

Guidelines for the Tropical North Queensland Indigenous Tourism Project





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Program Overview

Tropical North Queensland is poised for significant growth from China, which is currently the destination's largest source market of visitors, with 214,000 visitors for the year ending June 2017. The Chinese market is without peer in terms of growth potential for our destination, with a forecast of more than 600,000 visitors by 2022.

Offering new and enhanced experiences for Chinese visitors will underpin and capitalise on the recent procurement of direct flights by China Southern Airlines and Hainan Airlines, each linking to extensive networks throughout China, and to Asia, Europe, America and Oceania. These flights were secured with significant Queensland Government support through the Connecting with Asia Fund and Attracting Aviation Investment Fund.

The Queensland Government is providing funding support for tourism infrastructure projects that deliver demand-driving experiences in Tropical North Queensland.

Tourism Tropical North Queensland (TTNQ) is responsible for administering the Tropical North Queensland Indigenous Tourism Project grant funds under the Connecting with Asia Strategy to increase the appeal of Tropical North Queensland to outbound tourists from mainland China.

The Tropical North Queensland Indigenous Tourism Project will oversee the delivery of one or more new innovative infrastructure projects in Tropical North Queensland that contribute to driving this demand.

TTNQ is the Regional Tourism Organisation for Tropical North Queensland and Cairns & Great Barrier Reef. The organisation works with industry and key stakeholders to promote the region as a travel destination around the world and to significantly grow sustainable tourism in this unique tropical destination. A membership-based, industry-funded incorporated private company,

TTNQ is the region's peak visitor destination management and marketing organisation. It provides proactive innovative leadership to the region's industry, driving collaborative destination marketing initiatives that achieve maximum visitation, length of stay, expenditure and regional dispersal.

The Queensland Government's Advance Queensland: *Connecting with Asia – tourism jobs in the regions* package provides funding to help attract Asian tourists by:

- Securing more international air routes
- Creating innovative tourism products
- Building stronger relationships with targeted Asian cities
- Building the digital capability of Queensland tourism businesses to secure more Asian business
- Growing awareness of Queensland experiences
- Encouraging regional dispersal

These Guidelines outline the Expression of Interest process for funding applicants.

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The Tropical North Queensland Indigenous Tourism Project will take the region's authentic cultural experiences to the growing Chinese market. This is a unique opportunity for Indigenous tourism to grow in Tropical North Queensland.

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Pip Close – Chief Executive Officer
Tourism Tropical North Queensland



Attracting Chinese Visitors

The Cairns Indigenous Tourism Project is about driving demand – creating “must-do” experiences for Chinese guests that will encourage greater visitation to Tropical North Queensland.

As the Chinese market matures it is undergoing a significant change from traditional groups to the Free Independent Traveller (FIT), small groups and tailor-made touring. This market is emerging thanks to the growth of China’s middle class and their curious younger population who have an increasing desire to travel, which they perceive to be part of an aspirational lifestyle. Most Chinese take their first trips close to home, which means Chinese tourists to Australia are more experienced, sophisticated and independent. FIT travellers are looking for truly local, authentic experiences and are prepared to go off the beaten track to get them. Already our destination is seeing growth in the self-drive Chinese visitor and a change in accommodation styles from traditional hotels to unique B&Bs and holiday homes, with bookings coming through the likes of Booking.com, Expedia and AirBnB.

This changing demographic is targeted in TTNQ’s Resort Holiday Destination strategy, encouraging visitors to stay longer and do more. The direct flights from China will also be attractive to the growing Meetings, Incentives, Conferences and Events (MICE) market which is more likely to use these services in the shoulder seasons.

Insights into the specific type of Indigenous experiences that will resonate with Chinese visitors are available in TTNQ’s Chinese Market Research Report. This report is distributed with the Tropical North Queensland Indigenous Tourism Project Application Form and available separately from timelessexperiences@ttnq.org.au. Applicants should read the Research Report and refer to it when answering the Evaluation Criteria.

Indigenous Demand Development

TTNQ has been developing Indigenous tourism as the third pillar of our destination’s offerings along with the Reef and Rainforest. The number of Indigenous products has been growing in our destination and we now offer more Indigenous experiences than anywhere else in Australia.

The Timeless Experiences brand pulls together the destination’s Aboriginal and Torres Strait Islander products together as a collective, so they can be marketed more effectively to the domestic and international markets. The brand was developed over a period of two years by an Indigenous Tourism Working Group who together have committed the equivalent of \$500,000 to activate the brand in the domestic and international markets. Timeless Experiences was launched to the international marketplace at the Australian Tourism Exchange in Sydney in May 2017. It created great interest with both the travel trade and the media at the event. The brand now contains 35 products operated by 21 companies.

A proportion of funds from this project will enable Timeless Experiences to be developed in the China market, giving travellers an additional reason for visiting Cairns & GBR which will encourage visitor dispersal, greater length of stay and increased expenditure. TTNQ already has a paid resource in market looking after the MICE and leisure sectors.

The demand development funds under the Tropical North Queensland Indigenous Tourism Project will leverage the broader marketing plan currently being developed for the Resort Holiday Destination project. Indigenous experiences will be contracted and highlighted within campaign activity, increasing their exposure to the Chinese consumer and broadening the product offering marketed by our trade partners to Chinese travellers.



Available Funding

Total funding of \$1,100,000 (excluding GST), on a dollar-for-dollar matched cash funding contribution basis by proponents, is available for projects that are to be completed by 30 June 2020.

Successful applicants will receive up to 50 per cent of costs for eligible and approved capital work activities.

Project Eligibility

Requirements

Eligibility will be predominantly based on the Queensland Government's Indigenous Tourism Working Group definition of Indigenous Tourism. Indigenous tourism involves new and established businesses and events that deliver Australian Aboriginal or Torres Strait Islander tourism experiences. Such experiences may include culinary, accommodation, attraction, tours and authentic cultural products and experiences.

In addition, to be eligible to apply for funding, your organisation must:

- Have an established operating base in Tropical North Queensland
- Be incorporated under Commonwealth legislation – Indigenous organisations under the Corporations (Aboriginal and Torres Strait Islander) Act 2006; other organisations under the Corporations Act 2001
- Have an Australian Business Number (ABN) and be registered for GST
- Be able to make a matching cash contribution towards the project's permanent infrastructure.

Eligible Activities

Funding is only available for the construction of approved tourism infrastructure capable of increasing Chinese visitation and overnight

visitor expenditure that will deliver sustainable and significant economic benefits to the region including (but not limited to), tourism attractions; cultural institutions; exhibition, convention and event facilities; and entertainment facilities.

Total project costs will usually include a combination of eligible and ineligible expenditure (capital / non-capital). Applicants will still be responsible for all ineligible project costs (non-capital) and any eligible (capital) project costs over and above the approved funding amount.

Costs associated with the following activities are **NOT** eligible for funding:

- Soft infrastructure such as furniture, moveable fixtures and equipment including vehicles, boats and websites
- Activities that have commenced or completed prior to approval for funding
- All preparatory work leading to the construction of the proposed infrastructure, such as planning, feasibility studies, design, obtaining regulatory approvals and processes undertaken to comply with regulatory requirements
- Tender processes
- Marketing, advertising and promotional activities
- Repairs and maintenance (regular or one-off)
- Engaging and hiring permanent employees (e.g. remuneration 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
- Administrative or operating costs (including legal or accounting fees), whether or not associated with the project.

The above list identifies the most common examples of ineligible costs and is not intended to be comprehensive. If there is any doubt about eligible projects or costs, please contact TTNQ.



Ineligible Projects

- Projects where the relevant proponent will not, or does not plan to own and operate the resulting infrastructure, except where formal arrangements with the intended owner/operator, to the satisfaction of the Queensland Government, are in place prior to the commencement of construction
- Works constructed on land that the relevant proponent 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, to the satisfaction of the Queensland Government, are in place prior to the commencement of construction
- Construction of facilities predominantly for local communities or which otherwise form part of the local government's usual responsibilities

Following the approval process, applicants will be notified in writing by TTNQ.

The successful applicants will enter into agreements with TTNQ and commence project delivery.

Is This Your Opportunity?

Can your Indigenous tourism experience attract more visitors from China?

Can you fill a gap in our current product offerings?

Does your project reflect the TTNQ Chinese Market Research Report and align strongly to the Evaluation Criteria?

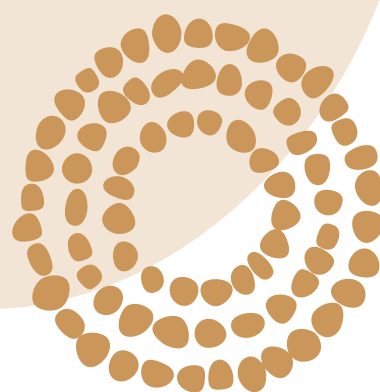
The Assessment Process

The Tropical North Queensland Indigenous Tourism Project involves a competitive application process. Eligible operators that can provide a demand driving Indigenous tourism experience for the growing Chinese market are encouraged to apply.

The Application form is available from TTNQ by email (timelessexperiences@ttnq.org.au).

Applications will be assessed against the Evaluation Criteria by an appropriate evaluation panel. Projects are to demonstrate an Indigenous focus that will drive Chinese visitor demand to the region.

All applicants and projects will be subject to appropriate due diligence proportionate to the nature of the project and level of funding sought—including financial and economic assessments.





Evaluation Criteria

The Tropical North Queensland Indigenous Tourism Project fund is a competitive, merit-based program. Funding will only be provided to projects to undertake activities that meet the following evaluation criteria.

Applicants should read the Research Report and refer to it when answering the Evaluation Criteria. Your application should describe how your project:

Criterion 1: Reflects the needs of Chinese visitors, as documented in the TTNQ Research Report (30 per cent)

The application must demonstrate that the proposed project targets and will meet the needs of Chinese visitor types including consideration of:

- a. Themes and Experiences – cultural connection and stories, interactivity, delivery style
- b. Operations – language translation, group size, duration, comfort levels
- c. Location – access and transfer times
- d. Food and hospitality elements
- e. New and innovative elements

Criterion 2: Drives growth using a linked Marketing Strategy (30 per cent)

The application will include a draft Marketing Strategy (up to 10 pages) for their project which will be further developed during the project. The Draft Strategy will provide indications of the project's engagement in key marketing activity to drive demand and include:

- a. Business Goals / Objectives
- b. Target Market Segments
- c. Products/Services including Pricing
- d. Unique / Key Selling Points
- e. SWOT Analysis of the Experience
- f. Collaborative linkages with TTNQ and other tourism networks
- g. Maximising Marketing through Trade Partnerships
- h. Digital Strategy including online booking and payment channels
- i. Promotional Activities
- j. 2020-22 Marketing Activity Calendar
- k. Estimated Budget

Criterion 3: Project Readiness (20 per cent)

The application must demonstrate the proposed project is able to be completed by 30 June 2020. Evidence of the project being close to construction-ready including elements of the following activities should be provided: feasibility studies, business plan (including project plan), architectural sketches, engineer design, development approval, environmental approval, other relevant approvals.

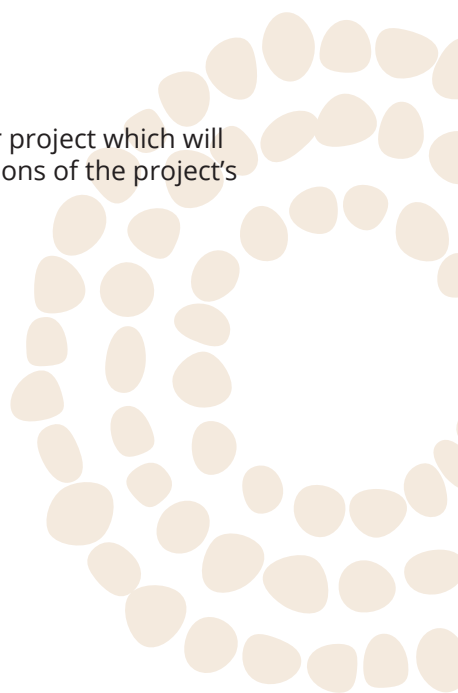
Criterion 4: Promotes economic growth in the destination (10 per cent)

The application must demonstrate the proposed project:

- a. Will create and support jobs in tourism and other supply chains (e.g. number of full-time equivalent positions to be created and supported)
- b. Will have flow-on benefits for supply chains (e.g. accommodation, retail, hospitality, transport etc.)
- c. Is supported in principle by key stakeholders, for example local government, tourism operators, Indigenous organisations through letters of support

Criterion 5: Applicant experience (10 per cent)

The application must demonstrate the applicant's experience in delivering and/or operating high quality tourism infrastructure projects.





Funding agreement

The successful applicants will receive a written offer of financial assistance.

If the applicants accept the offer, they will be required to enter into a legally binding funding agreement with TTNQ.

The agreement will provide details on general and specific conditions associated with delivery of the approved project.

Key features of the agreement will include:

- The scope of the approved project
- Project Budget
- Milestone deliverables and dates
- Funding amount and payment milestone terms
- Eligible and ineligible costs
- Applicant's obligation to acknowledge Queensland Government support
- Insurance requirements
- Record-keeping requirements
- Reporting Requirements

Note: Payments will be made as a reimbursement of eligible costs on the basis that a matched cash amount has been contributed by the applicant at the time of payment claim.

Dates

Applications Open: 1 August 2018

Applications Close: 5pm 14 September 2018

Notifications By: 30 October 2018

Application Form

The Application Form is available from timelessexperiences@ttnq.org.au. Please email with your organisation's name and contact details, and your Project's name.

You're Invited!

The Tropical North Queensland Indigenous Tourism Project will be a game changer for Indigenous tourism and Tropical North Queensland, building the experiences we offer to our biggest market of the future.

Organisations that undertake the Application Process for the Tropical North Queensland Indigenous Tourism Project funding, even if unsuccessful, will have examined their opportunities to offer experiences to the Chinese market and may be able to take advantage of TTNQ Timeless Experiences or other marketing or development initiatives.

For further information please contact timelessexperiences@ttnq.org.au