



Australian Government

Department of Infrastructure and Regional Development

Deputy Secretary

Senator Barry O'Sullivan
Chair
Senate Standing Committee on Rural and Regional Affairs and Transport
Parliament House
CANBERRA ACT 2600

Dear Senator O'Sullivan

I write regarding statements made at the Budget Estimates Hearings held on Tuesday 22 November 2016.

At the time of the Hearings, the Department made an incorrect statement. The excerpt appears in the Proof Hansard Transcript as follows:

Date: Tuesday 22 November 2016

Page: 31

Paragraph: 10

Ms Fleming: *We have an annual meeting with the officials of state government grants commissions, but it is the general consensus that it is very difficult to isolate the impact of any pause to indexation, as we have outlined before. Whether there was indexation or not, the grants commissions apply the 13 principles of horizontal equalisation. Each year they take individual circumstances into account, and grant payments may go up or down on a council-by-council basis regardless of whether there is an indexation pause*

In response to a question from Senator Sterle regarding the pause to indexation under the Financial Assistance Grant programme, Ms Fleming stated that "the grants commissions apply the 13 principles of horizontal equalisation."

Please be advised that there are currently 7 national principles.

Yours sincerely

Pip Spence
A/g Deputy Secretary

16 December 2016