



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Estimates

(Public)

MONDAY, 25 OCTOBER 2021

CANBERRA

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RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Monday, 25 October 2021

Members in attendance: Senators Abetz, Antic [by video link], Carol Brown [by audio link], Chisholm, Davey, Lines, McCarthy [by video link], McDonald, McMahon [by video link], O'Neill, Patrick, Rennick, Rice, Roberts, Sheldon, Sterle [by video link], Waters [by video link], Watt, Whish-Wilson [by video link]

INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS PORTFOLIO

In Attendance

Senator Hume, Minister for Superannuation, Financial Services and the Digital Economy, Minister for Women's Economic Security

Senator McKenzie, Minister for Regionalisation, Regional Communications and Regional Education, Minister for Emergency Management and National Recovery and Resilience

Senator Ruston, Minister for Families and Social Services, Minister for Women's Safety

Department of Infrastructure, Transport, Regional Development and Communications

Executives

Mr Simon Atkinson, Secretary

Dr Stephen Arnott PSM, Acting Deputy Secretary

Dr Rachel Bacon, Deputy Secretary

Ms Diane Brown, Acting Deputy Secretary

Ms Marisa Purvis-Smith, Acting Deputy Secretary

Mr David Hallinan, Deputy Secretary

Ms Christine Dacey, Deputy Secretary

Mr Richard Windeyer, Deputy Secretary

Airservices Australia

Mr Jason Harfield, Chief Executive Officer

Mr Paul Logan, Chief Financial Officer

Mr Peter Curran, Chief Customer Experience and Strategy Officer

Australian Maritime Safety Authority

Mr Mick Kinley, Chief Executive Officer

Ms Cherie Enders, Chief Operating Officer

Mr Michael Drake, Acting Executive Director, Policy and Regulation [by video link]

Ms Leanne Loan, Executive Director, Policy and Regulation

Cities

Mr David Mackay, First Assistant Secretary [by video link]

Ms Tiffany Karlsson, Assistant Secretary, City Deals (Mel., NT, Tas. and WA) and Policy [by video link]

Civil Aviation Safety Authority

Ms Pip Spence PSM, Chief Executive Officer and Director of Aviation Safety

Dr Jonathan Aleck, Executive Manager, Legal, International and Regulatory Affairs

Mr Rob Walker, Executive Manager, Stakeholder Engagement

Ms Philippa Crome, Executive Manager, Corporate Services

Mr Simon Frawley, Chief Financial Officer

Ms Leanne Yannopoulos, Executive Manager, Group Transformation and Safety Systems

Mr Craig Martin, Executive Manager, Regulatory Oversight Division

Mr Chris Monahan, Executive Manager, National Operations and Standards

Data, Analytics and Policy

Dr Louise Rawlings, Head of Bureau, Bureau of Infrastructure and Transport Research Economics

Domestic Aviation and Reform

Ms Janet Quigley, First Assistant Secretary

Mr Phil McClure, Assistant Secretary, Airports

Mr Jason Dymowski, Assistant Secretary, Domestic Policy and Programs

Ms Clare Chapple, Assistant Secretary, Regional and Environment

Finance, Legal and IT

Mr Brad Medland, Chief Finance Officer

Infrastructure Australia

Ms Romilly Madew AO, Chief Executive Officer [by video link]

Mr David Tucker, Chief of Project Advisory and Evaluation [by video link]

Mr Peter Colacino, Chief of Policy and Research [by video link]

Infrastructure Investment

Mr Phil Smith, First Assistant Secretary

Mr Robert Bradley, Assistant Secretary, Vic., Tas. and SA Branch

Mr Ben Meagher, Assistant Secretary, Policy and Budget Program

Ms Shona Rosengren, Assistant Secretary, North West Infrastructure Investment Branch

Ms Robyn Legg, Assistant Secretary, NSW, ACT and Targeted Roads Branch

Ms Lisa La Rance, Assistant Secretary, Investment Advisory and Business Improvement Branch

Mr James Savage, Director, Infrastructure Investment Division

International Aviation, Technology and Services

Mr Richard Wood, First Assistant Secretary

Mr Jim Wolfe, Assistant Secretary, International Aviation

Ms Naa Opoku, Assistant Secretary, Safety and Future Technology

Major Transport and Infrastructure Projects

Ms Jessica Hall, First Assistant Secretary

Mr Mitch Pirie, Assistant Secretary, Inland Rail Operations Branch

Mr Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery Branch

Mr David Jensen, Assistant Secretary, Western Sydney Airport Regulatory

Mr Adam Stankevicius, Assistant Secretary, Program and Stakeholder Management

Mr Paul Zagami, Acting Assistant Secretary, Program and Stakeholder Management

Mr Drue Edwards, Director, Inland Rail Stakeholder and Regional Delivery Branch

North Queensland Water Infrastructure Authority

Dr Peter Wallbrink, Acting Chief Executive Officer

Mr Matthew Squire, Chief Operating Officer

People, Governance, Parliamentary and Communication

Mrs Ruth Wall, First Assistant Secretary

Ms Susan Charles, Assistant Secretary, Communication

Regional Development, Local Government and COVID Regional Recovery

Ms Julia Pickworth, First Assistant Secretary

Ms Meghan Hibbert, Assistant Secretary, Regional Programs

Ms Sarah Nattey, Assistant Secretary, Regional Intelligence and Local Government

Significant Project Investment Delivery Office

Ms Diana Hallam, First Assistant Secretary

Surface Transport Policy

Ms Maree Bridger, First Assistant Secretary

Mr Andrew Johnson, Assistant Secretary, Maritime and Shipping

Ms Gabby O'Neill, Assistant Secretary, Office of Road Safety

Ms Paula Stagg, Assistant Secretary, Land Transport Policy

Committee met at 09:01

CHAIR (Senator McDonald): Good morning to everybody. Before we start, I want to acknowledge the passing of Senator Alex Gallacher. He was a long-term member of this committee. He served not only with his

time but with his interest. As a relatively new member of this committee, I always appreciated his sage, commonsense, wise counsel and his gentlemanly approach to doing the business of the Senate. I mourn his passing. I take this opportunity to acknowledge that we're a little poorer for not having him with us anymore.

I now declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2021-22 and related documents for the Infrastructure, Transport, Regional Development and Communications portfolio, excluding communications. All questions on communications go to the department's appearance before the Environment and Communications Legislation Committee. The committee may also examine the annual reports of the department and agencies appearing before it. The committee has before it a program listing agencies relating to matters for which senators have given notice. The proceedings today will begin with an examination of corporate matters within the Department of Infrastructure, Transport, Regional Development and Communications.

The committee has fixed Friday 10 December 2021 as the date for the return of answers to questions taken on notice. Senators are encouraged to provide any written questions on notice to the committee secretariat by the close of business on Friday 12 November 2021.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee. Such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate from 13 May 2009 specifying the process by which a claim of public interest immunity should be raised. Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document. The statement will be incorporated in *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

CHAIR: Senators, departments and agencies have been provided with advice on the arrangements in place to ensure the budget estimates 2021-22 hearings are conducted in a safe environment. This guidance is also available from the secretariat. The committee appreciates the cooperation of all attendees in adhering to these arrangements.

Department of Infrastructure, Transport, Regional Development and Communications

[09:05]

CHAIR: I now welcome Senator the Hon. Jane Hume, the minister for—

Senator Hume: Would you like me to recite it—

CHAIR: Would you mind?

Senator Hume: because it's quite long?

CHAIR: Thank you.

Senator Hume: Minister for Superannuation, Financial Services, the Digital Economy and Minister for Women's Economic Security. It is a terrible acronym.

CHAIR: Thank you. I welcome Mr Simon Atkinson, secretary of the Department of Infrastructure, Transport, Regional Development and Communications, and officers of the department. Minister Hume, do you or Mr Atkinson wish to make an opening statement?

Senator Hume: No, I certainly don't. Thank you, Chair.

Mr Atkinson: Yes, I do, Chair.

CHAIR: Thank you.

Mr Atkinson: Good morning, Senators. Throughout the past year, the dedicated staff in my department have continued to work to deliver essential ongoing functions, COVID-19 response measures and business-as-usual activities connecting Australians, enriching our communities and empowering our regions. I'd like to outline some of the key achievements of our department over the past year. In the last financial year, my department, in collaboration with our 28 portfolio entities, has delivered more than \$19 billion of investments across our portfolio to support our objectives in the major infrastructure, transport, communications and arts sectors. We've delivered more than 130 programs. In 2020-21, our total transport infrastructure investment was \$12.1 billion. This is an almost 60 per cent increase above average annual transport infrastructure investment from 2013-14 to 2019-20. This is the largest delivery in history and is up from \$7 billion last year, thanks to hard work and great partnerships with the states and territories to deliver through COVID. This includes \$5.2 billion of investment in roads, including road safety upgrades, through the billion dollars invested under the Road Safety Program and almost \$2 billion for rail, including Inland Rail. Our major infrastructure investments also include Western

Sydney International Airport, which is progressing and on track to open in 2026. Transport infrastructure investment helps to connect all Australians. It supports reliable, safe and efficient road, rail, shipping and aviation sectors, facilitating freight and passenger movement and connecting Australian businesses and consumers with domestic and international markets. The COVID-19 pandemic has created enormous challenges for the aviation sector. Our work has supported it through a very difficult 12 months, including administering funding to maintain a minimum level of aviation connectivity. It's been important to maintain essential connectivity on regional and major routes during the COVID-19 crisis and preserve critical capacity while not distorting market shares so a competitive aviation market can restart post COVID-19.

In the past financial year, my department has delivered \$202 million under the Domestic Aviation Network Support program, \$132 million under RANS, \$360 million under the airline relief package and \$65 million under the International Aviation Support program.

To support Australians living in remote areas, we delivered funding for regular air services for passengers and/or freight to 268 remote communities at a cost of \$13 million. These services provided access for these communities to health care and deliveries of fresh food, educational materials, medicines and other urgent supplies despite lockdowns, border closures and travel restrictions. Over the past year, my department coordinated delivery of the billion-dollar Relief and Recovery Fund, supporting industries that have been disproportionately affected by the coronavirus crisis, including aviation, agriculture, fisheries, tourism and the arts. The fund supported a commitment to 10 regional recovery partnerships across the country, with projects identified from existing community and recovery plans to help the regions avoid some of the worst of the earlier impacts of COVID-19.

As part of delivering the government's significant investment in local economies and across regional Australia, we also delivered Community Development Grants and the Building Better Regions Fund. We helped to facilitate the successful rollout of COVID-19 vaccines in Australia's non-self-governing territories—the Indian Ocean territories, Norfolk Island and the Jervis Bay territory—ensuring these communities had equitable access to essential health care.

There has continued to be intense pressure on Australia's transport networks—notably, on our aviation, maritime and road freight systems. To support the continued movement of freight around the country by road and rail, my department has continued to engage with states and territories, regulators and the industry as COVID response measures evolve. We facilitated the land transport COVID group and maritime response group to address COVID-19 impacts in these sectors. This included assisting with the implementation of the freight movement code to keep freight moving across domestic borders throughout the COVID-19 pandemic. We continued to underpin international aviation operations, including managing and maintaining passenger caps, which played a vital role in assisting returning Australians and enabling critical air freight services. We also provided \$443 million in funding to support exporters through the International Freight Assistance Mechanism.

Meanwhile, the department has also continued its business as usual, regulating airports, providing advice on airspace issues, setting vehicle standards and managing the Tasmanian shipping program. The department also continued its work progressing transport reforms, addressing safety, disability standards, sustainability and digitisation. We worked with partners throughout 2020-21 to implement city and regional deal arrangements and delivered around \$540 million in funding across 10 city and regional deal locations. We also delivered agricultural water projects in Mitiamo, Warwick and Macalister through the National Water Grid Fund.

I'd like to note also that since last estimates there has been a machinery of government change. This has meant that the department has acquired the functions of the Office of Northern Australia and the Northern Australia Infrastructure Fund. I think this goes some way to demonstrate the breadth, depth and complexity of the work of this department, which I am immensely proud to lead. These achievements have been delivered despite lockdowns affecting much of the country and the disruptions of COVID-19. The COVID-19 pandemic and its wide-reaching impacts have stretched public policy making and delivery all over the world. I'm proud of the ongoing commitment and professionalism of my people, who have ensured throughout this period of disruption that the department has supported Australia. I'd like to thank the people who are my department, most of whom I've not seen in person since early August, as well as our portfolio agencies for their extraordinary efforts. A strong and well-functioning Public Service has been a key part of Australia's effective response to the crisis. I've been impressed by the commitment and willingness of our staff to step up and serve the people, businesses and communities of Australia during this challenging time.

In response to a request from Senator Sterle, I'd like to table a number of documents relating to program expenditure across infrastructure investment, regional development, local government, cities and COVID response funding for aviation support, targeted road safety projects and local and community infrastructure

projects. The information provided is consistent with what we've provided in response to previous requests. It does not include some of the additional information requested beyond what we provided previously given the work that would be required to prepare beyond what our current reporting systems provide and the very significant workloads our team are managing as they roll out the critical funding to Australian communities and businesses. I'd like to table these documents. This is just one set, as agreed with the secretariat. It will be emailed by my chief of staff to the secretariat now.

CHAIR: Thank you very much, Mr Atkinson. I want to acknowledge that we have four senators online—Senator Antic, Senator McCarthy, Senator McMahon and Senator Sterle. Senator Sterle is going to open the questions today.

Senator STERLE: Thank you, Chair. I wish that I were there in Canberra with you, but unfortunately it's not to be. Mr Atkinson, thank you for the information. I had requested a different format. In your opening statement, you said you couldn't do that and nor could you provide some information. Is that correct?

Mr Atkinson: I will get Ms Dacey to go into it in a bit more detail. The information that we've provided for the last couple of years at the start of this is based on what we have been able to do given the way our systems currently hold the program data. We are dragging it out. There is some manual work to create the overview reports. The changing format would have been a very substantial diversion of resources. Even if government had asked us to do that, we would have had to push back and ask for a prioritisation of not delivering other things. What we keep providing you each hearing is how our systems actually hold the data at the moment. I will get Ms Dacey to go through that in a bit more detail.

Ms Dacey: I can confirm for you that the template page you attached to your request has been replicated for each of the state programs in the Infrastructure Investment Program. We've also provided the information you asked for regarding the heavy vehicles program, the Inland Rail program, the Black Spot Program, the bridges program and, as I said, the Infrastructure Investment Program by state. There is also the overview of the financials for the II Program per se. Where you might see some differences is in the Local Road and Community Infrastructure Program. I did a cross-check yesterday for you. It gives you the state, the description, the project cost and the funding required. It also gives you the dates of construction commencement and anticipated completion. I can confirm that, in the regional space, BBRF, CDG, DCP, DCPE, NSRF, RGF and RGIP are all done in accordance with the template. So you have all the data fields that you've asked for there. The Regional Recovery Partnerships give you the name, the funding, the Commonwealth contribution, the status, the description and the electorate. The financial assistance grants gives you everything that you asked for. The cities information is also as you requested. The aviation information that you asked for is fundamentally structured in a completely different way to the II program. We've also presented the information to you this time around in the same format that we've given it to you before, so you will be able to track back on other tables. Nothing has changed in that space. We've had a pretty fair go at it. We used the template page that you provided as the basis for pulling as much as we could.

Senator STERLE: Ms Dacey, thank you for that. When Mr Atkinson was saying that the systems don't allow, in today's computer age, what does that mean in English? Aren't there enough buttons on the keyboard? What's wrong?

Mr Atkinson: It's about which fields the data is held in and what reporting templates they are in. For instance, an aviation program data set is held very differently to a community grant. The request asks for commonality across them when they are actually very different.

Senator STERLE: Mr Atkinson, it makes my ears prick to hear that if the government had asked for the same information, you would have had to push back. Do you have a lack of resources?

Mr Atkinson: It was more about the diversion of resources. Creating new reporting standards across all of our programs, largely, would be quite a significant diversion of resources, if I were requested to do that.

Ms Dacey: Both IT resources and business resources.

Mr Atkinson: Yes.

Senator STERLE: So there is a lack of resources in the department at the moment to garner certain information at the flick of a switch?

Mr Atkinson: I wouldn't characterise it necessarily that way, but proceed, Senator.

Senator STERLE: How would you categorise it? There is a lack of resources. How would you tell us another way, then?

Mr Atkinson: I think you have the information on tens of thousands of projects consistent with what we've provided previously based on the data holdings that we have. We have the resources that we need to deliver our programs for the Australian people.

Senator STERLE: Mr Atkinson, I appreciate that and thank you, but this is nothing new to the department. This is a massive department. This is a department that has so many ongoing things year in and year out. I know that COVID has put a strain on a lot of people and a lot of departments. I understand that. But if there is a lack of resources, we have to acknowledge that. I do appreciate the work that's done. It's not as though we've sprung it on you at the last minute. You did say in your opening statement, Mr Atkinson, that we have been requesting this via letter under my signature for the last couple of years. I will ask one thing, Mr Atkinson, early in the piece. I have always praised the effort of this department, under previous secretaries and you, to return answers to our questions on notice. You know my discomfort over the last rounds of estimates. I don't think for one minute that the department hasn't provided the answers. They've been lost. We've been getting questions taken on notice and answers given on the day of estimates. Is it being held up in the minister's office, Mr Atkinson? I've never experienced so many questions taken on notice and then so many late answers coming back once estimates have started. Is there a pile up in the minister's office?

Mr Atkinson: We endeavour to answer all the questions that we're asked at the table. Certainly I appeared for four 14-hour days of estimates at the last hearings. We prepared deeply and answered lots and lots of questions. I'm not sure about the proposition of taking more questions on notice. That is not my observation, certainly. Matters of detail we sometimes do take on notice, but we try to answer everything in the room. I might get Ms Dacey to talk about the answers to questions on notice. I note that actually a very large number of questions were submitted not during the hearings as well. I will pass to Ms Dacey to talk about that.

Ms Dacey: I can confirm that, at the last hearings, the budget estimate hearings from 24 to 28 May, we had 654 questions on notice. That included two spillover hearings—one on 7 June and one on 19 June. That included questions from both this committee and the environment and communications committee. Forty of those questions required coordination across our 28 portfolio agencies. The lodgement dates for answers to the 346 questions that relate to this committee was 16 July and 29 July. So 121 answers were provided to the secretariat by 16 July; 15 answers were provided by 29 July, which was the second relevant date; and 204 answers were provided to the committee after the applicable date set by the committee. Six remain outstanding. They are the statistics. I don't have an historical trend that I could point to in terms of your question about whether more or less are being taken on notice.

Senator STERLE: Ms Dacey, thank you for that. I know that you have come from a different area. I don't make this up. I appreciate your answer. I have never experienced so much opportunity for departmental officers to continue to take simple questions on notice. There are a couple that will come up during the day. I've had to wait months for an answer where the officers have come back to tell me it is not even in their remit. We've got officers sitting at the table who don't even know what their job is. I'm going to highlight that. Let's see how today goes. Let's hope that the trend that I've experienced is broken and we actually get questions answered. Mr Atkinson—thank you anyway—I always say to you, 'Is there someone in the room, or can we get hold of someone via a telephone who can come back to us a couple of hours later?' I always give you that opportunity. We will move on from there. I haven't got that in front of me, but no doubt it will be available soon. Thank you for that, Mr Atkinson. Chair, I will go back to you and my colleague Senator Watt.

CHAIR: Thank you very much, Senator Sterle. I will quickly go to Senator Rennick for three minutes and then I'll go to Senator Watt.

Senator RENNICK: I know that the Federal Police investigation into Leppington Triangle has been finished. Before the report was lodged last year, did the Auditor-General speak with any of your staff before he referred matters to the Federal Police?

Mr Atkinson: About that topic?

Senator RENNICK: Yes.

Mr Atkinson: Not that I'm aware of, no.

Senator RENNICK: So he didn't actually speak to anyone in the department before referring it on to the Federal Police, hence muzzling you and your ability to actually put your side of the story across?

Mr Atkinson: The ANAO participated with the department in the audit itself. I'm not aware of any, and there wasn't any, discussion about the referral to the AFP with anyone in the department.

Senator RENNICK: But he did speak with people in the department before he lodged that report and referred the issue to the Federal Police?

Mr Atkinson: Not about that.

Senator RENNICK: Not about Leppington Triangle?

Mr Atkinson: Not about the referral to the AFP. Obviously, the ANAO was talking to the people in the department about the report that they were working on.

Senator RENNICK: Can you provide me with records of any conversations you had with the Auditor-General? I have asked the Auditor-General for records of conversations that he has had with your department. He says he won't provide them. We'll see about that.

Mr Atkinson: So the questions before—

Senator RENNICK: The questions before—

Mr Atkinson: Sorry, about his referral to the AFP?

Senator RENNICK: No. About the investigation into Leppington Triangle and the audit report itself.

Mr Atkinson: So you are talking about correspondence between the officers of the department and the ANAO in the course of the audit?

Senator RENNICK: Yes.

Mr Atkinson: That is covered under the Auditor-General's Act. It would also be huge, because they asked for thousands and thousands of documents as part of that audit.

Senator RENNICK: I don't want the documents. I just want evidence of conversations between the Auditor-General and your department and what questions were asked. I want to basically audit the Auditor-General. I have a background in auditing. I want to make sure before he actually lodged it. As it has turned out, there were no records. There was nothing wrong. I want to know exactly what he thought the wrongdoing was and why he referred it to the Federal Police in the first place.

Mr Atkinson: At risk of annoying Senator Sterle, we will take on notice what we can provide.

Senator RENNICK: Sure.

Mr Atkinson: Certainly I had no conversations with him prior to that.

Senator RENNICK: With the Auditor-General prior to the referral?

Ms Dacey: About the referral?

Mr Atkinson: About the referral.

Ms Dacey: There were many conversations going on.

Senator RENNICK: Thank you. That's all.

Senator WATT: Thank you, Mr Atkinson and Ms Dacey, and thanks, Minister, for attending today as well. Minister, I will start with you. Can you remind me? I didn't catch your full title.

Senator Hume: Yes. I am the Minister for Superannuation, Financial Services, the Digital Economy and Women's Economic Security.

Senator WATT: They are obviously all very important portfolios. In what way are they connected to the matters we are discussing in this portfolio today?

Senator Hume: I'm filling in today.

Senator WATT: You're filling in. Who are you filling in for?

Senator Hume: Another minister is supposed to be here. I am filling in.

Senator WATT: Which minister are you filling in for?

Senator Hume: I assume it's Senator McKenzie. I'm not entirely sure who is responsible for this portfolio most of the day.

Senator WATT: I absolutely don't mean this in a disrespectful manner. You've just said you don't know who is responsible for the portfolio. Are you in a position to answer any questions about this portfolio?

Senator Hume: Yes, absolutely.

Senator WATT: Even though you don't have any responsibilities in this portfolio?

Senator Hume: Well, I represent Minister Fletcher in the Senate. So if there is anything that falls under urban infrastructure, I can answer those questions.

Senator WATT: But for the remainder, you are not the representing minister in the Senate?

Senator Hume: Well, sometimes when senators are away or ministers are away or unable or have other issues on, they are temporarily represented by other ministers.

Senator WATT: Is Minister McKenzie away today?

Senator Hume: I don't know.

Senator WATT: I thought you said that you would rep when the minister is away.

Senator Hume: Yes. That's what happens.

Senator WATT: But you don't know if she's away?

Senator Hume: I didn't ask.

Senator WATT: When were you asked?

Senator Hume: Yesterday.

Senator WATT: You were asked what time?

Senator Hume: I don't know. About three in the afternoon.

Senator WATT: So around the same time the Nationals were having their party room meeting?

Senator Hume: I don't know.

Senator WATT: So you were asked to fill in for a minister?

Senator Hume: Just for the morning.

Senator WATT: What time do you think you will be here until?

Senator Hume: I'm on at Environment this afternoon, so any time up until that starts.

Senator WATT: So you don't know where Minister McKenzie is?

Senator Hume: No.

Senator WATT: But she is the minister representing this portfolio in the Senate?

Senator Hume: I understand that I am filling in for Minister McKenzie right now.

Senator WATT: I had a look at the schedule that parliament published for these estimates on Friday. It said that ministers McKenzie and Ruston would be attending today.

Senator Hume: I have just had a message to say that Minister McKenzie will be back at 10 am.

Senator WATT: Okay. That's good, because there are a number of questions that we're keen to put to Minister McKenzie. We might reorder our questions. She will be here at 10 am?

Senator Hume: That's the message I've just received.

Senator WATT: I would be concerned if we had a representing minister who decided not to show up for the portfolio.

CHAIR: I think, Senator Watt, it is quite normal that we have different ministers repping in and out. That is a usual estimates process. Senator McKenzie will be here at 10 am. Let's move to the questions that you have.

Senator WATT: The only other time I've encountered that is when Minister Cash was running away from questions and didn't turn up to attend the estimates.

CHAIR: No. I don't think that is the case. Please go to your questions, Senator Watt—

Senator WATT: Well, I was there.

CHAIR: so that we can move forward this morning.

Senator WATT: Well, it's going to be a little difficult because some of the questions that we had intended to put in the cross-portfolio section we're in now probably do require Minister McKenzie to be here. I might get Senator Sheldon to cover off some Western Sydney Airport questions while we work out how we want to proceed from there.

Senator SHELDON: Good morning, everybody—Secretary, Minister, Ms Dacey, Mr Atkinson. Secretary, we've discussed issues relating to the Leppington Triangle purchases many times before, of course. I know the AFP has concluded its investigation. You've published reports prepared by Sententia and KPMG. I am aware you provided a briefing to the shadow minister about the code of conduct investigations, which we appreciate. Are there any further reports or processes underway that you are waiting for the result of?

Mr Atkinson: No. The Sententia report and KPMG report and the codes are in their finality. We've made very substantial work to address the issues raised in those reports, particularly the Sententia report, and ensure that we don't get in these circumstances in future.

Senator SHELDON: Is there anything else that you believe the committee should be aware of in this matter?

Mr Atkinson: No. I think the key for people who want to be informed of the detail of it is to read the detail of the Sententia report, which really gives a full understanding of everything that went on at that point.

Senator WATT: As I mentioned, Chair, we have a number of questions that we are keen to put to Minister McKenzie in this first bracket. Obviously, she is not here. I'm wondering whether the best thing to do, with the committee's indulgence, is move to the next section, which covers aviation policy and then come back to this cross-portfolio item. It will be difficult for us to cover the questions that we want to ask in the absence of Minister McKenzie.

Mr Atkinson: Could I make a suggestion? Would it be useful to do any urban infrastructure questions you have while we have the minister who represents Minister Fletcher here? I do have the people who can talk about urban infrastructure here. I appreciate that they are scheduled for later as well.

Senator WATT: We could probably spend the next half hour or 25 minutes until you have to go, Minister. I might need to work out where in my pack those questions are. Obviously, that wasn't the order we had intended to go in. Is that okay with you, Chair?

CHAIR: Of course. I'm thinking of other senators who are arranging their day around what has been scheduled. Senator Rice will be back with some questions. Let's do that. I know that Senator Hume is well briefed. She will be able to cover off on the questions that you would have had for corporate matters for the next half an hour. By all means, find your questions and we will keep going.

Senator WATT: As long as we don't end up having an argument later about whether we can ask the cross-portfolio questions because we would have done so here if Minister McKenzie were here.

CHAIR: Senator Hume is briefed to do cross-portfolio questions. We will have different repping ministers over the next three days of RRAT. I think if we are going to wait for specific ministers, we will be delayed. Whatever you can direct to Senator Hume I would recommend.

Senator WATT: That's a pretty sensible suggestion. That would include the Urban Congestion Fund?

Mr Atkinson: Yes. You know how the branch heads usually do the individual detail of the individual projects?

Senator WATT: Yes.

Mr Atkinson: They won't be here until Infrastructure this afternoon.

Senator WATT: Okay. But we could ask—

Mr Atkinson: Let's just say that ones we can't answer now we'll put to the Infrastructure session. Is that alright?

Senator WATT: Yes. As long as we stay away from specific projects, we should be okay.

Mr Atkinson: We'll do our best. Anything we can't do now, we'll do then, if that makes sense.

Senator WATT: I will start with some pretty simple questions about the size of the fund. The Urban Congestion Fund used to be described as a \$4.8 billion fund. Now I see it is described on the department's website as around \$4 billion. What is the right figure? How much is this fund? How much is in it?

Senator Hume: Mine is saying it's still a \$4.8 billion fund. It's less than four per cent of the government's record \$110 billion 10-year Infrastructure Investment Program.

Senator WATT: Does that mean that the department's website is wrong in saying it is a \$4 billion fund?

Mr Atkinson: I will pass to Mr Smith. It may be that that represents what is committed.

Mr Smith: That's right; \$4 billion has been committed. So \$890 million of the fund has not been committed at this stage.

Senator WATT: When do you expect that remainder to be committed by?

Mr Smith: The commitment is a decision of government. As this government adds new projects, that money will be committed on an ongoing basis.

Senator WATT: Probably in the run-up to the election, Minister?

Senator Hume: Well, it already has 144 projects on the go and 182 separately identifiable packages of work.

Senator WATT: But my question is when we're going to see the remainder committed. It would be fair to assume—

Senator Hume: It will be in this term of government.

Senator WATT: So in the run-up to the election?

Senator Hume: Well, we don't have much choice in that, do we?

Senator WATT: Not that we are now only months away from an election. Mr Smith, \$4 billion, or roughly that amount, has been committed to projects. How much has actually been expended?

Mr Smith: To date, \$550 million has been expended.

Senator WATT: Wow. I know that we have this discussion every estimates. Minister, this was a key election commitment at the last election—a \$4.8 billion fund. We're nearly at the next election and the government has only spent \$550 million. It is basically almost one dollar in \$10 that it committed. What is the hold-up?

Mr Atkinson: I think we've discussed this a bit before. The expenditure profile of projects has a bell curve to it. In the first period, where detailed design works are going on and prior to PPR agreement with the states, there's quite a lot of design work, which isn't the very expensive part of the projects. It's actually the build and construction phase where the larger money gets spent. So it's normal for there to be a ramp-up after projects are agreed until we move into the major construction piece. It just depends on what stage and maturity they are at for various points in time. So the expenditure to date reflects payments against milestones for the states.

Senator WATT: I don't know if there is a distinction here, Mr Smith. How much has been contracted to date out of the Urban Congestion Fund?

Mr Smith: I wouldn't have those figures. We rely on our delivery partners to do that. Those that are obviously in construction, you would assume, would be under construction. But even when you're in planning, quite often you're doing preliminary works. Those bits would be under contract as well.

Senator WATT: Is that a figure that someone back at the office would have easily to hand?

Mr Smith: It's not information we normally collect. Delivery partners look at the contract side of things. We look at whether they are in planning, whether they are under construction or whether they are complete. Whilst we would have some of that information, we would have to trawl through it manually.

Senator WATT: Minister, when the government went out and made a big song and dance about its Urban Congestion Fund at the last election, describing it as a \$4.8 billion fund, do you think that members of the public, voters, would have thought that by the time of the next election you would have spent about one in every \$10?

Senator Hume: Well, I think that was very well explained to you by the secretary—that there is always a bell curve attached to infrastructure spending.

Senator WATT: I don't recall the government at the election—

Senator Hume: I think you're asking me to speculate on what the public might think about how infrastructure is spent.

Senator WATT: Well, I don't recall the government at the last election telling people, when it said they had a \$4.8 billion fund, that they would have to wait five, six or whatever many years it will be before that money will be spent. Did I miss something?

Senator Hume: I don't think members of the public are so obtuse that they would think an infrastructure spend happens immediately—the day after an election.

Senator WATT: You don't think they would expect that it might happen over the next term of government?

Senator Hume: I think they would understand that infrastructure takes a long time to build.

Senator WATT: Mr Smith, I think I'm right in saying that in the last financial year—2020-21—the department expected to spend \$483 million through the Urban Congestion Fund. I would be interested to know what was actually expended in the last financial year.

Mr Smith: It was \$388.5 million.

Senator WATT: So about a quarter below what was expected?

Mr Smith: On the figures that we get, we work closely with the states about their expectations of what they can deliver. We roll those into both the budget and updates in MYEFO. They are our two best estimates at the time of when we think we can deliver. I don't have the prior figures with me, but it sounds roughly right. So \$388.5 million is what we spent last financial year.

Senator WATT: And of the remaining \$120 million or so that has been spent to get us to that \$550 million figure, was that spent before or after last financial year?

Mr Smith: So in prior years, it was \$148.1 million. Last year was \$388.5 million. The residual is made up of payments to date.

Senator WATT: So it's only about another \$20 million-odd that has been spent this financial year so far?

Mr Smith: Yes. That is probably not unexpected. Again, our profile ramps up. It is a bit of hockey stick, to be honest. It ramps up in May, June and July. That is generally the history of the fund. We would expect the same sort of thing again this year.

Senator WATT: Towards the end of the financial year?

Mr Smith: Towards the end of the financial year. We obviously only ever pay on milestones. The milestones need to be completed. They need to provide sufficient evidence. The delegates then approve those payments as they go through.

Senator WATT: At estimates in May, the department told us that you had downgraded the projected 2021-22 expenditure from \$1.2 billion to \$776 million. What is the projected expenditure for this financial year now?

Mr Smith: The current spend is still in the budget forecast under BP3. It has the forward outlook as well. For 2021-22, \$775.6 million is our best estimate. For 2022-23, it is \$1.3 billion. For 2023-24, it is \$797 million. For 2024-25, it is \$256 million.

Senator WATT: And you still feel confident about that projection of \$776 million for this financial year?

Mr Smith: They are our best estimates at the time. As I said, we update those in MYEFO. We're obviously going through that sort of process and working with the states on their profiles. So that is our best figure at this stage until we update our estimates.

Senator WATT: So as we sit here now, you don't have any reason to think that you wouldn't meet that figure?

Mr Smith: I think a lot of states have experienced a lot of issues in delivery. New South Wales had some massive floods at the back end of last year. Western Australia has its border shut, which makes it difficult to attract additional resources. We're kind of in unprecedented times in lockdowns, out of lockdowns, mobilising and remobilising staff. There is a whole raft of factors. Global factors come into it as well. These are our best estimates right now.

Senator WATT: Again, in the May estimates this year, we were told that 31 projects had been completed, 25 were under construction and 69 were due to commence by the end of this financial year. Could we get the updated figures, please?

Mr Smith: Yes, certainly. So 35 have been completed and 39 are currently underway. By the end of December, we anticipate a further 25 will be under construction and a further 49 will commence in 2022.

Senator WATT: In 2022?

Mr Smith: Yes.

Senator WATT: But still this financial year?

Mr Smith: I've got only the figure for 2022. I will take on notice how much until June.

Senator WATT: How many projects are still in the planning?

Mr Smith: Can I come back to you in one second? I cannot see it. I know I've got it somewhere. Someone will text me shortly with the answer.

Senator WATT: Thanks. If someone does have a figure as to the number of projects you expect to commence in the first half of next calendar year, that would be helpful to get as well. Are there any projects that don't have a delivery partner?

Mr Smith: To the best of my knowledge, all Urban Congestion Funds have a proponent for the current stage that they are in. Otherwise, no work takes place. If it is in planning, we have someone who is undertaking the planning work. If it is under construction, we have a proponent for the construction side.

Senator WATT: Right. Is that the way it's done—that you essentially contract each stage? So with the planning, you might get a delivery partner for that part of the project and then you have a separate process for the construction with a different delivery partner?

Mr Smith: No. It's normally the same partner as we go through. Every now and again, you end up with something slightly different. It does depend on the project itself. For instance, when you undertake the feasibility studies, you might find out that a state rather than a council would be better off delivering that project once you've

done the feasibility studies. But it is generally the same partner that works all the way through from planning design through to construction.

Senator WATT: Just so I'm clear—you said, understandably, to the best of your knowledge; obviously you can let us know if it turns out differently—does that mean, then, that every project that has had funding committed out of the Urban Congestion Fund has a delivery partner for the entirety of the project?

Mr Smith: For the stage they're at. For instance, we look at a site. We go along and decide that, among ourselves, the state and the council, maybe the state is better off delivering that one because it happens to be on state land. So you could end up with a slight change of delivery partner. That is why you collaborate amongst the relevant parties there about that. But not at this stage, no.

Senator WATT: You have given us a figure for the number of projects that you expect to commence in calendar year 2022, which is 49. Can we get a breakdown of that for the financial year as well? How many projects will be completed after the end of this financial year?

Mr Smith: I don't have the details of when some of the ones already under construction finish. Again, we can give you our best estimate of that later this afternoon.

Senator WATT: Of the 49 due to commence in 2022, will there be further projects that commence after 2022 that are funded out of the Urban Congestion Fund?

Mr Smith: Yes. Our estimate is about 34 will commence after 2022.

Senator WATT: That will spend the remaining \$800 million or so that is in the fund?

Mr Smith: No. That is part of the allocated money.

Senator WATT: Out of the \$4 billion?

Mr Smith: Yes.

Senator WATT: So the 34 that you anticipate will commence beyond 2022 are funded out of the \$4 billion that has already been committed?

Mr Smith: Correct.

Senator WATT: Those projects have been settled? Do we know what those projects are?

Mr Smith: Some of those are probably still going through a bit of a scoping phase. But the projects have all been announced. Those numbers that we have read out are all projects that have been selected and agreed to by the Australian government.

Senator WATT: I didn't realise that they had all been announced. Whatever the government decides to do in terms of the remaining \$800 million, obviously those projects will commence some time after that?

Mr Smith: Correct, yes.

Senator WATT: And there has been no estimate of the number of projects—

Mr Smith: Sorry, when you say some time after that, depending on the type of project, some of them could commence earlier if they are smaller and they've gone through design work already. So it does depend on the nature of the project. But they would commence after they are announced.

Senator WATT: Has any work started to identify what projects could be funded out of that remaining \$800 million?

Mr Smith: By the department?

Senator WATT: Yes.

Mr Smith: We provide regular ongoing advice around all programs and projects, particularly in the lead-up in the budget and MYEFO, which is generally when the government announces new projects.

Senator WATT: So the department has provided a list of potential projects to be funded out of that remaining funding?

Mr Atkinson: Any list like that would go through the ERC as part of the infrastructure investment considerations, the normal MYEFO and budget processes.

Senator WATT: Yes. But a list has been provided through that process?

Mr Atkinson: I didn't say that, Senator. We can't go into the detail of what advice we provide into the ERC for consideration as part of MYEFO.

Mr Smith: I will come back to your question. So 35 are expected to start by June.

Senator WATT: This is of the 49?

Mr Smith: Yes.

Senator WATT: It is 35?

Mr Smith: It is 35, yes.

Senator WATT: With the remaining 14 to be assessed in the half of next calendar year?

Mr Smith: Yes.

Senator WATT: Has any estimate been provided as to the number of projects that will be funded from the remaining \$800 million?

Mr Atkinson: That would be completely dependent on how big each project is.

Senator WATT: Yes.

Mr Atkinson: That is the subject of future decisions.

Senator WATT: Has any coloured spreadsheet been provided to government to accompany the list of projects?

Mr Atkinson: Any spreadsheets with respect to projects on it would be part of the ERC normal considerations. I'm not aware of any.

Senator WATT: Does the department provide the famous coloured spreadsheets as part of the process, or does that get done by the minister's office?

Senator Hume: I think we are getting into some rather glib questions.

Senator WATT: No. We're getting into uncomfortable territory that is famous for rorting.

Senator Hume: Knock yourself out, Murray. This is a really glib line of questioning for the department.

Senator WATT: I don't think that members of the public, who are pretty sick of the rorting that goes on in this government with coloured spreadsheets, would regard it as glib.

CHAIR: Senator Watt, do you have a question for the department, or are you just providing commentary? It's not a cricket game.

Senator WATT: Mr Atkinson, the department hasn't provided colour coded spreadsheets to government based on margins of seats to accompany Urban Congestion Fund proposals?

Mr Atkinson: Certainly we wouldn't do anything that you just described as a departmental document.

Senator WATT: I didn't think so. Mr Smith, I presume you have a table there listing all the projects funded or submitted out of the Urban Congestion Fund which include their status, their scheduled start and finish dates and the delivery partner?

Mr Atkinson: I think that is in the information we provided Senator Sterle.

Senator WATT: Do you think it is in that bundle?

Mr Smith: All the Urban Congestion Fund projects are listed in there. They've got all that information.

Senator WATT: So they include status, scheduled start and finish dates and the delivery partner?

Mr Smith: They probably don't have the delivery partner, but they have got certainly the state they are being delivered in. They've got the amount of the commitment. They've got the funding profile for those projects, which will give you a good indication of start and stops. So that should have most of that relevant information.

Senator WATT: Does that include the commuter car park projects?

Mr Smith: Yes.

Senator WATT: Does it nominate whether a particular site has been selected for each of those projects?

Mr Smith: No. It doesn't have the site specific information. It has the project name. Obviously, depending on the status of the car park, some are in feasibility. They might be looking at more than one particular location as well.

Senator WATT: I will have some more detailed questions about commuter car parks later this afternoon. I have forgotten how many have been announced.

Mr Smith: So 48 have been announced.

Senator WATT: How many of them have been cancelled?

Mr Smith: Six were de-scoped and announced as de-scoped in the last budget.

Senator WATT: What does 'de-scoped' mean?

Mr Smith: The money has been re-allocated to other Urban Congestion Funds and, in particular, commuter car parks.

Senator WATT: So the projects that were announced ceased to be?

Mr Smith: Yes.

Senator WATT: How many of them are under construction?

Mr Smith: Current? Four are complete and five are currently under construction.

Senator WATT: How many do not have a site selected?

Mr Smith: I would have to take that detail on notice.

Senator WATT: Do you know how many don't have a delivery partner yet?

Mr Smith: No. That is the same answer as before. Depending on the stage, we have somebody delivering it. The department doesn't actually do the delivery. We must have a delivery partner for that work to be taking place.

Senator WATT: Perhaps you could come back with an answer this afternoon on how many don't have a site selected or a delivery partner.

Mr Smith: Yes.

Senator WATT: I'm not sure whether Senator Rice is aware. We did a reshuffle of the program. Do you have any questions on urban infrastructure? I think we will be able to come back to it later.

CHAIR: I want to be careful about whether we are coming back to it later. If Senator Rice has corporate affairs questions, wouldn't you rather that she asks them now?

Senator WATT: Sure. That's fine. We might do our corporate affairs ones when Minister McKenzie arrives, if that's okay.

Senator RICE: Thank you. Mine are also about the Urban Congestion Fund and where the money is coming from. Secretary, in relation to the department's role with the commuter car park fund, the ANAO report found that the assessment work underlying the department's advice to award funding to the selected programs was not to an appropriate standard. If I understand your response to the ANAO correctly, it's basically because you're arguing that all 34 of the projects were announced during the election. They were an election commitment, so your role was purely to implement them. Is that correct? Is that the correct understanding?

Mr Atkinson: I think that is a slight generalisation. Firstly, you said me personally. Obviously this was before my time. The key point I was making there is that the vast majority of those projects were election commitments announced during the election campaign. The department, to my knowledge—Mr Smith or Mr Hallinan might jump in—didn't provide detailed advice on them. There are a lot of specifics as to what the department actually did provide, which is consistent with the time available and the point that they were at.

Senator RICE: You say the vast majority. Do we have a breakdown as to which of those projects were election commitments and which were pre-existing commitments?

Mr Atkinson: I think Mr Smith might be able to give the numbers. It is in the ANAO report near the bit that you're talking about. I think 80 per cent of them were on that day.

Senator RICE: So there are the ones announced during the election. There is the situation of projects funded out of unallocated government funds. Do you treat them as election commitments because they were announced during the election?

Mr Atkinson: I treat commitments made to the Australian public during the election campaign as election commitments.

Senator RICE: That is including the ones decided via an exchange of letters on 10 April?

Mr Atkinson: Yes.

Mr Smith: Just to assist, I think the ANAO has a summary table, table 3.1 on page 41, which spells out the number of projects and the dates of the decisions.

Senator RICE: So the department considers those. The ones decided via an exchange of letters is 27. They were announced during the election. Seven were announced during the election campaign without any prior decisions. They are all election commitments?

Mr Atkinson: For the purposes of implementation, they are treated as election commitments. The two things aren't mutually exclusive. They can be a formal decision of government that is in the books and a commitment made to the Australian public during an election campaign.

Senator RICE: But the issue is the role of the department in the decision-making process and providing advice to government as to whether they are appropriate projects. Essentially, if they are an election commitment, you say, 'They're election commitments.' Your role is to implement them. So you are treating all of them as election commitments? Essentially your rationale is that they are election commitments: 'We didn't have any say as to what the projects were. All we need to do is to implement them?'

Mr Hallinan: I think there is room for nuance here. In any budget process or cabinet process, departments do provide advice. Sometimes that advice can be more limited than others. In this case, the audit office identified the information and advice provided by the department in the cabinet processes attached to identifying these projects. You've identified the 27 that were agreed via an exchange of letters on, I think, 10 April. The department did provide advice into that process. I think it is articulated in the audit itself as to what that advice was. We usually wouldn't explain those situations publicly because it does go into a deliberative process of the cabinet. For the purposes of the audit itself, we were quite clear that anything announced in the election period is an election commitment. We think there is a bit of a semantic argument around what is an election commitment and what is not. We want to clearly separate the difference between a department providing advice into a government process before an election period, before any priority; that's distinct. The audit report clearly identifies what we did do in that circumstance. This is back a few years. And there is how we implement a project once it has been announced by a government or an opposition in an election period as an election commitment. There is a slightly different treatment post election.

Senator RICE: Yes. The department treats differently projects that you classify as election commitments? Basically, you don't have a say in choosing what they are?

Mr Hallinan: As a general principle, if a project or a policy is announced in an election period, yes, our role at that point, after an election, is to provide advice on how to implement that policy. In this case, there were 27 car parks, I think, agreed the day before the election was called. They were announced through the election period, with an additional seven where there was no previous process and the department had no involvement in.

Senator RICE: So for all of them—the 27 plus the seven—the department basically didn't provide advice? That is why the ANAO basically said that the assessment work undertaken—the advice to award projects and select projects—was not to an appropriate standard. In fact, you viewed them as election commitments, so you didn't have the opportunity—obviously the timing was very tight—to be providing that advice?

Mr Hallinan: No. I wouldn't say that. I would say that in the lead-up to the election period, the department provided advice that it could within the time constraints that it had. I think that is articulated clearly in the audit report.

Senator RICE: Minister, I'm glad that you've joined us. I don't know how much you are on top of the issues associated with the commuter car park.

Senator McKenzie: Yes. I don't represent Minister Fletcher.

Senator RICE: Okay. So you can't answer any questions about whether Minister Fletcher viewed all of these as election commitments?

Senator McKenzie: No. I can't.

CHAIR: Senator Rice, we had agreed while Senator Hume was here that we would do car parks. We will get back to that again later in the day. If you have any questions on corporate matters, if you would like to turn to them, that would be terrific.

Senator RICE: It is corporate matters. It is a high-level decision as to whether you're spending government funding on election commitments, which is essentially where my questions are going to. I will leave asking questions of the minister about that, then. I will move on. After the election, you do an election commitment process to ensure that all the election announcements are allocated to programs, including the Urban Congestion Fund and the Commuter Car Park Fund. That's right, isn't it?

Mr Atkinson: Yes. I think I ran through at previous estimates the process by which those get allocated.

Senator RICE: Do you keep track of how many of those election announcements were new commitments versus decisions taken by the government before the election?

Mr Atkinson: We would implement them all as election commitments and track them as election commitments.

Senator RICE: So you don't differentiate? It goes to this position of the projects and decisions where there was advice from the department versus ones that the coalition announced as election commitments. So you don't differentiate between the two of them?

Mr Atkinson: Mr Smith might correct me. The normal process by which election commitments come through is that election commitments are made during the election campaign. Formal authority and funding and those sorts of arrangements are addressed following the election.

Senator RICE: That is even though you have projects across the Urban Congestion Fund that the Liberal-National coalition announced with a cost of almost \$1 billion and three-quarters of them were just committing unallocated funds. So they don't show up in the election costings bottom line. You don't differentiate between them?

Mr Hallinan: For the purposes of budget tracking, all the decisions taken up until the election is called are reflected in the PEFO. For this program, I think there was a budget allocation. Now we've got a budget allocation of \$4.8 billion. The commitments against that allocation don't total \$4.8 billion. We still have an amount of money that Mr Smith articulated earlier—I think it is \$800 million or \$900 million—that is unallocated from the \$4.8 billion bucket. So any of the projects attached to the UCF program through the election period or in the lead-up to the election period were being taken from the \$4.8 billion that is already reflected in the forward estimates profile for the budget.

Senator RICE: That is unallocated funding. Does the department have a role in providing advice as to which projects should be implemented out of that bucket of unallocated funding?

Mr Atkinson: Unallocated funding just means that there is a forward funding profile for it. The individual process by which projects are identified is different across each program. In this instance, there were election commitments that were being implemented through that funding program.

Senator RICE: But they don't have to show up in the bottom line as being election commitments because they are included in unallocated funding?

Mr Atkinson: What bottom line? The Commonwealth bottom line or the election commitments?

Senator RICE: The election commitment bottom line.

Mr Atkinson: So in terms of the total election commitments—

Senator RICE: The government gets to implement projects that have very little rationale or credibility that don't have to have advice from the department yet they are coming out of unallocated government funding.

Mr Atkinson: Yes.

Senator RICE: And that is not a problem? What is the point of having a department if they can get to commit on basically zero rationale to do things that are supposedly meant to be tackling urban congestion? Isn't that frustrating to the department that you have all this expertise? You could provide advice to them as to how to tackle urban congestion. You have a fund that says it's meant to be tackling urban congestion. Essentially because all the money is considered as election commitments, you don't have a role.

Mr Atkinson: I wouldn't describe it quite that way. Obviously we have a \$110 billion investment pipeline, which is made up of a series of different administered programs. Our role in providing advice to government is different—usually through the two major economic updates, through the cabinet processes. But when a government or opposition makes election commitments during election campaigns—this is the same of all governments that are duly elected by the Australian people—they can expect that the Public Service will implement that election commitment.

Senator RICE: I want to clarify. All the car parks under the commuter car parks are funded under the National Land Transport Act 2014?

Mr Smith: Yes.

Senator RICE: And in line with the national partnership agreement on land transport infrastructure projects?

Mr Smith: Yes.

Senator RICE: And there is a project proposal report for each car park before the funding is finally approved?

Mr Smith: That's correct.

Senator RICE: Presumably, for all the car parks, you would receive some form of project proposal?

Mr Smith: Yes. Once the projects are decided by government and they've been announced, they go through the same process as any other project. A proponent would develop a delivery PPR. That comes to the department. The department would provide advice, and then the minister would make appropriate decisions based on that.

Senator RICE: Can you provide us with the PPRs for the 43 car parks that have now been committed?

Mr Smith: I will have to take that on notice. I don't have them, obviously, with me. That information would be commercially sensitive. We would need to take on notice and liaise with the minister about what we can provide.

Senator RICE: Thank you. I have a few questions following up from previous questions on notice. In answer to an earlier question on notice, you said that you received legal advice in relation to intermodal facilities and car parks on 23 May 2019. What was the prompt for seeking that advice?

Mr Smith: I would have to go back and check the record. It's not uncommon as we implement programs to go and get advice to make sure that it can be delivered under the act. Obviously, it is ongoing throughout to make sure, if there is a grey area or something different pops up, we can deliver under the act. I think in relation to car parks we've got advice on a number of occasions to make sure that we're consistent with the act.

Senator RICE: Thank you. In relation to the Turner & Townsend contract, which I think we discussed at the last estimates, can you tell me when the minister requested that analysis? What was the day? You might need to take that on notice.

Mr Smith: I will take that on notice.

Senator RICE: And when you sent the documentation to Turner & Townsend. You received their response on 17 June 2020. Did the draft response that they provided go to the minister's office?

Mr Smith: I will have to take that on notice.

Senator RICE: Mr Atkinson, could you provide a list of all the projects that the department is aware of that were approved on 10 April but then announced during the election campaign?

Mr Atkinson: Yes. I presume we could do that, yes.

Senator RICE: Including both the Urban Congestion Fund and the Community Development Grants scheme projects?

Mr Atkinson: I'm not sure whether there were any CDGs in that space; they were not in the audit report.

Mr Hallinan: There are certainly not CDGs in the audit report that we're aware of, Senator.

Mr Atkinson: That is a completely different thing.

Senator RICE: Yes, I know. The CDGs also come under the department. Were there CDGs approved under on 10 April and then announced during the election campaign?

Mr Atkinson: Okay. That is a separate question. Yes, I understand.

Senator RICE: Thank you.

CHAIR: Senator Watt, you're going to return to corporate affairs. We hope to move through that reasonably quickly because I am aware that Senator Waters has questions for transport. I hope Senator Waters heard that and can stay with us for a little longer.

Senator WATERS: Thank you, Chair.

Senator WATT: Thanks, Chair. Good morning, Minister. Great to see you.

Senator McKenzie: It's always a pleasure to see you, Senator.

Senator WATT: Indeed. It's unfortunate that the committee was unaware you were going to be missing for the first hour this morning.

Senator McKenzie: I think the committee was aware. I informed the chair.

Senator WATT: Okay. It just wasn't conveyed.

CHAIR: I am sorry. My apologies for not rolling through the repping ministers. I'm quite used to ministers coming in and out representing throughout estimates. I put my hand up. That is my failure for not informing the committee.

Senator WATT: Any reason you weren't able to join us at the start today, Minister?

Senator McKenzie: I'm here now, so let's go to questions.

Senator WATT: You are the repping minister.

Senator McKenzie: I'm not the repping minister for Minister Fletcher.

Senator WATT: You're not the repping minister for Minister Joyce?

Senator McKenzie: Yes, I am.

Senator RENNICK: Murray, isn't that out of order? It's really none of your business where she was before 10 o'clock.

Senator WATT: I think the minister is quite capable of answering questions for herself, Senator Rennick. It's unusual to have the minister who actually represents the main portfolio that is being asked about to not turn up for cross-portfolio questions at the beginning of the day.

Senator McKenzie: I'm here now for cross-portfolio and corporate matters that you have.

Senator WATT: I don't know if you heard, but Senator Hume let us know that she was only asked to fill in for you this morning at about three o'clock yesterday. Is that right?

Senator McKenzie: I'm not aware of what discussions took place between officers.

Senator WATT: So you didn't message Senator Hume yourself?

Senator McKenzie: Senator, do you have questions about the portfolio? It's going to be a long day. I'm sure the RRAT committee usually likes to run seamlessly.

Senator WATT: So when did you become aware that you would not be available to represent Minister Joyce first thing this morning?

Senator McKenzie: I'm representing Minister Joyce. I'm here to answer questions. Let's go.

CHAIR: Senator Watt, we do have this happen quite often, where ministers are delayed because of meetings or whatever. If we could move to the questions, that would be terrific.

Senator WATT: Was there another urgent National Party meeting, Minister?

Senator McKenzie: Every National Party meeting is urgent.

Senator WATT: Was there another one this morning?

Senator McKenzie: Senator, I am here to answer your questions. Let's go.

Senator WATT: Mr Atkinson, you would agree, no doubt, that the transport sector generates a lot of emissions in this country and around the world?

Mr Atkinson: The transport sector has a contribution to global emissions, yes.

Senator WATT: I think I've seen reports that it is roughly about 15 per cent of Australia's emissions. Does that sound about right?

Mr Atkinson: For the total emissions of the transport sector, you would probably need to ask DISER. It sounds about right.

Senator WATT: It's fair to assume that any policies around emissions reduction will have some implications for the transport sector?

Mr Atkinson: Yes, Senator. It depends on what those policies would be.

Senator WATT: Sure. Minister, my question to you, then, is this: is the Morrison government committed to net zero emissions by 2050?

Senator McKenzie: That is a matter that is coming before cabinet. The National Party has made their view clear, as has the Liberal Party.

Senator WATT: But we don't as yet know whether the Morrison government is committed to net zero emissions by 2050?

Senator McKenzie: I think both parties of the Morrison government have been very clear in pursuing a policy goal of net zero emissions by 2050. That will form the basis of the Prime Minister's trip to Glasgow.

Senator WATT: What is the National Party position on net zero emissions by 2050?

Senator McKenzie: As the deputy leader, the leader and me made very clear yesterday in a statement, we support in principle net zero by 2050. We want to make sure that rural and regional Australia is protected as we move towards a low emissions future. We want to make sure that any opportunities that are presented through that move are secured for the regions.

Senator WATT: I was watching the Deputy Prime Minister's press conference that a number of you were at yesterday after the meeting. What he said was that the National Party was committed to a process to work towards net zero emissions targets that was dependent on a cabinet submission. Does the National Party actually have a position?

Senator McKenzie: I don't have a transcript. Would you like to table the transcript of the Deputy Prime Minister, because I don't have it in front of me?

Senator WATT: It's on my Twitter. I can send you the tweet if that would help.

Senator McKenzie: I haven't memorised every single word. Maybe I should memorise every single word the Deputy Prime Minister says so that I can quote him verbatim at opportunities such as this. I'm here to answer questions about the infrastructure portfolio.

Senator WATT: Well, they are about the infrastructure and transport portfolios. We've just heard that net zero emissions does have implications for the transport and infrastructure sector, which is why we are asking.

Senator McKenzie: So what is your question?

Senator WATT: The direct quote from Mr Joyce after the National Party meeting is:

We are in support of a process going forward that would go towards a 2050 emissions target. Obviously, that's dependent on what we see in the Cabinet submission reflecting the conversations and the agreements between myself and the Prime Minister.

What on earth does that mean?

Senator McKenzie: As you know, the National Party had a meeting yesterday where it considered seriously the proposition of moving to net zero by 2050 with a technology, not taxes, plan and ensuring that any move in that regard sought to protect the regions and secure future opportunities for the regions. That is what we considered. Out of that meeting we will be heading into a cabinet process, which I think the Prime Minister and the Deputy Prime Minister have outlined very clearly.

Senator WATT: When Mr Joyce says—

Senator McKenzie: Is there a question on transport?

Senator WATT: Well, yes.

Senator McKenzie: Actually, what is it?

Senator WATT: Are you saying that emissions—

Senator McKenzie: What is the question on transport?

Senator WATT: Are you saying that emissions targets don't have any relevance to the transport sector?

Senator McKenzie: No. That's not what I'm saying.

Senator WATT: That is why I am asking these questions.

Senator McKenzie: Do you want me to say that? Is that what you want me to say?

Senator WATT: No. I would be surprised if you did. But we have confirmed that—

Senator McKenzie: I'm just not clear—

Senator WATT: Why don't you want to talk about emissions?

Senator McKenzie: Maybe you missed the press conference. Maybe you missed the front page of the *Australian*. I can understand you might have. It's probably not the paper you turn to—

Senator WATT: I'm just struggling to understand what on earth your policy is.

Senator McKenzie: first and foremost.

Senator WATT: I'm just struggling to understand what on earth your policy is, given that we've been told it is a process towards net zero energy.

Senator McKenzie: Senator Watt, I will take it on notice and clarify with the Deputy Prime Minister his quote.

Senator WATT: So you're the leader of the Nationals in the Senate and you can't tell us what the Nationals' policy is?

Senator McKenzie: I've just told you, Senator Watt.

Senator WATT: So what does he mean when he said it's about—

Senator McKenzie: The chair can clarify further.

Senator WATT: What does Mr Joyce mean when he says your policy is about going towards a 2050 emissions target? Does that mean that you're not actually locked in? You're working towards it?

CHAIR: Senator Watt, I think we've just said that you've described the Deputy Prime Minister's words. We've got a whole department sitting here poised to answer your questions. The minister is ready to answer your questions.

Senator WATT: Yes. I am asking questions.

CHAIR: You have quoted the Deputy Prime Minister's words. We have gone over it two or three times. Unless there is something additionally that you want to ask specifically, could we move to some questions?

Senator WATT: It has been reported that the vote was 12 to nine in favour. Is that correct?

Senator McKenzie: I'm not going to comment on the party room. People commenting about what happens in the National Party party room aren't doing themselves any favours.

Senator WATT: Who are they?

Senator McKenzie: I can't tell you. Who has quoted?

Senator WATT: Well, you will be surprised to hear it is anonymous.

Senator McKenzie: Shocking. I'm shocked it's anonymous.

Senator WATT: You would never have commented on your National Party colleagues anonymously, would you?

Senator McKenzie: Senator Watt, I am actually buoyed that you are so interested in the National Party. You are almost obsessed.

Senator WATT: Well, I'm pretty obsessed that the regions get good representation, which they haven't been getting for a number of years now.

Senator McKenzie: Senator Watt, if it weren't for the National Party actually standing up for the regions through this process and securing good outcomes—

Senator WATT: So what have you supported?

Senator McKenzie: Well, as has been outlined, Senator Watt, it is part of the cabinet process, so I'm going to—

Senator WATT: So we're just supposed to believe—

Senator McKenzie: work very hard to make sure you are never part of a cabinet.

Senator WATT: You are saying regional Australians can rely on the National Party to secure a good deal for them?

Senator McKenzie: Please don't verbal me. Chair, please. The senator is verballing me.

Senator WATT: So what have you secured?

CHAIR: I am waiting for Senator Watt to turn to the questions of the RRAT committee. We are all here for a long day.

Senator WATT: This is highly relevant to the transport and infrastructure sector. It is about the future of emissions policy, which impacts on the transport and infrastructure sectors.

CHAIR: And that is an incredibly important topic because we are relying on transport in this nation.

Senator WATT: We do.

CHAIR: I think that transport is important. But your questions are not going to the purpose of today, which is understanding the government's budget commitments through estimates. I encourage you to turn back to that matter because we are all keen to discuss that.

Senator WATT: How much has the government budgeted to deliver on the apparent deal with the National Party, Minister?

Senator McKenzie: I will ask the infrastructure department.

Mr Atkinson: As the minister pointed out, these things are the subject of a future cabinet consideration.

Senator WATT: Has your department seen a draft cabinet submission on these matters?

Mr Atkinson: We participate in normal cabinet processes. We can't comment one way or the other on what is going forward.

Senator WATT: Apparently there is going to be a secret cabinet submission based on a secret deal going to a secret cabinet meeting tonight. Has your department had any involvement in preparing that submission? I'm not going to ask you what is in it?

Mr Atkinson: I don't agree with your characterisation of all the cabinet documentation you just talked about. All I can say is that we always participate properly with all of our colleagues across government in the preparation of cabinet submissions.

Senator WATT: Minister, we've read that Mr Joyce didn't support this net zero emissions by 2050 target. Is that correct?

Senator McKenzie: I'm not going to the deliberations of the party room.

Senator WATT: I'm not asking you for them.

Senator McKenzie: I'll have to ask Mr or Mrs Anonymous.

Senator WATT: Let's forget about the party room. Does Mr Joyce, as the Deputy Prime Minister and the minister for transport and the leader of the National Party, support net zero emissions by 2050?

Senator McKenzie: The Deputy Prime Minister has made it very clear that the National Party supports in principle the process of moving towards net zero by 2050. He has been very clear about that.

Senator WATT: I understand that he says—

Senator McKenzie: Have you had a chance to catch up on those transcripts?

Senator WATT: Yes. I understand that he has said that the National Party supports this. You are here representing Mr Joyce. Does Mr Joyce support a policy of net zero emissions by 2050?

Senator McKenzie: Mr Joyce has been very clear. He supports in principle Australia moving to a net zero position by 2050.

Senator WATT: So he personally supports it?

Senator McKenzie: He has been very public about this, Senator Watt.

Senator WATT: He has conveyed the National Party position?

Senator McKenzie: You ask the same question three or four times. I used to chair a committee. I'm pretty sure that there is a standing order around tedious repetition. Ask and answer. Ask and answer.

Senator WATT: I'm sure the chair can do her job without you telling her how to do her job. I know that Mr Joyce has conveyed what the National Party position is. I'm asking whether the leader of the National Party and the Deputy Prime Minister of this country supports his own party's position.

Senator McKenzie: Of course he does.

Senator WATT: So he does support net zero emissions?

Senator McKenzie: Senator Watt, you've asked this question now five times. I've answered it.

Senator WATT: Well, I've had to ask it repeatedly because—

Senator McKenzie: Chair, I've answered the question.

Senator WATT: Initially you said that Mr Joyce said what the National Party position is. What about you, Minister? You've had a lot to say about net zero missions over the years. Do you personally support Australia committing to net zero emissions by 2050?

CHAIR: This is the last question.

Senator McKenzie: My position on climate change policy has been very consistent.

Senator WATT: Do you personally—

Senator McKenzie: I have always accepted the science of climate change. I have not always been in support of methods to deal with it in this country that have severely and negatively impacted the people that sent me to parliament.

Senator WATT: My question is: do you personally support Australia committing to net zero emissions by 2050?

Senator McKenzie: I absolutely think that the National Party party room's decision was the right decision because we were able to secure protections for rural and regional Australians. We will actually ensure that they will secure opportunities that will be available as a result of the government's policy. That's us doing our job.

Senator WATT: Yesterday on the *Insiders* program, Ms Niki Savva said that Mr Morrison wanted a more ambitious 2030 target but the National Party wouldn't let him have it. Is that correct?

Senator McKenzie: We've also been very clear on that publicly. It's a pity you don't have those transcripts. You wouldn't have to ask these questions. Yes, we don't support a more ambitious target on 2030.

Senator WATT: Is it correct that Mr Morrison wanted a more ambitious 2030 target but the National Party wouldn't have it?

Senator McKenzie: I'm not going to private discussions between the Prime Minister and the Deputy Prime Minister. I'm being very clear about the National Party's position, and it is that we don't support a more ambitious target than we already have on 2050. We've actually decreased our emissions in this country by 20 per cent. I don't hear you applauding that at all, Senator Watt. We did it without the Labor Party's carbon tax, I might say. So we're able to lower emissions, have record exports in mining and agriculture and grow regional jobs, all the while doing that without a carbon tax. I think that is something we should be thankful for. If it weren't for the National Party, you guys would still be walking around with a carbon tax as your policy.

Senator WATT: We might have ended the weekend by now.

Senator McKenzie: What is your policy, Senator Watt?

Senator WATT: We might have ended the weekend.

Senator McKenzie: What is your policy? Do you have one? What is your 2030 target? Silent.

Senator WATT: Are you in opposition now?

Senator McKenzie: Silent.

CHAIR: I think that once we start talking about policies, this is the rabbit hole we go down. Senator Watt, do you have any questions on corporate matters—

Senator WATT: I do.

CHAIR: for the department? We did flag that we would have time constraints around that.

Senator WATT: You did.

CHAIR: Please, I encourage you to turn back to that.

Senator WATT: Again, we would have dealt with this matter between 9.00 am and 10.00 am if the minister had shown up as she was expected to.

CHAIR: Well, the minister has shown up. The minister is here desperate to—

Senator WATT: The reason we're asking questions later than we should have is that the minister didn't want to turn up first thing this morning.

CHAIR: Senator Watt, why is it that you keep talking when I am talking? I am trying to provide some guidance to this committee as chair to move us to asking questions. Please turn to corporate matters and ask those questions.

Senator WATT: Well, I will get to those. Minister, yesterday the Deputy Prime Minister said that the National Party room received a document from the Prime Minister which contained his response to your net zero demands. Can you table that document, please?

CHAIR: Senator Watt, we actually don't get to those questions on corporate matters. We will go to them now because that's our agenda. That's the meeting that we have agreed to today.

Senator WATT: There is nowhere else in the agenda that we can ask questions about net zero emissions policy, which has a major bearing on the transport and infrastructure sector. This is the appropriate place to ask them. I would have asked them an hour ago if the minister had been here.

CHAIR: Senator Watt, you are asking the minister to table documents that are not in her purview. She is here to represent the minister for this department's corporate affairs. I think you've had ample time to ask about net zero policies, which we have covered with the same questions several times. Would you mind moving back to the department's area, because there are a lot of other senators waiting to ask questions as well.

Senator WATT: Chair, with respect, Senators can ask the questions they choose without being boxed in by the chair provided they are relevant to the portfolio. These are relevant to this portfolio because it is about net zero emissions policy, whatever the government's policy is, and how that will impact on the transport and infrastructure sector.

CHAIR: I agree that the Senate does have a wide range of discretion. It is about holding the government's budget processes through the estimates procedures. I'm just trying to keep us on that target so that we don't have other senators miss out on their opportunity to ask questions as well.

Senator WATT: Yes. Understood.

CHAIR: Thank you.

Senator WATT: Minister, I will ask again. Yesterday, the Deputy Prime Minister said that the National Party room had received a document from the Prime Minister which contained his response to your party's net zero demands. Can you please table that document?

Senator McKenzie: I will take that on notice, Senator.

Senator WATT: Have you seen this document?

Senator McKenzie: Senator, I have made a practice of a decade in this place of not commenting on party room matters. I won't be starting now.

Senator WATT: It is about a letter that the Prime Minister sent to the National Party.

Senator McKenzie: I will actually not be starting that now.

Senator WATT: Sorry?

Senator McKenzie: I don't comment on party room matters.

Senator WATT: I'm not asking you about what the party room had to say about the letter.

Senator McKenzie: I wouldn't expect you to comment on your caucus.

Senator WATT: We can read Matt Canavan's private WhatsApp messages to see what the National Party thinks of the Prime Minister's response. Why won't you table the Prime Minister's response to the National Party on issues that have a direct bearing on the transport and infrastructure sector?

CHAIR: Senator Watt, I think the minister has answered your question, which is that she doesn't comment on party room matters. Would you turn back to the department's—

Senator WATT: I have plenty of questions for the department.

CHAIR: Well, we will run out of time for corporate affairs. We have allocated an hour. That is what we agreed. We are now well over that time.

Senator WATT: Only because we had to substitute other questions which would have ordinarily been asked later in the day.

CHAIR: Senator Watt—

Senator WATT: I will just ask the questions.

CHAIR: Let's go back to corporate matters right now so that we can stay on top of our agenda.

Senator WATT: Corporate matters include the application of net zero emissions to the transport and infrastructure sector. Minister, we read that the cabinet submission is going to include a number of asks from the National Party. What are those asks?

Senator McKenzie: Senator Watt, I genuinely hope you don't get to be a cabinet minister, because that will mean the Labor Party has won an election. The process of cabinet means you don't actually disclose what is going to cabinet for very good reasons.

Senator WATT: Does the National Party list include Senator Canavan's call for a mortgage tax—that people should have to pay more on their mortgages?

Senator McKenzie: Senator Watt, the National Party has been really clear. The only thing we have been considering in responding to the net zero by 2050 question over the last week has been how it will impact the regions, how we do our job by sensibly, maturely and rationally protecting the regions, not just to the next election but over the next three decades, and how we ensure that we can secure future opportunities. That is the lens we have put to this question. I am very proud to be part of a political party that has taken that incredibly seriously on behalf of the nearly 30 per cent of Australians that don't live in capital cities. We have been standing up for them for 100 years. We are going to keep doing that.

Senator WATT: On 7 October, Senator Canavan told Sky News in relation to climate change: If we're forced to pay a little more on our mortgages, we should do that.

Is that one of the things that is being proposed by the National Party?

Senator McKenzie: I'm actually not sure, Chair, that Senator Canavan—

CHAIR: Minister, stop for a moment, please. Senator Watt, we are here to have the minister answer questions on behalf of the Minister for Infrastructure, Transport and Regional Development. We have the department here. Can we turn back to that? We are straying into things that are not the purpose of this estimates hearings. I don't want you to waste your time not focusing on—

Senator WATT: What specific asks have been made by the National Party that relate to the transport and infrastructure sector?

CHAIR: We have already covered off that issues of the party room will not be discussed here. This is—

Senator WATT: Why don't the people of Australia get to know what the National Party's getting to buy it off, Minister?

CHAIR: Senator Watt, I think we've discussed—

Senator McKenzie: I have been super clear. The party has been incredibly clear—the leader, the deputy leader and myself as Senate leader—about our purpose, goal and lens. We have discussed them with our party room. It's now a matter for cabinet. I have nothing more to add.

Senator WATT: Well, you've been so super clear that we don't know what you're asking for.

CHAIR: Senator Watt, this is the estimates.

Senator McKenzie: Senator Watt—

CHAIR: Please, Minister, just wait. This is not the subject for estimate. The subject for estimates is corporate matters, which we are trying deal with. Please turn back to that so that we are not wasting our time. You've asked this question in various forms several times. I think we are done. Please move back to corporate affairs.

Senator WATT: Does the list include a pay rise for Keith Pitt's promotion to cabinet?

CHAIR: Senator Watt, what did I just say? The list is not for discussion.

Senator McKenzie: I can't have been any clearer. It is about regional jobs and securing a positive future.

Senator WATT: Is it about securing anyone's regional job other than Keith Pitt's?

Senator McKenzie: It's about protecting the regions and securing future growth.

Senator WATT: But Keith Pitt is the only person who has had his job protected out of this deal.

Senator McKenzie: Senator!

CHAIR: I've just made a ruling on this. Minister, if you want to keep talking, we will keep doing this. Please stop. Senator Watt, please move on.

Senator WATT: I know it's uncomfortable for the National Party.

CHAIR: It is not uncomfortable. It is a waste of time.

Senator WATT: I don't think people in Australia regard it as a waste of time to find out whether a cabinet minister has been appointed.

CHAIR: Our time is precious today to ask questions of the department. Please ask questions of the department and of the minister repping the department. Other senators are waiting online for their opportunity to ask questions.

Senator WATT: I know. We are still within the hour that was allocated for cross-portfolio, including the ones we did ask first.

CHAIR: No. We did ask some cross-portfolio questions this morning—

Senator WATT: We did. We are still within that hour.

CHAIR: because we had a repping minister here for that period, as is normal practice during estimates.

Senator WATT: Does the coalition agreement say anything about net zero and how it relates to the transport sector?

Senator McKenzie: Senator, I have been clear about all of that.

Senator WATT: Will any 2050 target be legislated and, therefore, be binding on the transport and infrastructure sector, Minister?

Senator McKenzie: It is a matter for cabinet.

Senator WATT: What is the National Party's—

CHAIR: Are there any other senators who have questions for corporate affairs?

Senator WATT: I phrased that question specifically in relation to the transport and infrastructure sector. Minister, what is your position on whether the net zero by 2050 target should be legislated and have implications for transport and infrastructure?

Senator McKenzie: As I've said several times, this is a matter for cabinet. I won't be discussing it prior, as is appropriate.

Senator WATT: Mr Atkinson, I've asked you whether your department has had any input into this cabinet submission. There have been media reports in the last few days that the government is in receipt of modelling on the impact of adopting a target of net zero emissions by 2050. Are you aware of any such modelling?

Mr Atkinson: Anything to do with that would be the subject of what will be going to cabinet. It would be a matter for the industry portfolio.

Senator WATT: Has your department undertaken any modelling on the impact of a net zero by 2050 target on its portfolio matters—transport and infrastructure or regions?

Mr Atkinson: No.

Senator WATT: So the Department of Transport, Infrastructure and Regional Development, or whatever the correct title is, has not undertaken any modelling on the impact of net zero targets on transport, infrastructure or the regions?

Mr Atkinson: As I said earlier, we work appropriately across government with all of our colleagues in the development of advice to government for consideration through cabinet processes. I can't go to any of that content positively or negatively.

Senator WATT: Have you provided advice to government about the impact of emissions targets on the matters within your portfolio?

Mr Atkinson: What I said was that we've worked appropriately with all of our colleagues across government to provide advice into cabinet considerations, as we always do.

Senator WATT: That includes the impact of any targets on the matters within your portfolio?

Mr Atkinson: I can't go into the detail of what our advice does or does not include.

Senator WATT: What work is the department undertaking to ensure that infrastructure projects are resilient to the impacts of climate change?

Mr Atkinson: This is a completely separate discussion to what you've just had. As part of our normal infrastructure and investment program, we work with the states and territories on planning parameters around infrastructure that take into account what is happening with respect to those geographies.

Senator WATT: That includes the impact of climate change on infrastructure?

Mr Atkinson: Well, I suspect it's more on planning.

Senator WATT: As in where projects can be located and flood risks?

Mr Atkinson: Planning parameters, flood risks, margins, risk profiles and that sort of stuff.

Senator WATT: What about existing infrastructure, though, and the impact of climate change on existing infrastructure?

Mr Atkinson: What type of infrastructure are you talking about?

Senator WATT: Well, roads, bridges and dams.

Mr Atkinson: If we are talking about current stuff, we tend to look at it through working with states and territories on maintenance and replacement schedules. You are talking about wear and tear and weather events?

Senator WATT: Yes. Has the department undertaken any modelling on the impact of infrastructure projects on emissions?

Mr Atkinson: I think I answered that.

Senator WATT: At times, the construction of infrastructure projects or the production of materials that are used for infrastructure projects generates emissions. There is cement, for instance. Has the department done any modelling on the impact of the construction of infrastructure projects on emissions?

Mr Atkinson: I think what you are talking about is the impacts we would see on our infrastructure investment pipeline. I think you are talking about things that will come through in pricing. Is that what you are talking about in terms of global cement prices, steel prices and so forth?

Senator WATT: Well, it's partly about prices. The way cement is currently produced, for example, it generates a certain number of emissions. If we were to adopt emissions targets, that may have implications for how cement is produced and what kind of materials are used in infrastructure projects. Has your department done any work to analyse any of that?

Mr Atkinson: If you are linking back to the government's climate policy position, as I said before, that would be a matter for a cabinet consideration, as the minister has said.

Senator WATT: What work is the department undertaking to advise on the uptake of electric vehicles in Australia?

Mr Atkinson: We are working with the states and territories through the infrastructure and transport ministers meeting and from the senior officials group that sits under that on the uptake of electric vehicles. We're also working with the electric vehicles strategy in the department of industry. We are doing regulatory and safety standard setting on autonomous vehicles as well. A key element of that will be rolling out charging infrastructure and consistency in charging infrastructure across Australia for electric vehicles.

Senator WATT: That was my next question. How is the government ensuring that the required charging technology is incorporated into road projects to allow the transition to EVs to take place?

Mr Atkinson: We are working with the states and territories on those parameters for rolling out charging technology.

Senator WATT: Does the department believe that electric vehicles will end the weekend?

Mr Atkinson: Sorry, Senator?

Senator WATT: I can understand you being incredulous at that question. Does the department consider that electric vehicles will end the weekend?

Mr Atkinson: Are you asking me for a piece of policy advice?

Senator WATT: Yes. Have you provided policy advice that electric vehicles will end the weekend?

Mr Atkinson: I am confused, Senator. I am sorry.

Senator WATT: I can understand that you are confused. Minister, is it still the National Party's view that electric vehicles will end the weekend? It seems to be changing.

Senator McKenzie: Senator, we can go around and around the mulberry tree on this question.

Senator WATT: I haven't asked that at all.

Senator McKenzie: This is now a decision for cabinet. As a cabinet minister, I will be respecting that process. I ask you to do the same. As a party of government, I would ask you to do the same.

Senator WATT: Is cabinet to decide whether electric vehicles will end the weekend?

CHAIR: That is a nice brag.

Senator McKenzie: That is. I hope you got that. I hope they got it.

Senator WATT: I'm just trying to understand your answer.

Senator McKenzie: I've answered the question.

Senator WATT: No, you haven't.

Senator McKenzie: I actually have. You don't like the answer, but I've answered it.

Senator WATT: No. My question is whether the National Party still believes that electric vehicles will end the weekend. You've told me that is a matter for cabinet to consider.

Senator McKenzie: Because it goes to the issue that you've been debating all morning. That is a matter for cabinet. I've got nothing more to say.

Senator WATT: How long is the section in the cabinet submission about whether electric vehicles will end the weekend?

Senator McKenzie: You'll have to get into cabinet to work out how long a cabinet submission is.

Senator WATT: Are you seriously suggesting that there is a cabinet submission that is going to be considered that deals with whether electric vehicles will end the weekend?

Senator McKenzie: I'm seriously not suggesting anything to you about what may or may not be in a cabinet submission because that would actually not be the right thing to do, as you know. It's too cute by half, Senator.

CHAIR: I think the committee has been very patient. We have extended the period to ask questions. Senator Watt, do you have any questions of corporate affairs, please?

Senator WATT: Does this cabinet submission deal with whether the government should fund the—

CHAIR: No.

Senator McKenzie: I'm not going to tell you, Senator Watt, what is in a cabinet submission. Tough.

Senator WATT: Are you going to fund a new coal-fired power station?

Senator McKenzie: The first rule of Fight Club is not to talk about Fight Club.

Senator WATT: Well, your government certainly is a fight club. There's no doubt about that.

CHAIR: Senator Watt, c'mon. Let's go to corporate affairs, please.

Senator WATT: We will have a number of questions later in the day about the Building Better Regions Fund. That won't surprise you, Minister.

Senator McKenzie: It's a great fund.

Senator WATT: It's another fund that is being funded by this government.

Senator McKenzie: Supporting the regions.

CHAIR: We are looking forward to moving to another section.

Senator WATT: I didn't want to touch on that just here because I want to deal in a general sense with grants processes within this department. I'm hoping you might be able to assist us, Mr Atkinson, before we get into the detail. I don't know if you heard about this interview, but after the announcement of round 5 of the Building Better Regions Fund, the member for Mallee, Ms Webster—

CHAIR: No. Senator Watt, we're doing Building Better Regions Fund later in the day. Senator Waters is waiting to ask questions of aviation. Let's just keep to the agenda, please.

Senator WATT: I'm not going to be going to specific questions about particular grants. That is obviously for later in the day.

CHAIR: Yes. Terrific.

Senator WATT: My questions are about the general grants processes that have been adopted by the department. Ms Webster, after the announcement of round 5 of BBRF, appeared on *Flow FM*, a radio station in South Australia. I will quote you what she said in relation to BBRF: So the department of infrastructure goes through every project application. They make a list and they do colour code them in green and pink. Green is for projects that actually tick off on the criteria for the fund and pink they don't quite. But if an MP wants to really push the project because it's important for the community, then you've got the opportunity to do that. And then there are those, of course, that don't meet the criteria at all for whatever reason, or certainly not a percentage of it.

Mr Atkinson, is Ms Webster correct? Does the department provide a colour-coded list of projects to the government?

Mr Atkinson: I can't comment on the specifics of that quote. I will get Dr Bacon to quickly run through the process.

Dr Bacon: We received a very large volume of applications for round 5 of the BBRF. There were 1,085 applications for this round. The onus was really on the department to organise briefing material in the most efficient and accessible way. We used tools like spreadsheets or colour coding to convey large volumes of information in the most efficient way that we can. In this case, our briefing included a large spreadsheet, where green shading represented projects that were eligible and value for money and pink shading represented projects that were eligible but not value for money. All projects selected by the ministerial panel were assessed as eligible and value for money. No projects were selected that the department did not categorise as eligible and value for money.

Senator WATT: So green means eligible and value for money?

Dr Bacon: Yes.

Senator WATT: Pink means eligible but not value for money?

Dr Bacon: That's correct.

Senator WATT: Presumably, then, there is another category that don't get a colour because they are not eligible?

Dr Bacon: We didn't include in the spreadsheet projects that were not eligible because they were not eligible.

Senator WATT: Did you say that all projects approved in this round were eligible and value for money?

Dr Bacon: That's correct.

Senator WATT: So they were green?

Dr Bacon: That's correct, Senator.

Senator WATT: So there were no pink projects, being eligible but not value for money, that were ultimately announced by the government out of this round?

Dr Bacon: That's correct. None of those projects were selected.

Senator WATT: Can you please table that list?

Dr Bacon: That list was developed as part of the cabinet process, so ultimately this information goes into cabinet considerations. I would have to take on notice as to whether we're able to provide it.

Senator WATT: I thought you might say that. How is it possible for a backbench member of parliament, Ms Webster, who is not a member of cabinet, to see this list that you say is cabinet-in-confidence?

Mr Atkinson: We don't know what lists the member is referring to. We haven't seen that. We know what our advice to government was. That is what Dr Bacon is talking about. I am not sure what list she is referring to.

Senator WATT: Ms Webster, who is not a member of cabinet, seems pretty well acquainted with this colour-coded spreadsheet. No other senator can see it. No member of the public can see it because it has gone to cabinet?

Mr Atkinson: I genuinely have no idea what she has seen. It could be an extract of some projects or something like that. I don't know. I can speculate on that.

Senator WATT: Minister, were backbench members provided with a copy of the green and pink colour-coded spreadsheet for BBRF?

Senator McKenzie: I'll have to take that on notice.

Senator WATT: You don't know?

Senator McKenzie: No. I don't know.

Senator WATT: Were you provided with a copy?

Senator McKenzie: I sat on the ministerial panel that is part of the decision making process.

Senator WATT: So you saw the colour-coded spreadsheet?

Senator McKenzie: Well, I saw the advice from the department.

Senator WATT: Which included a colour-coded spreadsheet?

Senator McKenzie: I've answered the question, Senator.

Senator WATT: Can I pin you down on that?

Senator McKenzie: I know what you are wanting to pin me down on.

Senator WATT: Well, can you answer the question, please?

Senator McKenzie: I have answered the question. I have answered the question clearly.

Senator WATT: I know that 'colour-coded spreadsheets' is a bit of a trigger word for you.

Senator McKenzie: It's not at all. You haven't read my submission, have you? You should.

Senator WATT: Did you see the colour-coded spreadsheet in this instance, Minister, for BBRF?

Senator McKenzie: Can you repeat the question? I can't believe I'm asking that. I know I'm going to get it another five times, but here's a free kick.

Senator WATT: Well, if you give direct answers, I won't have to ask, Minister.

Senator McKenzie: I gave you a very direct answer.

Senator WATT: Have you seen the colour-coded spreadsheet for BBRF round 5?

Senator McKenzie: Senator Watt, I have answered the question. I sought advice from the department as a member of the ministerial panel.

Senator WATT: Did that include the colour-coded spreadsheet?

Senator McKenzie: I have answered the question.

Senator WATT: I accept that you saw the department's advice, but you haven't said whether that included the colour-coded spreadsheet.

Senator McKenzie: I have answered the question, Chair, five times again.

Senator WATT: Is the department aware of any non-government members being given the opportunity to see this colour-coded spreadsheet?

Mr Atkinson: As I said before, we can't confirm what has or has not been seen by other people. We know what was in our advice.

Senator WATT: So from the department's point of view, you provided a colour-coded spreadsheet for this funding round to a minister's office?

Mr Atkinson: We provided through the cabinet processes a list, I think I would describe it as, that delineated the eligibility and value for money characteristics of individual projects.

Senator WATT: Dr Bacon, I think you said there were 1,085 applications. How many were approved?

Dr Bacon: I am just checking my notes.

CHAIR: Do you want to do this right now, Senator Watt? I am conscious we are coming up to the morning tea break.

Senator WATT: Yes. I won't be much longer. Then we will be done with cross portfolio corporate.

Dr Bacon: So 298 successful projects for round 5 were announced on 8 October.

Senator WATT: Are you aware of advocacy by government members for pink projects to be funded in this round?

Dr Bacon: The process is that we prepare briefing material for the ministerial panel to consider and that briefing material takes into account all of the applications that have been received and assessed by the Grants Hub, which is the relevant department that assesses the applications. We package that up and provide all that briefing material to the panel.

Senator WATT: I understand that. Ms Webster has flagged that members of parliament, at least within the government, have the opportunity to lobby for pink projects which are eligible but not value for money. Did the department receive any representations from MPs to fund those pink projects?

Dr Bacon: We weren't engaged with members of parliament. The department was not engaged with members of parliament as part of this process.

Senator WATT: So if that occurred, it would have been directly with ministers' offices rather than with the department?

Dr Bacon: I assume so, Senator.

Senator WATT: I think the guidelines of the BBRF state that applications will only be considered if they score at least 60 per cent against each assessment criterion as these represent best value with relevant money. Is that the value for money criterion that you were referring to before?

Dr Bacon: That is essentially the value for money criterion. I'm sorry, Senator. I don't actually have a copy of the guidelines here. My colleagues will be appearing for the regional part of the program at 2.15 pm, so we will be able to answer your questions more fully about the guidelines then.

Senator WATT: That is probably about as far as we can take it at this point in the program, I think.

CHAIR: Terrific. Thank you very much. That is the end of corporate affairs. Given that we've got five minutes until the morning tea break, Mr Atkinson, do you have members of the department who can answer questions on domestic aviation report and surface transport policy? I'm conscious that Senator Waters has been waiting patiently for some time.

Mr Atkinson: Yes, we do.

CHAIR: Senator Waters, would you like to start in the five minutes that we've got available before the break?

Senator WATERS: Yes, please.

CHAIR: Give the department a minute to shuffle around and I'll go straight to you.

Senator WATERS: Thanks, Chair.

Mr Atkinson: Senator Waters, we're just getting people in. You could maybe tell us. Are we talking about aviation, surface transport and shipping?

Senator WATERS: Yes. It is about Brisbane airport. It is about the Brisbane Airport Post Implementation Review Advisory Forum.

Mr Atkinson: Thanks, Senator. We'll get the right people.

CHAIR: Senator Waters, would you like to start with your questions, please?

Senator WATERS: Thanks, Chair. Thanks to the departmental group for making yourselves available. How many members of the independent Brisbane Airport Post Implementation Review Advisory Forum were selected?

Mr McClure: Five members of the forum were invited by the minister to participate.

Senator WATERS: How were they selected?

Mr McClure: The minister's office and the minister basically determined or identified the majority of the panel. The department gave some advice. They were looking for an academic. They gave some advice around who might be an appropriate person. The department also made a suggestion that, to assist the panel, a link back to existing community groups involved with the airport might also be involved.

Senator WATERS: Sorry, just for clarity, did the department provide a long list? Can you give me a bit more detail about that selection process, please?

Mr McClure: Three of the members were identified by the minister's office. We didn't provide a list necessarily towards that. We were asked specifically who might be other appropriate people with some more technical knowledge in that academic or industry space. We provided some names along those lines to fill one of the other positions.

Senator WATERS: Thank you. With the three that were identified by the minister's office, did the department have any input into selecting or scrutinising their expertise?

Mr McClure: We didn't.

Senator WATERS: Are you aware of what process the minister's office used to choose those three?

Mr McClure: Not exactly. My understanding is that the minister's office was looking for prominent people who could represent the community and were well versed in those types of roles. They were looking for some bipartisan type arrangements. Those well-established community representatives were identified.

Senator WATERS: So they were after community reps, but they didn't ask the department to provide the suggestions as to whom. I'm a bit unclear on how the minister's office knew where to look or how to identify these people. Can you shed any light on that?

Mr Atkinson: We can't probably speak to what process the minister's office went through.

Senator WATERS: Thank you. I will try to get this done in the timeframe because I am conscious of the morning tea break coming up. What budget has been allocated to the work of that advisory forum?

Mr McClure: The panel members are being remunerated depending on the number of meetings and the amount of time potentially outside meetings or other forums that they might attend. At the moment, we have a budget of around \$40,000 to support the panel.

Senator WATERS: Thank you. Are all of them being remunerated?

Mr McClure: They are all being remunerated.

Senator WATERS: According to how many meetings and commitments they have?

Mr McClure: Yes. That's right. It's based on normal remuneration in the department's appointments guidelines in line with the Remuneration Tribunal allowances.

Senator WATERS: Thank you. Community members affected by airport noise have expressed concern about the lack of promotion around the advisory forum's call for submissions. What plan does the department have to make sure that members of the community are aware of the advisory forum and their opportunities to submit to that forum? Have you got a specific budget for communications or a work plan to make sure that members of the community know when the advisory forum is conducting an activity and connected into that?

Mr McClure: It's fair to say that the forum has been set up independently, so they're making decisions for themselves around engagement. But, following the first meeting, an advertisement went in the *Courier Mail*, making it known that they were happy to take submissions. Some information went out through the existing community action group chair to known community representatives. I think there was some reaching out to local members in the area to make them aware, and there's information on the department's website about the engagement and how the community is able to engage with the forum.

Senator WATERS: What support will the department provide the—

Mr McClure: We've lost you, Senator.

CHAIR: Senator Waters, we can see you moving, but we can't hear you.

Mr McClure: I think the start of the question was: what support is the department providing? We're providing secretariat support to the forum. You can't hear us?

CHAIR: I'm so sorry, Senator Waters. I think you're writing something down: 'Can't hear—I'll come back later after the break.' Excellent—the very old-fashioned form of communication! We will go to a break now. We're going to return with Infrastructure Investment after the break, and then we will return to Domestic Aviation and Reform and Surface Transport Policy after we've finished that next section.

Proceedings suspended from 11:05 to 11:21

CHAIR: We can recommence. Welcome back, Minister Hume. We have moved to the infrastructure part of the portfolio. We're examining infrastructure investments, major transport and infrastructure projects at this moment.

Senator SHELDON: I want to be sure I'm on the right track here. Infrastructure Australia are able to be asked questions at this moment?

CHAIR: Infrastructure Australia is later. They're at 9.45 this evening. This is infrastructure investment, major transport and infrastructure projects.

Senator SHELDON: Thank you, Chair. Can I ask about the third crossing of the Hawkesbury River at Richmond, which was announced by the Prime Minister after the May budget?

Mr Smith: While we wait for officers, can I answer some of the questions we took on notice?

CHAIR: That would be marvellous.

Mr Smith: Firstly, there was a question from Senator Rice about the procurement for Turner & Townsend and the time line for that. We were requested by the minister in June 2020. We commenced the procurement on 10 June 2020, signed the agreement on 12 June and the draft brief went up on 24 June. We briefed the minister with it.

There was another question about the number of projects in planning for UCF. Of the 182, we have already answered that 35 are complete, 39 are in construction and 25 further are in delivery approval, and that leaves 83 in planning.

CHAIR: Thank you. That was for Senator Watt?

Mr Smith: Yes.

Senator O'NEILL: Can you table the document that reveals what you've just told us?

Mr Smith: I can certainly table one. I don't have the document with me now. That was just people back in the office sending it. We can certainly table that later.

Senator SHELDON: I want to ask a question about the third crossing of the Hawkesbury River at Richmond, funding for which was announced by the Prime Minister after the May budget. I hope you might be able to answer these questions. I understand they've been put on notice in the House of Representatives as well. Has the project been assessed by Infrastructure Australia?

Ms Legg: No, I don't believe it has gone to Infrastructure Australia as yet. It would normally go as part of the delivery phase, and that project's still in development.

Senator SHELDON: Just so I'm clear: has it been assessed against Infrastructure Australia's assessment framework?

Ms Legg: No, not as yet.

Senator SHELDON: When would you expect that to happen?

Ms Legg: We'd expect that to happen after the final route community consultation is complete and the project scope is settled. That would normally happen to align with the delivery PPR assessment process. We expect that the delivery PPR would come in late 2022. I expect that IA would probably see it a couple of months before that.

Senator SHELDON: So late 2022?

Ms Legg: Yes.

Senator SHELDON: Can you tell us on what basis the government decided to commit an initial \$200 million to this project in 2019?

Ms Legg: The scope was modified at the request of New South Wales to incorporate not only the bridge between Richmond and North Richmond but also the supporting roads to bypass the town centre and some additional road upgrades. That's why there was an additional commitment made.

Senator SHELDON: You may have answered this in your answer, but I want to be really clear: why is it \$200 million instead of \$150 million or \$250 million? What's the logic?

Ms Legg: I have some Hawkesbury notes here, but I don't think I have the initial commitment written here. Essentially, the additional commitment was made following further community consultation, which then included the route taking a bypass of those town centres.

Senator SHELDON: And that brought it to the—

Ms Legg: To the current total project cost of \$500 million.

Senator SHELDON: \$400 million in May, wasn't it?

Ms Legg: That's right. And \$100 million from the New South Wales government.

Senator SHELDON: To go back to the earlier part: the \$200 million itself, why was that the first tranche of money to go forward rather than, say, \$150 million or \$250 million?

Ms Legg: I'd have to take on notice the exact information that was available on the project at the time the commitment was made. I think as design progressed, and community consultation has been quite extensive on this project, including looking at flood resilience and the level of the bridge, there has been scope change and the additional funding was committed after that.

Senator SHELDON: I want to ask some questions about Western Sydney Airport metro project. Can you give us an overview of the project, how it's travelling and where it's up to?

Ms Legg: The Sydney Metro Western Sydney Airport project is a commitment of \$10.5 billion, which is a fifty-fifty share between the Australian and New South Wales governments. Obviously, as you'd be aware, it's the metro line that will run from St Marys through to the new airport and onto the Bradfield centre. The project's well underway. Some early works have already started on that project, particularly around the St Marys car park station. A number of tender packages are out and underway. All of the approvals both on and off the airport are now complete, and we're expecting major construction to start in late 2022.

Senator SHELDON: Is there a final business case for the project you can table for us on the metro?

Ms Legg: There is a final business case. I'd have to take on notice the tabling of that. That's a New South Wales—

Senator SHELDON: Is it possible to do that today?

Ms Legg: I can certainly ask.

Senator SHELDON: Also, I just want to be clear about the funding that the federal government has committed to the project.

Ms Legg: It's \$5.25 billion, so that's the 50 per cent share.

Senator SHELDON: Can you tell us whether the route is settled and, if so, where the stations will be and the nature of the route itself?

Ms Legg: The route is settled. There are six stations: St Mary's, Orchard Hills, Luddenham, the Western Sydney airport terminal, the business park and Bradfield.

Senator SHELDON: Lastly, can you please step through the time lines for the project, just so I'm clear?

Ms Legg: I have some of the key dates. If I don't have them all, I'm happy to take them on notice. The joint announcement of the project by the Australian and New South Wales governments for the Metro, which included a \$50 million business case, was in March 2018. Then, between March 2018 and March 2020, the Sydney Metro undertook development and scoping of the project and business case. In March 2019, I think, New South Wales formally announced its commitment, and in that same month the Australian government announced its commitment. At that time, I think the first commitment made was for \$3.5 billion. Then the final business case was completed by Sydney Metro and submitted to Infrastructure Australia in February 2020. In May 2020, then Minister Tudge agreed to an additional amount of \$10 million for the business case, which brought the business case to \$60 million in Australian government funding. There was a further commitment via the Australian government and New South Wales government in June 2020 of an additional \$1.75 billion each. The environmental impact statement was released for public consultation between October 2020 and December 2020, and early work started in December 2020. The evaluation of the final business case was released in March 2021. In June '21, the Commonwealth environmental approvals were provided; in July '21, the New South Wales planning approvals; and in September, most recently, the airport plan variation for Western Sydney Airport was approved to authorise the Metro's construction on the airport site.

Senator SHELDON: In answer to questions on notice from the last estimates, the department stated that the construction of the Illawarra Main Road Upgrade was expected to commence in late 2021 and expected to be completed in late 2023. Has construction of the Illawarra Main Road Upgrade been commenced yet?

Ms Legg: Does the project have a different name? I'm not aware of it by that name.

Senator SHELDON: No, I'm not aware of it by any name other than that.

Mr Hallinan: Illawarra Main Road.

Senator SHELDON: Maybe you'd like to come back to us?

Mr Hallinan: We'll try to come back to you.

Ms Legg: I'll certainly ask my colleagues if they have referred to it by a name that I have information on. I am happy to provide an update.

Senator SHELDON: Can we go to the update and also, if it hasn't commenced, when will it, and what finalisation date is expected?

Mr Smith: I assume when you say 'Illawarra' that that is the Tasmanian project?

Senator SHELDON: Sorry. With New South Wales there's a bit of confusion.

Ms Legg: They're easily confused. Sorry.

Mr Bradley: Senator, could you just repeat the question?

Senator SHELDON: In answers to questions on notice from the last estimates, the department stated that construction of the Illawarra Main Road Upgrade is expected to commence in late 2021 and be completed in late 2023. Has the construction of the Illawarra Main Road Upgrade commenced?

Mr Bradley: That project does remain the same. It's still expected to start in late 2021 and finish in late 2023. The department received a project proposal report in September, and that is currently under assessment.

Senator O'NEILL: Can you provide that report?

Mr Bradley: We'd need to take that on notice.

Senator SHELDON: I will just go to another question about Tasmania. I know Senator Brown wants to ask some questions about Tasmania. I am sorry for chopping and changing. I will ask some questions about Western Sydney Airport Metro. Sorry, Ms Legg. You were telling me before about the time lines for the project. Could you just step me through again the construction time lines for commencement and finalisation?

Ms Legg: I think I mentioned that some early works have already commenced. Major construction—let me just confirm—I think is at the end of '22. Major construction is to commence late in 2022.

Senator SHELDON: I think Senator Brown wants to ask some questions.

CHAIR: How about we go to Senator Roberts and then back to the opposition and Senator Brown. Senator Roberts.

Senator ROBERTS: My first question is about Iron Boomerang. Can you give me an update on where the Iron Boomerang project is at, please?

Ms Rosengren: Iron Boomerang, which you're talking about, is connecting Northern Australia with a rail line. Currently there is no Australian government funding for that project.

Senator ROBERTS: Has any work been done on it?

Ms Rosengren: No.

CHAIR: I have a follow-on question. To get on the infrastructure plan, the state governments would need to bring that forward, wouldn't they?

Ms Rosengren: That's right.

Senator ROBERTS: Has there been any interest from the Queensland government?

Ms Rosengren: It has not been raised with me.

Senator ROBERTS: I wasn't having a go at you. Can I ask about Copper String 2.0 here?

Ms Rosengren: Sorry. I'm not aware of that project. I don't think it's a road or rail project.

Senator ROBERTS: No, it's electricity supply. It's under the industry department. I have questions on Inland Rail. In August I contacted the RRAT references chair, Senator Sterle, and asked for the big four accounting firms—Ernst & Young, KPMG, PricewaterhouseCoopers and Deloitte—to attend a hearing of the RRAT committee to explain their data that underpins the entire Inland Rail project, with a 24-hour turnaround time. I just want to get this straight. Inland Rail is Australia's largest infrastructure project since the Snowy Mountains scheme. Is it correct to say that you are refusing to show the committee or the Senate the data that justified the spending of \$25 billion of taxpayers' money?

Senator Hume: Is that directed at me?

Senator ROBERTS: Yes.

Senator Hume: I am afraid I can't answer that question, because I represent urban infrastructure. Inland Rail is not an urban infrastructure project.

Senator ROBERTS: Is there anyone who can answer the question?

Mr Hallinan: I just clarified that it's a \$15 billion project.

Senator ROBERTS: Still the largest since Snowy.

Mr Hallinan: I think there is one bigger right now. It depends on how you measure it. There was a series of business cases undertaken for the Inland Rail project. When was the last one done?

Ms Hall: The business case was released in 2015, and that was the last business case that was made available. In regard to additional information that has been provided, my understanding is that ARTC releases anything that isn't commercial in-confidence. It would just be a question whether or not that information was commercial-in-confidence.

Senator ROBERTS: My understanding is that the business case was released, but the fundamental assumptions on which the business case is built were not released, and that's what we want to see with the material from the four consulting companies. Without those basic assumptions, we can't tell whether it is feasible or not.

Ms Hall: The business case did go to Infrastructure Australia. Infrastructure Australia I think put it on the infrastructure priority list.

Senator ROBERTS: Are we able to get a look at the assumptions there? They're fundamental to understanding whether or not Inland Rail is viable.

Ms Hall: I think the information around Inland Rail has been made available, because the BCR has been made public.

Senator ROBERTS: BCR?

Ms Hall: The benefit-cost ratio.

Senator ROBERTS: Without the assumptions, how can we assess that ourselves?

Ms Hall: I think that's the role of Infrastructure Australia. Infrastructure Australia has assessed that and said that it was a viable project.

Senator ROBERTS: When is Infrastructure Australia?

CHAIR: They are on this evening at 9.45.

Senator ROBERTS: Thank you. So they will be able to tell me the details about the 24-hour turnaround time?

Mr Hallinan: I think ARTC would be the best organisation to respond to a 24-hour turnaround time. They're not currently scheduled for today, though.

Senator ROBERTS: Do you know when they are scheduled?

CHAIR: I don't believe they're scheduled for this estimates.

Senator ROBERTS: So is there any possibility that the real figure for compensation for loss of property rights along the Inland Rail route will ever be made public before the project is built?

Ms Hall: I think we'd have to take that on notice. I'm not sure what you mean in regard to 'loss of property rights'. There's compensation paid to anybody whose property is acquired.

Senator ROBERTS: We'd like to know who's getting the money. Who is being compensated? We would like to know who owns the land.

Ms Hall: We'll take that on notice.

Senator ROBERTS: Why is Inland Rail structured so that the data that could challenge the preferred alignment is locked up in the big accounting firms and can never be brought into debate? It seems to me like the government is trying to keep this vital data from us.

Ms Hall: I don't think so. I think any information, as I said, that is not commercially sensitive in regard to ARTC entering into contracts is being made publicly available.

Mr Hallinan: The alignments for the route are also subject to environmental impact assessments and studies through relevant state jurisdictions. The usual regulatory approach first, and the control and final approvals for alignments lies with states through their environmental approval processes. More appropriately, the ARTC can probably answer in detail on this. As to the 13 major project elements of it, each of those will be subject to an environmental and consultation process that then goes through the relevant jurisdiction's approval arrangements, which is subject to different state and territory law depending on which state it's in. It crosses Victoria, New South Wales and Queensland.

Senator ROBERTS: So you're saying it's not finalised yet and it will ultimately be in the hands of the states for the environmental approval?

Mr Hallinan: Yes, environmental approval is in the hands of the state jurisdictions.

Senator ROBERTS: That could affect the route?

Mr Hallinan: It can, yes. We think the route is currently set, and the environmental approval processes are under way. The final detail of the route, which I think is a question for the ARTC, will be to do with engineering solutions around particular creeks.

Ms Hall: The route has actually been set. The purpose of the environmental assessment processes are to give confidence to the communities, the states and to others about what provisions ARTC has to put in place to make sure that the environment is actually protected.

Senator ROBERTS: Will we ever know who owned the land that was purchased for the Inland Rail and what price was paid for it?

Mr Hallinan: I'll take that on notice. We should be able to get you something in that regard.

Senator ROBERTS: Thank you very much.

CHAIR: Just to clarify, because Senator Sterle has made a valid point about questions taken on notice and the amount of time, and blah, blah, blah. But just to be specific, because I'm not entirely sure what the question is that you've just taken on notice, are you talking about in Queensland or are you talking about the entire route from Victoria?

Senator ROBERTS: The entire route, yes.

CHAIR: So what you want is the—

Senator ROBERTS: The names of the people.

CHAIR: The names of the property owners?

Senator ROBERTS: Correct.

CHAIR: And the amount they've been paid for acquisition of the Inland Rail route through their property?

Senator ROBERTS: Correct.

Ms Hall: I've taken on notice to see what information I can provide in that regard. There will be a whole lot of issues with regard to personal information being provided.

CHAIR: Yes, I would imagine that not everybody wants that to be—

Mr Hallinan: It's quite a complex request. It's 1,700 kilometres of route traversing a lot of different territory.

Senator ROBERTS: In the communities and among our constituents there are a lot of questions being asked about that.

Ms Hall: Yes, I understand.

CHAIR: I appreciate that. I guess it's just being clear. If you can narrow that, that would probably be helpful if you want a question and answer back quickly.

Senator ROBERTS: I think what you've done has helped narrow that process.

CHAIR: Is that the end of your questions, Senator Roberts?

Senator ROBERTS: Yes, thank you.

CHAIR: Senator Brown, over to you.

Senator CAROL BROWN: I have some questions around Tasmanian infrastructure. I would like to start with the Hobart Urban Congestion Fund. When did the Northern Suburbs Transit Corridor working group last meet?

Mr Bradley: The Northern Suburbs Transit Corridor working group last met on 25 May.

Senator CAROL BROWN: You'd normally meet more regularly than that?

Mr Bradley: No; that was the last meeting of the group.

Senator CAROL BROWN: That wasn't my question. When is the next meeting scheduled?

Mr Bradley: The next meeting is scheduled for tomorrow.

Senator CAROL BROWN: Tomorrow? That's what you told me last time we met.

Mr Bradley: The meetings are scheduled via Tasmania.

Senator CAROL BROWN: I wasn't being critical. So it's tomorrow. At that meeting, are you expecting to receive a copy of the conditions report that you've undertaken?

Mr Bradley: I'm expecting that we'll have a discussion about the draft conditions report. The final conditions report is expected at the end of this month. We're close to the end of the month, so there's a chance that the report may be provided tomorrow, but certainly I'd expect there would be discussion around a fairly late draft of it.

Senator CAROL BROWN: That conditions report will be made public?

Mr Bradley: It's a Tasmanian government report. I think that would probably be up to Tasmania.

Mr Hallinan: We would need to consult with the Tasmanian officials.

Senator CAROL BROWN: So who was present at the May meeting?

Mr Bradley: I'd need to take that on notice.

Senator CAROL BROWN: Who was the federal department rep?

Mr Bradley: I think Nell Chiaw represented the department at that one. As I said, I can take it on notice to confirm that.

Senator CAROL BROWN: I think last time we talked about whether there was any avenue to receive some information around what's been on the agenda. You've had eight meetings, including the May meeting, at which, other than a commissioning of a conditions report, no decisions have been made. Am I able to get some information about what was on the agenda at those meetings?

Mr Hallinan: We can take that on notice and come back with a summary.

Senator CAROL BROWN: I'm pretty sure you've taken this on notice before.

Senator STERLE: Here we go again.

Mr Hallinan: I'm afraid we don't have records of all the meetings that have occurred on this project with us. We can take it on notice and come back to you with what we can provide.

Senator CAROL BROWN: I'd like to know what's on the agenda and who was present at those meetings.

CHAIR: Again, just to narrow the question: for what period or what meeting? Is there a specific that you're looking for?

Senator CAROL BROWN: There have been eight meetings. The first one was on 22 January 2020. I'm asking for the agenda items and who was present at those meetings.

CHAIR: Thank you for clarifying.

Senator CAROL BROWN: That's for the Northern Suburbs Transit Corridor Working Group.

Mr Bradley: We'll take that on notice.

Senator CAROL BROWN: You don't have a schedule of forward meetings, because they're set by the Tasmanian government; is that correct?

Mr Bradley: That's correct.

Senator CAROL BROWN: When did you say that the conditions assessment report was going to be finalised? Do you have an actual date?

Mr Bradley: We don't have an actual date, but the advice from Tasmania is that we'll receive a final by the end of this month.

Senator CAROL BROWN: Are you able to give this committee any information that's arisen from the condition assessment—anything about the state of the existing rail track or rail crossing infrastructure or anything at all?

Mr Bradley: I think it's probably best to wait until we see a finalised conditions report. There was some discussion about an early draft which indicated that, obviously, the existing disused freight rail tracks would need to be removed to allow a new project to go in there. I think we are expecting to see the details around the costs and sequencing of undertaking those works in the finalised condition report.

Senator CAROL BROWN: Who undertook the conditions report?

Mr Bradley: The Tasmanian government commissioned that work. I believe it was undertaken by—I may need to take that on notice.

Senator CAROL BROWN: Was that GHD?

Mr Bradley: I believe it was. GHD was the name that I was going to say. I didn't have that in my notes, but I think it was GHD, yes.

Senator CAROL BROWN: As to the cost of the conditions report, the funding of it was by the Tasmanian government?

Mr Bradley: The Australian government has made \$2 million of the \$25 million UCF commitment available for that work. We haven't paid any money down to that yet. It would be usual that, on receipt of the report and finalisation of costs, that is when the Tasmania government would submit a milestone payment to the Commonwealth for payment of that report. We've made available \$2 million for that report but haven't paid any money against it yet. So, yes, Tasmania will have covered the cost to date.

Senator CAROL BROWN: Are you telling the committee that it's cost \$2 million to commission this report out of the \$25 million commitment the federal government is making?

Mr Bradley: I'm saying that the Australian government has made \$2 million available. I guess at the completion of the report is when we'd expect to receive a claim from Tasmania. It depends on how far the conditions report goes. We've seen with a lot of planning studies where they go into geotechnical and other investigations and environmental there can be significant costs involved. Our early estimate was around \$2 million, but the cost will be finalised once the report has been completed.

Senator CAROL BROWN: So, whatever the cost, that will reduce the amount of money that the federal government has given in terms of the Hobart Urban Congestion Fund?

Mr Bradley: It is being funded out of that fund, so yes.

Senator CAROL BROWN: Do you have any information that you can provide the committee as to what exactly you asked GHD to do?

Mr Bradley: It would have been the Tasmanian government that asked GHD to undertake the work. That work was around looking at the existing rail freight corridor from Glenorchy to Hobart to understand what sort of work would need to be done to activate that corridor to get it to a stage where you could build a future transit project on top of it. The work would also involve looking at the sequencing of what other funding could be funded through the remaining \$25 million commitment and whatever contribution the Tasmanian government may wish to contribute to the works.

Senator CAROL BROWN: Can you just go back. It's also looking at what projects can be undertaken with the remaining funds; is that what you said?

Mr Bradley: That is part of the work where they've asked for a forward program of works as a commitment, yes.

Senator CAROL BROWN: Did the work include surveying the Risdon Road bridge?

Mr Bradley: My understanding is that the work looked specifically within that corridor. It did look at where there would need to be culvert strengthening or bridge strengthening. With a lot of rail corridors there is often contamination. We'd look at some of the environmental needs in order to clean up those and any sort of strengthening works that would need to be undertaken. But I think we'll see the full detail of that once we receive the final report.

Senator CAROL BROWN: So you have a meeting tomorrow to consider the draft condition report. When will you actually be considering the final?

Mr Bradley: As I said, the final is due at the end of this month. As soon as we receive that from Tasmania we'll start to consider that as a department. I'd imagine that the group will meet as required.

Senator CAROL BROWN: So you don't actually have a date as to when you'll consider the final?

Mr Bradley: I suppose from the department's perspective we would start considering it as soon as we've received it. But in terms of scheduling a working group meeting as you go through it as a group, no, we don't have a date for that.

Senator CAROL BROWN: Other than the cost of funding the condition report, up to \$2 million, have any other funds been extended out of the congestion fund?

Mr Bradley: No.

Senator CAROL BROWN: What's been happening in terms of any other projects that may have been put forward?

Mr Bradley: We'd expect that future projects that are put forward from Tasmania will be informed by the conditions report. Our expectation is that, once the conditions report is provided and it provides a scope of works that need to be done within the corridor, Tasmania would accompany that with a proposal for the next scope of works that may be eligible for funding through that \$23 million that remains.

Senator CAROL BROWN: So essentially the only decision that's been made is that a condition report be undertaken, which took eight meetings, and went for 18 months? So, after 18 months of meetings, you got to the point where you decided to have a condition report. I'm assuming that, from that point, from the only decision that's been made by the group, there's been no discussion about other projects? That's what you're telling me? The working group might make a decision based on the conditions report?

Mr Bradley: I think there is a bit of a sequencing issue there. I guess it's difficult to make commitments to other projects in that corridor without first understanding the condition of the corridor and the works that would need to be required to bring that up to a state where we could start to construct other projects. There is that sequencing matter; we do need to get the corridor report finalised before we start to look at what that might lead to next.

Senator CAROL BROWN: Do you have any understanding of when actual substantive works may commence?

Mr Bradley: I guess we'd need to be a little bit driven by Tasmania. They'll need to put forward proposals for us to consider and give advice to government.

Senator CAROL BROWN: You must be somewhat frustrated. I can assure you Hobart is quite frustrated with the fact that there has been a funding commitment of \$25 million and not one project has been agreed upon. And not only that; we now hear that up to \$2 million out of the \$25 million funding won't be used directly on projects but has now been used for a conditions report—eight meetings on and 18 months from the very first meeting.

Mr Smith: Perhaps I can cover a little bit of that. I think at a previous estimates hearing the minister representing the portfolio gave some insight into the complexities of the arrangement in terms of the meeting itself. In terms of money coming out of the fund, all projects require a level of feasibility and design work done; otherwise you really don't know what you're building. That's important work. If you look at all the literature, the more work you do up front ultimately results in better work at the end. So, this work should help inform that committee to make appropriate recommendations for council, state government and the Commonwealth government to make appropriate decisions for future projects.

Senator CAROL BROWN: But that's not really necessarily the case, because it's not particular projects that you are having a look at and assessing. It's a conditions report. If there are projects selected arising from the report that the working group then considers, I'm assuming that all of the surveys and reports that you've just talked about will be undertaken for those individual reports. It's not necessarily the case at all. From 22 January 2020, the first meeting, nothing has happened. I know you must be frustrated, because last time at estimates there was an indication—and forgive me because I don't have the name of the person who answered the question—that they were going to escalate the issue themselves; pick up the phone, as I understand it, to give their counterpart a call to say, 'We've got to get a move on.'

Mr Hallinan: That was me, and I did make the calls through to my counterparts. Following that, there was a meeting of the committee that we have been discussing and an agreement to establish the conditions report. We think the conditions report is an important piece to understand exactly what projects might be viable to undertake in the area and we think it provides a good basis on which to make further judgment going forward. The challenge with this is we're having a discussion right before we would anticipate having another meeting of that group and also right before we would receive a final conditions report, which is hopefully going to be informative for making judgments about the set of projects or individual project ideas that may be viable along the route.

Senator CAROL BROWN: We still have up to \$2 million reduced from the amount for projects and, in fact, probably even more given your answers. How many calls have you made, in terms of escalating?

Mr Hallinan: I have spoken to my counterpart about this one twice since the last estimates hearing.

Senator CAROL BROWN: What did they indicate was the problem?

Mr Hallinan: It's been quite difficult to get agreement between the various parties in Tasmania that would need to agree to what the projects are, and in order to make an informed judgment about what viable projects there would be. As to the ground work and the state of the transit corridor itself—the state of any intersections, crossroads, bridges and those sorts of things; I don't have full detail on every intersection—this would need to be understood. I agree with that position. I think it's a sensible thing to do the conditions report and then to use that information on which to base judgements and potential projects along the transit corridor.

Senator CAROL BROWN: Why did it take 18 months to get to that point? It's astonishing to me that the representatives on the working group can't agree on a project and yet it takes 18 months to get to a point where they decide to do a conditions report. Who came up with the idea of the proposal to undertake a conditions report?

Mr Bradley: It was on the advice of the Tasmanian government that that was the next appropriate step with this project.

Senator CAROL BROWN: That was based on their frustration because no projects could be agreed?

Mr Bradley: I'm not sure that's the case. I think a conditions report would be the appropriate step to understand what is required to bring that corridor to a standard such that we could look at doing future projects within it.

Senator CAROL BROWN: But does that take 18 months? I'm assuming people who are working on these have a great deal of experience. Surely, if that's the case, this would have been undertaken in the early stages, in early 2020?

Mr Bradley: I'd have to go back and possibly get you some information on notice. I'm not sure whether some of the earlier meetings might have looked at the Northern Suburbs Transit Corridor, including some of the road networks, and discussions around whether some of those projects might be included in the road, before there was a decision to focus the works within the existing rail corridor. I am not sure originally when we talked about a Northern Suburbs Transit Corridor whether there might have been a broader scope and some of the earlier meetings refined it back to work that would be done in the rail freight corridor. As I said, I don't have that detail in front of me at the moment.

Senator CAROL BROWN: So, after 18 months only one decision has been made, and that is to undertake a conditions report. I know there's frustration; you said last time that there's frustration with what's happening in Tasmania.

Mr Hallinan: I think for context it's worth contemplating the broader environment. This is a period where every jurisdiction has struggled with the COVID environment, with various lockdowns and changes in work practices across locations. We've also rolled out major stimulus programs across every jurisdiction, including in Tasmania. To some extent, that direction of effort may have redirected effort away from some of the projects that we could have really homed in on and tried to get to a solution earlier. I think in this case we are certainly working closely with the Tasmanians on it. We have project steps underway to try to identify exactly what options may be achievable along the transit corridor. We're awaiting, quite eagerly I think, the next steps in terms of information on this project. I'm afraid there's not much more we can say about it.

Senator CAROL BROWN: I don't think you're waiting more eagerly than those in Hobart. This commitment has been around since 2019, I think, and we still haven't received any idea about what's going to go forward. Essentially, you're telling me that they've dropped the ball and you've needed to step in to get something moving.

Mr Hallinan: I'm not sure I would characterise it that way. I think it's a complex environment with a range of parties with agency in the decision. To try to get to an agreed set of projects requires probably a better understanding of what's achievable with the transit corridor than was available to the group at the outset. We think that this report may provide the basis to do so.

Senator CAROL BROWN: Let's hope so. But we also now know that there's an amount of money that's not going to be available for projects. Going back to the issue around COVID, you've still managed to have eight meetings in 18 months. So, the meetings were continuing; it's just that nothing was happening. So, if you could give us a list of what was on the agenda and who actually attended, that would help the committee.

Mr Hallinan: We have taken that on notice.

Senator CAROL BROWN: I have a few questions that should not take long around some of the other projects. As to the Mornington roundabout—is the department aware of whether the Tasmanian government has submitted any request for funding for an upgrade of the Mornington roundabout?

Mr Bradley: Sorry. You were about to say where it was?

Senator CAROL BROWN: I was just going to say that it's in southern Tasmania.

Mr Bradley: I don't have it listed as a project in front of me. Is it part of a package? Is that commitment on a particular highway?

Senator CAROL BROWN: The Tasmanian government is currently engaged in consultation as part of a traffic solution study around the Mornington roundabout. I just wondered whether there's been any request for funding for an upgrade of the Mornington roundabout.

Mr Bradley: I don't believe there has been, but I will take that on notice just to make sure.

Senator CAROL BROWN: That's great. The Hobart Airport roundabout should be on there. Your website says that the Hobart-Sorell corridor, Hobart Airport Interchange, is expected to be completed in mid-2022.

Mr Bradley: That's correct.

Senator CAROL BROWN: Is that still on target?

Mr Bradley: It is.

Senator CAROL BROWN: It's due to be completed?

Mr Bradley: That is correct. Work started on that one in 2020, and we're expecting that to be completed in mid-2022.

Senator CAROL BROWN: When is mid-2022? Is that by June?

Mr Hallinan: I don't think we can provide a more specific date than that, but it's around the middle of next calendar year—May, June, July, August. I'd probably take that period as indicative.

Senator CAROL BROWN: I think someone might have asked some questions around the Illawarra Main Road. Is that correct?

Mr Bradley: I did answer a question on that earlier.

Senator CAROL BROWN: I missed it. Has construction of the Illawarra Main Road Upgrade commenced?

Mr Bradley: No, that project is still in planning.

Senator CAROL BROWN: When will that commence?

Mr Bradley: We're expecting it to commence later this year.

Senator CAROL BROWN: And finalised?

Mr Bradley: We're expecting that to be completed in mid-2023.

Senator CAROL BROWN: So, have any of those dates changed from the original date?

Mr Bradley: No, that remains on track.

Senator CAROL BROWN: Can I ask you questions about the Freight Rail Revitalisation Program?

Mr Bradley: In Tasmania, yes.

Senator CAROL BROWN: There was an issue whereby some of the money allocated to the Tasmanian Freight Rail Revitalisation Program was diverted to the Port of Burnie Shiploader; it was taken out of tranche 3 of the revitalisation program.

Mr Bradley: I don't have that one in front of me just at the moment.

Senator CAROL BROWN: Have you got any information about the Port of Burnie Shiploader?

Mr Bradley: I was wondering whether it's actually funded through one of our subprograms and the information may be under there. I'm sure I can find you information on that, if you want to ask the question. If I can't find it, we can take it on notice and get back to you.

Senator CAROL BROWN: Yes, I'll do that. I'll ask the questions. If you could get back to me today that would be great. What I wanted to know is: has the Commonwealth government returned in full the money reallocated from tranche 3 of the Tasmanian Freight Rail Revitalisation Program for the Burnie Port Shiploader, and how much was taken from the revitalisation program to cover the additional cost of the shiploader?

Mr Bradley: I might take those on notice and come back to you with an answer on those.

Senator CAROL BROWN: Okay.

CHAIR: Just to clarify that question on notice, are you clear on what the parameters are?

Mr Bradley: To be clear on this, it's relating to the amount of money that was taken from the Tasmanian Freight Revitalisation Tranche 3 to the Port of Burnie Shiploader?

Senator CAROL BROWN: Yes.

Mr Bradley: And you're asking whether that money has been returned to the Rail Freight Revitalisation Program?

Senator CAROL BROWN: Yes. You answered a question on notice from the previous estimates that stated that the funding commitment for the Port of Burnie Shiploader was met through the reallocation of a portion of the funding committed to tranche 3 rail renewal, network and off network, of the Tasmanian Freight Rail Revitalisation Program.

Mr Bradley: That was \$68 million.

Senator CAROL BROWN: I haven't got that figure in front of me. Was it \$68 million? I didn't think it was that much, actually.

Mr Bradley: So, \$68 million was announced for tranche 3. The Tasmanian government made it clear that the shiploader was the priority, so the decision was taken to use \$40 million of that \$68 million to accelerate the shiploader.

Senator CAROL BROWN: That's right. How much was used out of the \$68 million?

Mr Bradley: So, \$40 million was used for the shiploader.

Senator CAROL BROWN: So, \$40 million was diverted to the shiploader. My question is: has it been returned to tranche 3 of the Tasmanian Freight Rail Revitalisation Program?

Mr Bradley: I think it's just been funded out of the revitalisation program.

Senator CAROL BROWN: So, it's not going to be returned to the revitalisation program?

Mr Bradley: I think that project forms part of the revitalisation program.

Senator CAROL BROWN: Can you check on that, please?

Mr Bradley: Yes.

Senator CAROL BROWN: If there's a list of projects under that revitalisation program can I have that on notice?

Mr Bradley: Yes.

Senator CAROL BROWN: Thank you. Also, with the Mornington roundabout, if there was a request for funding for that project it would potentially come out of the Southeast Traffic Package?

Mr Bradley: That might be a Tasmanian program, the Southeast Traffic Package. We'll check that on notice.

Senator CAROL BROWN: Yes, if you take that on notice. On notice as well, in terms of the Hobart Urban Congestion Fund, I just want to know whether there has been a preferred option for the use of the corridor put forward by any of the parties to the working group or the Tasmanian government?

Mr Bradley: Sure.

Senator CAROL BROWN: Thank you, Chair. That's all for me.

CHAIR: Thank you, Senator Brown. Senator McMahon.

Senator McMAHON: I have a couple of questions on Northern Territory roads. The first one concerns our national highway that runs up through the Northern Territory as the Stuart Highway. There's a section near Newcastle Waters on the highway which is in an extremely bad state of repair. It has been like that for seven months or more. It is now a bit of a choke point in that the speed limit has been reduced from 130, the normal speed limit on that stretch of road, down to 60. And there are now, in fact, signs concreted in place, indicating that it's a rather permanent issue. I understand that a tender was let by the Northern Territory government to repair this section of road, but the tender was then cancelled. Do we have any information on when this section of road is likely to be permanently repaired?

Ms Rosengren: I'm not aware of that particular location. We do have what we call Roads of Strategic Importance, which covers the Stuart Highway, with \$162 million in Australian government funding. Certain projects have already been identified along that corridor, but I'm not aware that the Newcastle works are part of that. There's also a series of safety works that were funded under the stimulus project that are currently under way, and that included some turning lanes and sealing works. I'll have to take notice the specifics. It could well be a maintenance project, and if it's a maintenance issue obviously that's funded by the Northern Territory government rather than Australian government funding and we give them an annual allocation to contribute towards that.

CHAIR: Are you there, Senator McMahon? I think we have lost her. We'll come back to Senator McMahon when she is able to reconnect. Senator Rice.

Senator RICE: I have some questions about the McCoy Street overpass in Wodonga. The overpass is estimated to cost \$224 million. There is money that still needs to be allocated. This is a project that's still underway. I have a couple of questions about the process so far. What process of consultation has taken place with businesses near the proposed overpass before the announcement was made?

Mr Bradley: The McCoy Street roundabout project is currently in the early planning phase. Major Road Projects Victoria is progressing the scoping works for that one. It would have undertaken the consultation works there. I'll probably need to take that on notice to consult with it about what's taken place.

Senator RICE: Basically, it was announced that it was going to happen, and there's \$168 million of federal money allocated towards it. I've got my numbers right now. In total it's estimated to cost \$210 million. But you're saying it's still in the early planning stages?

Mr Bradley: Transport modelling and technical investigations are currently underway. We're expecting a business case for that project to be submitted in early 2022.

Senator RICE: Roads Victoria has put out a document for consultation that's got three design options on it. What input did the department have into those three design options?

Mr Bradley: I'd need to take that on notice. Generally the states, as the delivery agent for our projects, would undertake that work and submit the outcomes of that to the department for assessment or consideration. I would expect that we would have had some discussions with them through our regular meetings around that. But I think they would have done the majority of the work around those options.

Senator RICE: Sorry? It would become?

Mr Bradley: They would have done the majority of work around developing the options.

Senator RICE: But you're saying that you think there probably was some input into those three design options?

Mr Bradley: We have regular meetings with the states around projects where we have broad-ranging discussions to see how things are progressing. As to whether there were specific discussions around this project, I'd need to check that.

Senator RICE: Could you take on notice as to what input we had into those?

CHAIR: Senator Rice, we're trying to be very specific for the purposes of questions on notice. You understand what that question was?

Mr Bradley: Am I right in saying the question is around whether the department had any involvement in the work to develop the three options for that project?

Senator RICE: Yes. Given that those options are out for consultation but we're still at an early design stage and the business case hasn't yet been finalised, is it possible that the department would be considering that there could be other possible designs not included in that consultation?

Mr Bradley: I think, like all the projects, that the community consultation process will inform the final designs. Victoria will run that process. I think, as with every project, it would be our expectation that they would take into consideration the feedback that comes through those processes.

Senator RICE: So, the answer is, yes, there potentially could be another design option that wasn't one of those three options?

Mr Bradley: Potentially.

Senator RICE: How confident is the department that planning will actually conclude, I'm told, at the end of 2022 and that construction will commence in 2023?

Mr Bradley: That's the advice that we have. I'm actually expecting construction to commence in mid-2022. Based on that advice, I'm confident that planning will commence on time to allow us to achieve those start dates.

Senator RICE: So, we'll have a business case ready by the beginning of 2022?

Mr Bradley: Early 2022; that's correct.

Senator RICE: And then construction commencing in mid-2022?

Mr Bradley: Yes.

Senator RICE: What discussions has the federal government had with the Victorian government about their financial contribution? I see there is about \$42 million it's estimated we are currently short.

Mr Bradley: The state is putting forward the \$42 million towards that project, with a total project cost of \$210 million.

Senator RICE: Sorry?

Mr Bradley: Victoria is putting forward the \$42 million.

Senator RICE: So, they have committed to doing that?

Mr Bradley: They have.

Senator RICE: Certainly the information I have is that they had been unwilling to pinpoint the exact amount. So, you have a commitment from Victoria that they're willing to put in \$42 million?

Mr Bradley: That's the advice that I have in front of me, but I can check that.

Mr Hallinan: That's the commitment at this point, from our understanding. If we've got that wrong, we'll correct it. But it's a co-contribution model.

Senator RICE: Senator Hume, who has just left us, has estimated that the project will create 520 jobs. Can you tell me what the breakdown of those jobs by skill type and length of employment is?

Mr Bradley: I'd have to take that on notice.

Senator RICE: If you could provide me as much detail with that estimate of what those 520 jobs are, and how many of those jobs there are over the timeframe? How many would Wodonga expect to see before, during and at the end of construction and ongoing?

Mr Bradley: We will talk to Victoria and see what we can obtain.

CHAIR: Senator McMahon, would you like to finish your questions?

Senator McMAHON: Yes, thank you, Chair. I think we got to the point of taking the question on notice to come back to me; was that correct?

CHAIR: Just repeat your question, Senator McMahon.

Senator McMAHON: The question was regarding the condition of the Stuart Highway, the National highway, near Newcastle Waters, and the fact that it has been, for at least the last seven months, reduced to a 60 kilometre per hour section due to the condition of the road. Is there funding allocated for that section or do we have any plans for what is going to happen to that long term?

Ms Rosengren: As I said, I'm not aware of the specific details of Newcastle Waters. We do have substantial funding along the Stuart Highway. There's \$162.3 million in Australian government funding under the Roads of Strategic Importance program. We also have a Northern Territory national network highway program, which is around \$40 million, to be spread on the Stuart, the Barkley and the Victoria highways. As I said, I'm not aware of the particular work needed at Newcastle Waters, but if it is maintenance it may well also be a state-run project rather than an Australian government funded project. But I can take on notice whether we have been approached to fund those works there.

Senator McMAHON: If you could take on notice and get back to us with the specifics of that particular section, that would be great. My next question was regarding the Tablelands Highway in the Northern Territory, which also at the moment is in a particularly bad state of repair and quite a dangerous road. Do we have any funding in the pipeline that's been committed to improving this particular road?

Ms Rosengren: Not that I'm aware of. There's no current funding for the Tablelands Highway. There might be specific projects funded previously under the Northern Australia Roads or the Beef Roads program, but we don't have a specific project for upgrading that highway like we do for the Stuart, the Barkley and the Victoria highways.

Senator McMAHON: Lastly, how much money has been committed by the federal government to road projects in the Northern Territory that is yet to be let out to tender?

Ms Rosengren: I couldn't talk about 'let out to tender'. What I can say is that we've spent \$1.12 billion in the Northern Territory since 2013, and that comes from a \$3.2 billion commitment over that same period going out to 2030. So there's still, by my reckoning, around \$2 billion worth of funding to be paid between now and 2030.

Senator McMAHON: Do you have any breakdown of what, say, has been committed over the past 10 years that is still outstanding in terms of the work actually being done?

Ms Rosengren: We can take on notice how we can package up some of this information and to say how much has been to approved projects and how much has been paid. I think that's probably answering your question. But we don't really have a lot on contract letting. We're more about, once the work commences, we will be making payments to that. We tend to rely on funding that has been committed and then funding that has been paid.

Mr Hallinan: If you'd like us to take something on notice, could we clarify precisely what it is? We've got the budget estimates that roll out. If it's commitments over the past 10 years, that would include up to the recent budget estimates. Our forward estimates profile for infrastructure spending usually stretches beyond a four-year period. We talk about a 10-year rolling program. In effect, there will be \$1.9 billion worth of funding committed across the next 10 years into the Northern Territory. But that's our scheduled commitment for the 10-year period. I think that's as much clarity as we can give about what the commitments are in aggregate form over the next 10 years, but I'm not clear on precisely what the question is.

Senator McMAHON: What I'm really after is not what's been committed for the next 10 years but what has been committed over the past 10 years that essentially remains unspent to date?

Mr Hallinan: As in perhaps projects that have not proceeded that you would otherwise anticipate proceeding?

Senator McMAHON: Not yet. Say, just as a figure, for example, if we've committed a billion dollars to road infrastructure funding in the Northern Territory over the last 10 years, but \$200 million of that has been spent; therefore, there's \$800 million still sitting there waiting to be spent?

Ms Rosengren: As to what the challenge will be, we will make commitments for projects in the future, because we're planning for them. As I said, we have a figure that we have spent, \$1.12 billion, in the NT since 2013, but I don't have an estimation of what we should have spent, because we update our estimates every budget based on the delivery timeframes given by the NT government.

Senator McMAHON: So, you don't actually have figures of what's been committed to be paid out?

Mr Hallinan: We do, but it rolls every budget update. It's quite a complex question. At budget and then at MYEFO there will be a new estimate for each jurisdiction, including the Northern Territory, about the Commonwealth commitments into the jurisdiction. I can clearly articulate there has been \$1.12 billion spent from 2013-14 to 2021, and out to 2030-31 there's a total of \$3.2 billion committed, including that \$1.12 billion that's already been spent. The next 10 years is \$1.9 billion worth of commitments into the Northern Territory, but there's a whole series of projects. You'd anticipate with a program of activities where we've got lots and lots of projects with any one jurisdiction there will be changes up, down, left and right in terms of profiling and spending in your entire portfolio of activity. It's actually a very difficult thing for us to trace back for 10 years worth of changes in those profiles.

Senator McMAHON: I do find that somewhat surprising, but if you can't provide those details you can't provide them. Thank you very much, Chair. That was all I had.

CHAIR: Thank you, Senator McMahan. Senator Sterle.

Senator STERLE: Is Ms Susan Charles there? With this technology I can't see anyone—

CHAIR: Mr Atkinson is just coming back to assist.

Mr Atkinson: Ms Charles is a member of our corporate group and was here at the start. I'm not sure whether she's here now. She's not in the room.

Senator STERLE: I really don't want this to go on notice. Thanks, Mr Atkinson. Assistant Secretary Charles penned a letter on 18 June to a heap of people in Tasmania re the Tasmanian Roads Package, Evandale Main Road Duplication from Launceston Airport.

CHAIR: We're just bringing in the right person. Mr Atkinson, were you able to assist Senator Sterle with that question?

Mr Atkinson: You were asking about Ms Charles writing to—

Senator STERLE: Yes, on 18 June.

Mr Atkinson: the public?

Senator STERLE: No, community organisations and locals got a letter from her about the Tasmanian Roads Package, Evandale Main Road Duplication. Are you aware of that?

Mr Atkinson: Ms Charles has gone back to the department, because she was part of corporate group this morning; she's in charge of communications. But if you have a question about that, in the break I'll come back. If you ask the question now, I'll come back.

Senator STERLE: Let's throw it at you. I'm really baffled, because emails were followed up, too. The department has engaged some mob called Wells Haslem Mayhew Strategic Public Affairs, WHM. Are you aware of them? Who are they?

Mr Atkinson: If you just ask the full question, I'll get the answer for you from Ms Charles.

Senator STERLE: I did: who are they? I've got a few questions.

Mr Atkinson: Sorry, Senator Sterle. This is the Building Our Future campaign, which is in the corporate stuff at the start. Ms Dacey is still here, though, and she'll be able to assist you.

Senator STERLE: Good; I'm all over the place. I'm trying to keep up with what's going on there. I'll wait for Ms Dacey. Is she there?

Mr Atkinson: Yes, she's there.

Senator STERLE: Thank you. Ms Dacey, can you tell me who this mob are?

Ms Dacey: Sorry? What was that question?

Senator STERLE: Wells Haslem Mayhew Strategic Public Affairs, WHM?

Ms Dacey: So, what I can tell you is that we have contracted Wells Haslem Mayhew as part of the Building Our Future campaign to undertake public relations services, which are social media management, infographics and generalised local case studies. I'm not aware of the correspondence that you're talking about specifically, but it sounds like it might fall into that latter category. If we can see it, we might be able to work out which bit of the work they're doing for us that that falls into.

Senator STERLE: It says Tasmanian Roads Package, Evandale Main Road Duplication, Launceston Airport to Breadalbane roundabout, helping better connect businesses to customers, friends and families, regions and cities. That's all it tells me.

Ms Dacey: Just in a general sense, I know that they picked local projects as part of that campaign. That may fall into one. I'm just looking at the list that I have for Tasmania, and that's not ringing any bells. It's certainly not in my briefing notes. I'm very happy to go away and try to dig into it to see if we could get you some more information.

Senator STERLE: I'd like to know why the department has contracted a public company to do this work for you. Do you want me to read the whole letter to you? It's only about three paragraphs. I'll cut out all of the preamble rubbish at the beginning and just get to the bit about WHM. It states that as part of the investment the Tasmanian Roads Package, Evandale Main Road Duplication from Launceston Airport to Breadalbane roundabout will be delivered near you. It goes on to say that, to show how this project will benefit your local community, this public affairs mob has been engaged on behalf of the Department of Infrastructure, Transport, Regional Development and Communications. It states that WHM has prepared a stakeholder kit accompanying this email, which we encourage you to utilise, and that materials have been provided which you are welcome to share through your communication channels to increase awareness of the local benefits infrastructure projects will provide to your community. And to please refer to WHM's email for instructions on how and where to use these materials. I'm thinking to myself: why has the government engaged a public affairs mob to do political spouting? This is the work of the department.

Mr Atkinson: Whom is the addressee of that letter?

Senator STERLE: I don't want to tell you at this stage. You'll have to take this on notice.

Ms Dacey: I've actually managed to find a little bit more information. As I said, Wells Haslem Mayhew Strategic were appointed to manage the public relations activities for the campaign. There were 30 projects selected. I've found another list of what they were. In Tasmania, the Tasmanian Roads Package, Evandale Road Duplication, Launceston Airport to Breadalbane roundabout is one of the ones. One of the activities that is included under this contract is the production of stakeholder kits. Kits were sent to a number of stakeholders. The campaign was what they call hyperlocalised. They identified these projects. They did the stakeholder kits and they were provided to stakeholder groups. They were advised that they could share in largely the way that you just described through that correspondence through their local channels. That's in accordance with the advice that I have here.

Senator STERLE: But my question is, why? Why have we outsourced the work of the department? Does this happen very often?

Ms Dacey: I think campaigns take all sorts of forms. Sometimes it's mainstream advertising. Sometimes it's what is being characterised as public relations activity. This was just one of the elements of the Building Our Future campaign.

Senator STERLE: How often has this been done over the years? How often have you engaged public affairs companies and encouraged them to publicly spruik these projects with their list of contacts and community people rather than the government doing that itself?

Ms Dacey: The advice I have here is that there were activities that we are calling public relations activities in the financial year '18-19 and in the financial year '20—21. So, those are the two years that I can advise you that I've got expenditure recorded against this campaign.

Senator STERLE: How many times has this been done before?

Ms Dacey: According to the table I'm looking at, twice.

Senator STERLE: Twice; thank you.

Mr Atkinson: But this could form parts of other campaigns as well.

Ms Dacey: That's right. I can only speak to this particular campaign and this element of this campaign.

Senator STERLE: So, this campaign has been going for how long?

Ms Dacey: This one has been going since the 2015-16 financial year.

Senator STERLE: So, from the 2015-16 financial year until 2021, and it's only happened twice?

Ms Dacey: This particular element of it.

Senator STERLE: How much does it cost to engage this mob?

Ms Dacey: I think it depends on the amount of work you want them to do and the type of work. I can give you the expenditure amounts, if you'd like.

Senator STERLE: No. How much has this mob been given to do this?

Ms Dacey: The expenditure? I can tell you that in the financial year 2018-19, \$798,965; and in the financial year 2020-21, \$292,250. I can confirm that since 1 July this year—I'm talking about this financial year, 2021-22—\$80,750 has been spent. Historically, I've given you the two other numbers, and there's a spend this current financial year.

Senator STERLE: That's on top of the \$292,000—the \$80,000?

Ms Dacey: Yes.

Senator STERLE: What was the \$798,000?

Ms Dacey: That was the amount that was spent in the financial year 2018-19 on the whole thing that's called public relations. So, it won't just be about these sort of kits; it will be about our social media management, et cetera, but that's the rolled up figure.

Senator STERLE: That's not all for this one mob, is it, WHM?

Ms Dacey: I will need to take that one on notice. We did do a separate tender process in 2020 from which Wells Haslem Mayhew was contracted. I'm just having a look to see whether this gives me any advice on earlier years about who was contracted. If you just bear with me.

Senator STERLE: Yes.

Ms Dacey: I'm sorry. I don't have that level of detail for earlier financial years, but I'm happy to take it on notice.

Senator STERLE: And that means coming back to us today?

Ms Dacey: Yes, I'll try to make a phone call and see if I can get that information for you today.

Senator STERLE: Thank you. I don't want to burden the department with anything extra on notice. I just want to know who they are and how much they've got over the whole time.

Ms Dacey: Just to be clear, I think I'm only checking on the '17-18 year for you. I'll confirm that it is Wells Haslem Mayhew.

Senator STERLE: While you are at it, if you could, please, just let us know how this represents value for taxpayer dollars in outsourcing this department's social media or whatever we call it?

Mr Atkinson: We can do that on notice, but it's part of the broader approach to government campaigns.

Senator STERLE: Yes, and?

Ms Dacey: It's just one part of a broader campaign.

Mr Atkinson: It's one part of a broader campaign.

Ms Dacey: The campaign guidelines are set out by finance.

Senator STERLE: I'm asking about value for taxpayer dollars. Thank you, Chair.

CHAIR: Senator Watt.

Senator WATT: We had a few questions around final budget outcomes across a range of programs. Rather than going back and forth and just going around, I thought if I gave you them before the lunchbreak people might be able to work on the answers for us and come back afterwards. This will just take me a little bit of time to go through, but I think it's quicker to do it this way. What I'd like to know for each of the following programs is how much money has been contracted and how much remains uncontracted at this stage. I can see you're wincing.

Mr Atkinson: Committed or contracted?

Mr Hallinan: We don't contract with the state. We finance usually through the MPA. We don't usually reach into the detail of a contract between a state or council.

Mr Atkinson: But he might be asking about almost anything.

Senator WATT: To give you one example, say, the blackspot program, I don't know how much money is actually in that funding program, but let's say it's \$500 million.

Mr Atkinson: It's a lot less than that but, yes.

Senator WATT: So, \$100 million or whatever it is. How much of that funding for that program has been contracted?

Mr Hallinan: As in committed to a project?

Senator WATT: I'm probably talking about a step further along. So, with committed projects—obviously just because something is committed to a project doesn't mean it goes ahead and you enter into a contract for it, as we've seen with car parks, for instance.

Mr Atkinson: Can I step back for one second and say that for an IRP project there's a government agreement to do a project, then the PPR comes in from the states, and we sign off a PPR agreeing to the project with the state. That's effectively when it commences. I think that's a point you're talking about. Once a PPR is signed, a state might go out to open market tender or they might deliver a project themselves. When you talk about contracting, a project might have multiple contract elements to it.

Mr Hallinan: If it's to do with the Commonwealth-state arrangements we might be better off consulting with my colleagues, or contemplating something around the notion of what's in planning and what's in delivery.

Mr Atkinson: Also, Senator, are you after what's unallocated funding? Once again, if you're asking project by project, which is one of the challenges we have, we have more than 20,000 projects. We already gave tens of thousands of lines of information at the start, project by project, about their status. So, you have all of that in the table Senator Sterle asked for.

Senator WATT: I suppose my problem is that it's possible for the federal government to commit to a particular project that a state government doesn't necessarily want to fund.

Mr Atkinson: Yes.

Senator WATT: The mere fact that the federal government has committed to a project doesn't really mean that the funding is—

Mr Atkinson: So, you're after where there's not a PPR agreed?

Mr Hallinan: It's a bit more complex—

Mr Atkinson: And where the state and Commonwealth agree to the scope and cost of the project?

Senator WATT: Yes, I think that's probably right. Forgive my ignorance, but there is a whole bundle of programs that I was going to ask for this on.

Mr Atkinson: Do you want to tell me what they are? They are actually managed differently.

Senator WATT: Yes, they wouldn't necessarily all be subject to agreements with the state government, I imagine.

Mr Atkinson: Do you want to run through them quickly?

Senator WATT: In the general infrastructure division there's probably about 8-10, and then there were some in the regional division as well, but I thought I might as well let you know that now.

Mr Atkinson: Do you want to tell me the list?

Senator WATT: The blackspot program, Roads to Recovery program, Bridges Renewal program, Heavy Vehicle Safety and Productivity program, the Significant Projects Investment Delivery Office, otherwise known as SPIDO.

Mr Atkinson: The question you started with is irrelevant to all of the ones you just said.

Senator WATT: Is irrelevant?

Mr Atkinson: Yes.

Senator WATT: I will finish the list and you can explain why. Alternative Funding and Financing is also SPIDO? So, Significant Projects Investment Delivery Office and Alternative Funding and Financing?

Mr Atkinson: Yes, it does both of those.

Senator WATT: Urban Congestion Fund, Roads of Strategic Importance Initiative, Delivery of Inland Rail, and Inland Rail Interface Improvement. Do you want the list of the regional division ones as well?

Mr Atkinson: You might as well.

Senator WATT: The Building Better Regions Fund, COVID-19 Relief and Recovery Fund, National Stronger Regions Fund, the National Water Grid Authority and the National Water Grid Fund.

Mr Atkinson: That's the same.

Senator WATT: The Regional Growth Fund, Regional Jobs and Investment Packages, Regional Recovery Partnerships, and Rebuilding Regional Communities.

Mr Atkinson: There would be several thousand projects in what you've just talked about. So, you have every minor program that's not in the tables at the start, which took weeks to put together.

Senator WATT: You must have a sense, though, of how much—

Mr Atkinson: If you're after unallocated—

Senator WATT: I'd like to know that. Really what I suppose I'm trying to understand is the amount of money in particular funding programs that has not been the subject of a contract, a binding contract. As we've already established, a government of any flavour will announce a fund, and from that fund it will make an announcement, which otherwise are called committed funding. But we don't actually know that a project is going to be delivered or that funding is truly committed until a contract is entered into. What I'm trying to understand is how much—

Mr Atkinson: You want to understand where the line is between ripping up contracts and changing commitments, right?

Senator WATT: I suppose I'm thinking that this government, once it has entered into a contract, whether it be with a state government, an infrastructure company, council or whoever, there's a binding commitment there.

Mr Atkinson: I understand. Can I go through them one by one?

Senator WATT: Yes.

Mr Atkinson: I might need people to correct me if I'm off-piste. The blackspot program is a round based program for small works, such as safety works, side benching and traffic light upgrades. You're talking about very small projects. They are run in rounds and decided by a panel. It's allocated on a state-by-state basis. I've never heard of any controversy in a project in one of those small blackspot projects. What we could probably find out is how much is unallocated in the financial year. By the same token, it is usually fully allocated and expended. But it's tiny.

Mr Smith: In the table that we tabled this morning there is the blackspots and how much is unallocated across the forward estimates.

Mr Hallinan: It is slightly different conceptually.

Mr Atkinson: You're talking about east-west links and things, aren't you?

Senator WATT: For the management of government finances, you must have a sense of how much money has been uncontracted in a particular fund? A fund is created, announcements are made and so therefore money is committed, but it's not until you get to signing a contract that there's a binding obligation to fund it.

Mr Atkinson: We use the word 'funding agreement' for what you're calling a contract. So, a PPR, an agreement with someone to commence a project where they can rely that the Commonwealth has agreed that the funding will flow if they deliver something.

Senator WATT: Is it possible for each of the projects that I listed to find out the funds that are not the subject of a PPR or whatever other term a particular fund might use?

Mr Atkinson: It's really hard. Roads to Recovery has 20,000 projects in it, which is the next one you just listed, and they're all tiny. It's like replacing culverts and stuff.

Senator WATT: But you must have a sense of how much money it is? I don't need to know every individual project; you may have already detailed that in the tables. But you must have a sense of the money that is left over in that Roads to Recovery?

Mr Atkinson: Roads to Recovery, for instance, is entitlement driven, and the legislation sets out the entitlement for each local government. They pretty well spend 100 per cent of it every year.

Mr Smith: It is legislatively allocated to that council. What they do with the projects is more of an eligibility question, not a 'Can you have the money?' question.

Mr Atkinson: The eligibility is: is it a road project and is it in that local government area? They're tiny. It goes through a really simple application process. If it's a road project et cetera, it gets ticked off in the system and then the local government can go and fill a pothole—sorry, a culvert is better than a pothole—then they come back and acquit it, and the money flows.

Senator WATT: I suppose what I'm seeking to understand is another level of detail below the funding that is committed. To give one example, with the urban congestion fund I know that the federal government has committed several hundred million dollars to projects in Victoria, but my understanding is that there are at least some of those projects that the Victorian government has made clear it is never going to co-fund.

Mr Atkinson: The issue you're homing in on probably only exists inside UCF.

Senator WATT: But it must be in some of the bigger infrastructure programs as well, where—

Mr Atkinson: Where a state has said they will not support that program. We have had—

Senator WATT: Or they're still deciding whether they—

Mr Smith: I think East West Link was—

Mr Atkinson: The contingencies, East West Link and Perth Freight Link, were the two where there's been disagreement between—

Senator WATT: There would be other projects where the federal government has said, 'We're prepared to give 50 per cent of the funding for a particular road upgrade, or 80 per cent or whatever it might be, subject to the state government committing the remainder.' I'm sure there are some projects that a particular state government is still making up its mind about as to whether it wants to do it or not. It might not have said 'no'; it might still be making up its mind.

Mr Atkinson: I would say that there's nothing like that in black spots, roads to recovery, bridges, heavy vehicle safety—I think those are all—and none of those fit that. The UCF is possibly the place where there's ongoing discussions. Phil, have we got PPRs for everything there now?

Mr Smith: Not everything, no, but most. The next one down will be ROSI, where we've allocated money to corridors but not necessarily individual projects, but—

Mr Atkinson: But that's not what the senator is after.

Senator WATT: Do you want to have a bit of a think over the lunch break about what can be provided along these lines? Hopefully I've clarified what it is I'm looking for.

Mr Atkinson: Can I talk to you at the start of lunch, so I can understand it a bit better?

Senator WATT: Yes, sure. In the meantime, Senator Sheldon had some questions on infrastructure. I know Infrastructure Australia is appearing later in the day, but we have a couple of questions that we thought could probably be handled by the department.

Mr Atkinson: Yes, sure.

Senator SHELDON: I want to ask the secretary about the appointment of the CEO of Infrastructure Australia. I assume you have the details with you, but if you don't, could you please seek quick confirmation from someone in the department and report back later this afternoon? This is fairly straightforward. I appreciate that the board of Infrastructure Australia is independent of government, but it's still one of your portfolio agencies and, given that we don't have the opportunity to question the current chair, I hope you can help me with these questions. Can you advise the date that the former chair of Infrastructure Australia Ms Alroe, finished her term?

Mr Atkinson: Julieanne Alroe—do have that?

Mr Hallinan: It was 31 August.

Senator SHELDON: Can you advise when the current acting chair, Mr Balnaves, commenced in his role?

Mr Hallinan: Commenced as acting chair?

Senator SHELDON: Yes, as the acting chair.

Mr Hallinan: It was the same day or the next day.

Senator SHELDON: What's the length of the acting chair's term?

Mr Hallinan: It was a three-month appointment.

Mr Smith: Yes, a three-month appointment to 30 November.

Senator SHELDON: Thank you. Can you please advise when the current term of Infrastructure Australia CEO Ms Madew expires?

Mr Atkinson: It's April next year.

Senator SHELDON: What was the length of Ms Madew's term when she was initially appointed in 2019?

Mr Atkinson: It would have been a three-year term.

Senator SHELDON: She hasn't been reappointed, has she?

Mr Hallinan: Not at this stage. There is a process underway.

Senator WATT: When is it expected to make a decision about extending Ms Madew's contract?

Mr Atkinson: That would be going through government appointment processes and—

Senator WATT: Sometime before April next year. No decision has been made at this point?

Mr Hallinan: No.

Senator WATT: I know we've got lunch coming up soon. We might go back to the Urban Congestion Fund. There are a number of senators who have specific questions about projects, but should I cover off a couple of general things?

Mr Atkinson: Yes.

Senator WATT: Earlier this month it was revealed from FOIs that almost \$400 million for 27 separate car park projects was signed off on by the Prime Minister at a stage when the infrastructure department was unable to advise whether the projects had any merit or could even be built. Can you confirm, Mr Atkinson, that that is the case? That's what the FOIs said.

Mr Atkinson: I think you're referring to the projects that were signed off that Senator Rice was talking about before that were announced in the election campaign?

Senator WATT: Yes.

Mr Atkinson: I might get Mr Smith to give the precise wording from the advice that was given.

Mr Smith: If you refer to the audit report, paragraph 3.40 refers to the actual advice that they extracted and reproduced. For 26 March:

the Department is not in a position to recommend allocating ... funding ...

And similar wording for 5 April. If you're referring to the news article, that news article was regurgitating what's in the audit report.

Senator WATT: So it is correct that these projects were signed off by the Prime Minister before your department had advised whether they had any merit or could even be built?

Mr Atkinson: I'd like to use the words Mr Smith used. They carefully represent the advice at the time.

Senator WATT: Can you say that to me again, Mr Smith?

Mr Smith: It's on page 49 of the audit report. In the audit report it's quite a few paragraphs if you want me to read it out.

Senator WATT: What's the gist of it?

Mr Smith: It's public:

- 26 March 2019 advised:

the Department is not in a position to recommend allocating ... funding ... or provide detailed advice on the relative merits, scope or funding profiles, given the limited time and information available. Instead, we have provided high-level comments on the proposals, at Attachment A, based on existing information and transport modelling previously conducted.

Senator WATT: That's probably all I need to know, Mr Smith. Is this the only funding program within this department where either the Prime Minister or the relevant minister signs off or approves funding for particular projects before your department has provided advice on whether they're beneficial or whether they can even be built? Is that a common practice?

Mr Atkinson: I wouldn't say it's common practice. Certainly election commitments don't always go through those processes.

Senator WATT: Of those 27 projects that were signed off by the Prime Minister, how many have progressed to construction and how many have been cancelled?

Mr Smith: I'll take the specifics on notice and look through that list.

Senator WATT: I think this morning you told me six projects had been—descope, I think, were your words.

Mr Atkinson: There were six that had been descope, yes.

Senator WATT: Otherwise known as cancelled?

Mr Atkinson: Descope, yes. It's just a question as to whether they're within the 27.

Mr Hallinan: There are more than 27 projects in total. We'd just need to clarify—

Mr Atkinson: What the overlap is of the six.

Senator WATT: That's what I was trying to establish—

Mr Atkinson: Whether all six were in the 27?

Senator WATT: Yes, whether the six that have been descope or cancelled were within the 27 that were announced by the Prime Minister.

Mr Atkinson: I'm sure we can find that out.

Senator WATT: Maybe if you can come back to us on that after lunch. I don't think we've asked for this already: could you please table information on all 47 projects that were initially announced—I think you told me this morning it was 48.

Mr Smith: Yes, 48.

Senator WATT: This might be in the stuff you've tabled already today. What I'd like to get is information on all 48 car parks that were initially promised, including current status, predicted start and completion date, whether a project location has been identified, who the delivery partner is and the estimated cost per car park for each project. Is that contained in the information you've already tabled?

Mr Smith: Not cost per car park, and probably not necessarily the location of the sites.

Senator WATT: Because there are some where you're still working that out?

Mr Smith: Also the table doesn't necessarily locate and record the sites.

Senator WATT: I imagine that's not that hard to find. If you can table the information that you haven't already tabled on the car parks.

Mr Atkinson: We probably don't have that sitting around in that format.

Mr Smith: No, we'd would have to produce that.

Mr Hallinan: The people who would produce it are also sitting here, so it might be difficult for us to do it across lunch.

Mr Atkinson: It's quite a bit. We'll take that bit on notice, if that's alright.

Senator WATT: How many project proposal reports have the department assessed against the relevant NLT Act and PGPA Act requirements?

Mr Smith: I don't have the number, but the process is: obviously once the government has committed to a project and committed funding, the minister is required to sign off against a PPR against both the PGPA Act and the National Land Transport Act, and the department provides advice as part of that.

Mr Atkinson: Are you talking about the whole IIP?

Senator WATT: No, I'm talking particularly about Urban Congestion Fund.

Mr Atkinson: I was going to say! It's hundreds and hundreds.

Senator WATT: Exactly. I suppose I'm trying to understand the application of that legislation to this program.

Mr Atkinson: I think as Mr Smith said, we've got PPRs for almost all of them.

Mr Smith: The question is, for some of them we might have had multiple in terms of feasibility versus delivery.

Mr Hallinan: Is it specific to the car parks?

Senator WATT: Yes.

Mr Atkinson: We can take on notice how many PPRs—you were after signed or received?

Senator WATT: The word I have here is 'assessed'.

Mr Atkinson: Let's say signed is what you mean.

Senator WATT: I think that's probably right.

Mr Atkinson: We'll take on notice how many of those there are for the Commuter Car Park Fund.

Senator WATT: Yes, please. I'd also like to know which of the car park projects have been assessed or signed in that matter.

Mr Atkinson: I think we'd say which ones haven't would probably be—

Senator WATT: They're an exception? Whether they have been signed against that legislation or not, are you able to assure us that all projects have met the requirements of the relevant NLT Act and PGPA Act?

Mr Smith: We assess those against that. The Audit Office called out one project, the Doncaster project. The car park is connected to a bus transit area. We're working through that process as to how to manage that one. Intermodals normally are required to be from a mode change, not a private to public transport change.

Senator WATT: Okay. How many officers does the department currently have dedicated to the commuter car park program?

Mr Smith: There's a very small central team. When I say small, it's one person. The projects are managed in the state teams, and the state teams look after everything from ROSI to the Urban Congestion Fund and other things as well. It's intermingled in there. It's difficult to break up a number.

Mr Atkinson: It's done on a state relationship basis as opposed to a program basis.

Senator WATT: Are any of those officers assigned on a state-by-state basis working full time on the commuter car parks program, or would that be just one of the things that they handle?

Mr Smith: I think for most it would be one of the things, but I will double-check that.

Senator WATT: Chair, we're probably about to move into specific car park projects. Maybe now is a good time to break.

CHAIR: I think that seems like an excellent idea.

Senator O'NEILL: One question: Mr Atkinson, I think you indicated that signing off on these commuter car parks might happen in a different way when they're election announcements rather than when they're in the budget.

Mr Atkinson: Sorry, I didn't say signing off.

Senator O'NEILL: Could you explain what you meant when you put the clarifying statement?

Mr Atkinson: He was asking questions more broadly about projects being agreed, whether or not there was full advice from the department prior to that. I said that election commitments in election campaigns don't have departmental advice with them.

Senator O'NEILL: Thank you.

CHAIR: Thank you all very much. We are going to go to our lunch break. When we come back we will continue going with this section, infrastructure. Following that, we will return to transport: domestic aviation and reform, and surface transport policy. Then, depending on the number of questions we have tabled with me, we may have very little for some of the other parts of the department later this afternoon. I will be able to confirm that with you after lunch and give you some advice, Mr Atkinson, so we don't hold anybody up.

Proceedings suspended from 13:15 to 14:16

CHAIR: Mr Atkinson, do you want to start by reading into *Hansard* your answer to the question you had gone away to research?

Mr Atkinson: Yes.

CHAIR: Is that what you were just asking me about?

Mr Atkinson: No, Ms Dacey is going to.

Ms Dacey: Just in relation to the information I provided earlier about expenditure for PR services, I told the committee that \$798,965 was spent in the 2018-19 financial year. That was provided to a company called OPR. I asked whether OPR stood for anything, and I am reliably told that it just stands for OPR. I can confirm that the other amount that I gave you advice on, the \$292,250, is the Wells Haslem group that we were talking about at that time. That was what we were asked about: who was the money contracted with and in what years, and that is it.

CHAIR: Thank you. They were the questions that were asked by Senator Sterle.

Mr Atkinson: Chair, I have agreed to try and come back today with the number of projects and dollars that are not subject to a funding agreement and/or not subject to a PPR in the case of those projects across a series of five programs.

CHAIR: And you will do that later today?

Mr Atkinson: Yes. As the information becomes available I'll read it into the *Hansard*.

CHAIR: Thank you, Mr Atkinson. I don't think we're going anywhere. We're finishing terrifically early today so there'll be plenty of opportunity for you to come back and do that.

Mr Atkinson: I'm more than happy to finish early, if that's the committee's will.

CHAIR: Thank you very much for that generous offer. We are now ready to recommence. I'm going to ask Senator Sheldon whether he has questions.

Senator SHELDON: Last month Minister Fletcher announced additional projects under the program across the northern suburbs in Victoria. How much has been committed to those projects in Epping, Merlynston, Sunbury, Watergardens and Greensborough?

Mr Smith: They were part of the original \$70 million northern lines commitment. I'll get Mr Bradley to run through the details.

Mr Bradley: Before I answer that question, did you want me to just come back to a couple that I undertook to come back on prior to the break?

CHAIR: That would be great, if you want it read those into *Hansard*? Were they Senator Watt's questions?

Mr Bradley: I think some of them may have been from Senator Rice.

CHAIR: If you could read them into *Hansard* that would be terrific.

Mr Bradley: I think there was one question around the Burnie shiploader. I can confirm that that 40 million payment was out of the Rail Freight Revitalisation Program in Tasmania. That funding is not intended to be returned to that program. There was also a question about the Macauley road roundabout in Albury, around the three options that were developed for that project. Those options were developed by Victoria and were not in Wodonga. The department did not provide input into those options.

The final question was around Mornington Road in Tasmania. I can confirm that that is a Tasmanian project and the Australian government hasn't received any requests in relation to that one.

CHAIR: Thank you very much for that.

Mr Bradley: I believe your question was around the northern lines commitment in Victoria?

Senator SHELDON: That's correct, and how much has been committed to each project.

Mr Bradley: As Mr Smith said, there are seven sites on the northern lines. I guess this is where we get to the difference there between sites and projects. That's considered to be one project, but there are seven sites on there. Three of those sites—Craigieburn, Epping and Hurstbridge—are complete. There's a site at Watergardens which we're expecting to commence in 2021. There are sites at Greensborough, Merlynston and Sunbury which are expected to commence in 2022.

Senator SHELDON: Are you able to confirm whether each of those projects was an existing project in the Victorian government's Car Parks for Commuters program?

Mr Bradley: They were. They were part of a Victorian program which the Australian government came on board as a 50 per cent funding partner for.

Senator SHELDON: Were these car parks fully funded under the program prior to the offer by the federal government?

Mr Bradley: We're a 50 per cent funding share partner on this project.

Senator SHELDON: No, I'm saying: prior to this project and investment in those particular sites that you've mentioned and that I've asked you about—prior to the federal government putting money in—was it previously being 100 per cent funded by the Victorian government?

Mr Hallinan: We've added funding to budgets for the northern lines, which has increased the number of car park locations that can be built. I'll just make sure with the team that that's the case.

Mr Smith: Yes, that's the case. I think, again, the audit report highlighted that there was a decision last year that additional car parks for the northern lines would be looked at. I think the audit report quotes up to 10. These are part of that decision.

Senator SHELDON: So you're saying they're all part of the same decision to put money towards that project going towards the car parks. As I understand it, you are putting money towards the commuter stations specifically and the car parks. How much of that money was previously being covered by the state government of Victoria?

Mr Hallinan: This is part of a negotiation with Victoria. I don't think that full line was announced as it stands. The Victorians had plans in the longer term to add projects to the car park program based in Victoria. What we've been able to do is work with the Victorians and increase the number of car parks that would otherwise be provided out of their program through the northern lines.

Senator SHELDON: They had projected funding arrangements for the car parks and for the line itself. I'm still trying to get to the point. As you mentioned, there are additional car parks. The previous car parks—how many of those are there?

Mr Bradley: There were originally two within this package. The latest approval added five more projects to that for a total of seven on the northern lines.

Senator SHELDON: Of the previous stations, which you might just list off to me, that the Victorian government was proposing, are you funding those 50 per cent as well?

Mr Bradley: We are. The commonwealth commitment to that project is \$70 million. The total project cost is \$140 million.

Senator SHELDON: Thanks. With those particular stations that were previously—prior to this last round of additional stations—put forward, are you aware whether it was intended that the Victorian government would pay for those stations? Are they going to pay and then all of a sudden the federal government says, 'We'll pay half'?

Mr Bradley: We've been in discussions with the Victorian government since November 2020 about the location of sites along these lines. The Victorian government were working to develop and, in some cases, construct some of these projects. They didn't hold up to wait for us to come on board as a funding partner. Whilst we've been having these discussions about the scope of the project or being involved and what would form part of our shared funding package, work continued on these projects.

Senator SHELDON: You said that some of the construction work had started on those projects before any funding arrangement had occurred with the federal government. The Victorian government was mindful at that point and leading up to that point that it would be paying or could be paying for all the car parks?

Mr Bradley: That's right. We had a total project amount commitment on a fifty-fifty basis, and the negotiations were around what projects would form part of that package.

Mr Hallinan: There's probably a language point of clarity that I'd make here, which is the northern lines is what we're describing as the project. There are a series of car parks along the northern lines and we're a fifty-fifty funder of the projects along the northern lines as a northern lines project. If there are seven there, the Victorians may have been able to build two or three with the budget it had allocated for it. We're now building seven. It's a negotiation across that line.

Senator SHELDON: Can you confirm the Epping station upgrades were completed in April 2021 before the government committed funding to the project?

Mr Bradley: Epping was completed in April 2021, delivering 74 new spaces.

Senator SHELDON: So that was before the government committed funding to the project; is that correct?

Mr Bradley: That's correct.

Senator SHELDON: The Commuter Car Park Fund is intended to reduce congestion in urban areas. How is that goal being met by paying for a car park project which has already been completed?

Mr Bradley: I think it goes back to the point I was making earlier. Negotiations around the projects that would form part of that package have been going on since November 2020. It was a fifty-fifty funding commitment to that. It wasn't practical, I suppose, to go and unpick the funding share arrangements for that. We joined the Victorian government on the proposal as put forward on a fifty-fifty basis.

Mr Hallinan: I again make that point of clarity that this is a package of projects along the northern lines, seven of them, and we're co-funding 50 per cent of it. Breaking them down into individual car parks doesn't really make sense in that context. We're a fifty-fifty co-funder of the northern lines package.

Senator SHELDON: Well, it does make sense when the state government already considered that they were putting in funding to actually build those car parks and one was actually completed.

Mr Hallinan: The alternative would be that we took that one off the table and had a smaller funding bucket to work with and added six. We were talking about the northern lines package and it's part of the northern lines package. We recognise their effort.

Senator SHELDON: In the electorate of Dunkley the government made a commitment that money from cancelled car parks would be reinvested into other congestion-busting projects within the electorate. Has this money been reallocated?

Mr Hallinan: If I understand this one correctly, I think they've gone into the Frankston commuter car park.

Mr Smith: If that's in that electorate, yes. I think we answered a question on notice from last estimates that explained how additional money had been added to the Frankston car park from the same areas.

Senator SHELDON: And that was to cover the blowout costs of the Frankston station project; is that correct?

Mr Hallinan: No. The Frankston station project is a pretty substantial car park build. In consultation on the three projects, it was agreed that there were two that wouldn't go ahead and the one in Frankston would become a substantial car park to be built.

Senator SHELDON: Was there a cost blowout on the Frankston station?

Mr Hallinan: I think there's been a car park design for Frankston which costs the amount that's been committed to it. I'm not going to describe it in that term.

Senator SHELDON: Are you considering alternate sites within the electorate of Dunkley at all?

Mr Hallinan: I think we've just traversed the territory on what's happening in that location.

Senator SHELDON: Have you had any discussions with the council about any potential sites? Has the council raised any potential sites with the department?

Mr Hallinan: Certainly not with me, but I can check with my colleagues.

Mr Bradley: This is in respect of the Frankston car park?

Senator SHELDON: This is in respect to alternative sites in the electorate of Dunkley. You have Frankston station, which we've dealt with, and which I'm happy for you to say more about; but I am satisfied at this point with what you have answered. I am asking whether you considered alternative sites in the electorate of Dunkley. Then I asked whether you had had any discussions with the council about these potential sites.

Mr Bradley: I don't have a projects breakdown by electorate.

Mr Smith: Which council are you referring to?

Senator SHELDON: I haven't got the name of the council here.

Mr Hallinan: We have certainly spoken with most councils in most of the areas where carparks were identified by the Commonwealth in the Commuter Car Park Program. If alternatives had been put forward, they may have been considered; I am just not sure in this case.

Senator SHELDON: With those they considered, are any likely to get the tick?

Mr Hallinan: Anything like that would be subject to a decision of government and we would go through an appropriate cabinet process on it.

Senator SHELDON: So there is still potential for more car parks to be opened up?

Mr Hallinan: In total, the Urban Congestion Fund still has unallocated funding in it. We traversed that earlier. How that funding is used is a matter for the government.

Mr Smith: There was a question on notice just before the break about the 27 projects that were announced just before the 2019 election and how many of those were part of the descope six. There were four individual projects, and one on the northern lines, which has been since reallocated.

Senator SHELDON: To go back to a question I had before and clarify, have there been alternative sites from the electorate of Dunkley, which is primarily the city council of Frankston? Have you had any discussions with that council specifically about these potential sites?

Mr Hallinan: There were three sites along that line, and two collapsed into the Frankston site. My colleagues might recall the site names. There was certainly consultation on the two sites that were collapsed into the Frankston car park.

Mr Bradley: I believe the site that is being explored is the Fletcher Road site, potentially for 515 spaces at that location.

Senator SHELDON: You said there were two. Is that one of them? What is the other one?

Mr Hallinan: That is the Frankston site, if I've got that correct.

Senator SHELDON: What were the two that collapsed?

Mr Hallinan: Kananook and Seaford, if memory serves.

Senator SHELDON: So they are both off the drawing board?

Mr Hallinan: Yes, both of those projects are not going ahead at this stage.

Senator SHELDON: I guess they don't need congestion busting. Is that what you are suggesting to me?

Mr Hallinan: I think through the consultations it was determined that it would be better to have a larger site at Frankston.

Senator SHELDON: So we are doing a congestion busting project, we have a reduction in the number of sites and resources have gone to Frankston. How do you break congestion when you start concentrating all the car parks and movements into one particular station and when you have to collapse two into it?

Mr Hallinan: Frankston is at the end of that line, and it has a lot of commuters who come in from across the peninsula and out into Victoria. So you are taking commuters out of the urban environment by doing so. The judgement was taken in consultation that it would be better, and the preference was to go to the Frankston site instead.

Senator SHELDON: But with the two other stations you have mentioned that are being mothballed, people who would have been going to those stations are now going to Frankston, aren't they?

Mr Hallinan: If they were deliverable.

Mr Smith: The evidence we gave around both Kananook and Seaford was that the sites were very constrained and there would be significant additional cost. Government decided that that money would be best reallocated to a car park further along the line.

Senator O'NEILL: I don't live in that area. I'm going to ask about the Central Coast, where I do live. The government announced these sites. What were their names?

Mr Smith: Kananook and Seaford.

Senator O'NEILL: And the government made an announcement that they were going to fund car parks there?

Mr Smith: Yes.

Senator O'NEILL: So in the lead-up to the election people got the message and a flyer in their letterbox that said, 'You're getting a car park'; is that true?

Mr Smith: I don't know what was delivered, but there was a campaign.

Senator O'NEILL: But the information was there for the government to use in that way because they made the announcement. Is that correct? I am pretty sure, given that they put the money out, that they put the flyers in people's letterboxes as well. So those communities expected that to happen. The only reason it has been pulled, Mr Smith, is because after the announcement and after the gathering of the votes by the government on the back of the dollars announcement, the work got done to prove that the car parks were actually not viable to be delivered. Is that a fair description of the sequence?

Mr Smith: Not the way I would describe it.

Senator O'NEILL: I'm not surprised, Mr Smith. But you have to do ordinary talk for ordinary Australians so they can cut through all this descoping nonsense.

Mr Smith: The government made some announcements on car parks. We then worked with the Victorian government to undertake feasibility studies. The government then made decisions based on that information and decided that the money was best reallocated to other car parks.

Senator O'NEILL: After they had already bought the votes, essentially. Then they figured out they couldn't do what they promised.

Mr Smith: I am not going to comment on election campaigns.

Senator O'NEILL: Thank you, Mr Smith.

Senator SHELDON: Was there a response from the Frankston City Council to car parks being no longer engaged that had previously been announced by the government?

Mr Bradley: In the case of Kananook, as Mr Smith mentioned, Victoria undertook the feasibility assessment in April 2020. Council was comfortable with the results of the state government and found that wasn't feasible. So council was supportive of changing the location of that roundabout for Kananook.

Senator SHELDON: You used the word 'comfortable'. So they no longer wanted those other stations?

Mr Bradley: That's correct. In both cases they didn't want the car parks there. They were happy with the new location.

Senator O'NEILL: I want to ask some detailed questions about the Woy Woy and Gosford commuter car parks in the seat of Robertson, held by the current member, Lucy Wicks. They were announced by the government in 2019. Media reports have noted that the department originally advised against these projects, saying that the department is not in a position to recommend allocating funding or providing detailed advice on the relative merits, scope or funding profiles, given the limited time and information available. What is the usual amount of time needed by the department to appropriately review such a project?

Mr Hallinan: As a general principle, we would work with the proponent, identify a project, and work through the project. Usually there is a proponent for a project that will have identified a location and have the sort of information that we would usually have to say that this is a deliverable project where we can make an assessment. It is a slightly different process in this circumstance. As identified in the audit, the projects weren't identified through the usual processes. It is difficult to answer how much time it would usually take.

Senator O'NEILL: Let's go through what you just said. The first part is that a proponent would normally come to you with a location and information that would say, 'We have done a lot of work and we think this is a good project'. Then they seek the government's support. Is that the normal process?

Mr Hallinan: In the usual course of events, but—

Senator O'NEILL: I am not asking you about exclusions. Your normal practice is to wait for somebody to bring it to you, see if it stacks up and then you put the case. In this case we had a reverse-engineered model, didn't we? The government told you that they wanted money for Woy Woy and Gosford and asked you to provide advice, and you went back to the government in 2019, before the election, and said, 'The department is not in a position to recommend allocating funding or provide detailed advice on the merits, scope or funding profiles given the limited time and information available'.

Mr Hallinan: So that information comes from the audit report.

Senator O'NEILL: Yes, which was scathing.

Mr Hallinan: That's a direct quote out of the audit, and from one of the department's pieces of advice into what was a cabinet process.

Senator O'NEILL: It was a cabinet process? I was not a political staffer before I came here and I am mindful that people out in the general public, commuters who are getting into the car parks at Gosford at 4 o'clock in the morning to get their spot, want to understand what is really going on here. They were told that they would have \$5 million and \$30 million allocated, and they voted on the back of that, believing that that was true. I am here to find out what happened. Were there any detailed submissions, any serious work of any kind, that enabled the government to make that determination of a \$30 million and a \$5 million allocation that they then used to campaign on? My community needs to understand.

Mr Smith: As Mr Hallinan outlined, advice was provided in the cabinet process. We obviously can't go into the deliberations of that process. Government made a decision for funding for both Gosford and Woy Woy. We are currently working with the relevant parties to try and deliver on those commitments.

Senator O'NEILL: So the government made a decision, but it was not based on any recommendation from you, Mr Smith, or your department?

Mr Smith: I can't go into the details, except for what has been in the audit report.

Senator O'NEILL: How would you characterise what it said in the audit report, Mr Smith?

Mr Smith: I have read that into the *Hansard* earlier today. I am happy to read that again.

Senator O'NEILL: I am asking you to answer my question in a way that a commuter getting on a train at 4 o'clock or 4.30 in the morning understands. They don't read documents like this when they are on the train at 4.30 in the morning; they just want the answer.

Mr Atkinson: In simple language, these were election commitments.

Senator O'NEILL: Thank you for saying that: they were election commitments.

Mr Atkinson: And we are implementing them as such.

Senator O'NEILL: Can I go to the certainty about whether they were election commitments or budget commitments? Ms Wicks, on the Central Coast, has continued to say, 'You need to understand that these are not at risk. They were not election commitments; they were budget commitments'. Can you explain to me what is a budget commitment by comparison to an election commitment with regard to how much involvement you would have in the planning?

Mr Atkinson: Once again, we need to get back into technical language because you are asking about very technical language. Mr Smith, and correct me if I am wrong, but I am assuming that these were part of the 27; I can get the dates.

Senator O'NEILL: Can I give you a couple of dates that might help?

Mr Atkinson: Yes.

Senator O'NEILL: On 26 March, the day before Mr Morrison announced the \$35 million for car parks at Gosford and Woy Woy, the department noted that it couldn't recommend funding.

Mr Atkinson: Sorry; I mistook these for being part of the 27. They are in a slightly different category.

Senator O'NEILL: So what do you need to correct?

Mr Atkinson: I had said that in essence they were election commitments. But these were before that, if they're not part of those 27 projects.

Mr Smith: So Gosford was on the 27th, as per the announcement, of March.

Senator O'NEILL: March 26?

Mr Smith: Yes.

Senator O'NEILL: March 27 was the actual announcement. This was the sort of project that is not an election commitment; it is not something that is just thrown out in the middle of an election. It would be normally subject to careful scrutiny by the department. It would be subject to the advancing of the project by a proponent such as the Central Coast Council or the state government. Then there would be an ID location, and all sorts of information. Then a determination would be made. Was there a proponent for the Woy Woy or the Gosford commuter car parks that were announced by Mr Morrison and Lucy Wicks for the seat of Robertson?

Mr Atkinson: It was my understanding they were being scoped by the New South Wales government.

Mr Smith: That is correct. They are on the New South Wales schedule, and we are working with the New South Wales government.

Senator O'NEILL: Now you are. Okay. I'm interested to hear about that. But my question goes to: this was a budget commitment and an announcement that was funded in the budget after the announcement on the date of 27 March. Was it a recommendation of your department? Did it have a proponent? Were there IDs of locations and was there all sorts of information, as you said, already in place to make the case for this government announcement of the \$5 million and the \$30 million at the time, Mr Smith?

Mr Smith: At the time? I obviously can't go into the deliberations of cabinet but the government made an announcement for \$30 million for Gosford and also a commitment for Woy Woy. And we've partnered with the New South Wales government, originally with the council for Gosford until they went into administration—

Senator O'NEILL: Let's not go to post the announcement. I just want to be clear: at the point of the announcement had the department had any input into the declaration of a location of Woy Woy and Gosford and was there a proponent at the point of time when the announcement was made, Mr Smith?

Mr Smith: As I've said, I cannot go into the deliberations for cabinet processes—

Senator O'NEILL: I'm not asking you to go into the deliberations of cabinet.

Mr Smith: But all our briefing was in the context of cabinet.

Senator O'NEILL: The context of cabinet and cabinet-in-confidence is two different things. I'm simply asking you—and you get paid by the Australian taxpayer to do the work—did the department do work? Did it create a brief to the government with a proponent partner, with an ID location and all sorts of backup information prior to the government making this announcement on 27 March or not?

Mr Atkinson: You're asking for a whole lot of detail from several years ago. We can go through the documents on notice and find out.

Mr Hallinan: The audit report identified that the department didn't identify the car park projects that were announced.

Senator O'NEILL: Thank you, Mr Hallinan. Because that's the truth, isn't it? There was no proponent. There were no partnerships in place and the work of the department had not advanced to a point prior to the election even though the money was allocated in the budget?

Mr Smith: That's what I read out into the transcript before.

Senator O'NEILL: Do you want to read it in again just so we're clear? There was no proponent—

Mr Smith: Page 49.

Senator O'NEILL: There was no location. So what you're referring to there is the department was not in a position to recommend allocated funding or provide detailed advice on the relative merits, scope or funding profiles because when the announcement was made on 27 March you had insufficient time and information available to be able to make a recommendation one way or the other; is that correct?

Mr Smith: That's what the audit report says, yes.

Senator O'NEILL: Do you dispute the audit report or do you accept it?

Mr Smith: I think it's a reasonable basis of what was in the briefing.

Senator O'NEILL: So let's go back to the 4.30 person on the train. Essentially Lucy Wicks and Scott Morrison just decided to make it up on the spot without any background documents and they didn't have a partner. The council wasn't a proponent. The Central Coast Council wasn't a proponent and neither was the state government. Let's fast forward a little. It just strikes me as ridiculous that if you've been the government for eight years you couldn't have been aware of these processes and got the work done. But it didn't happen. Now fast forward to a point after the announcement without any verification or documents. I've got FOI documents from Transport for New South Wales and they show that the New South Wales government have no financial commitment to the Woy Woy car park project. Is the project able to proceed at all without Transport for New South Wales funding?

Mr Smith: Yes, the Australian government quite often fund projects at 100 per cent should it deem appropriate.

Senator O'NEILL: And what is the current situation with regard to the federal government and the state government in partnership on either of these two subjects?

Mr Smith: New South Wales are undertaking necessary feasibility studies. When they're finished they will be put forward to government for consideration.

Senator O'NEILL: 'Necessary feasibility studies'. And these are the things that would normally be done at the beginning stage before the government makes the commitment. But that's where we are right now.

Mr Smith: Not always. For instance, with the Melbourne Airport Rail Link there was a commitment made and then the feasibility studies and the business cases were taken thereafter. Regardless of when the commitment is made you normally then run through that process, as you would for any infrastructure project.

Senator O'NEILL: So to be clear, an announcement for the sums of \$5 million and \$30 million was made on 27 March. Today—what is the date?—25 October. That was in 2019. So it is 25 October 2021 and at this point of time the project that didn't have a proponent, that wasn't able to be assessed, is now at a feasibility stage?

Mr Smith: Correct, they're both in planning, yes.

Senator O'NEILL: And it hasn't been assessed; it's only still being developed?

Mr Smith: Once the feasibility study is complete, that will give a good picture about size, scale, cost, location, and then the government will make appropriate decisions. But the commitment still remains for the Gosford and Woy Woy car parks.

Senator O'NEILL: I think everybody has seen what an announcement commitment from this government means by comparison to delivery of the project. And this is a perfect example of one of those. But with the state government, Transport for New South Wales, you've referred to feasibility statements and studies coming. Is that for one or both of the projects, Gosford and Woy Woy?

Mr Smith: Woy Woy, I think, is imminent. I'll probably just need to refer to Ms Legg.

Ms Legg: With regard to Woy Woy, I think I mentioned at the last estimates hearing that New South Wales had conducted a rapid viability assessment and identified four sites for further scoping. Minister Tudge who was the minister at the time then approved that scoping phase PPR. And Transport for New South Wales continued their work. During that process they undertook a multi-criteria analysis and have short listed from four to two for further scoping. These two sites we expect in the development PPR before the end of this calendar year. And once that's assessed and approved we expect community consultation and planning approvals to commence for the preferred site.

Senator O'NEILL: So at this stage it's still in the consideration stage and it's been narrowed down to two—

Ms Legg: From four to two.

Senator O'NEILL: To two possible sites?

Ms Legg: Yes.

Senator O'NEILL: But there's no guarantee that the sites will be suitable in terms of engineering, cost, partnership?

Ms Legg: The studies that have further scoped from two to four have dismissed two that were not viable. So the two that are currently being looked at are viable. And I understand one is a preferred option and, assuming that comes in the development PPR and is approved, that will be the one that community consultation begins on shortly.

Senator O'NEILL: So there's an assumption there that it's actually going to fit within the guidelines that were never established prior to its announcement but there's a chance, like other ones, that it could be cancelled or 'descoped', which is the new word for it because it's not accepted yet; it is not approved?

Ms Legg: The project has been approved by the minister. The scoping PPR has been approved and we're expecting the development PPR. So scoping money has already been paid out for this project.

Senator O'NEILL: Yes, but scoping is not an agreed project ready to build. It is still a consideration of whether it is possible. Let's be clear about that.

Ms Legg: Correct.

Mr Hallinan: But there is an agreement in place with the New South Wales government to deliver the project, assuming it makes it through each of these stages.

Senator O'NEILL: 'Assuming', 'Assuming'. I think we're going to have to be careful about assuming because it's still not there. Can I table a letter from the Acting CEO of the Central Coast Council to the department announcing that the council will be unable to proceed with the Gosford car park? Have you seen that?

Mr Smith: We're aware of that. They went into administration. So that's why we're partnering now with the New South Wales government on feasibility studies for delivering the Gosford car park.

Senator O'NEILL: So shouldn't the council have been engaged before the announcement to find out if there was a possibility of delivering this project?

Mr Smith: We're not aware of what engagement happened before the announcements.

Senator O'NEILL: Did the department engage with the council before the announcement?

Mr Smith: I'd have to take it on notice. I don't believe so but I can take that on notice.

Senator O'NEILL: Given your other answers today, I'm pretty sure that you didn't engage with the council before the announcement because it sounds like Lucy Wicks and Scott Morrison made it up on the back of an envelope. What is the status of the Gosford car park? Is that in planning stages too?

Ms Legg: It is. As I mentioned I think at last estimates, we had started quite a lot of work with the Gosford Central Coast council to scope a number of options. And in October 2020 when they went into administration we sought clarification from them as to whether or not they'd be able to continue to be in a position to scope and deliver that car park. And in March, which is the subject of the letter you've tabled, they formally advised us that they were unable to deliver it. So on that basis we approached the New South Wales government and they're currently scoping options for the car park, and we expect to get a scoping PPR from Transport for New South Wales by the end of this year.

Senator O'NEILL: So that's also still in the planning stage? It hasn't been descoped or cut yet?

Ms Legg: Woy Woy is coming up for development stage PPR. Gosford is in planning and scoping.

Senator O'NEILL: And let's talk time line. When will the community actually find out the truth about whether this is actually going to be a real thing or just an election promise that never gets delivered?

Ms Legg: On Woy Woy, as soon as we get the development PPR and it's approved by the minister, then we would expect—

Senator O'NEILL: Which minister?

Ms Legg: Minister Fletcher.

Senator O'NEILL: And what's the situation with the minister at the New South Wales level? Does the minister at the New South Wales level have to do anything with this process?

Ms Legg: No. It will come from Transport for New South Wales to our department for assessment and we will assess and brief our minister.

Senator O'NEILL: And this is the Woy Woy one, which is the \$5 million?

Ms Legg: Woy Woy. So we're expecting that development PPR by the end of this calendar year.

Senator O'NEILL: Just in time to reannounce it for the next election?

Ms Legg: And in time we'll have a further idea about the exact time frame once we see that. But at the moment the advice from New South Wales is that construction would start in late 2022 on the Woy Woy car park.

Senator O'NEILL: So announced without any paperwork?

CHAIR: Can I just ask, because we'll go through each of these projects individually, what is the process in between a project being announced and before construction commences? What are the steps? How long does this

normally take? You must have some information across all of these projects rather than doing each one individually?

Mr Smith: I think unfortunately it does depend on the complexity. But the process is in regard to the car parks, because a decision was made on the funding that we then negotiate to get it onto the schedule of the states, identify the relevant delivery partner. They need to then submit a project proposal report which the minister then needs to approve. That way we can allocate funding from that. And then from there you go through those next stages of the various studies, undertaking the design work and into construction. Obviously if the site is a very complicated site, if it's constrained or it's going to impact the community, there's a lot more work that needs to go on than if it's a dead-flat, easy car park site.

CHAIR: Is this all work that's carried out by the jurisdiction, the state or territory that it's in?

Mr Smith: Correct. If it's being delivered by the council, the council undertake that work. If it's being delivered by the state, the state will undertake that work.

CHAIR: So you're not talking to contractors?

Mr Smith: No. Normal practice is we go through the relevant jurisdiction. They undertake the work. They've got the expertise on the delivery side of things. They've got big machinery that can actually then go out and run their tender processes and contracts. And we are more from the oversight point of view about how they're progressing. So we don't actually let those contracts. They do.

CHAIR: And have you reviewed this process? We've been talking car parks at several estimates. We've done a specific inquiry into the car parks. Have you done a review? Has the department or the minister's office done a review of this project now? And what was the outcome of that?

Mr Smith: In terms of the process, because we're not a delivery vehicle we do need to partner. It's no different to the broader IIP. Sometimes, unfortunately, projects do take time to go through the planning and design stage. You can't have an infrastructure project that is able to start the day after it's thought of because you've got to go through all those processes. They all have to comply with the local council, state planning rules as well. They need to go through all that. So if you were doing it from scratch, maybe we could possibly speed up some of our own internal processes. But generally you've got to go through those design works; otherwise you let a contract and you're not quite sure what's under the ground and then you end up in troubles and contract disputes there. So the feasibility work and design work are really important.

CHAIR: Are these projects taking longer than you would normally expect, or are they about standard? What's your experience?

Mr Smith: We haven't done car parks before, so everything is from a new base. We are partnering with states who do have car park programs. Some of those car parks, I dare say, would be smack-bang in the middle of what's the norm. With the expectation on delivery, we did take a bit longer to negotiate delivery partners. I think we've said that in previous estimates. It took longer than we thought to negotiate, particularly with Victoria, to get them onto the schedule. We've now done that, so now we're off doing all that work.

CHAIR: Do you have any more questions on car parks?

Senator O'NEILL: A couple more.

CHAIR: Alright.

Senator O'NEILL: I think you indicated that if you were starting from scratch and driving it yourself, there are perhaps efficiencies in the way that you might go about it. In this case it's like doing a renovation—there's always more work when you have to go back and retrofit, and that's essentially what's happened. The people of Gosford and Woy Woy were promised this in March 2019. We're still at the 'if, maybe, baby' stage because it's not guaranteed that this will go ahead. I'm assuming there will be some cost analysis. Some cost analysis has shown that it's \$200,000 per car park. If it blows out, it won't happen.

Mr Smith: On the cost analysis, and certainly our comment on what was in the ANAO report, until you get the work done, it's a bit hard to say that the car park will cost X per space.

Senator O'NEILL: That's exactly right. So how did the government come up with those numbers? You didn't give them any advice and they had no idea about what they were doing; you said they've never done car parks before.

Mr Smith: That's the work we're doing as part of the feasibility study; then we'll provide that advice to government. That will quite clearly have in there the cost of the project and therefore be able to identify the cost per car park space. What I was saying was that, in the early stages, it's a bit difficult to label it simplistically; if the

announcement was, say, 300 car parks at \$5 million, it's not a simple case of 300 divided by five. You have to do the work before you can actually identify the cost per car park.

Senator O'NEILL: I have to agree with you, Mr Smith. The government has had eight years. It should have done the work before it made the announcement and cashed in the votes, because the people have spent their votes and they haven't got what they were promised. It was March 2019 when they made the announcement—

Mr Smith: I'm not quite sure that's what I said.

Senator O'NEILL: Sorry?

Mr Smith: I'm not quite sure that's the analogy.

Senator O'NEILL: We're going to disagree on that because that's just common sense for people on the ground. There was a March 2019 announcement. If—and it's a big if—the thing can get off the ground, the earliest possible date that it might commence is three years later, in October 2022; is that correct, Ms Legg?

Ms Legg: At the moment, Senator, the latest advice I have is late 2022. That could be October, November or December. But the development PPR which we're expecting in coming months will give us a much better idea about the preferred site and the beginnings of the planning approvals, so that we can refine our—

Senator O'NEILL: To be clear, is there any contribution from the state government who are now your declared consideration partners, the proponents with you?

Ms Legg: No, both of these projects are fully AG funded.

Senator O'NEILL: Fully funded by?

Ms Legg: The Australian government.

Senator O'NEILL: What happens if the cost is much more than the \$5 million or much more than the \$30 million that Mr Morrison and Lucy Wicks just made up? What happens then? Have you got a contingency?

Mr Smith: As with anything, even if it's within the cap, the government still need to make a funding decision about committing the money to the project. They've done the announcement and this would be committing money under the act to the project. Whether it's within or above, the government will still need to make that decision. We'll provide relevant advice and the government will make the decisions in due course.

Senator O'NEILL: And the decision to go ahead could be a yes or no decision. In the case of the two car parks that Senator Sheldon was asking about in the seat of Dunkley, and that have now been collapsed into the Frankston car park, people were promised those car parks and they just disappeared because they were too hard to deliver in those contexts. Is that correct?

Mr Hallinan: They've certainly been collapsed into the Frankston commitment, Senator.

Senator O'NEILL: So the commitments that were made were not honoured. A different thing was advanced there. The people of the Central Coast still have no car parks and, if everything goes well from here, the earliest they could expect to see anything possibly happen would be 3½ years later. That's not a very well planned project at all, despite the great need.

CHAIR: To be fair, Senator O'Neill, we've been talking about this for quite a while. This council is in administration, the one where you just tabled this document. They don't want it built because of the depreciation—the way we account for councils, and depreciation charges. With the other one, they're going to build a bigger car park. I don't care; it's not my patch. They're not in Queensland.

Senator O'NEILL: The people of the Central Coast care, Chair. They were promised it, and they haven't had it delivered.

CHAIR: Okay; I thought the department had some reasonable answers to that. We will go to Senator Sheldon.

Senator SHELDON: I want to go to the electorate of Lindsay in New South Wales. I want to talk about some of the commuter car parks there. I understand that there are three commuter car park grants within the electorate—at St Marys, Emu Plains and Kingswood; is that correct?

Ms Legg: I'm not aware of the electorates. Certainly, St Marys, Kingswood and Emu Plains are three of the car parks within the Urban Congestion Fund in New South Wales.

Senator SHELDON: Has construction started on the commuter car park at Kingswood?

Ms Legg: No. Just bear with me for one moment; I'll give you the latest update on that. In the case of the car park in Kingswood, we are working with the Penrith City Council. Scoping and development has been approved. That was approved for that car park in December 2020. Planning is underway and the council is currently looking at options to maximise the car parking design.

Senator SHELDON: On what date do you expect there'll be actual dirt turned on the site?

Ms Legg: The latest information I have is that construction is anticipated to start in January 2022.

Senator SHELDON: An auspicious time of the year. When is the construction likely to finish?

Ms Legg: December 2022.

Senator SHELDON: Has construction started on the commuter car park at St Marys?

Ms Legg: No. St Marys is also being delivered by the Penrith City Council and it's also in planning. I'll give you the dates for that one. Actually, there's no date for expected construction. The department is expecting the final scoping PPR later this year or early in 2022. I don't have an anticipated construction date. I will have a look for that. The ending date is December 2022.

Senator SHELDON: It says 'ending December 2022'?

Ms Legg: That's right.

Senator SHELDON: Going back to Kingswood, the Transport for NSW website talks about the construction at Emu Plains that's temporarily paused. The Transport for NSW website does not mention the upgrade at Kingswood. Is there a reason—

Ms Legg: The Kingswood car park is 100 per cent Australian government funded. There is no contribution from the New South Wales government, unlike Emu Plains, where they are a co-funder.

Senator SHELDON: I'll go to some other questions on aviation. I've finished on this topic.

CHAIR: We're all done?

Senator WATT: On urban congestion, not infrastructure generally.

CHAIR: Can we try and finish infrastructure generally, before we go back to aviation, so that the department officials can change over in an orderly manner?

Senator WATT: We'll try and get the rest of infrastructure done as quickly as we can. Senator Chisholm is keen to step up.

CHAIR: On infrastructure?

Senator CHISHOLM: I have some Inland Rail questions.

CHAIR: Yes, that's infrastructure.

Senator CHISHOLM: While people are getting to their seats, I had one question I was curious about. I was reading the *Courier Mail* a few weeks ago and the advertisement for the chief executive of Inland Rail was there. I want to get a sense of how that process gets appointed. Does it go to cabinet?

Mr Hallinan: Yes, it's a significant appointments process. There's a recruitment process undertaken by the board. The board will make recommendations through to, in this case, the shareholder ministers, who are the Deputy Prime Minister and the finance minister. As a significant appointment there's a process through cabinet to confirm the appointment.

Senator CHISHOLM: So the ARTC do the recruitment process, then it gets put up to the shareholding ministers?

Mr Hallinan: That's correct, yes.

Senator CHISHOLM: Mr Wankmuller announced he was retiring on 5 February; that is my recollection.

Mr Hallinan: I'm not sure of the exact date, but that's probably not far off.

Senator CHISHOLM: There was a media release, 'The ARTC board has begun the process to replace Mr Wankmuller', dated 5 February. A global search was done to find a replacement for Mr Wankmuller, and I think that was done through the executive search firm Spencer Stuart; is that correct?

Mr Hallinan: That's my understanding, but it's undertaken by the ARTC, so I can't answer that definitively for you, Senator.

Senator CHISHOLM: I'm curious as to how that happened in February and we've seen additional media from the ARTC confirming that Mr Wankmuller was leaving on 30 July. I'm wondering how it went through February to July announcing that Mr Wankmuller was going; then I see an ad in the *Courier Mail* from a different recruitment firm, Egon Zehnder, from 21 August 2021.

Mr Hallinan: The board had made some recommendations to ministers, and ministers have asked for a further, additional search to be undertaken, just to ensure that the field has been tested completely.

Senator CHISHOLM: By looking at the time line through this process, would it be true that one of those shareholding ministers changed, from the start of the recruitment process, and the recruitment process is still going on?

Mr Hallinan: That's correct, Senator, yes.

Senator CHISHOLM: Minister Joyce becomes Deputy Prime Minister during that time and becomes a shareholding minister; is that correct?

Mr Hallinan: That's correct, yes.

Senator CHISHOLM: There's also media from 15 July in the *Courier Mail*, where there's speculation that the Cross River Rail boss in Brisbane—a state government project—Graeme Newton, is poised to become the head of Inland Rail. Are you aware of that?

Mr Hallinan: There was certainly media, yes.

Senator CHISHOLM: Was he the name that went forward to the shareholding ministers?

Mr Hallinan: I don't think I can answer that, Senator. It's subject to a process that goes through cabinet, and we are where we are.

Senator CHISHOLM: Senator McKenzie, do you know whether Mr Newton was the name put forward by the ARTC for the CEO's position?

Senator McKenzie: The name put forward to cabinet?

Senator CHISHOLM: No, put forward to the shareholding ministers.

Senator McKenzie: As the officials have said, any of those appointments are significant appointments and would have to go through cabinet, so you're actually asking me to reveal a cabinet discussion. Is that what you're asking me to do?

Senator CHISHOLM: No, I'm asking if you're aware of whether that name went to the shareholding ministers.

Senator McKenzie: You weren't here earlier but, for everybody's awareness, I won't be talking about matters that have been before cabinet until they're announced publicly.

Senator CHISHOLM: We've got a media story from 15 July suggesting that Mr Newton will quit for the Inland Rail CEO job. From what I can work out, since the process started in February the only change in decision-making was that of Mr Joyce throughout that whole period.

Mr Hallinan: I don't know if I'd say that. In February there was a process underway. I don't think there'd been any recommendations made to any other minister.

Senator CHISHOLM: Are you aware that Mr Newton was at one stage the director of the Traveston dam project in Queensland?

Mr Hallinan: No.

Senator CHISHOLM: Are you aware of that, Minister?

Senator McKenzie: No.

Senator CHISHOLM: That Mr Newton was at one stage the director of the Traveston Dam project in Queensland?

Senator McKenzie: No.

Senator CHISHOLM: Do you recall whether Barnaby Joyce was in favour of Traveston dam or opposed to it?

Senator McKenzie: I don't recall.

Senator CHISHOLM: I can remind you that as a Queensland senator at the time he set up a committee to look at Traveston dam and campaigned vigorously against it.

Senator McKenzie: I was probably lecturing in Victoria at the time, if he was still a senator.

Senator CHISHOLM: So you're aware that Senator Joyce at the time campaigned vigorously against the Traveston dam being built in Queensland?

Senator McKenzie: No, I'm not aware of that.

Senator CHISHOLM: Do you think that there's any connection between Mr Joyce coming back as Deputy Prime Minister and becoming the shareholding minister and Mr Newton seemingly put forward by the Inland Rail authority to be the CEO and then missing out once Mr Joyce came back?

Senator McKenzie: I wouldn't be drawing that conclusion.

Senator CHISHOLM: You just think it's a coincidence that poor old Mr Newton happened to go up for appointment after Mr McCormack had been rolled?

Senator McKenzie: You've drawn that assumption. I haven't.

Senator CHISHOLM: Can you tell me where the process is at, given that we're talking about February when Mr Wankmuller said that he was retiring, and we're in October now and we still don't have a CEO of the Inland Rail authority?

Senator McKenzie: I think the officials have outlined appropriately where the process is up to.

Senator CHISHOLM: Would it normally take such a period of time, given—

Senator McKenzie: These appointments can take a raft of time. They're important roles. Government should take its time to get the right person.

Senator CHISHOLM: But it would seem Mr Wankmuller did the right thing by giving government significant time of his retirement. You would have thought that you'd be able to get things in order to appoint someone within the time frame.

Senator McKenzie: The officials have gone through the process that the government is undertaking and the shareholder ministers, and that's where we're at.

Senator CHISHOLM: So as far as you're aware, there's no connection between Mr Newton being rejected for the role when Mr Joyce took over as Deputy Prime Minister and became shareholding minister and his role within the Queensland bureaucracy and Traveston dam?

Senator McKenzie: Yes, I've already answered that.

Senator CHISHOLM: Which was?

Senator McKenzie: Which was I wouldn't be drawing the same conclusion that you do.

Senator CHISHOLM: I just wanted to go on to ask if there are any documents that can be provided to us—and this may be something you want to take on notice—about the recruitment process.

Mr Hallinan: What sorts of documents, Senator?

Senator CHISHOLM: The advertising that's happened as part of it.

Mr Hallinan: That's a matter for the ARTC. We're not involved in it.

Senator CHISHOLM: And correspondence between the department and the ARTC then in regards to this matter?

Mr Hallinan: We can take it on notice and see what correspondence there's been. It's a matter for the ARTC board to undertake the recruitment action. We're not a party to the recruitment.

Senator CHISHOLM: Other than you decide who gets it or doesn't. Well, the government do; sorry.

Mr Hallinan: Certainly, ministers and cabinet have got a role in this.

Senator CHISHOLM: I just had some general questions around the Inland Rail project. I just wanted to get a sense of what the current budget is for the project.

Ms Hall: The current budget is \$14.5 billion.

Senator CHISHOLM: Thanks. What was the original budget, from memory?

Ms Hall: I'd have to take that on notice, unless one of my team know it? Off the top of my head, I think it was around \$10 billion.

Mr Hallinan: There was five and a half billion extra in a cost reset last year. So I think it would have been \$9 billion or thereabouts.

Ms Hall: About nine or \$10 billion, yes.

Senator CHISHOLM: Can you just explain why there's been such a large increase, given the scope of the project is effectively the same as when it was first proposed, basically Melbourne to Brisbane?

Mr Hallinan: In the detailed design and assessment work there's been substantial additional scope added to the project, in effect. The cost included an additional 4,500 culverts, nine additional viaducts, 6.8 kilometres of additional bridging, 453 kilometres of additional fencing, 10 extra grade separated crossings and 139 level crossing removals. The budget has increased as a result of the detailed scoping that was undertaken between the two budget periods.

Senator CHISHOLM: I understand that the interaction of the route with existing stations along the way hasn't been finalised as yet.

Mr Hallinan: No, the route has been finalised.

Senator CHISHOLM: The interaction with the stations, though, hasn't been finalised yet?

Ms Hall: Do you mean the intermodals at either end?

Senator CHISHOLM: Yes.

Ms Hall: The intermodals at either end haven't been finalised.

Senator CHISHOLM: Regarding the draft designs for stations, there's a consultation process still going on with regard to that, isn't there, with some of the stations?

Ms Hall: If you're talking about the intermodals at either end of the line, so the one in Victoria and the one in Queensland, then there is still consultation and scoping required for those. No decisions have been made yet.

Senator CHISHOLM: Just to clarify: I was interested in Benalla.

Ms Hall: The Victorian stations?

Senator CHISHOLM: Yes.

Ms Hall: With regard to Benalla, there was an announcement last week on the scope of that and the decision around that. That has now been made public. With regard to what is still happening at the other ones, which is Euroa and Glenrowan, there are still decisions to be made.

Senator CHISHOLM: So there's no longer three draft designs for Benalla?

Ms Hall: Sorry, there's still two being decided.

Senator CHISHOLM: So there are two for Benalla and two for Euroa?

Ms Hall: I believe so, yes.

Senator CHISHOLM: There's currently a consultation process on those designs?

Ms Hall: That's right. That was announced in September.

Senator CHISHOLM: That consultation process would then be used as input before any final decision was made?

Ms Hall: That's right.

Senator CHISHOLM: So when will a decision be made on the final design for each of those towns?

Ms Hall: I understand that the consultation process hasn't finished with regard to those two, but I don't anticipate it's too far away. It will still need to go through all of the final approval processes with Victoria.

Senator CHISHOLM: My understanding of the survey that is out is that it doesn't have a closing date.

Ms Hall: I don't believe so at the moment. The consultation has been ongoing with those communities for quite some time.

Senator CHISHOLM: But surely there is a date that they're working to internally as to when consultation will stop and a decision will be made?

Mr Hallinan: It's probably a matter best put to the ARTC. We're trying to be very helpful, Senator—

Senator CHISHOLM: I understand.

Mr Hallinan: but we won't be able to give you some of the detail of this.

Senator CHISHOLM: Okay. So you're not aware that there's a closing date for the submission?

Ms Hall: Not at this stage, no.

Senator CHISHOLM: The survey does not directly ask people which option they prefer. That sounds a bit odd to me. Is there a reason why that would be the case?

Ms Hall: I might ask Andrew Bourne to answer that question.

Mr Bourne: As Ms Hall said, ARTC have been consulting the community for quite some time on these particular issues. I understand that the survey process—if you want more detail you'd probably be best to go to ARTC on that—was part of the overall consultation process to get a sense from the community as to their views on those particular options. From that point, it's ultimately a matter for ARTC to then take forward to the Victorian government.

Senator CHISHOLM: How will they decide on the final outcome as part of the survey if you're not asking directly which proposal people prefer?

Mr Bourne: I think you would need to ask that specific question of ARTC. I can't speak for them on that one.

Senator CHISHOLM: Okay. Has the department responded yet to the Senate report into Inland Rail?

Ms Hall: No, we haven't.

Senator CHISHOLM: Is there a time line on when the department will respond to that?

Ms Hall: It will be a document that's tabled by the government. It's three months from the time that the report was handed down. I think the report was handed down on 11 August, so I think the government has till about 11 November.

Senator CHISHOLM: I've just got a few more questions on Inland Rail and then I've got some other ARTC questions. In terms of the recent announcement by the Deputy Prime Minister around the feasibility study for Gladstone, I think it was \$10 million that was proposed as part of that; is that correct?

Ms Hall: That's correct.

Senator CHISHOLM: Does that come out of a bucket of money that already exists?

Ms Hall: It comes out of the funding that's in the Infrastructure Investment Program.

Mr Hallinan: It's a business case.

Ms Hall: It's business case funding.

Senator CHISHOLM: So it's just where all business cases are funded?

Ms Hall: That's right.

Senator CHISHOLM: Is there a time line on that and how that will be undertaken?

Mr Hallinan: We don't have the relevant officials here to answer the detail of it. I'll see what I've got, Senator. We're anticipating that it will be completed by mid-2023, and it's funded from the Major Projects Business Case Fund.

Senator CHISHOLM: You might be aware that Mr Joyce also recently went on Brisbane radio on 13 October and said that the Gladstone route was booked in. Mr Joyce told Brisbane radio that coal transported from Toowoomba to Gladstone would be booked in as a coalition election promise. Has any money been allocated to build the inland rail from Toowoomba to Gladstone?

Mr Hallinan: At this stage it's a business case commitment that we've funded.

Senator CHISHOLM: So the only money that's been put forward is what was announced, I think on 3 September 2021, when Mr Joyce announced a business case from Toowoomba to Gladstone?

Mr Hallinan: That's the funding we've committed to, yes.

Senator CHISHOLM: When Mr Joyce says that Toowoomba to Gladstone could be booked in as a coalition election promise, there's no actual money, as far as the department is aware, that's been allocated towards that?

Mr Hallinan: There's the funding towards the business case, and then beyond that there'd be any further work that's undertaken by government between now and then.

Senator WATT: Just to be clear: there's no funding anywhere in the budget for extending and building a rail line to Gladstone; that's right? So, Minister, what does Mr Joyce mean when he says this commitment is booked in if there's no money in the budget?

Senator McKenzie: It's hard to build a railway line if you haven't done the type of work that's being funded through the department at the moment. So it would be quite reckless to be announcing we're going to build something without actually having done the pre-work.

Senator WATT: Sorry, can you say that again?

Senator McKenzie: Doing this sort of pre-work is actually what's required. It's a sensible thing to do.

Senator WATT: Did you say it is reckless to commit—

Senator McKenzie: The business case is the case for going forward with a project.

Senator WATT: So why is Mr Joyce saying it can be booked in?

Senator McKenzie: Mr Joyce has been very clear about what he would like to see happen with the Inland Rail. Senator McDonald has heard him say this a lot, and she is also from the great state of Queensland.

Senator WATT: This is a direct quote from Mr Joyce on ABC Radio, talking about Gladstone: 'You can book that in because it's a policy on my behalf on the coalition's policy of ours'. Then he is asked, 'So you'll be taking this to the next federal election, I assume, in March of next year?' Barnaby Joyce: 'Yep'. So is it happening or not?

Senator McKenzie: He is the Leader of the National Party, he is the infrastructure minister, and he has booked the business case to be done—so absolutely.

Senator WATT: So where is the money in the budget, if it is happening?

Mr Hallinan: Governments can commit funding in any economic update.

Senator WATT: Has there been a decision of government to fund an extension of the rail line to Gladstone?

Mr Hallinan: Should there be, it will be announced by the government.

Senator WATT: But there hasn't been yet, has there?

Mr Hallinan: There has been no announcement to that effect.

Senator WATT: Has there been any consideration by any committee of government to approve funding?

Mr Hallinan: It would necessarily be part of a cabinet deliberation process.

Senator WATT: If it happened.

Mr Hallinan: If it happened.

Senator WATT: But if it hasn't happened, nothing has gone to cabinet, or a cabinet committee.

Mr Hallinan: I can't confirm it or deny it. Lots of cabinet processes occur, and we are just speculating about what could be in them.

Senator WATT: I think we all know what is going on here.

Senator CHISHOLM: I have some other questions about the ARTC; I would appreciate it if you can do your best to help. I understand the circumstances. The ARTC is completing its upgrade of the North East Line to a Victorian Passenger Class 2 standard. The ARTC has previously indicated that maintaining the track at the new higher standard will require additional funding to the tune of around \$5 million per year. Has the federal government committed to funding this to maintain the new track at the higher standard?

Ms Hall: The issue of maintenance of a line is currently a conversation that is going on between ARTC and the Victorian government. ARTC usually maintains the line and negotiates that with the relevant jurisdiction.

Senator CHISHOLM: So it is not something the department is involved with? It is something the ARTC is handling?

Ms Hall: That's right.

Senator CHISHOLM: So are they working with the Victorian government to secure an agreement for maintenance funding?

Ms Hall: Yes, absolutely; it has been raised in Senate estimates previously.

Senator CHISHOLM: If there is no additional maintenance funding, how long will it take before the track falls back to below the new Passenger Class 2 standard?

Ms Hall: You would have to ask ARTC that question. It is a technical question; I wouldn't be able to answer.

Senator CHISHOLM: I have some rolling stock questions about the same line.

Ms Hall: Feel free to ask, but I might not be able to answer them if they are particular to ARTC.

Senator CHISHOLM: Will that line have an increased passenger capacity as a result of the upgrade and the new rolling stock?

Ms Hall: My understanding is that the rolling stock is definitely an issue for the Victorian government. The Victorian government buys their rolling stock for all of their lines. So that would be a question for the Victorian government.

Senator CHISHOLM: My understanding is that six three-carriage trains will be delivered for the North East Line and the three car sets can run coupled together, for a total of six carriages. Is my understanding correct on how it will work?

Ms Hall: I believe so. With the upgrade of the line and new rolling stock, if purchased by the Victorian government, in answer to your question, you would presume that there would be greater capacity.

Senator CHISHOLM: So you don't have knowledge of how much higher, or that level of detail?

Ms Hall: We can take that on notice and see if we can ask the Victorian government for you.

Mr Hallinan: We don't, as a general principle, finance rolling stock.

Senator CHISHOLM: I understand. I was interested in how many services per day, what is the passenger capacity for each service and how this compares to the current day.

Ms Hall: They are all questions for the Victorian government, but we can see what we can come back with for you.

Senator CHISHOLM: When would a new timetable be announced?

Ms Hall: Again, that is a question for the Victorian government.

Senator CHISHOLM: This question relates to the \$8 million business case into the fast rail to Wodonga, announced just weeks before the 2019 election by Minister McKenzie. I think this is a quote: 'A fast rail connection will be catalytic for the region, as evidenced by other international regional capitals. This is enabling infrastructure that will connect Albury-Wodonga to the rest of the nation and globe'. Right now the National Faster Rail Agency website says that the business case should be completed by late 2021. Is that still the case?

Mr Hallinan: That is a question for the National Faster Rail Agency, which also hasn't been called today.

Senator CHISHOLM: So it is not something anyone here is aware of?

Mr Hallinan: I would not wish to mislead the committee, so I don't think we can answer it.

Senator CHISHOLM: What about the minister, given that the minister made the announcement? Is it something you have continued to follow closely, given your interest in the issue?

Senator McKenzie: If you're interested in it, you should put it on notice and maybe get the agency you want to ask questions to actually attend estimates.

Senator CHISHOLM: So you are not aware of where the business case is at?

Senator McKenzie: I would have to ask the agency.

Senator CHISHOLM: I have a couple of questions to ask of Infrastructure regarding the Hawkesbury River bridge. I want to clarify a matter: if the PM has announced a \$400 million commitment to the Hawkesbury River crossing, why does the document you tabled this morning, on page 703 of the PDF, list only \$200 million as the Australian government contribution?

Ms Hall: I understand that the documents this morning are at budget. The announcement for the additional funds was made post that.

Senator CHISHOLM: So you're saying that \$400 million has been committed?

Ms Hall: The total project cost is \$500 million, of which \$400million is Australian government funding and a hundred comes from New South Wales.

Senator CHISHOLM: Yes, you told me that before. Thank you.

Senator WATT: On procurement, does the department have any figures on the percentage of work and materials used in federally funded infrastructure projects that is locally made, or Australian made?

Mr Hallinan: Not at hand.

Senator WATT: Do you keep that sort of data?

Mr Atkinson: We do have some data about that.

Senator WATT: Is that publicly available now?

Mr Hallinan: I think we provided a submission recently to a House of Reps committee that is looking at procurement practice across the construction sector. We might be able to drag something from there.

Mr Atkinson: We work with the state and territory governments, so we will have information on Australian input. Do you have a specific question?

Senator WATT: No, I was just interested to know, for federally funded projects, what percentage of contracts entered into, or dollars spent, goes to locally based firms and workers, as opposed to multinationals or interstate?

Mr Atkinson: We do have information on the break-up and size of the tiers of contractors that do our projects. So we can provide information.

Mr Hallinan: I do not know whether we would have location-specific information.

Senator WATT: I was going to ask that as well.

Mr Atkinson: By definition, they are done in Australia, and they are infrastructure projects. It is not like it is a procurement of something you can buy overseas. So the work happens here, if that makes sense.

Senator WATT: But let's say for a big infrastructure project that is happening in regional Queensland, do you keep track of the dollars that are spent engaging local workers as opposed to interstate firms which might send people up to work on those projects?

Mr Atkinson: We wouldn't keep track of individual workers because across the course of a project they use different workers.

Senator WATT: Yes.

Mr Hallinan: For a large project there will usually be some very large companies subcontracting through and there would definitely be local employment as well as employment from other areas, particularly if it is a project that requires high-level engineering skills. You would usually drag those from a different part of the country or world, depending on the size of the project. It's quite difficult for us to pull apart.

Senator WATT: We might put the rest on notice, because Senator Sheldon is keen to get to aviation questions.

CHAIR: Thank you. That means we will have completed the Infrastructure Investment Program and Major Transport Infrastructure Authority projects section. We return now to Domestic Aviation and Reform.

Senator SHELDON: I want to ask a question about the Retaining Domestic Airline Capability Fund and how it is operating. I understand from the department's website that the RDAC is intended 'to assist airlines to maintain core sovereign domestic aviation capabilities through the retention of essential aviation sector skills and knowledge'. It goes on to say that 'this will ensure that airlines can quickly increase capacity if border restrictions ease, recognising that aviation is a key driver of growth in the broader economy'. When this scheme was announced—we have discussed this at previous estimates—Barnaby Joyce said, 'We are talking about pilots and hostesses, not people on the ground'. Just a day later, the government backflipped and the Deputy Prime Minister's office clarified that the ground staff, including baggage handlers and check-in attendants, are also eligible, if they are not employed directly by an airline. I want to ask the department: how are we looking in aviation at the moment? How is it shaping up?

Ms Brown: I think it's fair to say that it's still a bit mixed in the aviation sector and activity is still quite suppressed. I've got some figures here. For the week ending 17 October domestic regular passenger transport flights were around 38 per cent of pre-COVID levels. Flights between capital cities were particularly low. However, some regional routes—those, in particular, in Queensland and WA—were stronger than that and performing better. So we're still seeing variability in the performance of the sector and it's still suppressed. And we're recognising that in the payments in our programs as well. I don't know whether Ms Quigley has anything to add to that description.

Ms Quigley: No. I think Ms Brown has captured it. We do see some of our programs, like DANS and RANS, have increased over the last couple of months, in terms of programs that have come back in for support, because of the border restrictions and travel restrictions. Those programs have been developed to support the sector as needed and taper when the commercial viability returns, but we have seen some increased call on some of those domestic programs. We expect that that will taper back out again as they're able to increase their activity.

Mr Atkinson: On that statement, certainly in our discussions with the airlines I think there is cause for optimism as we move to reopening. I know that I've said that before—the last time, we were hopefully reopening—but certainly there's significant demand and, when we get into a situation where people who are vaccinated can travel and we see the reopening of all the states, I'm expecting that we'll see material increases in the amount of aviation activity, which will be great.

Senator SHELDON: When is that upswing likely to get into full swing?

Mr Atkinson: I can't really put a time frame on it but I'm hoping to see that increases as the states unlock and people can move, particularly between the bigger states.

Senator SHELDON: I'm not asking for a specific date but is there a period where that's likely to happen before Christmas?

Mr Atkinson: I'd like it to happen before or around Christmas.

Senator SHELDON: Logically, there are three sectors in the aviation industry: airports and airlines and I'd include aviation ground handlers as the third. Just before I get into those, can I ask about the government's support for the aviation sector? I'd like to run through that. Are outsourced aviation workers still excluded from the retaining domestic aviation capability payments?

Ms Brown: Yes, they are.

Senator SHELDON: Does that include all outsourced workers, whether cabin crew, ground handlers or the like?

Ms Quigley: That's right. Employees have to be directly employed by the airline to be eligible for the RDAC Program.

Senator SHELDON: The Australian Aviation Ground Handlers Industry Alliance wrote to Minister Joyce on 5 August pleading for the support payments to be extended to 9,000 workers who had been excluded. The alliance told the RRAT COVID-19 aviation inquiry on 6 September, over a month later, that they had not received any response. Are you aware whether Mr Joyce has responded to the letter yet?

Ms Quigley: Yes. I believe that the DPM had responded on 6 September with correspondence back to the peak body.

Senator SHELDON: Can I get a copy of that? Has there been any other correspondence since that date between the parties?

Ms Quigley: Not that I believe.

Ms Brown: No, not since that date.

Senator SHELDON: Are you able to tell us about the essence of that? There was a series of concerns about not being included as part of the package for aviation workers, to keep them connected. Did the minister make any undertakings regarding what he would be doing for that large number? Eighty per cent actually of the industry is not directly employed by the airline companies; so you've got 80 per cent of aviation workers, 9,000, that weren't receiving payments. So did the minister make any commitment to rectify that problem?

Ms Quigley: I'd have to refer back to the letter. I'm sorry, I don't have that in front me. But we do have a program. So there are about a dozen different COVID programs that have been established over the last 18 months, all developed for particular purposes, and we do have a program about skills support, which is directly targeting ground handlers.

Senator SHELDON: But nothing regarding retaining wages. That's correct, isn't it?

Mr Atkinson: The only thing I would just add is that those workers that are in the lockdown declared areas are eligible for COVID payments.

Senator SHELDON: But as you'd very much appreciate, Mr Atkinson, the aviation industry has a regional network, an intercity network—

Mr Atkinson: Yes.

Senator SHELDON: and a number of those areas weren't locked down; so they weren't receiving that COVID payment?

Mr Atkinson: That's correct, yes.

Senator SHELDON: However, the work was affected because of the lockdowns that were occurring and have been occurring elsewhere in the country?

Mr Atkinson: Yes. Sorry, I was stating that point. It's particularly important in the Sydney Basin.

Senator SHELDON: Minister, I'm just wondering if you're familiar with the proportion of ground staff—check-in and customer-service staff and ramp, baggage and below-wing staff—that are outsourced.

Senator McKenzie: No, I'm not.

Senator SHELDON: Would it surprise you if I told you that it was 80 per cent?

Senator McKenzie: Eight percent?

Senator SHELDON: Eighty.

Senator McKenzie: Eighty.

Senator SHELDON: Would you be surprised with a figure of 80 per cent?

Senator McKenzie: Yes, I'm surprised that it's 80 per cent. But given that this isn't my portfolio area, it's not surprising that I don't know that.

Senator SHELDON: That's okay. I'm just going to then ask you about an integral part of the aviation package and the correspondence that was handed up at the RRAT inquiry into aviation on 6 September. It was a copy of the correspondence to the Hon. Barnaby Joyce. Can we just table that?

Senator McKenzie: Can I ask: is that 80 per cent with all aviation industry?

Senator SHELDON: Ground handling, below the wing; so it's ground staff and check-in staff.

Senator McKenzie: So it's not just airline staff?

Senator SHELDON: Yes.

Senator McKenzie: Thank you.

Senator SHELDON: I've got some copies of those statements. You've already got them; all right. What was particularly alarming on 7 September—this correspondence was then a month old—was that it said that ground handlers Australia represent 70 per cent of all aviation handling companies. That was more than 9,800 workers across 51 Australian capital cities and regional airports at the time. It stated:

We're an integral and critical part of the aviation industry. Without ground handling operations, planes cannot fly and airports cannot operate.

And of course they're not getting the same treatment as airlines. They've also highlighted in the correspondence on 5 August, and again on 6 September at the RRAT inquiry, that the consequences of not receiving that support is that there would be labour shortages likely to occur in November, December, January and February, at precisely the time that the Australian economy is trying to recover. Minister, does that raise concerns for you?

Mr Atkinson: We might just go into this a little. I think the key thing that we need to do for the entire aviation sector is to reopen and get aircraft moving again. I think Ms Brown is talking about the fact that we hit 35 per cent—was it last week—of pre-COVID.

Ms Brown: Thirty-eight per cent.

Mr Atkinson: That is a very, very material increase on what we've had for the last few months. And I think that we'll see now—if we're running at 38 per cent of pre-COVID, that's a very big increase on what we've had through this lockdown period and if we can continue doing that—the amount of business will continue and the workers will be in place in that period in December and January that you were talking about.

Senator SHELDON: The problem that those ground handling companies have raised is the retention of capable, experienced and skilled staff. Would you be surprised that, today, 25 October, there's a headline saying—you got this on 5 August and you've got this press statement on 25 October—'Christmas catastrophe as flights grounded'. It states:

With only four per cent left for the vital third leg of aviation after the \$5 billion package was paid out to airlines and airports—

only four per cent went to the third leg, and that's ground handling—

leaving the industry in an unbalanced and perilous state..

An aviation JobKeeper payment of \$750 per week, which has been paid to all airlines, of course has not been paid to those specialist companies that handle ground operations. The Australian Aviation Ground Handlings Industry Alliance went further and 'warned today that up to half of its staff were set to leave the industry for good, setting in train a cascading effect across the economy'. Does that concern you? It certainly concerns me, because I don't want Christmas ruined, which it appears is going to happen.

Mr Atkinson: I think we're in the reopening phase of aviation. I think we're going to see a very significant increase in the amount of aviation activity, and the best thing for jobs on the ground are planes in the sky.

Senator SHELDON: Minister, could I just say this: I've raised that there are three elements to the aviation industry. There are obviously the airlines, the airports and the ground handling. I appreciate Mr Atkinson saying that the planes will be up. There will just be no-one there to service them. That's what my fundamental concern is. And, more importantly, the concern is that this is going to destroy Christmas. Can you shed any light on what the government is doing to make sure that the ground handling workers that have been outsourced—and I note the 2,000 outsourced workers, of course, at Qantas, so that has added to the pressure—have not been receiving the support?

Mr Atkinson: Could I just add, before the minister does—sorry, Minister—

Senator McKenzie: Yes, sure.

Mr Atkinson: I think the figure of the 38 per cent is really, really important because 38 per cent of pre-COVID is actually a very, very large amount of aviation activity that we've moved to just with the reopening that we've got to date. And those aircraft are being serviced. If we continue at this rate then the demand for the workers and workers getting paid will be in place soon, and the thing that you're talking about hopefully won't be a problem because we'll have aviation employing staff in coming weeks because of the demand that's in the system.

Senator SHELDON: Mr Atkinson—and I'll direct this to the minister—there is a clear position put by 70 per cent of the ground handling industry that not receiving support means that there will be a shortage of staff; they will not be able to retain staff and staff have been and will be leaving. They've raised serious concerns about the fact that there isn't a retention during this period of the build-up of the ramp-up. As Mr Atkinson has said, hopefully it's before Christmas. This will ruin Christmas, if we don't have support for the ground handling companies.

Senator McKenzie: Thank you for your ongoing advocacy for the aviation sector. As you appreciate, and obviously Minister Joyce and the government appreciate, this has been an incredibly difficult time for the aviation industry, being subjected to border closures and an uncertain operating environment and not just international borders, obviously, but within our own nation. As a government, as we've made our way through this global pandemic we have continually reviewed the mechanisms and the support measures and, as we're seeing growing vaccination rates, which are absolutely incredible, out of this world, we're going to see the economy rightfully opening up and those border closures a thing of the past. And that's going to be the best thing not just for our pilots but for our baggage handlers and our support workers right throughout the aviation industry.

Senator SHELDON: Doesn't it raise concerns, Minister, that now on three separate occasions that we're aware of that the industry sector that covers 70 per cent of this industry has said that there is a crisis regarding shortage of labour, skilled labour, to do that work because people have not been retained? Is that not of concern to you? I'm finding that it's not, so whether it is—

Senator McKenzie: You raise a real issue, and I think it is something that has been exacerbated within the COVID-19 context that labour shortages are not just being felt within the aviation sector. There are significant labour shortages in a raft of industries because we are just simply not getting our usual sources of labour that we would have. So we are having a real crunch time, and that's going to continue for a while post our recovery. But I think the best thing for the aviation sector and the workers that you care about is that we get these borders open, that we follow the national plan. Lockdowns are supposed to be a thing of the past come 80 per cent double vacation rates—that is the science, it's not the politics—and, with Australians rolling up their sleeves in amazing numbers, I'm hopeful that that will happen much sooner than later so that people can be with their loved ones for Christmas.

Senator SHELDON: I think we'd all wish that there weren't any more lockdowns; of course, we'd all share that aspiration. But the national cabinet also said that there is a capacity for lockdowns to still occur, and it's yet to be seen whether we have further lockdowns or not, potentially. I want to go back to this question: we have an industry body saying that, with their work, in two pieces of correspondence and a press statement again today, they will not be able to service the industry and keep airlines running. All work is essential, but there's nothing more essential than trying to keep the planes in the air, which requires ground handling staff. We can't get airlines up and running unless we have the ground handling staff there as well. Quite clearly, it's been spelled out on a number of occasions that there's been a policy failure and that not giving support to the ground handling staff is going to ruin Christmas for everybody.

Mr Atkinson: Ms Brown has something to add on that.

Ms Brown: We have heard your concerns, and we have heard the industry's comments as well. We have sought to get further evidence from them. As we've said in previous conversations, policy needs to be based on evidence. We did seek further evidence from the industry, the peak body, as to the number of people that might have left the industry. It is really hard to get reliable data; in their subsequent response to us, or conversations with us, they indicated that. That's why they talk about there could be risks. Nonetheless we are still monitoring it. We've also had conversations with the airlines to understand how they might mitigate the risk because they need ground support staff as well. They also have mitigations and contingency plans in place. It's an issue that we keep under review but, as the secretary said, as we get planes in the air, the work will flow to the ground support staff.

Senator SHELDON: Thank you, Ms Brown. Ms Brown, the contingency planned for those airlines, you might be surprised to know, is the ground handling companies, and they're saying that there will be a catastrophe leading into Christmas. Can you give us a copy of the correspondence that you've had with the ground handling companies, and are you able to refer to the dates now?

Ms Brown: I wonder whether Ms Quigley has those dates; if not, Mr Dymowski might have them.

Ms Quigley: Senator, we followed up with the ground handlers following the public hearing. I haven't got the date when we first contacted them, but we followed up on 16 September and on the 28th; then they responded with further information on 29 September. There was about a three-week period when they were gathering data. As Ms Brown said, there are some challenges in drawing on this data and extracting it from the various company

systems. Also, in a discussion with the sector, until you go to recall these staff, it's often difficult to know who will not be returning to the workplace. The numbers that they gave us had those caveats around being able to validate them in any real way until they were in a position where the people were recalled.

Senator SHELDON: Ms Quigley, your point about recalling staff is a valid point because everyone knows that a number of people will not be coming back, because they've found jobs elsewhere, life circumstances have changed et cetera or they don't have faith in the industry, continuing on to the degree that they otherwise would do, to remain. If you're saying that they don't recall staff, doesn't the question, Minister, then go back to: can you explain why the government decided that outsourced aviation workers didn't need any support but direct airline employees did? We've very clearly received an answer to say that we don't know how many people will come back, because they are yet to be recalled, but there's no connection strategy for these aviation companies; there's no aviation JobKeeper. There is a Qantas JobKeeper; there's not an aviation JobKeeper.

Mr Atkinson: I do go back to the point that, with people during this period, I suspect that a very large number of these workers were in lockdown areas and were eligible for the COVID-19 payments. But, as I said before, we're at 38 per cent now. Since that happened in September, there's been a material reopening in Australia, particularly with New South Wales, so the circumstances have changed a great deal. What Ms Brown and Ms Quigley were referring to were caveats to the claims in the letter that you've been talking about here, in terms of the data that it's sitting upon. We will continue to monitor these circumstances very carefully, but the most important thing for us to be able to do is to keep consistency in aviation, keep things reopening and keep confidence that the aviation sector will keep growing out of this, that we'll move upwards from the 38 per cent and that we need to stay away from further lockdowns. If there are further lockdowns then we will absolutely be re-looking at all of this again so that we make sure that we've got the aviation sector that we need on the other side of COVID.

Senator SHELDON: Mr Atkinson, you just gave the answer which actually confirms the concern for a Christmas catastrophe as flights are grounded.

Mr Atkinson: No, Senator, I was—

Senator SHELDON: You said that, as there's an upturn, we'll be requiring more people. That is the problem; that is at the heart of the problem that we have because people aren't being retained in that critical work.

Mr Atkinson: The point I was making was that we're 38 per cent of the way there, and it's working.

Senator SHELDON: We don't know how many are going to come back—that's the evidence that we've already received—so where is the point when you can actually say—38 per cent is 38 per cent; it's not 50 per cent, it's not 60 per cent and it's certainly not 90 per cent.

Mr Atkinson: I'm talking about a recovery, and a trajectory of recovery, that's very important. This is a circumstance with a clear pathway to growth that everybody in the sector can see at this point, and I want to—

Senator SHELDON: They can. They said there's going to be a catastrophe by Christmas. We're going to ruin Christmas; that's what the industry is saying.

CHAIR: Senator Sheldon, your point is well made. The industry is very concerned, and you've done a very comprehensive inquiry into the aviation sector and the COVID impacts. I think we're covering some of the same ground now. Do you have anything else that you want to progress?

Senator SHELDON: I have other things, and I'm very happy to move on and see how I go with people identifying that there is a problem.

CHAIR: I think there was an acknowledgement that there are problems. In fact, a plane to Queensland on Friday landed in Brisbane and they turned nearly everybody on the plane back. All of those things undermine confidence. Anyway, your points are well made, but please continue.

Senator SHELDON: You made an assertion that most aviation workers—I'm going to ask you what the percentage is and what the actual numbers are—were receiving COVID payments because of lockdowns. You might explain what's happening in Tasmania for the outsourced ground handlers there.

Mr Atkinson: What I actually said was that I suspect that a lot of them would have been in lockdown areas and able to access COVID-19 payments.

Senator SHELDON: Tasmania didn't received payments, did they?

Mr Atkinson: I'd have to take that on notice, Senator.

Senator SHELDON: You're not aware of whether COVID payments were made in Tasmania during this period?

Mr Atkinson: Not off the top of my head.

Senator SHELDON: South Australia?

Mr Atkinson: I don't think they were.

Senator SHELDON: Western Australia?

Mr Atkinson: I'll say no, but Western Australia had a lot of aviation activity internally.

Senator SHELDON: So we've got three states, potential territories, that have had no payments, yet we've got an upswing that's occurring regarding aviation work. There's going to be a demand for airlines, without having the ground handling staff there that we require. That's what's spelled out by this employer group. Minister, in case you don't know, it's regional airports where outsourcing is most prevalent. At almost all regional airports, 100 per cent of check-in, customer service, ramp and baggage staff are outsourced. Why would the party which claims to be for regional Australia deliberately have regional aviation workers out of the support payments?

Senator McKenzie: As I've already answered, our government is continually reviewing our support. Domestic border and travel restrictions imposed by state and territory governments, in response to the recent outbreaks of COVID-19 Delta variant in New South Wales, Victoria and the ACT, have undermined domestic interstate air activity. While some flights continue to operate, to be able to quickly scale up operations will require domestic airline capability to be maintained, and that is precisely what the RDAC and IAS programs seek to do.

Senator SHELDON: As I highlighted before—

Senator McKenzie: Senator, this support package was not meant to replicate JobKeeper from last year because, as you've seen, it wasn't the whole nation locked down; it was different state and territory leaders responding very differently to COVID-19 within their communities, and that has had perverse outcomes for many industries.

Senator SHELDON: The point I'm making about perverse outcomes is that the government made a half-hearted attempt to turn around and deal with the ground handling question, when 80 per cent of it is outsourced. That goes to the heart of the problem that I'm raising. Mr Atkinson is rightly saying that it's obviously in New South Wales, the ACT and Victoria that there have been lockdowns, and there were COVID payments in some areas. This goes to the question about what we're doing for these regional airports, in particular—the services that are provided there—where nearly 100 per cent of those regional airports are having a problem with the retention of staff and people coming back. As Ms Quigley rightly said before, you don't know. If you don't know—

Senator McKenzie: I would be calling on state and territory leaders to stop locking people up, when they have vaccination rates which mean they don't require it. Australians are ready to get back in the air. They're dying to get back in the air and visit loved ones, conduct business and ensure that our industry is employing the people that were there pre-COVID. But we can't do that whilst people, like premiers, are locking people in and out, and not in response to science but in response to political issues. I think that, in coming weeks, that will actually be a reality and we'll have the planes back in the air in the numbers they were before, and people will be back at work.

Senator SHELDON: I'm taking you to the point you just made at the tail end of your comments; that is, we'll have people back at work because things are looking good. I'm using my words there.

Senator McKenzie: The vaccination rates suggest that we should be opening up. Lockdowns should be a thing of the past.

Senator SHELDON: Minister, that really goes again to that question that I raised about 80 per cent of the work being outsourced and almost 100 per cent in regional areas, and there's been a loss of staff to meet your expectation. This is what the ground handlers organisation is saying to us, as senators. It does raise some serious concerns about whether the government has any appropriate preparations for ground handling staff and to make sure that they're retained. For example, when 2,000 Qantas baggage handlers were employed and then the 2,000 came off, anyone in their right mind would think, 'That's a lot of people going out of ground handling,' when a decision is made that it only goes to airlines. Isn't there a lack of clarity about whether we will have the staff, and that the only clarity is from the employer association saying that there will be a shortage and that Christmas will be a catastrophe?

CHAIR: Senator Sheldon, Ms Brown has already responded to that. You've asked her to provide correspondence on notice about the communications that the department has had in this regard. I don't want to cut you short. I just think you've made your point; you've made it well. I'm not sure what else can be added, because this is a nationwide problem of people moving around and moving to where they've got job security. I'm not for a second taking away from the point that you're making, but I do think you've made it well.

Senator SHELDON: Thanks, Chair. You've highlighted, as well as the other answers that I've received, that we have deep concern. This isn't just like any other industry. If you don't have the ground handlers there, it can't operate to its full extent. That is the economic lifeblood of this country—the aviation industry—and it's quite clear that there is massive pressure on there not being enough ground handling staff, which was warned and warned about months ago. I want to go to a question about something slightly different. Minister, are you familiar with a recent Federal Court decision that Qantas last year, when it outsourced 2,000 ground handling jobs, was in breach of the Fair Work Act?

Ms Brown: We're aware of the case and, as I'm sure you're aware, Qantas is also appealing the decision in the first instance, so we don't think it would be appropriate until we have the final decision of the court.

Senator SHELDON: Minister, you're aware of it as well, are you?

Senator McKenzie: Not the details, no.

Senator SHELDON: Not the details, but 2,000 workers were outsourced.

Senator McKenzie: From the advice that I've just received, this is a matter before the courts, so I won't be commenting.

Senator SHELDON: Those workers have been outsourced. There's been a court case that has been won by those workers, which is under appeal. I'm asking you whether you are aware that 2,000 ground handling workers were laid off and outsourced by Qantas.

Senator McKenzie: As you're aware and I've made very clear, I'm representing the transport minister in the Senate. This isn't my portfolio area, so I'm not actually aware of the details that you go to.

CHAIR: We will be returning with aviation reform after the break. I know that there are more senators who have questions, and I ask that we start trying to tighten this up so that all those people who are waiting can get their go as well.

Mr Atkinson: Senator, could I just ask a quick question? We've done BBRF as part of regional; we had a discussion on BBRF at the start. Are we still doing a regional session after this?

CHAIR: We are still doing a regional session because we have other senators, not from the opposition, who want to ask questions. The opposition have told me that they have asked their questions on BBRF.

Mr Atkinson: I've got that one that I took on notice that I'll come back to.

CHAIR: Thank you.

Proceedings suspended from 16:17 to 16:32

CHAIR: Welcome back. And welcome to Minister Ruston, whom we are pleased to have briefly, as Minister McKenzie has been called away. Senator Waters.

Senator WATERS: Could I first place on record my extreme gratefulness for 2021, which has assisted me; the state issues are all done now. I want to go back to questions pertaining to the Brisbane Airport Post Implementation Review Advisory Forum. We were talking earlier today about the Brisbane Airport Post Implementation Review Advisory Forum, which I will just call the 'advisory forum'. We were talking about a budget for communications. Perhaps you can remind me of the answer for that one. It was said that they were being remunerated, but I was not sure whether there was an actual budget for them to make their remuneration opportunities publicly known.

Mr McClure: In regard to the question around remuneration, I think we said that we had budgeted up to \$40,000, depending on the actual hours required.

Senator WATERS: No. I am interested in whether they have a comms budget for telling the public about opportunities to input into the advisory forum.

Mr McClure: There is no specific budget for communications. The money that has been allocated relates to remuneration for hours involved in the committee.

Senator WATERS: So, if they want to advertise the fact that they are having a forum and they are seeking public input, who pays for that?

Senator Ruston: Excuse me; I cannot understand what Senator Waters is saying.

CHAIR: Senator Waters has had some connection problems.

Senator WATERS: Hopefully the officer followed my question. It was about whether the advisory forum had any funding to do communications to tell the public about opportunities to engage with the advisory forum. I think you mentioned earlier that there was an ad in the papers. Who pays for that sort of thing?

Ms Brown: There has been no appropriation as such, but activities of the type necessary to support the forum would be funded within departmental resources.

Senator WATERS: I do not know what that means.

Mr Atkinson: The department is providing secretariat support to them and the necessary support for their activities.

Senator WATERS: So the department would pay for any comms required?

Mr Atkinson: Yes.

Senator WATERS: What is the budget for that?

Mr McClure: We have allocated \$40,000, which we think will meet the requirements as we have predicted. But that can be revisited if activities go on longer, or are more substantive than we allowed for in the forecasts.

Senator WATERS: We talked about the composition of the advisory forum. I note that the Deputy Prime Minister has described it as a 'community forum', but I am not aware that there are any community members on the forum. Are there any committee forum members on the forum?

Mr McClure: The forum has been put in place to work in parallel with the post-implementation review being conducted by Airservices. The idea is that there are well-established, experienced persons representing constituents who are there to, as far as possible, ensure that, where the community is making representations to Airservices, they can make an assessment as to whether they are being adequately addressed through the various parts of the process. So an extensive community consultation process is part of the post-implementation review. There have been community forums over the last week and a half and there will be some more forums early next year. The community meeting is being staged by Airservices. The idea of the forum was not to replicate that, but to work alongside Airservices to look at how the issues being raised by the community are being addressed and whether they feel they are satisfactorily being addressed to provide advice back to Airservices on where they think some of that process may not be quite meeting community expectations.

Senator WATERS: Are there any community members on the Brisbane Airport Post Implementation Review Advisory Forum?

Mr McClure: The members of the forum live in and around Brisbane and are there to represent community views and assess whether Airservices are adequately considering the community views that are coming forward through those meetings and through correspondence. They have invited submissions from the public. They are meeting right now, as we speak; their second meeting. My understanding is that they will look to have a meeting where community representatives can come forward to talk to them directly. But the bulk of the community engagement will be through the Airservices process.

Senator WATERS: Thank you. But are there any community representatives on the advisory forum?

Mr McClure: They all live in the community.

Senator WATERS: Are they there as community representatives, or are they there wearing different hats?

Mr McClure: They are there to ensure that community views and concerns are being addressed.

Senator WATERS: I understand their function. I am asking about the capacity in which they have been appointed to that forum.

Mr McClure: They have been appointed because they are experienced persons who live in that area and have interests in facilitating community views. I don't know how you would differentiate between a community person and a person who lives in the community.

Senator Ruston: Senator Waters, if it is of any use to you, the purpose of the forum is: 'will be consulted at key points to provide visibility'. The process is 'to review documents being released for community and stakeholder consultation and to provide visibility of feedback from stakeholders in the Brisbane community as a whole'. So the purposes and the process of the community consultation will be undertaken by Airservices. What this group does is provide an overview, in terms of being able to review the process as it relates to what are obviously some quite complex processes that are associated with a process such as this. So it is a community-oriented forum, as opposed to the specific community consultation being undertaken by Airservices; that would be my reading of the terms of reference and the purpose of this group.

Senator WATERS: Thank you. I was simply pointing out that the Deputy Prime Minister has referred to this as an independent community forum, but there are, in fact, no independent community members on it. Perhaps you could table for me who is on the advisory forum and the capacity in which they are on the forum; that would

be helpful. Will you extend an invitation to the Brisbane Flight Path Community Alliance to join the advisory forum?

Mr McClure: I wouldn't expect that there would be an invitation to join. They would likely be one of those community groups that will be invited to put their concerns directly to the forum.

Senator WATERS: Why wouldn't you expect them to be invited to join the forum?

Mr McClure: The forum was set up to be a reasonably small group of representatives. You have to remember that there are many community areas impacted by the aircraft noise, both positive and negative, from the change in flight paths, so we have not sought to single out any particular community group. The community has been invited to submit, and would most likely get the opportunity to make representations direct, to the forum.

Senator WATERS: Thank you.

CHAIR: Senator Sheldon, back to you.

Senator SHELDON: Minister, are you familiar with the fact that, according to the recent Federal Court decision, the Qantas decision last year to outsource 2,000 ground handling jobs was a breach of the Fair Work Act?

Mr Atkinson: Could we update the minister on what we said before she came?

CHAIR: That would be useful.

Senator SHELDON: If the minister is not aware that 2,000 Qantas workers were sacked, perhaps somebody could explain it to her.

Mr Atkinson: Senator, it is important that we put on the record that Ms Brown has already answered that that is the subject of an appeal now.

Ms Brown: That is right.

Senator SHELDON: That is not what I was asking, Mr Atkinson.

Mr Atkinson: I was just making sure that the minister understood.

Senator Ruston: I was going to ask for an update. Obviously, I am broadly aware of what happens across the Australian landscape, but I am certainly not across the kind of detail that would enable me to give you an answer that I would be confident in.

Senator SHELDON: That is sufficient. The answers were given from the department's view earlier; so that's fine. Chair, do you want to go to Senator Sterle or keep going?

CHAIR: I'm keen for you to finish your questions, Senator Sheldon, so that then Senator Sterle can do service transport policy and we can finish this section. Senator Sterle, Senator Sheldon is just going to finish his couple of questions; then we're going to you and then we'll finish this section.

Senator STERLE: I will wait patiently; thank you.

CHAIR: Thank you, Senator Sterle.

Senator SHELDON: Thank you, Chair. Until last year those 2,000 roles were filled by Qantas employees who would have been eligible for the support under the program that we were discussing before you arrived, Minister. And in that support from that program because of the illegal outsourcing—it's been found to be illegal. I'm not asking you to make a comment other than the fact that you wouldn't deny that a decision has been made that it's illegal. I know it's been appealed. I see that you are nodding your head, so you're aware of that. Is that right, Mr Atkinson?

Mr Atkinson: Yes.

Senator SHELDON: Those 2,000 roles are not eligible for the support package that we've been talking about for aviation keeper. Are you aware of that?

Ms Brown: If I can go through the history of what I'm aware of, Qantas notified 2,000 employees that it would be outsourcing ground handling operations at 10 airports in November last year. The employees took action against Qantas. On 30 July 2021 the Federal Court ruled that Qantas had acted unlawfully and contravened the Fair Work Act. Qantas has now said that it is appealing the decision. There are a lot of hypotheticals there about what would have happened if Qantas had acted differently at different points of time. It is something that happened in November 2020. RDAC didn't start until early August; so it's hard to tell what they would have been in August, when RDAC started, because Qantas could have made a number of different decisions between November and then in relation to those people anyway.

Senator SHELDON: So Qantas wasn't aware of discussions about an aviation JobKeeper prior to the determination of the outsourcing of those 2,000 workers?

CHAIR: I don't think you can answer for Qantas, can you?

Senator SHELDON: Was there engagement from the department with Qantas to that effect?

Senator Ruston: I would also point out that I think Senator Sheldon has used a term that doesn't actually exist. I think you're referring to the RDAC Program, are you, Senator Sheldon?

Senator SHELDON: That's right.

Ms Brown: The RDAC program didn't start until August this year; so that is quite a long time after Qantas terminated the employment of—

Senator SHELDON: Yes. I'm just asking the question—

Ms Brown: those 2,000 employees.

Senator SHELDON: Are you aware whether Qantas approached the department about aviation keeper?

Ms Brown: I'm not quite sure what you mean by 'aviation keeper'.

Senator SHELDON: I'm sorry, the aviation JobKeeper program; my apologies.

Mr Atkinson: There isn't such a program.

CHAIR: There wasn't such a program.

Senator SHELDON: The RDAC. I'm referring to it in that context. It's RDAC, yes.

Ms Brown: Prior to RDAC, yes, there were approaches by the airlines around the state of the industry.

Senator SHELDON: Qantas received around \$2 billion from the federal government during the pandemic. In addition to the illegal outsourcing decision, they're now also subject to legal action by SafeWork New South Wales for a breach of the Work Health and Safety Act. That claim concerns Qantas standing down a health and safety representative for raising COVID-19 safety concerns. Minister, is it a concern at all for the government that a company in receipt of so much public funding—\$2 billion—is conducting itself in that way?

Mr Atkinson: Could I just ask for a point of clarification before the minister answers? The \$2 billion a year, that's well in excess of anything out of our portfolio. Is that figure—

Senator SHELDON: That's the global figure, as I understand it.

Mr Atkinson: Is that including JobKeeper or something—

Senator SHELDON: Yes.

Mr Atkinson: I'm sorry, it's just quite a different figure to—

Senator SHELDON: Including JobKeeper, yes; whole-of-government.

Mr Atkinson: I'm sorry, I interrupted you. Could you please repeat that?

Senator SHELDON: I'm more than happy to. In addition to the illegal outsourcing decision we now have it being subject to legal action by SafeWork New South Wales for a breach of the Work Health and Safety Act with claims concerning Qantas standing down a health and safety representative for raising COVID-19 safety concerns. In light of that and the decision from the Federal Court regarding the stand-down of these 2,000 workers and that they should be reinstated, is it of concern at all for the government that a company in receipt of so much public funding—\$2 billion—is conducting itself in that way?

CHAIR: I just want to be clear that we're not prosecuting an industrial relations issue here, because we are trying to get to the budgetary process, the estimates process.

Senator SHELDON: This is the last in this line of questioning. The outsourcing question is consistent with the questions that I was asking before about what is happening to those ground handling companies and those workers, because it has an effect on the aviation industry.

CHAIR: Sure, and we've discussed that that's the subject of an appeal now. I think the department has made that point.

Senator Ruston: I'm more than happy to answer Senator Sheldon's question. Obviously the expectation of the Australian government is that all Australian companies operate within the law. The matter that you're referring to is currently subject to an appeal and, therefore, it would be inappropriate for me to make any further comment.

Senator SHELDON: And the health and safety representative who was terminated for COVID-19 safety concerns, where SafeWork New South Wales is pursuing the company for a breach of the Work Health and Safety Act—I'm not saying that they've been found guilty; the final decision hasn't come down, but already there

has been consideration; it is similar to the police charging somebody—is it of concern that Qantas has been charged on these grounds?

Senator Ruston: As I've said, the Australian government's expectation is that Australian companies and any company operating within Australia will operate within the Australian law.

Senator SHELDON: I just want to go to quite a different matter. What happens to moneys refunded where a person has had their flight cancelled or has had to cancel due to border closures?

Ms Brown: Are you talking about operation TANS?

Ms Quigley: Is this in relation to TANS?

Senator SHELDON: Yes; thank you.

Ms Quigley: Airlines have got their refund policies in place. But effectively, with a person who cancels their flight or wants to recirculate it, it goes back into the TANS pool and then comes up again for sale within the time frame of the program.

Senator SHELDON: So if someone cancels, in the pool that the money has been paid into, the airline gets paid back, does it, to the government?

Ms Quigley: At the moment they've still got 800,000 tickets that they're intending to sell. The time frame has been extended till the end of November, which gives them the opportunity to recycle the tickets that have been returned either due to cancellation or rebooking.

Senator SHELDON: I just want to ask about the department's response to question on notice IQ21-000082. It's a question taken on notice on 6 September at the COVID-19 aviation inquiry. I asked about TANS tickets sold in light of the recent lockdowns and you said that around 800,000 TANS tickets have been sold as of 20 June 2021; as at 29 August 2021 the number of sold tickets had dropped to approximate 623,618. I just want clarification about the 177,000 tickets that were cancelled as a result of lockdowns. Has that money stayed with the airlines or has it come back to the department before potentially being reallocated to the airlines?

Ms Quigley: It stays with the airlines and they then, through our process, acquit the sale of those tickets. So we still expect that those 800,000 tickets under the TANS Program will be used between now and the end of November.

Senator SHELDON: Do you have a figure that you could give us of the amount that they're holding for tickets that have been cancelled?

Ms Quigley: I've got it in percentage terms. As at 31 August we had 65 per cent of TANS tickets had been used for travel; so we've got approximately 35 per cent still available for use.

Ms Brown: I have it in number terms, if that's helpful.

Senator SHELDON: Thank you.

Ms Brown: As at 10 October an estimated 710,947 discount TANS had been sold, representing an indicative 86 per cent of the total ticket allocation. So it's certainly increased since we last spoke.

Senator SHELDON: What percentage of that 86 per cent are tickets where there has been a cancellation due to lockdowns?

Mr Atkinson: I'm sorry, my reading of that is that there are 710 out of the 800.

Senator SHELDON: So there's money that has been paid to the airlines; it has been paid for tickets under TANS, and it has been paid for. This is how I understand what you're putting to me: they've been paid the amount of money that's obliged to be paid under TANS. Then flights are cancelled because there have been lockdowns et cetera and changed patterns of aviation, and you're telling me that money is kept then within the company. They keep the money, even though the ticket hasn't actually been expended. So I'm trying to work out how much money the airlines are holding onto from those expended tickets that haven't been utilised but have been paid for.

Ms Brown: We're expecting that they will resell those tickets. The program was extended to 30 November, in recognition that border closures had slowed down the amount of travel. So tickets will be recycled—I think was the word that Ms Quigley used—and resold but Qantas will only ever be paid once for a ticket, or any airline will only ever be paid once for a ticket.

Senator SHELDON: Are you able to give us the amount of money that they've actually got in that holding pattern?

Ms Brown: I don't have that figure here. I'm wondering whether we can take that on notice.

Senator SHELDON: Is it possible to get that figure today?

Ms Brown: I don't know if we can get it today.

Ms Quigley: Probably not today.

Ms Brown: No. I think it might be a more complex kind of a question; my apologies.

Senator SHELDON: It just raises concerns in me about the fact that we don't know what the figure is and the companies are holding onto substantial amounts of money, running into the many millions of dollars. Would it be over \$10 million?

Mr Atkinson: I think the hard part of the equation is that Ms Quigley gave you a figure from August and Ms Brown gave you a figure from 10 October, and 10 October has shown—I may be interpreting this wrongly—that the vast majority of it has been recycled back in already, if that makes sense. More and more of these are getting recycled right now.

Senator SHELDON: I appreciate that there's a recycling. I'm just trying to work out what is the oversight of the recycling and what is the amount of money that these companies are holding onto when the people haven't actually used flights.

Mr Atkinson: We will take that on notice. There's an oversight acquittal process.

Senator SHELDON: On 30 November, if there are moneys being held by the airlines from cancelled flights, is there a recuperations process that exists under the arrangements for TANS?

Ms Quigley: If tickets aren't sold by 30 November, yes, we would engage in an acquittal process and we would consider that the outstanding funds be returned to the department.

Senator SHELDON: Presumably entire flights were cancelled once lockdowns began and tickets were cancelled, and you've said to me that Qantas, for example, wasn't required to pay back subsidies for tickets on flights which never happened and they were allowed to keep the money. On another occasion I notice, not long after Mr Joyce reassumed the position of Deputy Prime Minister and Minister for Transport, more than \$1 million worth of grant funding was awarded to the airports in the New England area. Obviously I would ask for the nature of the advice. I'm not going to ask you about the detail but just for the nature the advice. Can you please tell us when the decision was made to award this funding?

Ms Brown: I think they were payments made under the—

Senator Ruston: Maybe Senator Sheldon could tell us what program they were made under.

Ms Brown: Under the Regional Airports Program.

Senator SHELDON: It's a million dollars. Sorry, Ms Brown; you're answering the question.

Ms Brown: The minister put out a press release on 22 July; is that the one that you're referring to? Armidale received \$300,000 to deliver an airside aircrew rest facility; Tamworth received \$300,000—this is Tamworth airport—to fund reconstruction and sealing of the taxiway pavement; Inverell will receive over \$278,000 for runway lighting upgrades, new wind indicators and a backup generator; and Quirindi will also benefit from \$300,000 for runway pavement repairs.

Senator SHELDON: Thank you; I appreciate that. When was the decision made to award that funding?

Ms Chapple: Those grants, which have just been outlined by Ms Brown, are part of the Regional Airports Program. Round 2 of that program was announced in July; there was a total of \$29.6 million for 89 projects, including those projects that have just been outlined there.

Senator SHELDON: Thank you very much. Who was the decision-maker on those projects?

Ms Chapple: The minister was the decision-maker on those projects.

Senator SHELDON: If the minister was the decision-maker, can you advise whether his predecessor, Mr McCormack, received advice on these grants? Perhaps they were in his office before he was ousted and then had to be resubmitted; is that the case?

Ms Chapple: I believe that the former DPM was the decision-maker for that particular grant round, and the announcement was made when the current DPM—

Senator SHELDON: Did the Deputy Prime Minister or his office request any changes to these grant recommendations after resuming office?

Ms Chapple: No.

Senator STERLE: I've got questions for the Office of Road Safety. Is Ms Gabby O'Neill there, please?

Senator Ruston: Ms O'Neill is Adelaide based, so she's joining us by video.

Senator STERLE: We're going to have a crack this time around, because last time you really left me wondering what the heck happens in your little part of the world there, which is the Office of Road Safety. I really hope, Ms O'Neill, that you have the answers to my questions. I'm going to be very reluctant to let you take them on notice, because you insulted the Senate and the Senate committee process last time with the terrible answers that you gave to a couple of QONs, and I'll give you those QONs as we work through them. Any of your offsiders can jot down the numbers—committee questions 308 and 307. I don't know whether you have them in front of you, Ms O'Neill.

Ms O'Neill: No, I don't have those in front me.

Senator STERLE: I don't blame you, because I'm going to throw them in the bin as soon as I've finished this part of it. I was so insulted that I didn't even want to hold them; it's just disgraceful. Let's have a little crack, Ms O'Neill. With respect to road safety, it's been brought to my attention that road safety stakeholders have been extremely critical of the draft national road safety strategy 2021-30 and the associated draft national road safety action plan. I'll give you the opportunity, Ms O'Neill, to answer these, but I note that these criticisms have identified the draft strategy's lack of measurable actions, identified baselines, targets, deadlines or time frames, KPIs and clear responsibilities, as well as an absence of any detail on the control measures or mechanisms to hold responsible entities to account for their agreed actions. Are you aware of stakeholders' concerns about the 2021-30 draft?

Ms O'Neill: Senator, with the concerns on the strategy, a lot of those have been addressed, and the action plan is still being finalised. The action plan has proposed progress measures; it has the key accountabilities and responsibilities between local government, state government and the Australian government; and it details who is responsible for what and who will deliver what.

Senator STERLE: Ms O'Neill, I'll have another crack and I'll ask you again: were you aware of these criticisms when advising, on 24 May, in your words, that the strategy enjoyed 'very strong support' from stakeholders? Cast your mind back.

Mr Atkinson: Senator, before Ms O'Neill jumps in there, could I add that obviously there are lots and lots of stakeholders in this sector, and there is lots of consultation. There are people who are happy with the strategy, and there are people who would like to see it go a lot further, and that's in the nature of all of these strategies. The reason why the action plan needs to be released at the same time as the strategy is that the two things need to be read together, because the action plan will have a lot of the detail that Ms O'Neill was talking about. In general terms, when you're talking about general stakeholder reactions, obviously, it's important to look at the whole field of things and not just the strong views of a couple of stakeholders. Ms O'Neill, I'm sure, can further answer your question.

Senator STERLE: Mr Atkinson, thank you very much for that pretty poor attempt to deflect my question. Cast your mind back—I'm not going to let this go; this is my shadow portfolio—to when I asked, back on 24 May, of Ms O'Neill whether she was aware of the stakeholder discomfort, while she was also saying that the stakeholders showed very strong support. Let's have another crack, Ms O'Neill. Were you aware of that on 24 May, when I asked you about it?

Ms O'Neill: Senator, I received 110 written submissions on the draft strategy that went out for public consultation. We engaged an independent consultant, Elton Consulting, to summarise the findings from the public consultation so that there was an independent process to assess whether there was support or not for the strategy. That independent report found broad support for the strategy. It did note a number of recommendations to improve it, including strengthening governance and accountability, pursuing greater ambition in the targets and the need for sufficient funding to deliver change. But, in general, there was support for the strategy.

Senator STERLE: 'Very strong support' were your words; is that correct?

Ms O'Neill: Those were my words at the time. Perhaps I should not have used an adjective and, at the time, I did not have the consulting report in front me, from which I wished to outlay what the independent consultant provided at the time.

Senator STERLE: Firstly, who was the independent consultant?

Ms O'Neill: Elton Consulting.

Senator STERLE: Who are they?

Ms O'Neill: They're a consultant firm that the department have previously used in different public stakeholder forums, to facilitate that process.

Senator STERLE: How much did the Commonwealth pay Elton Consulting to do this report?

Ms O'Neill: It was about \$40,000.

Senator STERLE: Let's go back to the report. You were saying that—I won't use the exact words—there was strong support; there were 110 submissions. Tell us what the report says about the strategy and the support for it—only the support for the strategy.

Ms O'Neill: I'm just checking my notes.

Senator STERLE: Sure.

Ms O'Neill: The process included submissions from key road safety organisations and public stakeholders, including the Australasian College of Road Safety, Amy Gillett Foundation, Australian Road Safety Foundation, ANCAP, Australian Trucking Association, the Truck Industry Council, the Bus Industry Confederation, the Northern Territory Road Transport Association, and owner operators. All of the submissions are available on the website. The report found broad support for the strategy, noting some recommendations to improve it, including strengthening governance and accountability, pursuing greater ambition in the targets, and the need for sufficient funding to deliver change. There was broad support for the policies. There were a number of stakeholder sessions to clarify any questions that people had at the time, and there was strong support for actual targets rather than per capita targets.

Senator STERLE: It's a well-known fact, Ms O'Neill, that the AAA, who are not fly-by-nighters, represent vehicular motorists with the collective memberships of their members. Between them and the Australian Trucking Association, there could be said to be about 8½ million motorists or drivers. The AAA did their own thematic analysis; are you aware of that, Ms O'Neill?

Ms O'Neill: Yes, I am aware of their analysis, but I'm not sure about the factors on which they undertook their analysis. It's not clear to me from their website how they undertook that.

Senator STERLE: Have you picked up the phone to call the AAA in for a meeting to have a talk about it?

Ms O'Neill: I would say that we are in contact with the AAA on a number of programs and matters, but I'm not sure if there has been direct communication on how they used the submissions to convey the outcomes that they've put forward.

Senator STERLE: The reason why I say that, Ms O'Neill, is that I was one of the first ones to come out of the box and say, 'What a good thing.' After the demise of the Office of Road Safety under the Howard government, I had proposed that we would have an office of road safety, and ticked off, with our shadow minister at the time, Anthony Albanese, that we would reinstate the office of road safety. I thought, 'That's a good thing. At least the Libs have done something; they've taken note.' I'm losing a little bit of confidence, Ms O'Neill, and I'll give you the opportunity to come to the defence of the office. Let's talk about the analysis that the AAA have done. They showed that, of the 95 submissions that were publicly released, 61.8 per cent identified overall dissatisfaction with the draft strategy; 73 per cent identified serious deficiencies with the draft strategy; and 64.9 per cent identified serious concerns about the draft strategy. Ms O'Neill, are you aware of those figures?

Ms O'Neill: I have read what is on the website of the AAA but, having been in the consultation, answering questions, meeting stakeholders face to face and working through the issues that they raised, I don't have confidence in the AAA's figures because that is not what I received when I undertook the consultation for the office.

Senator STERLE: Okay. I would ask, Ms O'Neill, if I were the minister—

Mr Atkinson: Senator, could I add something there?

Senator STERLE: It'd better be a good one. What is it?

Mr Atkinson: At that point the stakeholders didn't have visibility of the action plan.

Senator STERLE: Mr Atkinson, in one of the QONs—307 or 308—I'll tell you exactly what I asked about. I'll digress and go to it. With respect to the modelling for the plan, in question 308 I asked Ms O'Neill about it. The question had to be taken on notice, and the answer I got back was that it had nothing to do with the Office of Road Safety; it's to do with Austroads. How could I have any confidence in what's going on in the Office of Road Safety at the moment, if we come back to these figures? Ms O'Neill, if I were the minister that you were answering to, firstly, I would be saying to you, 'If that has come out from the AAA,' which is not a fly-by-night organisation that represents no-one, and it is probably the peak industry body, 'you'd better get them around the table, Ms O'Neill, and have a chat with them.' Did not the minister raise that concern about this?

Ms O'Neill: Could you repeat the last part of your question, Senator Sterle? There is some background interference noise.

Senator STERLE: I'm sorry about that, Ms O'Neill. As I was saying, if I were the minister, I would want to know from you why haven't you picked up the phone and made some contact with the AAA, because you said you were in constant contact with the AAA. It doesn't sound like you're in constant contact with the AAA if you can't tell me what's on their website for all and sundry to see. Did the minister raise this issue with you?

Ms O'Neill: We are in regular contact with the AAA, sometimes the office and sometimes other parts of the department, and my team has programs. We fund the AAA, so we're obviously in regular contact. The AAA let me know that they were putting up on their website the analysis of their submissions. They are looking at the public submissions, which are 74 out of the 110. I'm not sure how they note 'serious concerns'; it has not been defined. I would say that we continue to work with the AAA as an important stakeholder. They are a motoring body. Obviously, we listen to all of our key stakeholders. Part of our process is to receive feedback in order to create a better document and a better outcome.

Senator STERLE: Ms O'Neill, when you say 'we', are you personally in constant contact with the AAA?

Ms O'Neill: I wouldn't say personally in constant contact with the AAA, no. I would say the department—I understand the secretary, the deputy secretary, the first assistant secretaries and members of my team—have been in contact with the AAA. I am in contact often by email or telephone, but I don't recall individual conversations of late.

Ms Brown: I've been in the role four months, so I'm still getting on top of the issues in the space, but I did meet with the AAA probably two or three weeks ago. I talked to the CEO, Michael Bradley, and I asked him what were the association's priorities for the coming 12 months and slightly longer, and what were his concerns about the strategy. We had a good discussion about the need for some of the issues that you raised: the role of the Commonwealth, the use of data to create accountability and the need to increase safety on roads. At my level I have reached out to the AAA personally and had a good 40 to 45-minute conversation with him probably in the last three weeks.

Senator STERLE: Ms Brown, did you raise these concerns that the AAA have put on their website about a percentage of submitters' ratings being 'overall dissatisfied', 'serious deficiencies' and 'serious concerns'? Did anyone sit down and have that conversation with them?

Ms Brown: I didn't raise their report. I raised more their concerns and what were they looking for in an action plan. It wasn't specific to their report, but it was definitely asking them what their concerns were and what they were wanting to see in a strategy and an action plan that they could support.

Senator STERLE: Is there anyone within the department or the office that is actually going to ask the percentage of those submitters who showed those concerns to sit down and have a roundtable? I am going to give you the opportunity to answer it. If I were in your shoes, I would be very concerned about that number. That does not express to me that there is very strong support for the strategy. My question is: are you going to follow it up? Is anyone going to follow it up or do we let it slide through to the keeper?

Ms O'Neill: As I said, I'm not aware of the definition of what 'serious concerns' is.

Senator STERLE: I know you said that, Ms O'Neill, but don't you think you should be concerned? Don't you think that it might be part of your role to go: 'Hang on, here's a major player in the road safety advocacy industry who represents a heck of a lot of people and other associations'. Would it not be just common sense to say, 'We'd better try and iron out these bugs and see where the problems are'?

Mr Atkinson: I think that's what Ms Brown was talking about when she said she talked to the AAA directly about what their concerns were so that those could be taken on board with consideration to the action plan as well. Obviously, the AAA's advocacy role is an important part of the system. Those concerns have been heard as part of those broader considerations.

Senator STERLE: Mr Atkinson, I would challenge that because Ms Brown didn't say she went to—she will speak for herself—identify who those disaffected submitters were.

Mr Atkinson: Senator, I think that—

Senator STERLE: She said that she had spoken to the AAA on what their plan was for the next 12 months. Road safety is not 12 months; road safety is ongoing. That's all I'm trying to get to. If it doesn't bug you, if there are those figures on the internet and they don't give you concern, that's fair enough; on you go and keep going and knock around. But I've got to tell you, if I was a minister investigating this, it would be a serious concern for everyone. I'm telling you right now.

Ms Bridger: One of the key things that the AAA were concerned about were the measures and the data that we would collect to support the strategy. Off the back of them writing to me, we set up a series of conversations

where they worked with us to help identify the data that we should be collecting and what we should be focusing on. We have very much listened to their concerns regarding how do we measure success in the strategy. Ms O'Neill's team have been working with staff at the AAA to identify those data points.

Senator STERLE: Thank you for that, Ms Bridger. The Australian Trucking Association, who are not my mates—let's make this very clear—get a role to play when we're talking about road safety. Hopefully, with the appointment of Michael Deegan, they might come into the vehicular world, but anyway. Have you spoken to the ATA—

Ms O'Neill: Yes, I have; a number of times.

Senator STERLE: about their major concerns? You've done that?

Ms O'Neill: Yes.

Senator STERLE: So you're in open conversation with the Australian Trucking Association and everything's back on track again?

Ms O'Neill: Yes. We are working through the issues that they have released.

Senator STERLE: When I raised my question with you, 307, it was part of that concern as well. It's just that you set off a trigger with me, Ms O'Neill, in that you brushed away the answer; you didn't answer it. Ms O'Neill, I asked about the concerns of the AAA and the ATA, and it is your writing, or the department's—I thought you might have ticked off on it—and, with over 8½ million motorists represented in the form of very significant concerns about the strategy, the answer that came back to me was: 'Submissions by the ATA and the AAA are publicly available on the website. The assistant secretary was advised on 20 April 2021 of the joint media release published by the AAA and the ATA titled "United call for road safety"'. A month before I asked you the question, you couldn't even answer me that. Anyway, let's move on. Feel free to have a go, Ms O'Neill, if I have got it wrong.

Ms O'Neill: I would like to say that we've sought to revise the draft strategy that went out. We took the feedback on it. We looked to make it stronger because, obviously, we had a document that we wanted feedback on in order to strengthen it. It's a combined effort. It's all state and territory governments and the Australian Local Government Association, as well as the Australian government. We worked really hard to bring people in to help draft the policies in the first instance and then we developed a strategy, and now we're developing an action plan. Much of what people are after and the strategy will flow into the proposed action plan.

Senator STERLE: Okay. I am going to take some light away from here because I am going to follow up with some people in the road safety industry, because you're now telling me that you are in open conversation, you regularly consult, your office consults and the department consults with industry. So no-one from industry should be able to come back to me—is this correct?—and say that you don't consult them.

Ms O'Neill: Correct. Of our key stakeholders, we started to draft an action plan after we received support for the proposed strategy. We took targeted consultation out on the action plan to 12 targeted key stakeholders.

Senator STERLE: Going back to when I raised the 61.8 per cent, the 73 per cent and the 64.9 per cent figures with you and others, and you said that you had very strong support, where did that support come from? Who were the stakeholders who gave you this strong support?

Mr Atkinson: Senator, can I add something to that data? Ms O'Neill spoke earlier about the definition of 'concerns'. When you read through the summary that she read out to you, I think she said there was 'broad support'. But it was also with concerns, changes and recommendations addressing targets and data. She put a whole series of things and said the support was with those things which they then tried to put in through the strategy. I don't know what the AAA's definition of 'concerns' is. If they're saying that a concern is they think a recommendation should be strengthened or targets should be bigger—those sorts of things—I think that is completely consistent with what Ms O'Neill said in terms of broad support but with these other changes.

Senator STERLE: Okay, Mr Atkinson.

Ms O'Neill: There are also 36 submissions that are not public. I imagine that the AAA reviewed the public submissions, and there are submissions that were provided in confidence.

Senator STERLE: Yes, 95 public ones; that's correct. Why are the other ones in confidence? Are they from individuals?

Ms O'Neill: They would be from people whom we asked at the time, 'Would you consent to your submission being made public?' who provided the answer no.

Senator STERLE: I understand how that works, Ms O'Neill, as well as anyone, and I get that. But would I be right in suggesting that the 36, or the majority of the 36, in-confidence submissions were by individuals?

Ms O'Neill: Yes, they may have been, and they would be significant individuals.

Senator STERLE: I understand that. Everyone is a significant individual; it just depends what side of the argument they're on. I am a significant individual all the time. What I am trying to say is: of the public submissions, I'm trying to gauge how many motorists would be covered or how many motoring and road safety organisations—the whole lot of them. None of them would have been in-confidence, would they? They would have been the public ones. Therefore, I'm assuming that the majority of motorists or associations represented wouldn't have been the significant individuals that didn't want their name published. Am I right there?

Ms O'Neill: I don't have a list in front of me of who provided a public one and who provided one in confidence.

Senator STERLE: That's fine. I know where it's going. I am going to come back to you, Mr Atkinson, because you're right. You have far more important things to do, Mr Atkinson. I can see the weight of the world is on your shoulders with everything else going on. I get all that. Can you hear me?

Mr Atkinson: I am having trouble hearing, but keep going; I'm getting the gist of it.

Senator STERLE: What I am trying to say here, Mr Atkinson, is this: from your point of view, as the head sherrang, does it not raise concerns, when 95 public submissions pertaining to individuals who represent the majority of road users and motorists are showing those high figures, that someone should have called them up and said, 'I think we need to get out there and talk to them again'?

Mr Atkinson: There are a few statistics you have talked about the definition of which I don't know. I do know that Ms Brown has had the discussion with the AAA which, as you have rightly pointed out, represents a lot of road users. We have heard their concerns. As Ms O'Neill was saying, the concerns that were raised through the consultation process have been taken into account in the strategy and action plan. It is about hearing the inputs of the stakeholders from various perspectives. That is what we are trying to do there. I don't think the Commonwealth has ever had a \$3 billion Road Safety Program before.

Senator STERLE: They have been missing in action all these years.

Mr Atkinson: Ms O'Neill has done a great job in designing and implementing the program, which is going to materially impact road safety outcomes in Australia.

Senator STERLE: I welcomed this announcement when I first heard it, but now I have questions. In terms of the \$2 billion Road Safety Program, and the additional \$1 billion over 30 months, how much of the Road Safety Program funds have been spent to date?

Ms O'Neill: I have a figure as at August, or it may be September, that about 75 per cent of the initial \$1 billion has been spent; it is \$740.23 million, or around 75 per cent.

Senator STERLE: Thank you. How much data has been reported by road authorities?

Ms O'Neill: I have received a mix of data. The program has received all the monthly fatal crashes from all the states. Then there has been some partial reporting of pre-risk and post-risk rating. There is a significant amount of data still to come on traffic volumes and mix. We are expecting data to be provided in accordance with the rolling monitoring program for volumes and mix. We are still working through the majority of network risk rating data. We have not received much of that. But there is a bit of a mix. To put that in context, every state and territory is willing to provide us with the data. There is no hesitation in their willingness; it is the how. So we have some current key challenges in receiving the data around its completeness, which reflects some of the processes used by states and territories. We are obviously trying to mitigate any risk as far as possible of reidentifying any individual. We also have a number of legacy systems and processes used that were never designed to be interoperable. So the various data standards, definitions and collection methods still require harmonisation, quality and verification checks, but we are working together to progress it. There is a willingness and a strong desire to provide the national picture on road safety.

Senator STERLE: Is that evidence available to the committee? Could you break it down into which jurisdictions have done what and which haven't, and for whatever reason?

Ms O'Neill: I'll take that on notice.

Senator STERLE: Mr Atkinson, does that have to go on notice? I don't want to know who is who. I just want to know if the information that has been received so far via the office is available for the Senate committee.

Mr Atkinson: Ms O'Neill, do you know, off the top of your head, generally what the answer is?

Ms O'Neill: Yes. I have received partial data collections for most things, but not all things, and a bit of a mix between the different states.

Senator STERLE: I will make it easy for you, Ms O'Neill; you can put it in-confidence. I am not going to put it out into the paper there if you can provide the info; who has done what and who hasn't.

CHAIR: Can I clarify, Senator Sterle? On notice you would like to have the partial data that has been collected across a range of different topics provided to the committee?

Senator STERLE: On jurisdictions; yes.

CHAIR: Ms O'Neill, when do you think you will finish this by? Wouldn't it be better to do this as a complete document? What is your time line?

Mr Atkinson: The challenge is that it is going to take a while before we get full data. Senator Sterle, am I right in understanding that you want to see how the picture is evolving?

Senator STERLE: That is exactly it, yes.

Mr Atkinson: Ms O'Neill, the best thing might be for us to talk to our minister's office about whether we can provide you directly with the information you are talking about, not through a Senate committee, because there's a requirement for us to give our evidence in public here.

Senator STERLE: Beautiful.

Mr Atkinson: Would that be alright?

Senator STERLE: That's alright.

Mr Atkinson: And then we will just send you a letter with the info.

Senator STERLE: Yes, that's good. I am happy with that.

Mr Atkinson: I will consult my minister.

Ms O'Neill: I would like some clarification as to whether you want a 'yes', they have received it, or a 'no'—

Senator STERLE: No. I want to know who has been supplying what, who hasn't and for what reasons they cannot, so we can paint the big picture overall. The \$3 billion announcement is a very good thing, but I want to see it rolling out. You have to understand that there has been hesitation; we have heard a lot of announcements and things haven't been followed up. I know it is only early days, but if there are jurisdictions that are struggling, for whatever reason, it would be helpful because road safety is not defined by a dotted line on a map.

Mr Atkinson: Senator Sterle, we get you completely. Just to give you confidence, the program is rolling out very well across the jurisdictions; it is the data inputs that are patchy. But I am sure that we will be able to get our minister's agreement to provide you with the information you are after.

Senator STERLE: Thank you. What public accountability is there for the way the Australian government's \$3 billion Road Safety Program funding is being spent?

Mr Atkinson: Are you talking about what the external reporting of the \$3 billion Road Safety Program is?

Senator STERLE: Yes, I have moved on to that. What is the Australian government's public accountability?

Ms O'Neill: The states must deliver the projects and also provide data. Milestone payments are made through the milestones as the projects are completed. They are six-month tranches for tranches 1, 2 and 3. Payments are made in accordance up until we receive data. When I said that nearly 75 per cent of the program has been spent, the last 25 per cent is held by the Australian government until we receive all the data. So we are holding states to account as the last milestone payment won't be paid until we receive a full project completion report and data package.

Senator STERLE: You can break that down for us; that is great. Ms O'Neill, what road safety improvements have been made?

Ms O'Neill: Project and treatment types; is that what you're after? In the first tranche across all parts of WA, nearly 6,000 kilometres of road have been upgraded. They have put in shoulders, delineation rumble strips and in some cases centre lines. Across South Australia they have done mass action treatments, which include shoulder sealing, barriers, rumble strips, and wide centre lines. There is a range of different urban and regional projects going across New South Wales, Queensland and Victoria—a slightly different mix. There have been truck bays and rest areas for heavy vehicles. In particular, there are some done in the Northern Territory down the Plenty Highway, Stuart Highway and Tanami Highway. There have been a number of pavement treatments to fix wheel rutting, skid resistance, drainage, shoulder sealing, audio tactile edge line marking, and a significant amount of pavement widening and sealing. In the urban areas you are getting more traffic splitter islands and pedestrian

refuges, and in a number of cases road resurfacing due to poor condition. So it is a big mix of projects, but obviously we are focusing on the fast roll-out of low-cost treatments, particularly shoulder sealing, rumble strips and barriers, particularly on curves—anything to help the motorist or the traveller get back into the travel lane; trying to reduce the impact of the margin of error.

Senator STERLE: So the states have to come to you and tell you where they want the spend; is that correct?

Ms O'Neill: Correct. We propose a funding amount for each state and we ask them to come with projects that will give us a road safety benefit. So we are asking prior to the project being done what the crash risk rating is and, after treatment, what the post-crash risk rating is. I am trying to find out what is the material change in the road and in the collective risk for all travellers.

Senator STERLE: If that information can be provided in a spreadsheet so we can all check out how that is going, that would be appreciated.

Ms O'Neill: When I asked if I could take on notice about the types of information and data provided, that is where I have some incomplete datasets, but you will see what we are trying to do. When I get a post-completion report and all the data packages, we will know whether it was a one-star or two-star road raised to the minimum three stars. That is what we are after. We are after that material change to get regional roads up to a minimum three-star rating.

Senator STERLE: I have a serious vested interest in some of the road train routes in WA where we continue to have trailers fall over every week. Trailers just don't fall over, but, on the part of the road between Newman and Hedland, they do. Anyway, that is another story. Ms O'Neill, have we worked out how many lives we have saved with the spend so far, or would that be at the end of the first billion spend?

Ms O'Neill: Because it is a collective risk, I would expect us to look at a post review after five years. I would like to see five years of data to get to tally up exactly how many lives have been saved; how many people have not been killed or seriously injured. We will have spikes, and that may throw numbers out. You may need a five-year data series in order to have a robust evaluation to understand the effectiveness of the treatments. We know shoulder sealing on its own is a 20 per cent reduction crash risk factor. We know the impact of rumble strips: it is a little lower. But when you combine them together you get a greater benefit. We know that the wide centre line treatments help prevent head-on crashes; they alert the driver to get back into the travel lane. All of those things are evidence-based treatments. It is just that the quantum and the gaps across the system are large; I would say the gap is high. We have a long way to go to retrofit all the gaps or to do those mass action treatments along the length of all the corridors.

Senator STERLE: I should make this clearer for others: when I say that trailers have fallen over, I mean that semitrailers, triple road trains and quads have fallen over, because of the drop-off on the side of the road. I have photos of a coke can. Can you imagine a Coca Cola can sitting there? We have 25 tonnes of freight on a trailer and we wonder why the trailer is sitting upside down on the road with the freight all over. I just wanted to qualify that.

Mr Atkinson: That is why the shoulder widening treatments are so important; right?

Senator STERLE: Absolutely. That is why I am keen to see who has put in for what, particularly in my state of WA. A couple more questions and then I am done. I make this observation: we can report on COVID—who has COVID, how many people are in hospital and all sorts of stuff—but we struggle to work out how many serious injuries we have had from road trauma over the last three years. How far off are we from having that information, Ms O'Neill?

Ms O'Neill: The serious injury or the national modelling for non-fatal crash income, the Austroads project stage 2, I think is a lot closer. Mid 2022 is when I think we are expecting a report. The pilot, as you know, has been released and we have worked to get all states' data on it. We still haven't received WA data in order to get a full national picture but we will go ahead and complete the report with seven out of eight states, as I understand it. It is an Austroads report but we are heavily invested in the outcome of it because that is the evidence base that we want in order to prevent serious injuries. So that will give us the best intelligence we can have. I do acknowledge that it is late and that it doesn't make any of us happy but I think that's just been that negotiation of privacy and around what data we can get from the states. There are a number of different agencies involved and it's a matter of us making sure that we keep the project going and we can finalise it as quickly as possible.

Senator STERLE: The last question that comes from me is about the road safety inquiry that I did with my very dear friend, Alex Gallacher, may he RIP. But I ask: there is evidence out there, that we found around the nation, that the federal department and the Department of Health weren't working closely together. Is there anything going on to improve this situation and we can collect the data together?

Ms O'Neill: There is an interdepartmental committee which includes the Department of Health along with a number of other major departments that I would call significant contributors to us helping establish the right way for road safety and having a bit more investment in it. But there's also an intergovernmental agreement that has put road safety as an immediate priority in order to flush out all of the difficulties that we've had to date in getting data. So we are working to really nut out what the rules might be and what barriers we need to break down and how we can get data custodians over the line in order to get that national picture. So there's active work going on at the moment through the digital ministers forum in order to bring road safety data out into the open in order to solve the challenges that we've got. That's a significant amount of work my team is putting in so that we can have clearer access to the data and regular flows on the data. It's a significant piece of work due to the multiple jurisdictions and the different holders of data.

Senator STERLE: Chair, thank you, and I'll pass to next on the waiting list.

CHAIR: Thank you, Senator Sterle. That brings us to the end of section 2, Transport. We have completed section 3, Infrastructure. I am now delighted to welcome Regional Development, Local Government and Regional Recovery and also to welcome Minister Colbeck. It is terrific to have you in the chair for a while.

Senator WATT: Mr Atkinson was going to update us on some of those final budget outcome figures for infrastructure.

CHAIR: Whilst the department is coming to the table for this new section and Senator Abetz prepares himself for questions, Mr Atkinson.

Senator WATT: I haven't missed any of this while I was out, have I?

CHAIR: You have not.

Senator WATT: Thank you.

Mr Atkinson: The first one is on the urban congestion fund in terms of projects. Sorry, this is in relation to the question earlier, for the benefit of *Hansard*. There are 144 projects that don't have what is called the 'delivery PPR'. So there is design and project PPR but the one you are talking about is delivery PPR.

Senator WATT: Can you remind me how many projects there are in total? You don't have that handy?

Mr Atkinson: No.

Senator WATT: I probably got it earlier today.

Mr Atkinson: It's certainly in Senator Sterle's tables: 144 without a delivery PPR worth \$2 billion and 80 million.

Senator WATT: So \$2.080 billion?

Mr Atkinson: Yes.

Senator WATT: That is separate to unallocated funds?

Mr Atkinson: That's on top of the unallocated funds.

Senator WATT: Which I think were about \$800 million?

Mr Atkinson: My apologies, it's 65 projects, not 144; 144 is the total.

Senator WATT: But that dollar figure is correct?

Mr Atkinson: Yes.

Senator WATT: I think it was about \$800 million was unallocated as well.

Mr Atkinson: And \$890 was unallocated.

Senator WATT: 890?

Mr Atkinson: Yes, which was in the other tables. And my regional colleagues are here so they can correct me if I make any further errors. Sorry, on the roads of strategic importance there weren't materially any projects that were in the category that we discussed. There was just the unallocated funding, which is \$1.748 billion.

Senator WATT: Billion? \$1.748 billion unallocated?

Mr Atkinson: Yes.

Senator WATT: Whatever has been committed essentially are in PPRs or some other—

Mr Atkinson: In essence they are. We don't have the detailed data on that but it is not a material piece. Julia, correct me if I am wrong, on CDG and BBRF there are 177 projects under CDG uncontracted.

Senator WATT: Uncontracted?

Mr Atkinson: Yes.

Senator WATT: Sorry, this is BBRF?

Mr Atkinson: CDG, community development grants, worth \$687 million. This is all as at 31 August. And three projects under BBRF worth \$21.5 million.

Senator WATT: \$21.5 million?

Mr Atkinson: Yes. In addition to that, since the 31 August data point it doesn't include any of the 298 projects announced as round 5, none of which are in contract yet. Does that cover everything?

Senator WATT: Were you going to look for some of the water grid ones?

Mr Atkinson: Yes. My water grid people have not come back to me yet but they are working on it.

Senator WATT: Could you, on notice, provide which projects of the 65 in the UCF those are?

Mr Atkinson: The names of them?

Senator WATT: The names of them.

Mr Atkinson: Yes.

Senator WATT: And the same for the other programs? So the three projects in BBRF and the 177 in CDG?

Mr Atkinson: Yes, I'll take it on notice. I'm sure there won't be a problem.

CHAIR: Senator Abetz, over to you.

Senator ABETZ: Chair, I have provided you and also the secretariat with a wad of documents. If they could be provided to the secretary and the relevant individuals at the table?

CHAIR: Table those documents? Thank you very much, Senator Abetz.

Senator ABETZ: It relates to question No. 65. That is the first document that is in front of you. Can I ask the department can they make available the McGrathNicol viability assessment into the project? That is the Community Chef Program that I asked about. You'll see the answer that was provided to question No. 65. The third paragraph refers to that particular report. I ask: can that report be made available?

Dr Bacon: I've just asked Ms Hibbert, who runs our regional programs branch to come to the table. She can answer your questions about that particular project. Just noting, as you know, it was a 2009 project. The records are getting quite old at this point.

Ms Hibbert: As Dr Bacon has said, the Regional Kitchen Project is from 2009. It was contracted in May 2009.

Senator ABETZ: I am sorry; time is of the essence. All I've asked is whether the McGrathNicol viability assessment of this project can be made available.

Ms Hibbert: I was about to say, because it was May 2009, I'll just need to find out where those records are. I'll have to take that on notice and see how quickly we can find them.

Senator ABETZ: Can I make the same request in relation to the department making available its brief to the minister on the funding of this project? I assume you don't have that in front of you either.

Ms Hibbert: I don't have that in front of me. I'll take that on notice.

Senator ABETZ: If you can take that on notice. Also in the answer we were told about the completion report for this project. Can you take that on notice then as well and make that available? Also in the wad of documents, if you turn to the last paragraph on the first page, this is a letter signed by the then Acting General Manager, Local Government Programs, on 4 June 2009. It's highlighted in blue. The project was initiated following a state-wide review of Meals on Wheels. Can we please have a copy of that review as well?

Ms Hibbert: I am not sure that we would have that information but I am happy to take it on notice.

Senator ABETZ: Please have a look to see if you have got it. Then as far as other documentation is concerned—and that is the last line of the answer to question number 65—it states, 'Other documentation held by the department cannot be disclosed without prior consent in writing.' Can I ask in relation to that: what is the other documentation?

Ms Hibbert: In our answer to the question on notice that we provided to you we did indicate that we thought that because the grant is from 2009 it could constitute quite a lot of work and therefore we haven't looked to see exactly what documentation we have.

Senator ABETZ: You haven't even looked?

Ms Hibbert: We have looked. We have looked and found that we've got exactly the information that you're after; so I'll take that on notice for you.

Senator ABETZ: But you say 'other documentation held by the department'. Either the department has other documentation or it does not have other documentation?

Ms Hibbert: I am certain we will have documentation on this particular grant, which we paid to the Hobsons Bay City Council that relates to community chef, although no funds were paid to community chef.

Senator ABETZ: We know all of that. So we now are agreed that there is other documentation. How does the department know that there is other documentation unless it has looked and seen and found that there is such other documentation?

Ms Hibbert: I can confirm that we will have documentation in relation to this particular grant from 2009. I don't know what those documents are. I haven't looked at them myself. I haven't looked at them myself but I will take that on notice for you.

Senator ABETZ: So who are the other parties to which reference is made in that last line of the answer?

Ms Hibbert: I do know that the grant that we did give was to Hobsons Bay City Council; so that's one of the parties. And the other parties would be perhaps the other 14 councils that they represented as the grantee. It could be that we have—I'm speculating but would need to come back to you to confirm.

Senator ABETZ: Can I ask you, please, to save time: stop speculating. Do your homework and tell us the parties, please, and tell us on notice.

Ms Hibbert: I'll take that on notice, thank you.

Senator ABETZ: Does the department know who the other parties are? Quite clearly you've got a fair idea who they are. Can you please do the work and find out? Then tell us how many other parties there are. If it is 14 or so councils, how could it be a diversion of departmental resources to consult them—14, 15 standard letters to ask them what documentation they might have et cetera? It's not exactly an onerous workload that had been requested of you, is it?

Dr Bacon: One of the challenges in this case is that it was 13 years ago under a previous government. It's going to take time to be able to go into those archives, and we've done it to some extent, but to go further into those archives to assess the nature of material and track down parties from that period, I think that is what Ms Hibbert is referring to, in terms of the nature of the work involved.

Senator ABETZ: That's what we were told last time and still no work has been done. There was an attempt just to fob off on the basis that this was from some time ago. I have now been able to deliver to you a document written by I Cook Catering, with seven pages of attachments. I've also been able to provide to you a copy of the letter from the department. If I'm able to stumble across these things, one assumes that the department has these documents as well and have done absolutely nothing to make them available. I must say that is a matter of some disappointment to me, because I would have expected the department to have been a lot more responsive than it has been. Can I invite you to take all of that on notice and have another look? The letter that I've provided to you from I Cook Catering Aged Care Services of 5 May 2009 was written to then infrastructure minister Anthony Albanese. It has a seven-page attachment detailing the economic stupidity of the grant to Community Chef, plus a reply from Mr Albanese's department seeking to justify it. Given the other questions that I've asked previously, chances are Mr Cook's initial letter has proven to be absolutely right and the departmental response absolutely wrong, given that the whole show has collapsed and has cost the taxpayer huge amounts of money.

That is why I am so interested in learning about the actual assessment and the robustness of the assessments that were made in making this grant available which actually saw a small business with 30 employees go bust. It had been operating in the private sector delivering good-quality meals. They went bust courtesy of a \$9 million federal government grant authorised through the department, which was unable to deliver what that private enterprise had delivered. I am sure the department would also be aware that this matter, which is now referred to as 'slug gate' is the subject of a Victorian parliamentary inquiry and indeed police investigations. Please treat this matter with the seriousness that it deserves.

CHAIR: We will go to Senator Whish-Wilson.

Senator WHISH-WILSON: I'd like to ask the department some follow-up questions from last estimates. I've put a series of questions on notice to the department as well, which I'm still waiting to hear back on. It relates to the \$2.95 million business innovation funding grant provided to Ian Johnstone for his private tourism development proposal to build six huts along the South Coast Track in Tasmania's World Heritage area. I want to

start by asking the department whether they're aware that the grant term was originally set from 4 April 2018 to 6 November 2020 but has since been extended until 31 March 2022; is the department aware of that?

Ms Hibbert: Yes, we are aware. The Department of Industry, Science, Energy and Resources manage this program for us. They have advised us that they have approved an extension to the date that you've indicated.

Senator WHISH-WILSON: Did they say why the extension was requested and approved?

Ms Hibbert: I understand that a variation was requested by the grantee in writing, and that was approved to allow additional time to complete the project and the project activities.

Senator WHISH-WILSON: It is interesting in light of the fact that Ian Johnstone has decided to sell Maria Island Walk to Experience Co. Ltd. I asked at the last Senate estimates if the department was aware of this. When was the department first made aware that Ian Johnstone had intentions to sell his business, Maria Island Walk Pty Ltd? This was the exact business that was awarded the regional jobs and investment package grant in the first place.

Ms Hibbert: The Department of Industry, Science, Energy and Resources was advised by the grantee on 3 February this year that they were in negotiations to sell their business assets.

Senator WHISH-WILSON: On 3 February?

Ms Hibbert: That's correct.

Senator WHISH-WILSON: When was the department first made aware of discussions and negotiations between Maria Island Walk Pty Ltd and Experience Co. in relation to the sale?

Ms Hibbert: The department became aware on the same day, 3 February 2021.

Senator WHISH-WILSON: Is the department aware of whether those negotiations have been completed on the sale?

Ms Hibbert: No, I don't believe that the sale has been completed. That is the information that I have. I don't know any further detail on that.

Dr Bacon: As at 31 May, and a question on notice, our understanding at that point was that things were still under negotiation.

Senator WHISH-WILSON: I read the deed of contract. It said that, under the terms of the contract, the department must be notified of any intentions of the sale. Are you aware of when Maria Island Walk Pty Ltd began their discussions around sale?

Ms Hibbert: No, I'm not aware.

Senator WHISH-WILSON: Is that something you will follow up?

Dr Bacon: Where it is a program managed by the Grants Hub, they will do the day-to-day interaction with the grant recipients. My understanding, from Ms Hibbert's earlier answer, is that we were made aware on 3 February. Without having information that's different, my assumption would be that the grantee complied with the terms of the agreement.

Senator WHISH-WILSON: Has the department had any discussions or other correspondence with Experience Co. relating to the sale of Maria Island Walk since they've been in negotiations with Ian Johnstone?

Ms Hibbert: As Dr Bacon said, the Department of Industry, Science, Energy and Resources manage this program. I understand they have had correspondence with Experience Co. in relation to this grant on 6 May, 10 May and 20 May. The documentation will be provided to you as part of the answer to the question on notice that we've prepared, and that will be tabled.

Senator WHISH-WILSON: The South Coast Tracks Huts Walk project has been delayed twice since it was first awarded; is that correct? Were any reasons given as to why there was a previous delay?

Ms Hibbert: I don't have the information with me as to why there was a previous delay. I do understand that the most recent delay was a request to vary the time frame so that the project can be completed; it needs additional time.

Senator WHISH-WILSON: Was any reason provided as to why it needs additional time?

Ms Hibbert: I don't have that information with me. I am happy to take that on notice.

Senator WHISH-WILSON: Would that typically be material to the jobs hub or the industry, science and energy department that is managing this? Is it common for recipients who say they are going to complete these things in a year or two to suddenly be four or five years down the track requesting extensions? Is that something that is audited?

Dr Bacon: There can be a range of reasons why grant recipients request a variation or an extension of time. Sometimes there are legal issues with accessing particular sites; sometimes there are delays in accessing material or labour. Some projects have been impacted by recent bushfires or floods. Some have been impacted by delays due to COVID. The Grants Hub will have that more immediate information. We're happy to check that with the hub and come back to you on what's been the circumstance for this particular project.

Senator WHISH-WILSON: Thank you. Those three, for example, that you gave wouldn't account for the first delay. I'd be interested to hear what you've got to say about that. The follow up question is whether you've considered undertaking a probity check or audit of the regional jobs and investment package grant, given that's also something you can do in the deed of agreement that I've read.

Ms Hibbert: Senator, the department does not consider that a probity check or audit of the project is required at this time. If there was to be any such audit or probity check, we would work with the Business Grants Hub to have them do that on our behalf.

Senator WHISH-WILSON: What would typically trigger that? The project hasn't met the milestones that it originally set out. At what point would you consider doing something like that? Do you have the resources to monitor these grants?

Ms Hibbert: The Business Grants Hub does have the resources to monitor the grants, and they work very closely with the grantees. They are in regular contact with grantees, particularly if they haven't returned their milestone reports or they haven't heard from them regularly. I understand that that's a regular process with the Business Grants Hub.

Senator WHISH-WILSON: Would the sale of this business trigger any concerns for you in terms of the original grant meeting its milestones that it promised or set out to do back in 2018?

Dr Bacon: In part the reason we have those provisions in our standard contracts with grant recipients is that we are aware from time to time that business decisions are made and businesses can change hands et cetera. It is not an unusual circumstance. We do cater for it in our contract arrangements. It's not that far out of the ordinary that something like that might happen.

Senator WHISH-WILSON: Are there other examples of that happening?

Dr Bacon: There would be other examples, Senator.

Senator WHISH-WILSON: If Experience Co., who is in negotiations with Maria Island Walk, does purchase that business and doesn't proceed with the South Coast Track projects, which were what the original grant recipient applied for the funds for, would moneys need to be returned to the Commonwealth in relation to this grant—moneys that have already been spent on, for example, achieving milestone 1?

Ms Hibbert: With the payment that has been made, which I think is around \$247,000 for the first milestone—I think we tendered that in an answer to a previous question on notice to you—those moneys would not need to be returned if the project did not proceed for any reason because that milestone has been met. We pay the milestones in arrears, so that work has already been done and it would not need to be returned if the project didn't proceed. That work has been done in good faith and it has been paid for and proven.

Senator WHISH-WILSON: In a situation that you have probably had before, where one business gets bought out by another through a sale process, a takeover process or whatever, does the department enter into any new conditions with the buyer of the business who inherits a couple of million dollars worth of taxpayers' money?

Ms Hibbert: If there was an instance where a project was changing a grantee, from one business owner to another business owner, there would be a request for a variation to novate the project funding to the next owner, and that would need to be approved by the department. In order for that to happen, the new grantee would need to commit to the outcomes of the project and the milestones that have been agreed.

Senator WHISH-WILSON: Has that occurred already or will that occur after a formal agreement on sale in this instance between these two entities?

Dr Bacon: We would need to engage with the new potential recipient and go through the process that we would always go through with potential grant recipients, to ensure that there is good value for money. Good value for money will be met by entering into the arrangements, as Ms Hibbert has described.

Senator WHISH-WILSON: I am not sure if you can see where I am going with this. Someone has a grant for nearly \$3 million and then sold their business, potentially capitalising taxpayer funds into the sale of a business. I am interested in whether the next company would be the beneficiary of that. They will obviously have to pay for that.

Ms Hibbert: Senator, we'll be focused on the outcomes for which the grant was awarded and the outcomes that will be achieved for Tasmania, for the Tasmanian economy in this case. We'll be looking at: can the outcomes of the original grant continue to be met if there is a new grant recipient, with all of the conditions that are required to be met in order to ensure that there is good value for money? We will take an outcomes-focused approach and look at whether there is a way that the project can be delivered as per the original intent of awarding a grant with a new grant recipient to ensure that the benefits can flow from that project.

Senator WHISH-WILSON: In the discussions that happened on 6, 10 and 20 May that was referenced earlier, have these kind of things been discussed with Experience Co. already?

Ms Hibbert: I understand that they were emails, the correspondence that I've referred to, on the May dates that you just stated. I've got copies. Actually, you'll receive copies of that documentation with your question on notice that we're about to table.

Senator WHISH-WILSON: Would you be able to tell me when those responses will be due or when I may receive them?

Ms Hibbert: It's due to the table office on 29 October.

Senator WHISH-WILSON: I might just leave it at that till I can get the response and then I can follow it up with you based on that process. Thank you.

CHAIR: Thanks, Senator Whish-Wilson.

Senator WATT: Just on the Building Better Regions Fund, Dr Bacon, we covered some of this this morning. I think you said that for round 5 there were 1,085 applications in total and 298 were successful. You said that all were deemed eligible and value for money.

Dr Bacon: That's correct.

Senator WATT: Which meant that on the spreadsheet provided by the department to the minister's office they were coloured green—

Dr Bacon: That's correct.

Senator WATT: as opposed to the pink projects which were eligible but not value for money.

Dr Bacon: Yes.

Senator WATT: At any point in the assessment process were projects that initially had one colour change and become a different colour?

Dr Bacon: Not that I'm aware of. The way the process works is the grants hub, who are involved in delivering BBRF, undertake the assessment according to the published program guideline. They will do the assessment. The department takes those assessments, prepares the briefing material and then, as we talked about this morning, provides that to the ministerial panel. Essentially, the briefing material that we talked about this morning is based on the assessments that the grants hub has made.

Senator WATT: To your knowledge, none of the projects that ended up being classified as green were at an earlier stage of the process classified pink or anything else; is that correct?

Dr Bacon: Not that I'm aware of, no.

Senator WATT: And that officers who were even more directly involved, that's your recollection as well?

Ms Hibbert: That's correct. All of the projects that were green scored 60 per cent or above in terms of the assessment criteria for each of the assessment categories.

Dr Bacon: That, essentially, is our working definition according to the program guidelines of value for money. That's what we mean by 'value for money'.

Senator WATT: The very first assessment of these projects, the projects that end up being green, reached that 60 per cent threshold?

Ms Hibbert: Yes.

Senator WATT: I am happy to hand over to Senator McCarthy.

CHAIR: Thank you, Senator Watts. Senator McCarthy.

Senator McCARTHY: Thank you. I'd like to go to the Barkly Regional Deal.

Dr Bacon: We have officers from the Barkly Regional Deal joining us remotely from the department, so hopefully they can dial in now.

Senator McCARTHY: Thank you.

Dr Bacon: Maybe you can start with your questions. I think I see my colleagues entering the room.

Senator McCARTHY: Thank you. The \$78.4 million Barkly Regional Deal was signed on 13 April 2019 and only two projects are marked as completed on the website: Alpururulam aerodrome and also a one-year subsidised accommodation trial in Tennant Creek with the hostel. What is delaying the progress and implementation of the Barkly Regional Deal?

Dr Bacon: I might pass to Mr McKay to answer your question. As an update on what's on our website, we've now completed three initiatives under the Barkly Regional Deal.

Senator McCARTHY: What's the third one?

Dr Bacon: I am sorry, Senator, I can't remember the two that you mentioned. There's the resealing of the upgrades to the airstrip, there's the Elliott Art Centre feasibility study and there's the affordability trial at Aboriginal Hostels Ltd's Tennant Creek facility. They're the three initiatives. There's been quite substantial progress against a number of the other commitments under the deal. You're obviously aware that a number of those commitments are not short-term commitments. The deal, I think I am correct in saying, is a 10-year deal. A number of commitments run over a number of years. I am happy to run through progress that has been made on some of the other commitments, if that would be helpful.

Senator McCARTHY: Before we do that, I want to go to the Alpururulam aerodrome, which you mentioned. That was actually funded under the existing Remote Airstrip Upgrade Program. This project would have happened without the BRD, wouldn't it?

Dr Bacon: I honestly don't know the answer to that. The way that the regional deals work is that they draw in the right investments from across a range of different portfolios, and in this case across our own portfolio. We don't necessarily have just a single appropriation for the whole of the deal that covers everything under the deal. Often at the back end, in terms of how the budgeting works, the deals draw different funding sources from different programs, different levels of government and different portfolios. In this case my understanding is that it drew funding from an available program that was fit-for-purpose as a mechanism for delivering that particular project.

Senator McCARTHY: How much of the \$78.4 million is actually new money and how much is from existing programs?

Dr Bacon: I'm just looking at the Australian government expenditure details that I have in my brief and checking that we don't have my department colleagues online yet. They have all of these details to hand.

Senator WATT: We can see them.

Dr Bacon: I don't think they have sound. There were different funding sources for the different projects that are funded under the Barkly Regional Deal.

Senator McCARTHY: What are they? Do you want to name those?

Mr Atkinson: Can I just make one general point? With the deal model, sometimes it's projects in other programs where we access unallocated funding through an existing programmatic arrangement so that we don't have to set up new program arrangements. Whenever there's a 'thing' that needs to be done in a deal location, we look for the best existing model for delivery so that we don't have to re-establish a new delivery model. Just because it goes through a program that's pre-existing doesn't necessarily mean it's not new money or money that wasn't allocated to that project previously.

Dr Bacon: The total deal value, as you say, is 78.4 million. The Australian government contribution is 45.4 million. In terms of where funding was drawn from, there's actually quite a long list here of the different funding commitments and what funding mechanism has been used to deliver those. I would be very happy, if we're pressed for time, to table those so you have that information, rather than read through them line by line.

Senator McCARTHY: If you could. When you say 'a long list', I imagine over 20 programs?

Dr Bacon: There are 28 commitments that I have here under the deal. We're very happy to table this information for you. I am sure we could do that today.

Senator McCARTHY: If you could. Where are the department staff at the moment?

Dr Bacon: My departmental staff who work on the Barkly Regional Deal are in a conference room in Alinga. We've been trying to manage numbers because of the COVID restrictions. We had planned to have some staff in the department virtually and a minimum number of staff up here in Parliament House.

Senator McCARTHY: So you're not expecting anyone from the Northern Territory?

Dr Bacon: We work very closely with a range of colleagues in the Northern Territory, but our staff who work on the Barkly Regional Deal are actually based in Canberra. We work very closely with the backbone team that's been established to support implementation of the Barkly deal. There are staff on the ground in Tennant Creek, I believe, as part of the backbone team supporting implementation of the deal. I'd have to just double-check the details of that on notice for you, unfortunately.

Senator McCARTHY: Thank you. You mentioned earlier 45.4 million. How much of that from the feds has actually hit the ground in Tennant Creek?

Dr Bacon: Australian government expenditure—as at 31 August 2021, 5.07 million has been provided to the Northern Territory government for a number of completed milestones. I could list those, if it's helpful. That's part of the 10.74 million project agreement with the Northern Territory government. In terms of other Commonwealth contributions to the deal, there's a 7.6 million BBRF project and that is for youth infrastructure. My assumption on that BBRF project is that it will be set up like our other regional program grants where we're paying for milestones. I just have to check on that one which milestones have fallen due. There's also the 15.4 million that's allocated to the Bureau of Meteorology for the Tennant Creek weather radar. I do have in my notes that, under the BBRF funding agreement, the first milestone payment of 1.2 million was provided in September 2021. With the weather radar, my understanding is that the Bureau of Meteorology has ordered the radar equipment and tower for the Barkly weather radar. My assumption is that if there hasn't already been expenditure associated with that, there will soon be.

Senator McCARTHY: I know the weather radar is of concern for people in the Barkly region, but there are also other concerns like the lack of affordable child care, which was identified as a major issue for this particular program. How many extra places have been made available in Tennant Creek as a result of the Barkly deal?

Ms Karlsson: In terms of the various housing projects, there are a range of different housing projects that make up the housing package overall. There's 27.35 million in new housing initiatives in the Barkly. There's the youth crisis support, which includes safe accommodation; there's also the new government employee housing that will free up the housing stock, and that will go back to the social housing; and there's also the student boarding facility. There's also a visitor park that will help reduce the overcrowding in homes, for seasonal visitors who come in from remote communities, and there's also the social and affordable housing initiative, which will provide new affordable homes for Aboriginal families on low and moderate incomes. So there's a whole range of different projects there that fold into the overall housing package.

Senator McCARTHY: When will the student boarding accommodation be constructed?

Mr Mackay: We anticipate construction to start in the second quarter of next calendar year, so from April 2022.

CHAIR: And that takes us to the dinner break, except for one last comment from Mr Atkinson.

Mr Atkinson: Further to Senator Watts's question previously: they asked about the National Water Grid Fund and projects that are committed but uncontracted. There are \$561 million worth of committed but uncontracted projects, made up of 61 construction and business-case projects, including 40 Connections projects announced on 11 August.

CHAIR: We will now suspend for the dinner break. We will return to continue with Regional Development, Local Government and COVID Regional Recovery, and after that we will move to Airservices Australia.

Proceedings suspended from 18:47 to 19:45

CHAIR: Welcome back. We are continuing with regional development, local government and regional recovery.

Mr Atkinson: There are a couple of things we would like to read in as answers, if we could.

CHAIR: Of course.

Mr Atkinson: Ms Hibbert has a couple of answers to read.

Ms Hibbert: Earlier, Senator Whish-Wilson asked about the reasons for the first variation request to extend the South Coast huts project under the regional jobs and investment packages. The reason for the first request was that progress on the planning phase activities had been slow because there was a Christmas shutdown during that period. There was also an impact on the project from the 2019-20 summer bushfires. There are also legal challenges to the Lake Malbena proposal, which is a separate but related tourism development.

The second thing we wanted to enter onto the record is that Secretary Atkinson had said that there were three uncontracted projects for BBRF for round 4 in response to Senator Watts's question. Those three projects that are uncontracted from BBRF round 4 are: the Launceston creative precinct, which is a \$10 million project to build a

creative precinct on neighbouring sites in the centre of Launceston; the Ballina Byron Gateway Airport runway upgrade, which will upgrade the Ballina Byron Gateway Airport input by widening and strengthening the existing runway, and that's a \$10 million project; and the Napiac aquifer water supply project, with the addition of eight bores. That project is with the MidCoast Council and \$1.47 million.

Senator WATT: Thanks for that. My next set of questions relates to the Building Better Regions Fund. I know we covered some of this this morning, but we have a few more questions. Minister, you would be aware—in fact, I think you featured in some of the media coverage over the last couple of days—of the disparity of funding received under this program by coalition held seats as opposed to opposition held seats and also marginal seats. Have you seen that coverage?

Senator McKenzie: I haven't. I am happy to talk about the Building Better Regions Fund and what a boon it is for rural and regional communities.

Senator WATT: It is a boon for some rural and regional communities, especially those that are represented by government members, isn't it?

Senator McKenzie: Not at all.

Senator WATT: You don't think there's any disparity under this program between the share of funding that goes to government held seats and opposition held seats?

Senator McKenzie: The fact of the matter is Liberal and National Party MPs hold the majority of rural and regional seats. Rural and regional Australians vote for Liberal Party MPs and they vote for National Party MPs in the main. Obviously there are some exceptions, but the majority of regional seats are held by Liberal and Nationals MPs. It would only make sense, then, that a larger proportion of existing funding would go to those members.

Senator WATT: Would it surprise you to know that in fact Labor members currently hold roughly a third of the seats eligible for funding under this program but received only 16 per cent of the funding available?

Senator McKenzie: When you say 'a third', obviously that means that two-thirds are with Liberal and Nationals, and I think—

Senator WATT: So why don't those seats get two-thirds of the funding?

Senator McKenzie: The main focus of the Building Better Regions Fund is actually to account for geography, not demography. So when you look at it by political party, 73 per cent of Australia is actually represented by the coalition. The ALP represents about 19 per cent and Independents eight per cent.

Senator WATT: Are you doing this on square metres now?

Senator McKenzie: That's the advice I have, yes. It's square kilometres, not square metres. If you really wanted to put some zeros on it, you could turn it into square metres! That's way beyond year 8 maths.

Senator WATT: But it is a fact that Labor holds a third of the seats eligible for funding under this program but received only 16 per cent of the funding available. Why did a disproportionate share of funding under this program get shuffled to coalition held electorates?

Senator McKenzie: I absolutely reject the way you are describing how this program was run. This is a program that drives economic growth in rural and regional areas. It's been incredibly oversubscribed. It goes through a rigorous process through the department. I'm very happy for officials to go through how that is run and then how projects are determined to be funded. Of the 298 projects that the Building Better Regions Fund's most recent round looked at, 117 of those were for general infrastructure and 80 were specifically for tourism—

Senator WATT: I haven't asked—

Senator McKenzie: which, given the issues around border lockdowns, is important.

Senator WATT: Minister, as you know, we are already well behind and you are giving me information that I haven't asked for. So would you mind—

Senator McKenzie: I'm just trying to be helpful.

Senator WATT: You would be particularly helpful if you could answer my questions. Who currently sits on the ministerial panel for this program?

Ms Pickworth: The ministerial panel for round 5 was the Hon. Barnaby Joyce, chair of the panel and Deputy Prime Minister. Do you want me to read their titles as well or just their names?

Senator WATT: Just their names will be fine.

Ms Pickworth: The Hon. David Littleproud, the Hon. Dan Tehan, Senator the Hon. Anne Ruston, Senator the Hon. Bridget McKenzie, Senator the Hon. Richard Colbeck, the Hon. David Gillespie, the Hon. Ben Morton, the Hon. Kevin Hogan and the Hon. Nola Marino.

Senator WATT: Thanks for that. So, Minister, it just so happens that a panel naturally made up only of Liberal and National Party—

Senator McKenzie: Government.

Senator WATT: ministers decides to hand over 80 per cent of the funding to government held seats when the government only holds about two-thirds of the seats in the regions. That's just a coincidence, is it?

Senator McKenzie: These projects are actually around building economic opportunities.

Senator WATT: But aren't there projects like that in Labor—

Senator McKenzie: Sorry, Senator. So investing in smaller communities, not just the big regional capitals, is actually an important part of this program.

Senator WATT: There are small communities in Labor electorates. I have been to some of them.

Senator McKenzie: I am going to go to some fantastic projects that were funded in Labor seats. But just to your point: by square kilometres, the coalition represents over 70 per cent of the country. By local government areas, the coalition seats cover 416 local governments. Local councils are one of the big applicants in the Building Better Regions Fund, as I'm sure your MPs have told you. The ALP only covers 143 local government areas and Independents 42, which is about seven per cent. So, whether you're looking at it by square kilometrage or whether you're looking at it by local government areas, who are, in the main—and I'd be interested if the department has any statistics around whether all the applicants are local government areas. But, given that that's how a lot of this is determined—

Senator WATT: Minister, with respect, can I just remind you: we ask the questions. You don't get to pose questions to departmental officials to wind down the clock.

Senator McKenzie: We've got hours together!

Senator WATT: We actually don't. I understand that, in round 3, 112 of 330 projects were approved by the panel against departmental recommendations, and in round 4 it was 49 out of 163 projects—

Senator McKENZIE: I'll have to get that confirmed by officials.

Senator WATT: Does that sound right, Dr Bacon?

Dr Bacon: No, Senator; I think it would be good if I can clarify that. There are three categories of projects that we advise on in our assessment advice to the ministerial panel. As we've talked about earlier today, we've talked about the advice we provide for projects that are eligible and value for money, and projects that eligible and not value for money. For projects that are eligible and value for money, there are essentially two categories that comprise that: there are those projects that are eligible and value for money within the allocation and there are projects that are eligible and value for money but fall outside the available funding allocation that was announced in budget for the particular round. Senator, when you're referring to round three, the wording that the department drafted in that round 3 letter to comply with the Commonwealth Grants Rules and Guidelines should actually have been clearer. The letter actually went further than the CGRGs require and reported on projects in category 2 that were value for money but beyond the budget funding allocation. Consistent with our continuous improvement approach, we've improved the wording that we use to comply with that particular section of the CGRGs. But, essentially, all of the projects from round 3 were eligible and value for money.

Senator WATT: But the bottom line is your evidence is that, for round 5, no projects were approved by the ministerial panel that weren't already recommended by the department. Is that correct?

Dr Bacon: That's correct.

Senator WATT: You said that there were 1,085 applications, of which 298 were successful. How many green-coloured projects—that is, those that were eligible and value for money—did not receive funding?

Dr Bacon: I think we're starting to get into the details of the advice was provided to the ministerial panel and then to cabinet. I'd probably need to take that on notice, Senator.

Senator WATT: I should have talked to people about this earlier in the day, but do you wish to claim a public interest immunity?

Mr Atkinson: Senator, I think we will take it on notice and see what we can provide, but it may be in the nature of our advice into the cabinet deliberations, which, ordinarily—I think it is in the public interest for us to be able to do that in a way that remains private for governments of all persuasions going forward.

Senator WATT: I suppose I just want to make sure that we do this the right way, where it's actually a matter for the Senate to decide whether to grant a public interest immunity or not. You want to take it on notice. Does that mean that, at this point in time, you don't want to claim any immunity?

Mr Atkinson: It depends what you're asking for, Senator.

Senator WATT: I'm asking: of the projects on the colour-coded spreadsheet that the department provided, how many of those projects were coloured green—that is, were eligible and value for money—but were not approved?

Mr Atkinson: We don't have that, so we would take it on notice. The question is as to whether or not we would be able to provide you the answer anyway.

Senator WATT: What proportion of the projects that were deemed eligible and value for money were in government-held seats?

Dr Bacon: I don't have that information. We actually don't do electoral analysis as part of the assessment process that we undertake for providing advice to the ministerial panel.

Senator WATT: So that would be a decision of the ministers' offices if they wanted to take that into account?

Dr Bacon: Well, the published guidelines actually set out the factors that the ministerial panel will take into account. So, when the department provides its advice, the department provides an initial ranking. The guidelines explicitly allow the ministerial panel to take into account other factors. It includes the spread of projects and funding across regions, the regional impact of each project, other similar projects in the region, previous funding and government priorities. That's set out in the published guidelines.

Senator WATT: Minister, maybe it's then a question for you. What I'd like to know is: of the projects that the department considered to be eligible and value for money, and presented to the ministerial panel, what proportion of those projects were in government seats as opposed to non-government seats?

Senator McKenzie: I don't have that detail, and I'll be unable to get that for you.

Senator WATT: You will be unable to?

Senator McKenzie: Yes. I don't know how I would get that if the department doesn't have it.

Senator WATT: The department effectively just said that they don't take into account the seats that projects are in, but I find it hard to believe that government ministers and their offices didn't take that into account given the record of this government with funding programs. What we know is that government held seats got about 84 per cent of the funding through this round. What I'd like to know is whether 84 per cent of the projects that were recommended, in the sense of being eligible and value for money, were projects in government held seats.

Senator McKENZIE: Yes, I can take that on notice for you. You keep going to the quantum of money, and I did want to make a couple of points around that, if I may. Sometimes a very relatively small amount of money in the context of this program can actually still be quite transformational to a community. So only defining as the benefit being the amount of money I think undersells just how transformational some of these projects are in these smaller communities. On my point earlier around local government local areas, I think people have to understand that a seat like Durack, held by the Liberal Party in WA, has 41 local councils; whereas, say, Meryl Swanson, one of your own regional MPs—a fantastic Labor MP, I might say, one of the better ones—only has two local government areas, so only two councils within her electorate—

Senator WATT: Yes, but it has roughly the same number of people.

Senator McKenzie: So it goes to the expanse that these MPs are actually representing.

Senator WATT: But those electorates have roughly the same number of residents. They may have many different multiples of councils—

Senator McKenzie: But they will have lots of different locales and places—little places, medium-sized places; whereas, say, Paterson doesn't have the spread, shall we say, of population.

Senator WATT: It has plenty of small communities.

Senator McKenzie: And, therefore, that's exactly what the Building Better Regions Fund has been developed to do—to account for that, because the economies of scale exist in large regional capitals and capital cities that provide that sort of service and economic infrastructure to the residents; whereas, if you're further away and quite distanced, then those economies of scale don't exist, and this is what this fund exists to do. It's why it's so popular.

Senator WATT: We know that for round 5 an additional \$100 million was added to the program. Where did that funding come from? Was it new funding? Was it a bring-forward? Was it savings from previous rounds where didn't go ahead?

Dr Bacon: That was a decision of government as part of the budget process.

Senator WATT: So it was an additional \$100 million?

Dr Bacon: It was an additional \$100 million to the amount that had been announced in the earlier budget.

Senator WATT: How much was announced earlier?

Dr Bacon: \$200 million.

Senator WATT: So it was another—

Dr Bacon: \$100 million.

Senator WATT: half again. If we look back at the Building Better Regions Fund over its lifetime, over the five rounds since 2017, the amount committed under this program is \$1.15 billion; is that correct? Do you have that figure to hand?

Dr Bacon: The total funding commitment for the BBRF is \$1.382 billion.

Senator WATT: How many projects is that in total?

Mr Atkinson: Over the life of the program, I think it is 995 approved projects.

Senator WATT: Do you know how many are yet to be completed?

Mr Atkinson: This is for rounds 1 to 4. I'm just conscious that my information here is as at 31 August. The total number of projects completed is 632. That leaves 322 projects that are still active currently.

Senator WATT: Does the information that you have tabled already today, which is a large quantity of documents, advise the status of projects approved under this program?

Dr Bacon: I'm just looking for my—

Senator WATT: My actual question is: could you please provide on notice projects in each round which are yet to be completed. I was just trying to establish whether we had already been given that.

Dr Bacon: We have just checked. The Sterle request that we provided does have the status on a project-by-project basis, so you should have that information.

Senator WATT: So that will tell us which are the 300-odd projects which have not yet been completed?

Dr Bacon: That's correct.

Senator WATT: Again, Minister, are you aware that, over the entirety of the BBRF program, only 14 per cent of funding has gone to seats currently held by the opposition, despite the opposition holding about a third of the seats in the country, and nearly 80 per cent of funding has gone to seats held by the coalition, despite it holding only about two-thirds of the eligible seats? Isn't this just a massive rort in favour of the Liberal and National parties?

Senator McKenzie: What an absolutely ridiculous assertion.

Senator WATT: How can it be—

Senator McKenzie: The Building Better Regions Fund has transformed communities.

Senator WATT: Particularly in government held seats.

Senator McKenzie: It has driven economic outcomes in rural and regional seats.

Senator WATT: In government held seats.

Senator McKenzie: In seats held by the Independents as well, like Senator McDonald's hometown up in the seat of Kennedy, for instance.

Senator WATT: What share has gone to Independent seats?

Senator McKenzie: In terms of how many seats Independents hold, they cover seven per cent of local government areas in the country. They represent eight per cent of the landmass, so a little under half of what the ALP does. The ALP's regional seats aren't the big agricultural seats.

Senator WATT: Have you been to Lingiari? Do you think that is a small seat?

Senator McKenzie: No, I'm not saying that. You say Lingiari; I could say Durack, I could say O'Connor, I could say Mallee, I could say Maranoa or I could say Barker. So what I'm saying is: you have Lingiari, yes.

Senator WATT: It's a pretty big seat.

Senator McKenzie: I'm saying, in terms of large seats that are based around agriculture and mining, you have a handful.

Senator WATT: So it has to be seats based around mining?

Senator McKenzie: Otherwise it is seats like Bendigo and Ballarat, regional capitals in excess of 100,000 people. They are obviously still recipients of this program, but this program has been developed to support medium sized communities with economic potential.

Senator WATT: So whether a seat has agriculture and mining in it is a factor, is it?

Senator McKenzie: No.

Senator WATT: Why did you just mention that?

Senator McKenzie: I'm describing the sorts of seats that the coalition hold that you don't.

Senator WATT: So you are telling me there is no agriculture and mining in seats like Hunter?

Senator McKenzie: No, that's not right.

Senator WATT: The Hunter Valley?

Senator McKenzie: Senator Watt, I don't know what you want me to say. I'm not going to characterise this—

Senator WATT: Wine growers? Coalmining?

Senator McKenzie: transformative program the way you want me to. I can keep saying how fabulous it is and you can keep going on about how trashy it is and we will never agree. It will be interesting to see, Senator Watt, what the Labor Party does with the Building Better Regions Fund after the next election. Will you turn your back on rural and regional communities and only fund those seats that don't back those sorts of industries?

Senator WATT: Isn't that what you're doing?

Senator McKenzie: No, not at all.

Senator WATT: Aren't you favouring seats that your government holds?

Senator McKenzie: The department has outlined the rigorous assessment process they go through.

Senator WATT: Have you seen the Auditor-General's reports about this program?

Senator McKenzie: No, I haven't—

Senator WATT: You might like to—

Senator McKenzie: but I do remember an Auditor-General's report about a former minister. I was sitting on a committee looking into it when former Minister King held this program. It was scathing.

Senator WATT: I think you will find it was a completely different fund.

Senator McKenzie: It was a fund that invested in the regions.

Senator SHELDON: Correct me if I'm wrong here. What I understand, Minister, is that you are saying that, because 70 per cent of the landmass is in government controlled seats, it's okay that there was still only 14 per cent of the contributions for funding—

Senator McKenzie: My point was that Senator Watt was using one set of criteria; there are multiple sets of criteria to make a case. The reality is that this is a heavily oversubscribed program. Every single project that was funded was deemed eligible and value for money by the department and went through the proper process.

Senator SHELDON: Let's look at Capricornia and Bendigo, for example. Both are classified by the AEC as provincial seats, meaning they are outside capital cities, of course, as you know. But, with the majority of enrolment in major provincial cities through five rounds of the program Capricornia has received just over \$23 million in funding while Bendigo has received just \$2.3 million. The multiplier between those two is 10. It is ten times the amount for a government held seat than for a Labor held seat. How is that split justified?

Senator McKenzie: You're going to statistics that I don't have in front of me. But I am absolutely confident in the process undertaken by the department.

Senator SHELDON: Can the department tell us if those figures I just gave are correct or not?

Dr Bacon: As I said to Senator Watt earlier, we don't actually do electoral analysis as part of our assessment process because that is not relevant under the published guidelines for this program. The criteria for BBRF are set out in the published guidelines. They set out the assessment and decision-making processes as well. Electoral analysis is not part of the advice the department provides in that assessment process.

Senator SHELDON: It is just a circumstance of the ministers deciding where this money is going to go, ultimately?

Dr Bacon: The published guidelines for this program set out the criteria against which merit assessments are done initially by the grants hub. That is then packaged and provided by our department. As I might've said earlier, there are additional factors that the published guidelines set out for the ministerial panel to take into account. I talked about those factors earlier.

Senator SHELDON: Let's go to another example, then. Maranoa has received around \$50 million more in funding than Bendigo. Minister, how can that be justified?

Senator McKenzie: I just made that point earlier about comparing Victorian electorates, such as Bendigo, which is a large regional capital that has benefited from BBRF over the years, funding fantastic facilities such as the art gallery and the theatre, and has only one local government area, to Durack or indeed Maranoa, with multiple local government areas that would all be wanting to put in an application for their particular passion project, whether it be Longreach, Winton or others in Maranoa, versus one local government area in Bendigo. That is actually the reality of how this program works. Local governments say, 'This is what we really want,' and, in the main, it is local governments that make the applications. So, if you are in an electorate that has in excess of 40 local government areas, then you're going to have potentially 40 times the number of applications. It's of no surprise that you get this sort of outcome at all.

Senator SHELDON: But isn't it also a question of equity for the regions? If you've got a \$50 million difference between Maranoa and Bendigo, and you've got a multiplier of 10 times for a seat held by the government rather than one held by Labor, doesn't this come to a serious question about how it's justified? I've asked this question before, but the question is: why isn't Bendigo worthy?

Senator McKenzie: As I said, Bendigo has had some fantastic projects and programs.

Senator SHELDON: \$2.3 million.

Senator McKenzie: And it is going gangbusters. It has got a great, diverse economy, and, thanks to the investment—from this government and previous governments—over the years, it really has some fantastic facilities. But, again, it's an electorate of 5,000 square kilometres, as opposed to Capricornia, which is 90,000. So it just doesn't make sense. You argue they should get the same amount of money; I, as a National Party MP, would argue that geography does matter.

Senator SHELDON: There would be relatively comparable people within the electorates. That doesn't matter?

Senator McKenzie: This fund is specifically set up to drive economic growth and create jobs outside of Australia's major capital cities. I think, to anyone in Longreach, Winton, Orbost or Orange, the city of Bendigo—being in excess of 110,000 or 120,000 people, with 1½ to two hours on the train from Melbourne and its airport going gangbusters—is not comparable.

Senator SHELDON: I guess I'm comparing—

Senator McKenzie: I would never say—as you're trying to suggest I'm saying—that they're not worthy. Of course they are. But, at some point, decisions are made in government.

Senator SHELDON: Over five years—

Senator McKenzie: Are you saying the people in Capricornia aren't worthy? Are you saying the people in Winton don't deserve a project? Are you saying Meryl Swanson's electorate shouldn't get what it needs?

Senator SHELDON: Over five rounds, the government-held seat gets 10 times the amount and \$50 million more in funding is given to Maranoa than to Bendigo. It would appear to the normal person off the street that that's simply unfair. In actual fact, I understand the ANAO is investigating the BBRF. Is that correct?

Dr Bacon: I can answer that. Yes, there is a current audit of the BBRF program underway by the ANAO. We've had other programs previously that have come on to the audit program of the ANAO, so we see it as reasonably standard practice for our programs to be audited as part of that regular schedule of auditing year by year. We certainly welcome the screening from the ANAO, which they're undertaking at the moment.

Senator SHELDON: So I take it that the department's fully cooperating with the inquiries from the ANAO.

Dr Bacon: Yes, we are.

Senator SHELDON: Have you got any suspicions about what the findings might be?

Dr Bacon: Previous audit reports that the ANAO has undertaken on other programs have provided some very helpful insights and recommendations about improving, about process improvements; for example, how we could make our briefings clearer, make our recommendations clearer, when we provide advice to government out of the assessments that we do. There has been a range of process improvements that we have had for particular audits of

programs that have been undertaken previously. Consistent with our continuous improvement approach, what we then seek to do, where we have made process improvements in response to an order from one particular program, is we work to make sure that any relevant process improvements are then translated across all of the programs that we administer on behalf of the government.

Senator SHELDON: The minister was reciting a series of vague criteria about what would be actually spent on each electorate. Minister, are those criteria written down somewhere?

Senator McKenzie: What criteria?

Senator SHELDON: The criteria you were putting to me about the land mass size.

Senator McKenzie: I was putting those statistics to you as a counterfactual to your assumptions that we hold this many electorates, we hold whatever it is, 16 per cent; therefore, we should get 16 per cent of all the money. I have tried to outline to you that sometimes it isn't just all the money; sometimes a project can transform a community for a relatively cheap amount. So comparing the amount of money as the only indicator of success or investment, I do think, is not the only way to look at it. I was also trying to suggest that you're saying, 'Well, we have the same amount of people here; they should get the same amount.' No, because that group of people is spread out over a much broader geography and that needs to be recognised, and that's what this fund seeks to do.

Senator SHELDON: I will just go to this question. Sorry, I am not clear. Again, what criteria are used? You mentioned a couple of examples. Are they criteria or are they just—

Senator McKenzie: To me, it is a way of looking at it. You are putting a proposition to me of what equity looks like, and I am putting to you a proposition of what a different way of looking at it could be—

Senator SHELDON: But you are in government.

Senator McKenzie: from my perspective as a National Party minister.

Senator SHELDON: You are in government. What I'm trying to ask you, and what I am asking you is: Do you have criteria that you apply when you make those decisions or is it just the vagaries that you have been giving to us now?

Dr Bacon: Minister, we can assist you with the criteria, if that is helpful.

Senator McKenzie: Thank you.

Dr Bacon: I will ask Ms Hibbert. The criteria are set out in the published program guidelines for the program, so I might ask Ms Hibbert to give you an indication of what are the relevant criteria that are assessed by the grants—

Senator SHELDON: Thank you for the offer to do that. You might tell me it is but I am not sure that is necessary because the point I'm going to is that there is a criteria that's used by the cabinet ministers for making decisions about who gets jumped over the top of and how the final allocation goes. That's the point I'm putting to the minister: What are the criteria that are used? Because the only criteria that you will see on the surface is that substantial amounts of money are going to government-held seats and not to other seats, other than certainly marginal that they are targeting.

Dr Bacon: There are criteria that the department take into account and also, in the published guidelines, there are factors that the ministerial panel can have regard to that are also part of the published guidelines. I did read those ones out before. If it is helpful, we could read out the criteria that the departments consider but both are set out in the published guidelines for this program.

Senator SHELDON: I don't need to hear it because it is on *Hansard* but I will ask the question. The minister has given a description about how she makes a decision. She is a decision-maker. How does that criteria fit with the criteria of the ministerial council?

Dr Bacon: Everything the minister has said is consistent with the criteria, the factors that are set out in the program guidelines for the ministerial panel that it may consider.

Senator SHELDON: I understand there is one more round that is funded. What is the timeline for round 6?

Dr Bacon: I will ask Ms Hibbert to answer that question.

Ms Hibbert: The plan for round 6 is that the guidelines will be released towards the end of the year, November some time, and announcements should be made around the middle of next year. So successful projects will be announced around the middle of next year.

Senator SHELDON: How much funding will be available?

Ms Hibbert: For round 6, \$250 million has been announced.

Senator SHELDON: Is there any additional funding to the \$250 million being considered?

Dr Bacon: Not at this point. The \$250 million was the announced allocation for round 6 of PBRF in the recent budget.

Senator SHELDON: Will there be any changes to the processes to ensure a more even distribution of funding?

Dr Bacon: We are in the process of settling the guidelines now, as Ms Hibbert said. We always look to see if there are process improvements we can make from previous rounds. Obviously, as we covered earlier, the ANAO is currently undertaking an audit. We will work very closely with them. We have a dedicated senior officer working with the ANAO as part of their audit process. As they generate insights, which they will start to do over the coming weeks, we will rely on those insights to make whatever improvements we can as we undertake round 6 of the program.

Senator SHELDON: So you are looking at the regions that receive substantially less funding and at what the criteria are? Is that what you're saying?

Dr Bacon: What I'm saying is we will look at the program guidelines afresh every time we do a new round of a program, look at what improvements we can make, what lessons we can learn from previous program rounds. We will take all of that into account in establishing the guidelines, including the criteria, for round 6 of the program.

Senator SHELDON: We are now only seven months from the latest date of a federal election, when it can be held. Is that enough time to open up round 6 for applications, assess applications, have the ministerial panel overrule your assessments—which is commonly done—and then make announcements?

Dr Bacon: I would probably characterise it differently, the role of the ministerial panel. But as Ms Hibbert stepped out, we are in the process of settling the guidelines now; that is step 1. We then open the round for applications. Yes, we would expect applications to be received and assessed ahead of May. The process for decision-making, we would expect to take a number of weeks. So it would be around the middle of the year that Ms Hibbert said we would be aiming to complete round 6 at this point.

Senator SHELDON: The ANAO has released another recent report showing that 55 per cent of regional grants since 2018 have gone to major cities. How did that happen?

Dr Bacon: We are familiar with the GrantConnect report, which is the report you are referring to.

Senator SHELDON: Yes.

Dr Bacon: Without further information, the basis of the ANAO's conclusions in this report are not actually clear to us. We have a number of questions about the basis for the analysis and the conclusions that were drawn. For example, it is not clear to us which programs were counted as regional programs. One of the reasons we have that question is because national programs like the Community Development Grants Program or the Smart Cities Program support regional as well as urban projects.

Another question we have is whether the ANAO took into account the way that reporting data is uploaded into GrantConnect. The GrantConnect system that is administered by the department of industry requires us to choose regional development as the category field for national programs that support both regional and urban projects. There is no city or urban category in the GrantConnect system, so we're not sure how the ANAO has done its counting there. We are also not sure whether the ANAO took into account the projects delivered in a city can be for the benefit of a regional community, with examples like Ronald McDonald House in Westmead, where the purpose of that project, while it is located in a city location, is for the benefit of regional families who are looking for somewhere to stay while their sick children are getting treatment. So we have a range of questions about how the conclusions were drawn. Having looked at GrantConnect in light of this particular report, there are a number of national program projects that have been reported under the regional category because that's the constraint that we have when we upload information into the system.

Senator SHELDON: Thank you for that example of Ronald McDonald House. You are quite right: it is a very worthy charity. But how does funding pools in North Sydney and city sporting club upgrades through regional funding schemes happen? Why is the government funding those?

Dr Bacon: We are familiar with the media reporting around urban projects being reported in this context. There are a number of projects that have been funded under the Community Development Grants Program, which is a national program. For example, you referred to football clubs. The Collingwood Football Club project that's been reported in the media was funded under CDG, which is a national program. It would have been categorised

because of the constraints in the GrantConnect system as in the regional category because there is no city option to choose when we are required to choose a drop-down category in the GrantConnect system.

Senator SHELDON: So what is the explanation for funding pools in North Sydney out of this regional fund?

Dr Bacon: I'm not sure if you are talking about the sports facilities and change rooms program that is now administered by a different department.

Mr Atkinson: Just to be clear, what Dr Bacon is saying is that those examples you are talking about aren't being funded out of the regional fund. They are funded out of the CDG, which is a national fund. That's why she's very politely saying that there are questions to be answered about the data that's being relied on.

Senator WATT: There are a couple of projects in the Capricornia electorate that I'd like to ask about. I'm pretty sure they've been funded out of one of the funding programs in this part of the department. The most recent is the Fitzroy Community Hospice in Rockhampton. It has been announced that it will receive some federal government funding. From everything I've seen and heard, it's a very worthwhile project. What fund was used to fund this project?

Ms Hibbert: The Fitzroy hospice was funded under the Community Development Grants Program.

Senator WATT: We sort of established before that there are no real guidelines around that program, are there?

Ms Hibbert: There are published guidelines for the CDG Program that are publicly available.

Senator WATT: Right. There was some confusion in Rockhampton around how this project came to be funded because Senator Hanson initially went out and claimed credit. She said that she had convinced the government to fund that. Are you aware of any advocacy work by Senator Hanson in relation to this project?

Ms Hibbert: No, I'm not. What I know is that the government decides what projects will go into the CDG Program.

Senator WATT: The government makes that decision?

Dr Bacon: Just to add to that, the department generally is not involved in the processes around announcements of projects.

Senator WATT: No. Minister, do you know anything about this one? Senator Hanson went out initially claiming credit for convincing the government to fund this project. Then Michelle Landry, the local LNP member, said that it was her. But she seemed to have been beaten to the punch by Senator Hanson. Who actually got the funding?

Senator McKenzie: As you are up in Rocky occasionally, you know what a hardworking local member Michelle Landry is. Her community has trusted her time and time again because she actually delivers for them. Michelle had been working on this project with the Deputy Prime Minister. Senator Hanson can swoop in and try and take the glory, but, at the end of the day, the local community know who delivers for them in Rockhampton and in Capricornia more broadly, and it is Michelle Landry.

Senator WATT: So Senator Hanson was just making it up was she?

Senator McKenzie: Michelle Landry worked with the Deputy Prime Minister on this project and rightfully should receive the credit.

Senator WATT: You would be aware that this isn't the first time we have seen this happen in Rockhampton. We had this farcical situation before the Queensland state election where both Senator Hanson and Michelle Landry turned up to make an announcement for a football stadium in Rockhampton. How does it keep happening that Senator Hanson seems to secure funding and announce local projects that are being funded by an LNP government?

Senator McKenzie: I absolutely reject your characterisation of Senator Hanson's involvement—

Senator WATT: Well, it's happened twice. She had a big cheque.

Senator McKenzie: The Deputy Prime Minister has worked with Michelle Landry to deliver projects. Honestly, Rockhampton is a better place because the LNP is representing it. We have seen project after project from the hospital car park to the football stadium and beyond. Michelle Landry delivers and that is why that community continually backs her and re-elects her at each election—which I hope they will continue to do—because they know she has got their back.

Senator WATT: Are we going to see other occasions in Rockhampton where Senator Hanson and Michelle Landry have a bit of a fight in public about who got funding for the local electorate?

Senator McKenzie: The government is very clear on who delivers in the seat of Capricornia and who delivers in the city of Rockhampton and it's Michelle Landry.

Senator WATT: So why is it that Senator Hanson keeps showing up with big cheques?

Senator McKenzie: You'll have to ask Senator Hanson—maybe it's about stunts.

Senator WATT: She wouldn't do that would she!

Senator McKenzie: I know, right!

Senator WATT: So on this Rockhampton stadium, \$23 million in federal funding was announced. I think that's also from the Community Development Grants Program?

Ms Hibbert: That's correct.

Senator WATT: Can you provide an update on this project?

Ms Hibbert: Yes. We are currently negotiating the funding agreement with the grantee.

Senator WATT: When the announcement was made what was the scope of the project?

Ms Hibbert: I will have to come back to you on that—other than the fact that there was a requirement to build a stadium at that location in Rockhampton.

Senator WATT: So it was a stadium?

Ms Hibbert: Yes.

Senator WATT: Has that scope changed?

Ms Hibbert: No.

Senator WATT: So you are negotiating a funding agreement to fund the construction of a stadium?

Ms Hibbert: That's correct.

Senator WATT: What is the project time line expected to be?

Ms Hibbert: I don't have that information on me. I can take that on notice if you like.

Senator WATT: Thanks.

Dr Bacon: We are negotiating funding arrangements, which it sounds like we are in midstream of currently doing, for this particular project. It is all of those details that will be drawn out as part of the negotiation to then include in the funding agreement contract. It may be that we are still receiving some of these details at the moment, but we will do as much as we can to provide you with whatever information we've got.

Senator WATT: When the project was initially announced, Senator Hanson—who, as we have heard, claimed credit for it—announced that it would build a 16,000-seat stadium, being 8,500 permanent, 7,500 temporary seats and a concourse area to host functions for up to 650 guests. Does that sound like the original scope of the project?

Ms Hibbert: As I said, I don't have that detail. I don't recall those types of numbers. It was to build a stadium in that location in Rockhampton. I can get that information for you, Senator.

Senator WATT: It has been reported in the media recently that now it is proposed this will be a 7½ thousand, seat stadium rather than a 16,000-seat stadium, and an 800-person ballroom, rather than a function area for 650 guests. So, again, has there been a change to the scope of this project since it was first announced?

Ms Hibbert: I need to take that on notice. I don't have that information with me.

Senator WATT: Is there anyone here who does?

Ms Hibbert: I have contacted the office. I'll have to wait for them to come back to me.

Senator WATT: Has there been a detailed business case developed for this project?

Ms Hibbert: I don't have that information.

Senator WATT: You'll have that on notice?

Ms Hibbert: I can take that on notice.

Senator WATT: If there has been, could you please provide a copy of that business case?

Ms Hibbert: I can take that on notice.

Senator WATT: What state government and council involvement has there been in the business case?

Dr Bacon: I think we're taking on notice whether we do have a business case, and we'd need to check that and look at what it contains to be able to answer your question.

Senator WATT: Are you aware that the proposed site for this stadium is on a floodplain? Has that been explored by this department that wants to give the project \$23 million?

Dr Bacon: Whenever we're negotiating project agreements with funding recipients we would look at any potential risks to the projects; we would work with the funding recipients on the mitigations for those risks. We're in the process of negotiating and collecting that information that will inform the funding agreement. I'm not sure if we're yet in a position to answer detailed questions about flood mitigation. That's something we can take on notice and check if we have, but that would be standard practice that we look at risks and mitigations across all of our projects.

Senator WATT: Who is the proponent? Who would the money be awarded to?

Ms Hibbert: The grantee is the Rocky Sports Club Limited.

Senator WATT: Is that a for-profit or a not-for-profit entity?

Ms Hibbert: I'd have to check on that. I can get that information from the office.

Senator WATT: My understanding is that there's a not-for-profit organisation of that name. Are you aware that the most recent annual report for the Rocky Sports Club Limited shows a \$945,000 liability to GA and TM Shuker?

Dr Bacon: We are still, as Ms Hibbert said, in the process of collecting all of the information to settle the funding arrangement for this project. The viability and financial circumstances of the grant recipient are relevant factors that we consider in doing our grant agreements, consistent with our approach to make sure that we're mitigating any risks and ensuring good value-for-money outcomes for the Commonwealth.

Senator WATT: Right. It's a Mr Gavin Shuker. I don't know what position he holds in the Rocky Sports Club, but he's certainly been the public face of this proposal in Rockhampton. So it would appear that the government is proposing to give Mr Shuker's not-for-profit entity \$23 million in taxpayers' funds when that entity owes Mr Shuker, or GA and TM Shuker, nearly a million dollars. Is that a concern?

Dr Bacon: We'll be looking at all of those factors carefully when we're developing the funding agreement, which is currently in train.

Senator WATT: Has that been revealed to the department at any point?

Dr Bacon: I think Ms Hibbert said we don't have all of the information to hand that we're looking at and working through as part of the process of settling a funding agreement for this particular project. So I think we'd need to take that on notice.

Senator WATT: Minister, is it common practice for this government to hand out millions of dollars of taxpayers' funds to entities that owe nearly a million dollars to the person who's the public face of the proposal?

Senator McKenzie: I've just been listening very carefully to the officials and it seems they're doing full due diligence and working through to make sure all the i's are dotted and the t's crossed.

Senator WATT: You don't bother doing that kind of due diligence before you go and make an announcement that you're going to give someone \$23 million?

Senator McKenzie: It's a process, and we're going through it.

Dr Bacon: If I could add, the primary purpose of the program is to deliver the government's election commitments. I think we've talked in this committee previously about how this program has a slightly different process to a number of our other regional programs, where the process essentially commences with a government announcement—in many cases that is an election commitment—and that then triggers the department's processes. Our assessment process commences when we get a completed request for information form from the applicant. We then undergo a value-for-money assessment and we look at key areas of potential risk, such as grantee viability, project viability and project sustainability. All of those factors are currently being considered as we're going through the more detailed phase of the assessment for this particular project.

Senator WATT: Chair, Senator McCarthy has just a few questions to do with some territories issues, and then we're done with regional development.

Dr Bacon: Chair, territories weren't actually listed on the program, so I don't have the territories staff available. We checked with the committee secretariat that the program was correct, and territories aren't on the agenda. I'm sorry, Senator; I don't have relevant colleagues here with me.

Senator WATT: Could Senator McCarthy bowl up one or two questions and see whether there's anyone who might be able to answer?

Dr Bacon: I can give it a go.

Senator WATT: She's been very patiently waiting.

Senator McCARTHY: I want to go to Cocos (Keeling) Islands, in particular West Island. I did raise this in the May estimates and just wanted to follow up on it. I raised the situation of Cocos Autos, and I'm wondering whether this business has permanent alternative premises to operate from yet.

Dr Bacon: I am aware of the Cocos Autos matter that you're referring to. Unfortunately, the officer who would be able to answer your question isn't here tonight because our understanding was that territories matters weren't on the agenda, but we can absolutely take that on notice. I can get the appropriate officers in the department to answer your question. I know that they'll have an answer for you.

Senator McCARTHY: This has been going on for seven months for the families on Cocos (Keeling) Islands, and the minister certainly knows about the issue. So it is important to get a response, and I had hoped that, even if your departmental representatives weren't here, you would actually have a response for Ms Liu and Mr O'Dowd, who've been continuing to provide an essential service to the Cocos islands without a suitable workshop for seven months now. It is quite critical, especially over there.

Dr Bacon: I know the relevant officer in my department has that information and could answer your question, but unfortunately he isn't with me tonight. We'll be able to provide that to you on notice.

Senator McCARTHY: Alright. Thank you very much.

Mr Atkinson: Chair, Mr Mackay has some answers to Senator McCarthy's questions earlier. Could we just read those into the record?

CHAIR: Sure. Let's hear those.

Mr Mackay: Senator McCarthy asked about the Elliott arts centre. I just wanted to confirm that this is a private investment from Northern Interests, and we expect it to be fully built by the end of 2022. Following the outcomes of the feasibility study that we touched on earlier, Barkly Regional Council is gifting some land in exchange for the arts space. We can provide a copy of that feasibility study on notice.

The second question was around the community projects fund, which allows communities outside of Tennant Creek to apply for grants to deliver projects that they have identified. There is support, from the backbone team that Dr Bacon referred, to communities to apply through that fund, but speed of expenditure from the fund is dependent on when communities choose to apply. Recommendations are made by a panel of local community members and then brought to the governance table for endorsement. Seven applications have been received so far, of which five have been approved already and two are being tabled for consideration by the governance table at its next meeting. Of the five that have been approved, four were put forward by the Barkly Regional Council—for refurbishment of an arts space, a recreation hall upgrade, basketball courts and change rooms—and one was from Canteen Creek, for new solar street lighting. The arts space refurbishment project is complete and the new change rooms are nearing completion. Total funding approved so far is \$868,761, which, from the \$6 million available from the fund, leaves \$5,131,239 unallocated.

Senator McCarthy, your last question was around the childcare initiative. We can provide on notice a copy of the consultancy report that I described. That was endorsed at the governance table meeting in April of this year. There was some additional funding provided through the Department of Education, Skills and Employment to take that proposal forward. You asked specifically about the number of childcare places. That will depend on the outcome of the work that's underway now following that endorsement of the proposal by the governance table in April.

Senator McCARTHY: I will certainly have more questions in relation to those answers. In relation to the change rooms and some of those projects that you've made reference to that the Barkly Regional Council supported, was one of those the Elliott change rooms?

Mr Mackay: That's correct.

Senator McCARTHY: Where were the other projects?

Mr Mackay: The others were in Epenarra, with the refurbishment of the arts space, in Ampilatwatja, with the recreation hall upgrade, in Alpururulam, with the basketball courts, and in Canteen Creek, with the solar street lighting.

Senator McCARTHY: Of the \$6 million in funding put towards this area, you said \$5 million is still remaining?

Mr Mackay: That's right—\$5,131,239 is still remaining.

Senator McCARTHY: What were the two projects that were not accepted?

Mr Mackay: It's not that they have not been accepted; they are being considered by the governance table at its next meeting. I don't have the names of those two, but they are to be considered at the governance table's next meeting.

Senator McCARTHY: When is the next meeting in terms of the childcare placement?

Mr Mackay: I would have to take on notice the exact date of the next meeting.

Senator McCARTHY: Thank you very much.

CHAIR: That brings us to the end of regional development, local government and regional recovery. Please go with our thanks.

Airservices Australia

[20:52]

CHAIR: Welcome. Do you wish to make an opening statement?

Mr Harfield: No.

Senator PATRICK: My question is on the two aircraft movements. The objective of my question is to understand how we determine the health of GA. I presume you keep track of lots of this data. Do you feed it to BITRE? Does the bureau look at aircraft statistics?

Mr Harfield: It depends on what the statistics are. We would collect all the information in regard to air traffic movements that would be picked up by our air traffic system, which is stored. Some of that data is supplied to BITRE, but other data comes from airlines et cetera. It just depends on what their data—

Senator PATRICK: What does it stand for?

Mr Harfield: Bureau of Infrastructure and Transport Research Economics.

Senator PATRICK: Are you saying that your statistics would be around only RPT flights?

Mr Harfield: All air traffic that we manage.

Senator PATRICK: So out of Whyalla Airport, not that Airservices is there, that might be managed by Brisbane, Adelaide, Melbourne or something?

Mr Harfield: Melbourne would do the en route airspace. If it's an instrument flight rules flight we would definitely have that information. If it's a visual flight rules type of aircraft, unless they are carrying a transponder and they paint on our system, they don't necessarily have to talk to us because they are in what we would call class G airspace or non-controlled airspace.

Senator PATRICK: Sure. So they just make a call as they get to the runway, let everyone know that they're about to enter the runway, and take off and do something—is that how it works?

Mr Harfield: Correct.

Senator PATRICK: Of the statistics that you keep, do you break them into international travel, RPT and so forth?

Mr Harfield: Yes, we do.

Senator PATRICK: Is there any possibility that you could give, on notice, the GA statistics that you have for the last, say, four or five years—just the total number of movements?

Mr Harfield: We can provide you a breakdown of movements. We would classify general aviation as aircraft maximum take-off weight below 5,700 kilograms, as a general rule. We can provide that data.

Senator PATRICK: And obviously it would be a commercial pilot if it's GA—as opposed to a private pilot, which is not necessarily my concern here.

Mr Harfield: No, no; it would be anything that is 5,700 kilograms or less.

Senator PATRICK: What I'm trying to do is understand the total number of movements over the last five years, and perhaps also by state as well if that's possible.

Mr Harfield: We can give it by location.

Senator PATRICK: Okay. That would be helpful, on notice. In your annual report you've advised that you received government assistance to support industry. How much did you receive and how was that used to help industry?

Mr Harfield: I will pass to Mr Logan to give you the exact breakdown, but in rough order of magnitude it was about \$250 million for financial year 2020. We received the equivalent of \$1.1 billion for the last financial year, FY21; however, \$550 million of that was to be apportioned into this financial year. That was to help assist us

because we are industry funded and, with the reduction in air traffic and particularly in the airline industry, we lost 80 per cent of our revenue. So that assisted through both the—

Senator PATRICK: I think it said a 56 per cent decline in revenue in the annual report.

Mr Harfield: That was for the last financial year, but the immediate drop that we saw in March 2020 was about 80 per cent, and then it came back.

Senator PATRICK: Don't tell me you applied for JobKeeper!

Mr Harfield: We're not eligible for JobKeeper because we're a government owned entity.

Senator PATRICK: I understand that, but many people applied for it and then actually did okay. With regard to that 56 per cent decline in revenue over the year: when the \$1.1 billion is characterised as to support industry, that's not actually the case; it's \$1.1 billion to support Airservices in the absence of your normal revenue stream?

Mr Harfield: Ostensibly, yes, and I'll get Mr Logan to provide a bit more detail. Our normal annual revenue is about, probably, \$1.1 billion a year. The airline industry pays about 90 per cent of our revenue, yet we have to provide our services 24/7/365 whether there's one aircraft flying or a thousand. Regardless of the airline industry reductions—particularly with no international traffic or minimal international traffic—that we saw in domestic, regular public transport, we still saw quite heavy loads in general aviation. We saw in Western Australia, for example, that the fly-in fly-out traffic continued. Intrastate traffic in Queensland was still 70 per cent of what we saw pre-COVID. So we actually had traffic in our annual report. Even though our normal pre-COVID levels would have been about four million to 4½ million, we were still handling about three million air traffic movements over the last 12 months, yet 56 per cent of our revenue dissipated.

Senator PATRICK: I'm not being critical of the fact that you needed to be supported through a period when you weren't generating the normal revenue through landing fees. No, it's not landing fees; it's air traffic per mile or something, isn't it?

Mr Harfield: Yes. An honorary charge, a terminal charge and an aviation rescue and firefighting charge.

Senator PATRICK: It's really the characterisation that this was, in a sense, government assistance to industry, because in effect it was not. It was government assistance to Airservices.

Mr Harfield: A portion of it was, but a portion of it was through domestic waiving of our fees, which was the support industry in the fact that the government paid their fees to us.

Senator PATRICK: Can you provide a breakdown of how much fee waiver you gave? If you could provide that on notice. I think that's all I really wanted. I'm curious about these GA numbers. So provide me more information, rather than less, if you have a concern about something you might give us. I'd be grateful. Thank you.

CHAIR: You're clear on what that question on notice is?

Mr Harfield: Yes, we are.

Senator WHISH-WILSON: In 2016, Airservices commenced a preliminary site investigation for PFAS contamination across the Launceston Airport to better understand potential impacts from the previous use of these legacy foams, and this included a sampling project of the airport. I understand that in that sampling program PFAS was detected in groundwater both on the airport and off the airport. You say on your website:

Airservices will now be undertaking further investigations in the form of a Detailed Site investigation (DSI). Airservices will continue to work with the relevant Commonwealth and State environmental regulators and health authorities and the airport, as part of a risk-based approach to responsibly manage PFAS at Launceston Airport.

My first question is: when will Airservices release the findings of their recently completed sampling programming, including their offsite sampling of Launceston Airport and neighbouring properties?

Mr Harfield: We've completed recently what we would call the targeted investigation—the DSI, as you described it. We are currently liaising with the private landholders around the airport and also working with the regulators at this stage in working through those issues and those results with the landowners. We've offered some information and some further briefing on where we are at with that to a number of local MPs, and we're just working with—

Senator WHISH-WILSON: When did you do that? Could you give me the details of those briefings?

Mr Harfield: We haven't provided the briefing. We've offered a briefing. I think that we wrote to you at the end of September offering you a briefing on Launceston.

Senator WHISH-WILSON: Who else have you offered briefings to?

Mr Harfield: Can I take on notice the rest of the people that we've offered briefings to?

Senator WHISH-WILSON: Would it be the other MPs and other senators in the area?

Mr Harfield: The relevant MPs, yes.

Senator WHISH-WILSON: Have you engaged with any community groups to explain your plan to stop PFAS from leaving their lease sites?

Mr Harfield: Not at this stage, other than the landowners surrounding the airport that we're currently talking with, with the regulators.

Senator WHISH-WILSON: Which landowners are they?

Mr Harfield: Can I take that on notice? It's the ones surrounding the airport.

Senator WHISH-WILSON: What specific actions have Airservices taken to stop the ongoing flow of PFAS from their leases onto the land surrounding the airport, including the land of those landowners you spoke to? What did you tell them about what remediation work you are doing?

Mr Harfield: I have to take that one on notice. I don't have that information at hand so that I can actually provide you the correct details.

Senator WHISH-WILSON: You can't tell me what actions you're taking in relation to stopping the ongoing flow of PFAS from your leases? It's a pretty fundamental question.

Mr Harfield: I understand that. As I said, we've just completed the targeted investigation, and in conjunction with the regulator, the Tasmanian EPA, we are talking with the relevant landowners about those results. I don't have them with me, but that's where we're at.

Senator WHISH-WILSON: That is about the results from your sampling. What about what you are going to do to stop the PFAS from going onto the land? Obviously, you can't manage what you don't monitor, so you are establishing the database and the results. How are you going to manage it?

Mr Harfield: I don't have that information with me.

Senator WHISH-WILSON: Why don't you have that information with you? It is critical to this issue.

Mr Harfield: I understand that but I just don't have that with me as we speak.

Senator WHISH-WILSON: Is it because you don't actually know how you are going to manage this site at the moment?

Mr Harfield: I just don't have the information with me and I do not have the relevant experts with me, so if I can take it on notice, please.

Senator WHISH-WILSON: Can you tell me when can the local community, including those landowners, expect Airservices to stop the PFAS from leaving your lease sites? In what sort of timeframe can we expect that information from you?

Mr Harfield: Based on the fact that we are talking with the surrounding landowners and with the Tasmanian EPA, I would say it would be in the near future.

Senator WHISH-WILSON: Near future—can you be a bit more precise about that? You're not—

CHAIR: Senator Whish-Wilson, we have just lost sound. Can you check your settings?

Senator WHISH-WILSON: I was just saying you started your sampling program five years ago. What does the 'near future' mean, exactly?

Mr Harfield: I'm talking months rather than anything longer. I just don't have that process in front of me. All we've done is we have started talking as a result of the targeting investigation. As you mentioned at the start, we did the preliminary investigation and we found contamination in the groundwater, which then meant we had to go and do the targeting or the detailed site investigation. We now have those results and are now consulting with the relevant landowners in conjunction with the Tasmanian EPA on those results. I don't have them with me, and due to some legality—

Senator WHISH-WILSON: Could you tell me what you're consulting on exactly? What do the results mean in the context of your consultations? Surely landowners are going to want to know how you are going to manage this?

Mr Harfield: Yes, and I'm not part of those discussions with the landowners. I understand that we are now consulting with them and working through those results with them.

Senator WHISH-WILSON: Can you tell us how many people and landowners are affected by this ongoing pollution issue of waterways and soil from your lease sites at Launceston Airport?

Mr Harfield: I would have to take that on notice. I don't have that exact information with me.

Senator WHISH-WILSON: I first discovered this issue a few years ago when I took my dog down to the local dog park at the North Esk River. There were signs from the local council saying not to let your dog swim in the water or eat the fish, and they actually had a skull and crossbones. What are you doing to ensure the local community can eat fish from the from the North Esk River?

Mr Harfield: I'm unaware that the contamination we are talking about has entered the North Esk River, so I'm just reluctant to commit to that without knowing what the results are personally.

Senator WHISH-WILSON: I can understand that but I can tell you it is genuine. The signs were put there by the council and it was reported on in the local newspaper, *The Examiner*. I can send you those links or you could have a look at it for yourself. I understand Launceston Airport has applied for federal funding from the \$138 million fund that was set up to deal with remediation of PFAS. Where are you at with your current legal dispute with Launceston Airport on this issue?

Mr Harfield: Currently, we are in mediation.

Senator WHISH-WILSON: You are in what?

Mr Harfield: We are in mediation.

Senator WHISH-WILSON: Why did Launceston Airport take legal action against Airservices Australia?

Mr Harfield: Currently, they are taking action as a result of the environmental management plan for the airport. Now we are working out what it is that they would like in the environmental management plan. That is why we are in mediation, to determine what that is.

Senator WHISH-WILSON: Why would they take you to court to work out what is in the plan? Is this because you dragged your feet and you didn't do anything to assist in the remediation of PFAS from your lease sites?

Mr Harfield: Not at all. That is the reason why we are in mediation, to determine exactly what they would like in the plan and why they would like it in the plan, when the plan we have submitted meets the requirements.

Senator WHISH-WILSON: I understand it is good that you are in mediation but what is your understanding about why they initiated this legal action against Airservices Australia?

Mr Harfield: As I just mentioned, that is the question we are actually asking them. The fact is we are in mediation to determine exactly what they are doing and why they want to do that.

Senator WHISH-WILSON: What processes were prior to the legal case? Surely, you don't just take someone to court. There must've been ongoing cooperation or collaboration between your organisation and Launceston Airport prior to this, discussions around remediation and solutions.

Mr Harfield: Yes, there were ongoing discussions, but I would have to take on notice the exact reasons.

Senator WHISH-WILSON: The exact reasons as to why it went to court?

Mr Harfield: Why Launceston decided to take legal action.

Senator WHISH-WILSON: I will more specific. You say in your website and information sheet for Launceston Airport that you will be taking a risk based response to responsibly managing PFAS at the airport. You say:

Airservices is focused on identifying practical remediation and containment solutions. Where applicable, successful research and development projects will be implemented at Launceston Airport.

Do you have any indication of what that might be or can you put some detail around that for us tonight? I mean, you have other airports you are working on. There has been a big process around PFAS around the country with Defence establishments. What do you mean exactly by we are 'focused on identifying practical remediation and containment solutions'?

Mr Harfield: I will use another example in Tasmania, in Hobart, where we manage the waste water from the fire station in our training grounds and put it in a pond. We have a research and development project where we clean the water. That is one of the measures that we take based around identifying what the issue is, which we do through our preliminary site investigation. If there is information that comes from there then we do a detailed site investigation, because, as you mentioned before, once you know what is the size of the problem and how you can either remediate or treat it. That is why we go through the testing program or the characterisation work, to know what the problem is that we actually have to deal with, and Hobart is a prime example of where we have done that. We are now in the process with Launceston of determining what the issue is that we need to resolve and that is why we are in the consultation with the surrounding landowners. Once we do that, working with the EPA, we

will then move to what are the correct measures to either remediate or contain or do something to clean. So that is the work that we are doing currently.

Senator WHISH-WILSON: So how long did it take you to get an ATA on Hobart Airport? How long did that process take before you took action?

Mr Harfield: I will have to take that on noticed because I just can't recall.

Senator WHISH-WILSON: Are there any other examples you can give us of practical research, development projects you've implemented at airports? Could I also ask: with the Hobart project, did they apply for any of that federal funding?

Mr Harfield: I am unaware of whether Hobart applied for any funding. That is a matter for the department. The issue with Hobart is that has been in place for a couple of years, so it was pre- that anyway.

Senator WHISH-WILSON: Just to be clear, how that \$138 million is spent around the country, I understand it was set up for the purpose we're discussing. What role does Airservices play in the allocation of those funds? Are you consulted or do you have a direct say in how that money is spent or how projects are prioritised?

Mr Harfield: That is a matter for the department. The department will consult us to ensure we are not doubling up on the efforts in the sense of the testing we are doing at the airport rather than what the entire airport will do. The testing that we do in an airport is usually restricted to our own leased areas, around our training grounds and our fire stations. We don't get broad access to the entire airport.

Senator WHISH-WILSON: In terms of the tests you've done so far—the soil samples and the water testing—how does Launceston Airport rank compared to other airports you've tested? It's been put to me that it's probably the fourth most contaminated airport in the country. Do you agree with that?

Mr Harfield: I would be speaking ill, because I'm uninformed of that, without having the results and comparing it to the other airports. We can take that on notice.

Senator WHISH-WILSON: Thank you. In terms of future liabilities, the unusual thing about Launceston Airport, as you're probably aware, is that it is up on a plateau. The airport is literally right on the edge, so the water runs off, goes down into farmlands and goes down into a river that's right there. There are vineyards and there's a whole range of different things. What kind of assessment work does Airservices do on future liability around PFAS contamination issues?

Mr Harfield: At this stage, what we do is determine what the issue is around our lease sites and our responsibility. As you may be aware, we are not the only polluter or user of PFAS. It's not just firefighting foams in a particular airport. The fire suppression systems in hangars, for example, contain PFAS, as you saw a couple of years ago with the leak in the Qantas hangar in Brisbane, for example. Fuel farms have PFAS associated with them. One of the things that we are quite conscious of, and we have said publicly many times, is that we take responsibility for our PFAS, but we can't take responsibility for all PFAS, because we're not the polluter. The fact that we are funded by the airline industry means that we can't take on other people's liability. We're quite focused on our particular issues and making sure that those are being remediated or contained, not—

Senator WHISH-WILSON: I understand. That's very reasonable, but it does say very clearly in your information sheets that you weren't surprised when you found contaminated soil samples or water levels, because of the history of your areas.

Mr Harfield: Correct.

Senator WHISH-WILSON: You've been very clear to acknowledge that your area is part of the problem.

Mr Harfield: Yes.

Senator WHISH-WILSON: When will you be releasing the DSI—detailed site investigation—data? You said you shared it with local landowners. When will you be making that public?

Mr Harfield: It goes back to the 'near future' piece. That process needs to be worked through, and it will be done in conjunction with the Tasmanian EPA.

Senator WHISH-WILSON: I am genuinely intrigued as to why you would share it with local landowners first, rather than make it public at the same time and declare your strategy. What's the logic behind sharing it with local landowners first, especially if they have no background or education or awareness on the PFAS issue?

Mr Harfield: Just in broad terms, in gaining access to their sites to do the testing and work it through, there are legalities and there are their liabilities that we need to work through. Once that's satisfied, we will share the results.

Senator WHISH-WILSON: By 'their liabilities', do you mean your liabilities to them?

Mr Harfield: Yes, but also the fact is that we're working on private land and getting access to their land to do testing. We've just got to work through those issues—that's why we're working with the EPA—and, once those issues are done, then we'll be able to share the results.

Senator WHISH-WILSON: I see. When you go onto their land to do the testing, it's a requirement that you share the results with them—that is part of the contractual arrangements?

Mr Harfield: Correct. We need to make those arrangements to get access to their land.

Senator WHISH-WILSON: But would it be fair to say that it would be difficult for you to put that in context with them without providing some kind of comparison or benchmark with, for example, safety standards or water drinking standards or that kind of thing? Is the Tasmanian EPA assisting you with that?

Mr Harfield: That's correct, and that's why we're working with the Tasmanian EPA even in doing the consultation with the landowners. We're not doing it by ourselves; we're doing it with the EPA and in conjunction with the authorities.

Senator WHISH-WILSON: And you're saying the public release of this should be some months away?

Mr Harfield: I just don't know where that process is fully at. It will be based on discussion with the Tasmanian EPA.

Senator WHISH-WILSON: Okay. Has there been any discussion with local government authorities? I understand the Launceston City Council is a part owner of the Launceston Airport. But obviously they are also responsible, at local government level, for the water quality and water pollution issues. Have you had any discussion with them?

Mr Harfield: Not to my knowledge, but I would assume it would be occurring.

Senator WHISH-WILSON: As a major stakeholder. Thank you. In terms of your briefings of other stakeholders, you mentioned other MPs. Could you take on notice whether you've had a direct meeting with the local MP, Bridget Archer, the federal representative for Bass, or whether she has sought a meeting with you directly around this issue?

Mr Harfield: I will take that on notice, as I'm unaware.

Senator WHISH-WILSON: Thank you.

Senator SHELDON: Good to see you, Mr Harfield. I want to go to this question we raised at the last estimates hearing, that there has been a final decision for a proposed relocation of 65 air traffic control jobs from Sydney to Melbourne and that you were going to come up with a final decision at some point. Has there been any final decision? And where are we up to?

Mr Harfield: We have made a final decision. We've decided to relocate the services in Sydney to be provided from Melbourne. That will occur over the next few years.

Senator SHELDON: Civil Air last month said that just 15 of the 65 were considering making the relocation. Is that correct?

Mr Harfield: Most likely, yes.

Senator SHELDON: We also heard earlier today about a dramatic shortage of skilled labour that's upon us in aviation—I'm talking about ground handling—due to inadequate government support. How are you going to find 50 skilled and experienced air traffic controllers?

Mr Harfield: It will be through a range of the trainees that we are bringing through over the next few years, as well as some of the movement that we are getting with regard to some of the operational changes that we are making, which will free some staff up to train, particularly in Melbourne. There will also be transfers from other areas, because we've asked for expressions of interest from people who would like to end up doing Sydney terminal control units from Melbourne, and during that time they may go to Sydney for a period of time to bring it to Melbourne. There are a variety of different ways we can do that.

Senator SHELDON: I want to go to concerns that have been raised about the effect of this change. The president of Civil Air, which is a union—Tom McRobert—said:

... trainees tend to operate cautiously, prioritising safety over noise reduction, and that they might not be as good at keeping the aircraft exactly on the current flight paths.

He went on to say:

The move to Melbourne will amplify these issues, because they will be training so many more people, and for such a long time.

Instead of having a trainee on for two or three months a year, you'll probably see a trainee on every shift. It means operational uncertainty, which can increase noise or cause the flight paths to change slightly.

Have you heard those comments?

Mr Harfield: I have.

Senator SHELDON: What's your response to those?

Mr Harfield: My response is twofold. First, one of the things we did in taking the consultation around this discussion—originally we were going to do it in 18 months to two years. Based on that, some of the comments that Mr McRobert has made are valid—that we would have to increase the training. One of the changes we made is that we will do it over the next three to four years, which stretches out that training time that's required, and not overloading and having every shift with a trainee as he alluded to.

The second point I would make is about the fact that when somebody is training it's like when you are starting to drive a car. When you are learning, you have a permit to learn, but you have a training officer sitting there who is fully licensed. That training officer will be making sure that the trainee is working to the exact standard that is required. That's why they have a training officer. To sit there and make a comment that there would be increased noise—then the training officer is not doing their job, and I have every confidence that they would. And if they can't do it within the normal competencies that are required then they wouldn't be checked out by the check controller to allow them to operate. So yes, they're not exactly the same as somebody who's been doing it for 10 years, but it is within the safety and efficiency for them to be able to operate.

Senator SHELDON: I'm trying to understand the scenario of how it would be operating. You have the trainers; you have the trainee. They are, for the entire shift, together, one on one?

Mr Harfield: Absolutely.

Senator SHELDON: For the shift that they're on one on one, as the person progresses—not necessarily with that much experience, but for the air traffic controllers that we'll lose from these important safety requirements for aviation—what's the impact on those trainees when they're actually sitting there and having to make some decisions as they go along? There has to be some effect on those decisions if they're not experienced. There have to be some questions of what's been raised with Mr McRobert having some validity, don't there?

Mr Harfield: If you could indulge me, I will take you through the life cycle of a trainee. Before a trainee goes on the job, as we would call it, with the training instructor—these are trainees who are not straight out of the school or coming off the street; these are already-experienced controllers who have been doing controlling on other positions—they will do time in the simulator. They've got to come up to a certain standard in the simulator before they go on the job. When they're on the job they have to be at a certain standard and continue to improve, and during that time they will do what we call a progress check to make sure they are progressing right. And then they can't go solo, as I'll call it, until they get checked out that they can meet all the competencies and are all viable. During that time they have a training officer, and it's usually the same training officer all the way through. Sometimes that doesn't happen, but generally speaking it's the same training officer all the way through. During that time the training officer has to step in if the trainee is going outside those particular bounds, because the trainee is operating on the licence of the training officer. If something goes wrong, it's the training officer who has the error associated with them.

So, there are a lot of controls around even allowing somebody to hop on the console. They've got to meet certain standards and during that time they are monitored constantly. Are they totally as efficient as a seasoned veteran when they first check out? No, they are not. But they are still at a level that is acceptable for them to be solo, so to speak. So, it is not to the extreme that Mr McRobert makes out.

Senator SHELDON: You mentioned that when trainees then become formally qualified to operate by themselves there will be some inefficiencies there. Obviously they don't have the same experience as somebody who's been doing it for 10 years, for example, and certainly many do it for longer. How do they compare with somebody who's been there for 10 years?

Mr Harfield: There are two comparisons I'll make. There is comparison of a position that's the first rating or endorsement, as we would call it, of somebody who's an ab initio trainee—has come off the street, come through the college. It's their very first rating. There is a difference from what we would call an experienced controller, who has worked for maybe 10 years on other positions and then goes on to that position for the first time. They would be more efficient, for want of a better term, than somebody who came off the street. Some of them will be just as experienced and just as efficient as somebody who's been on that console for 10 years, because of their other prior experiences. There is a difference between an experienced controller getting the endorsement there versus somebody that's come off the street and getting their very first endorsement.

Senator SHELDON: Thank you. That's very helpful. The shortfall of 50, are they 50 people off the street, or what percentage is—

Mr Harfield: They will be all experienced controllers.

Senator SHELDON: I want to go to a final question about redundancy. You mentioned at our last hearing that there are people taking redundancies. Where is that up to?

Mr Harfield: The redundancy of—

Senator SHELDON: I understand there was in the order of about 20 people that were seeking redundancy. Is that correct?

Mr Harfield: Probably in the Sydney TCU—terminal control unit. Yes, there will probably be in the order of that, but their redundancies would be phased over the time when we would release them and we'd have the trainees to do it in Melbourne.

CHAIR: That completes Airservices Australia. Please go with the committee's thanks.

Civil Aviation Safety Authority

[21:30]

CHAIR: I welcome representatives of the Civil Aviation Safety Authority. Ms Spence, do you wish to make an opening statement?

Ms Spence: No, thank you.

Senator PATRICK: I might go to a small issue first and then move to a slightly bigger issue. At one stage I happened to be in Arkaroola, in the middle of the sticks in South Australia, and I bumped into a pilot who suggested that CASA were considering changing the regulations in relation to SAR aircraft. Basically, in South Australia the SAR aircraft that do a lot of stuff around Adelaide are single engine. The proposed rule change was to be that those single engine aircraft could fly with crew, but the moment they got a passenger on board they would be outside of a requirement, which was then to have two engines. I want to explore whether or not that is actually being considered by CASA?

Ms Spence: At that level of detail, I'm not too sure whether Mr Monahan has any background on that in relation to our new flight operations regulations, and whether it's related to that or not. Otherwise we can take it on notice.

Mr Monahan: If I understand your question, it's around search and rescue helicopters. I would perhaps need some more detail. There is a question of the dwell time you have in the area where you're hovering, your inability to recover if there's an engine failure or have enough power to recover the aircraft. It would depend on the circumstances and the aircraft itself. With more detail I could provide more.

Senator PATRICK: The aircraft that I've seen look like an Iroquois style aircraft—single engine, red and white, and fly regularly out of the RRA.

Mr Monahan: I'd be happy to look into it. I don't know the specifications of the aircraft or the loading.

Senator PATRICK: If you could take that on notice in the context of South Australian aircraft. They have clearly been operating safely for some period of time. If you are going to change a regulation that in some way would require them to upgrade to a twin-engine aircraft, that is a costly proposition. I'd like to know the rationale behind the change and how you have come to the conclusion that operations that have been occurring quite safely are no longer safe. I only know that in the context of South Australia. I think most SAR aircraft, Westpac and so forth, are all twin-engine.

Ms Spence: I think it will tie in with the new flight operation regulations that come into effect later on this year. But, as Mr Monahan said, we'll get some detail and come back to you on notice.

Senator PATRICK: My concern is that you guys sit in your office and you write stuff that just makes it harder for everyone all the time. In terms of estimates, you haven't been around as long as various different CEOs that have come forward. Of course, the parliament recognised this in legislation a year or so ago, when it placed a requirement on CASA not just to consider safety but also to consider the health of the industry. That's the bigger question I was going to ask: what are you doing to give effect to the will of the parliament?

Ms Spence: It's a really good question. I was actually in the department, as the relevant deputy secretary, when that piece of legislation went through, so I'm well aware of the changes. Essentially, we now require anyone who is taking forward a standard, as required in the legislation, to demonstrate how they've taken into account cost impacts and ensuring risk proportionality, which is what's required in the legislation. I could bore you with templates, but basically we do have arrangements to make sure that everyone does take those factors into account.

Senator PATRICK: In some sense, the low-level question I've asked might be a test of how you're approaching these sorts of things—

Ms Spence: Although, Senator, the flight operations regulations would have been made prior to that amendment to the legislation, but it's a good test to make sure that we're taking actions that relate to safety but not having a disproportionate impact on the industry.

Senator PATRICK: Sure. The general view of many members of the committee— I know Senator Sterle shares this view—is that pilots are now so focused on meeting CASA requirements that they are not focusing on flying. They just about need to double the size of the aircraft in order to carry all the documentation. That is an exaggeration—

CHAIR: Not a small one!

Senator PATRICK: but, it goes to Airservices Australia's annual report that says there's been an eight per cent decrease in general aviation over the last financial year. Indeed, I know Senator McDonald, the chair, has great concerns in this area, because we thought it was as low as it could go.

Ms Spence: We take the concerns very seriously. I've spoken to quite a few representatives from the GA sector since I started, and we are looking at what is within our regulations so that we can provide some support or relief for the GA sector. There are already some activities underway which will go some way to providing some relief for the GA sector.

Senator PATRICK: Where are we at with Angel Flight Australia?

Ms Spence: The instrument has got an expiry date of March next year, I think. We're currently working through what the appropriate options would be. Whichever way we go, if it's a renew, the instrument would certainly be making sure we do that in consultation more broadly but also by talking to Angel Flight and, obviously, Little Wings as well.

Senator PATRICK: Alright. So it's a case of watch this space.

CHAIR: Watch this space, yes.

Senator SHELDON: Hello, Ms Spence. Just a couple of questions this evening in relation to the minister's statement of expectations. Firstly, I note the Statement of Expectations provided to the board for the period 1 July 2021 to 30 June 2023 was signed by Michael McCormack on his last day as Deputy Prime Minister. Does that give you any cause for concern?

Ms Spence: No, Senator. It will stay in effect until or unless another statement of expectations is issued. It would really be a matter for the department if there are any other considerations underway in that space.

Senator SHELDON: It's not a concern that, on the last day, the statement of expectations—a significant item for CASA—is signed and, as a result, the new minister has been nobbled and has to wait until 30 June 2023. Is that correct?

Ms Spence: It's not a matter of concern, and also it's my understanding that, if the Deputy Prime Minister wanted to issue an updated statement of expectations, there would be nothing that would prevent him from doing so.

Senator SHELDON: Have you met with the current Deputy Prime Minister since he has resumed this role?

Ms Spence: Not yet, but I've worked closely with his office, and we do have a meeting in diaries for both myself and the new chair with the Deputy Prime Minister.

Senator SHELDON: That will be the first meeting for the chair of the board as well, will it?

Ms Spence: That's correct.

Senator SHELDON: So you're saying to me that, in practice, you don't think there is a problem with the board—and, by extension, yourself—operating under a statement of expectations that, in essence, was issued by a previous government minister operating under a different coalition leadership?

Ms Spence: No.

Senator SHELDON: Have any industry stakeholders raised concerns with you about this disconnect?

Ms Spence: Not about the statement of expectations, no.

Senator SHELDON: What concerns have the stakeholders raised about the changeover?

Ms Spence: They haven't raised concerns about the changeover of the Deputy Prime Minister.

Senator SHELDON: On 'just culture', your website states that you apply just culture principles to your regulatory actions, which you define as, 'an organisational culture in which people are not punished for actions,

omissions or decisions taken by them that are commensurate with their experience, qualification and training'. So, effectively, you aren't punishing people for fair and honest mistakes; is that correct?

Ms Spence: That's correct.

Senator SHELDON: Is the rationale for that so that you don't disincentivise people self-reporting mistakes?

Ms Spence: That's correct.

Senator SHELDON: Do you expect the organisations that you have regulatory authority for, such as airlines, to adhere to those same principles?

Ms Spence: Yes.

Senator SHELDON: The Australian Licensed Aircraft Engineers Association has shared a very troubling story about an engineer at Rex who made an honest mistake in applying an incorrect degree of torque to an aircraft propeller. I'm told that that particular aircraft can be fitted with propellers from two different manufacturers, each with their own slightly different torque settings. I'm told that, when he realised his mistake, he told his supervisor and took the necessary steps to fix the issue. He then recalled that a similar incident had occurred with another engineer a few weeks earlier, so he made an official report through the safety management system to update the manual and prevent others making the same mistakes. Are you familiar with this case that I'm talking about?

Ms Spence: Yes, I am. I've met with the ALAEA, and they raised this specific case with me.

Senator SHELDON: Based on the 'just culture' principles we've just discussed, that engineer, if anything, would be commended for resolving an ongoing process issue. Instead he has been issued with a last and final warning letter by Rex which meant that, if he made another mistake, he would be fired. Does that sound like just culture?

Ms Spence: I don't have all the details in front of me, but I do understand there is more to it, in terms of some of the previous work of the person in question. I don't want to go into a level of detail that I don't have in front of me, so, if it would be helpful, I'm happy to be provide a separate briefing to you or to the committee on the case in question.

Senator SHELDON: That would be helpful, but you might be able to help me quickly with this question. It's said by the ALAEA, the Australian Licensed Aircraft Engineers Association, that that person received a final letter of warning on the basis of that report that they made. You're saying to me that there may be some other instances that you're aware of—

Ms Spence: That's my understanding.

Senator SHELDON: but they're saying that what triggered the final letter of warning was the incident I've just explained to you.

Ms Spence: As I said, I don't have all the information in front of me, but the advice that I have is that it's more complicated than as is being presented by the ALAEA.

Senator SHELDON: The ALAEA said that, when they raised this issue with you, you found no evidence of any wrongdoing. Mr Crawford's response to the ALAEA said you hadn't actually checked the records that Rex had on the employee, although 'appropriately the audit team did not have access to Rex's personal records, HR or industrial relations records'. Even after the ALAEA provided you with a copy of the warning letter, you did not take any action. Do you think this complete lack of protection from CASA gives engineers the confidence to report safety issues?

Ms Spence: As I said, Senator, I wouldn't describe it in the same way that it has been put to me in your line of questioning. To ensure that you had a more comprehensive picture, we'd be very happy to organise a separate briefing for you or the committee more generally.

Senator SHELDON: I'm informed that this isn't an isolated incident but that, at Rex, the management have created an atmosphere of fear which, ultimately, just dissuades people from reporting safety issues. That is very concerning feedback from the people tasked with maintaining aircraft. Do you think CASA could work more collaboratively with the ALAEA to fix these issues?

Ms Spence: Without agreeing to the statement around the problem you've described, yes, I'm very keen to continue to work closely with the ALAEA. They were one of the first organisations that I met with, and I'll engage constructively with them, so long as they engage constructively with us.

Senator SHELDON: Thank you for your offer to come back with the details to the committee. That would be a great deal of assistance. Thank you.

CHAIR: Thank you very much. Ms Spence, as much as we'd love to spend all night talking to CASA, we can't, so we're going to let you go with our sincere thanks and we look forward to seeing you at estimates next year.

Ms Spence: Thanks, Senator.

Australian Maritime Safety Authority

[21:46]

CHAIR: I welcome representatives of the Australian Maritime Safety Authority. Do you wish to make an opening statement?

Mr Kinley: No, I don't wish to make an opening statement.

CHAIR: Thank you. Straight to you, Senator Sterle.

Senator STERLE: Mr Kinley, I want to talk about senior staffing and the sudden departure of the deputy CEO. I've got a few questions to get through, so I'd like to plough through. Correct me if I'm wrong: staff were advised on Wednesday 13 October that the deputy CEO would be leaving the organisation on Friday 15 October?

Mr Kinley: Yes, that's correct.

Senator STERLE: And, during her time in the organisation, a number of senior experienced staff have left and the organisation has had difficulty recruiting replacements for them?

Mr Kinley: No.

Senator STERLE: That's good news. On Wednesday 13 October, you advised all staff that you and the executive would have to 'do more with less'. What did you mean by that?

Mr Kinley: Like all of us in government and, certainly, in our organisation, we've been looking at how we are more efficient and how we are more effective. One of the things we have been looking at, for example, is what we refer to as 'span of control' for our managers in the organisation, and it's about their work value and how we get value for money out of our senior people. For me, as the executive—as the CEO—I believe in taking that same approach. For me, it was about removing a layer of management from upper management in the organisation, giving me closer communications with the executive directors and, really, looking to run the organisation as efficiently and leanly as possible.

Senator STERLE: So, in your agency-wide email, you also alluded to the fact that you no longer saw the need for the position of the deputy CEO, as you are no longer travelling overseas as much; is that correct?

Mr Kinley: Certainly that's one of the factors that I did mention. For me at the moment, I'm not—I've normally got very heavy international travel commitments, with the International Maritime Organisation and other international shipping issues. I'm sure that will start again, but I don't intend to get it to the level it was in the past. I think one of the things we've all learned from COVID is that remote meetings are quite an effective way of doing business. Now, they can't replace all meetings, and with a lot of our international colleagues you do need to establish that relationship by face-to-face means. But, I've got to say, we've been having really successful bilaterals with a lot of our regional partners—New Zealand, Canada and Korea, for example—virtually. So, there will be international travel, but there'll be less of it, and I think that's also a good thing for our carbon footprint.

Senator STERLE: Okay. I'd probably argue that it's not the best way to do Senate estimates and other inquiries, but I do hear what you're saying. What about the curtailment of this international travel? Will that apply to the board and throughout the organisation as well?

Mr Kinley: Certainly, and in my recollection the board don't do international travel. The board certainly do travel within Australia, and I think the board are really good at and really committed to meeting the stakeholders. So, we do try to have a couple of board meetings a year, in a normal year, in different places around the country, including Western Australia. I think the last one we got to was down at Lakes Entrance, in the Gippsland. We were hoping to get up to the Pilbara next. But with our work that we are doing, for example, with the IMO, the International Maritime Organisation, we're very keen to get them to continue to use the technology that we've been using during COVID. Again, if there's a very technical meeting—and sometimes you have a technical person who needs to go to London for one agenda item—if I can have that person here dialling in and still have a person in the room in London talking to them, then, as I said, it reduces our carbon footprint, it reduces our costs and it's still a very effective way of dealing with some of these issues. Again, it's not going to be for every meeting.

Senator STERLE: That's fair enough, too. Also, your email talks about the Senate and Productivity Commission inquiries requiring all your attention. We don't take up that much of your time, do we?

Mr Kinley: The Senate inquiry was a huge demand on our organisation's time and resources. There were demands for documents, which took a lot of hours for people to prepare, and submissions. With the Productivity Commission, again, there were submissions and hearings there. That was a significant demand.

Senator STERLE: What I can say is, thank God for that committee—the hard work it did in probing, and the outcome we've got out of it.

Mr Kinley: And I'm looking forward to having the review of the national law done, and further improvements in the way the national law works.

Senator STERLE: As you rightly identified in your email, the departure of the deputy CEO, along with other senior members of your team, will require the redistribution of the responsibilities formerly carried out by your deputy. Are you able to advise me of your new organisational structure?

Mr Kinley: Sorry, Senator, I missed some of that. The audio is not really good. It was about picking up responsibilities—was there a particular one you were questioning?

Senator STERLE: I apologise. Government supply doesn't work that good over here in the west! But anyway, I was asking whether you are able to advise the committee of your new organisational structure since the departure of the deputy CEO.

Mr Kinley: It's very simple. I think I've got our new org chart up on the site. There is one less layer of reporting between me and my executive directors. We've met and I've picked up some committees that the deputy CEO had been dealing with—for example, our data governance committee, which has been really good for me to pick up, and a few other issues. So yes, the division of responsibilities has been working out quite well so far. There'll be additional work for me and there'll be additional work for our executive directors, but it's also about empowering and pushing that authorisation down to our other managers in the organisation as well.

Senator STERLE: Mr Kinley, would it be possible to provide the committee with the new org chart?

Mr Kinley: Yes, certainly.

Senator STERLE: Turning to the departure of Ms Wimmer, how long was she with the organisation?

Mr Kinley: Just under two years.

Senator STERLE: I'm assuming you came to the realisation that there was significant overlap between your role and that of the deputy CEO.

Mr Kinley: Yes, and, as I said, there always has been. There's not always been a deputy CEO role in the organisation. In fact, I was one of the first deputy CEOs in my previous roles in the organisation, so it's going back to the way it used to be in the past. As the CEO, I have the luxury of having had 26 years in the organisation, so I know the industry and I do have a bit of an advantage in working that way and largely knowing what is going on. But who knows how future CEOs may want to structure the organisation.

Senator STERLE: You're not planning on going anywhere in the short-term, are you, Mr Kinley?

Mr Kinley: No, Senator, I've got too much to do.

Senator STERLE: Good. Assuming this was a growing realisation, did you have any discussions with Ms Wimmer about how to resolve this?

Mr Kinley: Certainly, I'd indicated to Ms Wimmer that I was considering the future of the role in the organisation. But, as CEO, my view is that once I make a decision—and I certainly discussed it with my board—then it's about moving quickly, putting the new arrangements in place and showing your convictions in making the new arrangements work as quickly as possible.

Senator STERLE: It's always dangerous to assume, but can I safely assume that you have no intention of revisiting the role of deputy CEO in the foreseeable future?

Mr Kinley: Certainly not intending to, no.

Senator STERLE: Turning to the refinements of the organisation structure, how much has been spent on consultancies in pursuit of these refinements because of the exodus of some of your staff?

Mr Kinley: There were certainly no consultancies involved in the departure of the deputy CEO.

Senator STERLE: What about for other senior officers within the organisation?

Mr Kinley: We have consultancies at the moment and we have had them in the last couple of years doing work about looking at how we can improve our processes operationally. But I've not had any consultancies about the executive structure.

Senator STERLE: That's pretty straightforward. Are you able to tell me how many senior level employees have left the organisation over the past two years? By senior, I'm referring to staff engaged at an EL level or above.

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

Senator STERLE: Sure. Has anyone been replaced?

Mr Kinley: Yes.

Senator STERLE: Do you need to take that one on notice, too? I don't want the names or anything like that, just the numbers and positions.

Mr Kinley: Yes, we can do that. In AMSA terms, we don't use APS levels, so could I ask that we do that on contract manager level for us? Our managers are all employed on contracts, so that would make it easier for me to get the information.

Senator STERLE: Alright, and if we've got any queries, we can always come back to you. There have been concerns raised I know by Senator Brown that there are diminishing numbers of senior employees with a maritime industry background currently employed at AMSA. Can you advise the committee how many of the senior employees at AMSA have a strong maritime industry background?

Mr Kinley: I certainly could, Senator. In my executive team—the executive is myself, the executive director of operations, the executive director of response, the executive director of policy and regulation, executive director of future operations and my chief operating officer—I and my executive director of operations have strong maritime backgrounds, I would say. If I look at departures in that executive area in the last year, I lost two with a strong maritime background and replaced one with a strong maritime background, so I guess it's a net loss of one executive.

Senator STERLE: I was trying to do the sums: you had five, then you lost three, and then you were down to two, and you're one down. So about one has it out of the five that you have replaced.

Mr Kinley: Yes.

Senator STERLE: I just have a few questions to the inspectorate. I understand the report from the Bevington group that has recommended that the AMSA inspectorate be reduced to 48. Is that the case, Mr Kinley?

Mr Kinley: Not to my knowledge. That was the work we had done about process improvement. To my recollection right now, without having the Bevington report in front of me, doesn't make any specific recommendations about reducing any workforce size. There are potential ways that we could structure the business—again, we've not decided on doing any of that. What Bevington do in that work is identify how much what they refer to as noise in the processes—which is, I guess, work which is not productive to the outcomes you are looking for. What they do when they look at that noise is equate that noise to FTEs. For me, that's not about reducing the workforce by that amount of noise; that's actually about getting rid of that noise. For example, a lot of our marine surveyors are highly experienced and technical people, so they could be actually redirected to do the important stuff and not basically paper pushing. Rather than the beige tape that we in government tend to get tied up in, we'd actually get them directed to do the stuff at the pointy end, at the safety end. That's what I see as the benefit of identifying that noise in processes.

Senator STERLE: Just so I'm clear: in the Bevington report, there is no mention of reduction of staff?

Mr Kinley: Again, Senator, I don't have it in front of me. That is not my understanding. I will go away and check. If that is wrong, I will come back and correct it.

Senator STERLE: Thanks, Mr Kinley. I understand that part of this review and restructure—I can call it a restructure, can't I?

Mr Kinley: No, not really. It's just about process improvement.

Senator STERLE: Does the process improvement involve increased uses of technology?

Mr Kinley: Again, certainly I am hoping it involves better IT systems and better connected IT systems so that, for example, our people do not have to enter data twice and that our systems talk to each other and better share data across our various systems. That is what I would want to see out of improved technology.

Senator STERLE: Can you assure the committee that these changes will result in increased rates of inspection?

Mr Kinley: Again, increased rates of inspection are not necessarily what we are aimed at. We want to have rates of inspection which are commensurate with the risk that we are dealing with. They may be increased in some areas. But it's also about better targeting of inspections and making sure you get to the high-risk areas.

Again, it's about better using the resources. There may be increased rates of inspections; certainly the domestic vessel section is an area where I think we would like to see it. It is about better targeting, better using resources, better allocation of resources and better targeting of the actual risks of the inspections.

Senator STERLE: At the same time, can you assure the committee that it will not expose AMSA to any weakness to its effectiveness, which would pose a risk to the Australian community?

Mr Kinley: That's certainly what I'm trying not to do, yes. The object is to definitely not do that.

Senator STERLE: That's good. You may need to take this one on notice, but can you tell us how many full-time employees have been allocated to the AMSA inspectorate over the past five years, by each year? If you want to take that on notice that's fine.

Mr Kefford: I can take that on notice. I guess, if you have a particular 'by inspectorate'—and for us 'inspectorate' means different things. We have marine surveyors that, for example, do port state control inspections on foreign ships. We have marine safety inspectors, which tend to do the domestic commercial vessel inspections. A lot of our surveyors are also appointed as the inspectorate under the Occupational Health and Safety (Maritime Industry) Act. So inspectorate means a lot of different things. I can tell you how many marine surveyors and how many marine safety inspectors we have.

Senator STERLE: Okay. What I was looking for was over the last five years by each year—if you've got that—

Mr Kinley: We can do that. I will take that on notice. I think I've got the latest numbers, but for the five years I will take that on notice.

Senator STERLE: Thanks. So AMSA's policy was that 50 per cent of eligible foreign vessels would be [inaudible]. Is that still the case?

Mr Kinley: Yes. And I think we're still well over that.

Senator STERLE: How far over?

Mr Kinley: I think I have got Michael Drake, who is our operations executive director, who was dialling in. If he is dialled in he would probably have those numbers a lot quicker to hand than I would.

Mr Drake: I do. For 2020 we did 3,021 inspections on 6,081 individual ships that arrived in Australia.

Senator STERLE: That's just under 50 per cent. Is that right?

Mr Drake: Just under, that is correct.

Senator STERLE: What about the year before?

Mr Drake: The year before we inspected 3,222 vessels based on 5,981 individual ship arrivals.

Senator STERLE: That's a good figure.

Mr Drake: Yes. COVID affected our inspectorate last year. We had a work health and safety requirement that we were not inspecting vessels that were less than 14 days from a foreign port, in accordance with the health advice. Our numbers have been affected by COVID. For example, in Melbourne and around Sydney in the recent lockdowns, for the safety of our staff, we have withdrawn—and picked up those ships in other jurisdictions, or where there's lower risk—and not inspected.

Senator STERLE: Is it true that AMSA has recently spent over \$1 million on a new media centre?

Mr Kinley: We would have to get the exact numbers, but we did a minor fit-out in our response centre. Part of that was a small media room in that centre. I can get you the exact costs of that.

Senator STERLE: If you could do that for us and if you could let us know how often the new centre has been used. When did you do that?

Mr Kinley: It was fairly recent. I don't even know if it's actually fully commissioned yet, because there were issues about getting the connectivity in there, so I will have to take that on notice and tell you whether it's actually commissioned at this stage.

Senator STERLE: Great. Thanks, Mr Kinley. I have a couple of questions around consultants. What services has Paladin provided to AMSA over the past two years?

Mr Kinley: Paladin has a contract with us on providing a risk management framework for our regulatory area in our operational business. That work is still going.

Senator STERLE: Can you tell us how much this has cost the organisation?

Mr Kinley: I don't think I have that number with me right now, but I will give you that on notice.

Senator STERLE: That's over the past two years?

Mr Kinley: I will give you whatever we've spent with them.

Senator STERLE: Thank you. Have any AMSA employees complained about the conduct and attitude of the individuals working for Paladin?

Mr Kinley: Not that I'm aware of.

Senator STERLE: Would there be anyone else near you who knows? I'm sorry, I'm not living in the same state. Are you just on your own tonight? Is no-one else around there?

Mr Kinley: I've got shaking heads. I don't know if Mr Drake has any other views, but not that I'm aware of.

Senator STERLE: I'll get you to take that one on notice then.

Mr Kinley: Certainly, if there were a formal complaint, I would expect to know about it, and I'm not aware of any.

Senator STERLE: Okay. Can you tell us what services the Bevington group has provided to AMSA over the past two years and, of course, at what cost?

Mr Kinley: Yes. As I said, that goes to that process improvement work. Yes, I can provide that on notice.

Senator STERLE: If you've got anything there that saves you taking it on notice, just throw it at us.

CHAIR: Senator Sterle, can I just ask how much longer you've got, please?

Senator STERLE: I've got one more question here, and then I've got about four on a ship.

CHAIR: We've got two more agencies we're hoping to get through before 11 o'clock. If you can assist me, I would appreciate it.

Senator STERLE: Yes, I won't take long. Mr Kinley, have any of your senior executives had to declare a conflict of interest relating to either Paladin or the Bevington group?

Mr Kinley: No.

Senator STERLE: Okay. I have just a couple of questions around *Gulf Livestock 1*. I've only got four questions. Has AMSA sought, and has it received, findings from the inquiry into the sinking of *Gulf Livestock 1*?

Mr Kinley: Not that I'm aware of. I'm trying to look in my briefing here. I'm not aware that the flag state has completed an inquiry into the loss of that ship yet.

Senator STERLE: I'll throw these ones at you, and let's see how we go anyway. Given that *Gulf Livestock 1* was AMSA-approved in that it possessed an Australian Certificate for the Carriage of Livestock, has the sinking of *Gulf Livestock 1* given AMSA cause to assess whether changes to marine order 43 are required to prevent a similar outcome here?

Mr Kinley: We're aware that *Gulf Livestock 1* went down in a typhoon, and that vessel had an Australian Certificate for the Carriage of Livestock. The Australian Certificate for the Carriage of Livestock doesn't exist on its own; it's actually part of the system of compliance that we have in place under marine order 43. For example, one of the things we're very careful to look at with marine order 43 is the actual stability of the loaded condition of the ship at the time. We know that with smaller livestock vessels stability can be problematic, because they may not have a lot of stability reserves. If you load, for example, heavier cattle and fodder on the upper decks, then you can very easily have a stability issue. We have looked at that. We did an inspection campaign on livestock ships, and we had another problematic ship that we banned for a period of time. So we did an inspection campaign again just to remind those ships that we are looking very carefully at them.

Again, without having a conclusive investigation into the loss of *Gulf Livestock 1*—again, as I said, if a smaller livestock ship doesn't have a lot of reserve stability, if you run into a typhoon you're going to have problems. One of the other things about livestock ships that trade from Australia is that we have a requirement that the master is to do his voyage planning and avoid doing things like going into typhoons. We are not planning any changes on Marine Orders Part 43. We think the stability requirements are adequate, but we are very much aware that the stability for a small livestock ship can be very dependent upon the actual loading conditions and does have to be monitored closely.

Senator STERLE: You've answered one of my last questions so I will give you my second last. *Gulf Livestock 1* sister ship *MV Jawan* was forced to fix stability issues after loading cattle in Portland and rocking from side to side. Did AMSA require *Gulf Livestock 1*, or *MV Rahmeh* as it was known at the time, to undergo a similar fix?

Mr Kinley: I will need to go and look at the details of that one to make sure that we are giving you the correct answer. I know we were certainly aware that they were sister ships and we were aware of the issues that we had with the *Jawan*. They did have to repair it in dry dock and we understand there were errors made in the previous dry docking with how its valves had been installed. We weren't under the understanding that those problems were present on *Gulf Livestock 1*. I will come back on notice on that.

Senator STERLE: Thank you, Mr Kinley.

Senator SHELDON: I have a few follow-up questions to the responses you provided to questions on notice from the Senate Select Committee on Job Security regarding labour hire expenditure. You were asked if AMSA is typically required to pay a conversion fee to the labour hire company if you want to hire one of their workers directly. You said, 'AMSA estimates between five and 10 per cent based on experience within the organisation and these estimates depend on factors such as length of tenure, the labour hire company and seniority of role.' What is that five to 10 per cent of; is it of the annual wage?

Mr Kinley: I'm glad to see that my chief operating officer, Cherie Enders, who appeared at the inquiry, has come to the table. I will hand over to her.

Ms Enders: That five to 10 per cent is indicative of our experience of what happens in the industry. For the circumstances in AMSA at the moment, that five to 10 per cent is a percentage of salary or a flat fee. It can be a flat fee. That's our experience over the years of working with industry.

Senator SHELDON: It could be as high as 8,000 to 9,000 per employee conversion; is that correct?

Ms Enders: Potentially, yes.

Senator SHELDON: Could it be higher?

Ms Enders: Depending on the salary of the individual who's recruited.

Senator SHELDON: You were asked how much more expensive it is for AMSA to use labour hire compared with hiring employees directly and you said, 'The financial year ending 30 June 2021, when comparing salary costs spent under labour hire contracts to the cost of directly employing the equivalent number of staff, AMSA paid a markup of approximately 23 per cent.' Is that because the labour hire staff are being paid 23 per cent more than your own employees? Or was it the labour hire company's cut?

Ms Enders: It's actually neither of those. Our labour hire employees are paid the same base salary rate as our permanent employees. Labour hire employees get a 20 per cent loading for the nature of their casual work. We pay a margin to the labour hire company for sourcing suitable candidates that we would otherwise have to recruit directly, which incurs a management cost for us of approximately \$5,000 to \$8,000 per employee. We don't pay a placement fee once those labour hire employees are engaged permanently with AMSA and we've taken a number of those people on. It's actually not a direct comparison, but there is a premium that we pay.

Senator SHELDON: I want to go to a couple of other brief questions. Until earlier this year, your labour hire provider was Hudson. You were asked what mark-up rate Hudson charged you and you said 35 per cent. How does paying a mark-up of 35 per cent meet your requirements under the Commonwealth procurement rules to obtain good value for money?

Ms Enders: The mark-up of 35 per cent includes the costs of paying the employee and their loading. The margin that Hudson received is much smaller than that. The 35 per cent is the total on-cost. As for value for money, we have employed labour hire employees through government selected panels which have already met the government value-for-money test. We've then negotiated more favourable contract terms and, from a procurement perspective, if we need to use labour hire employees, we have demonstrated that we've achieved value for money in the use of that expense.

Senator SHELDON: Is AMSA paying wildly more than other agencies with these mark-up rates we've been discussing? Is this mark-up rate in the ballpark of the rates agencies across the APS are paying for labour hire?

Ms Enders: I don't have information on exactly what other agencies are paying. We have over our own experience as an organisation sourced from responses to our approaches to market the sort of rates that organisations charge. The rates that we're paying at the moment are the very lowest we've achieved in all the years we've been employing staff at Connect.

Senator SHELDON: Is there any comparison mechanism that the government makes available on what labour hire company is mark-up rates should be?

Ms Enders: Not that I'm aware of. It's our own research that we rely on.

Senator SHELDON: Thank you.

CHAIR: I think that draws us to the end of your question time. Thank you very much. Please go with the committee's thanks.

North Queensland Water Infrastructure Authority

[22:22]

CHAIR: We now call representatives from the North Queensland Water Infrastructure Authority. Good evening. Do you wish to make an opening statement?

Dr Wallbrink: No, thank you. We are happy to take questions.

CHAIR: Senator Watt.

Senator WATT: I have some questions about the Hughenden irrigation scheme. As at this weekend, the proponents' website said that construction will commence only after a detailed business case, which may take a couple of years. I've noticed that your organisation's website says that the government has committed \$2 million to HIPCo, the proponent, to undertake detailed feasibility work. The initial investment has been backed by a \$180 million Australian government commitment towards the building of dam infrastructure should it prove to be feasible, with funding provided through the National Water Infrastructure Development Fund. I'm seeking to know when the government will know whether the project is feasible.

Dr Wallbrink: I'm not sure how up to date the HIPCo website is. They are proceeding with the detailed business case at present that is due in early February of next year. That will then come to us, and an assessment will be made on the basis of the detailed business case and advice to government.

Senator WATT: But the \$180 million Australian government commitment towards this project is dependent on the feasibility study; that's correct?

Dr Wallbrink: It is dependent on the outcome of the detailed business case.

Senator WATT: And the only unqualified commitment of funding is for the \$2 million feasibility study?

Dr Wallbrink: Yes. That was an initial feasibility study of \$2 million, and then the subsequent \$10 million was invested to do the full detailed business case.

Senator WATT: So it's \$12 million in total.

Dr Wallbrink: Correct.

Senator WATT: When do you expect to get that feasibility study back?

Dr Wallbrink: We anticipate that in February 2022.

Senator WATT: Sometimes this terminology of feasibility studies and business cases gets a bit confused. The initial \$2 million was for what you would describe as a feasibility study?

Dr Wallbrink: Yes.

Senator WATT: And the \$10 million was for a more detailed business case?

Dr Wallbrink: Correct.

Senator WATT: And the business case is now underway?

Dr Wallbrink: Correct.

Senator WATT: And you expect it back by February.

Dr Wallbrink: Correct.

Senator WATT: The \$180 million that has been committed—forgive my ignorance, but what funding program does that come from?

Dr Wallbrink: It came from the Water Infrastructure Development Fund.

Senator WATT: If I were to go look at their financial accounts, would there be money sitting there in their budget papers has been allocated for the project even though it's still dependent on a business case?

Dr Wallbrink: My understanding is that that money would sit within the fund. I can't speak to what's in the papers of the HIPCo team, but effectively the money sits in the fund.

Senator WATT: I have a few questions about the Hells Gates dam and Big Rocks Weir. I think I'm right in saying that, back in 2018, there was \$54 million announced for the Hells Gates dam project.

Dr Wallbrink: That was the Hells Gates dam business case. It was \$24 million. Big Rocks Weir was another \$35 million for its 50 per cent share with Queensland.

Senator WATT: It was initially \$24 million for a business case for the entire project, Hells Gates dam and Big Rocks Weir?

Dr Wallbrink: Correct—plus a feasibility study for a pumped hydro scheme.

Senator WATT: And the \$30 million is capital funding just for the Big Rocks Weir component of the project, to be matched by the Queensland government?

Dr Wallbrink: That's right.

CHAIR: Can I ask a follow-up question? Where is the \$3 million that the feds have matched with the states?

Dr Wallbrink: That is out of the \$30 million which has been committed for construction. It's moved to a preconstruction phase, of which both the Commonwealth and the state government have committed \$3 million each, of which the \$3 million has come out of the \$30 million.

CHAIR: I understand.

Senator WATT: What was that for exactly?

Dr Wallbrink: That was for a set of preconstruction activities.

Senator WATT: Have they begun?

Dr Wallbrink: They're underway as we speak.

Senator WATT: When is the business case for the Hells Gates dam that is testing the finding of the 2018 feasibility study expected to be completed?

Dr Wallbrink: The completion date is sometime in April 2022.

Senator WATT: Is it expected that that will be made public?

Dr Wallbrink: That would be a decision of government.

Senator WATT: Does the Hells Gates dam proposal still comprise at least three weirs, a dam and associated irrigation, electrical and transport infrastructure?

Dr Wallbrink: That's right. That's the reference design.

Senator WATT: That seems like an awful lot of things to get done for \$30 million, but that's for the Big Rocks Weir component, isn't it?

Dr Wallbrink: To separate those out: the \$24 million is for the business case for Hells Gates. That's a dam plus the three downstream weirs plus bridges and so forth. There would then be a capex cost associated with constructing it. The \$30 million is for a separate weir: the Big Rocks Weir downstream.

Senator WATT: But there is no capital funding provided for anything to do with the Hells Gates dam project other than the \$30 million which has been allocated for the Big Rocks Weir?

Dr Wallbrink: That's a decision for the future.

Senator WATT: Is it expected that the total funding of \$60 million for Big Rocks Weir, being the federal and state components, will be sufficient to build it—that that's all the capital funding that will be needed?

Dr Wallbrink: That's partly to be tested by the preconstruction activities. There was a sum of I think around \$48 million or so, with a 20 per cent contingency, when the business case for Big Rocks fell due. At the moment the preconstruction activities are testing the geotechnical work that will underpin the other design work for the weir. It's possible the costs for the construction of the weir might change.

Senator WATT: What's the current estimate for the capital cost?

Dr Wallbrink: \$60 million.

Senator WATT: So that's still current.

Dr Wallbrink: Yes, that's right.

Senator WATT: Are you aware that Townsville Enterprise, which is the key proponent for the Hells Gate dam, has described it as a '\$5.35 billion irrigated agricultural and power project on the upper Burdekin River'? That's obviously a very big project in terms of cost.

Dr Wallbrink: It is.

Senator WATT: Does the government have any estimate for what the capital costs of completing the entire Hells Gate proposal will be beyond the initial \$2.2 million feasibility study, the \$24 million business case and the \$30 million contribution to the Big Rocks Weir component?

Dr Wallbrink: I think the figure that's been provided by TEL is probably the most current estimate of the total cost, if it were to proceed.

Senator WATT: Okay. So there's really no idea at this stage what it will cost?

Dr Wallbrink: The Hells Gate team is led by TEL. They're on their P50 cost assessments, and they're working their way through to the P70 and the P90. So those costs will be fine-tuned as we go forward and will obviously be narrowed down when the business case is complete.

Senator WATT: But it will be in the billions, realistically.

Dr Wallbrink: Correct.

Senator WATT: Has there been any discussion about the federal government providing any further funding commitment for the broader Hells Gate dam project, or is it still to be discussed within government?

Dr Wallbrink: The \$5.35 billion, plus or minus, is for the entirety of the Hells Gate scheme. That would be the dam plus the downstream infrastructure plus road and bridgework et cetera. At this stage there would be nothing beyond what's encompassed in that set of design parameters.

Senator WATT: Thanks. That's it for us on this section, Chair.

CHAIR: Thank you. I just have one question on the HIPCo project. In terms of the business case or the feasibility study—whichever one we said they were working on—is the Flinders River water release that is happening this month contingent on any amount coming from that water release?

Dr Wallbrink: There's a gate in the business case development around the fact that the Queensland government were going to run an allocation process and that HIPCo were in a position to be an acceptable entity to bid for that water, effectively, when the allocation process comes to—

CHAIR: Terrific. So 60 megalitres?

Dr Wallbrink: There are about 138 gigalitres available in the—

CHAIR: Sorry, 60 gigalitres, isn't it?

Dr Wallbrink: Are you asking me if that's their request?

CHAIR: Is that the requirement for it to be a project that can go ahead?

Dr Wallbrink: It's probably slightly more than that at the moment.

CHAIR: Okay. Terrific. I'm sorry; we probably could and should talk longer with you, but we are going to let you go and go with our thanks. I look forward to seeing you somewhere in the north.

Dr Wallbrink: Thank you.

CHAIR: Good night.

Infrastructure Australia

[22:34]

CHAIR: Good evening. Do you have an opening statement?

Ms Madew: No, Senator.

CHAIR: Well, let me ask you: Infrastructure Australia is doing a terrific project at the moment looking at national priorities. You know that I'm very interested in rail projects. Senator Watt is interested in rail projects, too. If we were looking for Infrastructure Australia's rail plans, would we look to you, or would we look to the infrastructure department? Where would the best place to find that kind of work be?

Ms Madew: We identify some rail projects in our Infrastructure Priority List, which Mr Tucker can talk about. When it comes to reform, we also capture commentary about rail projects in both our Australian Infrastructure Audit and our Australian Infrastructure Plan. I'll defer to Mr Tucker with regard to potential investments that are included on the Infrastructure Priority List.

CHAIR: Thank you.

Mr Tucker: Most states and territories would have their own strategic plans for rail networks, so I think the question is best directed to them. We would use those when we're assessing business cases presented to us and how they align with the strategy set out by the states and territories.

CHAIR: What I'm interested in is how we start to map some of the major infrastructure corridors for road, rail, energy and communications, particularly in northern Australia where we're still a bit of a blank page. Would Infrastructure Australia be able to assist me with that kind of planning? Where would I go to find that kind of planning?

Mr Tucker: That kind of planning occurs from a number of sources. The National Land Transport Network would be available on the department of infrastructure website. There is a land transport network for roads and a land transport network for rail.

CHAIR: But they're not together is what you're telling me.

Mr Tucker: I'd need to double-check whether they are overlaid on one plan. I know they're certainly available separately, but I'm sure they could be overlaid onto the same plan.

CHAIR: It just makes sense to me that major infrastructure corridors would all be on the one page so that people wouldn't charge off and build things in different places to where other important infrastructure would be, but what would I know? I'm a butcher, an accountant, a mum on the weekends. Senator Watt, do you have some questions?

Senator WATT: I think we're waiting for Senator Patrick to join us. While we're waiting for him, Ms Madew, I know that IA did some work recently on the infrastructure needs of northern Australia, addressing previous criticisms that it has taken a too-city-centric view of infrastructure needs in this nation. Could you give us a bit of an update on what's happening on that front.

Ms Madew: Specifically on northern Australia, when we released our recent Australian Infrastructure Plan, we included 29 recommendations, and northern Australia was captured throughout the plan. How it was captured is—we look at geography, not jurisdictions. We look at fast-growing cities, smaller cities, regional centres, small towns and rural communities and northern Australia. Northern Australia is picked up in a number of specific areas. I'm now going to defer to my colleague Mr Colacino, who'll give some more detail on this.

Mr Colacino: Thanks very much for the question, Senator. As Romilly mentioned, northern Australia and developing regions are specifically considered in the Australian Infrastructure Plan as a discrete geography. Within that context, we've looked at the need for the opportunity to unlock economic growth in the north, particularly through the participation of both local businesses and also Indigenous Australians who live in the north. The areas of our recommendations pointed to some intermediate outcomes, medium-term focuses around better data, as well as linking infrastructure strategies with incumbent and growth industries, as well as, as I mentioned, specific consideration around engaging Indigenous Australians.

Senator WATT: I think Senator McCarthy has a follow-up question there.

Senator McCARTHY: What do you intend in relation to Indigenous Australians, and what's going on with the program that you're referring to?

Mr Colacino: The document that I'm referring to is the Australian Infrastructure Plan, which is a 15-year view into the future and the reforms that are needed in order to support Australia's infrastructure sector to provide both the investment and also the operations and maintenance of our infrastructure networks over that period of time. Particularly in northern Australia, we look at opportunities for greater participation of Indigenous businesses and individuals in delivering infrastructure. In that context we talk to the Northern Australian Indigenous Development Accord and Closing the Gap targets. We also talk to opportunities for First Nations people to participate in planning processes, community engagement and the like around infrastructure that's required to support their communities. We talk about building capability amongst individuals and business owners, particularly thinking through financial and technical support and mapping commercial potential of land and water assets. We also talk to opportunities around standardising monitoring of performance and reporting across jurisdictions to make sure that the three jurisdictions in the north report in a similar, meaningful manner. And finally, we talk about essential skills training, leveraging the approach from the Northern Territory around their skills academy, looking at opportunities for a similar approach to be deployed elsewhere.

The plan is advice to government and so to industry. I should make the case that it is advice to governments at all levels, the Australian government, states and territories and also local government, as well as advice to industry and the community. Indeed, there are recommendations and activities in the plan that are intended to be adopted by all those stakeholder groups independently of each other, but when working together they hope to achieve the long-term outcomes expressed in the plan.

Senator McCARTHY: Mr Colacino, are you reading off that plan? Is that something you can table?

Mr Colacino: I am reviewing the detailed recommendations that are included in the plan. Of course we would be very happy to table it.

Senator McCARTHY: If you could, that would be really helpful. I'm certainly very interested to know what is going on in terms of First Nations employment and participation around Infrastructure Australia.

Mr Colacino: We would be very happy to table the plan or to detail those recommendations further.

Senator McCARTHY: I just have one last question to Mr Colacino. Where are you focused on particularly when you make reference to First Nations people's participation?

Mr Colacino: Sorry, Senator, I'm getting a little bit of interference in my audio, but just to confirm, you are asking a question of where geographically? The recommendations that we just touched on are right across northern Australia, both in terms of larger settlements in the north, what we would classify as either smaller cities or regional centres, as well as Australians, Indigenous Australians in particular, who live in small towns, rural communities or remote areas. For instance, we see opportunities around supporting operation and maintenance of distributed infrastructure in some of those smaller communities, whether its water treatment facilities, power and energy, or for that matter opportunities around transport maintenance.

Senator McCARTHY: Please take this as a question on notice, because I know Senator Patrick is ready to ask questions, but in reference to the Northern Territory, could you provide further information in relation to those processes?

Mr Colacino: We're happy to take that on notice. I would just make the point that the approach of the plan is to provide a top-down set of advice, so the detail in that question on notice is likely to only provide a macro view rather than specific granular projects.

Senator WATT: Do you mind if I slip a couple in, quickly?

CHAIR: Sure.

Senator WATT: I'm very conscious that skill shortages are an issue that's affecting the infrastructure industry at the moment, and you've just issued the market capacity report, which dealt, in part, with those issues. Just briefly, can you describe to us how critical the skills shortage issue is for the infrastructure sector and what impact that is having on project delivery around the country?

Ms Madew: I'll refer you to Mr Colacino, whose team developed the market capacity report, which is a new capability for Infrastructure Australia.

Mr Colacino: Thank you for the question. The market capacity program looked at shortages across plant, labour, equipment and materials. Labour, and for that matter skill shortages, are one of the critical areas where constraint was identified. We see, over the coming three years, the increase in manager infrastructure project investment doubling to \$52 billion. Alongside that doubling of investment of course there is a growth in the need for employees, people to work to deliver those projects. To that end, we see the possibility that 105,000 roles will go unfilled over the period that we're looking at into the future. So, there are new employment opportunities. However, because of a constrained labour market and constrained access to individuals to fill those roles, there is a risk that they will go unfilled.

Senator WATT: What's the impact on project delivery?

Mr Colacino: The potential impact from constraints could be projects running late or over budget or, indeed, reduction of scope to ensure that they are delivered on time and within budget.

Senator PATRICK: I want to go to some South Australian projects. I'll start with the Gawler Craton rail access infrastructure project on the priority list. I did a quick comparison between your 2016 priority list and the current priority list, and it almost seems that this project hasn't moved. Where are we up to? Where does the burden lie in respect of progressing this project? And how will it be progressed?

Ms Madew: I will refer you to David Tucker, our chief of Project Advisory and Evaluation.

Mr Tucker: As you pointed out, this one was listed on the priority list in 2016 and the proponent is the South Australian government. We regularly ask for updates from all of the proponents on the priority list as to how they are proceeding and what the next steps may be on all of the listings. On this one, we've reached out to the South Australian government and we're currently waiting on feedback for any current updates for this particular listing. So really, that's a question best asked of the South Australian government.

Senator PATRICK: Now that I know that, I'll arrange for someone in the South Australian parliament to ask that question. When was the last time you received feedback in relation to this project?

Mr Tucker: I'll have to take that on notice specifically. I know that the last time we went out with requests for information was in June or July this year, but I would need to confirm whether we actually got a response from the South Australian government at that time.

Senator PATRICK: I'd ask if you could table that response as well, please.

Mr Tucker: Yes.

Senator PATRICK: Thank you. Do you get any sense that this project, noting its longevity, is being looked at differently by a new government than by the older, Wetherill government?

Mr Tucker: I don't have any comment to make on that. I don't have the details on how the government are looking at this one specifically.

Senator PATRICK: I'll go to questions on the Strzelecki Track. The South Australian government is advancing that project to commence 50 kilometres, I think, of road. You have allocated \$164 million to that. What are those funds intending to achieve?

Mr Tucker: We don't provide any funding for projects, so any questions on the allocation of funding would be better directed to the department of infrastructure.

Senator PATRICK: The department has committed \$164 million. Surely, you have a role in progressing these projects. I'm trying to understand what the \$164 million is being used to progress. What do the people of South Australia get in return for that public money?

Mr Tucker: We would have to take it on notice specific to what that funding covers. Again, this is one where we've asked for some advice from the South Australian government in terms of how it is proceeding. Yes, I'm aware that some funding has been committed to it, but the exact details of what it is providing for would need to be confirmed.

Senator PATRICK: Can you specifically answer whether you are looking at mobile phone upgrades within that funding? Is that something you could rule out on the basis of your normal remit, or something you'd rather take notice?

Mr Tucker: Again, we would have to take that on notice.

Senator PATRICK: We've got committed funds and there would be a schedule associated with whatever work was associated with those committed funds. Are you aware of that schedule?

Ms Madew: We would have to refer that to the department.

Mr Smith: Perhaps I could give you some details. I don't have a lot of details; I'm just looking up what's on our website. This is about the sealing of some roads, so there are benefits. We're looking at the \$164 million for construction that was due to commence mid-2021—I'll take on notice whether that's happened—and be completed by mid-2025. It's really about providing greater access and sealing some of that road.

Senator PATRICK: Respectfully, I can read the website. When you guys run a project, there will be a project plan and a schedule—

Mr Smith: Yes, but we had that information at 11 o'clock.

Mr Hallinan: The relevant officials were here for a session at 11 o'clock.

Senator PATRICK: Maybe I misunderstood how this works, but these are projects that are evaluated by Infrastructure Australia and, once the money is committed, it comes back to the department. Is that how it works?

Mr Hallinan: What will likely happened with this one is that, as a general principle, South Australia proposes a project for consideration with Infrastructure Australia. Infrastructure Australia conducts an assessment and makes a recommendation. If the South Australian government wishes to proceed with it, they recommend it to the Commonwealth through our usual budgetary process, and then the Commonwealth commits or does not commit, depending on budget choices. In this case there's a commitment to Strzelecki Track upgrade sealings, with \$164 million from the Commonwealth in the \$205 million total project cost. I found the same information that Mr Smith has found. We would have an official here in the infrastructure investment division section with detail on many, many projects, including this one, and a bit more than we would otherwise be able to provide you here.

Senator PATRICK: I accept what you have said. Maybe you can take those questions on notice.

Mr Hallinan: We'll take them on notice.

Senator PATRICK: That would be helpful.

Mr Smith: Just to clarify, the amount, profile and project list?

Senator PATRICK: Yes, and schedule.

Mr Smith: Yes.

Senator PATRICK: Which three did you suggest?

Mr Smith: Amount, schedule as in the funding schedule—

Senator PATRICK: The amount is known, that's \$164 million. I want to understand—

Mr Smith: For individual sections.

Senator PATRICK: I'm trying to understand what the money covers. Does it cover the entire Strzelecki Track, or does it cover part of the Strzelecki Track?

Mr Smith: The scope of it.

Senator PATRICK: The scope of it and the schedule that's associated with the delivery of that scope.

Mr Smith: We can certainly provide that.

Senator PATRICK: Thank you very much. I'll go to South Australia High Productivity Vehicle network access. In 2016 the project had a timescale of five to 10 years, so we're halfway through that. What options have been developed in relation to that? I'm going back to Infrastructure Australia.

Ms Madew: Thank you, Senator. If you could give us just a couple of seconds—

Mr Tucker: This submission that's just on the priority list was previously for the Sturt Highway, and it was originally listed in 2016 just for the Sturt. On the basis of on the submission we had from the South Australian government last year, we expanded that listing to cover additional highways within the state. So the coverage of that listing is now expanded to recognise the opportunity and benefits of providing access to high-productivity vehicles across a broader extent of the road network. Again, progressing that would be back in the court of the South Australian government. Indeed, we're aware that they are looking at particular pinch points and how that may be taken forward in the future. For the details, it would be best to go to the South Australian government.

Senator PATRICK: Okay. Can you provide, again, the last time they made a submission, and can you provide the committee with a copy of that submission, please.

Mr Tucker: I'll certainly take that on notice. The submissions that are made to us are done so in confidence, so we will need to clarify with the South Australian government if they will permit us to release that.

Senator PATRICK: Sure. I accept there may be some costing details that are confidential, but South Australians are entitled to know things like options. The starting point for the federal government is that everything is available and open to the public. The starting point constitutionally for the South Australian government is the same thing. The starting point is that all of this should be open, but I accept there might be something that is confidential. I'll ask you to consider that as you might provide that information.

Mr Tucker: We certainly will.

Senator PATRICK: I'm just noting the time, because I don't have much time left. National Highway electric vehicle fast charging—where's that up to? In 2019, the next step was 'proponents to be identified'. In February 2021, you still had the same 'proponents to be identified'.

Mr Tucker: If you give us a moment, we may be able to bring that up in the time we have available. We're aware that a range of funding has been advised in most of the jurisdictions around the country in terms of electric vehicle charging facilities. I don't know if we'll bring that up in the time we have available, but otherwise, again, we can provide some information now on what work has occurred, especially in South Australia, on that one.

Senator PATRICK: I'm obviously very interested in South Australia, but perhaps even more generally, because this is one of those thing. If you can get to the South Australian border but not beyond—there's lots of range anxiety here in Australia, with electric vehicles, and I think it holds the whole electric vehicle thing back. I'll call it quits, because I've only got one minute left. I thank the chair and the witnesses.

CHAIR: That concludes today's proceedings. Thank you very much, Infrastructure Australia. Please go with our thanks. The committee is due to recommence its examination of the budget estimates on Tuesday 26 October. I want to thank Ministers McKenzie, Colbeck and Ruston, officers of the Department of Infrastructure, Transport, Regional Development and Communications and all witnesses who have given evidence to the committee today. Thank you also to Hansard, Broadcasting and the secretariat. Good night.

Committee adjourned at 22:59