

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Budget Estimates

4 June 2013

**Question:**                    **BR16**  
**Topic:**                        **TQUAL Grants Program**  
**Proof Hansard Page:**   **Written**

**Senator Ronaldson asked:**

For the additional \$40 million allocated to the TQUAL Grants program as part of the Government's election commitments:

- a. How will this \$40 million be allocated in each financial year? (e.g. \$10m each year?)
- b. Will it all be expended in the forward estimates?
- c. How many funding rounds will be conducted with this money?
- d. Has any of the \$40 million been allocated to meet specific elections commitments, or will the entire pool be distributed, on application, by the Department? (If allocated as election commitments, please seek a list of all commitments, including amount committed, project name, project description and electorate).
- e. What part of the \$40 million will be distributed as grants and what part will be allocated to administration and advertising expenses?
- f. What are:
  - i. the number of TQUAL grants awarded;
  - ii. the total value of TQUAL grants awarded;
  - iii. the total administrative costs for TQUAL grants; and
  - iv. the total advertising and marketing costs for TQUAL grants for 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16?

**Answer:**

- a. The Government allocated \$40 million over four years from 2011-12 to 2014-15 for the T-QUAL Grants Program. Ministerial decisions were subsequently taken to: (1) reallocate \$3.84 million to the Enterprise Connect Program – to extend the business support services provided under that program to tourism businesses nationally; and (2) reallocate \$2.50 million to Tourism Australia – to fund three tourism online and China technology projects consistent with the policy objectives of the T-QUAL Grants Program. As a result of these decisions, funding for the T-QUAL Grants Program itself was reduced to \$33.66 million over four years. A breakdown of funding allocated by year is provided in the table below.

<b>Year</b>	<b>Funding (\$m)</b>
2011-12	6.947
2012-13	8.709
2013-14	8.004
2014-15	10.000
<b>Total</b>	<b>33.660</b>

- b. The Department expects all funds allocated for T-QUAL Grants will be fully expended.
- c. Three funding rounds will be completed for the T-QUAL Grants – Tourism Quality Projects. Eight projects have been advertised and awarded funding for T-QUAL Strategic Tourism Investment Grants (STIG) in 2011-12 and 2012-13. Further STIG projects are likely to be funded in 2013-14 and 2014-15.
- d. No.
- e. The Department estimates that around 93 per cent of T-QUAL Grants funds will be distributed as grants and around seven per cent of funds will be allocated to program administration, including advertising and staff costs.
- f. (i, ii) Each TQUAL Grants round offers funding for up to eighteen months for any one project. Over the life of the program, a number of projects will decline offers of funding or subsequently withdraw.

2011-12: A total of 121 projects were offered funding in 2011-12 under the 2011 round of T-QUAL Grants – Tourism Quality Projects. Of the 121 projects offered funding, 14 withdrew their funding application or had their funding agreement terminated. Total grant expenditure on projects funded through the 2011 grant round will be around \$7.2 million (excl. GST).

The Department awarded seven T-QUAL Strategic Tourism Investment Grants in 2011-12, valued at \$4.6 million (excl. GST).

2012-13: A total of 86 projects were offered funding in 2012-13 under the 2012 round of T-QUAL Grants – Tourism Quality Projects. Of the 86 projects offered funding, six withdrew their funding application or had their funding agreement terminated. Total grant expenditure on projects funded through the 2012 grant round will be around \$6.3 million (excl. GST).

The Department will award one T-QUAL Strategic Tourism Investment Grant in 2012-13 to deliver the Welcoming Chinese Visitors project. The successful applicant will be advised in June 2013 with up to \$820,000 (excl. GST) available to deliver this project.

2013-14: Funding will be offered to successful projects under the 2013 round of T-QUAL Grants – Tourism Quality Projects. Applications are currently being assessed and successful projects are expected to be announced in late July 2013. Funding of up to \$7.7 million (excl. GST) is available for the 2013 grant round.

It is anticipated that further T-QUAL Strategic Tourism Investment Grants will be awarded in 2013-14.

2014-15: It is not anticipated that there will be any new grants awarded in 2014-15, given that funding for the T-QUAL Grants Program does not extend beyond 2014-15.

- (f) (iii) 2011-12: Program administration costs, including advertising and staff costs, were \$0.615 million.

2012-13: Program administration costs, including advertising and staff costs, will be around \$0.463 million.

The Department estimates that (over the life of the program) around 93 per cent of T-QUAL Grants funds will be distributed as grants and around seven per cent of funds will be allocated to program administration.

- (f) (iv) 2011-12: Direct expenditure on advertising for T-QUAL Grants was \$49,628. In addition, \$32,397 was paid to Sauce Communications Pty Ltd for the development and implementation of a communications plan to increase awareness and understanding of the T-QUAL Grants Program.

2012-13 (to end May 2013): Direct expenditure on advertising for T-QUAL Grants was \$nil. A total of \$31,648 was paid to Sauce Communications Pty Ltd for the implementation of a communications plan to increase awareness and understanding of the T-QUAL Grants Program.

There is no fixed allocation for advertising and marketing activities in 2013-14 and 2014-15.