

**Infrastructure, Transport, Regional Development, Communications and the Arts**

**Committee Inquiries Question on Notice**

**Regional Development, Infrastructure and Transport**

**Local government sustainability**

**IQ24-000028**

**Division/Agency:** DIV - Land Transport Infrastructure

**Hansard Reference:** Spoken, Page No. 2 (30 May 2024)

**Topic:** Government Response for inquiry into road resilience

**Luke Gosling asked:**

CHAIR: [...] I'll start with some housekeeping in terms of when our committee will receive the government response to our previous inquiry, which is into road resilience?

Mr Mackay: That's a different part of the department, our Land Transport Infrastructure colleagues, but I will take that on notice and provide an update to the committee.

CHAIR: If you can get us an answer to that one, that would be fantastic.

**Answer:**

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is currently consulting a range of portfolios to ensure the Australian Government's response captures the breadth of action being undertaken. The government will table its response as soon as practicable.

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**IQ24-000029**

**Division/Agency:** DIV - Regional Development and Local Government

**Hansard Reference:** Spoken, Page No. 2 (30 May 2024)

**Topic:** Areas of the country struggling with financial sustainability

**Luke Gosling asked:**

CHAIR: I imagine that in our states and territories there are a number of local government areas, councils, that are deeply in the red and struggling, and having to be bailed out at the state level. Do we have any sense of whether there are particular areas of the country or particular states where they are struggling?

Mr Mackay: We could take on notice to provide what we can to the committee about what we see nationally—for example, perhaps using councils in administration as a proxy for that. I am not sure if we have that information with us. We can certainly provide, on notice to the committee, what we can of a national picture.

Ms Chapple: That question of what defines sustainability is a tricky one because it is not one size fits all. The diversity of local governments that we deal with, from remote to regional to urban, the kinds of pressures that they face in terms of their funding base, how many people they have living in the area, how many roads they have to service—there are so many inputs that determine that sustainability. Part of our work is to work with councils and the state and territory governments to drill down on what are the common factors, if there are any, that would define sustainability.

**Answer:**

The Australian Government does not collect financial data on individual councils as council fiscal management is a state/territory responsibility.

As a proxy measure, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts has sought information on councils currently under administration from the states and territories which is included in the table overleaf.

The reasons for a council entering administration can be varied and complex. State and territory governments will take decisions in line with their legislation as to when a council should be placed into administration.

## Infrastructure, Transport, Regional Development, Communications and the Arts

### Committee Inquiries Question on Notice

#### Regional Development, Infrastructure and Transport

##### Local government sustainability

<i><b>Jurisdiction</b></i>	<i><b>Councils in administration</b></i>
<b>External Australian Territories</b>	Norfolk Island Regional Council
<b>South Australia</b>	District Council of Coober Pedy
<b>New South Wales</b>	Balranald Shire Council
	Central Coast Council
	Central Darling Shire Council
	Wingecarribee Shire Council
	New England Weeds Authority (County Council)
<b>Northern Territory</b>	Barkly Regional Council
<b>Queensland</b>	No councils in administration.
<b>Tasmania</b>	Dorset Council
<b>Victoria</b>	Casey City Council
	Whittlesea City Council
	Strathbogie Shire Council
	Moir Shire Council
<b>Western Australia</b>	No councils in administration.

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**IQ24-000033**

**Division/Agency:** DIV - Regional Development and Local Government

**Hansard Reference:** Spoken, Page No. 4 (30 May 2024)

**Topic:** Roads to Recovery guidelines

**Tony Pasin asked:**

Mr PASIN: For Roads to Recovery, I understand that the guidelines are currently under development. Can you give me an update on where they are and whether councils, in particular, will be expected to match funding dollar for dollar across that increase?

Mr Mackay: I will take that on notice and check with my colleagues.

**Answer:**

The *National Land Transport (Roads to Recovery Conditions) Determination 2024* sets out the funding conditions of Roads to Recovery projects.

Under section 5 of the Determination, a funding recipient must only spend their funding amount in respect of a Roads to Recovery project that is:

- (a) for the construction and/or maintenance of a road;
- (b) identified in a works schedule that has been submitted to the department in accordance with section 6 of this Determination;
- (c) in progress on or after 1 July 2024; and
- (d) for which expenses have been incurred on or after 1 July 2024.

To be provided a Roads to Recovery payment, a funding recipient must:

- (a) have a works schedule that has been accepted by the department as meeting all the conditions set out in section 6;
- (b) have submitted a payment report that has been accepted by the department as meeting all the conditions set out in section 8;
- (c) have submitted the payment report either within one calendar month after the end of the quarterly reporting period to which the report relates in respect of Quarter 1, Quarter 3 and Quarter 4; or by 15 February in respect of the Quarter 2 quarterly reporting periods; and
- (d) subject to subsection 7(2), have submitted an annual report that has been accepted by the department as meeting all the conditions set out in section 12 unless exempted from this condition.

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##### **Local government sustainability**

For each financial year in which a funding recipient receives, spends or retains Roads to Recovery payments, the funding recipient must report the amount of own source funds spent on the construction and/or maintenance of roads (the Own Source Expenditure Requirement).

The Own Source Expenditure requirement is not a dollar for dollar co-contribution to projects, it is to ensure Australian Government funding through Roads to Recovery is in addition to a funding recipient's usual expenditure on roads.

The Own Source Expenditure requirement is not increasing for the new funding period which commences on 1 July 2024.

The amount of own source funds spent must be equal to or greater than an amount communicated by notice in writing from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to each funding recipient on or before 1 July 2024 and applicable throughout the Roads to Recovery funding period (the reference amount).

A funding recipient is taken to have met the own source expenditure conditions in a particular financial year if:

- (a) the reported own source expenditure for that financial year equals or exceeds the reference amount;
- (b) the average of own source expenditure reported for that financial year and the financial year immediately prior to that year equals or exceeds the reference amount;  
or
- (c) the average of own source expenditure reported for that financial year and the two prior financial years equals or exceeds the reference amount.

The funding conditions can be accessed in the legislation at:

<https://www.legislation.gov.au/F2024L00670/>.

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**IQ24-000036**

**Division/Agency:** DIV - Regional Development and Local Government

**Hansard Reference:** Spoken, Page No. 9 (30 May 2024)

**Topic:** Growing Regions Program - Applicants eliminated at the Expression of Interest (EOI) stage

**Helen Haines asked:**

Dr HAINES: Are you able to give us an indication of the proportion of applicants that were knocked out of the EOI stage?

Mr Mackay: We can take that on notice.

Ms Chapple: There were 600-odd EOIs and, off the top of my head, around 440 I think moved to the next stage. We will confirm that.

Mr Mackay: We will confirm the numbers on notice.

**Answer:**

Of the 650 EOIs submitted in Stage One of the Growing Regions Program, 125 (19%) were deemed ineligible.