

Infrastructure, Transport, Regional Development, Communications and the Arts

Committee Inquiries Question on Notice

Regional Development, Infrastructure and Transport

Local government sustainability

IQ24-000030

Division/Agency: DIV - Regional Development and Local Government

Hansard Reference: Spoken, Page No. 3 (30 May 2024)

Topic: Financial assistant grant indexation

Tony Pasin asked:

Mr PASIN: [...] I am interested in what the department is recommending or doing in relation to financial assistance grants and other funding programs, in particular with their need to keep pace in this inflationary environment—noting that local government inflation, if I can call it that, mostly around infrastructure projects, is running well above the basket of goods.[...]

[...]

Mr Mackay: [...] Starting with the financial assistance grants, the indexation that is applied to that grant is set in law.

Mr PASIN: What is that?

Mr Mackay: I don't have the formula in front of me.

Mr PASIN: Just on notice.

Mr Mackay: The indexation includes both the consumer price index and population growth. The formula is set in law. A change to how the grant is indexed would require legislative change. It's certainly not solely linked to indexation.

Answer:

The formula for calculating the indexation applied to the total Financial Assistance Grant (FA Grant) funding pool in a given year is set out in Part 2 of the *Local Government (Financial Assistance) Act 1995* (the Act) and is provided by the Treasurer in an annual determination which is published on the Federal Register of Legislation.

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Committee Inquiry Question on Notice

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IQ24-000034

Division/Agency: DIV - Partnerships and Projects

Hansard Reference: Spoken, Page No. 5-6 (30 May 2024)

Topic: Regional Precincts and Partnerships program quantum

Helen Haines asked:

Dr HAINES: The third fund that councils look to now is the rPPP. Can you tell me about the quantum of ask under the rPPP program? Again, this is a program where there are various tranches, as I understand it. Where is the department at in announcing the successful recipients in the first tranche of that funding?

Mr Mackay: The regional Precincts and Partnerships Program operates slightly differently from Growing Regions in that there aren't fixed rounds of the program. The program is always open for applications.

Dr HAINES: I understand that.

Mr Mackay: As applications become ready for assessment, they will be grouped up and assessed. The minister has announced the first six projects under the rPPP. The department is in the process now of assembling the next batch for independent assessment through the panel and then recommendation to government.

Dr HAINES: Can I ask around the quantum of ask into that program?

Mr Mackay: That program is run in a different part of my group from Ms Chapple. I don't have those people here today. It is an easily answered question; I just don't have the information in front of me. I can provide that on notice.

Answer:

At 5 June 2024, the Business Grants Hub, administered by the Department of Industry, Science and Resources, had received 170 applications assessed as eligible to the regional Precincts and Partnerships Program. These 170 applications request \$1.44 billion in funding.

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IQ24-000035

Division/Agency: DIV - Regional Development and Local Government

Hansard Reference: Spoken, Page No. 8 (30 May 2024)

Topic: Local government competitive funds and programs

Tony Pasin asked:

Mr PASIN: [...] I am getting an increased sense that local government looks to competitive funds to seek to, if you like, subsidise what it needs to deliver in the interests of its respective communities. The major one over the last while has been the five rounds of BBRF that you mentioned, and obviously now the Growing Regions Program, which has replaced it. On notice, could a body of work be done to determine what percentage by application—not by grant—in dollar terms were made by local government in each of those rounds. You could include BBRF6 because you would have the applications. I am only dealing with applications and growing regions. I want to see whether there is a pattern where local government is leaning harder into these programs. I get a sense that they are. I would like to see the data, if that work could be done.

Ms Chapple: I could give you now a global picture. From 2018-19 to 2022-23, 94 per cent of Commonwealth funding was untied or closed, and six per cent was provided through competitive or a merit-based process.

Mr PASIN: I understand. I understand there were 400 applications of growing regions. That is about, let's say, 10 times or \$3 billion for example. What percentage of that is local government applying for?

Ms Chapple: We can do that.

Mr PASIN: If you do that across each of the rounds we might see a trend. I think we will. Let's see local government more inclined to apply for these things than they have in the past.

Mr Mackay: We will do that on notice. So I am clear, you are talking about all applications, not the projects that were successful?

Mr PASIN: Yes, just the applications. That will give us a sense of the appetite to make the application. And include BBRF6, if you could. It was cancelled but I would like the applications.

Mr Mackay: They were administered through the grants hub. If we can include BBRF6, we will.

Mr PASIN: If you can, you can; if you can't, you can't.

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Answer:

The table below shows the combined value of all applications to each of the 6 rounds of the Building Better Regions Fund (BBRF) and the first round of the Growing Regions Program.

State and Territory data is comprised of application data from councils only, national data is broken down by council only and total applicants.

The data for the BBRF combines information for both the Community Investments and Infrastructure streams of the program.

Local government entities and incorporated not-for-profit organisations were eligible to apply for BBRF and the Growing Regions Program, however, the BBRF also allowed applications from non-distributing cooperatives.

The data indicates the percentage of council applications to regional grants programs has declined over the life of the BBRF and the percentage of council applications for the Growing Regions program is similar to round 6 of the BBRF.

Jurisdiction	Growing Regions	BBRF					
		R1	R2	R3	R4	R5	R6
Other (Council applicants)	1%	0%	0%	0%	0%	0%	0%
NSW (Council applicants)	18%	21%	16%	24%	33%	21%	17%
NT (Council applicants)	2%	2%	2%	1%	0%	2%	2%
QLD (Council applicants)	17%	19%	16%	14%	19%	14%	16%
SA (Council applicants)	3%	6%	6%	4%	5%	5%	3%
TAS (Council applicants)	1%	3%	4%	2%	1%	1%	1%
VIC (Council applicants)	5%	7%	11%	13%	6%	7%	9%
WA (Council applicants)	10%	11%	9%	8%	3%	10%	9%
Total National (Council applicants)	58%	70%	64%	66%	67%	61%	58%
Total National (All applicants)	100%	100%	100%	100%	100%	100%	100%
Total National Funding Requested	\$2,725,512,496	\$1,051,056,996	\$1,160,252,739	\$1,479,017,154	\$869,775,530	\$1,696,176,042	\$1,489,404,038