

## 5.8. PORT DOUGLAS GRAN FONDO FESTIVAL - RESOURCE AND PERFORMANCE AGREEMENT

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### RECOMMENDATION

#### That Council

1. **Enters into a three-year Resource and Performance Agreement with event organisers for the Port Douglas Gran Fondo Festival with \$50,000.00 (GST Incl.) in Year One; \$50,000.00 (GST Incl.) in Year Two; and \$50,000.00 (GST Incl.) in Year Three;**
2. **Offers in-kind support for each year's event with promotional assistance including through Council's mobile noticeboards if available, and during each festival with in-kind use of Port Douglas Community Hall and Port Douglas Sports Complex, if available and practicable.**
3. **Delegates authority under Section 257 of the *Local Government Act 2009* to the Chief Executive Officer to administer matters associated with the above.**

### EXECUTIVE SUMMARY

Connect Sport Australia are proposing a landmark event for the Douglas Shire entitled the Port Douglas Gran Fondo Festival. Their vision is to create an iconic, annual event that will become synonymous with Port Douglas, helping to establish the Douglas Shire as the ultimate Australian destination for people looking to combine event participation with an adventure holiday.

Following a Council Resolution on 23 February 2021, Council provided a letter of support to Connect Sport Australia to accompany their funding application to regional and state tourism bodies for the inaugural Port Douglas Gran Fondo Festival, which was originally proposed for 10-12 September 2021.

On 27 April 2021, Council received a letter from Connect Sport Australia advising that their funding application to Tourism and Events Queensland (TEQ) had been declined, due in part to a lack of financial commitment from the local government.

To allow more time to plan and deliver a world-class event, Connect Sport Australia are proposing revised dates for the inaugural festival to be 9-11 September 2022. They are requesting a three-year Resource and Performance Agreement for the Festival, to assist in delivery and promotion as well as providing some certainty for future planning. Establishing an agreement with the Connect Sport Australia will demonstrate to TEQ that Council fully supports this event and are willing to financially invest in bringing the Festival to the Douglas Shire.

The funding request is for \$50,000.00 per event for three years, with the following payment schedule proposed:

**2022 Festival Investment**

\$25,000 – September 2021 (Assist with marketing costs to launch the event 12 months out)  
\$25,000 – July 2022

**2023 Festival Investment**

\$25,000 – September 2022 (Assist with marketing costs to launch the event 12 months out)  
\$25,000 – July 2023

**2024 Festival Investment**

\$25,000 – September 2023 (Assist with marketing costs to launch the event 12 months out)  
\$25,000 – July 2024

The funding agreement from the Douglas Shire Council will be contingent on Connect Sport Australia also securing the required funding from TEQ.

**BACKGROUND**

Connect Sport Australia is a Far North Queensland-based company that runs cycling tours in Australia and Japan. They're also the leading charity cycling event company in Australia, managing charity cycling tours for various charities since 2011.

The festival format of the Port Douglas Gran Fondo encourages multiple entries into events throughout the weekend and encompasses a viewing experience at all events for spectators and locals. From smaller events through to larger-scale distance rides, the festival takes a 'something for everyone' approach, ensuring a range of events on offer for the wider cycling community to take part in.

Hosting the festival over a weekend encourages overnight visitation in the region, offering a great opportunity to promote other tourism, hospitality and retailers within the Shire as well as natural attractions like the Great Barrier Reef, Wet Tropics Rainforest and the beautiful cycling and walking trails in the region.

Events are a catalyst to stimulate our economy, generating economic development opportunities and activation of our green spaces and public places.

Council's financial commitment for the Port Douglas Gran Fondo Festival would recognise the vital role of events in attracting new, high-yield special-interest markets and generating business in both shoulder and low seasons for the entire community. These factors are significant to ensure the long-term sustainability of tourism, the region's most significant industry and employer, which has been so detrimentally affected by COVID border closures.

**COMMENT**

Following a Council Resolution on 23 February 2021, Council provided a letter of support to Connect Sport Australia to accompany their funding application to regional and state tourism bodies for the inaugural Port Douglas Gran Fondo Festival, which was originally proposed for 10-12 September 2021.

On 27 April 2021, Council received a letter from Connect Sport Australia advising that their funding application to Tourism and Events Queensland (TEQ) had been declined, due in part to a lack of financial commitment from the local government.

After feedback from TEQ to boost the economic impact of the event in its first years, Connect Sport Australia has made some changes to the original event concept, which will reduce the reliance on government funding.

Below is a summary of the original Festival concept, with key changes noted:

- **Friday**

- 4pm – 7pm - Sponsor Expo and event registration at Port Douglas Sports Complex

**Proposed change:** *Festival Expo and event registration will now commence on Saturday morning, rather than Friday night in year one. The Friday night will commence in year two.*

- **Saturday**

- 9am – 6pm - Sponsor Expo and event registration at Port Douglas Sports Complex
- 2pm – 4pm - Criterium cycling race around a closed 2.2km street circuit in front of the Crystalbrook Superyacht Marina.
- 4pm – 6pm – Criterium circuit open to families
- 6pm – Official launch at Hemingway’s Brewery
- 7pm – 9pm – 250mtr Cycling Sprint Race on Wharf Street

**Proposed change:** *The Criterium Race and Family Ride will be introduced in year two.*

- **Sunday**

- Road cycling event offering three different distance options. These are not races but participation events open to anyone who likes riding their bike:
  - 100km (Port Douglas to Palm Cove via Great Barrier Reef Drive and return back to Port Douglas)
  - 162km (Port Douglas to Palm Cove, up Quaid Road [Southedge – Wangetti Road], across to the Mulligan Highway, through Mt Molloy and Julatten before returning to Port Douglas)
  - 46km (Palm Cove to Port Douglas)
- Art Exhibition located near the Port Douglas Markets

**Proposed change:** *The main event will be reduced from three distance options to two. The 100km and 46km events will go ahead. The 162km course will be introduced in year three (this is the largest cost saving initiative).*

**Proposed change:** *Rather than Connect Sport running the Art Exhibition we will approach local art groups to run their own exhibition. We will also approach other smaller events that run within four weeks of the event to see if they would also like to be an official event within our Festival, thus creating a larger impact for all parties.*

These changes allow event organisers to substantially reduce the operational delivery budget for the event, which significantly reduces the funding request from TEQ.

## Economic Impact

With more time to launch and market the event and considering the revised operational costs, Connect Sport Australia propose the below projections:

Table 1.

Port Douglas Gran Fondo	2022 Total Budget \$	2023 Total Budget \$	2024 Total Budget \$
Economic Impact (per person) 5% increase each year	849.00	891.00	936.00
Economic Impact (Total)	4,245,000.00	6,240,150.00	9,360,225.00
Local Event Spend by Connect Sport	458,400.00	576,100.00	718,900.00
<b>Total Economic Impact</b>	<b>4,703,400.00</b>	<b>6,816,250.00</b>	<b>10,079,125.00</b>

Table 2.

Event Options	2022	2023	2024
162km Riders	0	0	1000
100km Riders	1,500	2,000	2,100
46km Riders	500	600	600
Gravel Fondo	0	200	300
Total	2,000	2,800	4,000
<b>Total Visitors (1.5 people travel with participant)</b>	<b>5,000</b>	<b>7,000</b>	<b>10,000</b>

## PROPOSAL

The proposal that Council:

1. Enters into a three-year Resource and Performance Agreement with event organisers for the Port Douglas Gran Fondo Festival with \$50,000.00 (GST Incl.) in Year One; \$50,000.00 (GST Incl.) in Year Two; and \$50,000.00 (GST Incl.) in Year Three;
2. Offers in-kind support for each year's event with promotional assistance including through Council's mobile noticeboards if available, and during each festival with in-kind use of Port Douglas Community Hall and Port Douglas Sports Complex, if available and practicable.
3. Delegates authority under Section 257 of the *Local Government Act 2009* to the Chief Executive Officer to administer matters associated with the above.

## FINANCIAL/RESOURCE IMPLICATIONS

Funding under the Resource and Performance Agreement would be met out of Council's Annual Sponsorship Budget.

## RISK MANAGEMENT IMPLICATIONS

As part of the Resource and Performance Agreement, an overall Management Plan for the event will be required, as well as appropriate permits if required.

A comprehensive Risk Management Plan will also be delivered in consultation with Queensland Police, Queensland Ambulance, Mossman Hospital, Cairns Base Hospital, professional event medical support company and Douglas Shire Council.

The three-year agreement will be disbursed in instalments as outlined above. At the conclusion of each event, a financial acquittal is to be provided to Council for assessment. Funds will only be disbursed on the successful acquittal of the previous year's funding.

## SUSTAINABILITY IMPLICATIONS

**Economic:** It's estimated that in its first year, the Port Douglas Gran Fondo Festival will attract up to 2,000 people and deliver a cash injection of over \$4.7M to the Douglas Shire economy, with a 5% growth rate each year thereafter. As the event grows and participation builds there is potential for the event to deliver over \$10M within three years.

**Environmental:** Nil

**Social:** The Port Douglas Gran Fondo encourages cycling on safe-riding routes in the Douglas Shire, contributing to the health and wellbeing of the community.

Events allow us to create a sense of place and celebrate what is unique to the Douglas Shire, helping us understand our history, culture and their significance where everybody can participate.

Events are a way to connect the community and develop our identity helping us to create resilience to endure challenging times and respect the past.

## 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 2 - We will deliver programs and services that protect and enhance the liveability of our beautiful Shire.**

**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.*

## **Theme 4 - Inclusive Engagement, Planning and Partnerships**

In delivering for our communities, economy and environment, Douglas Shire will ensure open and transparent engagement and communication. We will develop robust strategic plans and we will partner with our community and key stakeholders.

**Goal 3** - *We will recognise the critical role that our partners play in planning and delivering vital programs and services.*

## **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.

## **COMMUNITY ENGAGEMENT**

In depth community engagement and consultation will be conducted by Connect Sport Australia in the lead-up to this event to ensure broad support continues and the economic benefits are maximised across the shire.

## **ATTACHMENTS**

Nil