

**ORDINARY MEETING**

**24 JUNE 2026**

**6.10**

**CAIRNS ART GALLERY PRECINCT LTD TRANSITIONAL RESOURCE AND PERFORMANCE AGREEMENT**

L&C | 79/5/46-01 | #7874528

**RECOMMENDATION:**

**That Council:**

- 1. Endorses a 12-month extension of the Resource and Performance Agreement with Cairns Art Gallery Precinct Ltd (Previously known as Cairns Art Gallery Limited) at the current rate for the 2026/27 financial year;**
- 2. Extends the existing freehold permit over lot 101 on SP118926 (Court House Gallery) for the 2026/27 financial year;**
- 3. Extends the existing trustee permit over lot 834 on NR808254 (Mulgrave Gallery) for the 2026/27 financial year; and**
- 4. Delegates authority to the Chief Executive Officer in accordance with the Local Government Act 2009 to finalise all matters in relation to the above.**

---

**INTERESTED PARTIES:**

Cairns Art Gallery Precinct Ltd.

**EXECUTIVE SUMMARY:**

At the commencement of the 2025/26 financial year, Council entered into a transitional 1-year Resource and Performance agreement with Cairns Art Gallery Ltd (now Cairns Arts Gallery Precinct Ltd) to commence staged operations of the full Gallery Precinct. While significant progress has been made against the conditions of a new multi-year agreement, including governance reforms, exhibition programming and the appointment of a new Gallery Director, the Cairns Arts Gallery Precinct Ltd Board have yet to complete their long-term business plan. For this reason, it is recommended to extend the current transitional arrangements for a further 12 months.

This report outlines the details of the proposed 12-month extension and associated permit arrangements between Council and Cairns Art Gallery Precinct Ltd.

**BACKGROUND:**

The proposed additional 12-month extension of the Cairns Arts Gallery Precinct Ltd Resource and Performance Agreement across the 2026/27 financial year provides operational continuity while the Cairns Arts Gallery Precinct Ltd. Board completes their long-term business plan, prior to Council consideration of a multi-year agreement.

Through the establishment of the Mulgrave Gallery at 51 the Esplanade, a Gallery Precinct now exists incorporating the three neighbouring galleries: Cairns Art Gallery (located in the Public Curator's Building), the Court House Gallery and the Mulgrave Gallery. In planning for future growth in the cultural sector, Council identified the most efficient approach to the management and governance of the precinct was through a single entity operator.

Cairns Art Gallery was established in 1995 and holds a central position within the visual arts landscape of the city. The role of the Gallery is to produce, promote, present, encourage and facilitate the visual arts and other cultural and artistic activities in the Cairns Local Government Area and throughout Far North Queensland.

Legal advice sought by Council throughout 2025 indicated that changes to the constitution would provide Council with suitable control measures to ensure value for money, while also providing Cairns Art Gallery with greater operational flexibility across the Precinct as it develops. These changes have now been completed and the new Cairns Art Gallery Precinct Limited (CAGP Ltd.) is now registered with the Australian Securities and Investments Commission on 18 February 2026.

Council's sustained investment in arts and culture has contributed to a maturing industry, creating opportunities to explore new delivery models that build on and further strengthen the creative sector. Previous planning across the Precinct confirmed that a single entity operating model presented the most efficient approach to managing the three galleries and supporting integrated programming and visitor experience outcomes.

### **COMMENT:**

Since commencement of the 2025/26 transitional agreement, CAGP Ltd. has delivered three of the four key deliverables outlined in the conditions of the agreement.

These include:

- The recruitment and commencement of a new Gallery Director;
- Completion of constitutional updates to support governance and oversight; and
- The assumption of responsibility for operations, exhibition programming and Precinct marketing.

The remaining deliverable relating to the development of a business plan and financial forecast is yet to be completed. This is primarily due to the truncated timeframe created by the commencement of the new Gallery Director at the beginning of 2026, and the end date of the current agreement at 30 June 2026.

Extending the current arrangements will enable:

- CAGP Ltd. to complete their business plan for the operation of the new precinct.
- Following which, the business plan is to form the basis of the negotiation between the Art Gallery Director and Director Lifestyle and Community over a multi-year Resource and Performance Agreement in an iterative manner.

This approach also ensures continuity of Precinct operations, maintains community access, and reduces transition-related risk.

The final proposed business plan and Resource and Performance Agreement should be presented to Council for consideration and endorsement prior to the conclusion of the 2026 calendar year.

#### Finances:

The proposed cash investment by Council is \$2,400,000 (excluding GST) from 1 July 2026 – 30 June 2027. In addition, Council will also provide the following support:

- Payment of the Ergon Energy accounts as an in-kind contribution. This is estimated to cost up to \$408,000 (inclusive of GST).
- Maintenance of the grounds within the Precinct as an in-kind contribution. This is capped at \$60,000 per annum (inclusive of GST).
- Payment of the body corporate fees as an in-kind contribution. This is estimated to cost up to \$48,000 per annum (inclusive of GST).

All other costs not outlined in the agreement will be funded by CAGP Ltd.

The next multi-year Resource and Performance Agreement should be finalised and endorsed in advance of 2027/28 budget deliberations.

#### OPTIONS:

Option 1 (recommended):

That Council:

1. Endorses a 12-month extension of the Resource and Performance Agreement with Cairns Art Gallery Precinct Ltd (Previously known as Cairns Art Gallery Limited) at the current rate for the 2026/27 financial year;
2. Extends the existing freehold permit over lot 101 on SP118926 (Court House Gallery) for the 2026/27 financial year;
3. Extends the existing trustee permit over lot 834 on NR808254 (Mulgrave Gallery) for the 2026/27 financial year; and
4. Delegates authority to the Chief Executive Officer in accordance with the Local Government Act 2009 to finalise all matters in relation to the above.

Option 2:

That Council determines an alternative operating approach.

#### CONSIDERATIONS:

##### Risk Management:

- **Financial Management** – The extension of a transitional agreement with suitable business development deliverables allows Council to evaluate the long-term suitability of arrangements and confirm that there are reasonable control measures in place to manage the facilities and the provision of service to artists and the community.

- **Heritage, Environment and Climate** – Through permits, licenses and leases, Council will continue with the required asset condition maintenance to the facilities to ensure that the heritage of the buildings is protected.
- **Reputation** – Although there is a reputational risk to both Council and Cairns Art Gallery should service disruptions arise, the continuation of a transitional approach over twelve months reduces the risk to both parties by ensuring a smooth hand over. The transitional period also provides both parties the opportunity to determine additional risks and areas of concerns and work collaboratively to develop appropriate mitigations.
- **Governance** – Completed governance changes, including to the constitution of the Cairns Art Gallery, ensures Council retains effective oversight of the organisation.

#### Council Finance and the Local Economy:

The investment proposed is in line with what Council had budgeted for the Gallery Precinct operations for 2026/27 financial year. Operating the Precinct through a single entity presents an opportunity for Cairns Art Gallery to achieve efficiencies and better integrate services across the Precinct. Cairns Art Gallery will also be able to seek additional grant funding unavailable to Council.

CAGP Ltd. also remains in a strong financial position with cash at bank of \$1.58M as of 30 June 2025 and a current year cash balance of \$2.1M as of 31 March 2026.

<b>Cairns Art Gallery</b>	<b>2024/2025</b>	<b>2023/2024</b>	<b>2022/2023</b>	<b>2021/2022</b>	<b>2020/2021</b>
Total Income	\$ 2,183,967	\$ 2,278,509	\$ 2,181,703	\$ 2,068,193	\$ 1,968,401
Total Expenses	\$ 1,927,102	\$ 1,961,978	\$ 1,902,882	\$ 1,983,425	\$ 1,773,998
<b>Net Operating Position</b>	<b>\$ 256,865</b>	<b>\$ 316,531</b>	<b>\$ 278,821</b>	<b>\$ 84,768</b>	<b>\$ 194,403</b>
<b>Cash in the Bank</b>	<b>\$ 1,569,503</b>	<b>\$ 1,572,202</b>	<b>\$ 1,342,967</b>	<b>\$ 1,078,883</b>	<b>\$ 798,536</b>

#### Community and Cultural Heritage:

Establishing Cairns Art Gallery as the operator of the Gallery Precinct positions the Precinct to deliver high impact cultural experiences that enhance Cairns' appeal as an international cultural destination. This approach also supports Council's broader objective of solidifying Cairns as an arts and cultural hub of Northern Australia.

#### Corporate and Operational Plans:

The alignments with the Council Corporate Plan are:

#### Focus Area 4: Community and Culture:

- Promote Cairns as the arts and culture capital of Northern Australia
- Complete the arts and cultural precinct with the support from the state and federal governments

Focus Area 5: Focused Council

- Build effective partnerships with community and governments

**CONSULTATION:**

CAGP Ltd. have been consulted on the proposed transitional agreement. A working group with members from Council's Executive Leadership team, Gallery Operations team and Gallery Board have met regularly to discuss matters relevant to the proposed transition.

**ATTACHMENTS:**

N/A



Karen Le Roy  
Executive Manager Creative Life



Destry Puia  
Director Lifestyle and Community