and execute the Resource and Performance Agreement.**

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### **EXECUTIVE SUMMARY**

The Council has an existing Resource and Performance Agreement with Tourism Port Douglas Daintree (TPDD) for the purpose of developing the regional economy through the marketing of the Douglas Shire as a destination to the local and domestic markets which expires on 30 June 2021.

TPDD were asked to deliver five (5) KPI's during the tourism downturn that would allow them to be reinvigorated, innovative and equipped to deliver "game change" strategies for the following years.

The Douglas economy is significantly dependent upon tourism with more than 700,000 visitors to the region previously. The Covid 19 pandemic and resultant travel restrictions and border closures had an immediate and devastating effect on the tourism economy. The tourism sector was halted with enormous financial impacts to businesses of all sizes.

Seeking an economy that is thriving, growing and diverse the following three priority areas provide the overarching strategic direction for economic growth in the region:

1. Tourism – Diversify and expand our tourism offering
2. Agriculture – Diversify and innovate in agriculture
3. Population diversification – Targeted growth of the Shire's population

Tourism is a key pillar of the Douglas Shire Economic Development Strategy, with TPDD being the Local Tourism Body key to delivering for the visitor economy. Tourism also serves as a major influencer in population diversification. Targeted population growth through the delivery of curated and immersive experiences contributes to the Shires economic growth.

It is proposed that Council enter into a Resource and Performance Agreement with TPDD for three (3) years and collaborate closely with the Tourism Economic Development Officers to deliver on the Destination Tourism Plan, Events Strategy, Marketing and Digital strategies all developed during the 2020/21 agreement.

## **BACKGROUND**

Douglas Shire Council has provided funding to TPDD since 2006 to promote the Shire as the destination of choice to both the domestic and international tourism markets and to represent the interest of the local tourism industry to regional and national bodies.

Council has a one-year Resource and Performance Agreement with TPDD for \$250,000 for the financial year 2020/2021 which expires 30 June 2021.

TPDD also receives funding from membership subscription and co-marketing partnerships and grants.

To reflect the organisation's progress against identified Key Performance Indicators (KPI's) TPDD provides Council with quarterly progress reports and an Annual Report each year. KPI's are developed and regularly reviewed following negotiation between Council and TPDD.

KPI's for 2020-2021 include the development and delivery of:

- Marketing Strategy
- Destination Tourism Plan
- Events Strategy
- Digital Strategy
- Brand Analysis

Council is represented on the TPDD Board of Directors by a Senior Douglas Shire Council Officer. Douglas Shire Council Tourism and Economic Development Officers worked closely with TPDD and meet regularly to review performance against KPI's and collaborated on initiatives.

## **COMMENT**

The COVID -19 pandemic and resulting domestic and international border closures has had a substantial negative impact on the economic activity in the Douglas Shire.

The region has emerged as one of the most affected regions in Queensland with a loss of almost 1,000 jobs and hundreds of millions of dollars lost from the local economy. With international borders remaining closed until at least mid 2022, the path to the tourism economy recovery for the region relied entirely on domestic travelers.

Below represents a snapshot of the impacts (negative and positive) on the Douglas Shire tourism economy 2020-2021 as result of the COVID-19 pandemic:

- Pro-longed border closures and restricted aviation access has contributed to the loss of high-volume visitation from key domestic markets in Sydney and Melbourne, which is having the largest impact on the Douglas economy.
- Overall reef visits and rainforest-based tour numbers are down by 90%.
- 80% of tourism dependent businesses in the Douglas Shire were closed between March and July.
- In the months that followed the initial nationwide lockdown, visitation in the region has been bolstered by the intrastate drive market and high-value travelers accessing the destination via limited direct domestic routes.
- Loss or displacement of major events is limiting the Shire's appeal to regional visitation.
- Loss or postponement of weddings is having a major impact on creative industry professionals, who are unable to repurpose their skills into other industries.
- Domestic travelers remain nervous due to snap border closures, creating significant swings in visitor loads.
- High levels of uncertainty around the viability of businesses in the Shire is acting as a deterrent to potential workers required for essential, service-based jobs in the tourism industry.
- Late 2020 easing of restrictions and border re-openings coincides with harvesting across Regional Queensland's agricultural sector, placing further strain on the shared workforce.
- Ongoing and future workforce skills gap continue to limit tourism offerings and impact visitor experience negatively.
- Limited accessible housing opportunities for work forces.
- Caravan parks across Douglas have enjoyed high-occupancy rates as self-drive intrastate visitors want to explore the region.
- Distance from Brisbane, in comparison to other tropical destinations in Queensland, is limiting the region's market share for high-volume visitation out of Southeast Queensland.

January to March 2021 period saw a very welcome turn around for visitation to the Douglas Shire. Traveler confidence returned in March 2021 delivered occupancy of 56.5% compared with 38% occupancy March 2019. Forward bookings, particularly in the High Value Traveler segment continues to outperform pre COVID numbers.

With prolonged international border closures a real possibility, the domestic Destination Marketing space is cluttered and highly competitive. TPDD through the body of work they have delivered from the current KPI's is poised to grow their share of the domestic tourism market. The development and delivery of a Destination Tourism Plan, Events, Brand, and Digital strategies has afforded TPDD a clear view to the activities required to achieve greater market share and cut through.

2020/2021 TPDD continued to develop strategic relationships across a range of industries including media and both State and Federal Governments, gaining the reputation as the experts in Tourism with access to up to the minute insights and trends.

TPDD grew the membership base by 12 to 186 in the period with strong engagement from existing members. TPDD also worked diligently in the education and support of operators to equip them with training and information to enhance their businesses throughout the challenges of the Pandemic.

## PROPOSAL

It is proposed that the Council enter a three-year (3) Resource and Performance agreement with Tourism Port Douglas Daintree (TPDD)

- \$400,000 (GST exc) year 2021 / 2022.
- \$450,000 (GST exc) year 2022 / 2023.
- \$500,000 (GST exc) year 2023 / 2024.

It is vital that TPDD focus on the delivery of the strategic outcomes identified in the papers delivered as part of their 2020/2021 KPI's and focus on repositioning the Douglas Shire as the destination of choice.

It is also recommended that due to international border closures that TPDD increase activities in the events market, with a focus on food and music tourism. Working with TPDD, Tourism and Economic Development Officers will develop a set of KPI's that reflect the work done to date and leverage the learnings from those bodies of work to achieve economic strategies of the Shire and to position Douglas Shire as a competitive tourism destination.

## FINANCIAL/RESOURCE IMPLICATIONS

Three-year (3) Resource and Performance agreement with Tourism Port Douglas Daintree (TPDD) with financial commitment to support TPDD

- \$400,000 (GST exc) year 2021 / 2022.
- \$450,000 (GST exc) year 2022 / 2023.
- \$500,000 (GST exc) year 2023 / 2024

## RISK MANAGEMENT IMPLICATIONS

Collaboration with TPDD and the Tourism and Economic Development Officers in the development of a set of KPI's to drive growth and increase the Douglas Shire profile as a destination of choice. Monthly and Quarterly reporting and reviews on progress to delivery of KPI's and achievements against comparative markets.

## SUSTAINABILITY IMPLICATIONS

**Economic:** Nil

**Environmental:** Nil

**Social:** Nil

## 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 3** - *We will develop programs that promote health, well-being and safety in the community.*

**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.*

**Goal 3** - *We will develop strategies that seek to diversify the Shire's economic base.*

### **Operational Plan 2020-2021 Actions:**

**1.4.2** - *Review Council's Event Strategy and implement actions that attract and encourage additional events to the Shire. Identify opportunities for new events either Council or Community run.*

**2.2.1** - *Review the governance and funding model of TPDD. Refocus the key performance indicators of the organisation and build stronger ties with TTNQ.*

## **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:

**Facilitator**      Council often brings stakeholders together on important issues, projects or for service delivery. In this role, Council can act as a mediator, connector, collaborator or initiator.

**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.

**CONSULTATION**

**Internal:** Nil

**External:** Nil

**COMMUNITY ENGAGEMENT**

Nil

**ATTACHMENTS**

Nil