

Regional Tourism Product Development Program

Guidelines 2018 – 2019 Financial Year



Background

The NSW Government announced that \$13 million in regional tourism funding was available between 2016 and 2019, to support the regional tourism industry in NSW, with up to \$4.5 million available in 2018 - 2019.

The funding will be available through two streams:

- Regional Cooperative Tourism Marketing Program
- Regional Tourism Product Development Program

The information supplied in these program guidelines relates to the Regional Tourism Product Development Program.

Regional Tourism Product Development Program

Regional Tourism Product Development is available for:

- New accommodation projects that increase capacity for the region where there is a demonstrated need i.e. the project aligns with at least one of the following:
 - The proposed project aligns with the DMP
 - The proposed project addresses a shortfall of a specific type of accommodation in the destination, such as a lack of family cabins or double rooms
 - The proposed project will facilitate additional accommodation capacity during events and peak periods (where it can be demonstrated that the location is already at capacity during these times)
- Infrastructure projects that can clearly demonstrate that they will drive increased overnight visitation to the region and align with needs identified in the relevant DMP.
- Visitor signposting (only when led by a council / tourism sector organisation to improve overall visitor experience and highlighting tourist activities and sector related experiences). *Note: This does not include road signs*
- Itinerary / Tour Development
- New attractions and experiences

Local Government, tourism sector organisations¹, including Destination Networks, and tourism operators (GST registered), located in or representing industry within the six new Destination Networks - Destination Riverina Murray, Destination Southern NSW, Destination North Coast NSW, Destination Country & Outback NSW, Destination Sydney Surrounds North and Destination Sydney Surrounds South.

¹ Tourism sector organisations include, but are not limited to, local or regional tourism associations, industry associations such as Wine Industry Association, Backpacker Operators Association, Caravan and Camping Industry Association etc.

Regional Tourism Product Development Proposals

Regional Tourism Product Development proposals and all supporting information for the proposal are to be submitted online dnsw.com.au/rtf-productdevelopment. A checklist is provided to assist in determining if the product development is suitable and ready to apply prior to completing and submitting the form. Proposals should be submitted at least 3 months prior to the anticipated start date of the activity. You need to discuss your proposal with your Destination NSW Regional Tourism Development Manager as early as possible to receive assistance and guidance in relation to your proposal.

Funding Available

Between \$15,000 and up to \$150,000 is available for a Regional Tourism Product Development project. Funding must be at least matched dollar-for-dollar, in cash (not contra or value in kind) by the successful applicant.

The amount of funding offered to a successful project will be determined by Destination NSW. The ROI to the NSW Government and the assessment score will be considered in determining the final amount i.e. an applicant may seek \$150,000 however, may be offered less if a lower investment is required to deliver an ROI to the NSW Government.

Assessment Considerations

Destination NSW will consider the following factors to evaluate and make a determination regarding funding being provided for a Regional Tourism Product Development Proposal:

1. Economic impacts
2. Strategic and marketing impacts
3. Community impact
4. Capacity to deliver the project

More detail regarding each of the criteria is provided below:

Economic Impacts:

This is the ability of the Regional Tourism Product Development to drive new visitor expenditure in NSW as a direct result of the activity. The economic impact will be calculated based on the impact to the region or destination including:

- Contribution to doubling overnight visitor expenditure to the region/destination.
- The anticipated number of incremental intrastate but out of the region, interstate and international visitors who will travel as a result of the activity
- Their average length of stay
- Their estimated daily expenditure.

Strategic and Marketing Impacts:

This refers to the Product Development's effectiveness in driving outcomes for NSW. Factors considered include:

- How strongly the proposal aligns with the State-wide DMP
- How strongly the proposal aligns with the relevant regional Destination Management Plan
- Relevance to Destination NSW's key sectors (Youth, Cruise, Aboriginal or Food and Wine)
- Relevance to key sectors for the region
- Appeal to key domestic markets
- Appeal to international markets
- Transport accessibility of the destination
- Likelihood of development being an iconic/hero destination or experience
- Impact on addressing identified seasonal challenges.

Community Impact

This refers to an activity's capacity to positively engage and benefit large and diverse sections of the community and generate community pride and benefits. This may include:

- The opportunity for the activity to result in new jobs
- The opportunity for upskilling of local industry
- The level of community involvement / engagement with the activity
- The level of community stakeholder support (financial investment and in-kind)

Capacity to deliver the project

This refers to the applicant's demonstrated ability to deliver and manage the proposed activity:

- A successful business record. The applicant organisation's business track record should be noted, e.g. evidence of growth, results of past product development (grant and / or self-funded).
- Adequate dedicated human resources to manage the project. Detailing the experience and skills of the project manager and team, as they relate to the nature of this project, is important.
- Adequate systems and processes to manage and monitor. Detailing the systems/processes to be used is also important, e.g. a call to action, contracted online booking company, result measurement tools, project management software.
- Corporate Governance. Clear and transparent procurement and decision-making processes.
- A detailed, reasonable, compliant budget. The provided 'Budget' template will be considered under this criterion. The proponent must show that any expenses ineligible under the RVEF will be covered by alternative funds. Attaching a more detailed budget with explanations of budget line items may strengthen the response.
- Secured project funding. The applicant will need to detail the funds already secured for the project from their own sources, partners, or other. Any in-kind contributions can also be noted. To show project sustainability, an indication of how ongoing costs will be funded post any grant should be included.
- Investment in project planning and preparation. The applicant should highlight any preliminary work already undertaken showing a commitment to the project, e.g. preparing a business plan, secured DA approvals, scoping the work, engaging expert advice, preparing design layouts and concepts.
- Any reporting for projects funded through any previous DNSW funding program up to date and/or complete.
- Applicants, who have received funding from any State Government body, will need to demonstrate they are up to date with their reporting and have met the funding program's requirements.

Funding Parameters

- a) Proposals for **Product Development** activities can be submitted for funding between \$15,000 and \$150,000.
- b) No funds are available until after a funding agreement is signed by Destination NSW and the successful applicant and all requirements of the first milestone payment are met.
- c) The earliest project start date is the date a funding agreement is signed by Destination NSW and the applicant. No activities can commence or matching dollars be expended prior to the funding agreement being signed.
- d) An applicant must be able to match the funding on a dollar-for-dollar basis. This may be the applicant's own money, partner investment and/or non-NSW State Government funding. Where any Federal Government funding is being used as part of the 'matched funds', the applicant will need to provide details of the funding agreement to ensure there is no double up, i.e. utilising one amount of non-Government funding promised against multiple, separate Government funding agreements for delivering the same outcome.
- e) 'In-kind' support is not eligible for 'matched funding'. The matched dollar-for-dollar funds must be cash only.

- f) A payment schedule will be developed, in consultation with the applicant, and linked to the agreed milestones.
- g) Partners cannot enter into 'third party' agreements using the program funding.

Funding Agreement

Successful applicants will be required to enter into a legally binding funding agreement with Destination NSW. This agreement will set out:

- The rights and obligations of Destination NSW and the applicant
- The agreed work plan, timetable for completion, and the project budget
- Where relevant, may include a precondition to any works commencing that the applicant has obtained independent certification of their risk mitigation and conducted community consultations where a proposal may affect the local community
- Staged payments that will be made following the successful completion of agreed milestones
- Key Performance Indicators and Return On Investment
- How funds are to be acquitted
- Reporting and accountability obligations
- Requirements for recognising NSW State Government / Destination NSW support.

Ineligible Activities

The following activities are not eligible to receive funding through the Regional Tourism Product Development Program:

- Construct, maintain or upgrade public transport infrastructure such as roads, airports, railways and ferry terminals.
- Undertake activities that would reasonably be seen as regular repairs and maintenance.
- Upgrade or develop meeting and/or local community facilities—including picnic or playground areas, local parks, barbecues, meeting facilities and regional and town entry features.
- Buying non-fixed equipment such as furniture or fittings, vehicles, boats, tents, mobile homes, computers, machinery or other removable, transportable or transferable equipment.
- The purchase and installation costs associated with canvas or other potentially mobile or transferable structures including, but not limited to demountable, transportable and mobile homes or cabins.*

***Exception**

Where Destination NSW, at its absolute discretion determines that engineering or construction requirements for the project imply long-term project permanence, costs of the associated built infrastructure such as platforms, foundations, plumbing, black water management, fixed picnic tables, barbecues and safety lighting, landscaping, water features (not swimming pools), parking area, amenity blocks, etc., may be eligible.

- Purchase of a prize to be used in a competition.
- Buy or lease real estate of any type.
- Engage or pay permanent employees.
- Engage or pay any employees or contracted staff.
- Pay for work undertaken on the project before the funding agreement with the NSW Government is executed.
- Provide allowances for project 'contingencies' in the budget.
- Raise capital funds, provide fund investment, or fund/undertake venture capital activities.
- Duplicate or overlap any other NSW Government grant program funding.
- Attend intra-state, inter-state or overseas based trade events, trade shows, wholesale programs, sales calls, conferences, seminars, travel agent training, forums or fees related to any of these items.
- Cover any other activities that are not directly related to the project.

- The marketing, sponsorship, performer/artist fees, infrastructure costs or general administration costs relating to an event².
- Start up a business or undertake activities specifically associated with starting up a business—such as business registration, business licences or incorporation costs.
- Upgrade or develop non-official centres or facilities that are primarily concerned with providing visitor information services.
- Cover administrative and running costs that are normally the Partner’s responsibility—for example, insurance, rent, standard office equipment, telephone costs, travel, accommodation, meals, secretarial support, non-fulfilment postage and other consumables.
- Retainer or contract fees for marketing, PR and advertising services (e.g. advertising agency, workshop delivery, web hosting services, etc.).
- Maintenance costs for primary consumer and corporate websites and other digital assets.

Additional Information

Further information including a Fact Sheet and Frequently Asked Questions is provided at dnsw.com.au/rtf-productdevelopment.

For assistance in developing your Regional Tourism Product Development Program Proposal please contact your Destination Network and/or your Destination NSW Regional Tourism Development Manager.

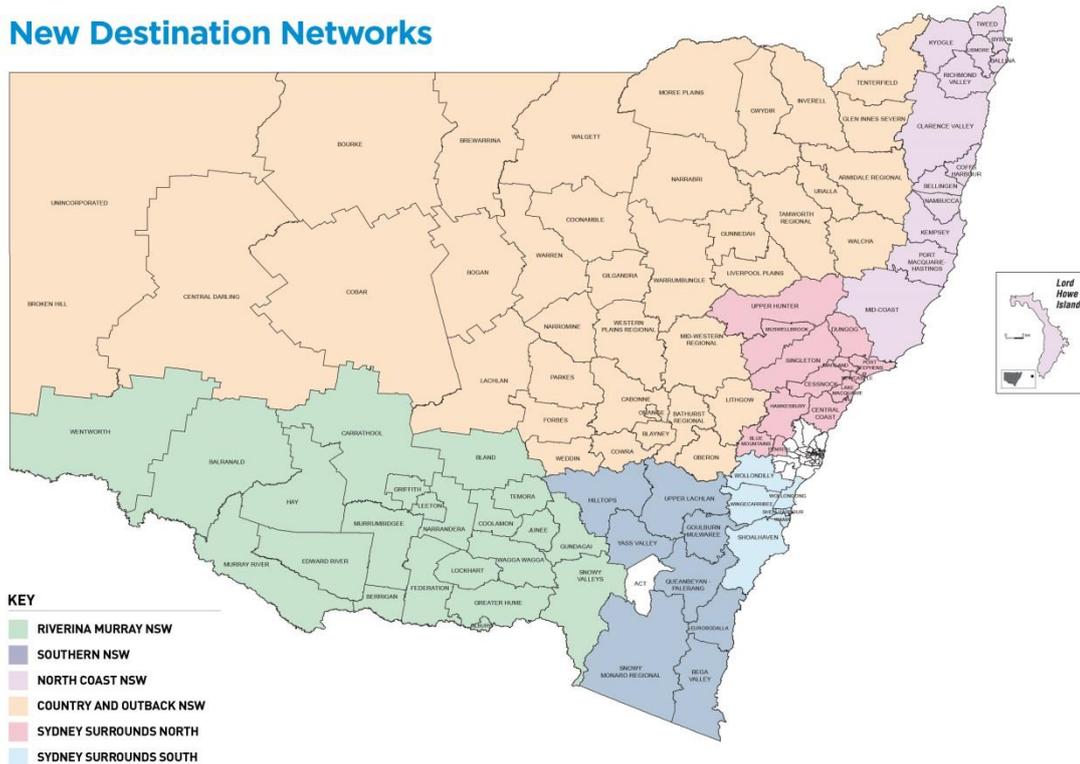
dnsw.com.au/dn-contacts

dnsw.com.au/regional-managers

Alternatively you can email regional.tourism@dnsw.com.au

² Destination NSW provides other funding to support events. The major regional events and the Regional Flagship Events Program attract separate funding. Further information is available at: www.destinationnsw.com.au/events
Regional Tourism Product Development Program Guidelines as at July 2018

New Destination Networks



Additional information on the following topics is available:

Destination Networks: www.destinationnsw.com.au/our-industry/destination-networks

Regional Flagship Events Program and Major Events: www.destinationnsw.com.au/events

Destination Management Planning: www.destinationnsw.com.au/DestinationManagement

Research Statistics: www.destinationnsw.com.au/tourism/facts-and-figures

The Visitor Economy Industry Action Plan: www.business.nsw.gov.au/vet

Top level and general research data are available at: www.destinationnsw.com.au/tourism/facts-and-figures

Disclaimer:

Information provided by Destination NSW is provided as a guide only. Feedback is supplied based on the information provided to Destination NSW. Destination NSW does not make any representation or warranty about the accuracy, suitability, reliability, currency or completeness of any feedback provided. Destination NSW provides no guarantee of any particular outcome for your business if you choose to rely on the feedback and no guarantee that your proposal will be accepted following feedback from Destination NSW.

Nobody knows your business better than you. It is yours and your management's responsibility to decide, based on your full knowledge and understanding of your business situation, how relevant the information is to your business. Destination NSW recommends you consider seeking independent sources of professional advice, legal, financial or otherwise before making any decision. The State of New South Wales through Destination NSW is not liable for any loss resulting from any action taken or reliance made by you on any feedback and information provided.

Please note funding is not guaranteed unless you sign a Funding Agreement with Destination NSW and the Agreement is fully executed. Destination NSW is not responsible for any costs.