

Senate Finance and Public Administration Legislation Committee

ANSWER TO QUESTION ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

Budget Estimates Hearing – May 2006

Question: F10

Outcome: Sustainable Government Finances

Topic: Grant Payments

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Senator Sherry asked:

‘What other programs exist where there is a cash transfer outside government departments, interstate or independent and maybe Commonwealth statutory organisations, and it is not spent in the year of the transfer?’

Answer:

A number of grants are made to entities outside of the Australian general government sector where the grants are paid in an earlier financial year than that in which the cash is actually paid-out by the entity. These grants are subject to grant agreements between the responsible portfolio and the recipient entity that set out the terms of the grants, including outcomes and performance reporting.

Major grants announced in the 2006-07 Budget that were paid to entities outside of the general government sector in the 2005-06 financial year but were unlikely to be spent by the recipient entity in 2005-06 include:

- *Murray Darling Basin Commission – boosting capital works.* The Government provided \$500 million to the Murray Darling Basin Commission (refer p.88 2006-07 Budget Paper No. 2);
- *Investing in the nation’s infrastructure – improving the national rail track.* The Government provided \$270 million to the Australian Rail Track Corporation in 2005-06 to assist with investment in Australia’s interstate rail network (refer p.318 2006-07 Budget Paper No. 2);
- *Investing in the nation’s infrastructure – improving local roads.* The Government provided an additional one-off \$307.5 million in 2005-06 to local, state and territory governments for investing in local roads as a supplement for the Auslink Roads to Recovery allocations (refer p.316 2006-07 Budget Paper No. 2);

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- *Investing in the nation's infrastructure – improving the national network.* The Government offered additional payments of \$1.7 billion in 2005-06 to various states and territories to invest in highways on the Auslink national network (refer p.317 2006-07 Budget Paper No. 2);
- *Australian National University – funding for capital works and the John Curtin School of Medical Research.* The Government provided a one-off grant of \$125 million in 2005-06 to the Australian National University (ANU) for general capital works within the ANU and for capital works at the John Curtin School of Medical Research (refer p.148 2006-07 Budget Paper No. 2);
- Grants for medical research including a \$50 million contribution towards a seven-story extension of the Walter and Eliza Hall Institute as the measure *Medical Research – additional contribution to Walter and Eliza Hall Institute* (refer p.268 2006-07 Budget Paper No. 2) and \$165 million for a variety of development and expansion projects by medical research facilities as the measure *Medical research facilities – grants for development and expansion* (refer p.269 2006-07 Budget Paper No. 2);
- *Ford Australia – assistance.* The Government provided \$32.5 million in 2005-06 to contribute to the establishment of new engineering and test facilities in Melbourne and Geelong, and to assist Ford with the design and engineering work related to the development of a new pick-up truck and a new generation of Falcon and Territory vehicles (refer p.307 2005-06 Budget Paper No. 2);
- *Canberra International Airport – runway strengthening.* The Government provided \$28.5 million in 2005-06 to Canberra International Airport to strengthen its main runway to cater for heavy VIP and military aircraft (refer p.315 2006-07 Budget Paper No. 2);
- *South Australian State Aquatic Centre – contribution.* The Government provided \$15 million in 2005-06 towards the establishment of the South Australian State Aquatic Centre in Marion, South Australia. (refer p.137 2006-07 Budget Paper No. 2);
- *Australian Sports Museum – establishment.* The Government provided \$15 million in 2005-06 to the Melbourne Cricket Club to support establishment of an Australian Sports Museum at the Melbourne Cricket Ground (refer p.130 2006-07 Budget Paper No. 2); and
- *Toyota Park – contribution to stadium upgrade.* The Government provided \$9.6 million in 2005-06 towards the upgrade of Toyota Park, home of the Cronulla Sharks Rugby League Club, in Woolooware, southern Sydney (refer p.139 2006-07 Budget Paper No. 2).

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Information was also sought on grants of this type in previous years. Details of grants paid in 2004-05 and 2003-04 are as follows.

Grants announced in the 2005-06 Budget that were paid to entities outside of the general government sector in the 2004-05 financial year but were unlikely to be spent by the recipient entities in 2004-05 include:

- *Australia and New Zealand School of Government – grant.* The Government provided \$10 million in 2004-05 to enable the Department of the Prime Minister and Cabinet to make a one-off grant to the Australian and New Zealand School of Government (ANZSOG) (refer p.244 2005-06 Budget Paper No. 2); and
- *Centre for Medical Bionics and Hearing Science – further contribution.* The Government provided an additional \$5 million in 2004-05 for the Centre for Medical Bionics and Hearing Services to assist research into nerve and spinal repair, coronary artery disease, epilepsy and new generation cochlear implants and hearing aids, and for the establishment and ongoing support of a management team (refer p.184 2005-06 Budget Paper No. 2).

In addition the following grants were announced after the 2005-06 Budget and were paid to entities outside of the general government sector in the 2004-05 financial year but were unlikely to be spent by the recipient entities in 2004-05:

- *Australian Rail Track Corporation – increased funding in 2004-05:* The Government provided \$100 million to the Australian Rail Track Corporation in 2004-05 to assist with investment in Australia's interstate rail network (refer p.182 Mid-Year Economic and Fiscal Outlook 2005-06); and
- *Eyre Peninsula – rail upgrade:* The Government provided \$15 million in 2004-05 towards the cost of upgrading the Eyre Peninsula rail network (refer p.182 Mid-Year Economic and Fiscal Outlook 2005-06).

Grants announced in the 2004-05 Budget that were paid to entities outside of the general government sector in the 2003-04 financial year but were unlikely to be spent by the recipient entities in 2003-04 include:

- *Auslink – grant to the Australian Rail Track Corporation.* The Government provided a grant of \$450 million to the Australian Rail Track Corporation (ARTC) in 2003-04 for investment in new rail infrastructure projects on the interstate rail system to improve competitiveness with road freight (refer p.246 2004-05 Budget Paper No. 2);
- *Medical Research Infrastructure – injection of funds.* The Government provided \$31.2 million in 2003-04 to fund 14 important medical research infrastructure projects (refer. p.204 2004-05 Budget Paper No. 2);

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- *Indigenous Community Volunteers – additional funding.* The Government provided \$20 million in 2003-04 to the Indigenous Community Volunteers organisation to expand its capacity to improve non-government organisations and businesses matching skilled volunteers to the needs of Aboriginal and Torres Strait Islander communities (refer. p.224 2004-05 Budget Paper No. 2);
- *Lifeline – assistance.* The Government provided \$10 million in 2003-04 to lifeline to assist with the refurbishment and upgrade of its telephone and computer systems (refer p.201 2004-05 Budget Paper No. 2);
- *Reconciliation Australia – continued support.* The Government provided \$15 million in 2003-04 to support Reconciliation Australia's continuing role in providing a national focus for reconciliation (refer p.225 2004-05 Budget Paper No. 2); and
- *Mount Panorama motor racing circuit – contribution to upgrade.* The Government provided \$10 million in 2003-04 to the Bathurst City Council to assist the upgrade of facilities at the Mount Panorama motor racing circuit (refer. p.114 2004-05 Budget Paper No. 2).