

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 01

Division/Agency: Local Government & Regional Development

Topic: Five Areas of Risk

Hansard Page: 94 (20/10/09)

Senator Nash asked:

Senator NASH—Can you outline for the committee the actual departmental assessment process that you apply to all of these project proposals that come through?

Ms Foster—I might let one of the officers who is closer to it describe that.

Mr Wood - The proponents of the projects provide detailed information to the department which we then assess against five areas of risk, which I will perhaps take on notice. I do not have those listed here, but I can get those five areas for you shortly. We will also take an assessment to see if an independent viability assessment is required for projects. That is itself based on a risk matrix to determine whether it is warranted to go out for an independent viability assessment. We then provide a summary of the assessment process, the risks and any treatments that are applied to reduce the level of risk. An example might be that there could be a risk to the commencement of a project because planning approvals are not in place. A risk treatment might be that no funding is released until planning approval is received. That information is then passed to the parliamentary secretary for consideration and the decision process.

Answer:

The Better Regions Guidelines are available on the department's website.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 02

Division/Agency: Local Government & Regional Development

Topic: Office Leases Paid-out by Closing Area Consultative Committees

Hansard Page: 98 (20/10/09)

Senator Nash asked:

Senator NASH—What I am trying to get at is where there has been a movement from an ACC office to an RDA office in another place, in any instance has the closing of the ACC office happened before the end of a lease has run out?

Mr James—Some leases have been paid out.

Senator NASH—Okay. How many?

Mr James—I would have to take that on notice, Senator.

Senator NASH—Okay. Could you take on notice how many leases have been paid out and the value of the payout of each lease? Thank you, Mr James.

Answer:

Based on information provided to the Department, the following ACCs have paid out office leases:

Committee	Amount
Gippsland ACC	\$6,079
Adelaide Metropolitan ACC	\$14,625
Flinders Region ACC	\$22,100
Limestone Coast ACC	\$12,000

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 03

Division/Agency: Local Government & Regional Development

Topic: Additional Funding Request – Better Regions

Hansard Page: 98-99 (20/10/09)

Senator Nash asked:

Senator NASH—Can we go back to that, then? Who was that? What was the project?

Ms Foster—I am not sure.

Senator NASH—So you know there was one.

Senator Conroy—We will take that on notice. We are not sure that we are at liberty to reveal that sort of information at this point. We will take it on notice and if there is anything further the minister would like to add we will get it to you.

Answer:

A funding agreement is required by individual proponents with the Commonwealth in order to access any Commonwealth funding. Copies of the funding agreement and approved projects are available on the Department's website.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 04

Division/Agency: Local Government & Regional Development

Topic: Why Regional Development Australia (RDA) committees were created instead of using existing boards in Queensland.

Hansard Page: 104 (20/10/09)

Senator Macdonald asked:

Senator IAN MACDONALD—Okay. Thank you for that assurance. There are many people anxiously waiting. Did the minister consider simply funding existing boards like, as I say, Townsville Enterprise, Advance Cairns, the Mount Isa to Townsville economic development zone, or whatever it is called—MITEZ?

Senator Conroy—I am happy to take that on notice and see if the minister has anything to add.

Answer:

Yes. However it was agreed between the Australian and Queensland governments that a consistent model should be implemented across Queensland's regions.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 05

Division/Agency: Local Government & Regional Development

Topic: Regional and Local Community Infrastructure Program – Strategic Projects

Hansard Page: 105 (20/10/09)

Senator Macdonald asked:

Senator IAN MACDONALD—So they have to be completed by 30 June 2010. Is that what you are you saying?

Ms Foster—Certainly that is true of the \$250 million program. Our appropriation is for this financial year.

Senator IAN MACDONALD—How is that going?

Mr Mrdak—I was just going to add, with the \$550 million program they have to start within six months of contract signature.

Senator IAN MACDONALD—And finish?

Mr Mrdak—I will take that on notice. I think they have a little bit more time left. It depends on the project.

Answer:

The administered appropriation for the Regional and Local Community Infrastructure Program – Strategic Projects (RLCIP-SP) for \$550 million is only available for the years ended 30 June 2009 and 30 June 2010.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 06

Division/Agency: Local Government & Regional Development
Topic: Regional and Local Government Infrastructure Program
Hansard Page: 106 (20/10/09)

Senator Macdonald asked:

Senator IAN MACDONALD—How much of the \$800 million was appropriated towards administration, or was that on top of that?

Ms Foster—It was on top of the \$800 million, and I do not have that figure.

Senator IAN MACDONALD—Perhaps you could let me have that on notice. Who did those assessments?

Ms Foster—We used two companies. Again, I do not think I have the details to hand.

Senator IAN MACDONALD—It might be helpful to all of us if I put these questions on notice.

Answer:

Details of departmental appropriations for the Regional and Local Community Infrastructure Program can be found in the 2008-09 Portfolio Additional Estimates Statement.

Please refer to LGRD 10 for any further information.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 07

Division/Agency: Local Government & Regional Development

Topic: Cost of the Australian Council of Local Government Meeting

Hansard Page: 106 (20/10/09)

Senator Macdonald asked:

Senator IAN MACDONALD—The Australian Council of Local Government had its second meeting in June 2009. What is the cost of staging that event? Do you have that figure handy or can you get it to me on notice?

Mr Mrdak—We will get it for you on notice, if that is okay.

Senator IAN MACDONALD—You might tell me whether the figure included the welcome dinner on 25 June 2009. Could you also tell me now or on notice when the next meeting is to be? Has a date been set and a venue been set?

Answer:

The professional costs of staging the Australian Council of Local Government (ACLG) second meeting in June 2009 was \$433,224. This figure includes the welcome dinner on the 24th June 2009.

Future meetings will be held in conjunction with the Australian Local Government Association National General Assembly (NGA).

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 08

Division/Agency: Local Government & Regional Development

Topic: Funding Payment for the Australian Centre of Excellence for Local Government

Hansard Page: 106 - 107 (20/10/09)

Senator Macdonald asked:

Senator IAN MACDONALD—Thank you. I have some questions on FAGs which I will put on notice. The Centre of Excellence for Local Government has \$8 million in funding. Has that funding been provided to the successful institution and do we know the successful institution?

Ms Foster—Yes we do, Senator. It was a consortium led by the University of Technology, Sydney.

Senator IAN MACDONALD—Has that been paid over yet?

Ms Foster—I believe it has but I would have to check and confirm that.

Senator IAN MCDONALD - Can you tell me what the main conditions are attached to that funding? What are the guidelines of the program? Perhaps you can take that on notice.

Answer:

Funding was paid to the University of Technology, Sydney (UTS) on 26 June 2009 following the signing of a funding agreement between the Commonwealth and UTS.

The conditions attached to the funding include a range of standard terms and conditions including treatment of intellectual property, compliance with laws, dispute resolution and termination along with specific requirements in their project plan. They also include reporting requirements to the Commonwealth.

The Centre operates with a Board of Management which includes a senior departmental official.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 09

Division/Agency: Local Government & Regional Development

Topic: Funding Announcements

Hansard Page: 108 (20/10/09)

Senator Macdonald asked:

Senator IAN MACDONALD—Could I ask the minister's office to assist in future when he makes the announcement just to put in brackets which electorate the council is in that receives the—

Senator Conroy—I will take that on notice. Yes, you can ask that.

Answer:

It is not standard practice when making funding announcements to advise the electorate relating to the project receiving funding.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 10

Division/Agency: Local Government and Regional Development

Topic: Regional and Local Community Infrastructure Program – Strategic projects (RLCIP-SP)

Hansard Page/s: Written Question

Senator Macdonald asked:

Regional and Local Community Infrastructure Program (RLCIP)

\$550 Million Strategic Projects component

1. There is a requirement in all funding agreements for progress reports to be submitted at certain significant milestones. Can the Department inform the Committee whether progress reports have been submitted as required?
2. Can the Department inform the Committee whether any local council has failed to meet its obligations to provide a progress or completion report required under the terms of a funding agreement?
3. Did the Department undertake an Independent Viability Assessment for any of the successful projects under this program?
4. If so, can it provide details on who conducted such assessments and what was the cost of undertaking such assessments?
5. Were the costs of any such assessments borne by the Department or the applicant?
6. What were the outcomes of any Independent Viability Assessments?
7. Were any projects rejected as a consequence of an IVA?
8. How many?
9. How many projects that were subject to an IVA were accepted?
10. What is the status of any application that was subject to an IVA and subsequently approved?

Answer:

1. Yes progress reports continue to be received from local governments.
2. The Department is in regular contact with local governments to ensure reports are submitted as required under funding agreements.
3. All successful projects were subject to an Independent Viability Assessment.
4. The two companies that prepared Independent Viability Assessment reports for the Department were McGrathNicol and PricewaterhouseCoopers. The total cost of undertaking Independent Viability Assessments for the program was \$885,948.
5. All assessment costs were borne by the Department.
6. The Independent Viability Assessments identified potential risks to the viability and sustainability of submitted projects and options to ameliorate identified risks.
7. The Independent Viability Assessment is an input to the assessment of the project and particularly identifies project risks which need to be factored into final government decisions.
8. Not applicable.
9. Projects that were successful in obtaining funding are listed on the website.
10. All approved projects now have executed Funding Agreements.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 11

Division/Agency: Local Government and Regional Development

Topic: Regional and Local Community Infrastructure Program \$250 million
Component

Hansard Page/s: Written Question

Senator Macdonald asked:

Regional and Community Local Infrastructure Program (RLCIP)

\$250 Million component

1. The first \$250 million component of the program was announced by the Prime Minister in November 2008. The Guidelines state that progress reports were required by 30 May 2009. Can the Department inform the Committee if all progress reports were provided to the Department before this deadline?
2. Did any council fail to meet this deadline?
3. The Guidelines indicate that all funding was to be expended by 30 September 2009. Has there been any variation to this requirement?
4. Can the Department inform the Committee whether it is aware of any council not achieving this requirement?
5. Has the Department made any effort to inquire to the level of expenditure of funds provided under this element of the program?
6. As this program formed part of the Government's stimulus funding (Economic Security Strategy), is it important that this funding is expended within the timeframes outlined by the Prime Minister in his November 2008 announcement?
7. Final reports under this component of the program are required to be provided to the Department before 30 November 2009. Is this deadline still relevant?
8. If not, what is the new deadline?
9. Can the Department inform the Committee if they are aware of any council providing a final report early?
10. How many if any?

Answer:

1. Over 95% of reports were received by 30 May 2009. The remaining progress reports were received by the Department by 15 June 2009.
2. Refer to answer to Question 1.
3. Variations have been granted where councils have had to deal with challenges such as natural disasters, adverse weather conditions and other unavoidable delays.
4. Refer to Q3.
5. All the \$250m RLCIP funds have been paid to councils.
6. Please refer to the Economic Stimulus Plan for further information on the Government's stimulus initiatives.
7. Final project reports from councils are required by 30 November 2009 unless an extension has been approved.
8. Refer to Q7.
9. Yes.
10. As at 30 September 2009, 106 councils had provided a final report.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 12

Division/Agency: Local Government and Regional Development

Topic: Regional and Local Community Infrastructure Program \$100 million

Hansard Page/s: Written Question

Senator Macdonald asked:

Regional and Community Local Infrastructure Program (RLCIP)

Round 2: \$100 Million (Non-Competitive Allocation)

1. The Guidelines for this program are currently on the Department's website. Is this correct?
2. The guidelines indicate that the closing date for proposals seeking funding under this component of the program will close in early November 2009. Can the Department inform the Committee why a definite closing date is not available?
3. Can the Department inform the Committee when it expects to announce successful projects?
4. Can the Department inform the Committee whether it is a requirement of this program that Round 1 projects be completed before Round 2 funding will be allocated?
5. Can this affect whether a worthy project is given approval?
6. It is understood that progress reports under this component of the program will be required before 31 May 2010, is this correct?
7. Will there be adequate time between the successful projects being announced and this first milestone?
8. Has the past round of funding informed the Department in terms of when milestones can be expected to be reached?

Answer:

1. Yes.
2. Applications closed on 20 November 2009.
3. Successful projects will be announced by the Australian Government after assessment of applications.
4. – 8. Please refer to the program's guidelines and relevant sections of the Department's website.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 13

Division/Agency: Local Government and Regional Development

Topic: Regional and Local Community Infrastructure Program – Strategic Projects
\$120 million Component.

Hansard Page/s: Written Question

Senator Macdonald asked:

Regional and Community Local Infrastructure Program (RLCIP)

Round 2 \$120 Million (Competitive Allocation)

1. Can the Department inform the Committee that councils are being encouraged to identify projects that address the needs of the local indigenous community?
2. Specifically, what types of projects are being sought in this category?
3. Is the Department aware of any specific issues involved with projects involving indigenous communities that may delay a project (such as special permits or statutory approvals). If so, is it willing to vary the deadlines for these types of projects if they display special merit and have particular benefits for local communities?
4. The Guidelines also recommend that Councils consider environmental sustainability as part of preparing their applications?
5. Was this a particular weakness in the projects submitted in Round 1?
6. Can the Department confirm to the Committee that the closing date for applications under this program is 15 January 2010?
7. What resources does the Department have available to monitor local councils progress with these projects?
8. Have officers from the Departments inspected any Strategic Projects from Round 1, apart from visits with Ministers or the Prime Minister?
9. How many projects have been inspected by officers from the Department?
10. Is the Department aware of any local council trying to port this program, such as claiming funds for works not being constructed?
11. If not, why does the Department consider it necessary to establish this program with a very heavy bureaucratic involvement?

Answer:

1. Yes.
2. Eligible categories of infrastructure are listed in the Program's Guidelines.
3. No, the Department is not aware of any specific instances.
4. Yes.
5. No.
6. Yes.
7. Departmental Officers in National Office and Regional Offices monitor the progress of projects.
8. Yes.
9. Project visits occur as necessary.
10. No.
11. The guidelines are consistent with ANAO Better Practice.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 14

Division/Agency: Local Government and Regional Development

Topic: Financial Assistance Grants (FAGs)

Hansard Page/s: Written Question

Senator Macdonald asked:

Financial Assistance Grants (FAGs)

1. Can the Department confirm to the Committee that payments to local government under the Local Government (Financial Assistance) Act for 2008/09 have included an accelerated payment for the 2009-10 Financial Year?
2. Can the Department confirm that this additional payment was equivalent to the payment of the first quarter's payment for 2009-10?
3. Can the Department explain to the Committee the method local councils receive their FAG grants?
4. Are these payments made on a quarterly basis?
5. Are they paid at the beginning or end of the quarter?
6. Can the Department confirm that each local council will now only receive only 3 FAG payments in 2009-10 due to the early payment of the first quarter's payment in June 2009?

Answer:

1. Yes.
2. Yes.
3. Each year the Minister for Infrastructure, Transport, Regional Development and Local Government (the Minister) writes to state and territory Treasurers and Local Government Ministers with the estimated Financial Assistance Grant entitlement for the financial year. State and Territory Grants Commissions then recommend to the Minister the distribution of Financial Assistance Grants to local governing bodies. The Grants Commissions are required to make their recommendations in line with the National Principles formulated under the *Local Government (Financial Assistance) Act 1995*. The Minister then approves the distribution of Financial Assistance Grants payments. The Australian Government pays the grants in quarterly instalments to the states and territories who, without undue delay, pass them on to local governing bodies as untied grants (except for the Australian Capital Territory Government who provide local government services in lieu of the Territory having a system of local government).
4. Yes.
5. Payments are made in the middle of each quarter.
6. No. The balance of grants payments due in 2009-10 will be paid in four instalments.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 15

Division/Agency: Local Government and Regional Development

Topic: Smart Water Facility project

Hansard Page/s: Written Question

Senator Macdonald/Nash asked:

1. What is the status of the Smart Water Facility project?
2. Why is the project still at a planning stage?
3. How much has the Commonwealth expended to date on this project?
4. Is the project running to schedule and within budget?
5. Has the Department and Minister been provided with any advice as to the status and progress of this project?

Answer

The Department of Infrastructure, Transport, Regional Development and Local Government is not aware of this project.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 16

Division/Agency: Local Government & Regional Development

Topic: Local Government Infrastructure Projections

Hansard Page/s: Written Question

Senator Nash asked:

What are the infrastructure cost projections for the needs of regional and local governments over the next five years?

Answer:

Projections of infrastructure costs for the needs of regional and local governments are the responsibility of individual local governments and state and territory governments.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 17

Division/Agency: Local Government and Regional Development

Topic: Jobs Fund - National Bike Path Projects

Hansard Page/s: Written Question

Senator Nash asked:

1. Please outline the financial amount, and location by electorate for each grant provided under the \$40 million National Bike Path Projects Fund.
2. What local planning regulations will the infrastructure projects have to meet before construction can commence on cycling infrastructure under this initiative?
3. What are the selection criteria for this cycling infrastructure funding?
4. How much of the \$40 million fund has been allocated to date?
5. When will construction commence?
6. What sustainability metrics were used to decide how much funding was allocated to each project?
7. What stakeholder engagement took place regarding the provision of funding under this initiative?
8. When did this consultation take place and when did it conclude?
9. What cost benefit analysis was undertaken before project funding was provided under this initiative?

Answer:

1. The list of announced projects is available on the department's website.
2. The Funding Agreement templates are available on the department's website.
3. The Jobs Fund Guidelines are available on the department's website.
4. This list of announced projects and funding contributions is available on the department's website.
5. Projects must commence within 6 months of the finalisation of a Funding Agreement.
6. Not applicable.
7. Not applicable.
8. Not applicable.
9. Each application was assessed in accordance with the Jobs Fund Guidelines.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 18

Division/Agency: Local Government and Regional Development

Topic: Jobs Fund – National Bike Path Projects

Hansard Page/s: Written Question

Senator Cash asked:

Jobs Fund - Bike Paths

1. What is the total number of applications received under the National Bike Paths Projects component of the Jobs Fund?
2. How many of these applications were assessed as meeting the relevant gateway criteria?
3. How many of these applications were in a Priority Employment Area?

Answer:

1. The Department of Education, Employment and Workplace Relations (DEEWR) referred 266 applications to the Department of Infrastructure, Transport, Regional Development and Local Government (the Department) for consideration under National Bike Path Projects.
2. In the Department's assessment, 182 applications met the Gateway Criteria.
3. 122 of the applications for the program were located in a Priority Employment Area.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 19

Division/Agency: Local Government and Regional Development

Topic: Jobs Fund – National Bike Path Projects

Hansard Page/s: Written Question

Senator Cash asked:

Jobs Fund - Bike Paths

1. How many of the bike path projects which were recommended for approval, were successful?
2. Were any bike path projects which were not initially recommended, approved?

Answer:

1. The Department of Infrastructure, Transport, Regional Development and Local Government provided an assessment of all 255 applications.
2. No.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 20

Division/Agency: Local Government and Regional Development
Topic: Jobs Fund – Infrastructure Employment Projects (IEP)
Hansard Page/s: Written Question

Senator Cash asked:

1. How many of the Infrastructure Employment projects which were recommended for approval, were successful?
2. Were any Infrastructure Employment projects which were not initially recommended, approved?
3. Did any Minister refer an Infrastructure Employment project to DEEWR for recommendation?

Answer:

1. IEP is not an application based program. Announced projects are listed on the department's website.
2. Not applicable.
3. Not applicable.

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: LGRD 21

Division/Agency: Local Government and Regional Development
Topic: Jobs Fund - Infrastructure Employment Projects (IEP)
Hansard Page/s: Written Question

Senator Cash asked:

Jobs Fund - Infrastructure Employment

1. What is the total number of applications received under the Infrastructure Employment component of the Jobs Fund?
2. How many of these applications were assessed as meeting the relevant gateway criteria?
3. How many of these applications were in a Priority Employment Area?

Answer:

1. IEP is not an application based program.
2. Not applicable.
3. Not applicable.