

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 85

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: WestConnex Capital Cost for Construction Stages

Proof Hansard Page: 18 (8 February 2016)

Senator Rhiannon, Lee asked:

Senator RHIANNON: So you are aware that all of the figures pertaining to the capital costs for the construction of stages 1, 2 and 3, excluding property and urban renewal amounts, have all been redacted, as have those indicating the annual recurrent costs including life cycle operation and maintenance? Is that accurate of what has been redacted?

Mr Foulds: I would have to take those precise words on notice. But I think, more or less, you are correct.

Answer:

The NSW Government publicly released the updated business case for WestConnex on 20 November 2015, with commercial-in-confidence content having been redacted.

The total capital costs of each stage of construction are given in the business case, but with commercially sensitive breakdowns of those total figures redacted (including design and construction costs, property and resourcing costs and urban renewal costs).

Operating and maintenance costs and lifecycle costs have also been redacted.

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Question no.: 86

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Victorian Infrastructure Funding

Proof Hansard Page: 30 (8 February 2016)

Senator Conroy, Stephen asked:

Senator CONROY: Yes—there is a typo here. Victorian projects—are there any Victorian projects? My understanding—and I am happy to be corrected—is that Victoria has about 25 per cent of the population of Australia but is only getting eight per cent of the funds currently allocated.

Mr Mrdak: I would have to check the figures, but there are a large number of projects now underway in Victoria which are in receipt of Commonwealth contributions.

Answer:

Victoria's allocation of Australian Government infrastructure funding for the period 2013-14 to 2018-19 equates to 21 per cent of the current national allocation (figure accurate as at 23/3/16). This includes the Government's \$3 billion commitment to the East West Link should a future government of Victoria agree to construct this important project.

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Question no.: 87

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: National Contingency
Proof Hansard Page: 31 (8 February 2016)

Senator Conroy, Stephen asked:

Senator CONROY: Given it is to be funded within the program, which program?

Mr Mrdak: It is being funded from the Infrastructure Investment Programme—from the national contingency available from within the program.

Senator CONROY: How much is in the contingency?

Mr Mrdak: I will take that on notice, Senator.

Answer:

As at 31 December 2015, \$261.52 million was available in the national contingency within the Infrastructure Investment Programme.

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Question no.: 88

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: \$18 million savings
Proof Hansard Page: 32 (8 February 2016)

Senator Conroy, Stephen asked:

Senator CONROY: I was asking Mr Mrdak to identify projects that have saved \$18 million.

Mr Mrdak: We have an amount in national contingency, a sum of which has come from projects that are not proceeding at this stage owing to decisions by state and territory governments, some of which are savings. For instance, we have made a saving on projects like the Moreton Bay Rail Link, which has been delivered ahead of schedule and ahead of budget. That has enabled us, for instance, to reallocate funds—

Senator CONROY: That is what I am asking. I am asking you to clarify. If you make savings on an individual project, I accept that you could round it up. Whether you have made \$18 million on the one project I am not sure and I would seek your advice on that. You have said you will take that on notice.

Mr Mrdak: Yes, we have, and I will take on notice the amount—

Answer:

More than \$18 million has been realised on an individual project, the Toowoomba Second Range Crossing.

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Question no.: 89

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Perth Freight Link – air quality
Proof Hansard Page: 35 (8 February 2016)

Senator Ludlam, Scott asked:

Senator LUDLAM: Let us leave that there. It is good that Senator Colbeck is at the table, because my next questions relate to a batch of questions on notice that you tabled for us late last week. Thank you for those. They do not shed much light on the situation, unfortunately. At the last estimates I asked if you could provide modelling for air quality, noise and truck congestion for residents in the vicinity of the road surrounding the Perth Freight Link. We got question on notice 44, which avoided answering. Question on notice 2631 said that modelling on the impacts of diesel particulates, air quality and truck congestion on all roads and communities in the vicinity of the PFL has not been done 'that you are aware of'. So my question, obviously, is: categorically, has the modelling being done or not? It is curious to hear back that it has not been done that you are aware of. You are proposing to hand over more than \$1 billion. Have you checked to see if that has been done?

Senator Colbeck: I will have to take that on notice, Senator.

Senator LUDLAM: Really? That is what happened last time I asked. How come it is so difficult to find out whether any modelling has been done? Otherwise, I am just basically handballing from estimates session to estimates session, which is not good enough. Has it been done or not?

Ms Zielke: The answer to the question, as far as we are aware at this stage, is that, no, it has not been undertaken. Would you like further advice in relation to when it would normally have been undertaken?

Senator LUDLAM: That would help, because at least that, I guess, will give me some indication of where you have been looking.

Ms Zielke: We will come back with that detail.

Answer:

Environmental and social reviews of proposed new infrastructure projects (i.e. air quality, noise and traffic impacts) are normally undertaken during the development phase of a project. These reviews are managed at the state level by the agency responsible for the project's delivery. A Public Environmental Review for the Roe Highway Extension was published in 2011 and provided modelling of air quality, including diesel particulates. The Public Environmental Review is available at <http://southmetroconnect.web1.interactiveinvestor.com.au/SMC1101/index.html>

Environmental clearances for the Perth Freight Link project are the responsibility of the Western Australian Government and it is also responding to the Western Australia Supreme Court ruling in relation to environmental approval for the Roe Highway Extension.

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Question no.: 90

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Perth Freight Link – diesel particulates

Proof Hansard Page: 35-36 (8 February 2016)

Senator Ludlam, Scott asked:

Senator LUDLAM: Thanks. What is the Commonwealth guidance for the safe level of diesel particulates—air quality with regard to diesel particulates for surrounding residents?

Mr Pittar: I do not have that information, Senator.

Mr Mrdak: We would need to probably seek that from the state EPA.

Senator LUDLAM: What I would like to know is whether you are looking at what are considered safe levels of diesel particulates in the air for human beings, children, pregnant women and older people. Then hopefully you will be able to tell us that the levels of diesel particulates for this project that the Commonwealth is proposing to fund would be lower than those maximum thresholds. I guess you can see where this is going.

Mr Mrdak: Certainly, Senator. As I said, I do not think we are in a position at the table to give you the details of the environmental assessments that are taking place or are about to take place. But we will ascertain from the Western Australian government what we can on those matters.

Answer:

The assessment of air quality, including diesel particulates, in the 2011 Public Environmental Review for the Roe Highway Extension was undertaken with reference to the National Environment Protection Measure (NEPM) ambient air criteria.

The NEPM for Ambient Air Quality sets out national standards and goals for six common ambient air pollutants (common emissions from diesel engine fuel combustion). These are sulphur dioxide carbon monoxide, lead, ozone, nitrogen dioxide and particulate matter. Particulate matter larger than 10µm (micrometres) in diameter cannot be inhaled, and do not penetrate further than the mouth and nose. Particulate matter smaller than 10µm in diameter (PM₁₀) can be inhaled and if smaller than 2.5µm in diameter (PM_{2.5}) can enter the respiratory system.

Modelling of ground level concentrations of these six pollutants was undertaken for the year of opening (then assumed to be 2016) and 15 years after opening (assumed to be 2031). The concentration for both years is within relevant NEPM ambient air criteria except for PM_{2.5}. However, existing background levels of PM_{2.5} (8.7µg/m³ – micrograms per cubic metre) were already above the NEPM criteria (8µg/m³), which was attributed to heavy industry to the south of the project area. The Public Environmental Review considered the modelling of PM_{2.5} that shows a small increase in background levels (9.5µg/m³ in 2016 and 10.1µg/m³ in 2031) was not significant.

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Question no.: 91

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Victorian Government's Market-led Proposals Interim Guidelines

Proof Hansard Page: 39 (8 February 2016)

Senator Rice, Janet asked:

Senator RICE: Can you go through those? Is it a Victorian government five-stage process or a federal government one?

Mr Foulds: Yes, it is a Victorian five-stage process. Stage 4—and I do not have the five stages written down, but I can get them for you easily—is direct negotiations with the market-led proponent, which means direct, exclusive negotiations with Transurban. Stage 5 will be a decision by the Victorian government as to whether to accept it and go ahead.

Answer:

This is a matter for the Victorian Government. See <http://www.dtf.vic.gov.au/Infrastructure-Delivery/Market-led-proposals>

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Question no.: 92

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Western Distributor Proposal – Independent Assessment Report

Proof Hansard Page: 40 (8 February 2016)

Senator Rice, Janet asked:

Senator RICE: Have you seen what was reported in the *Age* today, I think it was, that there were independent assessments of the business case undertaken by infrastructure experts Tony Canavan and Kerry Schott?

Mr Foulds: I have seen the article. I would have to take that on notice.

Senator RICE: So you do not know whether you have been given those independent assessments?

Mr Foulds: I have only just read the article this morning, so I would like to take that on notice.

Answer:

In June 2015, the Department of Infrastructure and Regional Development received from the Victorian Government a redacted version of the “Report of the Independent Market-led Proposal Expert Panel”. The Panel comprised of Dr Kerry Schott (chair) and Mr Tony Canavan.

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Question no.: 95

Program: 1.1 Infrastructure Investment and 3.1 Regional Programmes

Division/Agency: Infrastructure Investment

Topic: Tasmania's Infrastructure budget

Proof Hansard Page: 46 (8 February 2016)

Senator Lambie, Jacqui asked:

Senator LAMBIE: In relation to Tasmania's infrastructure budget, how much is being spent on the outside of Hobart?

Mr Mrdak: Again, I will have to take that on notice. Our major commitment at the moment is obviously the Midland Highway program, but I will get you some details in relation to where projects are under the program. Obviously, additional to the numbers Ms Zielke gave you, clearly we have programs such as Roads to Recovery, black spots and financial assistance grants, which apply across all local government areas in Tasmania. It is not just the \$50 billion infrastructure program. There are also other programs that apply across the whole of it through local government.

Answer:

The amount of the Australian Government infrastructure funding being spent in Tasmania outside of Hobart is \$699,860,097.

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Question no.: 96

Program: 1.1 Infrastructure Investment and 3.1 Regional Programmes

Division/Agency: Infrastructure Investment

Topic: Infrastructure investment in the north and northwest of Tasmania

Proof Hansard Page: 46-47 (8 February 2016)

Senator Lambie, Jacqui asked:

Senator LAMBIE: That is what I needed to know. Do you know how much the north and northwest of Tasmania is receiving in the federal infrastructure investment? Please detail those projects.

Mr Mrdak: We will get that for you on notice.

Answer:

The local government areas which have been included in the north of Tasmania are West Tamar, George Town, Launceston, Dorset, Northern Midlands and Meander Valley. The Australian Government's contribution under the Infrastructure Investment and Regional programmes in these local government areas is as follows:

Programme	Funding
	\$
Infrastructure Investment Roads (2013-14 to 2018-19)	146,908,000
Infrastructure Investment Rail (2015-16 to 2018-19) *	59,800,000
Roads to Recovery (2014-15 to 2018-19)	30,552,895
Black Spot (2014-15 to 2015-16)	883,012
Heavy Vehicle Safety and Productivity (2013-14 to 2015-16)	1,235,625
Bridges Renewal (2013-14 to 2015-16)	8,338,000
Untied Local Roads Grants (2013-14 to 2015-16)	27,137,158
Regional (2013-14 to 2017-18)	25,091,058
Total	299,945,748

*The Australian Government is providing \$59.8 million over four years from 2015-16 to upgrade the freight rail lines across Tasmania. This includes various work packages on the Melba Line, Western Line, Bell Bay Line and the Southern Line, which are located in the north and northwest of Tasmania.

The local government areas which have been included in the northwest of Tasmania are Circular Head, Waratah-Wynyard, Burnie, Central Coast, Kentish, Devonport and Latrobe. The Australian Government's contribution under the Infrastructure Investment and Regional programmes in these local government areas is as follows:

Programme	Funding
	\$
Infrastructure Investment Roads (2013-14 to 2018-19)	4,342,000
Infrastructure Investment Rail (2015-16 to 2018-19) *	59,800,000
Roads to Recovery (2014-15 to 2018-19)	25,555,193
Black Spot (2014-15 to 2015-16)	1,321,000
Heavy Vehicle Safety and Productivity (2013-14 to 2015-16)	1,540,000
Bridges Renewal (2013-14 to 2015-16)	243,000
Untied Local Roads Grants (2013-14 to 2015-16)	22,753,117
Regional (2013-14 to 2017-18)	56,193,386
Total	167,405,696

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*The Australian Government is providing \$59.8 million over four years from 2015-16 to upgrade the freight rail lines across Tasmania. This includes various work packages on the Melba Line, Western Line, Bell Bay Line and the Southern Line, which are located in the north and northwest of Tasmania.

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Question no.: 97

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Procurement Policy
Proof Hansard Page: 47 (8 February 2016)

Senator Lambie, Jacqui asked:

Senator LAMBIE: Do you have a breakdown of how much Australian product you buy during that infrastructure spend?

Mr Mrdak: I do not think we do. I can take that on notice.

Ms Zielke: Also, obviously, the resources portfolio may have figures that are not available to us as well in that regard.

Senator Colbeck: The Finance portfolio would be able to help you with our overall procurement policy. That is managed by the Department of Finance. There is a national procurement policy, which is documented, and that would go for direct procurement by the Commonwealth. But as most of these projects or effectively all of these projects are procured by the states at a state level, they would be done under their respective state procurement policies. I think, from recollection, there is some local preference policy in Tasmania, for example, which you would understand and have seen some publicity on over the last couple of months. But each of the states has their own individual procurement requirements. I am not sure what Commonwealth overlays there might be in that sense, but we can find that out for you.

Mr Mrdak: We can find that out.

Answer:

Responsibility for procurement arrangements under the Infrastructure Investment Programme rests with the State and Territory governments who comply with their respective legislation and policies.

The Infrastructure Investment Programme is delivered under the terms of the National Partnership Agreement on Land Transport Infrastructure Projects (NPALTIP). The NPALTIP includes a requirement for States and Territories to provide a Local Industry Participation Plan (LIPP) for all projects in receipt of Commonwealth payments over \$20 million. The purpose of the LIPP is to encourage full, fair and reasonable opportunity for Australian industry to compete for work in major public and private projects in Australia.

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Question no.: 98

Program: 3.1 Regional Programmes

Division/Agency: Infrastructure Investment

Topic: King Island Port bids

Proof Hansard Page: 48 (8 February 2016)

Senator Colbeck, Richard asked:

Senator Colbeck: It is a state owned port. I am aware of some proposals that have been prepared probably going back about eight or nine years ago now to do some work. Some of those are dependent on other developments on the island, but as far as I am aware we have not received any proposals from the state in respect of work at the King Island port. It is a Tasmanian government owned port. If we were to be engaged in that process we would have to be approached by the Tasmania government and go through the infrastructure assessments accordingly.

Mr Mrdak: I will take on notice and check whether we received any bids for community infrastructure grant funding, but I am not aware of anything for the King Island port.

Answer:

The Department of Infrastructure and Regional Development has not received any grant funding requests for work at the King Island port.

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Question no.: 99

Program: 3.1 Regional Programmes

Division/Agency: Infrastructure Investment

Topic: National Stronger Regions fund Round Two value of projects from Tasmania

Proof Hansard Page: 49 (8 February 2016)

Senator McKim, Nick asked:

Senator McKIM: I just wanted to ask a couple of questions around the National Stronger Regions Fund. A lot of local governments in southern Tasmania are a bit confused and, it is fair to say, put out about the fact that in the first two rounds no money—that is, not a cent—has been allocated anywhere south of Oatlands in Tasmania. In the last round, which is obviously round 2, of the \$293 million allocated Tasmania received the not so grand total of \$767,000. Firstly, do you dispute any of those figures? Secondly, can you advise how many applications were received from Tasmania from round 2? Can you advise the value of those proposals and can you also provide, if you have it and if not on notice, a breakdown on a state-by-state basis?

Mr Mrdak: I will just ask Mr McCormick, who looks after this program, to give you a breakdown of round 2.

Senator McKIM: Thank you.

Mr Mrdak: Mr McCormick, are you able to assist or would you like to take it on notice?

Mr McCormick: I can say that under the National Stronger Regions Fund we have six projects funded in Tasmania for a total funding amount of \$12.31 million. Any further breakdown of that I would have to take on notice.

Senator McKIM: Perhaps if you take on notice what you are able to provide based on my previous question. Thank you. I am aware of that \$12 million figure. I will repeat, again, that none of that is in southern Tasmania. I am not putting this to the department at all, but I do want to note for the record that three marginal Liberal held seats are in northern Tasmania. There is a view amongst some in the Tasmanian community that those two things may be linked. I wanted to put this to you in relation to the \$12 million. That represents about 2.4 per cent of the just over half a billion dollars allocated in rounds 1 and 2 of National Stronger Regions, but the ABS statistics show that about 7.5 per cent of people that live in regional Australia actually live in Tasmania. I do not know whether you want to respond to this, Minister, but it strikes me that Tasmania is grossly underrepresented in the allocation of rounds 1 and 2 of National Stronger Regions. Can anyone explain that? Is it a quality of projects issue? Is it a quality of bids issue? Why is Tasmania so grossly underrepresented? We always hear we are the mendicant state. When you look at the per capita numbers—and I do want to put these on the record—we get \$1.50 per person. This is for round 2. It is \$1.50 per person in Tasmania, \$14.20 in New South Wales, \$9 in Victoria per person, \$13.30 per person in Queensland, \$18.60 per person in South Australia, and \$14.50 per person in WA. It is only \$1.50 per person in Tasmania.

Answer:

1. No application for funding under the National Stronger Regions Fund (NSRF) to date has been successful for projects south of Oatlands, Tasmania.
2. The total grant funding approved in Round Two of the NSRF was \$293,434,371 of which Tasmania received \$767,475.
3. Table 1 provides a state breakdown of applications submitted and NSRF funding sought by State under the NSRF Round Two.

State	Applications Submitted	NSRF Funding sought
Australian Capital Territory	5	\$33,948,575
New South Wales	172	\$492,747,575
Northern Territory	14	\$36,681,247
Queensland	105	\$310,574,677

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South Australia	47	\$125,981,452
Tasmania	15	\$20,980,083
Victoria	77	\$199,934,978
Western Australia	79	\$247,107,472
Totals	514*	\$1,467,956,059

Table 1. State breakdown of number of applications submitted and funding sought under NSRF Round Two.

*In Round Two, one application was withdrawn.

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Question no.: 100

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: WestConnex benefit cost analysis
Proof Hansard Page: 51 (8 February 2016)

Senator Bullock, Joe asked:

Senator BULLOCK: I should start by acknowledging my debt to Ms Forde, who in 1961 taught me how to add up. I have been grateful to her for that ever since, particularly when I look at WestConnex. Looking at the KPMG benefit-cost analysis of that project, they say that the estimated benefit is \$24.3 billion and we know the cost is \$16.8 billion. They say the benefit-cost ratio based on that is 1.88. I put 24.3 over 16.8 and come up with 1.45. I asked myself: how could the bright people at KPMG get that wrong? If you take the Commonwealth's contribution of \$3.5 billion off the \$16.8 billion cost, you get \$13.3 billion. If you put \$24.3 billion over \$13.3 billion, you get 1.88. It would seem as though the benefit-cost analysis that was performed by KPMG treats the Commonwealth government's \$3.5 billion as pennies from heaven rather than factoring that into the costs. Can you tell us how the New South Wales government treats the Commonwealth's contribution when it comes to determining the benefit-cost analysis?

Mr Mrdak: It would be best to get you a detailed answer to that question. You do recognise that of that \$3.5 billion contribution, \$2 billion is a concessional loan, which is repayable from 2029?

Senator BULLOCK: Yes, I understand that.

Mr Mrdak: It is not simply to say that it is pennies from heaven. There is a repayment schedule on that, which has to be funded.

Senator BULLOCK: What does that still leave?

Mr Mrdak: It leaves \$1.5 billion. I would need to take on notice and get more detailed information on the structure of the cost-benefit analysis, but I do not think you could assume that the grant funding is not included in the cost of the project.

Senator BULLOCK: When I did the sums it does seem to work out that if you knock off the Commonwealth's contribution the sums work.

Mr Mrdak: I would need to get some advice and come back to you.

Answer:

The benefit cost analysis for WestConnex available at http://www.westconnex.com.au/library/key_documents_and_maps.html is set out in the updated business case and its attachments. The BCR of 1.88 including wider economic benefits is calculated as the present value of benefits less the present value of operating costs, divided by the present value of capital expenditure. Funding source is not a factor in the determination of a benefit cost ratio.

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Question no.: 101

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: \$2 billion loan for WestConnex
Proof Hansard Page: 54 (8 February 2016)

Senator Bullock, Joe asked:

Senator BULLOCK: Mr Mrdak, earlier you quite rightly pointed out that with regard to WestConnex the \$2 billion loan is not a cost to the federal government; it is of course a cost to the project. When they are working out the benefit-cost analysis for the whole project they have to include that \$2 billion back in plus presumably any interest they pay on it.

Mr Mrdak: That is correct.

Senator BULLOCK: That does take me back to where I was on those sums. It does look as if the \$3.5 billion contributed by way of both the loan and the direct contribution have not been factored into the New South Wales government's calculations. I look forward to your answers on notice.

Mr Mrdak: I will get some details on that for you.

Answer:

Please see answer to SQ16-000027.

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Question no.: 102

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Infrastructure Investment Contingency Projections

Proof Hansard Page: 55-56 (8 February 2016)

Senator Bullock, Joe asked:

Senator BULLOCK: Just going back to those contingencies, could you outline for us what the profile was on those contingencies, firstly, when it was, as it previously was, \$1,469 million, and, secondly, what it is now minus the \$999 million?

Mr Mrdak: The government is yet to take final decisions on the allocation of the contingency as to the years and the like, some of which are driven by our need to get profiles across the new projects. I will come back to you on notice.

Senator BULLOCK: Note that I am not asking about the new projects. I was asking about the contingencies. What is left over after you take the new projects out?

Mr Mrdak: Yes, but that is what I am saying. It depends on what year you take it out. That is dependent on the cash flow projections you get from the jurisdictions. At this stage, I cannot give you an accurate view by year of what the contingency will look like because if the profile for the Northern Connector comes in at a certain amount and the profile for the Armidale road, that will change year by year. I think the best way is if I take that on notice and, once the government has resolved these issues of the movement of the contingency once we get the cash flow projections for the new projects, then I will be able to give that to you.

Answer:

As at 31 December 2015, \$261.52 million was available in the national contingency within the Infrastructure Investment Programme.

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Question no.: 103

Program: Northern Australia Beef Roads Programme

Division/Agency: Infrastructure Investment

Topic: Northern Australia Beef Roads Programme – Eligible roads and projects

Proof Hansard Page: 61 (8 February 2016)

Senator Sterle, Glenn asked:

Senator STERLE: Just before we finish with the Beef Roads Program, how many kilometres of beef roads do we have in the north?

Mr Pittar: I cannot answer that question. I do not have that information in front of me.

Senator STERLE: Does anyone have it? I think any announcements on roads are great as long as they are delivered. With the \$100 million, you said there are existing roads that could be upgraded. There could be an expectation that a bit of blacktop might be put down. Would we also assume that culverts and bridges may be part of that funding program?

Answer:

There is not a designated number of kilometres of beef roads in the north.

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Question no.: 104

Program: Infrastructure Investment Programme
Division/Agency: Infrastructure Investment
Topic: Bruce Highway project delivery status and contingency
Proof Hansard Page: 61-62 (8 February 2016)

Senator McLucas, Jan asked:

Senator McLUCAS: I would like to go to question on notice No. 53, the answer to which as Senator Bullock indicated was only received last week. The contingency amounts at the signing of the National Partnership Agreement—and I am going to Queensland—in October 2014 was \$763.66 million, including \$478.81 million which is the Bruce Highway. But then as of 30 September 2015 Queensland's contingency moves to \$1,133.69 million across the state, including \$752 million which is the Bruce Highway contingency. Mr Mrdak, in answer to a question to Senator Lambie earlier you said that the role of contingency is savings from projects that are not proceedings or underspends. What projects are not proceeding on the Bruce that would move the contingency reserve from \$478.81 million to \$752.01 million?

Mr Mrdak: There is no project not proceeding. Based on original estimates that were done when the program was established, we are finding that project costs are coming in under expectations or projects are taking longer to come into market and therefore funds have not been allocated.

Senator McLUCAS: Can you break that down then? How much is the underspend? That is a good thing? How much is the underspend out of that money?

Mr Mrdak: I would probably need to take that on notice, if I can, and come back to you.

Senator McLUCAS: If you can disaggregate that figure into how much is the underspend and then the more concerning answer is the delayed rollout.

Mr Mrdak: Certainly.

Answer:

Since the National Partnership Agreement on Land Transport Infrastructure Projects (2014-2019) was signed in September 2014, there have been both additional savings and costs on the Bruce Highway which have contributed to the net increase in the Bruce Highway contingency.

This is outlined in the tables below:

BRUCE HIGHWAY CONTINGENCIES	
Project	Contingency (\$m)
Contingency as at Budget 2015	478.8
Additional Savings	
Cooroy to Curra Section A	50
Cooroy to Curra Section C	192
Yeppen Floodplain Upgrade	100
Cabbage Tree Creek	13
Calliope Crossroads	20
Southern Approach to Gin Gin	3
Subtotal	378
Additions to Contingency Subtotal	856.8

Rural & Regional Affairs and Transport Legislation Committee

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Additional Cost	
Less Boundary Road Interchange	84
Less Arnot Creek – In planning	8
Less additional cost required for Vantassel Street to Flinders Highway Duplication.	12.8
Subtractions from contingency subtotal	104.8
Total Bruce Highway Contingency as at 30 September 2015	752

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 105

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Delays to projects on the Bruce Highway
Proof Hansard Page: 62 (8 February 2016)

Senator McLucas, Jan asked:

Senator McLUCAS: What projects have been delayed?

Mr Mrdak: Again, I will come back to you on notice with that one.

Senator McLUCAS: I would prefer if we could do it now if that is at all possible.

Mr Mrdak: I do not think we have that disaggregation with us, but I will get that for you as quickly as I can.

Senator McLUCAS: Would that be possible today?

Mr Mrdak: We will endeavour to, if we can.

Answer:

See response to 114.

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ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2015 - 2016

Infrastructure and Regional Development

Question no.: 106

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Cape York Region Package

Proof Hansard Page: 62 (8 February 2016)

Senator McLucas, Jan asked:

Senator McLUCAS: Can you update the committee about where the Cape York roads package of \$210 million is up to?

Mr Pittar: With the Cape York package—I think as we talked about last time the primary work around that project or that program is around the mean deviation project on the Peninsula Development Road. The objective there is to maximise the amount of sealing that is being undertaken on that road. Around 60 kilometres of the Peninsula Development Road was sealed prior to the onset of the wet season in 2015. The objective is to get around 130 kilometres of that road sealed all up. It is expected that the work on the mean deviation project will be completed around April once work can recommence following the conclusion of the wet season.

Senator McLUCAS: We have not had a wet season.

CHAIR: El Nino pinched it.

Senator McLUCAS: Mr Pittar, just for time, I wonder if I could be provided on notice with a list of projects that will be sourced from the \$210 million. I think there was \$40 million from the Queensland government. Is that right?

Mr Pittar: That is correct.

Senator McLUCAS: If you could give me a profile of the projects and over what period of time they are going to be rolled out. The original project that you would remember had a number of elements that are quite separate from the Peninsula Development Road. What I am wanting to know is what the current status of each of those expenses is going to be and in which year as well.

Mr Pittar: We can provide you with that information on notice.

Answer:

Community liaison through the regionally-based Taskforce has indicated that there is broad support from the Cape York Indigenous Mayors Alliance (CIMA) and community members that, of the available \$260.5 million, \$200 million to be dedicated to the upgrade of the Peninsula Developmental Road (PDR) and \$10 million to go towards the Endeavour Valley Road. The remaining funding of \$50.5 million will fund Community Infrastructure projects identified by CIMA.

In 2014, 34km of road was sealed on the PDR:

- Rocky Creek to Koolburra (11km).
- South of Sudley (16km).
- Kalinga to Healys (7km).

At the end of 2015, a further 34.4km of road was sealed on the PDR:

- Mein Deviation, north of the Archer River (18.9km of 29km – still under construction).
- South of Hann River (7km).
- Sourayas Hill (north of Coen Airport) (4.5km).
- South of Morehead River (4km).

Completion of the Mein Deviation will be carried out in early 2016, weather permitting.

The 2016 construction program will continue to further seal sections of the PDR and will include:

- Coen South (22km).
- Archer to Wolvertown (13km).

Rural & Regional Affairs and Transport Legislation Committee

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- Musgrave (12km).

As at 22 February 2015, a Project Proposal Report seeking agreement for the CIMA Community Infrastructure projects and remaining PDR works is currently under consideration by the Government.

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Question no.: 107

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Bringelly Road

Proof Hansard Page: 66 (8 February 2016)

Senator Bullock, Joe asked:

Senator BULLOCK: Did you say that it was \$500 million for 10 kilometres on Bringelly Road?

Mr Foulds: Yes.

Senator BULLOCK: That is \$50 million a kilometre. What was the per kilometre cost of Bringelly Road phase 1?

Mr Foulds: I have not worked that out. Each road will be different for the per kilometre rate. It is different because the cost of land, if you have to procure land, will be different for every project.

Senator BULLOCK: I am assuming that on Bringelly Road the earlier bit was probably closer to the city and more costly than the later bit, and yet its per kilometre cost is significantly less. Unless I am wrong.

Mr Foulds: To examine the detail on that I would have to take it on notice.

Senator BULLOCK: Looking at the per kilometre cost—and I do not want you to compare apples and oranges; that is why I used Bringelly Road as the example. It is one bit of road. We have the first stage that has already been done and the second stage is underway now.

Mr Foulds: Yes.

Senator BULLOCK: A little bit of compare and contrast on those might be helpful.

Mr Foulds: I am happy to take that on notice.

Mr Mrdak: We will get you some unit rates on those.

Mr Foulds: What I cannot recall at the moment is what the differences are in scope between stage 1 and stage 2, whether there is any, or any interface issues or geotech problems or land acquisition. All of those things impact on the cost of a road.

Senator BULLOCK: Will they all feature in your answer?

Mr Foulds: Yes.

Answer:

The Australian Government has committed \$407 million to the \$509 million Bringelly Road upgrade as part of the Western Sydney Infrastructure Plan. Stage 1 of the upgrade is 5.7 kilometres between Camden Valley Way and King Street. Stage 2 is 4.3 kilometres between King Street and The Northern Road. Work on Stage 1 began in 2015 and is expected to be completed in late 2017. Work on Stage 2 is not expected to begin until early 2017. The 2011 NSW Review of Environmental Factors report identified possible total property acquisitions for the full project of approximately 355,000 square metres. Property acquisition processes are ongoing with final costs yet to be determined.

In terms of construction costs, the construction contract for Stage 1 awarded to BMD Constructions Pty Ltd is valued at approximately \$126 million. In simple terms this represents a per kilometre cost of \$22 million. A construction cost for Stage 2 is not yet available as procurement processes are ongoing.

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Question no.: 110

Program: 3.1 Regional Programmes

Division/Agency: Infrastructure Investment

Topic: National Stronger Regions Fund Round Two projects recommended but not funded

Proof Hansard Page: 73 (8 February 2016)

Senator Bullock, Joe asked:

Mr McCormick: The department could only assess the application on the information provided in the application form, and the ministerial panel determined that they considered the economic benefits to those projects were understated in the application, and it was assessed accordingly.

Senator BULLOCK: Fair enough. So, those two were not recommended but ended up being funded. On the other side of that coin, do you know of any that were recommended for funding but did not end up receiving funding?

Mr McCormick: There were a number, but I do not know them. I do not have that list here.

Senator BULLOCK: I might ask you for that one on notice. To keep Senator Heffernan happy, I will put something on notice.

Senator EDWARDS: Senator Heffernan is always happy.

Senator BULLOCK: When you are listing those projects that ended up not being funded, could you break them down on a state-by-state basis as well?

Mr McCormick: I will take that on notice. It was advice provided to government.

Senator BULLOCK: I am not asking for the advice. I am just asking for the ones that were recommended but did not end up being funded.

Mr Mrdak: We will take that on notice.

Answer:

This information is advice provided to Government.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
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Question no.: 111

Program: 3.1 Regional Programmes

Division/Agency: Infrastructure Investment

Topic: National Stronger Regions Fund Round Two Tasmanian applications

Proof Hansard Page: 73-74 (8 February 2016)

Senator Bullock, Joe asked:

Senator BULLOCK: At the briefing conducted by the department on 21 January advice was given from the department that from round 2 of the program 15 applications were received from Tasmania with 14 assessed as meeting the criteria. Further advice stated that nine projects were recommended for funding by officials from the department and only three of the nine projects recommended for funding were approved by the ministerial panel. Is that the case? Is that right?

Mr McCormick: I was not at the information session in Tasmania so I am not aware of that information.

Mr Mrdak: Can we take that on notice? That does not sound very familiar to us.

Mr McCormick: It does sound like a bit of a conflict.

Senator BULLOCK: It sounds a little odd if it were the case that so many of the projects that you had recommended were rejected.

Mr Mrdak: Again, we would have to take that on notice. I am not familiar with that comment.

Answer:

The National Stronger Regions Fund is a national, competitive merit-based funding programme. Projects that are successful for funding have demonstrated the greatest relative merit in terms of the published assessment criteria. In Round Two, a total of 514 applications were received and 111 projects were approved for funding.

In Round Two of the National Stronger Regions Fund, fifteen applications were received from Tasmanian applicants. One application was ineligible. Fourteen applications proceeded to full assessment. Ten applications were assessed by the Department as representing value with relevant public money, four were recommended by the Department for funding and three projects in Tasmania received funding.

The percentage of Tasmanian projects approved in relation to applications received in Round Two was commensurate with other states.

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Question no.: 112

Program: 3.1 Regional Programmes

Division/Agency: Infrastructure Investment

Topic: National Stronger Regions Fund Round Two recommendations by State

Proof Hansard Page: 74 (8 February 2016)

Senator Bullock, Joe asked:

Senator BULLOCK: This is an extension of the question that you have taken on notice earlier about the rejection state by state. Can you tell us how many applications were received state by state and of those how many met the criteria and how many were recommended for funding? I probably should have asked that earlier.

Mr McCormick: We can take that on notice.

Senator BULLOCK: Yes, I dare say, and perhaps look at the criteria on which the decisions were made for the recommendation. I think in broad terms you have partly answered that already, but perhaps that could be included in the answer to that question. Can you confirm whether the member for Braddon provided representation in support of an application for an upgrade to the Burnie Tennis Club to either the department or the minister?

Mr McCormick: I would have to take that on notice. We received a large number of letters of support for the 514 applications.

Answer:

- Table 1 below provides a state breakdown of funding sought, total project cost, number of applications that met the criteria and the number of applications recommended for funding by State under the National Stronger Regions Fund Round Two.

State	Applications Submitted	NSRF Funding sought	Total Project Cost	Met the criteria	Recommended for funding
Australian Capital Territory	5	\$33,948,575	\$71,164,937	0	0
New South Wales	172	\$492,747,575	\$1,406,004,786	102	35
Northern Territory	14	\$36,681,247	\$76,152,468	5	0
Queensland	105	\$310,574,677	\$902,928,463	48	23
South Australia	47	\$125,981,452	\$380,755,060	24	14
Tasmania	15	\$20,980,083	\$50,356,100	10	4
Victoria	77	\$199,934,978	\$493,866,847	52	14
Western Australia	79	\$247,107,472	\$784,613,445	42	14
	514*	\$1,467,956,059	\$4,165,842,106	283	104

Table 1. State breakdown of funding sought, total project cost, number of applications that met the criteria and the number of applications recommended for funding by State under NSRF Round Two.

*In Round Two, one application was withdrawn.

- The Department's recommendation for funding included only projects that represent value with relevant money, which are those projects that:
 - have met all of the published eligibility requirements;
 - have demonstrated the greatest relative merit in terms of the published assessment criteria;
 - involve a reasonable (rather than excessive) cost having regard to the quality and quantity of deliverables that are proposed; and
 - have a risk profile that is acceptable to the Australian Government, with any identified risks able to be efficiently and effectively managed.

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The Department's recommendation gave consideration to the funding profile of the Programme, the remaining funds available and the requirement to allocate funding of \$25 million for those projects assessed as being value with relevant money which sought funding of \$1 million or less.

Each application that met the eligibility requirements was appraised by the Department against the assessment criteria. The appraisal was based on information provided in the application form, supporting documentation and advice from other parties.

Each application had to meet a minimum benchmark against each of the assessment criteria to be recommended for funding to the Ministerial Panel. Applications were appraised against each of the following assessment criteria:

- Assessment Criterion 1: The extent to which the project contributes to economic growth in the region;
- Assessment Criterion 2: The extent to which the project addresses disadvantage in the region;
- Assessment Criterion 3: The extent to which the project increases investment and builds partnerships in the region; and
- Assessment Criterion 4: The extent to which the project and proponent are viable and sustainable.

The assessment criteria were weighted as follows:

- Assessment Criterion 1 will represent three parts of the seven part total assessment score;
- Assessment Criterion 2 will represent two parts of the seven part total assessment score; and
- Assessment Criteria 3 and 4 will represent one part each of the seven part total assessment score.

The Department requested advice on applications from state and territory governments, other Australian Government agencies and independent experts. Requests for advice included some or all of the following; the history of the Applicant in delivering projects, viability of the project and Applicant, the extent to which the project aligns with or delivers priorities in state and territory plans, confirmation of funding contributions and impact of the project on the region.

3. A letter of support from the Member for Braddon was provided with the National Stronger Regions Fund Round Two application of the Burnie Tennis Club Courts Redevelopment application for funding.

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Question no.: 113

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Midland Highway Upgrade
Proof Hansard Page: 79 (8 February 2016)

Senator Urquhart, Anne asked:

Senator URQUHART: In its agreed 10-year plan with the Tasmanian government, can the department advise what the next priority for the Midland will be after those listed?

Mr Foulds: I would have to take that on notice.

Answer:

The Tasmanian Department of State Growth has provided the following next project priorities for the Midland Highway Upgrade:

- Mangalore to Bagdad Stage 2;
- St Peters Pass to Tunbridge;
- Spring Hill Gap; and
- South Perth Link.

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Question no.: 114

Program: 1.1

Division/Agency: Infrastructure Investment

Topic: Bruce Highway project delivery status and contingency

Proof Hansard Page: 105 (8 February 2016)

Senator McLucas, Jan asked:

Senator McLUCAS: Mr Mrdak, when we were speaking earlier today I asked the question about the potentially delayed projects. You indicated there were going to be some projects that were going to come in under budget—and that is great—but there were some projects that may be delayed. I am interested in knowing what they might be.

Mr Mrdak: I do apologise; I do not have any details. I am advised we are not expecting delays, at this stage, to the program. In fact, we are trying to do the opposite, but I will get the definitive answer for you. In relation to the savings, you asked about the changes to the contingency from \$478 million to \$752 million. I am advised that savings included: Cooroy to Curra section A, \$50 million; Yeppen was completed \$100 million under budget; Cooroy to Curra section C early works \$192 million; Cabbage Tree Creek, \$13 million; Calliope crossroads, \$20 million; and the southern approach to Gin Gin, \$3 million. They are the sum of the savings, but I will get you a more fulsome answer. My advice thus far is that we anticipate the program continuing as it is.

Senator McLUCAS: I don't think those figures add up to the approximate \$300 million increase in the contingency reserve that we talked about earlier today.

Mr Mrdak: My calculation is that that gives you about 270 or so, but I will get you a full answer to those.

Senator McLUCAS: Thank you. I am very interested if there are any delays to the program.

Mr Mrdak: Yes. As I said, I am advised that the program is on schedule, subject to Queensland bringing forward their PPRs. But I will get you a fulsome answer to that.

Answer:

There are currently no delays in the delivery of Bruce Highway projects that have contributed to savings in the Infrastructure Investment Programme.

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Question no.: 115

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Departmental Collaboration

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Please indicate which other Departments or agencies the Department of Infrastructure and Regional Development works with or collaborates with on the following areas, programs or projects:
 - (a) Northern Australia transport infrastructure projects;
 - (b) Northern Australia water infrastructure projects;
 - (c) Beef Roads package (\$100M);
 - (d) Northern Australia Roads Package (\$600M);
 - (e) Northern Australia Infrastructure Fund;
 - (f) Western Australia GST roads (\$499.1M program);
 - (g) Cities policy;
 - (h) Regional policy.
2. What joint bodies, taskforces or other entities exist, which involve the Department of Infrastructure, exist to work on the following areas, programs or projects:
 - a) Northern Australia transport infrastructure projects;
 - b) Northern Australia water infrastructure projects;
 - c) Beef Roads package (\$100M);
 - d) Northern Australia Roads Package (\$600M);
 - e) Northern Australia Infrastructure Fund;
 - f) Western Australia GST roads (\$499.1M program);
 - g) Cities policy;
 - h) Regional policy.

Answer:

Please see the table below containing the response.

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Please indicate which other Departments or agencies the Department of Infrastructure and Regional Development works with or collaborates with on the following areas, programmes or projects:	Response
Northern Australia transport infrastructure projects	Office of Northern Australia; Treasury; Department of Industry, Innovation and Science; Department of Agriculture and Water Resources; Department of Prime Minister and Cabinet; and Western Australia, Northern Territory and Queensland governments.
Northern Australia water infrastructure projects	The Department of Infrastructure and Regional Development (Infrastructure) works primarily with the Department of Agriculture and Water Resources (Agriculture) who lead the National Water Infrastructure Development Fund. Infrastructure also works with other agencies as determined by Agriculture on these projects.
Beef Roads package (\$100m)	Office of Northern Australia; Department of Industry, Innovation and Science; Department of Agriculture and Water Resources; CSIRO; Department of Prime Minister and Cabinet; and Western Australia, Northern Territory and Queensland governments.
Northern Australia Roads package (\$600m)	Office of Northern Australia; Department of Industry, Innovation and Science; Department of Prime Minister and Cabinet; and Western Australia, Northern Territory and Queensland governments.
Northern Australia Infrastructure Facility (NAIF)	The NAIF is administered by the Department of Industry, Innovation and Science. The Department provided advice to the Treasury during the formative stages of the NAIF based on our experience with negotiating the terms and conditions of the concessional loan to the WestConnex -Stage 2 project. The Department has continued to be involved in a consultative role around implementation arrangements following the transition of the NAIF to Industry.

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Western Australia GST roads programme (\$499.1m)	The Treasury and the Western Australian Department of Main Roads.
Cities Policy	The Department of Infrastructure and Regional Development works bilaterally with a range of other commonwealth departments and agencies on programs and projects relevant to urban and regional Australia. Recent collaborations include the Department of the Environment.
Regional Policy	<p>The Department of Infrastructure and Regional Development works bilaterally with a range of other commonwealth departments and agencies on programs and projects relevant to urban and regional Australia. Recent collaborations include the Departments of:</p> <ul style="list-style-type: none"> • The Prime Minister and Cabinet • Treasury • Employment • Immigration and Border Protection • Health • Education and Training • Human Services • Social Services • Agriculture and Water Resources • Industry, Innovation and Science • Australian Trade Commission (AUStrade) • Foreign Affairs and Trade • Environment • Communications and the Arts • Australian Bureau of Statistics

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What joint bodies, taskforces or other entities exist, which involve the Department of Infrastructure, exist to work on the following areas, programmes or projects:	Response
Northern Australia transport infrastructure projects	Office of Northern Australia Interdepartmental Committee Northern Australia Transport Study – Business Stakeholder Group
Northern Australia water infrastructure projects	The Department of Infrastructure and Regional Development has representatives on the Project Board for the National Water Infrastructure Development Fund which is led by the Department of Agriculture and Water Resources.
Beef Roads package (\$100m)	Office of Northern Australia Interdepartmental Committee
Northern Australia Roads package (\$600m)	Office of Northern Australia Interdepartmental Committee
Northern Australia Infrastructure Facility	The Department of Industry, Innovation and Science consults with other portfolios, including this Department, as the governance and administrative arrangements for the NAIF continue to be developed.
Western Australia GST roads programme (\$499.1m)	N/a
Cities policy	The Department has membership of the Deputy Secretaries Steering Committee on Cities.
Regional Policy	The Department has convened an Interdepartmental Committee (IDC) to support the development and implementation of a regional development policy statement. The current IDC membership includes the following Departments: <ul style="list-style-type: none">• Infrastructure and Regional Development

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	<ul style="list-style-type: none">• The Prime Minister and Cabinet• Treasury• Employment• Immigration and Border Protection• Health• Education and Training• Human Services• Social Services• Agriculture and Water Resources• Industry, Innovation and Science• Australian Trade Commission (AUStrade)• Foreign Affairs and Trade• Environment• Communications and the Arts <p>The Department is a member of the Department of Agriculture and Water Resources—Drought and Rural Assistance Programme Board.</p> <p>The Drought and Rural Assistance Programme Board oversees the Australian Government’s implementation of the Intergovernmental Agreement on National Drought Program Reform, existing drought assistance measures and the drought assistance and preparedness measures announced in the Agricultural Competitiveness White Paper.</p> <p>Membership also includes:</p> <ul style="list-style-type: none">• Treasury• Department of Human Services• Department of Social Services• Australian Taxation Office• Bureau of Meteorology
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ANSWERS TO QUESTIONS ON NOTICE

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Question no.: 116

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Ministerial Meetings

Proof Hansard Page: Written

Senator Brown, Carol asked:

The below questions for Senator Brown are for submission to both Infrastructure Australia and Department of Infrastructure and Regional Development

1. Since April 2014, how many times has the Commonwealth Minister for Infrastructure met with the Tasmanian Minister for Infrastructure? Please provide a list of event and meeting briefs (brief title and date of event/meeting) prepared by the Department or any agencies for any meetings?
2. Since April 2014, how many times has the Commonwealth Minister for Infrastructure met with the Tasmanian Minister for State Growth? Please provide a list of event and meeting briefs (brief title and date of event/meeting) prepared by the Department or any agencies for any meetings?
3. Since April 2014, how many times has the Commonwealth Minister for Territories, Local Government and Major Projects met with the Tasmanian Minister for Infrastructure? Please provide a list of event and meeting briefs (brief title and date of event/meeting) prepared by the Department or any agencies for any meetings?
4. Since April 2014, how many times has the Commonwealth Minister for Territories, Local Government and Major Projects met with the Tasmanian Minister for State Growth? Please provide a list of event and meeting briefs (brief title and date of event/meeting) prepared by the Department or any agencies for any meetings?

Has the Commonwealth Minister for Infrastructure or the Minister for Territories, Local Government and Major Projects met with the CEO of Infrastructure Tasmania, Allan Garcia ? Please provide a list of event and meeting briefs (brief title and date of event/meeting) prepared by the Department or any agencies for any meetings?

Answer:

1. Minister Truss with Minister Hidding – Three.

Meeting to discuss the Australian Government Response to the Productivity Commission Inquiry on Tasmanian Shipping and Freight	7/11/2014 meeting
Tasmanian Infrastructure Investment Programme and Freight Subsidy	1/5/2014 meeting
Tasmanian Freight Rail Revitalisation funding contribution, extension of the Tasmanian Freight Equalisation Scheme, and the Midland Highway	21/4/2015 teleconference

2. Minister Truss with Minister Groom – None.

3. Minister Fletcher with Minister Hidding – Two.

Brooker Highway – Elwick to Howard Road – Contract award	9/12/2015 event
Tasmanian programmes and projects including road, rail, aviation, Jobs and Growth Plan and the Tasmanian Freight Equalisation Scheme	9/12/2015 meeting

4. Minister Fletcher with Minister Groom – None.

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Minister Truss with Allan Garcia – No.

Minister Fletcher with Allan Garcia – One.

Meeting with Infrastructure Australia	4/3/2016 meeting
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Question no.: 117

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: WestConnex

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

The Answer to QON4 from October 2015 Estimates referred to this contract.

Given the acknowledged lack of expertise within Government re complex financing arrangements, what consideration is being given to hiring such expertise in light of the oft-stated need to increase the range of innovative financing methods for infrastructure?

Answer:

The Department of Infrastructure and Regional Development (the Department) has an 'Infrastructure Advisory Services' panel through which it has engaged commercial and financial services as required. Additionally the Department has a team within the Infrastructure Investment Division, which has personnel with tertiary qualifications in finance and economics. This team, with augmentation from the Infrastructure Advisory Services Panel as required, reviews, develops and implements alternative funding and financing strategies for projects for which Australian Government funding for transport infrastructure projects is being sought.

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Question no.: 118

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Cost Estimation

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

The Answer to QON4 from October 2015 Estimates referred to this contract.

Given the acknowledged lack of expertise within Government re cost estimation and engineering skills, what consideration is being given to hiring such expertise in light of the oft-stated need to increase the range of innovative delivery and financing methods for infrastructure?

Answer:

The Department has a “Infrastructure Advisory Services” panel through which it has engaged engineering and cost estimation services as required, and has recently established a “Provision of Infrastructure Project Cost Estimation Services” panel for more specialised cost estimation advice. Additionally the Department has a Project Review team within the Infrastructure Investment Division, which is staffed predominantly by personnel with tertiary qualifications in engineering. This team develops cost estimation policy and oversees cost estimate reviews, and engineering reviews, of selected projects for which Australian Government funding for projects is being sought.

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Question no.: 120

Program: Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Tarcutta bypass flooding

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Did the Federal Government provide funding for the Tarcutta bypass on the Hume Highway in NSW?
2. Is the Department aware of claims that the construction has caused significant flooding of properties in the area of the bypass?
3. Is the Department aware of concerns that this flooding has left ordinary residents near the bypass with major liabilities?
4. What role can the Commonwealth play in discussions with NSW about addressing concerns?
5. Given that Federal funds were involved, will the Department seek information from NSW about what action it is taking to address those concerns?
6. In particular, can you advise what redress the affected landowners are able to access?
7. Why are concerns still being addressed after three major flood events during construction and operation since 2010?
8. Does the NSW Government acknowledge that the bypass works contribute to the flooding events?

Answer:

1. Yes.
2. Yes.
3. Yes, the Department is aware of claims by some residents of major liabilities.
4. The issue is a matter for the NSW Government. There have been no new claims made in relation to compensation from the flooding event.
5. See response to question 4.
6. See response to question 4.
7. The NSW Government has advised that following the October 2010 flooding event the Wagga City Council commissioned detailed flooding studies of a number of villages that were impacted by flooding, including Tarcutta. NSW Roads and Maritime Services (RMS) and the Wagga City Council are discussing feasible flood mitigation measures.
8. Following a detailed investigation by the construction alliance after the October 2010 flooding event, RMS formed the view that the partially constructed bypass works were not considered to have any significant impacts on the flooding that occurred.

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Question no.: 121

Program: Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Bolivia Hill Realignment
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Why has the allocation to this project reduced from \$80 million originally to \$55 million?
2. Has the project been rescope?
3. Has an alternative route been determined?
4. Have savings been identified? If so, what savings?
5. When were funds originally allocated to this project? Which month and year?
6. What was the original profile?
7. What is the current profile?
8. When will this project commence in construction?

Answer:

1. The Australian Government's contribution to the Bolivia Hill upgrade has reduced from \$80 million to \$55 million as a result of the reduced estimated cost for the construction of the upgrade.
2. No.
3. No.
4. Combined Australian and NSW Government savings of \$40 million were identified between the original construction estimate and the estimated cost to construct the preferred option.
5. In a media release following the 2013-14 Budget on 14 May 2013.
6.

2015-16	\$5.0m
2016-17	\$10.0m
2017-18	\$20.0m
2018-19	\$35.0m
2019-20	\$10.0m
7.

2015-16	\$7.0m
2016-17	\$22.0m
2017-18	\$26.0m
8. Construction is expected to commence in October 2017.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 122

Program: Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Scone Bypass/Level Crossing
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. When were funds originally allocated to this project? Which month and year?
2. What was the original profile?
3. What is the current profile?
4. When will this project commence in construction?

Answer:

1. In a media release following the 2013-14 Budget on 14 May 2013.
2.

2013-14	\$5.0m
2014-15	\$5.0m
2015-16	\$5.0m
2016-17	\$30.0m
3.

2014-15	\$2.00m
2015-16	\$2.00m
2016-17	\$26.00m
2017-18	\$12.25m
2019-20 onwards	\$2.75m
4. Construction is expected to commence in 2017.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 123

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Infrastructure Investment Programme project funding profiles

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

For the following projects initiated since the 2015 Budget, please outline the agreed profiles for these projects:

Project (fed funding)	2015-6	2016-7	2017-8	2018-9	2019-20	Beyond
Northern Connector – SA (\$788M)						
Armadale Road – WA (\$116M)						
Gold Coast Light Rail Stage 2 (\$95M)						

Answer:

The funding profiles for the Northern Connector and Armadale Road projects have not been settled with the relevant state governments as at 29 February 2016.

Funding profiles for Gold Coast Light Rail – Stage 2 have yet to be finalised as the final costs of the project will not be known until GoldLinQ has completed the competitive tender process, expected in early April 2016.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 124

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Maldon to Dombarton Railway
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. What is the current status of this project?
2. On December 2, 2015, the NSW Minister Duncan Gay, said of this project, that there were two responses to the registration of interest process and neither were found to have sufficiently met all the published evaluation criteria. What work is the Federal Government undertaking in this area?
3. Who were the two responders to the ROI?
4. When was the last discussion on the line with NSW?
5. What is the next step proposed?

Answer:

1. The Scoping and Development Phase for future construction of the Maldon – Dombarton Railway was completed in July 2014. Further work on the project is a matter for the New South Wales Government, which controls and has responsibility for the alignment.
2. The Registrations of Interest process was undertaken by the New South Wales Government. The Department has no role in that process.
3. The Registrations of Interest process was undertaken by the New South Wales Government. Questions about the process should be directed to the New South Wales Government.
4. The Department has regular informal discussion with New South Wales officials on a variety of current or future proposals.
5. Consideration of the Maldon - Dombarton Railway is primarily a matter for the New South Wales Government, which owns the alignment. The Department understands that following the conclusion of the Registrations of Interest process undertaken by Transport for New South Wales for the Maldon – Dombarton Railway, the New South Wales Government is considering the future options available for implementing the project.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 125

Program: Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Western Sydney Infrastructure Plan – The Northern Road Upgrade

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. For 2014-5 the National Partnership Agreement says that \$15M in work would be done.
 - a. Was the scope achieved or exceeded?
 - b. Was cost higher or lower than expected, given the scope of work undertaken?
2. For 2015-6 it is National Partnership Agreement says that that \$63.5M in work would be done.
 - a. Is the scope likely to be achieved or exceeded?
 - b. Will cost be higher or lower than expected, given the expected scope of work?

Answer:

In 2014-15 \$23 million was paid. This was for the completion of detailed design, completion of planning and pre-tender activities and work to enable the invitation of construction tenders.

As at 31 December 2015, \$31.5 million has been paid. This was for the award of the construction contract for Stage 1 and to allow project development to progress and construction to commence. There is \$24 million remaining in the 2015-16 allocation. Construction on Stage 1 has now commenced and the project is on schedule.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 126

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Black Spot Programme
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

Please provide a list of all applications made under the Black Spots Program since reestablishment in 1996 listing:

- (a) Applicant
- (b) Location of claimed Black Spot
- (c) Federal funding sought
- (d) Whether successful or not.

Note: please contact me if this list is very onerous to compile.

Answer:

The Department of Infrastructure and Regional Development does not record Black Spot Programme data in a way that would readily allow answers to be provided to this question. To attempt to provide this level of detail would involve an unreasonable diversion of departmental resources.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 129

Program: Regional Development
Division/Agency: Infrastructure Investment
Topic: Drought Communities Programme
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Are there any eligibility criteria for the Drought Communities Program? If so, what are the criteria?
2. Will the Accessibility/Remoteness Index of Australia continue to be used as the source for determining the remoteness of a Local Government Area? If so, when will the data in the Index be updated? If not, what will replace the Index?
3. Due to this Index, remote Local Government Area's such as West Wimmera fall through the cracks to receive appropriate funding support from the Commonwealth. Why isn't there a process for councils that are unfairly disadvantaged in this way to have their situation reassessed?
4. Why is it that the Drought Communities Program is only available in Queensland and New South Wales?
5. Was this the Minister's decision?
6. What advice did the Department provide to the Minister regarding eligibility for the Drought Communities Program?
7. Is the Department aware of drought declarations in other states?
8. Why is it that some council's assessed as eligible for the Commonwealth's Drought Assistance Package are deemed ineligible for the Drought Communities Program?

Answer:

- 1-2. Declared Councils that can receive funding under the Drought Communities Programme are those specified by the Minister for Regional Development and the Deputy Prime Minister and Minister for Agriculture and Water Resources. The Ministers have been informed by a number of indicators when specifying Declared Councils under the Drought Communities Programme, including rainfall deficiency data, agricultural enterprise numbers, remoteness, as well as factors such as the economic impacts of drought on shires.
3. The Minister for Regional Development, in consultation with the Minister for Agriculture and Water Resources, can consider approving further Declared Councils under the Drought Communities Programme at their discretion.

Councils deemed by the Ministers as ineligible for Drought Communities Programme funds may provide further data on rainfall deficiency and the impact of drought in their area to the Deputy Prime Minister and the Minister for Regional Development and request to be reconsidered.

4. See response to 1).
5. See response to 1).
6. The Department provided factual information on factors such as long term rainfall deficiency, relative remoteness and accessibility to service centres, number of agricultural enterprises and the economic impact of drought in the shire. This factual information was provided to the Department by the Department of Agriculture and Water Resources, in consultation with the Bureau of Meteorology and the Australian Bureau of Agriculture and Resource Economics.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2015 - 2016

Infrastructure and Regional Development

7. State drought declarations are different to the declaration for the purposes of eligibility for this programme. The Drought Communities Programme does not create an entitlement for all drought-affected Councils to receive funding under the programme.
8. The Australian Government Drought Assistance Package, which includes the Drought Communities Programme, contains a range of targeted support measures to meet the differing needs of farmers and communities impacted by drought. Each measure has specific eligibility requirements consistent with their purpose.

Attachment

Drought Communities Programme Guidelines



Australian Government

Department of Infrastructure and Regional Development

Grant Programme Guidelines

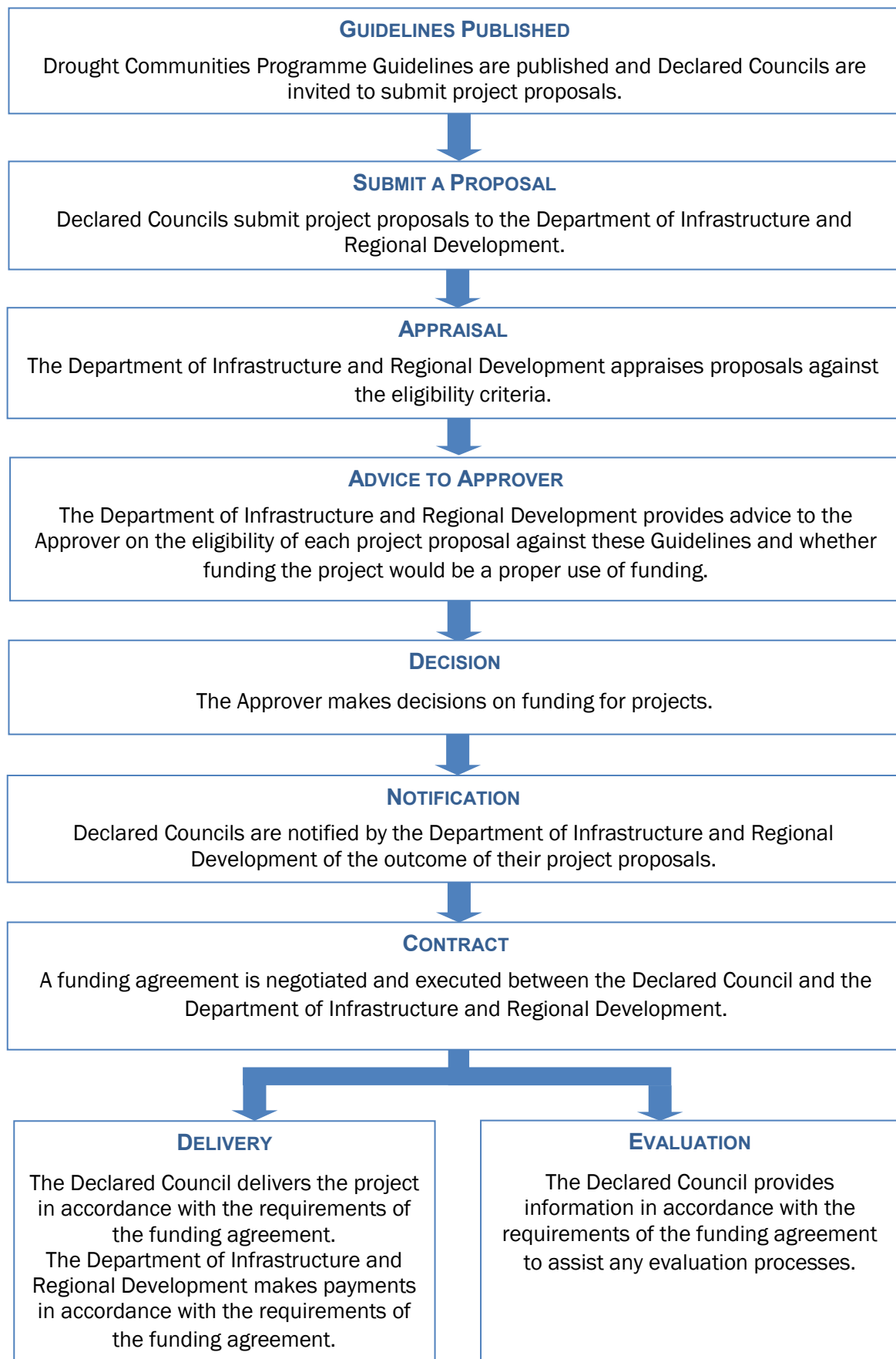
DROUGHT COMMUNITIES PROGRAMME

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Drought Communities Programme Process Flowchart



1. Introduction

1.1. Overview

The Drought Communities Programme (DCP) is designed to deliver benefits in targeted drought-affected regions of Australia. The Government is providing \$35 million over four years, commencing in 2015-16, to fund local infrastructure initiatives that provide employment for people whose work opportunities have been impacted by drought.

Funding of \$1.5 million will be available to support projects in each Declared Council area. Declared Councils may submit as many projects as they wish up to their total funding amount of \$1.5 million. The component of a project funded under the DCP must be completed by 30 June 2019.

Project proposals seeking DCP funding will be appraised against the programme's eligibility criteria and whether funding the project would be a proper¹ use of funding. Decisions on projects to be funded will be taken by an Approver, who is an authorised officer of the Department of Infrastructure and Regional Development (the Department) delegated to do so.

These Grant Guidelines (the Guidelines) apply to all projects seeking funding under the DCP. The Guidelines outline the objectives and desired outcomes of the DCP, eligibility requirements, the selection process, roles and responsibilities, and funding arrangements.

Declared Councils are strongly encouraged to read these Guidelines before submitting their proposal(s).

1.2. Programme objective and outcomes

The objective of the DCP is to deliver benefits in Declared Council areas, by supporting investment in local infrastructure initiatives.

Funding will be targeted at infrastructure projects that provide employment for people whose work opportunities have been impacted by drought; stimulate local community spending; use local resources, businesses and suppliers; and/or provide a long-lasting benefit to communities and the agricultural industries on which they depend.

The desired outcomes of the DCP are:

- increased employment in regions by providing work for locals and/or farmers and farm labourers/staff/contractors whose employment opportunities have been affected by drought;
- improved levels of economic activity in regions;
- increased productivity in regions; and
- better retention of businesses, services and facilities.

1.3. Roles and responsibilities

The *Process Flowchart* (page 4) outlines the roles and responsibilities of each party.

The DCP is administered by the Department of Infrastructure and Regional Development (the Department).

¹ Proper' is defined in the *Public Governance, Performance and Accountability Act 2013* as meaning 'efficient, effective, economical and ethical'.

The Approver, who is an authorised officer of the Department with appropriate delegations, considers information provided by the Declared Council and the Department's advice in making decisions on projects to be funded. Relevant independent advice may be considered where needed.

The Approver for the DCP is the General Manager, South East Roads, Infrastructure Investment Division.

2. Key Dates

Key Dates	
DCP Announced	9 May 2015
Guidelines Published and Proposals are Invited	30 June 2015
Decision Process on Lodged Proposals Commences	1 July 2015
Funding Commences	1 July 2015
Funding Ceases	30 June 2019

3. How to Submit Proposals

3.1. Proposal process

Proposals can be submitted at any time from publishing of the Guidelines.

Proposals must be submitted using the relevant form available from the Department via email to dcp@infrastructure.gov.au.

Only completed proposals submitted by the Chief Executive Officer of the Declared Council, or other council officer authorised to sign funding agreements, will be accepted and assessed for their eligibility. Incomplete proposals may not be assessed, however they can be re-submitted.

Declared Councils may withdraw a proposal at any time prior to being notified of a decision on funding, with written advice of the withdrawal to be provided to the Department via email to dcp@infrastructure.gov.au.

There is no end date for proposals to be lodged.

3.2. Proposal requirements

Proposals must comply with all of the following requirements to be lodged:

- the Declared Council must only seek DCP funding up to a maximum of \$1.5 million; and
- the Declared Council must seek DCP funding of at least \$25 000 per project; and
- the project for which the Declared Council is seeking funding must be investment ready, that is, it will be able to commence within 6 months of signing a funding agreement²; and
- the DCP funded component of the project(s) must be scheduled to be completed on or before 30 June 2019.

3.3. Documents to be provided to support eligibility

Proposals must provide sufficient information to enable them to be appraised against the eligibility criteria and the Australian Government's value for relevant money requirements.

² All appropriate planning, construction, zoning, environmental and/or native title approvals should be in place or will be in place within six months of execution of the funding agreement.

Declared Councils must provide the following with their proposals:

- Cost estimates for the work to be undertaken: it is reasonable for cost estimates to be supplied for work to be undertaken; this could include quotes for work or supplies or a cost breakdown based on the Declared Council's experience with similar works.
- Advice on cash and in-kind contributions: if a proposal is dependent on other sources of funding, then the Declared Council must identify these sources and indicate their level of certainty. If some funding is yet to be confirmed, Declared Councils will need to consider whether the project will still be viable and how any shortfall will be covered.
- A risk management plan or other similar document: this should outline any significant risks associated with the project and the appropriate mitigation strategies (if any). Existing policy, programme delivery arrangements and protocols for the administration and delivery of programme funds can be summarised as appropriate.
- Relevant information on how projects are expected to: lead to the employment of locals, with a focus on employing farmers and/or farm labourers/staff/contractors; contribute to the economic activity of communities/regions; and deliver social and community benefits.

3.4. How to submit a proposal

Proposals must be submitted to the Department either:

- by email to dcp@infrastructure.gov.au (preferred), or
- in hardcopy to the Department of Infrastructure and Regional Development, GPO Box 594, CANBERRA ACT 2601.

3.5. Appraisal process

The Department will undertake an appraisal of proposals against the eligibility criteria for the DCP. The appraisal will be based on information provided in the proposal, supporting documentation and any relevant advice from other parties. Following advice from the Department on the eligibility of proposals, the Approver will complete the approval process for successful projects.

4. Eligibility

4.1. Declared Councils

Declared Councils that can receive funding under the DCP are those specified by the Minister for Infrastructure and Regional Development in consultation with the Minister for Agriculture.

In 2015-16, DCP funding will be prioritised to focus on the following Declared Councils: Balonne, Barcaldine, Barcoo, Blackall-Tambo, Boulia, Bulloo, Burke, Carpentaria, Diamantina, Flinders, Longreach, McKinlay, Murweh, Paroo, Quilpie, Richmond and Winton in Queensland and Brewarrina, Coonamble and Walgett in New South Wales.

4.2. Additional Councils

The Minister for Infrastructure and Regional Development, in consultation with the Minister for Agriculture, can consider approving further Declared Councils under the DCP at their discretion.

The DCP does not create an entitlement for all drought-affected Councils to receive funding under the programme. DCP funding is capped at \$35 million, and once that ceiling is reached through additional councils being added to the list of Declared Councils, then no other approvals are possible, without a further consideration of the DCP's parameters by the Australian Government.

4.3. What projects are eligible for funding?

Eligible projects must relate to economic, social and cultural infrastructure, safety and accessibility upgrades, and/or town facility developments and upgrades.

These infrastructure projects must be expected to:

- lead to the employment of locals and/or focus on employing farmers and farm labourers/staff/contractors; and/or
- contribute to the economic activity of communities/regions; and/or
- lead to the retention of businesses, services and facilities.

4.4. What activities are not eligible for funding?

DCP funding cannot be used for:

- payment of salaries for existing staff or contractors, although projects may be carried out by existing workforces;
- computer software or hardware that is not an integral part of the funded capital project;
- a council's core or business-as-usual operations, which council rates and other government funding usually funds;
- purchases of land, buildings, vehicles or mobile capital equipment (eg trucks and earthmoving equipment);
- expenditure incurred prior to the announcement that the project has been successful in its proposal for funding;
- staging events, exhibiting a display or for filming;
- undertaking studies or investigations; or
- the development of private or commercial ventures, including licensed areas of registered clubs.

If an Declared Council is uncertain whether a particular type of expense is eligible for DCP funding they should contact the Department for further information in the first instance.

5. Demonstrating Project Eligibility

Declared Councils need to supply adequate information to enable the Department to assess the eligibility of proposed projects seeking DCP funding. Declared Councils must meet at least one of these criteria.

5.1. How the project is expected to lead to the employment of locals and the extent to which farmers and/or farm labourers/staff/contractors are expected to be employed

Declared Councils need to provide evidence of:

- how the project is expected to lead to the employment of locals and over what period of time they are expected to be employed;
- the extent to which farmers and/or farm labourers/staff/contractors are expected to be employed by the project;

- the employment expected to be created beyond the immediate construction phase of the project and into the longer-term;
- the indirect employment expected to be created through the potential flow-on effects to local businesses, suppliers, and services.

5.2. How the project is expected to contribute to the economic activity of communities/regions

Declared Councils need to provide evidence that:

- local businesses, suppliers and services are expected to be used to complete the projects;
- equipment and services are expected to be purchased from local regions/communities;
- the project will encourage investment, business activities and other economic benefits to communities/regions.

5.3. How the project is expected to lead to the retention of businesses, services and facilities

Declared Councils need to provide evidence of:

- the benefits that should be delivered as a result of the project, such as increased tourism, increased trade for local businesses, improved services resulting from enhanced facilities;
- the expected longer-term employment benefits to the agricultural sector from the project;
- the number of people that are expected to use the approved project.

6. Decisions

6.1. Value with relevant money

The Department seeks to promote value with relevant money by funding projects that result in public resources being used in an efficient, effective, economical and ethical manner. It does this by funding projects that:

- have met all of the published eligibility requirements;
- involve a reasonable (rather than excessive) cost having regard to the quality and quantity of deliverables that are proposed; and
- have a risk profile that is acceptable to the Australian Government.

Value with relevant money will also be considered on an ongoing basis during and after the delivery of the project, including by ensuring that Australian Government funding is expended and acquitted in accordance with contracted requirements and all other conditions of funding are met.

6.2. Assessment of Risks

The department will undertake a risk assessment to ensure a project's identified risks can be efficiently and effectively managed.

Key considerations in this risk assessment may include, but are not limited to:

- Is it a complex project/activity for which planning is required, and does the plan have acceptable delivery claims (scope, time, cost, quality);

- In what manner has the project/activity been costed;
- Is there any adverse information known about the funding recipient or their personnel that might suggest funding could be at risk, misused or mismanaged; and
- Is the project/activity dependent on other projects/programmes/funding, and how the dependency effects implementation.

6.3. Decisions on projects to be funded

Proposals from Declared Councils will be appraised against the eligibility criteria by the Department (see Sections 4 and 5).

Following advice from the Department the Approver will consider whether the proposal will make an efficient, effective, economical and ethical use of Commonwealth resources, as required by Commonwealth legislation, and whether any specific requirements will be imposed as a condition of funding, should funding be approved. Funding approval is at the discretion of the Approver..

Consideration of a proposal may be deferred if the proposal needs further development and/or more information is required to enable an assessment against the eligibility criteria to be made.

Should a project not be approved, the Declared Council will be provided with the opportunity to submit an alternative project or amend the current proposal and re-submit it.

6.4. Advice to the Declared Council

Declared Councils will be advised in writing of the funding decision. Letters to successful Declared Councils will detail any specific conditions attached to the funding. Funding approvals will also be listed on the Department's website.

7. Conditions of Funding

7.1. Contractual arrangements

Declared Councils that have been selected to receive DCP funding will be required to enter into a funding agreement with the Commonwealth of Australia, represented by the Department.

The funding agreement for each project, or group of projects, will set out (amongst other things):

- any specific conditions attached to the funding approval as a result of the assessment process or further considerations by the Approver. These will be identified in the offer of funding or during agreement negotiations;
- work health and safety requirements
- arrangements to report on the progress of the project and acquit the expenditure of funding;
- media engagement processes, and branding and recognition requirements; and
- arrangements to manage the delivery of the project, including reporting requirements and site visits conducted by the Department and/or representatives of the Department.

Declared Councils should not make financial commitments for funded activities based on the approval of funding or public announcements. Financial commitments entered into before a funding agreement has been accepted with the Department are done so at the risk of the Declared Council.

7.2. Use of Other Funding Sources

While co-funding from Declared Councils is not mandatory, they may have access to other funding for the project. Cash funding or in-kind support can be provided by any organisation including, but not limited to, the Declared Council, state government, not-for-profit organisations and private sector companies.

DCP funding can also form one component of a larger package of Australian Government funding, noting that other funding need to meet the eligibility criteria of the programme from under which it is funded. For example, eligible fencing projects may be part funded under the Pest Animal and Weed Management Programme³, and eligible road projects may be part funded under the Roads to Recovery Programme⁴.

Funding under the DCP cannot be considered to be part of, or all of, a Council's contribution to projects under the Bridges Renewal Programme, the National Stronger Regions Programme or the Heavy Vehicle Safety and Productivity Programme.

Declared Councils that are using funding from other Australian Government programmes should contact the relevant administering agency to discuss whether amalgamating DCP monies with those funds contravenes any relevant funding agreements.

7.3. Compliance with the Building Code 2013 and Australian Government Building and Construction OHS Accreditation Scheme

Project funding specifically relating to building and construction activity, as defined in the Building Code 2013⁵, as amended from time to time, must comply with the Building Code 2013 subject to any threshold requirements. Construction activity must be undertaken by an accredited builder as specified under the Australian Government Building and Construction OHS Accreditation Scheme⁶.

Declared Councils who intend to combine DCP monies with other Australian Government funding should check the threshold requirements to ensure their compliance.

7.4. Evaluation

A Monitoring and Evaluation Strategy forms part of the Department's programme delivery arrangements. This strategy may be used to assess the extent to which the DCP is achieving its policy objectives and provide valuable input to the development of future programmes.

Declared Councils are required to provide information, as requested, to support the collection of baseline data and inform any evaluation undertaken of the DCP.

8. Payment of Funding

8.1. Payment arrangements

The first payment of 50 per cent of the total funding amount will be paid up-front on execution of a funding agreement, with the remaining funding to be paid upon evidence of contractual commitment and/or expenditure of the total funding amount.

³ Delivered by the Department of Agriculture: www.agriculture.gov.au.

⁴ Delivered by the Department of Infrastructure and Regional Development: www.infrastructure.gov.au.

⁵ The Building Code can be found at www.fwbc.gov.au/building-code.

⁶ The Australian Government Building and Construction OHS Accreditation Scheme can be found at www.fsc.gov.au/fsc/needaccredited/accreditationscheme/pages/theaccreditationscheme.

8.2. GST and tax implications

In accordance with the terms of Australian Taxation Office ruling GSTR 2012/2, payments made under the DCP, which are payments made by a government related entity to another government related entity, do not attract GST. Consequently, funding sought by Declared Councils in their proposal(s) must exclude the GST component on goods and services and the payments made to Declared Councils will not include GST.

9. Probity

The Australian Government is committed to ensuring that the process for providing funding is transparent and in accordance with published Guidelines. The Guidelines may be varied from time-to-time by the Australian Government, as needed or to reflect its priorities. Amended Guidelines will be published on the Department's website and communicated to Declared Councils.

9.1. Conflict of interest

A conflict of interest may exist if, for example, the Declared Council or any of their personnel:

- has a relationship (whether professional, commercial or personal) with a party who is able to influence the proposal appraisal process, such as a Department staff member;
- has a relationship with, or interest in, an organisation, which is likely to interfere with or restrict the Declared Council in carrying out the proposed activities fairly and independently; or
- has a relationship with, or interest in, an organisation from which they will receive personal gain as a result of the granting of funding.

Each Declared Council will be required to declare existing conflicts of interest.

Where an Declared Council subsequently identifies an actual, apparent, or potential conflict of interest in relation to the proposal for funding, the Declared Council must inform the Department in writing immediately.

Department employees will manage any conflict of interest in accordance with the Department's Accountable Authority Instruction for probity.

9.2. Confidential information

Information submitted by the Declared Council may be provided to other organisations for the purposes of the project proposal assessment. Declared Councils should identify any information submitted which they wish to be considered as confidential, supported by reasons for the request. The Australian Government reserves the right to accept or refuse a request to treat information as confidential.

The *Privacy Act 1988* applies to the handling of personal information about individuals obtained in the course of the delivery of the DCP.

Declared Councils must not act or engage in any practice which, if done or engaged in by the Commonwealth, would be a breach of an Information Privacy Principle contained at Section 14 of the *Privacy Act 1988*.

10. Contact Details

Questions about the DCP, including eligibility and the proposal process can be emailed to dcp@infrastructure.gov.au. Questions should be clear and concise.

Any enquires relating to funding decisions or complaints should be directed to:

General Manager
South East Roads
Department of Infrastructure and Regional Development
GPO Box 594
CANBERRA ACT 2601
E: dcp@infrastructure.gov.au

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 130

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Bruce Highway Underspend
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

Following up on Answer to QON21 from October Estimates:

- a) Which specific projects on the Bruce Highway form part of the \$143.14M net underspend in 2014-5;
- b) Which specific projects on the Bruce Highway underspent against the 2014-5 Queensland Plan of Works ?

Answer:

- Sarina to Cairns - Black Spots
- Sarina to Cairns - Overtaking lanes
- Upgrade southern approach to Cairns
- Duplication from Vantassel Street to Flinders Highway
- Realign and raise Highway from Sandy Corner to Collinsons Lagoon
- Curra to Sarina - Black Spots
- Curra to Sarina - Rest areas
- Curra to Sarina - Overtaking Lanes
- Calliope Crossroads
- Cabbage Tree Creek to Carman Road and Back Creek Range section upgrade
- Upgrading of southern approaches to Gin Gin
- Cooroy to Curra project (Section A)
- Upgrade of Caboolture to Caloundra
- Caboolture to Curra - Black Spots
- Bruce Highway: Yeppen Floodplain Upgrade
- Pine River to Caloundra interchange – planning
- Caloundra Road to Sunshine Motorway - Stage 2 (combined with Caloundra Road to Sunshine Motorway Stage 1)
- Mackay Ring Road - plan and preserve corridor (combined with Mackay Ring Road Stage 1)
- Townsville Ring Road – Section 4
- Cairns Southern Access Corridor - Stage 2 (Robert Road to Foster Road)
- Tinana Interchange
- Bruce Highway Safety Package

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 131

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Government's Response to the Australian Infrastructure Plan

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Is the Department providing advice to the Minister on the Government's response to the 78 recommendation in the Plan?
2. Is there a deadline or indicative time for the delivery of this advice? If so, what is the timing?

Answer:

1. Yes.
2. Advice will be provided to Government later this year.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2015 - 2016
Infrastructure and Regional Development

Question no.: 132

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: IA Priority List

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. What Departmental work flows from the release of the updated IA Priority List on February 17, 2016?
2. How does the existence/publishing of the list impact on the Department's interaction with State and Territory Governments?
3. How will the Department treat funding requests for projects not listed on the IA Priority List?

Answer:

1. Consistent with current Government policy the IA Priority List will be a consideration in the Department's assessment of project proposals submitted by jurisdictions.
2. The existence/publishing of the IA Priority List does not impact on the Department's interaction with State and Territory Governments.
3. Consistent with current Government policy any project that requests total Australian Government funding of \$100 million or more, must be evaluated by IA before being considered for funding by the Australian Government.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2015 - 2016

Infrastructure and Regional Development

Question no.: 133

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Toowoomba Second Range Crossing, Morton Rail Link and Ipswich Motorway

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

Please provide an update on the status of the following projects:

- The Second Toowoomba Range Crossing;
 - Morton Rail Link;
 - Darra-Ipswich Motorway;
1. What work or planning for these project(s) has been commenced by the department? Please detail, including dates and detail of what work or planning has commenced.
 - a. Please provide a copy of any communication between the minister's office and the department regarding this project(s). These communications should include, but not be limited to: emails, letters, fax's, notes and memos.
 - b. How much money is required to complete this project?
 - c. Is this figure the full amount required to complete the project and has it been allocated and / or budgeted in the forward estimate? If not, why not?
 - d. Are any other sources of funding being considered? Have any other sources of funding already incorporated into this project? If so, please provide a list of these sources including any shared costs with the relevant State/Territories. Please provide dates and other details associated with reaching these agreements.
 - e. Have any spending offsets been discussed to cover the cost of this project? If so, please provide details.
 2. What consultation or work has been done with the Queensland State Government on these projects?
 - a. List all communication between the two governments, including the mode of communication, the level of public service involved
 - b. What is the current status of the discussions with the two governments?
 - c. Has the Federal Minister written to the State Minister or any other member of the State Government or State public service about this project? If so, when? On what matter? What was the outcome of that corro?

Answer:

Toowoomba Second Range Crossing (TSRC)

Early works commenced in December 2015, which include geotechnical drilling and the establishment of the project site office in Toowoomba. Construction commenced in April 2016 and the project will be complete in late-2018.

Moreton Bay Rail Link (MBRL)

Track construction and all six stations at Kallangur, Murrumba Downs, Mango Hill, Mango Hill East, Rothwell and Kippa-Ring are now complete. Testing and commissioning of rail signalling systems underway. The project is still on target to achieve completion by mid-2016.

Ipswich – Rocklea to Darra (Ipswich)

Negotiations between the Australian Government and Queensland Government on the final funding split for the project are continuing.

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1.

- a. Extensive exchanges have occurred between the Ministers' offices and Department over a number of years on all three projects. To answer the question with the level of detail requested would involve an unreasonable diversion of departmental resources.
- b. TSRC
The Australian Government's contribution to the project is \$1.137 billion, which will be paid between 2014-15 and 2018-19.

MBRL

To date, the Australian Government has contributed \$483 million with the remaining \$100 million funding commitment allocated in 2016-17 financial year.

Ipswich

Based on a Business Case provided by the Queensland Government in August 2012, the Australian Government previously committed \$279 million towards Package 1 of Stage 1 of the Rocklea to Darra section upgrade representing 50 per cent of the \$558 million estimated cost of this package. A revised Business Case was received on 15 March 2016 by the Department which outlines a reduced scope for the project and seeks an Australian Government commitment of \$200 million towards the project on a 50:50 basis.

- c. Yes for TSRC and MBRL. No current Australian Government funding has been committed towards the Ipswich Motorway, Darra to Rocklea project.
- d. TSRC
The Toowoomba Second Range Crossing project is being delivered as a Public Private Partnership, with financial input from the Queensland Government, and the contractor. The Australian Government is contributing \$1.137 billion, equivalent to 80 per cent of the construction costs of the project, with Queensland contributing equivalent to 20 per cent of the construction costs.

MBRL

The Australian Government, Queensland Government and Moreton Bay Regional Council signed an Intergovernmental Agreement (IGA) in July 2010 agreeing to support the delivery of the Moreton Bay Rail Link project with the Australian Government contributing \$742 million; Queensland Government \$300 million and the Moreton Bay Regional Council \$105 million. The Australian Government contribution for the Moreton Bay Rail Link was reduced to \$583 million in the 2014-15 budget after a lower delivery cost was identified.

Ipswich

No Australian Government funding has been committed towards the Ipswich Motorway, Darra to Rocklea project.

- e. No for all three projects.

2.

- a. Extensive communications have, and continue to occur, between the Australian and the Queensland Governments on all three projects. To answer the question with the level of detail requested would involve an unreasonable diversion of departmental resources.
- b. The Australian Government and Queensland Government continue to liaise across a range of infrastructure matters, including the development and delivery of all three projects.
- c. See response to Question 2a.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
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Infrastructure and Regional Development

Question no.: 134

Program: Infrastructure Investment Programme
Division/Agency: Infrastructure Investment
Topic: Bruce Highway – road and rail projects
Proof Hansard Page: Written

Senator Rice, Janet asked:

1. Is it proposed to outlay over \$6 billion of federal funds on the Bruce Highway?
2. What level of federal funding has been allocated during the current term of this Parliament to further upgrade the Queensland North Coast railway line north of Caboolture?
3. Did the federal government recently contribute \$1.1 million to improve the alignment of the Bruce Highway near Cabbage Tree creek north of Gin Gin?
4. Has the government considered any federal funding contribution to rebuild a rail bridge at Cabbage Tree creek on an improved alignment, to ease curves at the site of the 2004 tilt train derailment?

Answer:

1. Yes.
2. The Queensland Government is currently developing a business case for the Beerburrum to Nambour Rail Upgrade Project. Australian Government funding will be considered when the business case has been assessed by Infrastructure Australia.
3. Yes.
4. No.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2015 - 2016

Infrastructure and Regional Development

Question no.: 135

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Maldon to Dombarton Railway

Proof Hansard Page: Written

Senator Rice, Janet asked:

What is the status of the Maldon-Dombarton rail link currently? Does the government intend to engage with the NSW government to expedite the completion of this line to improve the separation of freight and passenger trains in Sydney and on the NSW South Coast line?

Answer:

The Scoping and Development Phase for future construction of the Maldon to Dombarton Railway was completed in July 2014.

The New South Wales Government has submitted a Business Case for the project to Infrastructure Australia and it is currently under assessment.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2015 - 2016

Infrastructure and Regional Development

Question no.: 136

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Defining Regional Australia

Proof Hansard Page: 50 (8 February 2016)

Senator McKim, Nick asked:

Senator McKIM: This is my final question, and I thank the department for their responses. Can I just ask about the definition of 'regionality'. I ask in the context that there has been funding provided through the National Stronger Regions Fund in areas like Sunshine in Melbourne, which is about 15 kilometres from the CBD in Melbourne. I am not making any comment at all about the relative merits of that project. It may well have been a fantastic project, but my understanding is that there has been some comment made by the Assistant Minister to the Deputy Prime Minister which talks about the need to differentiate clearly between regional Australia and metropolitan Australia. A request made by Assistant Minister McCormack that he wanted to hear from Regional Development Australia boards and other regionally related government bodies as to 'where we draw the line around regional Australia'. I am not sure whether this is a question for the minister or the department, but can someone provide an update? Is that a formal departmental process and, if so, can you provide an update and perhaps a timeline of where that process is at?

Mr Mrdak: Various classifications are utilised by the Australian Bureau of Statistics and in our publications of locations. We can certainly provide you with a description of those that are utilised. For instance, we produce a yearbook, essentially a regional yearbook, which sets out against a whole range of indicators regional performance. We use certain parameters for that. But for projects like stronger regions the guidelines are that that is available to all communities in Australia.

Answer:

It is a decision of Government to determine which regions of Australia are eligible for individual programmes. The Department of Infrastructure and Regional Development's standard guidelines for developing programmes require clear and specific eligibility criteria, which may include requirements to be a part of certain regions.

National Stronger Regional Fund (NSRF) is available for projects in all areas of Australia. However, the matched-funding requirements differ for some regions of Australia.

Under the NSRF Round Three Guidelines, applicants must contribute partner funding to match the NSRF grant in cash on at least a dollar for dollar basis. Applicants classified as remote and very remote must contribute at least one dollar for every three dollars of NSRF grant funding sought.

The criteria for the remoteness classes in NSRF are based on the Australian Bureau of Statistics' Remoteness Structure under the Australian Statistical Geography Standard. The remoteness category is determined by road distance measurements to the nearest service centre and is based on the Accessibility/Remoteness Index of Australia (ARIA+).