

ORDINARY MEETING	13
21 DECEMBER 2023	

MAJOR EVENTS SPONSORSHIP APPLICATION – RED HOT SUMMER 2024-2026

51/1/16 | #7294962

RECOMMENDATION:

That Council:

1. Enters into a three year funding agreement with RT Event Enterprises Pty Ltd to the value of up to \$150,000 (ex GST), comprised of \$50,000 per annum, to support the Red Hot Summer Tour in Cairns from 2024 to 2026 under Council's Major Events Sponsorship program;
2. Resolves in accordance with section 235(b) of the *Local Government Regulation 2012*, it is satisfied that the event provider is a Specialised Supplier and that they be added to the Sole Supplier Register for the remainder of the 2023/24 financial year; and
3. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to finalise any and all matters relating to the above.

INTERESTED PARTIES:

- RT Event Enterprises PTY LTD (Regional Touring)
 - Duane McDonald

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

EXECUTIVE SUMMARY:

RT Event Enterprises PTY LTD (Regional Touring) have applied to Council seeking Major Events Sponsorship of \$50,000 (ex GST) cash per annum in 2024, 2025 and 2026 to support the Red Hot Summer Tour. The event is proposed to be held at the Cairns Showgrounds in May each year.

Council Officers have assessed the application against the relevant assessment criteria for Major Events Sponsorship. The event performed well in this assessment, aligning with Council's strategy to support events that deliver strong economic impact to the region and foster community pride.

Based on this assessment, it is recommended that Council enters into a three-year funding agreement with the event proponent to the value of \$150,000 (ex GST) cash (\$50,000 ex GST per annum) to support Red Hot Summer in Cairns from 2024 to 2026.

BACKGROUND:

Red Hot Summer Tour is a national music festival, presenting an all-Australian line up to audiences across Australia, entering its 14th year in 2024, and held in Cairns since 2019. RT Event Enterprises PTY LTD is the event proponent.

Cairns Regional Council has previously provided sponsorship for Red Hot Summer Tour between 2019-2023 (2020 cancelled due to COVID). The event received outstanding feedback from the Cairns community and the economic impact to the Cairns Local Government Area (LGA) aligned with the key performance indicators set in the Cairns Regional Council funding agreement.

RT Event Enterprises PTY LTD have applied to Council seeking \$50,000 cash (ex GST) per annum in Major Events Sponsorship to support the delivery of the Red Hot Summer Tour in 2024, 2025 and 2026. This report provides an overview of Council Officers' review of the funding request and associated recommendations.

COMMENT:

The objective of Major Events Sponsorship funding is to attract and partner with a range of events that provide the following benefits to the Cairns Local Government Area (LGA):

- Drive regional direct economic benefits;
- Increase external visitation to the region;
- Enhance the profile and appeal of the Cairns region;
- Build local business opportunities, profile, and experience;
- Create and build community pride; and
- Provide links and promotional opportunities for Council's broader strategic goals.

The assessment criteria have a strong focus (weighting) on the economic benefits that an event is expected to deliver through visitation and destination profile.

Red Hot Summer have had independent reports commissioned to measure the economic impact and tourism data for the events in Cairns from 2021-2023. The results aligned with the minimum requirements for Major Events Sponsorship with Cairns Regional Council and delivered strong economic impact to the region. The event proponent has forecast growth for the event in the next three years based on an attractive line up of artists.

A panel of two Council Officers has undertaken an assessment of the application, which scored well against assessment criteria and corresponding objectives outlined in the Cairns & Great Barrier Reef Event Strategy 2025. Tourism Tropical North Queensland (TTNQ) has been consulted regarding the event and will provide marketing support on TTNQ owned channels.

Based on the application assessment, Council Officers recommend that Council enter into a three-year funding agreement for Red Hot Summer Tour to the value of \$150,000 (ex GST), representing \$50,000 (ex GST) cash per annum. The funding will comprise a \$40,000 (ex GST) base component and a performance component of \$10,000 (ex GST) with the latter payable subject to performance against agreed KPIs.

OPTIONS:**Option 1: (Recommended):**

That Council:

1. Enters into a three year funding agreement with RT Event Enterprises Pty Ltd to the value of up to \$150,000 (ex GST), comprised of \$50,000 per annum, to support the Red Hot Summer Tour in Cairns from 2024 to 2026 under Council's Major Events Sponsorship program;
2. Resolves in accordance with section 235(b) of the *Local Government Regulation 2012*, it is satisfied that the event provider is a Specialised Supplier and that they be added to the Sole Supplier Register for the remainder of the 2023/24 financial year; and
3. Delegates authority to the Chief Executive Officer in accordance with the Local Government Act 2009 to finalise any and all matters relating to the above.

Option 2:

That Council **does not** support the Major Events Sponsorship application for the Red Hot Summer Tour at this time.

CONSIDERATIONS:**Risk Management:**

Currently there is an increase to the costs to deliver events, activities and projects across the events industry and particularly in regional areas.

The event proponent will be required to provide an external economic impact report for each year they receive Council funding, Council may contribute to this cost at its discretion.

The annual investment will be split across two payments, with the second payment being conditional on the performance (out of region visitation) for the event. This structure provides a level of mitigation against the risk of event underperformance.

Council Finance and the Local Economy:

The economic benefits the event is expected to deliver were considered by Council Officers as part of the application assessment.

Option 1 in this report (the recommended cash contribution of \$50,000 (ex GST)) can be accommodated within Council's 2023/24 operating budget for major events. If the recommendation contained in this report is endorsed by Council, the 2025 and 2026 event funding will need to be included in Council's future OPEX budgets.

Corporate and Operational Plans:

The assessment of applications for Major Events Sponsorship is directly aligned with Focus Area 1 (Robust Economy) of Council's Corporate Plan 2021-2026. It is also aligned with Council's Operational Plan 2023-24 where implementation of the newly adopted Cairns and Great Barrier Reef Event Strategy 2025 in collaboration with Tourism Tropical North Queensland and Tourism and Events Queensland is a key action.

Policy:

Council's Major Events Sponsorship Policy has been applied in the assessment of the application. Consistent with that policy, section 235(b) of the Local Government Regulation 2012 allows an exemption to inviting written quotes or tenders where Council resolves that there is a specialised supplier, who is reasonably available to meet operational needs. Specialised Suppliers are used in instances where due to the specialised or unique services (in this instance a unique event), or where services are confidential in nature, that makes it disadvantageous or impractical to undertake a competitive procurement process.

CONSULTATION:

Tourism Tropical North Queensland were consulted during the assessment of the funding application.



Nick Masasso
Director – Economic Development & Advocacy