



LATE ITEMS ORDINARY MEETING

AGENDA

23 JUNE 2020

Your attendance is required at an Ordinary meeting of Council to be held in the Council Chambers, 232 Bolsover Street, Rockhampton on 23 June 2020 commencing at 9.00am for transaction of the enclosed business.

In line with section 277E of the Local Government Regulation 2012, it has been determined that it is not practicable for the public to attend Council meetings in person at the current time. Until further notice, Council meetings will instead take place via videoconference and will be livestreamed online.

A handwritten signature in black ink, appearing to be "C. P.", is positioned above the printed name of the Chief Executive Officer.

CHIEF EXECUTIVE OFFICER
22 June 2020

Next Meeting Date: 14.07.20

Please note:

In accordance with the *Local Government Regulation 2012*, please be advised that all discussion held during the meeting is recorded for the purpose of verifying the minutes. This will include any discussion involving a Councillor, staff member or a member of the public.

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11 OFFICERS' REPORTS

ADVANCE ROCKHAMPTON – ECONOMIC DEVELOPMENT AND EVENTS

11.14 GROWING TOURISM INFRASTRUCTURE FUND

File No:	12534
Attachments:	1. GTIF Guidelines
Authorising Officer:	Evan Pardon - Chief Executive Officer
Author:	Angus Russell - Acting Executive Manager Advance Rockhampton

SUMMARY

The report provides details of the Queensland Growing Tourism Infrastructure Fund and proposes a project for submission.

OFFICER'S RECOMMENDATION

THAT a submission be made for the recommended project.

COMMENTARY

The Growing Tourism Infrastructure Fund (GTIF) is currently open for project registrations. The application process is in two stages with initial registrations closing on 24 June 2020. Following assessment of registrations, proponents may be invited to submit a full business case that will be required by 31 July 2021.

Further details of the Fund are provided in the Background section of this report and in the attached Guidelines.

Three potential projects have been identified including:

1. Capital works at the showground to support the Beef 21 Expo and other events;
2. Capital works in the CBD southern riverside car park and Quay Street to support events including RockyNats and River Festival; and,
3. Capital improvements to the Rockhampton Zoo to enhance its function as a significant tourist attraction.

While there is value in each of the projects above, improvements to the Zoo is recommended for submission due to its fit with the program and works planned in the draft 2020/21 Capital Budget. If successful, grant funding could (a) be directly offset against Council's capital budget and notionally "banked as a saving"; (b) be used to bring forward zoo improvements identified in forward budget years; or (c) allow for reallocation of capital to other priority projects. It is proposed that \$500,000 be sought from the Fund.

The draft 2020/21 Capital Budget includes a number of capital projects at the Zoo including the following items with a combined value of \$865,000:

- Perimeter Fencing \$445,000
- New Animal Enclosure \$300,000
- Perentie Enclosure \$50,000
- Fireproof Chimp House \$70,000

A submission for \$500,000 to the GTIF would represent 58% of total project costs.

It is noted that \$295,630 has also been budgeted in 2020/21 for Works for Queensland (W4Q) Round 3 works for Zoo Improvements. The proposed GTIF application would complement W4Q funding and offset the cost of or bring forward further planned

improvements. The overarching intents of these investments is to present the Zoo as both a contemporary zoo and high standard local tourism drawcard for Rockhampton.

BACKGROUND

This GTIF aims to fast-track the development of new and improved tourism infrastructure projects that will strengthen Queensland's tourism industry and deliver economic benefits to Queensland. The key objectives of the GTIF are to:

- fast-track shovel-ready projects that can commence within two-three months of approval
- create new jobs in both construction and on-going operational phases
- build sustainable new and improved infrastructure and products that enhance tourism experiences
- increase overnight visitor numbers and expenditure
- deliver regional economic benefits

Projects must be able to commence within three months of approval and be completed by 30 June 2022. The total value of the GTIF is \$25 million with minimum and maximum funding of \$500,000 and \$5 million respectively. Matching contributions are not mandatory but priority will be given to applicants able to provide a funding contribution.

The economic value of the project is a key criteria in the Full Business Case phase and has a 40% weighting. For this criteria the following must be demonstrated:

- will deliver a value-for-money outcome to the State
- create jobs through construction and operational phases
- demonstrates innovation in tourism product and service delivery
- is technically, commercially and practically feasible and viable
- has sound project risk assessment and mitigation strategies
- forecast capital and operating costs, and expected project revenues
- is able to be booked online and included in travel itineraries
- could not proceed in the absence of government funding
- will extend the length of time visitors will spend in the region
- increased overnight visitor expenditure
- deliver regional economic benefits.

Further details are provided in the attached guidelines.

PREVIOUS DECISIONS

There have been no previous decision in relation to this round of the GTIF.

BUDGET IMPLICATIONS

Budget implications are discussed in the Commentary section of this report.

LEGISLATIVE CONTEXT

Nil

LEGAL IMPLICATIONS

Nil

STAFFING IMPLICATIONS

If successful the project will need to be managed internally with reporting and funding acquittal requirements also required to be met.

RISK ASSESSMENT

The project is not considered to be a significant risk. The GTIF is however a competitive grants program and is likely to be significantly oversubscribed.

CORPORATE/OPERATIONAL PLAN

The proposal supports a number of Corporate Outcome including “A destination sought for lifestyle, community events and tourism” (2.1) and “Safe, accessible, reliable and sustainable infrastructure and facilities” (1.1). It also supports 2019-20 Operational Plan activity to “Develop, maintain and promote the Rockhampton Zoo’s profile and place of regional significance” (1.2.2).

CONCLUSION

Council has invested significantly in enhancing its community infrastructure to enhance the amenity and facilities of the region. The intended benefits, particularly in the context of those sectors of our economy that have been most impacted by the COVID-19 public health and travel restrictions, are to build Rockhampton’s tourism products and experience and grow tourism visitor numbers, overnight stays and spend in the local region.

While there are many worthwhile projects, the report recommends submitting Rockhampton Zoo improvement projects to the Growing Tourism Infrastructure Fund.

GROWING TOURISM INFRASTRUCTURE FUND

GTIF Guidelines

Meeting Date: 23 June 2020

Attachment No: 1

Unite & Recover 



Growing Tourism Infrastructure Fund 2020/21

Industry Guidelines

June 2020



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Published by the Queensland Government, June, 2020, 1 William St, Brisbane Qld, 4000.

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1. Fund overview

The \$25 million Growing Tourism Infrastructure (GTI) Fund 2020/21 is a key element of Queensland's Economic Recovery Strategy: *Unite and Recover for Queensland Jobs* to help accelerate the State's recovery from COVID-19.

This funding boost aims to fast-track the development of new and improved tourism infrastructure projects that will strengthen Queensland's tourism industry and deliver economic benefits to Queensland.

Project Registrations will be open for two weeks in June and then eligible entities will be required to submit their Full Business Cases by 31 July 2020 for assessment.

The key objectives of the GTI Fund are to:

- fast-track shovel-ready projects that can commence within two-three months of approval
- create new jobs in both construction and on-going operational phases
- build sustainable new and improved infrastructure and products that enhance tourism experiences
- increase overnight visitor numbers and expenditure
- deliver regional economic benefits.

2. Available funding

A total funding pool of \$25 million (excluding GST) is available for tourism infrastructure projects that are shovel-ready (can commence within two-three months of approval) and seeking minimum funding of \$500 000 up to a maximum of \$5 million.

Given the major impact COVID-19 has had on tourism businesses, a matched funding contribution under this Fund is not mandatory however priority will be given to projects where grant recipients are able to provide a funding contribution.

3. Eligibility

An eligible tourism infrastructure project must meet the eligibility criteria.

3.1 Applicant

To be eligible to apply for funding an organisation must:

- have an established operating base in Queensland with a tourism-related focus
- have an Australian Business Number (ABN), an Australian Company Number (ACN) or exemption from these
- be registered for GST.

In addition, an organisation must be one of the following:

- a private sector business (e.g. a for-profit)
- a not-for-profit organisation (e.g. a regional tourism organisation, economic development organisation, community organisation)
- a local government authority

- a state government agency, state government owned corporation, or statutory authority (certain conditions apply – state entities must contact the Department of State Development, Tourism and Innovation (DSDTI) prior to submitting an application.

Applicants that do not meet the mandatory requirements identified in these guidelines will be deemed ineligible.

If a consortium submits an application, one eligible organisation must be the lead partner and be responsible for contract milestones and project delivery. Evidence of involvement and support of consortium partners should be provided as part of any joint application.

3.2 Project works

Capital construction projects involving the development of new and improved tourism infrastructure that will deliver sustainable benefits to the region and Queensland are eligible. Extensions to existing infrastructure may be eligible where an applicant can demonstrate a significant increase in tourism benefits.

Project costs usually include a combination of eligible and ineligible expenditure (capital and non-capital). Applicants will be responsible for all ineligible project costs (non-capital) and any eligible (capital) project costs over and above the approved funding amount including any contribution proposed by the applicant.

Eligible project activities may include:

- capital construction costs (including all site works required as part of the construction)
- costs of construction-related labour (external contractors), materials, equipment hire
- detailed design works, e.g. production of final 'for construction' designs or equivalent
- project management costs (external contractors) for time directly related to managing the construction of approved works but excluding executive duties and overhead charges
- costs relating to the recording of progress, e.g. time-lapse video.

Ineligible activities may include:

- works that are deemed as maintenance for existing infrastructure
- activities that have commenced or been completed prior to approval of funding
- all preparatory work, such as planning, feasibility studies, conceptual design, obtaining regulatory approvals, community consultation, and processes undertaken to comply with regulatory requirements
- tender processes
- marketing, advertising and promotional activities
- engagement and hiring permanent employees not associated with the project
- buying or leasing real estate, including the land on which the infrastructure is constructed
- soft infrastructure, such as furniture and removable fixtures and equipment
- vehicle purchasing or leasing.

4. Application process

The Project Registration Form will be available on Smartygrants on DSDTI's website at www.ditid.qld.gov.au.

To be considered under this Fund, all shovel-ready projects that can commence within two-three months of approval will be required to have a Project Registration submitted by an applicant between 10 and 24 June 2020.

A number of priority projects have been identified through previous Queensland Government grant assessment processes or by nomination from a Queensland Government agency, a Queensland Regional Tourism Organisation, or the Queensland Tourism Industry Council (QTIC).

Priority projects previously identified or nominated may be fast tracked for consideration if they are deemed to meet the eligibility criteria.

4.1 Project Registration

All shovel ready projects that meet these guidelines must submit a Project Registration through the Smartygrants portal.

To be considered under this Fund, projects must meet all the following key priorities:

- be shovel ready (i.e. commence construction within three months of approval and be fully completed by 30 June 2022)
- create new jobs in construction and ongoing operational phases
- build sustainable new and improved infrastructure and products that enhance the tourism experience
- increase overnight visitor numbers and expenditure
- deliver regional economic benefits.

The submission of a Project Registration does not guarantee invitation to submit a Full Business Case (FBC).

4.2 Full Business Case

Eligible applicants with registered projects that meet the program priorities may be invited to complete and submit an FBC application through the Smartygrants portal.

Applicants that have previously submitted an FBC, or equivalent, through other grant programs upon request by the applicant to DSDTI may be recognised as having submitted an FBC for this Fund. The project scope and location cannot be significantly varied from the information provided through a previous Queensland Government grant assessment or from government or industry organisations.

Applications will need to include:

- a detailed project plan which includes:
 - the project's objectives and identified opportunity, including economic, tourism and social benefits

- a cost benefit analysis or similar information on how the project will deliver a return on investment, including key metrics such as the Net Present Value, Internal Rate of Return and payback period
- a gantt chart or detailed delivery/works schedule showing timeframes for all project stages up to and including project completion
- cash flow forecast
- implementation methodology
- risk assessment and mitigation actions
- procurement plans, including intention to contract Indigenous businesses and/or start-ups
- asset maintenance/management plans, including how the infrastructure will be maintained in a viable and operational state for at least five years after construction
- evidence of capability to deliver projects of a similar value and scale.
- company financials for the past three years, signed by an approved auditor
- an indication of the level of any funding contribution towards the delivery of the project
- if applicable, letters confirming any financial contributions from other parties
- evidence that the project is shovel-ready and able to commence construction within three months of approval and be fully completed by 30 June 2022
- evidence of land ownership or land owner consent and, where applicable, Native Title. Applicants must disclose any land ownership/access issues, including Native Title to be resolved
- any further identified documentation that supports statements made in the application.

4.3 Further information

The Queensland Government's decision in relation to an application is final and there is no process for appeal. DSDTI has established processes for dealing with complaints - if an applicant has any concern in relation to the application or assessment process, a formal complaint may be submitted to DSDTI through the website at www.ditid.qld.gov.au.

4.4 Privacy

The Queensland Government collects and collates information from the application form to assess applications for the Fund. Only authorised departmental offers and approved grant assessors have access to this information.

Applicants should note that broad details of successful proposals, agreed outcomes, progress and the level of funding awarded may be published by the Queensland Government. Some information may be used to promote funded projects.

Personal information will not be disclosed to any other third party without consent, unless required by law or for the purposes of *Information Privacy Act 2009*.

For audit purposes, the Queensland Government is required to retain the applications and other supplied supporting material.

The provisions of the *Right to Information Act 2009* apply to documents in the possession of the Queensland Government.

5. Assessment Process

Projects will be assessed by a panel chaired by DSSTI, comprising representatives from QTIC and Tourism and Events Queensland.

The assessment panel may seek expert and tourism advice from other government agencies and regional tourism organisations during the assessment process.

Consideration will be given to alignment with Queensland Government strategies and plans e.g. environmental sustainability, the nature and level of engagement with Aboriginal and Torres Strait Islander businesses and communities as relevant to the project.

Both applicants and projects will be subject to independent due diligence, including financial and economic assessments.

All applicants will be notified in writing of the outcome of their Project Registration and FBC.

5.1 Assessment

All applications submitted through the Project Registration and FBC, including supporting documentation submitted, will be assessed against the objectives of the Fund.

In the assessment process, preference may be given to projects that provide earlier delivery of the Fund's objectives:

- the project can commence as soon as possible, to create new jobs
- the project can be delivered sooner than 30 June 2022, to more rapidly increase overnight visitor numbers and expenditure, and deliver regional economic benefits.

5.1.1 Project Registration Criteria

Through the Project Registration process, applicants will be required to demonstrate the project:

- is shovel-ready and be able to commence within three months of funding approval and be fully completed by 30 June 2022
- creates new jobs in both construction and on-going operational phases
- increases overnight visitor numbers and expenditure
- deliver regional economic benefits.

5.1.2 Full Business Case Criteria

Criteria 1: Economic value (40 per cent weighting)

The application must demonstrate the proposed project:

- will deliver a value-for-money outcome to the State
- create jobs through construction and operational phases
- demonstrates innovation in tourism product and service delivery
- is technically, commercially and practically feasible and viable
- has sound project risk assessment and mitigation strategies
- forecast capital and operating costs, and expected project revenues

- is able to be booked online and included in travel itineraries
- could not proceed in the absence of government funding
- will extend the length of time visitors will spend in the region
- increased overnight visitor expenditure
- deliver regional economic benefits.

Criteria 2: Project readiness (40 per cent weighting)

The applicant must demonstrate the proposed project is construction ready (ie. can commence within three months) and that the following activities are completed or substantially progressed:

- extensive plans, sections and elevations of each element of the proposal in the context of a functional layout of the overall facility
- quantity surveyor quote/s
- land tenure (if not provided at Project Registration)
- feasibility studies
- architectural sketches and/or detailed design drawings
- engineer design
- development approval
- consideration of environmental impacts, including approvals where applicable to the project
- native title agreement with relevant stakeholders as required
- compliance with cultural heritage duty of care where applicable
- evidence of local authority economic development support for the project
- all other relevant approvals.

Criteria 3: Risk and cost allocation (20 per cent weighting)

The assessment panel will have regard to the balance of risk and cost proposed between government and the applicant, in determining whether a project presents an acceptable proposition to the State.

The application must demonstrate significant benefits to the State, in proportion to the level of risk and cost taken on.

Proposals which present a lower risk proposition to government will have a greater likelihood of successfully satisfying this criterion.

6. Funding agreement

Successful applicants will receive a written offer of financial assistance.

If the applicant accepts the offer, they will be required to enter into a legally binding contract with DSDTI (acting on behalf of the State of Queensland).

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
- milestone deliverables and dates
- funding amount and payment terms
- eligible and ineligible costs
- applicant's obligation to acknowledge Queensland Government support
- record-keeping requirements
- reporting requirements.

Note:

a) payments will be made on pre-determined dates for all projects funded, irrespective of individual project timelines

b) payments may be made in advance or as a reimbursement of eligible capital costs incurred and paid on the basis that any agreed matched cash amount has been contributed by the applicant at the time of payment claim.

An example of the terms and conditions of a standard DSDTI contract is available at the website <https://publications.qld.gov.au/dataset>.

Successful grant recipients will be required to commence the project within no later than three months from the date of approval and be fully completed by 30 June 2022.

7. Key dates

These dates are indicative only and subject to change as required.

Key dates below relate to a full application and assessment process. Dates may vary for individual project circumstances in line with these guidelines.

Project Registrations open	Wednesday 10 June 2020
Project Registrations close	Wednesday 24 June 2020
FBC applications invited	By Wednesday 1 July 2020
FBC applications close	Friday 31 July 2020