

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Senate Estimates

2 June 2009

**Question:** BR-21

**Topic:** Tourism Grants

**Proof Hansard Page:** E61 - 62

**Senator Abetz asked:**

Senator ABETZ—Mr Pierce, you never knew that tourism could be so much fun, I am sure. In relation to the tourism grants that were recalled—which was a government decision on coming into office and I do not want to traverse the politics of that—I want to traverse the administration of that and the threshold that the department considers needs to be traversed before law firms are appointed to pursue any outstanding grant moneys. Given the time, you can take that on notice. Also, could you indicate to us how much has been spent by the department on legal services in pursuit of these grant moneys? Could you also tell us how many projects had their grants recalled and how many of them have been pursued with the engagement of legal services?

Mr Clarke—I will give you a little bit of information and perhaps some of the detail we will take on notice.

Senator ABETZ—I am very conscious of time.

Mr Clarke—Of course. You are aware that there are two cases currently on hand where the Commonwealth is seeking the return of funds that were originally announced.

Senator ABETZ—Are they both in Tasmania?

Mr Clarke—Yes, they are.

Senator ABETZ—Are they both from the south of the state?

Mr Clarke—You are aware of the two.

Senator ABETZ—Yes, without identifying them.

Mr Clarke—The protocol that the department follows is a Commonwealth protocol; it is not a department specific protocol in terms of the guidelines for undertaking such recoveries. We are happy to take on notice the detail of your question about the expenditures to date in those recoveries.

**Answer:**

*Threshold that the department considers needs to be traversed before law firms are appointed to pursue any outstanding grant moneys*

The Department has no thresholds for deciding to appoint external advisors to “pursue any outstanding grant moneys”. Each matter is assessed on a case by case basis, consistent with the requirements of the *Financial Management and Accountability Act* 1997 and the *Legal Services Directions* 2005.

*How much has been spent by the department on legal services in pursuit of these grant moneys?*

As at 20 July 2009, invoiced legal fees to external legal advisers totalled:

- In the first matter: \$53,781.75
- In the second matter: \$22,271.04

*How many projects had their grants recalled and how many of them have been pursued with the engagement of legal services?*

In relation to tourism grants, there are two grants that have been terminated and that are currently the subject of recovery action.