

**TOURISM TROPICAL NORTH QUEENSLAND LIMITED – 2025/26 EVENT FUNDING REALLOCATION REQUEST**

EDA | 58/1/2 | #7825130

**RECOMMENDATION:**

That Council:

1. Does not approve TTNQ's request for reallocation of \$225,000 (ex GST) of the 2025/26 Event Funding specified in Council's Resource and Performance Agreement with TTNQ; and
2. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to deal with any and all matters arising from the above.

**INTERESTED PARTIES:**

Tourism Tropical North Queensland Limited's Board of Directors:

- John O'Sullivan – Chair/Appointed Director
- Wayne Renolds – Deputy Chair/General Director
- Janet Hamilton – General Director
- Richard Barker – Appointed Director
- Ben Woodward – General Director
- Alan Wallish – General Director
- Janine Bowmaker – General Director
- Nikki Giumelli – General Director
- Rachael Hodges – Appointed Director

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

**EXECUTIVE SUMMARY:**

Cairns Regional Council endorsed a new four-year Resource and Performance (R&P) Agreement with Tourism Tropical North Queensland (TTNQ) in December 2024 for the period 1 July 2025 to 30 June 2029. This new agreement includes funding of \$3.525 million (ex GST) in the 2025/26 financial year, which increases to \$3.65 million (ex GST) per annum for the remaining duration of the agreement.

The R&P Agreement specifically allocates a sum of \$300,000 (ex GST) per annum as Event Funding to be utilised by TTNQ to fund the Crankworx Cairns event (in partnership with Council and others) or another major event/s approved by Council. Any reallocation of this Event Funding for an alternate purpose is subject to Council's approval at its sole discretion. In the absence of any such approval, the funding is to be repaid. The Crankworx Cairns major event was discontinued following the 2025 event which was held in May of that year.

TTNQ has, following Council's approval, allocated \$75,000 (ex GST) of the 2025/26 Event Funding towards a new major event for Cairns in 2026. TTNQ have now requested that the remaining \$225,000 (ex GST) Event Funding allocation be reallocated to the following initiatives:

1. Marketing activity to support Cairns as a mountain biking destination; and
2. Extending TTNQ's subvention funding program to continue to secure additional business events for Cairns.

Whilst the proposed initiatives support the broader objectives of the R&P Agreement, they are contrary to the intended purpose of the Event Funding, which is specifically allocated to support major event attraction and retention. Accordingly, it is recommended that TTNQ's request not be approved and that Council Officers continue to work collaboratively with TTNQ, TEQ and other stakeholders to secure additional major events for the Cairns region.

### **BACKGROUND:**

Council works in partnership with Tourism Tropical North Queensland Limited (TTNQ) whose role is to facilitate sustainable economic growth in the tourism sector and the development of broader opportunities for the tourism industry in the Tropical North Queensland (TNQ) region.

In December 2024, Cairns Regional Council endorsed a new four-year Resource and Performance (R&P) Agreement with Tourism Tropical North Queensland (TTNQ) which came into effect on 1 July 2025. This new agreement includes a total funding allocation of \$3.525 million (ex GST) in the 2025/26 financial year, which increases to \$3.65 million (ex GST) per annum for the remaining duration of the agreement.

Within the total annual funding referred to above, the R&P Agreement specifically allocates a sum of \$300,000 (ex GST) per annum as Event Funding which was to be utilised by TTNQ to fund Crankworx Cairns (in partnership with Council and others) or another major event/s approved by Council. Any reallocation of this Event Funding for an alternate purpose/s is subject to Council's approval at its sole discretion. In the absence of any such approval, the funding is to be repaid. Crankworx Cairns major event was discontinued following the 2025 event which was held in May of that year.

In December 2025, Council approved TTNQ to utilise up to \$125,000 (ex GST) of the 2025/26 Event Funding allocation on 10 December 2025 to fund a new major event in Cairns. \$75,000 of the \$300,000 total Event Funding allocation for 2025/26 has been used by TTNQ for this purpose.

On 23 February 2026, Council received a request from TTNQ to reallocate the remaining 2025/2026 Event Funding allocation of \$225,000 (ex GST) for alternate purposes.

This report provides Council with an overview of that request and associated recommendations.

## **COMMENT:**

### **TTNQ's request**

TTNQ has requested Council approval for the remaining 2025/2026 Event Funding allocation of \$225,000 (ex GST) to be reallocated as follows:

#### **Mountain Biking Marketing Project - \$60,000 (ex GST)**

This project entails multi-channel mountain bike marketing to keep awareness high of Cairns as a mountain bike destination while the Smithfield Mountain Bike Park upgrades are delivered by the Queensland Government.

This project will include a high-profile ambassador visit aligned to the Cairns Rainforest Rumble and publisher partnership with bike magazines in print and digital. These partnerships would include editorial content to drive awareness, supported by social media campaigns to maintain momentum.

#### **Business Subvention Fund Extension - \$165,000 (ex GST)**

This component will allow TTNQ to extend its current internal allocation of \$400,000 (ex GST) per annum (\$1.6 million (ex GST) in total) to subvention funding from Council's total R&P Agreement funding over the four years to 30 June 2029. Council's R&P Agreement with TTNQ does not stipulate a set amount to be allocated to subvention funding.<sup>1</sup>

TTNQ has requested approval to reallocate \$165,000 (ex GST) to extend the available funding for the subvention program above the current \$1.6 million internal allocation that has been made. TTNQ have indicated that this increased investment in subvention funding is expected to generate between \$6.6 million and \$8.25 million in additional overnight visitor expenditure (OVE) to offset the projected reduction in visitation expenditure following the discontinuation of Crankworx Cairns. This estimate is based on TTNQ's estimate that the subvention funding would generate a return (ratio of visitor expenditure generated to subvention funding invested) of between 40:1 and 50:1, calculated using average daily delegate expenditure. These figures are projections and may vary depending on individual event outcomes.

As of February 2026, TTNQ advised approximately \$675,000 (ex GST) in subvention funding had been allocated to confirmed conference and business events up to 30 June 2029, representing around 42% of the \$1.6 million (ex GST) allocation for the term of the R&P Agreement. TTNQ has also advised that more than \$800,000 (ex GST) in subvention funding is currently on offer for open bids for other conference and business events. Based on these figures, TTNQ indicates that up to 94% of the current subvention funding allocation is either already committed or subject to active bids. TTNQ advises that its current bid success rate is approximately 40%. On this basis, it is possible that a significant proportion of the four-year allocation could be committed early in the R&P Agreement period limiting capacity for further business event attraction over the term of the agreement.

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<sup>1</sup> A subvention is a financial grant or subsidy designed to support activities that serve a public good. Destinations (including TTNQ) use subvention programs to attract conferences and business events via delegate subsidies, the aim of which is to generate economic benefits for the region.

### Council Officers' assessment and recommendations

Council Officers have assessed TTNQ's request to reallocate the Event Funding toward the purposes outlined above.

The two components of TTNQ's request have merit and support the broader objectives of the R&P Agreement and would likely deliver further economic benefits to Cairns and the wider TNQ region through increased visitor expenditure and/or enhanced destination profile.

However, the intention of the \$300,000 (ex GST) per annum Event Funding, as stipulated in the R&P Agreement, was to support either the retention of the Crankworx Cairns event or another major event/s approved by Council. Major events include spectator and participation-based events which aim to deliver economic benefits through increased visitation and associated expenditure and enhanced destination profile (including visible media coverage). Major events also aim to deliver secondary benefits including fostering community pride and social cohesion through event attendance and participation and contributing positively to liveability which in turn supports population (and workforce) attraction and retention. It is noted that business events (including conferences) are distinct from major events and are not classified as major events pursuant to the Council endorsed *Cairns and Great Barrier Reef Major Events Strategy 2026-2035*.

As the requested reallocation of Event Funding is contrary to funding's intended purpose, it is recommended that the reallocation request not be approved at this time. It is noted that \$3.225 million (ex GST) in Council's total funding to TTNQ for 2025/26 is not tied to specific initiatives or events and is available for TTNQ to apply to operational and marketing activities at its discretion provided such activities align with the broader objectives and KPIs contained in the R&P Agreement.

Council Officers will continue to work collaboratively with representatives of TTNQ and TEQ as well as event proponents on several potential new major event opportunities for Cairns. Any funding applications relating to such new major events will be presented to Council for consideration (and if appropriate approval) pursuant to the terms of the TTNQ R&P Agreement and Council's Major Events Sponsorship Policy.

### **OPTIONS:**

#### Option 1 (recommended):

That Council:

1. **Does not** approve TTNQ's request for reallocation of \$225,000 (ex GST) of the 2025/26 Event Funding specified in Council's Resource and Performance Agreement with TTNQ; and
2. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to deal with any and all matters arising from the above.

## Option 2:

That Council:

1. Approves TTNQ's request for reallocation of \$225,000 (ex GST) of the 2025/26 Event Funding specified in Council's Resource and Performance Agreement with TTNQ; and
2. Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to deal with any and all matters arising from the above.

## **CONSIDERATIONS:**

### Risk Management:

The main risk to Council is that the funding provided to TTNQ does not deliver the tourism and economic outcomes expected. This risk is managed by having clear Key Performance Indicators (KPIs) and reporting requirements. TTNQ provide quarterly briefings and an annual report to Council in relation to their R&P Agreement performance requirements and provide the associated period management reports, i.e. Balance Sheet and Profit and Loss Statements.

Council Officers also note that TTNQ's total funding from other sources has decreased in 2025/26 compared to recent years due to some external (State and/or Federal) funding streams deployed in response to COVID-19 and recent disaster events either reducing or concluding. This reduced funding level is forecast to continue for the foreseeable future and is likely to limit TTNQ's capacity to support initiatives aimed at maximising destination visitation, visitor expenditure and destination profile.

Council appreciates the need to balance the strategic imperative of sustainable funding for tourism sector development and destination promotion with the extent to which the cost of such funding is borne by the residents and ratepayers of Cairns. This is why a long-term advocacy priority of Council has been the introduction of a visitor levy to raise funds from visitors to support tourism and offset tourism related costs currently borne by local residents. State legislative change is required to enable such a levy.

### Council Finance and the Local Economy:

TTNQ's reallocation request (if approved) could be accommodated within Council's Economic Development and Advocacy operating budget for the 2025/26 financial year. However, it is noted that Council does allocate substantial resources towards major event attraction and retention (including in its own right) and that further resources are likely to be required in future to support Council's Women in Sport initiatives and obligations associated with Cairns' role as a co-host city for the 2032 Games. Council more broadly is also faced with several wider fiscal constraints over the near term including unforeseen (and currently unbudgeted) remediation works associated with a number of reservoirs in Council's water reticulation network. These fiscal constraints are likely to limit Council's budget capacity more broadly over the short to medium term.

Overall economic impact of the tourism sector in Cairns is significant, with the sector estimated to contribute \$784 million directly (and an additional \$1.4 billion indirectly) to

the Cairns economy. The sector is estimated to employ over 7,500 people directly (supporting an additional 9,500 jobs indirectly).<sup>2</sup>

### Corporate and Operational Plans:

Outcomes of Council's R&P Agreement are underpinned strategically by:

- Cairns Regional Council Corporate Plan 2025-2030 – Focus 1: Robust Economy
- Cairns Regional Council Economic Development Strategy 2022-2026:
  - Priority Industries: Tourism

### Policy

TTNQ has been assessed as a Community Organisation and therefore falls under the remit of the Resource and Performance Agreement section of Council's Community Grant Policy.

### **CONSULTATION:**

Representatives of TTNQ have been consulted in the preparation of this report and TTNQ representatives provided a presentation to Councillors on their reallocation request.



Nick Masasso  
Director Economic Development and Advocacy

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<sup>2</sup> Economy .id, Value of Tourism 2023/24 - [Tourism | Cairns | economy.id](https://www.economy.id) (note 2023/24 is the most current data available)