REGIONAL TOURISM
PRODUCT DEVELOPMENT FUNDING PROGRAM

CRITERIA AND APPLICATION PROCESS

September 2011
Background
The NSW Government has committed an additional $5 million in funding to regional tourism for the purpose of supporting product development in 2011/12. This represents an important economic stimulus opportunity for regional NSW.

Destination NSW will be facilitating the funding program in conjunction with the Forum of Regional Tourism Organisations (FORTO).

The Regional Tourism Product Development Funding Program will be delivered in two streams:

Stream One – Regional Tourism Organisation Allocation
- Each mainland Regional Tourism Organisation (RTO), as at March 2011, is allocated $250,000 for product development initiatives within their region. This also includes the Murray Regional Tourism Board.
- Total funding pool of $3,250,000.
- Funding allocations may range from $10,000 to $50,000 per project.

Stream Two – Large-Scale and/or State-Significant Allocations
- Product development initiatives that are either:
  - Large-scale in terms of multiple participants, benefiting a destination or region;
  - Of state significance, can be a single operator, highly likely to increase visitation and represent a point of difference or competitive advantage for a region and/or state (NSW).
- Total funding pool of $1,750,000.
- Funding may range from $25,000 to $200,000 per project.

Goal
To create and/or enhance tourism products in regional NSW to work towards achieving the NSW Government target of doubling tourism overnight expenditure by 2020.

Desired product development outcomes may include:
- Strengthen product quality and customer service standards.
- Ensure product providers understand and then meet or exceed consumer expectations.
- Adapt products to leverage off current technology and trends in consumer behaviour.
- Identify and resolve infrastructure and consumer accessibility to product issues.
- Establish a sustainable competitive advantage for destinations/regions/NSW.
- Maximise visitation, revenue and/or yields.

Program Criteria
- Product development initiatives will be considered if they meet at least one of the following:
  - Enhancing existing product(s) to achieve a better alignment with consumer expectations and a higher level of commercialisation (more profitable/productive/useful/accessible);
  - Enhancing emerging product(s) to achieve commercialisation (more profitable/productive/useful/accessible);
  - Developing new product(s) to service demand or create new demand.
The funding program is for one year only (1st July 2011 – 30th June 2012) with all projects completed and reports submitted by the 31st December 2012.

Program funding will be provided for product development projects that create, grow or enhance regional tourism products. These could include:

- **Infrastructure** – Infrastructure investment to enhance or make products more accessible (eg: signage, public amenities at tourism locations, etc).
- **Events** – extend and/or enhance an existing event (new events not eligible).
- **Technology/Digital** – equipment or software to enhance the visitor experience at the product and/or destination.
- **Regional Conferencing** – developing the capacity of regional destinations to attract and deliver regional conferencing.
- **Quality Assessment and Customer Service** – initiatives to achieve and maintain product and service quality and benchmarking for best practice.
- **International Tourism** – create or enhance international market-ready products.
- **Heritage Tourism** – developing, interpreting and presenting early Australian history sites, artefacts and museums.
- **Touring** – developing products and experiences along drives, touring routes and trails.
- **Nature-based Tourism** – developing experiences utilising natural assets such as national parks.
- **Aboriginal Tourism** – development of sustainable Aboriginal tourism products and experiences.
- **Education and Special Interest Tourism** – developing and building new and existing opportunities, including interpretive experiences.
- **Industry Training** – business training for tourism businesses and destinations to improve/enhance the distribution, customer experience or management of the product or destination. Providing outcomes can be demonstrated to occur prior to December 2012.

Projects cannot be funded by any other NSW Government program; however applications may be supported by Commonwealth Government funding programs such as TQUAL or those from Regional Development Australia.

Funding cannot be used for:
- Salaries, project management fees, success or incentive fees.
- Administrative costs (eg: business establishment, insurance, rent, office equipment, telephone costs and consumables).
- Marketing/advertising activities, including brand development, campaigns. (Note: communication of training activities can be included in funding application for Stream One).
- Reservation and/or increased traditional or non-traditional distribution opportunities for the product/destination.
- Applications that can or have been funded by other NSW Government programs.
- Research reports or business cases.

All media announcements are to be approved by Destination NSW.

All communication activities in relation to program announcements must be approved in writing by Destination NSW prior to any activity being undertaken. FORTO will assist all RTOs and applicants on media announcements.
All communication activities undertaken in relation to the projects supported through this funding program must acknowledge the support of the NSW Government. Destination NSW will advise on the appropriate form of acknowledgment for each announcement.

FORTO and Destination NSW will disseminate information and criteria in relation to the program and facilitate the application and assessment process of the program. FORTO will manage all enquiries by Regional Tourism Organisations and possible applicants for Stream Two.

Any Regional Tourism Organisation not a member of FORTO will have the same opportunities and rights to have their application processed against the agreed criteria.

FORTO will endorse and make funding recommendations on projects defined in Stream One and Stream Two to Destination NSW.

Destination NSW will approve all project applications and manage payments to Regional Tourism Organisations and applicants.

Regular reporting (every three months) must be submitted to FORTO. FORTO will follow up on any incomplete or inadequate information with the Regional Tourism Organisation or applicant. FORTO will submit these reports to Destination NSW.

A funding closure report must be submitted for each funding application. The closure report will define the project outputs, outcomes and financial expenditure. Final deadline for the closure report is the 31st December 2012. Failure to provide the reporting and closure report may affect future funding allocations.

A list of approved applications (and proposed activities) will be published on the Destination NSW Corporate website.

Any unused Product Development Funds from Stream One (as at 30th April 2012) will be considered through the Stream Two process.

Destination NSW to administer the program. The Forum of Regional Tourism Organisations (FORTO) will facilitate the program and play a leadership role with its members to develop, submit and report on the project defined in this program.
STREAM ONE

Funding Allocation
Each mainland Regional Tourism Organisation (RTO), as at March 2011, is allocated $250,000 for product development initiatives within their region. This also includes the Murray Regional Tourism Board.

The allocation, based on current operating environment, is defined as:

<table>
<thead>
<tr>
<th>Regional Tourism Organisation</th>
<th>Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Mountains</td>
<td>$250,000</td>
</tr>
<tr>
<td>Central Coast</td>
<td>$250,000</td>
</tr>
<tr>
<td>Central NSW</td>
<td>$250,000</td>
</tr>
<tr>
<td>Hunter</td>
<td>$250,000</td>
</tr>
<tr>
<td>Inland NSW</td>
<td>$750,000</td>
</tr>
<tr>
<td>(Combined funding of previous New England North West, Outback and Capital Country RTOs)</td>
<td></td>
</tr>
<tr>
<td>Murray Regional Tourism Board</td>
<td>$250,000</td>
</tr>
<tr>
<td>Mid North Coast</td>
<td>$250,000</td>
</tr>
<tr>
<td>Northern Rivers</td>
<td>$250,000</td>
</tr>
<tr>
<td>Riverina</td>
<td>$250,000</td>
</tr>
<tr>
<td>Snowy Mountains</td>
<td>$250,000</td>
</tr>
<tr>
<td>South Coast</td>
<td>$250,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,250,000.00</strong></td>
</tr>
</tbody>
</table>

Process
- Regional Tourism Organisations to develop and submit their proposed plans to FORTO for the allocation as detailed above.
- Once endorsed by FORTO, and approved by Destination NSW, a funding contract will be issued by Destination NSW.
- Formal announcement of the allocation will be made by the NSW Minister for Tourism, Major Events Hospitality and Racing, and Minister for the Arts and co-ordinated by Destination NSW.
- A list of the funded projects will be published on the Destination NSW Corporate website.
- Progress reports will be submitted every three months to FORTO. FORTO will review and follow up on any incomplete or inadequate information with the Regional Tourism Organisation. Once endorsed by FORTO, these will be forwarded to Destination NSW.
- All media communication must be approved by Destination NSW and all communication must acknowledge the support of the NSW Government. Destination NSW will advise on the appropriate acknowledgment for each announcement.
- A Stream One closure report for all projects defined in the plan must be submitted no later than the 31st December 2012.

Timing
- **September 2011:** Program announcement and submission process open.
  Regional Tourism Organisations can submit their plans at any time up to the 31st October 2011.
- **31st October 2011:** Last day for submission.
Regional Tourism Product Development Funding Program

Every three months: Each RTO to submit a progress report on their activities. FORTO will review and follow up on any incomplete or inadequate information with the Regional Tourism Organisation, before submitting to Destination NSW.

31st December 2012: Last day for submission of the Stream One closure report.
STREAM TWO

Funding Allocation
A total of $1.750 million will be made available to product development initiatives that create, grow and enhance tourism products in regional NSW. A number of grants will be provided, depending on the initiatives, ranging from $25,000 to $200,000.

Regional NSW is defined as any location outside of the Sydney and Greater Sydney region. The Sydney and Greater Sydney region runs south to Sutherland and the Royal National Park; south-west to include Cabramatta, Campbelltown, Camden and Wollondilly; west to include Sydney Olympic Park, Parramatta and Penrith; and north-west to include Hornsby, Hawkesbury Valley and Hawkesbury River.

Stream Two Criteria
In addition to the criteria defined above, additional criteria includes:

- Applications will be sought from Regional Tourism Organisations, local government, industry association, or businesses operating within regional NSW.
- Applications from individual businesses (eg: operators, councils, associations, chambers of commerce, etc) will be considered but will only be eligible to receive grants up to $100,000.
- Applications from consortium of business and/or RTOs will be favourably considered and will be eligible to receive grants up to $200,000.
- Cross-region or state-wide projects will be favourably considered.
- The submission needs to be endorsed by the local Regional Tourism Organisation and/or FORTO.

Assessment Applications
- A skills-based Advisory Panel will be established by FORTO and approved by Destination NSW to evaluate all Regional Tourism Product Development Program funding proposals. The panel will be charged with assessing each application received and making recommendations to Destination NSW on which applications should receive program funds.

- Composition of the Advisory Panel could include:
  - Two representatives from Forum of Regional Tourism Organisations;
  - A product development expert;
  - A representative from a wholesale/retail travel distributor;
  - A representative of Destination NSW;
  - A member of the Visitor Economy Taskforce or Destination NSW Board.

Assessment Criteria:
1. The strength of the business case for the tourism product development initiatives proposed.
2. How the funding proposal will create, grow and/or enhance tourism in regional NSW and in turn contribute to achieving the NSW Government target of doubling tourism overnight expenditure in NSW by 2020.
3. How it is aligned to a Strategic Business Plan, a Tourism Marketing and/or Destination Plan or a plan prepared as part of the Integrated Planning and Reporting Framework for Local Government under the Local Government Act, 1993.
4. The reporting used to evaluate the success of the proposal, against stated and measureable KPIs.
5. The capacity of project management proposed to deliver the project.
6. The timetable for delivery of the proposal.
7. How activity will be sustained beyond expenditure of the program funding.
8. Cross-region or state-wide projects.
Regional Tourism Product Development Funding Program

Process
- Applicants to develop and submit their proposed plans for the allocation to FORTO, in the first instance.
- The skills-based Advisory Board will review proposals and make recommendations to Destination NSW. Once approved by Destination NSW, a funding contract will be issued by Destination NSW.
- Formal announcement of the successful applicants will be made by the NSW Minister for Tourism, Major Events Hospitality and Racing, and Minister for the Arts and co-ordinated by Destination NSW.
- A list of the funded projects will be published on the Destination NSW Corporate website.
- Progress reports will be submitted every three months to FORTO. FORTO will review and follow up on any incomplete or inadequate information with the applicant. Once endorsed by FORTO, these will be forwarded to Destination NSW.
- All media communication must be approved by Destination NSW and all communication must acknowledge the support of the NSW Government. Destination NSW will advise on the appropriate form of acknowledgment for each announcement.
- A Stream Two closure report must be submitted no later than the 31st December 2012.

Timing
September 2011: Program announcement and submission process open.
Sept – Oct 2011: Communications plan implemented to promote the new funding program and brief industry on the process for application.
31st October 2011: Close applications.
18th Nov 2011: Announce successful applicants.
5th December Finalise contract and pay 75% of funds.
Every three months: Each applicant to submit a progress report on their activities to FORTO. FORTO will review and follow up on any incomplete or inadequate information with the application, before submitting to Destination NSW.
31st December 2012: Last day for submission of the Stream Two closure report.

Note 25% remainder funding will be paid when closure report submitted and approved.