



TQUAL GRANTS — TOURISM QUALITY PROJECTS PROGRAM GUIDELINES FOR 2011–12

Version 2011

Applications close 5.00pm (AEST) FRIDAY, 15 April 2011

Directions on how to submit an application are set out in Section 2.5 and on the *TQUAL Grants – Tourism Quality Projects Application Form*.

Other program information including the “Self Pre-Application Checklist”, the application form, draft funding agreement, case studies of projects, and frequently asked questions are available at www.ret.gov.au/tqual.

For further information:

Telephone: 13 28 46

Email: tqualgrants@ret.gov.au

Mail: *TQUAL Grants*
Tourism Division
Department of Resources, Energy and Tourism
GPO Box 1564
Canberra ACT 2601



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1. About the Program

1.1 Overview

Tourism is significant to the strength, diversity and resilience of the Australian economy. Almost half a million Australians depend directly on the tourism industry for employment. It contributes \$33 billion per year to Gross Domestic Product, employs one in every twelve working Australians, and is our largest service export and contributes 8% of Australia's total export earnings.

Tourism not only creates jobs; generates wealth and diversifies our cities; around 46 cents in every dollar of tourism expenditure occurs in regional Australia. Despite the significance of tourism to Australia, over the past decade Australia has lost its share of global international arrivals. There are important opportunities for tourism to grow and to reach its potential. However, this will require investment in new and existing product with a focus on quality and labour and skills development.

While the industry cannot influence the external factors it faces, the product and services must remain fresh, innovative and relevant, as well as economically competitive.

The National Long-Term Tourism Strategy provides a long-term vision for the tourism industry and aims to maximise the industry's net economic benefit to the Australian economy. The Strategy highlights the need to improve the capacity and productivity of the tourism industry. Government funding can help address the low levels of investment in the tourism industry through a targeted grants program.

Successful *TQUAL Grants* projects will make a major contribution to addressing the key industry development issues including innovation, quality, sustainability, productivity, collaboration and strong industry leadership.

TQUAL Grants will complement the National Tourism Accreditation Framework (NTAF) by attending to the Framework's tourism quality principles. The primary objective of the NTAF is to recognise quality customer experiences through an accreditation and promotional framework which highlights sustainable and capable tourism businesses.

1.2 About TQUAL Grants

The Government has allocated \$40 million over 4 years for *TQUAL Grants* to stimulate sustainable economic growth in the Australian tourism industry by ensuring there is a supply of quality tourism products and experiences available to support marketing promises. *TQUAL Grants* is managed and administered by the Department of Resources, Energy and Tourism (the Department).

The program will actively encourage additional private sector investment in the development of Australia's tourism industry products, services and experiences.

Two types of project funding will be available under *TQUAL Grants*:

- **Strategic Tourism Investment Grants** of up to \$1 million (plus GST) are available to fund a small number of larger scale projects to support Indigenous tourism, economic development and tourism employment; and
- **Tourism Quality Projects** of up to \$100,000 (plus GST) are available for smaller scale projects to support collaborative community tourism industry development projects, particularly those which stimulate private sector investment.



These guidelines relate to the *Tourism Quality Projects* up to \$100,000 (plus GST). Information on the arrangements for the Strategic Tourism Investment Grants up to \$1 million (plus GST) for larger scale projects to support Indigenous tourism, economic development and tourism employment is available from www.ret.gov.au/tqual.

1.3 Objectives of TQUAL Grants

The Government has established the *TQUAL Grants* program to fund projects which:

- Develop innovative and strategic tourism products and experiences through joint investment to enhance and support the sustainable economic growth of the host communities and regions; and
- Develop the industry's capacity to address the principles set out in the National Long-Term Tourism Strategy.

1.4 How is this round of TQUAL Grants different to the previous TQUAL grants round held in 2009?

The arrangements for the *TQUAL Grants* program from 1 July 2011 are different from the 2009 round of the program and the former Australian Tourism Development Program.

The changes include:

- The objectives of the *TQUAL Grants* Program align with the National Long-Term Tourism Strategy so projects must focus on improving the supply of tourism products and experiences available in Australia;
- *Strategic Tourism Investment Grants* of up to \$1 million (plus GST) have been introduced to fund a small number of larger scale projects to support Indigenous tourism, economic development and tourism employment;
- Competitive merit based grants for the smaller scale projects will be retained as *TQUAL Grants - Tourism Quality Projects* and arrangements have been streamlined following an evaluation of previous tourism grant programs. The application process has been simplified, and the assessment criteria will be clearer for applicants; and
- The requirements for the matching cash and in-kind contributions have been clarified (details are set out at Section 2.2).



2. Applicants and Projects

2.1 Who can apply?

Please also refer to the “Self Pre-Application Checklist” at Attachment A, page 12.

To be eligible for funding, the applicant must be a legal entity and one of the following:

- A private sector corporation, incorporated association or trust corporation;
- A non-profit corporation or incorporated association;
- A corporate regional tourism or economic development organisation;
- A local government body corporate;
- A corporate national peak or sectoral tourism association able to demonstrate sufficient representation of the industry through diversity in its membership; and
- A consortium of corporate partners (led by any of the above entity types).

A local government body wishing to apply must demonstrate how the project is addition to its annual operating core business activities and that it has strong support from its community. Aligning local government, community and regional planning to support tourism consistent with the National Long-Term Tourism Strategy would be an example.

Commonwealth, state or territory government agencies (i.e. those entities that receive funding for their core business and operating expenses from Commonwealth, State or Territory governments) are not eligible.

Consortia with a strong community focus may apply. The application should be submitted by a single entity (the ‘lead applicant’) which would execute a funding agreement with the Commonwealth if their proposal is successful. The lead applicant will be responsible for managing the legal relationship between the consortium partners. A consortia can include Commonwealth, state or territory government agencies as a consortia member, however, Commonwealth, state or territory government agencies cannot be the lead applicant of the consortium.

National, peak or sectoral tourism associations applying for funding will need to demonstrate they are established organisations providing services to an identifiable sector or sectors of the Australian tourism industry and have an appropriate level of industry representation through their membership. They will also need to demonstrate that the proposed project would not routinely be carried out as part of their core business activities.

2.2 What type of projects are eligible for funding?

TQUAL Grants — Tourism Quality Projects is seeking to fund projects which are innovative and which refresh, upgrade or develop tourism products and experiences to support the Australian tourism industry to meet its potential and complement tourism marketing efforts.

The program will support the following types of tourism projects:

- Implementation projects such as innovative tourism product, service or experience refreshment or upgrade;
- Initiation projects such as feasibility studies; and
- Projects which support the industry’s capacity to be innovative and productive, or that offer leadership to the industry (driven by national peak or sectoral tourism associations).

Case studies of previously funded projects are available at www.ret.gov.au/tqual

Applicants should note that it is anticipated successful applicants will be able to commence project activities in July 2011 and projects must be completed no later than March 2013.



2.3 What activities are not eligible for funding?

There are a number of ineligible items and activities for which *TQUAL Grants* funding **or the matching cash** cannot be used. Funding cannot be used to:

- Construct, maintain or upgrade transport infrastructure such as roads, airports, railways, ferry terminals;
- Upgrade or develop meeting and/or local community facilities—including picnic or playground areas, local parks, barbeques, meeting facilities and regional and town entry features;
- Buy capital equipment such as vehicles, boats, computers, machinery or other equipment;
- Buy or lease real estate of any type;
- Engage or pay permanent employees;
- Pay for work undertaken on the project before the funding agreement with the Commonwealth is executed;
- Provide allowances for project “contingencies” in the budget;
- Raise capital funds, provide fund investment, or fund/undertake venture capital activities;
- Duplicate or overlap any other Commonwealth, State or Territory program;
- Attend conferences or seminars or fund overseas travel;
- Undertake marketing, advertising or product promotion;
- Start up a business or undertake activities specifically associated with starting up a business—such as business registrations or incorporation costs;
- Upgrade or develop centres or facilities that are solely concerned with providing visitor information services;
- Salaries and consultancies that cannot be clearly shown as pivotal to the project; and
- Cover administrative or running costs that are normally the applicant's responsibility— for example, insurance, rent, standard office equipment, telephone costs and consumables.

No more than 7% of the total project cost (TQUAL Grants and matching funds) can be spent on project administration costs.

2.4 What are the matching cash requirements?

Applicants must provide at least dollar for dollar matching cash for the project equivalent to the amount of funding (including GST) being sought from *TQUAL Grants*. The matching cash must be available at the start of the project.

The matching cash can be sourced from the applicant's own resources or through contributions from others but cannot include funding from any other Australian Government program. Matching cash cannot include any money already spent on the project, any in-kind contributions, the value of land, existing buildings or other assets, or contributions in superannuation accounts, unless they can be accessed at the time the application is submitted.

For example, if the applicant requests \$100,000 (plus GST) of *TQUAL Grants* funding, they will need to commit \$100,000 (plus GST) in matching cash to the project. Matching cash can be provided by project partners. It does not have to be provided by the lead applicant, however the value of any in-kind support is not taken into account to assist in satisfying this criterion.

Funding ranges from \$15,000 (plus GST) to \$100,000 (plus GST). Applications for grants of less than \$15,000 (plus GST) or more than \$100,000 (plus GST) cannot be considered. The minimum total project amount is therefore \$30,000 (plus GST) with matching funds included.



The Department provides an additional 10 per cent on top of the nominal *TQUAL Grants* funding to account for GST.

2.5 How do you apply?

You can apply for between \$15,000 (plus GST) and \$100,000 (plus GST) of *TQUAL Grants* funding. To be considered, applications must be submitted on the *TQUAL Grants - Tourism Quality Projects 2011–12 Application Form*. This form is available from the Department's website at www.ret.gov.au/tqual or by calling 13 28 46 for an information pack to be sent to you.

You will need to complete all sections of the Application Form including providing an accurate and well developed budget and submit the required attachments. Applications must be submitted in hard copy by 5pm AEST on FRIDAY 15 APRIL 2011 or be postmarked by the closing date of FRIDAY 15 APRIL 2011.

You will also need to provide with the hard copy application, a compact disc containing a copy of the application in Microsoft Word format (not in PDF format). This will be used to prepare documentation including the funding agreement if your application is successful.

The Department will acknowledge receipt of applications by email.

Late applications will not be accepted except under extreme circumstances, e.g. wide spread natural disasters. Approval must first be sought by phoning (02) 6243 7397 or emailing tqualgrants@ret.gov.au.

APPLICATIONS ARE TO BE ADDRESSED TO

TQUAL Grants
Tourism Division
Department of Resources, Energy and Tourism
GPO Box 1564
Canberra ACT 2601

Applications may be delivered by courier to:

TQUAL Grants
Tourism Division
Department of Resources, Energy and Tourism
Level 2, 51 Allara St
Canberra City ACT 2601

Instructions for courier: Deliver to Level 2 foyer, dial extension 47397 for a *TQUAL Grants* Officer to receive the application package.

Applications are assessed using a competitive process and all sections of the Application Form must be completed to ensure that proposals can be compared equally. Every question must be answered appropriately for an application to receive full consideration.

There is a declaration on the back of the Application Form. This is to be signed by a person with the appropriate authority to enter into a funding agreement with the Commonwealth. This person must be an employee of the applicant or an agent of the applicant with authority from the applicant (including a lead applicant) to apply on its behalf.



3. Preconditions to Funding

3.1 What are the preconditions to receiving a grant?

If you are successful, you will be required to enter into a legally binding funding agreement with the Commonwealth. This agreement will set out:

- The rights and obligations of the Commonwealth and the grantee;
- The agreed work plan, timetable for completion, and the budget for the project;
- Staged payments that will be made following the successful completion of milestones;
- How funds are to be acquitted;
- Reporting and accountability obligations;
- Requirements for recognising Australian Government support through project events and on advertising material and other documentation; and
- Penalties for failing to meet obligations.

The work plan, timetable and budget will cover both the *TQUAL Grants* funds and matching contributions. In-kind contributions are taken into account in the assessment process but will not be counted as part of the matching cash contribution.

Before any *TQUAL Grants* funds are paid, successful applicants must provide evidence that they have all necessary planning approvals for their project, including local government planning approvals and the permission of the landowner or land manager for any project on private or public land.

Successful applicants must have public liability insurance for the period of the grant.

Successful applicants must have a discrete bank account with a financial institution authorised under the *Banking Act 1959* into which the *TQUAL Grants* funding and matching funding are to be deposited. This account must not be used for any other project.

Not all terms and conditions for *TQUAL Grants – Tourism Quality Projects* funding are set out in these guidelines. A draft funding agreement is on the Department's website and provides a comprehensive account of a successful applicant's obligations. **Applicants are strongly advised to seek independent legal advice before entering into a funding agreement.**

A successful applicant must not commence work on the project before a funding agreement is executed with the Commonwealth.

You should note that grant recipients may have a GST liability associated with the grants they receive where they make a taxable supply in accordance with the *A New Tax System (Goods and Services Tax) Act 1999*. Where you are making a taxable supply and the grant you receive is consideration for that supply, you should be careful to include GST in your project budget figures.

Applicants are strongly advised to seek professional advice on the taxation impacts on your business or organisation from funding from this program, including whether the grant:

- Will be considered income for the purpose of paying income tax;
- Will have additional GST implications; and
- Will have any other taxation implications.

The Department does not give taxation advice.



3.2 **Publication of grant information**

Applicants should be aware that if they are successful, Commonwealth policy requires the Department to publish information on its website concerning the successful applicant, including but not limited to:

- The name of the entity receiving the grant;
- The amount of funding received;
- The term of the funding; and
- The location of the funded project.

By submitting an application for funding under this grant program, the applicant consents to publication of the above information by the Department if they are awarded funding under this grant program.

One of the aims of *TQUAL Grants* is to ensure that project outcomes and learnings are shared with the tourism industry and broader regional and community stakeholders. This will include the Department working with a selection of successful applicants to prepare case study material on their projects. Case studies will include a range of information that will be discussed with the successful applicants before publication.

3.3 **Confidentiality and disclosure of information**

The Department is committed to the secure protection of confidential commercial and personal information in its possession. The *Public Service Act 1999*, the *Public Service Regulations*, the *Privacy Act 1988*, the *Crimes Act 1914*, the *Criminal Code* and the common law all contain provisions which stand to penalise any Departmental employee found, with few exceptions, to have disclosed confidential information. However, applicants need to be aware that the Department can be compelled to disclose confidential information in certain limited circumstances. These include applications under the *Freedom of Information Act 1982*, although such information would not be disclosed unless prior consultation has occurred with affected parties.

The Department uses and discloses the information provided in *TQUAL Grants* applications in line with this guide only for the purpose of determining eligibility for funding under *TQUAL Grants* and calculating the amount of funding (if any) to be offered. The Department may also use the information received in an application in other legitimate Departmental business, such as for reporting on grants made and in statistical reporting.

As already noted, the information provided in applications is treated confidentially. However, the identity of successful applicants, the broad details of the project and the amount of the grant will be disclosed publicly in the promotion of *TQUAL Grants* and for government purposes such as reporting to the Ministers, the Auditor-General or the Australian Parliament, including Parliamentary committees, as requested. Disclosure of such information may also be required for audit and law enforcement purposes. The Department may also disclose information with the consent of an applicant, or where it is required or permitted by law to do so.

Information, de-identified where possible, may also be provided to other Commonwealth Departments, government organisations, assessors, including officers from State Tourism Organisations, Members of Parliament, the media and other stakeholders for the purposes of assessment, education or publicising the projects or the program.



4. Assessment of Applications

4.1 *How are applications assessed?*

TQUAL Grants is a highly competitive merit based grants program. It is important to note that meeting the eligibility and assessment criteria does not guarantee that an offer of funding will be made.

If eligible, each application will be assessed on how well it addresses each of the following assessment criteria:

- Innovative approach that provides a quality tourism product or experience in the region, or to support the industry's capacity to be innovative and productive or adopt world's best practice;
- Contribution to strategic priorities as outlined in the National Long-Term Tourism Strategy, and state/territory or regional economic development/tourism plans (in particular for the project's demonstrated alignment with tourism quality principles and demonstrated commitment to environmental sustainability);
- Demonstrated need for the project and evidence of the long term financial viability of the project (in particular after the grant period);
- Clear plan for sharing project outcomes and learnings with the tourism industry and broader regional and community stakeholders;
- Capacity to deliver the project and sound project methodology including budget, timeline and community involvement; and
- Value for money including a need for funding (i.e. the project will not proceed without the grant) and any additional investment committed to the project.

The Department undertakes due diligence inquiries where an applicant is likely to be recommended for funding. Background checks may be relevant to assessing an application. This can include checks for bankruptcy or criminal records affecting persons named in applications.

4.2 *Who selects the suitable applicants?*

The Department assesses all eligible applications against the assessment criteria set out in these guidelines and makes recommendations to the program delegate. The Department also aims to achieve a level of diversity of quality projects funded, subject to the overall competitiveness of the projects.

Any Department officers involved will complete conflict-of-interest declarations and cannot access information or assess projects where a conflict-of-interest, detrimental to an applicant's interests, or possibly detrimental to those interests, exists.

The Department can seek technical advice from Commonwealth agencies and officers from state and territory organisations as appropriate. These persons also complete conflict-of-interest declarations and cannot access information or assess projects where a conflict-of interest, detrimental to an applicant's interests or possibly detrimental to those interests, exists.

4.3 *Who will make the decisions?*

The Minister for Tourism has delegated decision making power to a senior officer in the Department, the program delegate.

The Department will make recommendations on funding. The program delegate will make final decisions on funding taking into account the Department's recommendations.



4.4 How will you know if you are successful?

The Minister will announce the successful applicants. All applicants will be advised in writing whether their application is successful or unsuccessful. If your application is unsuccessful, you will receive a letter providing feedback on your application and a contact number for a Departmental officer who can provide further information if desired.

Please note that no legal binding relationship exists until a funding agreement has been agreed and signed by both the Commonwealth and the successful applicant.

Information on successful applicants will also be published on the program website www.ret.gov.au/tqual.

5. Complaints handling process

The Department's Service Charter can be found at <http://www.ret.gov.au/Department/about/sc/Pages/default.aspx>. If an applicant is dissatisfied with the way in which an application is handled by the Department they should contact General Manager, National Tourism Policy Branch at ret@ret.gov.au and the Department will endeavour to resolve the complaint.

If an applicant is dissatisfied with the way in which their complaint has been handled by the Department, they may wish to complain to the Commonwealth Ombudsman. The Ombudsman will usually decline to investigate a complaint unless the matter has first been dealt with by the Department.

The Commonwealth Ombudsman can be contacted on:

Phone (Toll free): 1300 362 072

Email: ombudsman@ombudsman.gov.au

Website: www.ombudsman.gov.au

6. Contact us

Advice on the program and eligibility criteria are available on the Department's website www.ret.gov.au/tqual and via a telephone Hotline on 13 28 46. The Frequently Asked Questions on the Department's website will be updated regularly.

The Department will also be conducting information and awareness sessions in key locations around Australia. Details are included at www.ret.gov.au/tqual.

Please note that to be fair to everyone, Departmental officers are not permitted to provide comments on individual projects prior to, during or after the application stage until the successful applicants have been announced.

7. No Contract

Nothing in these Program Guidelines, or the submission of any application in response to it, or any conduct or statement whether before or after the issue of these Program Guidelines constitutes a contract, express or implied, with the Department. The Department intends that no contract will be formed unless and until the Department signs a formal funding agreement with a successful applicant.



Self Pre-Application checklist

To determine eligibility for *TQUAL Grants - Tourism Quality Projects* funding, you should complete the following checklist.

Applicants who answer 'No' to any of the following questions below are not eligible to apply for *TQUAL Grants* funding.

Before making a decision on whether or not to apply for funding under *TQUAL Grants – Tourism Quality Projects*, potential applicants should read these Program Guidelines and other program documentation available at www.ret.gov.au/tqual.

To apply, you need to complete a *Tourism Quality Projects* Application Form and attach all supporting documentation.

1. Does the applicant meet one of the following categories?
 - Private sector corporation, incorporated association or trust corporation
 - Non-profit corporation or incorporated association
 - Corporate regional tourism or economic development organisation
 - Local government body corporate
 - Corporate national peak or sectoral tourism association able to demonstrate sufficient representation of the industry through the level of its membership
 - Consortium of corporate partners (led by any of the above entity types)

Yes: No:
2. Is the applicant registered for goods and services tax (GST)?

Yes: No:
3. Is the proposed project located in Australia?

Yes: No:
4. Is the *TQUAL Grants* funding amount being requested equal to or greater than \$15,000 (plus GST) and equal to or less than \$100,000 (plus GST)?

Yes: No:
5. Can the applicant provide evidence that it has at least matching cash, dollar for dollar, to contribute to the project?

Yes: No:
6. If the applicant is a local government body corporate, can it demonstrate that the project is additional to activity that it would routinely undertake?

Yes: No:
N/A:
7. If the applicant is a corporate national peak or sectoral industry association, can it demonstrate that the project is additional to activity that it would routinely undertake?

Yes: No:
N/A:
8. If the applicant is successful, will the *TQUAL Grants* funding be used for eligible activities? (See 2.2 for details)

Yes: No:
9. If successful, will the applicant be willing and able to enter into a funding agreement with the Commonwealth? (See draft funding agreement for details)

Yes: No:
10. If the application is successful, can the project be completed by 31 March 2013?

Yes: No:

