

ATTRACTING TOURISM FUND

Industry
Guidelines

TOURISM
& EVENTS
Queensland



Queensland
Government

The Attracting Tourism Fund will position Queensland as Australia's leading tourism destination by investing in landmark new tourism products, experiences or infrastructure projects.

Gold Coast by helicopter — Image by Tourism and Events Queensland

08/2018

Cover image Ranger Tour, Tropical North Queensland — Image by Brad Newton.

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INTRODUCTION

The Attracting Tourism Fund (ATF) is a key initiative under the Queensland Government's *Growing Tourism, Growing Tourism Jobs* policy.

The Queensland Government has allocated a total of \$48.6 million to ATF to increase economic contribution, jobs and international overnight visitor expenditure (OVE) to the state by generating new tourism investment. This includes investment in landmark new attractions and major new aviation linkages to position Queensland as the leading tourism destination in Australia.

Airline route development is a key focus of the ATF program and this will be delivered in part through an allocation of \$10 million to the Attracting Aviation Investment Fund (AAIF).

The remaining \$38.6 million is allocated to the ATF. ATF is a targeted funding program (not a grant program) that will bring project teams together to identify and develop projects with a common benefit. It will focus on the Great Barrier Reef (Tropical North Queensland, Townsville, Whitsundays, Mackay and Southern Great Barrier Reef) and Southern Queensland (Gold Coast, Brisbane, Sunshine Coast, Fraser Coast and Southern Queensland Country).

The ATF is about expanding direct access opportunities to grow markets and investing in game changing supporting infrastructure and experiences.

The objectives of the ATF are to:

- » grow aviation access from international priority source markets* that offer long-term potential for Queensland through establishing new or expanding existing aviation services
- » facilitate the development of infrastructure and experiences that will attract, grow and sustain visitation from international priority source markets* with flow-on economic benefits to Queensland's visitor economy
- » facilitate planning improvement opportunities to enable tourism growth.

The ATF will be managed and delivered jointly by the Department of Innovation, Tourism Industry Development and the Commonwealth Games (DITID) and Tourism and Events Queensland (TEQ).

*Please see FAQs for details on international priority source markets.

PARTNERSHIPS

The ATF is a targeted funding program that will focus on the Great Barrier Reef (Tropical North Queensland, Townsville, Whitsundays, Mackay and Southern Great Barrier Reef) and Southern Queensland (Gold Coast, Brisbane, Sunshine Coast, Fraser Coast and Southern Queensland Country).

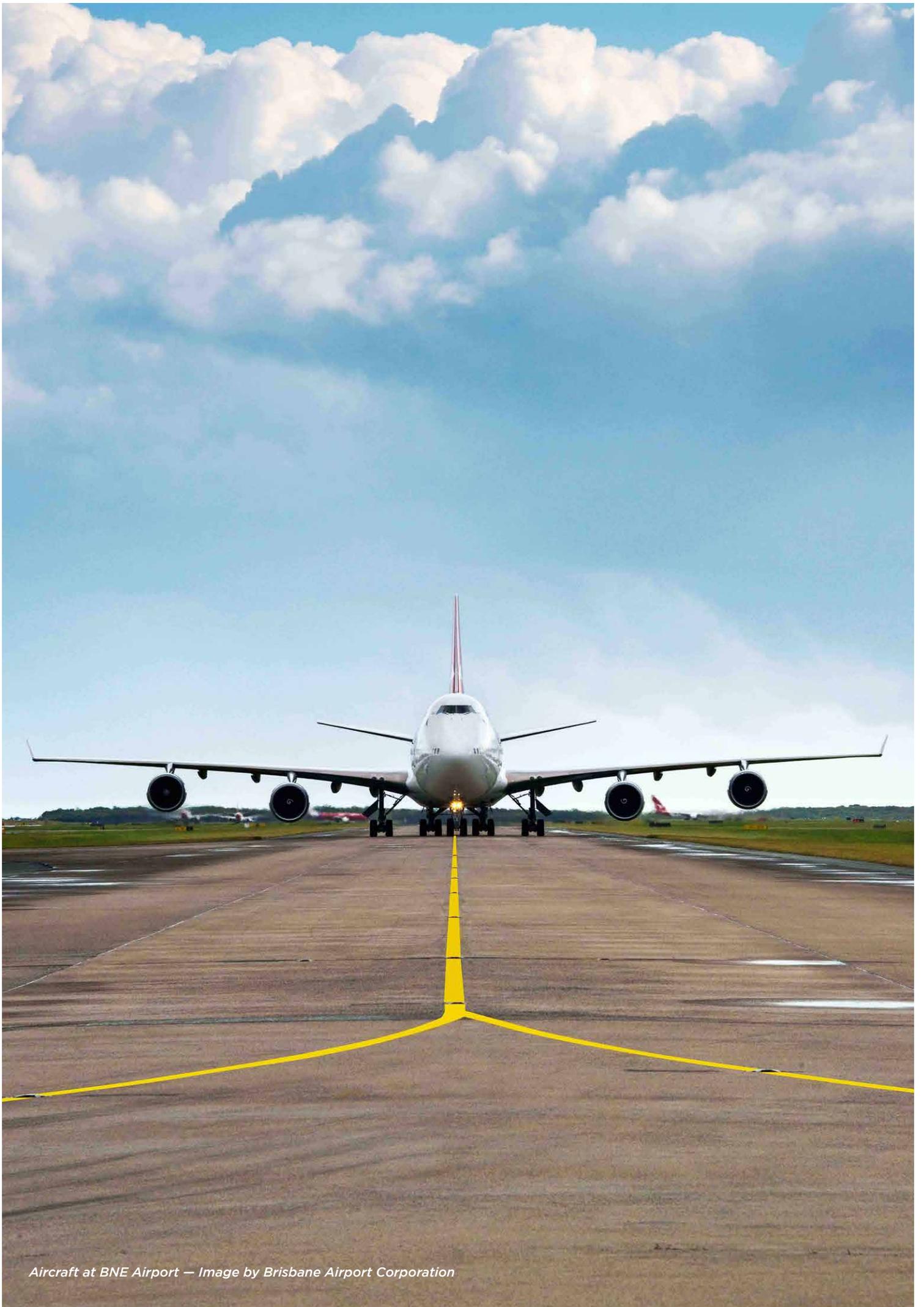
The ATF team will work with destination partners in these areas to establish project teams who will identify and scope tourism projects eligible for funding. These targeted project teams may include tourism industry operators, representatives from local government, regional tourism organisations, airlines and airports and other industry experts.

Targeted discussions with partners will take a two-tiered approach:

- » initial discussions with the international access points (i.e. Cairns in Great Barrier Reef, and Brisbane and Gold Coast in Southern Queensland)
- » follow-on discussions with the wider regional dispersal points.



Upolu Cay – Image by Tourism and Events Queensland



Aircraft at BNE Airport — Image by Brisbane Airport Corporation

ELIGIBLE PROJECTS

Projects must meet the objectives of the ATF and fall into one of the following categories:

- » Catalytic products, experiences and infrastructure projects
- » New or expanded international access projects

Projects must be capable of significantly increasing international overnight visitation, expenditure and jobs for Queensland and demonstrate long-term benefits to Queensland.

The upgrade or extension of existing infrastructure will only be eligible where the project can demonstrate a significant increase in tourism benefits to Queensland.

Ineligible projects

Costs associated with the following activities (whether on their own or part of an otherwise eligible or approved project) are NOT eligible for funding:

- » projects where the relevant stakeholder will not, or does not plan to, own and operate the resulting infrastructure, except where formal arrangements with the intended owner/operator are in place prior to the commencement of construction and to the satisfaction of DITID
- » works constructed on land that the relevant stakeholder does not own or have control over for the purpose of constructing, operating and maintaining the infrastructure, except where formal arrangements with the land owner are in place prior to the commencement of construction and to the satisfaction of DITID
- » construction of facilities predominantly for local communities or which otherwise form part of the local government's usual responsibilities
- » works that would be deemed as maintenance for existing infrastructure, including repairs (regular or one-off)
- » activities that have commenced or been completed prior to approval for funding
- » tender processes
- » engaging and hiring permanent employees (e.g. remuneration, wages and entitlements), whether or not for the purpose of managing the project
- » buying or leasing real estate of any type, including the land on which the infrastructure is constructed
- » soft infrastructure, such as moveable furniture, fixtures and equipment that have no permanent connection to the structure of a building or utilities
- » vehicle purchasing
- » vehicle leasing, unless directly required for construction (e.g. water trucks, excavators)
- » building of hotels and resorts unless they are being built in conjunction with a new or upgraded tourism product, experience or attraction that meets the ATF eligibility criteria
- » development of the applications and application material required for the ATF Request to Proceed and Business Case
- » activities that could fully proceed in the absence of government funding.

PROCESS

Request to Proceed (RTP)

Once a project has been identified, an ATF team member will work with project teams to complete the RTP process. The RTP provides a high level overview of the project to demonstrate consumer demand and how the proposed project meets the criteria and objectives of the program. RTPs will also be subject to high level probity/due diligence checks.

Once approved to proceed, the project will move to the business case stage.

Business case

Project teams are required to submit a detailed business case that includes:

- » supporting data addressing the relevant assessment criteria of the fund (see below), and
- » robust KPI's including, but not limited to:
 - visitation – increased international visitor numbers and length of stay in Queensland
 - yield – increased visitor expenditure in one or more Queensland regions
 - jobs – growth in tourism jobs (measured by the number of direct and indirect jobs created, supported or retained in Queensland)
 - product or experiences – creation of new tourism pathways
 - other direct and indirect benefits to the local, regional and Queensland economies.

Business cases will also need to include supporting data and any other information required, such as a cost-benefit-analysis, to inform the preparation of:

- » a strategic economic merit assessment
- » an economic impact assessment
- » comprehensive due diligence checks to identify any risks to the state in providing funding to a third party.

Destination partnerships

Proposals will be accepted by the Queensland Government from destination partnerships (project teams). These may be comprised of, but not be limited to, tourism industry operators, local government, regional tourism organisations, airlines and airports, both internationally and in Queensland.

Co-contributions

Project teams will be encouraged to identify financial partners and seek co-contributions to help fast-track and deliver projects. Matched funding is not a mandatory requirement under the ATF program.

Co-contributions from the Australian Government, local governments, regional tourism organisations and industry partners, including international partners, will be highly regarded. Other Queensland Government contributions will also be considered.



Agincourt Reef, Tropical North Queensland — Image by Tourism and Events Queensland

ASSESSMENT CRITERIA

The RTP/business case must demonstrate how the project meets at least three (3) of the following four (4) criteria:

(a) Creation of innovative tourism products and infrastructure that expand Queensland's tourism offering and meet consumer demand

Develop catalytic infrastructure, product and experiences that will attract, grow and sustain visitation from international priority source markets, with flow on economic benefits to Queensland's visitor economy.

Business cases should address consumer demand and include the development of new or significantly improved infrastructure, attractions, experiences, cruise opportunities or other projects that will enhance regional appeal to the targeted markets and contribute to job creation and international visitor attraction.

Funding will not be provided for maintenance of existing assets.

(b) Expanded international aviation

Grow aviation access from international priority source markets that offer long-term potential for Queensland through establishing new or expanding existing aviation services.

Business cases will be assessed on with the following:

- » strategic merit of the proposed airline route
- » proposed number of new seats available through the expanded direct international aviation access
- » proposed frequency of the service/s
- » commitment of duration of service/s
- » proven track record of successful delivery on AAIF agreement
- » gross economic impact and contribution to increasing international visitor numbers.

The Queensland airport involved in the business case must be ready to take the proposed international flight at the time of submission, taking into account the relevant bilateral agreements and other Australian Government requirements.



1. Stanthorpe — Image by Tourism and Events Queensland and Reichlyn Aguilar
2. Citycat on Brisbane River — Image by Tourism and Events Queensland

(c) Grow awareness of Queensland experiences

The business cases will need to:

- » demonstrate how in-market activities will complement and leverage existing TEQ marketing strategies and use the Tourism Australia or TEQ creative assets where applicable
- » demonstrate that marketing activities are measurable and will assist in achieving the international OVE targets
- » focus marketing effort on promoting innovative “best of” tourism products that reflect the Queensland Experience Pillars relevant to each market.

Funding will not be provided to support existing marketing efforts.

(d) Regional dispersal

Business cases must include plans demonstrating how the project is leveraging cooperation and partnerships within and/or between regions to achieve regional dispersal to other destinations.

Mechanisms to achieve dispersal may include, but are not limited to:

- » involvement of more than one regional tourism organisation in the business case
- » itineraries that include activities/tours/ experiences in other regions.

ASSESSMENT PROCESS

Business cases will be analysed by an assessment panel following submission. These will be primarily assessed on their capacity to deliver on the KPI's and relevant criteria, and will be thoroughly evaluated based on:

- » value for money
- » evidence that tourism pathways will be created through new or refreshed product, infrastructure or access opportunities
- » evidence of partnership contributions and leveraging of funding
- » regional benefits and dispersal of incoming international visitors.

Projects will be assessed on their ability to demonstrate delivery of increased international visitor numbers, international visitor expenditure and jobs for Queensland.

Funding allocation remains commercial-in-confidence.

TIMING

While there is flexibility for RTP's and business cases to be submitted at any time, the following timeframes are provided as a guide:

- » Late 2018/Early 2019 - RTP's submitted for consideration (initial brief proposal and due diligence)
- » Mid 2019 - business cases to be provided ready to be assessed by the Assessment Panel.

ENQUIRIES

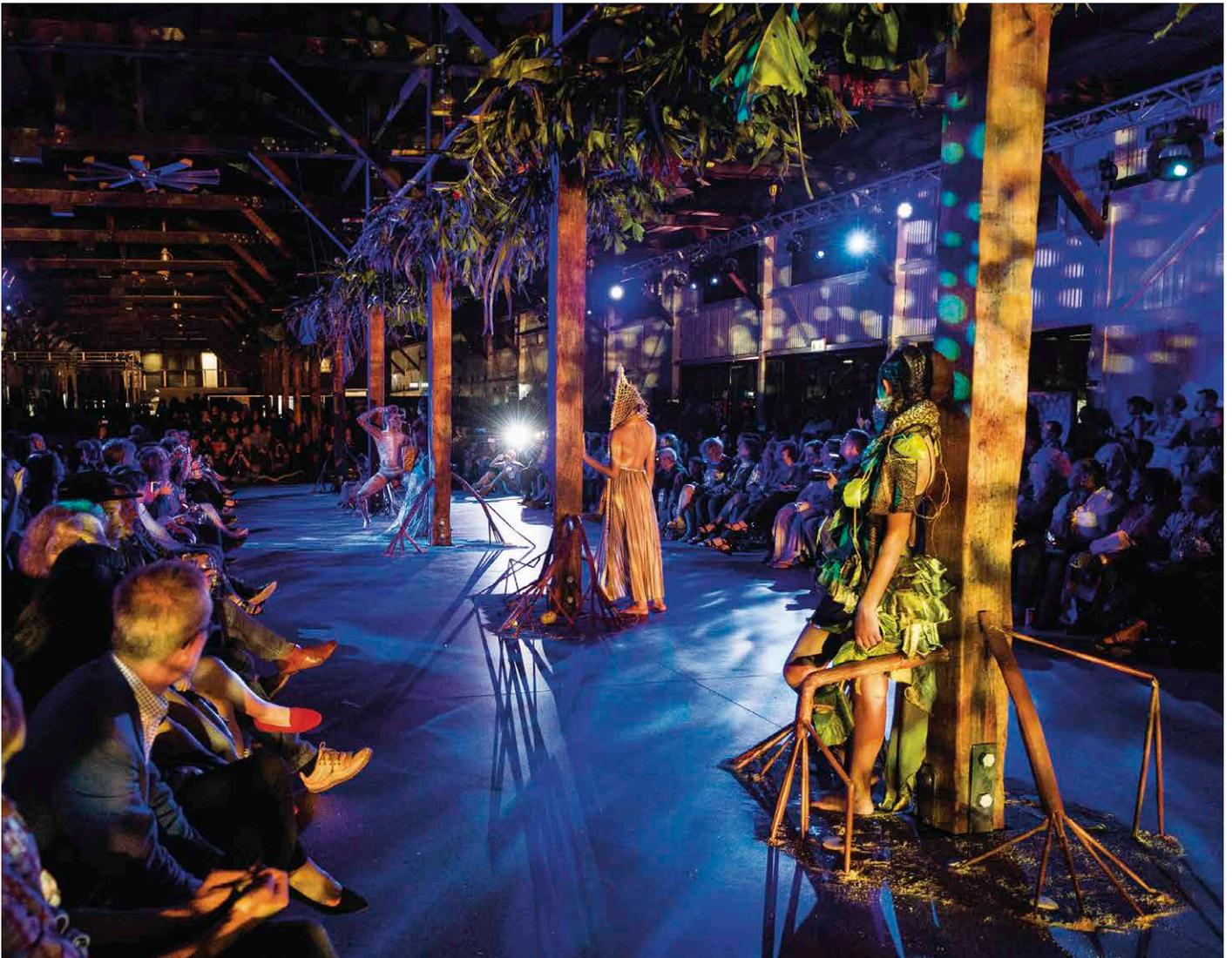
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Tropical North Queensland show — Image by Tourism and Events Queensland



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Department of Innovation, Tourism Industry
Development and the Commonwealth Games