



THE HON ANDREW ROBB AO MP

MINISTER FOR TRADE AND INVESTMENT

C15-196

The Hon Tony Abbott MP
Prime Minister
Parliament House
CANBERRA ACT 2600

16 JUL 2015

Dear Prime Minister

As you are aware, Austrade was notified by Mondelez International Pty Ltd on 4 March 2015 that they would be withdrawing from the grant application process for funding of \$16 million towards an upgrade of the Cadbury factory in Claremont, Tasmania, a 2013 election commitment.

In the subsequent months since the withdrawal of Mondelez from this significant tourism-based project, consultation with a range of stakeholders in Tasmania has confirmed my view that this funding should continue to be directed towards the development of the tourism industry within the State.

I would therefore like to recommend that, consistent with the 2015 Budget, the \$16 million in funding be directed back to a range of tourism projects, to be determined by the relevant portfolio Minister in consultation with the Tourism Minister.

I believe the appropriate delivery mechanism for this funding would be either the Industry portfolio's innovation grants; or the Community Development Grants programme or National Stronger Regions Fund in the Regional Development portfolio. These programmes provide adequate flexibility to ensure local priorities are met. Many successful tourism projects have been funded through these programmes.

An alternative is the existing Regional Tourism Infrastructure and Innovation Fund (RTIIF), a component of the broader \$100 million Tasmanian Jobs and Economic Growth Package, managed through the Regional Development portfolio. In 2015-16, funding of \$4.38 million will be allocated for regional tourism projects and there would be scope to extend this fund beyond its current single year. A Partnership Agreement for this funding is currently being negotiated with the Tasmanian Government.

The tourism industry makes a strong contribution to the Tasmanian economy and I therefore look forward to your confirmation of this funding arrangement which will further strengthen the Government's commitment to economic development opportunities for Tasmania.

Yours sincerely

s47F

Andrew Robb