

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Resources, Energy and Tourism Portfolio

Budget Estimates 2008-09

2 June 2008

Question: **BR-32**
Topic: **Regional Tourism Projects - Funding Guidelines**
Proof Hansard Page: **E119/E120**

Senator Ian Macdonald asked:

Senator IAN MACDONALD- if the milestones that you are going to set are not agreed with the proponents, where do we go from there?

Mr Calder—The milestones will be negotiated with the project proponents to achieve the—

Senator IAN MACDONALD—You have certain standards, but if the proponent happens to be someone with influence somewhere and does not agree to them, where does the department stand?

Dr Boxall—That is speculative. The department will implement this according to the usual practice of contracting and will seek to negotiate milestones with a proponent.

Senator IAN MACDONALD—Of course you will seek to but what if you cannot achieve what you seek?

Dr Boxall—If we do not have a contract we cannot disburse the money.

Senator IAN MACDONALD—It will be up to the department to insist upon certain basic standards and, if they are not met, then the grants will not be made?

Dr Boxall—If they are met the grants will be made.

Senator IAN MACDONALD—That was not my question. If they are not, the grants will not be made?

Senator Sherry—He is entitled to answer the question in his own words, not in the words that you want.

Senator IAN MACDONALD—If the milestones are not agreed upon then you are not going to be able to honour your election commitment, are you?

Senator Sherry—The officer has well outlined what the position will be.

Senator IAN MACDONALD—It is a very contradictory version. In one instance, you are saying they will be funded because they are election commitments—

Senator Sherry—Yes, subject to—

Senator IAN MACDONALD—Hang on. In the other instance the department is saying that the milestones have to be agreed upon and, whilst they were not prepared to mouth the words—and I understand why and I do not blame them—what they are really saying is that if the milestones are not agreed then they are not going to be funded.

Senator Sherry—Subject to the criteria and milestones—whatever description you want to use—subject to the criteria laid down by the department.

Senator IAN MACDONALD—That is going to be interesting. In assessing the milestones for these programs does the department act fearlessly and without favour or influence from the Minister's office or the Minister's advisers?

Senator Sherry—There will be criteria set down; the department will obviously keep estimates well informed, as well as the Minister and the proponents, about the criteria that need to be met and they will be reported.

Senator IAN MACDONALD—Again, thank you, but that was not quite the question. There are certain standards that an independent public service implements and I am just wanting perhaps an assurance from you that the Public Service will not be leaned on or be rung at 3 am to—

Senator Sherry—I can certainly assure you on behalf of Minister Ferguson that he will not be leaning on the department or ringing them at 3 o'clock in the morning. I believe I can give that assurance.

Senator IAN MACDONALD—Okay. I have done something for you people at the table. You will not get a call at 3 am?

Senator Sherry—Yes, that is right, but I will take the question on notice.

Senator IAN MACDONALD—I will quite clearly be watching these at future estimates and we will be watching very carefully the criteria that are issued.

Answer:

Officers of the Department of Resources, Energy and Tourism have already contacted appropriate representatives of each proponent organisation, and the Department is currently in the process of negotiating an individual Deed of Grant for each project.

The Deed will delineate the terms and conditions under which the grant monies will be disbursed, agree and specify in detail a Scope of Works for the project, establish milestones against which payments will be made, and outline reporting and financial acquittal requirements. Each Deed will clearly identify the tourism specific outcomes required of the project.

The Deed will be signed by an authorised officer of each party - that is the appropriate lead organisation and the Commonwealth of Australia, represented by the Department of Resources, Energy and Tourism.

No Australian Government funds will be disbursed until such time as the relevant Deed has been negotiated and signed. The milestones against which payments will be made will be respected.