

Questions asked during the public hearing

The following questions are provided to allow the opportunity to confirm or supplement answers given during the public hearing:

1. (p. 8) **CHAIR:** Okay, what instances are you aware of where infrastructure projects have been cancelled after funding was provided?
Mr Rollings: In my experience, I think the East West Link is the only one that I am aware of. My focus is on the making of payments for assistance to the states. I am not as close as perhaps others are to specific infrastructure issues.
CHAIR: Perhaps you might take that question on notice and then let me know also whether funding was recovered in those instances.
Mr Rollings: If there are other instances.
CHAIR: Yes, of course.

Response: The Treasury is not aware of any other instances where infrastructure projects have been cancelled after Commonwealth funding was provided.

2. (p. 8) **CHAIR:** Just remind me: the Federal Financial Relations Act was given effect in what year?
Mr Rollings: I believe it was 2009.
CHAIR: In the period from 2009 until now, what consideration has been given to review or update that act around these infrastructure funding issues?
Mr Rollings: I would need to take on notice the period before I was in the role. Since I have been in the role, around the last two years, there has been no consideration on that point.

Response: The *Federal Financial Relations Act, 2009*, came into effect on 1 January 2009. Treasury is not aware of any consideration to reviewing the Act.

Written questions on notice

Adequacy of Commonwealth protections in agreements

3. The East West Link audit report highlights that the relevant National Partnership Agreement and a Memorandum of Understanding with the Victorian Government were not legally binding (East West Link, p. 36). Would any legislative changes assist in the processes of recovery?

Response: The *Federal Financial Relations Act, 2009* already empowers the Treasurer to recover a grant of financial assistance if a condition of payment is not fulfilled. S.20 (1) states:

"It is a condition of a payment of financial assistance under this Act to a State that, if the State does not fulfil a condition in respect of the payment, the State

will, if the Minister so determines, repay to the Commonwealth the amount stated in the determination."

Return of payments and interest for the East West Link Project

4. What legal mechanisms are available to return or transfer funding, if Governments agree to move funding between projects?

Response: Please refer to the response to Question 3.

5. Is the Treasury aware of any instances where infrastructure projects have been cancelled after funding was provided? Was funding recovered in those instances?

Response: Please refer to the response to Question 1.