

Senate Finance and Public Administration Standing Committee
ANSWERS TO QUESTIONS ON NOTICE
SUPPLEMENTARY ESTIMATES HEARINGS

PRIME MINISTER AND CABINET PORTFOLIO

Department/Agency: Department of Regional Australia, Regional Development and Local Government

Outcome: 1

Topic: Auditor-General report on the Regional and Local Community Infrastructure Program

Senator: MACDONALD

Question reference number: 36

Type of question: Written, Tuesday 19 October 2010

Date set by the committee for the return of answer: 3 December 2010

- a) Why did the Department fail to provide advice to the Minister on each grant application?
- b) Why did the Department make arrangements to increase program spending by making further payments before 30 June 2010 "irrespective of whether councils had yet spent or committed the funds already advanced to them"? Was the Department aware that these payments were being made ahead of councils' requirements for the funds?
- c) The Department accepts the five recommendations of this report. What is the Department doing to implement these recommendations?

Number of pages: 1

Answer:

- a) The Department of Infrastructure, Transport, Regional Development and Local Government provided advice to the Minister on each of the 202 short-listed grant applications.
- b) Payments to councils under the RLCIP-SP \$550m are made in line with the schedule outlined in each Funding Agreement. Upon completion of the project, all councils have to provide a Statement of Receipts and Expenditure endorsed by an external Auditor to demonstrate that all funds have been expended in accordance with the terms of the Funding Agreement.
- c) The Department of Regional Australia, Regional Development and Local Government is developing a common Departmental Grants Management Framework and implementing an upgraded grants administration system. The Department has also incorporated changes to the current funding agreements for future programs to align payment to councils with evidence of expenditure/commitment.