

**Infrastructure, Transport, Regional Development, Communications and the Arts**

**Committee Inquiries Question on Notice**

**Joint Committee of Public Accounts and Audit**

**Inquiry into Commonwealth Grants Administration**

**IQ23-000015**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Spoken, Page No. 22 (3 March 2023)

**Topic:** Press releases on government policy

**Mr Julian Hill MP asked:**

Mr Hallinan: I would perhaps have to go through my recollection over a long period of time, but I've seen press releases that have announced government policy previously.

CHAIR: It's a little unhelpful, though, isn't it? Press releases announce government policy, but if we're just going to make generic observations about what you might have seen over 20 years, you wouldn't have a clue, really, with the greatest of respect, whether there's a cabinet process or a brief that sits under the press release.

Mr Hallinan: In my personal circumstance, I've seen that. I would just make the point that—

CHAIR: You can take that on notice and give us some specifics, if you're making the claim.

Mr Hallinan: I'll see if I can find any.

CHAIR: Sure.

**Answer:**

A public statement by a Minister, such as in a media release, is taken by the Department as an indicator that the funding is to be considered in a Cabinet process which, if successful would be reflected in the next Budget papers.

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**IQ23-000016**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Spoken, Page No. 25 (3 March 2023)

**Topic:** Distribution of car park funding to south-east Melbourne

**Mr Julian Hill MP asked:**

CHAIR: Did the department do any analysis or express any concerns about the heavily skewed distribution of car park funding to south-east Melbourne, given that Sydney and other areas of Melbourne are more congested?

Mr Hallinan: I'm not aware of any. It was before my time that we provided the advice on putting these into the schedules at least. I'm not aware that we did, no.

CHAIR: Can you take that on notice and clarify for us if something comes to light.

Mr Hallinan: Yes, we can do that.

**Answer:**

The Department did not undertake analysis or express concerns about the distribution of car park funding to south-east Melbourne.

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**IQ23-000017**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Spoken, Page No. 28 (3 March 2023)

**Topic:** Implementation of the new Records Workspace system

**Mr Julian Hill MP asked:**

CHAIR: On page 2 of your submission you said:

Work to improve the department's record keeping practices is also underway. This includes the implementation of the new Records Workspace system, which is due to be finalised by the end of 2023

...

Can you take this on notice and give us any update in the next few weeks: is that on track to occur? Sometimes these things slip. In regard to the second question the deputy chair just asked: even if that record system were implemented, it couldn't capture circumstances where you have no idea why ministers make decisions.

Mr Hallinan: Yes, we can take on notice the first question. As to your second question, if the department is not involved in an activity we don't know about it.

**Answer:**

The implementation of the new Records Workspace system is on track for completion by the end of 2023.

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**IQ23-000018**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Spoken, Page No. 29 (3 March 2023)

**Topic:** National Partnership Agreement for Land Transport Infrastructure

**Senator the Hon Linda Reynolds asked:**

Senator REYNOLDS: I am happy for what I have asked to be on the record. If there are any issues with the wording of that, the secretariat can raise it with us. I'll describe it a bit further, Chair. What I am interested in is: you have had a very damning ANAO report. You have accepted all of the recommendations. You have now just said that you are doing it differently. What I want to understand is: how are you practically doing it differently across the complexities of the different types of grants and other funding programs that you manage? What is different now in what you are doing with this government as a result of those lessons learned compared to what you did with previous governments? Mr Hallinan: How about I refine the question to the parameters of the UCF program broadly, which is: election commitments of a programmatic nature attached to the National Partnership Agreement for Land Transport Infrastructure? We can come back to you with what we are doing there and how that is being considered. That is doing some form of comparison between what the audit is on and what we would be doing in a similar circumstance here. Would that work? Senator REYNOLDS: That would work. I'll have a think about that because you have narrowed it down. We will take that offline. You can take that on notice. If we need to refine it and I need to put another question in, I will.

**Answer:**

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) has accepted all six recommendations from the Administration of Commuter Car Park Projects within the Urban Congestion Fund (2021 UCF Audit).

To address these recommendations, the Department has developed a range of new and detailed guidance material to support staff when designing programs and to apply assessment procedures for projects, prior to making recommendations to the Minister for Infrastructure, Transport, Regional Development and Local Government. This includes practice directions, fact sheets and Explanatory Memoranda for the different processes.

This detailed guidance enhances procedures to support processes including:

- Projects proposed for funding under the *National Land Transport Act 2014* (NLT Act) are eligible for approval.
- Projects proposed for funding under the NLT Act are assessed to ensure they represent an efficient, effective, economical and ethical use of public money, and

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that approved expenditure would be a proper use of relevant money consistent with the *Public Governance, Performance and Accountability Act 2013*.

- Ensuring there are consistent processes.

The Department is also implementing additional procedures to address findings from the 2021 UCF Audit. This includes strengthening governance frameworks when establishing new programs through developing program specific evaluation strategies and implementing a new records management system. The new records management system will ensure more accurate, consistent and retrievable records and is supported by comprehensive training and resources to assist staff using the system.

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**IQ23-000019**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Spoken, Page No. 30 (3 March 2023)

**Topic:** Number of Submissions made

**Senator the Hon Linda Reynolds asked:**

Senator REYNOLDS: I want to come back to evidence you gave earlier to questions from the chair in relation to the advice. We established, and the ANAO report clearly established, that the advice to the ministers of the day was deficient—is a kind way to put it. I was unclear at what points you actually did provide advice. You said you were aware of two pieces of advice that went to the government or to the minister. Do you know what they were?

Mr Hallinan: There were two submissions in response. There may have been three submissions. A submission in September or October of 2018 had identified a series of projects that the department had somehow identified. There was a further submission in November, or thereabouts, of 2018. I will confirm this for you on notice.

Senator REYNOLDS: In this case for this inquiry it is very salient. Could you take that on notice and be specific as to whether it was two or three, and what the advice was?

Mr Hallinan: I think the details were traversed in the audit report itself. There are two fundamental pieces where the projects were selected or identified. There was November 2018 and March or April 2019. The department provided advice in a very fast turnaround on a list of projects that it may not have seen before. I can't remember the precise wording in the advice. I think we said we couldn't make recommendations on the projects at that stage because we didn't have enough information on which to make the judgements. But I will confirm that for you.

**Answer:**

The Department provided three briefings to the Minister's Office on project selection for the Urban Congestion Fund (December 2018, March 2019 and April 2019), as outlined in paragraphs 2.31-2.33 of the ANAO report.

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**IQ23-000020**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Written (3 March 2023)

**Topic:** Urban Congestion Fund versus the commuter car parks program

**Senator the Hon Linda Reynolds asked:**

Senator REYNOLDS: Or Infrastructure Australia as well. Could you please go back and review Mr Yeaman's evidence. You seem to indicate that you are not sure whether it was correct or not. Could you go back and review that evidence in terms of what information was provided to the ministers of the day. Could you also review what you said here this morning, based on your knowledge today, and go back and confirm with us what information was provided. Whether someone gave it to you directly or whether you got it through Infrastructure Australia, ultimately you had that information available. If you could give us that precise information, that would be incredibly helpful.

CHAIR: I would be very interested in that. Obviously, there may be limits to the extent to which the department can go into the contents of advice that was provided to ministers, which we're all pretty familiar with.

Senator REYNOLDS: Chair, to be clear: I'm not asking for the content of the advice, just the fact of the advice and what it related to. That can certainly be provided.

CHAIR: Absolutely.

Senator REYNOLDS: It goes to the heart of this inquiry.

CHAIR: I completely agree.

Mr Hallinan: Can I clarify? What I am taking out from here is: what was the advice on the hot spots, for want of a better description, the mapping, the identification of congestion locations, from the department and then passed through from Infrastructure Australia. I think you said Mr Yeaman also said there were submissions from councils on potential projects. I'll

come back with whether those submissions from councils were coordinated through the department or by what means we're aware that they were coordinated.

CHAIR: Is that in relation to the commuter car park fund or the Urban Congestion Fund more broadly? I'm trying to be precise here.

Senator REYNOLDS: Both.

Mr Hallinan: I think in the Urban Congestion Fund versus the commuter car parks program, which is the focus of the audit report, there may have been some consultation on the Urban Congestion Fund elements between the department and others. We'll take that on notice and come back to you. There's a distinction to be made between the Urban Congestion Fund and the commuter car parks component of it in the response.

**Answer:**

During the second half of 2018, the Department prepared modelling and analysis to support the Urban Congestion Fund project selection.

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The modelling provided was around the major pinch points in the various state networks. The Department provided advice on the key areas of need identified by local councils, by Infrastructure Australia and other stakeholders, taking into account:

- The current and projected levels of traffic at the project location
- The importance of the route for major freight movements
- Whether the route is a major commuter corridor
- The benefits to the wider transport network, such as reducing congestion by encouraging greater use of public transport through upgrading commuter car parks.

The department did not formally engage with state and council delivery partners to identify candidate projects. Engagement that did occur with states and councils is outlined on page 43 of the ANAO report.

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**IQ23-000021**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Spoken, Page No. 31 (3 March 2023)

**Topic:** Consultation process with state and territory government

**Senator the Hon Linda Reynolds asked:**

Senator REYNOLDS: Did the new government, as part of that process that you've just described, consult directly, are you aware, with states and territories or with local members, or did you do some of that consultation with states and territories, local governments, Infrastructure Australia, to provide that advice to government before they made those cabinet decisions?

Mr Bourne: During that process there was consultation undertaken with both state and territory governments. We might have to take that on notice to see at what levels that was done. There was certainly consultation undertaken.

**Answer:**

As part of the October 2022-23 Budget process, the Australian Government reviewed projects delivered under the UCF, as part of the broader review of all IIP commitments. This was undertaken in consultation with state and territory governments, with formal discussions at officials level

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**IQ23-00022**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Spoken, Page No. 32 (3 March 2023)

**Topic:** Budget - consultation process prior to preparing advice for government

**Senator the Hon Linda Reynolds asked:**

Senator REYNOLDS: I'm not asking you to do that. It's about the process. Did the department, prior to preparing that advice for government which went into the budget and into appropriate cabinet processes, consult with all states and territories and have input from all states and territories about what should stay and what should go?

Mr Hallinan: Some states don't have any projects. We consulted with—

Senator REYNOLDS: The ones that had projects.

Mr Hallinan: We can come back to you with exactly how we did it. If there was a jurisdiction where there was one project that was live that was almost complete or had been completed, we wouldn't have consulted with them to say, 'Should we terminate the project?' To the extent that there were projects that were not live, that were in planning or that were difficult to implement, we would have undertaken that consultation with them.

**Answer:**

As part of the October 2022-23 Budget process, the Australian Government reviewed projects delivered under the UCF, as part of the broader review of all IIP commitments. This was undertaken in consultation with state and territory governments, with formal discussions at officials level

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**IQ23-000023**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Spoken, Page No. 32-33 (3 March 2023)

**Topic:** Advise on Andrews government projects

**Senator the Hon Linda Reynolds asked:**

Senator REYNOLDS: Okay. Are you able to advise which projects the Andrews government, or their officials, advised the department should continue or not continue?

Mr Hallinan: As a general principle, we don't provide advice publicly from a state government in those Commonwealth-state negotiations. It can impede their ability to work with us in the future on delivering government policy agendas, both of the state and of the Commonwealth.

Senator REYNOLDS: Given that the chair has put us on a time limit, are you making a public interest immunity claim at this point?

Mr Hallinan: I can take that on notice and refer it to the minister to see whether she would wish to. As a general principle, we don't respond to questions of negotiation with a state.

CHAIR: This is pretty familiar ground. Next.

Senator REYNOLDS: Take that on notice. ...

**Answer:**

The Department is unable to provide information or documentation provided by project proponents in relation to project proposals and business cases. Disclosure of these documents may undermine the confidence of states and territories to engage with the Australian Government in full and frank exchanges in future. This may result in confidential information, such as traffic forecasts, being withheld from project documentation sent to the Department, limiting the Department's ability to provide the Australian Government with full and effective advice to inform decision making.

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**IQ23-000024**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Written (3 March 2023)

**Topic:** UCF - 24 cancelled projects part of the CCP

**Mr Julian Hill MP asked:**

Infrastructure's submission to the inquiry states that 'In the lead up to the October 2022–23 Budget, the Government reviewed projects delivered under the UCF, including CCP, as part of the broader review of all [Infrastructure Investment Program (IIP)] commitments', and ended up cancelling UCF projects across 24 sites as 'poorly targeted' and 'unlikely to deliver value for money'.

- a. Were any of these 24 cancelled projects part of the CCP? If so, how many and what stage were they at when they were cancelled?

**Answer:**

Note that the Department has updated the original submission to state that 22 UCF projects have been cancelled. Of the 22 UCF cancelled projects, 16 CCP projects were cancelled, all of them at the planning stage. See Table 1 for a breakdown of cancelled CCP projects.

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**Table 1: Cancelled CCP Projects as at the 2022-23 October Budget**

<b>Project</b>	<b>Stage at When Cancelled</b>
Commuter Car Park Upgrade - Gosford	In Planning
Commuter Car Park Upgrade - T8 East Hills Line - Macarthur	In Planning
Commuter Car Park Upgrade – Panania	In Planning
Commuter Car Park Upgrade - Hurstville	In Planning
Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Boronia	In Planning
Commuter Car Park Upgrades - Ferntree Gully	In Planning
Commuter Car Park Upgrade - Pakenham Line - Narre Warren	In Planning
Commuter Car Park Upgrades - Hampton	In Planning
Commuter Car Park Upgrades - Bentleigh	In Planning
Commuter Car Park Upgrade - Sandringham Line - Elsternwick	In Planning
Commuter Car Park Upgrade - Sandringham Line - North Brighton	In Planning
Commuter Car Park Upgrade - Pakenham Line - Officer	In Planning
Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Heatherdale	In Planning
Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Heathmont	In Planning
Commuter Car Park Upgrade - Sandringham Line - Sandringham	In Planning
Commuter Car Park Upgrade - Doncaster Park and Ride	In Planning

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**IQ23-00025**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Written (3 March 2023)

**Topic:** UCF - Status of CCP Projects

**Mr Julian Hill MP asked:**

Infrastructure's submission states that as at the October 2022–23 budget, the Australian Government has announced it would abolish the UCF, and that 'There are 107 former UCF projects, including 22 CCP project sites, which will continue to be funded and delivered under the IIP'.

- a. Can you update the Committee on the status of the 22 CCP projects that are still being funded? How many have been delivered to date and what is the total funding committed by the Australian Government?
- b. Infrastructure's submission stated that as at the 2021–22 Budget, total funding for the CCP was \$711.1 million. What is the current figure? How much of the funding has been awarded to date?
- c. Have any completed CCP projects been shown, through performance reporting or otherwise, to have reduced urban congestion targets at an appropriate benefit-cost ratio?

**Answer:**

Responses to questions a and b are included in table 1, overleaf. As at March 2023, no post completion reports have been received for CCP projects.

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**Table 1 Projects continuing to be funded as at 31 January 2023**

Project Name	Progress Status	AG Committed Funding (\$m)	Paid as at 31 January 2023 (\$m)
Commuter Car Park Upgrade - T1 North Shore, Northern and Western Line - Kingswood	In Planning	\$32.0	\$0.9
Commuter Car Park Upgrade - T1 North Shore, Northern and Western Line - St Marys	In Planning	\$33.7	\$0.5
Commuter Car Park Upgrade - T8 East Hills Line - Campbelltown	Under Construction	\$22.1	\$4.5
Commuter Car Park Upgrade - T8 East Hills Line - Revesby	Under Construction	\$12.5	\$9.3
Commuter Car Park Upgrade - T8 East Hills Line - Riverwood	Under Construction	\$10.5	\$7.4
Commuter Car Park Upgrade - Emu Plains	Under Construction	\$15.0	\$9.0
Commuter Car Park Upgrade - Woy Woy	In Planning	\$13.2	\$1.0
Commuter Car Park Upgrades - Ferny Grove and Mango Hill <b>(This project is delivered across two project sites)</b>	Under Construction	\$16.0	\$6.4
Beenleigh Station commuter car park, Beenleigh	In Planning	\$15.0	-
Coomera Station commuter car park, Coomera	Under Construction	\$10.5	\$2.5
Loganlea Station commuter car park, Loganlea	In Planning	\$15.0	-
Commuter Car Park Upgrades - Ringwood	In Planning	\$29.7	\$20.8
Commuter Car Park Upgrade - Frankston Line - Frankston	In Planning	\$43.5	\$16.0
Commuter Car Park Upgrade - Pakenham Line – Pakenham and Pakenham East <b>(this project is delivered across two sites)</b>	In Planning	\$15.0	\$1.6
Commuter Car Park Upgrades - Northern Lines <b>(This project was delivered over 7 sites, 3 have been completed with 4 proceeding)</b>	Under Construction	\$70.0	\$34.7
Commuter Car Park Upgrade - Eltham Station	Under Construction	\$5.5	\$5.0
Commuter Car Park Upgrade - Berwick Railway Station	Completed	\$64.2	\$59.2
<b>Total</b>		<b>\$423.4m</b>	<b>\$178.8m</b>

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**IQ23-00026**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Written (3 March 2023)

**Topic:** UCF - Government Responses to the recommendation tabled on Dec 2021

**Mr Julian Hill MP asked:**

The Senate Finance and Public Administration References Committee tabled a report in December 2021 on the administration and expenditure of funding under the UCF, with four of its seven recommendations addressed to the department and the Australian Government. Infrastructure's submission to this inquiry attached the submission it had made to the Senate committee in Appendix D.

- a. Has a government response to the recommendations been provided to the Senate committee?
- b. What is the status of the recommendations made by the Senate committee that had been addressed to the department?

**Answer:**

- a. No.
- b. The recommendations for the department will be considered by the Minister as part of the government response.

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**IQ23-00027**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Written (3 March 2023)

**Topic:** UCF - Successful recipients of CCP compile with ANAO report

**Mr Julian Hill MP asked:**

The audit report states that ‘Proponents are to submit a monthly progress report using a template provided by the department’, with the monthly progress report serving as the mechanism for submitting claims for payment after a project milestone is reached. The audit noted that in response to a request for copies of monthly progress reports received to date, the department was not able to provide reports from some of the councils and stated it would remind the councils that have not been providing written reports of the need to submit monthly reports (ANAO report, paras 5.16–5.19, pp. 85– 86).

- a. If monthly progress reports serve as the mechanism for submitting claims for payment, how was the claim for payment received from councils that did not submit a monthly progress report?
- b. Are the successful recipients of CCP funding complying with their reporting requirements?

**Answer:**

- a. All delivery proponents are required to submit a monthly progress reports. When a milestone payment is due the monthly report will include a claim for payment along with appropriate evidence.
- b. All delivery proponents are complying with the reporting requirements as set out in the Notes on Administration for Land Transport Infrastructure projects

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**IQ23-00028**

**Division/Agency:** DIV - Infrastructure Investment

**Hansard Reference:** Written (3 March 2023)

**Topic:** Reporting and Program Management

**Mr Julian Hill MP asked:**

The audit report states that the department's Infrastructure Management System (IMS), which was being used to manage the Infrastructure Investment Program, was to be replaced by the Reporting and Program Management (RPM) system. The RPM system is expected to provide 'improved consistency, quality and accessibility of data at the project and program levels' and had an expected release date of July 2021 (ANAO report, paras 2.69–2.70, p. 36).

- a. Has the system been released and implemented?
- b. Has the system addressed all the issues and recommendations made by the September 2016 internal audit, the late 2016 consultancy report, and the 2017 JCPAA report?
- c. The audit report states that a potential internal audit for 2021–22 included ascertaining compliance with practices following the implementation of the RPM. Was this internal audit undertaken? If so, what were the results?

**Answer:**

- a. The Reporting and Program Management (RPM) system to manage the Infrastructure Investment Program has not been implemented, with further development required prior to the system being rolled out.
- b. RPM is replacing the Infrastructure Management System (IMS) and, where relevant, will address recommendations from these reports.
- c. The Department undertakes internal audits as part of its internal audit work program. This program included an internal audit on RPM in 2020-21 and 2021-22. The recommendations of this audit will be fulfilled when the system is implemented.

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**IQ23-000029**

**Division/Agency:** DIV - Regional Development and Local Government

**Hansard Reference:** Written (3 March 2023)

**Topic:** Status on Building Better Regions Fund

**Mr Julian Hill MP asked:**

Infrastructure's submission states that as at the October 2022–23 Budget, the Building Better Regions Fund (BBRF) was discontinued, and that 'BBRF Round 6 applicants will be able to apply for the new Growing Regions Program'.

- a) How many BBRF projects from rounds 1 to 5 have been completed?
- b) Can you outline what the Growing Regions Program is about and how it differs from the BBRF?
- c) When is the Growing Regions Program likely to commence?

**Answer:**

- a. As at 28 February 2023, 877 projects have been completed under Building Better Regions Fund Rounds 1 to 5.
- b. The new Growing Regions Program will help drive economic prosperity by providing access to funding for capital works for community and economic infrastructure in rural and regional areas across Australia. The program will be open and competitive with grants awarded on a merit basis. The program is in the final stages of design, including developing merit and assessment criteria to ensure grants are awarded fairly, equitably and transparently. These details will be published in the program guidelines.
- c. The Growing Regions Program is expected to open mid-2023.

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**IQ23-000030**

**Division/Agency:** DIV - Regional Development and Local Government

**Hansard Reference:** Written (3 March 2023)

**Topic:** BBRF - Why panel membership was left out of the guidelines despite Finance's advice

**Mr Julian Hill MP asked:**

The audit report states that the program was well-designed but had a number of shortcomings, including that the ministerial panel's membership was not published in the program guidelines or otherwise announced. Footnote 46 of the audit report states that 'In commenting on draft guidelines, the Department of Finance had suggested that the panel membership should be included' (ANAO report, p. 37). Can Infrastructure explain why panel membership was left out of the guidelines despite Finance's advice?

**Answer:**

The BBRF Grant Opportunity Guidelines did not set out the membership of the BBRF Ministerial Panel (the panel), as decisions about panel members had not been made at the time the Guidelines were published.

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**IQ23-000031**

**Division/Agency:** DIV - Regional Development and Local Government

**Hansard Reference:** Written (3 March 2023)

**Topic:** BBRF - Difference in alignment of outcomes for the two streams

**Mr Julian Hill MP asked:**

The ANAO found that there was a 97 per cent alignment between merit assessment results and funding outcomes for the community investment (CI) stream, compared to 35 per cent alignment in the infrastructure projects (IP) stream (ANAO report, para 5.7, p. 71).

- a. Why was there such a difference between the alignment of outcomes for the two streams?
- b. Does the misalignment between merit assessment results and funding outcomes for the IP stream suggest that the merit criteria were not appropriate for this stream?

**Answer:**

- a. The ANAO found that the briefing packages provided by the Department for each round of the BBRF included comprehensive details on the merits of eligible applications, and that sufficient detail was provided (in the form of assessment scores, an order of merit and application assessment summaries) to enable the ministerial panel to determine which applications had been assessed as meritorious against the published assessment criteria.

Funding decisions under the program were made by the relevant BBRF Ministerial Panel for each round. The Commonwealth Grant Rules and Guidelines (CGRGs) do not require a record to be made of the basis for not awarding funding to recommended applicants. Without such information, it is difficult to accurately determine the reasons for a difference between the CI stream and the IP stream.

- b. Funding decisions under the program were made by the relevant BBRF Ministerial Panel for each round, noting the assessment criteria was agreed by the relevant former Minister.

The department has not conducted analysis of the assessment results and subsequent funding outcomes for either the IP or CI streams of the BBRF program.