

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2014 - 2015

Infrastructure and Regional Development

Question no.: 05

Program: n/a

Division/Agency: Infrastructure Investment

Topic: National Infrastructure Committee Meetings

Proof Hansard Pages: 4-5 (24 February 2015)

Senator Sterle, Glenn asked:

Senator STERLE: How many meetings of this committee have been held since it was formed?

Mr Mrdak: I would have to take that on notice. I do not have that specific detail with me.

Senator STERLE: While you are taking that on notice, can you also advise the dates the committee has held meetings since it was formed?

Mr Mrdak: Yes, I will take that on notice too.

...

Senator STERLE: Can you tell the committee how many of those meetings Minister Truss has personally attended?

Mr Mrdak: To my knowledge he has attended all meetings of the committee.

Senator STERLE: Can you tell us how many of those meetings Assistant Minister Briggs has personally attended?

Mr Mrdak: To my knowledge, Assistant Minister Briggs has attended all meetings of the committee.

Senator STERLE: And the Treasurer?

Mr Mrdak: Again, to my knowledge the Treasurer has attended all meetings, but I am happy to take that on notice.

...

Senator STERLE: How many reports has the committee made to the full cabinet since it was formed?

Mr Mrdak: I do not have that information. I am happy to take it on notice to talk to the Department of the Prime Minister and Cabinet to see what assistance I can provide on that.

Senator STERLE: With these questions on notice, I know the chair and committee will set a date and time—which we have not but it will not be far away—but if, for any of the easier ones, you can come back and respond after each session, it will take the workload off your department and makes it easier for us. I know that is the way you usually work, Mr Mrdak, so thank you for that. While you are at it, could you tell us on what dates did the full cabinet have a report from this committee on its agenda?

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

Answer:

Details of the operation of Cabinet and its committees are best directed to the Department of the Prime Minister and Cabinet. We understand that normal protocol is to not reveal information about specific meetings (including the dates or attendees at meetings) or items of business.

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Question no.: 06

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Asset Recycling Initiative – South Australian assets

Proof Hansard Pages: 6-7 (24 February 2015)

Senator Edwards, Sean asked:

Senator EDWARDS: What are the assets that the South Australian government has talked to you about?

Mr Mrdak: In terms of the asset that they propose to dispose of?

Senator EDWARDS: Yes.

Mr Mrdak: I will just get that detail for you.

...

Senator EDWARDS: Did they name those assets?

Mr Mrdak: I do not think we have the details with us.

...

Senator EDWARDS: Did they name the assets that they were looking at selling?

Mr Mrdak: I believe they have, but we do not have the details with us. I will try and get those for you this morning.

Senator EDWARDS: It would be great if we could detail those assets...

Answer:

Implementation of the Asset Recycling Initiative, including assessing proposed asset divestments, is the responsibility of the Treasury portfolio.

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Question no.: 07

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: NSW Modelling
Proof Hansard Page: 9 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: RB Consulting raised issues about the modelling.

Mr Mrdak: Yes.

Senator CAMERON: What were those issues?

Mr Mrdak: I will get Mr Danks to provide you with that information.

Mr Danks: I will take the actual details on notice. The overall finding at the time was the modelling was sound; however, there are some issues around the edges we needed to work on. The New South Wales government has undertaken to look at those issues and that is what we are currently working through at the moment.

...

Senator CAMERON: You are not aware of the City of Sydney modelling that has been done in cooperation with WestConnex or whether it is separate modelling. Are you aware?

Mr Mrdak: We are not aware of it. I presume it has been done separately, but I can take that on notice and come back to you.

Answer:

The Department is aware of the *Strategic Review of the WestConnex Proposal* report commissioned by the City of Sydney and prepared by SGS Economics and Planning in February 2015. The modelling was undertaken independently of the WestConnex modelling. The modelling undertaken by the WestConnex Delivery Authority uses a broader range of data sources to understand Sydney's current traffic patterns and travel demands and is considered by the Department to be more robust.

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Question no.: 08

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: NSW Traffic Modelling

Proof Hansard Pages: 10-11 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: You have looked at the New South Wales traffic modelling. Will you be releasing that for the Senate? Can you provide details of your peer review of the New South Wales traffic modelling?

Mr Mrdak: I will take that on notice once that work is completed. I do not forecast a situation where we would not be able to provide it, but let me take that on notice and, particularly, find out what the timetable is for that work to be completed. Our interest is ensuring that the Commonwealth loan can and will be repaid in accordance with the proposed loan agreement.

...

Senator CAMERON: Let us finish on the first one. On notice, you will take the issue of releasing the peer review of the New South Wales traffic. Just to get it clear, you will take on notice the proposition of releasing the peer review of the New South Wales traffic modelling.

Mr Mrdak: That is correct.

Senator CAMERON: You said you cannot see any reason that it would not be released but you are taking it on notice.

Mr Mrdak: We will take that on notice to ensure there is no commercial information that would otherwise be compromised by that release. In principle, I do not see an issue.

...

Senator CAMERON: So we have \$3.5 billion worth of Commonwealth money in this project; you have in your possession, as a partner in the project, New South Wales government traffic modelling. That is the factual situation?

Mr Mrdak: We have access to that traffic modelling, yes.

Senator CAMERON: My view, and what I am putting to you is: given that we are a partner in the project, given that it is partly a Commonwealth project and given that you have a document relating to a Commonwealth project, then I am seeking release of that document to the estimates committee. You either release it or you have to—you cannot just claim commercial confidentiality. You know that, don't you?

Mr Mrdak: Yes, Senator. I am well aware of the orders of the Senate.

Senator CAMERON: Are you claiming commercial confidentiality?

Mr Mrdak: No, what I was indicating to you was that the New South Wales government has made clear the basis on which we have been provided with the information. I am happy from today to take on notice the question you have asked in relation to the release of the material we have from New South Wales. I cannot at this stage give you a commitment that I will, or can, release that at the moment, but I am happy to take that on notice.

Senator CAMERON: We have \$3½ billion worth of Commonwealth money in this project and you are haggling with the Senate estimates committee about releasing one of the key aspects of this project—one of the aspects that could make or break this project.

Mr Mrdak: I do not know how you would express our conversation as 'haggling'. What I have indicated to you is that I will take on notice the basis on which the information has been provided to us. I will come back to the committee with advice as to the status of that and New South Wales's view on the release of that material to the committee.

Answer:

The Department will not be tabling the New South Wales traffic modelling to the Committee for the same reasons outlined in the Deputy Prime Minister's response to the Senate Order of 18 March 2015, requiring production of a number of documents relating to the WestConnex project.

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Question no.: 09

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: WestConnex NSW Auditor General's Performance Audit

Proof Hansard Page: 14 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: I will come back to this. The \$25 million has been provided, and the Auditor-General in New South Wales has raised these concerns. Ms O'Connell, what have we raised with the New South Wales government in terms of the criticism of the New South Wales Auditor-General? What have we raised with them?

Ms O'Connell: We are in discussions with New South Wales on addressing the concerns raised by the Auditor-General. The New South Wales government, I think, has accepted the comments made by the Auditor-General and is putting in place a number of measures to deal with the issues raised by the Auditor-General. We are involved closely with New South Wales in making sure those issues raised are addressed.

Mr Mrdak: In essence, if I might add, the Auditor-General, in my understanding, raised questions around the project assurance arrangements that had been put in place inside the WestConnex Delivery Authority, not so much questioning the work that had been done but to ensure the level of detail and the transparency about some of the material that had been provided. My understanding is that New South Wales has accepted those recommendations and the WestConnex Delivery Authority has actually made arrangements—I will check this—to satisfy the requirements of the Auditor-General in terms of those quality assurance processes. They do not go to the heart of the issue of the business plan per se; they go to project assurance quality around delivery mechanisms. That is my understanding.

Answer:

The NSW Government has accepted the recommendations of the Audit Report.

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Question no.: 10

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: WestConnex MOU
Proof Hansard Page: 17 (24 February 2015)

Senator Cameron, Doug asked:

Mr Mrdak: As Ms O'Connell indicated, the MOU is designed to support the progress of the project and to bring it forward, and the M4 widening is the first stage of that.

Senator CAMERON: Is that MOU a public document?

Mr Mrdak: I do not think so.

Ms O'Connell: I do not think so.

Senator CAMERON: Can you table the MOU?

Mr Mrdak: I will seek to table the MOU. I will take that on notice.

...

Mr Mrdak: I do not think we have it with us, Senator. I will seek to do that. Again, I will take that on notice and I will seek the advice of the minister in relation to its tabling.

Answer:

The Department has not provided the MOU to the Committee on the grounds that such provision will damage Commonwealth State relations. NSW has advised that it considers that the information in the MOU is commercially sensitive and publication of it would result in the availability of commercially sensitive information to the market, which would compromise the ability of the project proponent to undertake effective procurement processes and to obtain best value for money in the implementation of the project.

If the MOU were to be disclosed it would undermine the confidence of the states and territories as to their ability to engage with Commonwealth bodies in full and frank exchanges of confidential information in the future without that information being disclosed. This may result in project related information being provided, omitting relevant information or evidence, such as full and candid investigation of risks associated with a project. This would adversely affect the ability of Commonwealth government bodies to assess projects on the basis of robust, comprehensive and objective evidence and data and therefore, full and effective advice to the Minister to inform decision making.

The Department as a significant funder of infrastructure projects works closely with State and Territory Departments on the delivery of projects. State or Territory Departments take the lead in planning and progressing the project and the Department monitors that milestones are achieved, which allows payments to be made. Full and frank communications between State and Territory Departments allows the advice provided by this Department to take account of additional information from State and Territory agencies and allows better coordination of programme delivery.

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Question no.: 11

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: WestConnex Steering Committee

Proof Hansard Page: 20 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: Yes, on the steering committee. How many steering committees did you personally attend?

Ms O'Connell: I would have to take that on notice, but quite a few during the early development of the business case.

Senator CAMERON: Can you provide details of where and when that steering committee met.

Ms O'Connell: Certainly. To my recollection they all met in Sydney, in the offices of RMS.

Senator CAMERON: Are there minutes of those meetings?

Ms O'Connell: Yes.

Senator CAMERON: Are they publicly available?

Ms O'Connell: No.

Senator CAMERON: Can you provide the estimates committee with those minutes.

Ms O'Connell: The owner of the minutes is the New South Wales government. I will undertake to ask them if they will release them for this committee.

...

Senator CAMERON: These, in my view, are government documents, and we are entitled to see those government documents. I am not going to through the same arguments again. We have been through this. I assume you will take it on notice.

Ms O'Connell: I will.

Answer:

The Department was represented at all but two Sydney Motorways Project Steering Committee Meetings. Ms O'Connell attended four.

The Sydney Motorways Project Steering Committee meetings were held at 101 Miller Street, North Sydney and were held on the following dates:

- 30 October 2012;
- 13 November 2012;
- 27 November 2012;
- 20 December 2012;
- 17 January 2013;
- 26 February 2013;
- 26 March 2013;
- 16 April 2013;
- 30 April 2013;
- 14 May 2013 (cancelled – Federal Budget);
- 28 May 2013;
- 11 June 2013;
- 25 June 2013;
- 4 July 2013; and
- 16 July 2013.

The Department has not provided the minutes of the Sydney Motorways Project Steering Committee to the Committee. NSW has advised that the minutes are protected Cabinet In-Confidence documents and were not provided in response to the NSW Parliament Standing Order 52 Call for Papers and that they should not be made public. One set of minutes was produced as it did not disclose the contents of the WestConnex Business

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Case but it was marked privileged and is restricted to viewing by members of the NSW Parliament only. The information in the Steering Committee minutes is commercially sensitive and publication of it would result in the availability of commercially sensitive information to the market which would compromise the ability of the project proponent to undertake effective procurement processes and to obtain best value for money in the implementation of the project.

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Question no.: 12

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: WestConnex Steering Committee
Proof Hansard Page: 21 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: Ms O'Connell, did you attend the 16 July meeting that endorsed the WestConnex business case as complete?

Ms O'Connell: On 16 July in 2014?

Senator CAMERON: In 2013.

Ms O'Connell: In 2013? I would have to take that on notice and get back to you. I would say that the steering committee has been superseded for quite some time now, probably over a year since the steering committee got to the point of the business case, and then it has been handed over to the WestConnex Delivery Authority.

...

Senator CAMERON: Ms O'Connell, can I draw your attention to page 20 of the Auditor-General's report, where it says that a business case overview was presented. Do you see that?

Ms O'Connell: I have page 20 in front of me.

Senator CAMERON: On 16 July 2013. That does not jog your memory?

Ms O'Connell: I would have to check. I was involved in the development of the business case and the steering committee meetings. You are asking me about a specific meeting on a specific date.

Senator CAMERON: Yes.

...

Ms O'Connell: I will go back to look at my diary for 2013 and check which date it was in July.

Answer:

Ms O'Connell did not attend the Steering Committee meeting on 16 July 2013.

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Question no.: 13

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: WestConnex

Proof Hansard Page: 25 (24 February 2015)

Senator Rhiannon, Lee asked:

Senator RHIANNON: How many staff of Infrastructure Australia, Infrastructure Investment and indeed the department are now working for the WestConnex organisation?

Ms O'Connell: None.

Mr Mrdak: We do not have staff with the WestConnex development authority. My officers participate in meetings as part of the steering committee and the like.

Senator RHIANNON: No, the question was about people who were staff members of the department and have left and are now working for WestConnex.

Ms O'Connell: I am not aware of any.

Senator RHIANNON: Could you take that on notice?

Mr Mrdak: We are not aware of any departmental staff who have been working for us who are now with WDA.

Senator RHIANNON: But can you take it on notice?

Ms O'Connell: Yes, certainly. Just for clarification, the WestConnex Delivery Authority is a New South Wales government entity.

Answer:

The Department can confirm that no previous employees of Infrastructure Australia or the Department are now working for the WestConnex Delivery Authority.

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Question no.: 14

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Sydney Gateway
Proof Hansard Page: 27 (24 February 2015)

Senator Rhiannon, Lee asked:

Senator RHIANNON: As a question on notice, what I am also trying to understand is where it is up to with you, with the stage 1 and stage 2 gateway—whether you have that information yet to review or when you expect to get it.

Answer:

The Sydney Gateway project will comprise a mix of existing roads, upgraded roads and new infrastructure and is not part of the Australian Government funding commitment for the WestConnex project.

Information about Sydney Gateway is available in the *WestConnex – The New M5 Project Overview* and from the WestConnex website at: < <http://www.westconnex.com.au/> > .

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Question no.: 15

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Majura Parkway access ramps

Proof Hansard Pages: 27-28 (24 February 2015)

Senator Seselja, Zed asked:

Senator SESELJA: There was an issue raised with me by some of the local traders—you talked about Costco, but in and around that area there are a number of businesses—about where the off-ramps will be. Has a final decision been taken on those off-ramps? Where are they likely to be at this stage?

Mr Foulds: I would have to take that on notice. I just do not have that level of detail in my head.

...

Senator SESELJA: You say 'satisfactory'. Is any regard given to whether or not there will be an impact on local businesses depending on where you put those off-ramps? That is the concern that has been raised with me and that is why I am putting to you that some of those businesses feel that they will be disadvantaged if it goes too far past those existing businesses on Majura Road.

Ms O'Connell: I think it is fair to say that, with most of the roads we are engaged in, there are differences of view about where the access ramps and those designs should take place. Largely, we leave those to the state or territory government to negotiate and come to a resolution on. We could ask the ACT government where they have landed with those access points and provide that information to you.

Answer:

The Majura Parkway will have two access ramps, one at Tambreet Street to the north of the retail outlets and the other at Fairbairn Avenue which is just south of the retail centre. The design for the Parkway was settled in early 2012.

The ACT Government has been working with stakeholders on a potential link road from the southbound lanes of the Majura Parkway direct to the retail centre. Currently, it is progressing with the associated approval processes, including environmental and heritage, in relation to the development of this potential link road.

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Question no.: 16

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Peninsula Developmental Road
Proof Hansard Page: 29 (24 February 2015)

Senator McLucas, Jan asked:

Senator McLUCAS: In October when we talked about the Cape York roads package and you advised us that the early works on the Peninsula Development Road were going to be received imminently. Has that advice been received from Queensland?

Mr Mrdak: Yes, it has and the government has made a decision on it. I will ask Mr Pittar to give you an update in relation to decisions taken and works that are now progressing.

Mr Pittar: The government has agreed funding for the early works package for the Cape York infrastructure package, with early works already commencing on aspects of the Peninsula Development Road

Senator McLUCAS: In the 2014-15 year?

Mr Pittar: Correct, in the current financial year.

Senator McLUCAS: What are those works?

Mr Mrdak: We can give you a list. There are 11 projects which involve ceiling and upgrading of works on the peninsula road—the Laura and Archer River crossings concept planning; the Rocky Creek to Culburra project, paving and sealing; south of Sudley area, paving and sealing; Kalinga to Healy, paving and sealing; south of Hahn, paving and sealing over NDRA upgrades; Serraous hill, paving and sealing; south of Morehead, paving and sealing; the main deviation, paving and sealing; Coen south; Archer to Warburton, Rio Tinto boundary works, including sealing works; and the area around Musgrave, paving and sealing.

Answer:

As part of the Cape York Region Package, 34 km of the Peninsula Development Road was sealed prior to Christmas 2014. The first three projects completed include: Rocky Creek to Koolburra; South of Sudley; and Kalinga to Healy.

A full list of the early works on the Peninsula Developmental Road is attached.

Attachment A – List of Peninsula Developmental Road early works.

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Attachment A

Peninsula Developmental Road Early Works Project

Project	Description of Works	Cost (P50) \$M	Length km
Laura & Archer River Crossings concept planning and design & land acquisition	<ul style="list-style-type: none"> • Concept planning and design for the Laura and Archer River Crossings; • Identifying and acquiring land for future stages 	3.00	
Rocky Creek to Koolburra	Paving and sealing over previous NDRRA works including re-profiling to improve safety.	6.32	11
South of Sudley	Paving and sealing over previous NDRRA works including re-profiling to improve safety.	9.06	16
Kalinga to Healy	Paving and sealing over previous NDRRA works including re-profiling to improve safety.	7.44	7
South of Hann	Paving and sealing over previous NDRRA works including re-profiling to improve safety.	8.48	7
Sorayas Hill	Paving and sealing over previous NDRRA works.	5.83	5
South of Morehead	Paving and sealing over previous NDRRA works including re-profiling to improve safety.	4.86	4
Mein Deviation	Paving and sealing works, including re-profiling to improve safety, raising existing formation and re-shaping works.	29.33	29
Coen South	Paving and sealing works including re-profiling to improve safety.	21.66	22
Archer to Wolverton	Paving and sealing works including re-profiling to improve safety.	17.48	13
Rio Tinto Boundary	Paving and sealing works including re-profiling to improve safety.	7.41	6
Musgrave	Paving and sealing works including re-profiling to improve safety.	13.91	12
Total Early Works		134.78	132

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Question no.: 17

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Peninsula Developmental Road
Proof Hansard Page: 31 (24 February 2015)

Senator McLucas, Jan asked:

Senator McLUCAS: Can I get a copy of the project proposal report? Is that a public document?

Mr Pittar: That is not generally a public document. We can take that on notice.

Mr Mrdak: We will take it on notice.

Senator McLUCAS: Could I also get the list of projects for the early works, with figures on how much is allocated to each?

Mr Mrdak: Certainly. We can table that.

Answer:

The project proposal report is not a public document. It is submission from state government officials to support approval of funding.

For a list of the Early Works on the Peninsula Developmental Road please refer to the answer provided for Question 16.

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Question no.: 18

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Cook Shire Council
Proof Hansard Page: 31 (24 February 2015)

Senator McLucas, Jan asked:

Senator McLUCAS: I may have some other questions to put on notice, but going to the question of day labour for Cook Shire Council. Thank you for your answer on notice to that. The last sentence is 'No project applications for the cited work have yet been received from Cook Shire Council by QRA.' Has that changed?

Mr Pittar: Sorry, I could not hear the question.

Mr Mrdak: I do not think it has, to our knowledge. But I will check that.

Senator McLUCAS: What I am trying to find out is whether Cook Shire has applied to QRA for any of their day labour works following the cyclone last year.

Mr Mrdak: Not to our knowledge, but I will check that and come back to you as soon as we can.

Senator McLUCAS: The other part of that question is: were any of those works done on roads other than the Peninsula Development Road?

Mr Pittar: I do not know. We will take it on notice.

Mr Mrdak: I do not think so. I think they were all PDR projects, but I will check that and come back to you.

Answer:

Yes. The Department can confirm that to date, Cook Shire Council has reported Day Labour expenditure of \$1 million to the Queensland Reconstruction Authority relating to reconstruction works on over 70 of its road assets in eight works applications. All of the works are on roads within the Peninsula Road Network. None of this expenditure was on the Peninsula Developmental Road, which is a State road.

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Question no.: 19

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: WestConnex

Proof Hansard Page: 35 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: Minister Briggs said that the government was steaming ahead with WestConnex. Is that your understanding? Is it steaming ahead?

Mr Mrdak: Certainly the project is moving, yes, Senator.

Senator CAMERON: Moving? You are steaming ahead?

Mr Mrdak: Work on the M4 widening is about to commence. Work on the subsequent stage 1B, which is the M4 extension, I think, is going out to market or is out to market, and stage 2 is going out to market shortly once the reference design is complete. Mr Foulds may be able to give you an update in relation to the schedule.

Senator CAMERON: That is fine. You can give me that on notice...

...

Ms O'Connell: We have a satisfactory traffic flow analysis now. We have one.

Senator CAMERON: Okay, so you got it?

Ms O'Connell: Yes, we do.

Senator CAMERON: Is that available publicly?

Ms O'Connell: No, it is not. We took on notice earlier about making that available to you...

Answer:

WestConnex – Current Status

WestConnex	Description	Current Status
M4 Widening	Church Street, Parramatta to Homebush Bay Drive, Homebush—widening of the M4 to four lanes in each direction.	The design and construct contract was awarded to the Rizzani De Eccher Leighton joint venture on 5 December 2014. Early works commenced on 8 March 2015. Main works are expected to commence mid-2015.
M4 East	Homebush Bay Drive, Homebush to Parramatta Road and City West Link, Haberfield—one kilometre of widening and five kilometres of new, dual three-lane tunnels which extend the M4.	A shortlist of contractors was announced on 7 August 2014. Tenders closed on 15 December 2014. The Environmental Impact Statement is scheduled for display and public comment mid-2015 and contract award is scheduled for late 2015.
New M5 including King Georges Road Interchange and St Peters Interchange.	Beverly Hills to St Peters—widening of the existing M5 East and the construction twin tunnels to the St Peters Interchange.	King Georges Road Interchange shortlist was announced on 22 October 2014. Planning approval has been received. The construction tender is scheduled for announcement shortly with construction starting in mid-2015. A shortlist of contractors for the New M5 was announced on 4 November 2014 with the preferred tenderer scheduled to be announced mid-2015.
M4-M5 Link	Haberfield to St Peters—to link the M4 East and New M5 sections together.	Public display of the concept design for consultation is expected late-2015.

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Question no.: 20

Program: 3.1 Regional Development

Division/Agency: Infrastructure Investment

Topic: Tasmanian Jobs Growth Package

Proof Hansard Page: 37 (24 February 2015)

Senator Brown, Carol asked:

Senator CAROL BROWN: With the other projects that have started, can you provide a list of when they are due to be completed? There are no completion dates here, and I know some have been completed. I would like some further information about that. With the ones that you have indicated funding has been approved for—Oak Enterprises, Tas Gas Networks and the Caterpillar underground mining project—I am interested in when those projects will actually commence.

Mr McCormick: Until we actually have a funding agreement signed, we do not have a specific date, because part of the negotiations with the funding agreement is agreement on the actual milestones to be achieved.

Senator CAROL BROWN: Funding was approved as of October last year, so some of them must have—

Mr McCormick: We do. For all of the ones that have been contracted we do have estimated start dates, completion dates and actual dates as well.

Mr Mrdak: We can give you those.

Senator CAROL BROWN: Can you provide that on notice for me. There are no completion dates or estimated completion dates in the information that you have provided.

Mr Mrdak: We will give you an updated table which has got estimated completion dates as per the funding agreement.

Answer:

Attachment A – Table of Tasmanian Jobs Growth Package projects, with completion dates for executed Funding Agreements.

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Attachment A

Proponent	Project Name	Project Description	AG Funding	Project Commencement Date	Estimated Completion Date	Actual Completion Date	Comment
Glenorchy City Council	Abbotsfield Park Upgrade	Upgrades at Abbotsfield Park including replace the ageing canteen, construct new coaching boxes and install netting behind the goals.	\$200,000	5/06/2014	30/09/2014	1/09/2014	
Caterpillar Underground Mining Ltd	Advanced Manufacturing Development	Advanced Manufacturing Development involving a suite of strategic actions including: <ul style="list-style-type: none"> ● equipment modernisation ● manufacturing engineering/design support ● development/fabrication of new welding jigs ● new welding automation and technology with support ● research and development initiatives to modernise drawings for design for manufacturing. 	\$5,000,000				Funding Agreement not yet executed, no commencement or completion date data available
Britton Timbers	Britton Timbers Processing Expansion	Installation of a new timber moulding line, docking and end matching system with an emphasis on high tech transfer equipment and the latest stock management system, creating efficiencies through production and despatch.	\$1,190,000	17/09/2014	31/12/2016		
Reid Fruits	Cherry Packhouse Development	Installation of a new state-of-the-art optical sizing and defect sorting machine. The machine will have near-infrared technology to select out cherries that are too soft for the fresh market and will automatically sort cherries into various colour grades for specific export markets.	\$500,000	16/06/2014	30/06/2014	30/06/2014	
National Trust of Australia - Tasmania	Clarendon House Restoration Project	The project involves the repair and replacement of the slate roof of Clarendon House and modifications to the stormwater system	\$261,000				Funding Agreement not yet executed, no commencement or completion date data available
Costa Exchange Pty Ltd	Costa Tasmanian Berry Growth	Construction of a Modified Atmosphere Packaging Facility to service the berry and stone fruit sector. The project will use sophisticated technology to extend product life of highly perishable fruit for interstate and overseas markets.	\$1,000,000	11/09/2014	31/12/2014	31/12/2014	

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Proponent	Project Name	Project Description	AG Funding	Project Commencement Date	Estimated Completion Date	Actual Completion Date	Comment
Tasmanian Irrigation Pty Ltd	Dial Blythe Irrigation Scheme	Dial Blythe Irrigation Scheme is the establishment of an irrigation scheme to deliver 2,855 ML of water over 8,600 hectares between Penguin and Burnie leading to the establishment of new agricultural enterprises as well as underpinning existing enterprises.	\$9,060,000	31/03/2014	28/03/2015		
Dorset Economic Development Group Inc	Dorset Group – Power Conversion Study	Three-phase Power for Dairy Conversion - initial studies to quantify and support the need for electricity upgrades to 3-phase power to enable dairy conversions in the Scottsdale area.	\$100,000	1/09/2014	31/03/2015		
Dorset Renewable Industries Pty Ltd	Dorset Integrated Timber Processing Hub	Integrated Timber Processing Facility in North East Tasmania with the purchase of an existing timber industry site for remediation and development.	\$2,800,000	25/11/2014	31/03/2017		
Guilford Young College	Glenorchy Creative Arts Link Building	Glenorchy Creative Arts Link Building to help aspiring artists gain formal skills, creative qualifications and boost their employment prospects in the arts and tourism sectors. The project will link with other cultural institutions, including the Museum of Old and New Art, Glenorchy Art and Sculpture Park and the proposed University centre for performing arts precinct in Hobart.	\$3,500,000	28/05/2014	31/07/2015		
Oak Enterprises	Hardlam Timber Lamination Production	Construct a production facility for the newly developed Laminated Veneer Lumber (LVL) product under the name 'HARDLAM'. This is a sustainable value-added product that uses small diameter poor-quality logs that would otherwise be converted to woodchips.	\$4,000,000	23/12/2014	15/12/2015		
Haulmax (Aust) Pty Ltd	Haulmax Advanced Manufacturing Business for the North West Region	Advanced Manufacturing Business for the North West Region to secure the production of a highly specialised product for the mining industry for Tasmania's North West Region.	\$3,000,000	3/12/2014	31/08/2016		
Huon	Huon	Construction of a value added salmon processing facility at	\$3,500,000	6/03/2014	30/04/2015		

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Proponent	Project Name	Project Description	AG Funding	Project Commencement Date	Estimated Completion Date	Actual Completion Date	Comment
Aquaculture Group Pty Ltd	Aquaculture - Value Added Factory	Parramatta Creek in North Western Tasmania.					
SFM Environmental Solutions Pty Ltd	Hydrowood	Hydrowood - harvesting of special species timbers, especially Huon Pine, from beneath the waters of Hydro Tasmania Dam impoundments, providing a valuable source of timber for crafts, furniture and wooden boat industries in Tasmania.	\$5,000,000	5/05/2014	30/04/2016		
DairyTas Board Incorporated	Into Dairy Sustainable Dairy Development	Into Dairy - Sustainable Dairy Development will grow the industry and achieve an increase of 355 million litres of milk produced.	\$400,000	7/07/2014	30/12/2016		
Juicy Isle Pty Ltd	Juicy Isle Capability and Capacity Expansion Project	Acquisition and installation of infrastructure, modification of the production area and upgrade to the power supply of Juicy Isle's Cambridge manufacturing plant.	\$1,250,000	23/06/2014	30/06/2015		
Clarence City Council	Kangaroo Bay Community and Economic Development Project	Construction of infrastructure to implement the Kangaroo Bay Urban Design Masterplan and create a mixed use waterfront development precinct.	\$5,000,000	18/09/2014	1/01/2017		
Launceston City Council	Macquarie House Catalyst Project	Transformation of Macquarie House in Launceston's Civic Square into a collaborative work space for digital development, enabling digital entrepreneurs to work together and creating jobs in the digital economy and harnessing the power of the NBN.	\$3,000,000				Funding Agreement not yet executed, no commencement or completion date data available
Cuillins Pty Ltd	Mountford Berry fruits Strawberry Production Site	The project is for 4 Ha of strawberries under polythene grow tunnels to create a micro climate for the plants to produce premium fruit with an 8-9 month picking season.	\$400,000	5/05/2014	31/10/2014	10/11/2014	

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Proponent	Project Name	Project Description	AG Funding	Project Commencement Date	Estimated Completion Date	Actual Completion Date	Comment
Tas Gas Networks	Natural Gas Pipeline from Port Latta to Smithton	Gas Extension of the natural gas pipeline to Smithton, from Port Latta on the Northwest coast providing local processors increased energy choice for operations through low cost gas supply.	\$6,000,000				Funding Agreement not yet executed, no commencement or completion date data available
Launceston City Council	North Bank Precinct Redevelopment	Redevelopment of the North bank of the Tamar river/North Esk river to enhance access to the river edge, expand existing mixed trails, invest in community infrastructure and promote, public/private investment opportunities to exchange its vibrancy, amenity and connectivity to the City.	\$6,000,000				Funding Agreement not yet executed, no commencement or completion date data available
Tasmanian Pickled Onions Pty Ltd	Pickled Onion Production Facility	Establishment of a pickled onion processing plant near Ulverstone in order to assure the supply of Blue Banner brand of pickles from an Australian bottler.	\$500,000	22/12/2014	30/04/2015		
Derwent Valley Council	Plenty Valley Link Road (Southern Explorer) Feasibility Study	A feasibility study for the Plenty Valley Link Road (Southern Explorer) to establish the benefits to the tourism and aquaculture sectors of an upgrade to the Plenty Valley Link Road, to provide a link between Derwent and Huon Valleys.	\$100,000	12/05/2014	30/04/2015		
Sandy Bay Sailing Club	Sandy Bay Sailing Club Safety and Training Upgrade	Purchase of an additional rescue craft, the fit out of a training room with audio visual facilities, and upgrade to the kitchen and storage facilities at the club.	\$60,000	15/05/2014	30/12/2014		
University of Tasmania	Sense-T Stage 2 Development	Sense-T Stage 2 Development will extend the existing sensor network and generate easy-to-use apps that can help traditional industries be more efficient, competitive and sustainable through better use of real-time data and modelling.	\$13,000,000	30/09/2014	31/03/2017		
Hobart City	South Hobart	South Hobart Community Hub will convert the historic	\$1,650,000	8/05/2014	1/12/2015		

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Proponent	Project Name	Project Description	AG Funding	Project Commencement Date	Estimated Completion Date	Actual Completion Date	Comment
Council	Community Hub	former South Hobart Primary School into an innovative arts and culture centre providing an affordable space for artists, art groups and festival organisations.					
The Trustees of the Diocese of Tasmania	St Stephen's Church Historic Windows Restoration	Restoration of five historic stained glass windows including sill and frame repairs, re-leading and structural restoration.	\$25,000	10/06/2014	30/06/2015		
Ta Ann Tasmania Pty Ltd	Ta Ann Tasmania Plywood Mill	Construction of a Plywood Mill in Northern Tasmania to diversify its products and markets and to invest in the production of plywood and other laminated timber products.	\$7,500,000	14/05/2014	31/01/2015		
Taroona Football Club	Taroona Soccer Club Lighting	Installation of two lighting poles fixed with six lights to the Taroona High School oval providing an additional training ground for the Taroona Football Club.	\$50,000	27/10/2014	30/03/2015		
Tasmanian Railways Pty Ltd	TAS Log Railer Units Project	Triabunna Manufacturing Jobs Initiative - 'Tasrailer' Container Frames to provide capacity to haul variable backloads, increasing freight efficiency and decreasing end user costs.	\$911,200	7/05/2014	8/06/2015		
Tassal Operations Pty Ltd	Tassal Tasmanian Fish Protein and Oil Production Facility	Tasmanian Fish Protein and Oil Facility Triabunna will design and construct a state-of-the-art purpose built processing, packaging, distribution and marketing facility to service the Tasmanian salmonoid industry and other suitable primary industries.	\$3,850,000	4/08/2014	31/07/2015		

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Question no.: 21

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: National Highway Upgrade Program

Proof Hansard Page: 39 (24 February 2015)

Senator Brown, Carol asked:

Senator CAROL BROWN: On notice, can you give me a list of projects after the announcement by the government on 11 December 2014 that have been funded at an 80-20 split and of any new ones that have been funded on a 50-50 split.

Mr Mrdak: Details of that National Highway Upgrade Program are still being settled with the jurisdictions, but we can certainly provide you on notice with an update of that, following that announcement, yes.

Answer:

The Australian Government has announced the following projects under the National Highway Upgrade Program which will be funded at an 80-20 split.

State	Project	AG Contribution \$m
NSW	Newell Highway – Mungle Back Creek to Boggabilla heavy duty pavement construction project	61.35
VIC	<ul style="list-style-type: none"> • National Highway Bridge Strengthening Works (\$28 million) <ul style="list-style-type: none"> ○ Western Highway – Ballarat to Melton ○ Hume Freeway – M80 Ring Road to New South Wales Border ○ Monash Freeway – Toorak Road to South Gippsland Highway ○ Goulburn Valley Highway – Hume Freeway to Tocumwal • Western Highway – South Australian Border to Kaniva Safety Works (\$5.6 million) • Unallocated, to be allocated on finalising costs to the above projects first (\$1.47 million) 	35.07
QLD	<ul style="list-style-type: none"> • New England Highway safety works package (\$9.3 million) • Flinders Highway – Hughenden to Cloncurry pavement widening and strengthening (\$20 million) • Landsborough Highway – Morven to Kynuna upgrade (\$10.0 million) • Cunningham Highway – Mutdapilly to Warrill View pavement rehabilitation (\$10. million) 	49.3
WA	Priority projects on the Great Northern Highway: <ul style="list-style-type: none"> ○ Great Northern Highway, New Norcia Bypass; and ○ Great Northern Highway floodways, Meekatharra to Newman (Kumarina and Karalundi floodways, and one other if there are funds remaining). 	32.20
SA	Priority projects on the Sturt Highway: <ul style="list-style-type: none"> ○ bridge widening, strengthening, barrier upgrades and intersection upgrades; ○ one extended and two new overtaking lanes; and ○ shoulder sealing of the Berri Bypass – three sections totalling approximately 11 kilometres. 	19.89
TAS	Bass Highway – Birralee to Exton lane duplication project	7.68
NT	Flood immunity works at the Little Horse and Big Horse creek crossings on the Victoria Highway	20.01
ACT	Federal Highway Truck Lay-bys and decoupling project	3.20

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Question no.: 22

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: East West Link Business Case
Proof Hansard Page: 39 (24 February 2015)

Senator Rice, Janet asked:

Ms O'Connell: A subsequent business case was delivered to the department on—I will just check with Mr Foulds—I think it was 1 November.

Mr Foulds: It was dated June 2013 but delivered in November 2013.

Ms O'Connell: That business case was assessed by the department, and that has a different cost-benefit ratio.

Senator RICE: Mr Foulds, can that assessment be provided to us?

Mr Foulds: Again, it goes to advice to government, but I am happy to take that on notice.

Ms O'Connell: I think that was probably released.

Senator RICE: Given the Victorian government have released the business case, it would seem to be that the assessment of that would—

Mr Mrdak: Our assessment is advice to government, but I will take that on notice.

Senator RICE: Okay. Is there any reason why you think it may not be able to be released?

Mr Mrdak: I will put that to the minister. I cannot give you a position at this stage. There are conventions around provisions of advice. But, recognising Senate orders and the like, I will take that on notice.

Answer:

No, as the assessment of the business case formed the basis of advice to the Australian Government.

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Question no.: 23

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Memorandum of Understanding
Proof Hansard Page: 40 (24 February 2015)

Senator Rice, Janet asked:

Senator RICE: What is the view of the federal government about the release of that? Is the federal government happy for that memorandum of understanding to be released?

Mr Mrdak: Not at this time. I am happy to go back to the government and seek advice on matters.

Senator RICE: If you could do that, and any reasons as to why that was not able to be released, given the project is now in abeyance, would be good.

Mr Mrdak: We await Victoria's formal advice on their position on the project.

Answer:

The Australian and Victorian governments have agreed not to publically release the Memorandum of Understanding.

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Question no.: 24

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: East West Link Steering Committee

Proof Hansard Page: 40 (24 February 2015)

Senator Rice, Janet asked:

Ms O'Connell: It certainly has ceased operations. I will ask my colleague Mr Foulds if he has got the exact date of when the steering committee commenced, but it had been running for some time.

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

Ms O'Connell: It has not met for quite some months, and does not continue to meet at this point in time.

Senator RICE: As was asked for the WestConnex steering committee, would it be possible to get the minutes of the meetings of that steering committee?

Ms O'Connell: I will take that on notice.

Senator RICE: Even if we are not able to get the minutes of the meeting, I would like to have the full details of the operation of that steering committee and who was represented on that steering committee.

Ms O'Connell: Certainly.

Answer:

The East West Link Steering Committee membership was:

Victorian Department of Transport, Planning and Local Infrastructure

- Mr Dean Yates
- Mr Garry Little
- Mr John Fitzgerald (from June 2013 to April 2014)

Linking Melbourne Authority

- Mr Ken Mathers
- Ms Aneetha De Silva

Victorian Department of Premier and Cabinet

- Mr Brendan Flynn
- Ms Corinne Cadilhac

Victorian Department of Treasury and Finance

- Mr Jason Loos
- Mr David Webster
- Ms An Nyguyen

Victorian Roads Corporation

- Mr Peter Todd

Commonwealth Department of Infrastructure and Regional Development

- Ms Lyn O'Connell

The Department has not provided the minutes of the East West Link Steering Committee to the Committee. The Department has sought authority to release these documents from the Victorian Government. This authority is yet to be forthcoming.

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Question no.: 25

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: National Partnership Agreement – Victoria

Proof Hansard Pages: 40-41 (24 February 2015)

Senator Rice, Janet asked:

Senator RICE: Have there been discussions with the Victorian government about the redirection of those funds to other projects?

Mr Mrdak: There have been proposals put by the Victorian government about alternative projects that they would like to see funded. That is as far as it has gone.

Senator RICE: Can you give us the details of which projects have been put forward by the Victorian government.

Mr Mrdak: Some of them have been publicly canvassed by the Victorian government in relation to projects such as their rail level crossings, their alternative proposal for truck access to the port—

Senator RICE: The West Gate Distributor?

Mr Mrdak: That is right, and myriad other small projects through Melbourne. I think they have been publicly canvassed by the Victorian government. It was provided via correspondence from Victoria. I can take that on notice.

Senator RICE: Has the Melbourne Metro rail project been proposed as a project?

Mr Mrdak: I would have to check the details. I do not recall that being on the initial proposal put to the Australian government.

Senator RICE: The managed motorways project? It had been an Infrastructure Australia assessed project.

Mr Mrdak: I do not recall it being on the list that has been provided, so I cannot really talk about it.

Senator RICE: The metropolitan ring road upgrade? That also was an IA assessed project.

Ms O'Connell: The M80.

Mr Mrdak: I do not recall that being on the list submitted by the Victorian government. My understanding is that, essentially, the projects that have been canvassed thus far by the Victorian government relate largely to their incoming government election commitments. I will refresh my memory and come back to you on notice.

Answer:

As at 24 February 2015, the Victorian Government had, through officials, proposed consideration of the following projects which included the 2014 incoming Government election commitments:

- West Gate Distributor
- Grade Separations
 - Mountain Highway
 - Scoresby Road, Bayswater
 - Blackburn Road, Blackburn
 - Burke Road, Glen Iris
 - North Road, Ormond
 - Main Road, St Albans
 - Furlong Road
 - McKinnon Road
 - Centre Road
 - Heatherdale Road
- Thompsons Road Duplication
- Duplication of Yan Yean Road

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- Streamlining Hoddle Street
- Bolton Street, Eltham Upgrade
- Napier Road, Bendigo Upgrade
- Drysdale Bypass Construction
- O'Hearns Road Upgrade
- Tram Network Extensions
- Hallam Road South Duplication
- Plenty Road Third Lane Widening
- Dohertys Road Duplication

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Question no.: 26

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Victoria Toll plans

Proof Hansard Page: 44 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: Neither the secretary nor anyone in the department was made aware that there was a plan to toll the M1, the Westgate Bridge, the Westgate Freeway and the Eastern Freeway? Were you aware of that?

Mr Mrdak: I would have to go to the documents. I am not familiar with that comment that you have just made. I am happy to go back and check that. But certainly the basis on which the Commonwealth entered its arrangement with the state of Victoria was that the state of Victoria would fund the cost over and above the Commonwealth contribution. How Victoria chose to do that was a matter for the Victorian government. With all due respect, I would need to see the documentation which you are referring to be able to give you a view on that.

...

Senator CAMERON: Okay. So you are going to have a look at your documents and see whether these issues were there. When you do that, can you look at the fact that congestion on the Tullamarine Freeway and Eastern Freeway would in fact increase as a result of this project and also that it would take 56 years of tolls to pay back the construction costs? There are a range of issues I have raised there. If you can take those on notice.

Mr Mrdak: I am happy to have a look at those issues. Certainly, the Victorian government contribution in terms of how they would structure the payments through the availability payments and the tolling levels were matters for Victoria. It does not go to the issue of the Commonwealth support for this project.

Answer:

Tolling and network charging is a matter for the Victorian Government.

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Question no.: 27

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Perth Freight Link consultants
Proof Hansard Page: 47 (24 February 2015)

Senator Ludlam, Scott asked:

Mr Jagers: We have certainly been working with the West Australians for some time. We have employed consultants who have done work along the way to provide assurance to us as the business case is being developed.

Senator LUDLAM: Who have you got working on this project in particular?

Mr Jagers: I do not think we have consultants working at the moment, but we have had during the past year. I can provide details.

Senator LUDLAM: Do you want to table those for us, down the track?

Mr Jagers: Yes, we can just table them later today, Senator, if you like.

Answer:

The Department has engaged Aurecon, Ernst & Young and Veitch Lister Consulting on the Perth Freight Link project.

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Question no.: 28

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Perth Freight Link heavy vehicle traffic volumes

Proof Hansard Page: 48 (24 February 2015)

Senator Ludlam, Scott asked:

Senator LUDLAM: The PER—which is what I am drawing my information from, and I can table that after this session, if you like, so that you can have access to what I am looking at—indicated that the daily heavy vehicle flow in 2021 would be about 2,800 without the project, and that it would be about 2,600 with the project. Is that reasonably consistent with the modelling that you are reading from? It does not sound like it.

Mr Jaggers: Senator, that is one year, I presume, those figures.

Senator LUDLAM: It is a 2021 snapshot of an estimate, and that was contained in the PER.

Mr Mrdak: Senator, are you quoting that it is 2,800 in 2021, without; and 2,600 with—?

Senator LUDLAM: Roughly; I am reading off a graph.

Mr Mrdak: And I think what Mr Jaggers has indicated with the 2031 projection is that the 200 less is then 500 less by 2031.

Senator LUDLAM: So it opens up.

Mr Mrdak: It seems to me that we are probably talking about a consistent document.

Senator LUDLAM: It is in the ballpark, isn't it?

Mr Jaggers: Yes. Senator, we might have to take that on notice to provide you with some more detail.

Answer:

The Perth Freight Link project will provide a 13 kilometre purpose built freight corridor that will improve connectivity and reduce congestion on the regional road network. As indicated in the business case summary released in December 2014, the project is expected to deliver reduced heavy vehicles on local arterial roads, including an estimated 500 fewer trucks per day on sections of the Leach Highway by 2031, the bypass of 14 sets of traffic lights, improved access to local facilities, savings in vehicle operating costs totalling \$840 million and travel time savings for heavy vehicles of nine and a half minutes per trip.

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Question no.: 29

Programme: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Project Status and Funding for Gawler Line Modernisation Project; and Noarlunga to Seaford Rail Extension Project

Proof Hansard Page: 54 (24 February 2015)

Senator Back, Chris asked:

Senator BACK: I will go to South Australia for a couple. We have the Gawler rail line modernisation, \$300 million, and the Noarlunga to Seaford rail extension, \$290 million. Where are they and did we see a cost-benefit analysis released for each?

Ms O'Connell: The Noarlunga to Seaford rail project is complete and it is in operation.

Senator BACK: And the contributions respectively from the Commonwealth and South Australian governments?

Mr Wood: I will be a moment. I do not have that to hand, given that it is a completed project.

Senator BACK: You might even take it on notice.

Answer:

Gawler Line Modernisation

The project commenced on 30 January 2010 and the track upgrade and capital works at selected stations were completed on 31 March 2012.

The project was listed on Infrastructure Australia's 2009 Priority List and was funded from the Building Australia Fund in 2009 under the Nation Building for the Future measure. A cost benefit analysis was not publicly released. The Australian Government committed \$293.5 million to the project.

The project was postponed by the South Australian government in its 2012-13 budget and the remaining component of the project to electrify the Gawler line was cancelled by the Australian Government in their 2013-14 MYEFO. The final Australian Government contribution to the project was \$217.67 million.

Noarlunga to Seaford Rail Extension

The project commenced in January 2011 and the construction of a new 5.7 kilometre electrified rail line, stations at Seaford Meadows and the Seaford rail terminus and a 1.2 kilometre viaduct and bridge over the Onkaparinga River were completed in December 2013. Passenger services commenced in February 2014.

The project was listed on Infrastructure Australia's 2009 Priority List and was funded from the Building Australia Fund in 2009 under the Nation Building for the Future measure. A cost benefit analysis was not publicly released. The Australian Government provided \$291.2 million to the project.

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Question no.: 30

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Ipswich Motorway – Building Australia Fund (\$884 million)

Proof Hansard Page: 51 (24 February 2015)

Senator Back, Chris asked:

Senator BACK: In Queensland we have the Ipswich Motorway, \$884 million.

Mr Jagers: There are a number of components of the Ipswich Motorway. I presume you are referring to the Dinmore to Goodna section?

Senator BACK: Yes.

Mr Jagers: That project is completed.

Senator BACK: And the contribution by each?

Mr Jagers: I would have to check. I am sorry, I cannot recall.

Mr Mrdak: We will get you those.

Senator BACK: If you would, and do we know whether a business case or cost-benefit analysis was released for that project?

Mr Mrdak: I would have to check. There were certainly a business case and a cost-benefit analysis prepared but I do not know if they were publicly released in full.

Answer:

The \$884 million refers to the Australian Government funding contribution to the Ipswich Motorway provided from the Building Australia Fund in 2008-09. Of the \$884 million, \$750 million went towards the Dinmore to Goodna upgrade; \$10 million went towards the Darra to Rocklea Planning Study; and \$124 million went towards the Wacol to Darra – Stage 2 project.

In addition to receiving \$750 million of the \$884 million, the Dinmore to Goodna project also received \$822.6 million through the Infrastructure Investment Programme. In total, \$1,572.6 million was provided to the Dinmore to Goodna project by the Australian Government.

All projects were fully funded by the Australian Government.

A business case and cost-benefit analysis for the Ipswich Motorway projects was provided to the Department. These documents were not publicly released.

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Question no.: 31

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Darwin Port Expansion

Proof Hansard Page: 51 (24 February 2015)

Senator Back, Chris asked:

Senator BACK: And the Darwin Port expansion—the final one. Who paid up, how much did each pay and did we see a cost-benefit analysis released?

Mr Mrdak: I do not have the details on Darwin Port so we will take it on notice.

Answer:

The \$50 million allocated in the 2009-10 budget for a potential equity contribution to the Darwin Port expansion was subsequently reallocated to Northern Territory road projects in April 2012.

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Question no.: 32

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Projects on IA Priority List

Proof Hansard Pages: 51-52 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: Mr Mrdak, I want to table a response from the department to a question from Senator Sterle. This is question No. 148. It goes to the range of projects that Senator Back has raised with you. I am a bit concerned that your response was not a full response, in terms of those projects. I just want to bring you back to this answer to the question. On this list we have the Advanced Train Management System, the Hunter Expressway, Ipswich Motorway upgrade, the Gold Coast light rail, Goodwood and Torrens junctions, Gawler line, the Noarlunga to Seaford rail extension and the regional rail link.

When you were asked by Senator Sterle for a list of all the infrastructure projects funded by budgets from 2008 and 2009 that were on the Infrastructure Australia priority list—this is their priority list for doing the project—all of the projects that were mentioned by Senator Back were on the Infrastructure Australia priority list. Is that correct?

Mr Jagers: I would have to go back and I look at my answer this morning. I think the question I was answering though was: 'Were there published business cases and benefit-cost ratios for each of those projects prior to the government making a funding commitment?' I think that was the question I was answering. A number of these projects certainly were assessed by Infrastructure Australia, some, from recollection, after the government had taken in-principle decisions to fund them. I think I was not asked the question of whether they were assessed by—

Senator CAMERON: For fullness, I am asking the question: of those projects that were dealt with this morning in your response to Senator Back, were they on the Infrastructure Australia priority list?

Mr Jagers: I think they are. I will have to go back and look at the list. On notice, I will give you a fulsome answer in relation to that.

Answer:

From the list of projects raised by Senator Back and Senator Cameron, the O-Bahn Track Extension (South Australia) was not on the Infrastructure priority list.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Additional Estimates 2014 - 2015
Infrastructure and Regional Development

Question no.: 33

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Projects on IA Priority List

Proof Hansard Pages: 52-53 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: I am not asking you about IA's assessment—I am asking you about a cost-benefit analysis. The coalition went to the election with a promise that they would do a cost-benefit analysis for all projects of value over \$100 million. Has that been undertaken in the context of the projects that your department is involved in?

Mr Mrdak: I believe it has. I will check with my officers.

...

Senator CAMERON: Can you provide details of all projects that are underway at the moment from this government and where the business cases are up to. That would be helpful.

Mr Mrdak: Certainly.

Senator RICE: In addition to the list of projects mentioned by Senator Back and the list of projects tabled by Senator Cameron, could we have a benefit-cost ratio for each of them and an articulation of the benefit-cost ratio for each of those projects.

Mr Mrdak: Certainly. As Infrastructure Australia publishes its assessments, they also publish those. Where we have others we will certainly identify that in the advice back to you.

Senator CAMERON: Can you also have a look at this: when the money was allocated for these projects in the 2014 budget, had Infrastructure Australia completed its business case analysis, and had there been cost-benefit analyses done for every project?

Mr Mrdak: I will come back to you with the detailed advice. In essence, though, as we discussed this morning, Infrastructure Australia was continuing its assessment at the time the Australian government made its funding commitments.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Answer:

Please see table below. Further information on project evaluations can be found on the Infrastructure Australia website at infrastructureaustralia.gov.au.

Project (Receiving more than \$100 million in Australian Government Funding)	Current Status	Funding allocated in 2014-15 Budget*	IA assessment at time of funding allocation in 2014	Payments made as at 30 April 2015**	Benefit cost ratio (BCR) and discount rate (D/R)
WestConnex	In planning	Y	Y	N	2.1 on original business case (7% D/R)
NorthConnex	Under construction	Y	Y	Y	2.12 (7% D/R)
Pacific Highway Programme	Under construction	Y	Y	Y	3.2 (7% D/R)
The Northern Road	In planning	Y	N	N	3.3 (7% D/R)
M7 to The Northern Road Motorway	Under assessment	Y	N	N	Not yet available
Bringelly Road	Under assessment IA evaluation underway. Construction has commenced with NSW Government funding only.	Y	N	N	3.6 (7% D/R)
M1 Productivity Package	In planning	Y	Y	N	2.1 (7% D/R)
Princes Highway West Winchelsea to Colac	Under assessment IA evaluation underway. Construction has commenced with Victorian funding only.	Y	N	N	0.08 (7% D/R)
St Albans Rail Grade Separation	Under assessment	Y	N	N	0.80 (7% D/R)

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Infrastructure and Regional Development

Project (Receiving more than \$100 million in Australian Government Funding)	Current Status	Funding allocated in 2014-15 Budget*	IA assessment at time of funding allocation in 2014	Payments made as at 30 April 2015**	Benefit cost ratio (BCR) and discount rate (D/R)
Tullamarine Freeway Widening	Under assessment	N	N	N	2.53 (7% D/R)
Toowoomba Second Range Crossing	Under assessment	Y	Y	N	Not yet available.
Bruce Highway Programme	Projects in various stages – under assessment, under construction, in planning, and future projects beyond 2019-20.	Y	Y	Y	Not yet available
Gateway Upgrade North	Under construction (for early works).	Y	Y	Y	Not yet available
Cape York Region Package	Under construction (early works package).	Y	N	Y	Not yet available
Warrego Hwy: Toowoomba to Miles Upgrading Program	Under construction (Toowoomba to Oakey Stage 1)	Y	Y	Y	Not yet available
Melbourne - Brisbane Inland Rail Preconstruction works	Underway	Y	Y - part of North-South Rail Freight Corridors.	Y	Not finalised.
Goodwood and Torrens Junctions	Goodwood Junction: Complete. Torrens Junction: In planning.	Y	Y	N	1.3 (7% D/R)
Tasmanian Freight Rail Revitalisation	Under assessment Scope has recently changed.	Y	Y	N	1.4 (4% D/R) based on previous scope.

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ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2014 - 2015

Infrastructure and Regional Development

Project (Receiving more than \$100 million in Australian Government Funding)	Current Status	Funding allocated in 2014-15 Budget*	IA assessment at time of funding allocation in 2014	Payments made as at 30 April 2015**	Benefit cost ratio (BCR) and discount rate (D/R)
Freight Rail Upgrades between Sydney and Newcastle.	Under construction	Y	Y	Y	4.0 (4.4% D/R)
Western Highway - Duplication from Ballarat to Stawell	Under construction	Y	N	Y	0.20 (7% D/R)
Princes Highway east - Traralgon to Sale	Under construction	Y	N	Y	0.60 (4.4% D/R)
Victorian Regional Rail Link	Practical completion achieved	Y	Y	Y	2.1 (7% D/R)
Ipswich Motorway - Rocklea to Darra	Under assessment	Y	Y	N	3.2 (4.4% D/R)
Peak Downs Highway	In planning	Y	N	Y	Not yet available
Moreton Bay Rail Link	Under construction	Y	Y	Y	Not yet available
Legacy Way [Northern Link Tunnel]	Under construction	Y	Y	N	Not yet available
Perth Airport Gateway WA	Under construction	Y	Y	Y	3.42 (7% D/R)
Northlink WA - Swan Valley Bypass	In planning	Y	Y	N	3.26 (7% D/R) Currently being updated
Great Northern Highway - Muchea to Wubin	Under construction	Y	Y	Y	1.67 (4% D/R) 1.25 (7% D/R)

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Project (Receiving more than \$100 million in Australian Government Funding)	Current Status	Funding allocated in 2014-15 Budget*	IA assessment at time of funding allocation in 2014	Payments made as at 30 April 2015**	Benefit cost ratio (BCR) and discount rate (D/R)
NorthLink WA - Tonkin Highway Grade Separations	In planning	Y	Y	N	8.46 (7% D/R) preliminary
North West Coastal Highway - Minglya to Barradale	Under construction	Y	Y	Y	1.701 (4% D/R) 1.106 (7% D/R)
Perth Freight Link	Under assessment	Y	N	N	No yet available
North South Corridor Adelaide - Darlington Interchange	Under assessment	Y	N	N	Not yet available
North South Corridor Adelaide - Torrens Road to River Torrens	In planning	Y	Y	N	5.1 (4% D/R) 2.4 (7% D/R)
Majura Parkway	Under construction	Y	Y	Y	3.32 (7% D/R)
Oakajee Port Common User Facilities	Not started - provision of Commonwealth funding is subject to a further IA assessment which is yet to be undertaken.	Y	Y	N	1.2 (7% D/R)

* Projects formed part of the Australian Government's 2014-15 Land Transport commitment. Not all projects were allocated funds in the 2014-15 financial year. In addition, funding may have been allocated in previous years.

** In 2014/15 Budget Year.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Infrastructure and Regional Development

Question no.: 34

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Previous and current Australian Government allocations to the Pacific Highway

Proof Hansard Page: 54 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: Can you provide details of changes to the funding for the Pacific Highway since the election of the Abbott government?

Mr Jagers: Certainly.

Answer:

The current funding profile includes \$992 million of new funding, and with \$1.935 billion that was allocated beyond 2019-20 moved forward into the period 2013-14 to 2018-19.

	2013-14 (\$m)	2014-15 (\$m)	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)	2019-20 onwards (\$m)	Total (\$m)
Former government	1,023.0	625.0	770.0	145.0	75.0	75.0	1,935.0	4,648.0
Current government	1,023.0	357.5	671.5	1,515.0	1,000.0	1,073.0	0.0	5,640.0

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Infrastructure and Regional Development

Question no.: 35

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Australian Government Payments to Pacific Highway 2008-09 to 2013-14.

Proof Hansard Page: 54 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: Mr Mrdak, can you tell me the amounts that the federal government paid to the New South Wales government for the Pacific Highway projects for the following years: 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14. Do you have them here?

Mr Mrdak: I do not know if I have those with us. I will just check with my officers. We can get that for you on notice.

Mr Jagers: I do not have that with me.

...

Mr Mrdak: The change, in late 2013, was the lift in funding given on the sections north of Woolgoolga, which went to 80-20 funding rather than 50-50, so that changed the funding split over the out years. But we can get you that information for the full profile, back to 2008-09.

Answer:

Year	2008-09 (\$m)	2009-10 (\$m)	2010-11 (\$m)	2011-12 (\$m)	2012-13 (\$m)	2013-14 (\$m)
Australian Government Payments to Pacific Highway	95.12	470.78	519.16	1011.26	365.86	1,023.00

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Infrastructure and Regional Development

Question no.: 36

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Pacific Highway – Tintenbar to Ewingsdale funding.

Proof Hansard Pages: 54-55 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: For Tintenbar to Ewingsdale, you have given a figure of \$148.95 million. Is that the federal government's 20 per cent?

...

Mr Mrdak: We can read that in. We will get you the file. Woolgoolga North is 80-20, Tintenbar to Ewingsdale is—

Answer:

No. The Australian Government is funding 68 per cent of this project's total cost. The \$148.95 million is the Australian Government's budgeted allocation for the Tintenbar to Ewingsdale project in 2014-15.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2014 - 2015

Infrastructure and Regional Development

Question no.: 37

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Australian and NSW government funding splits on the Pacific Highway upgrade

Proof Hansard Page: 55 (24 February 2015)

Senator Cameron, Doug asked:

Senator CAMERON: So you will take on notice these other individual break-ups under 2014-15?

Mr Mrdak: That is right.

Answer:

The funding splits for individual Pacific Highway projects are the result of negotiations between the Australian and New South Wales governments.

Yearly funding allocations for those individual projects may not necessarily match the funding split for which the project is being funded over the full period of its construction.

Pacific Highway projects	2014-15		Funding split for entire project (AG:NSW)
	AG (\$m)	NSW (\$m)	
Oxley Highway to Kundabung	16.53*	16.55	66:34
Kundabung to Kempsey	0.00*	-4.79	50:50
Frederickton to Eungai	60.70	72.46	50:50
Warrell Creek to Nambucca Heads	23.99	45.94	50:50
Nambucca Heads to Urunga	0.00*	59.93	50:50
Woolgoolga to Ballina – Planning and Preconstruction	0.00*	11.64	50:50
Woolgoolga to Ballina - construction	103.14	-0.04	80:20
Tintenbar to Ewingsdale	148.95	82.69	68:32

*these projects received prepayments in the previous financial year (2013-14):

- Oxley Highway to Kundabung - \$192.00 million;
- Kundabung to Kempsey - \$110.95 million;
- Nambucca Heads to Urunga - \$294.16 million; and
- Woolgoolga to Ballina Planning and Preconstruction - \$111.63 million.

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ANSWERS TO QUESTIONS ON NOTICE
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Infrastructure and Regional Development

Question no.: 38

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Reduction in Infrastructure Expenditure
Proof Hansard Page: 56 (24 February 2015)

Senator Bullock, Joe asked:

Senator BULLOCK: I will look forward to the Western Australian budget this year with interest. One other thing which goes to the additional estimates: I just noticed that since the budget the estimated expenditure on improved infrastructure across Australia through investment in and coordination of transport and other infrastructure has dropped by \$67¾ million, and I wonder if you could give us a breakdown of where that nearly 13 per cent reduction has occurred.

Ms O'Connell: Could you tell us which page?

Senator BULLOCK: Page 21.

Mr Mrdak: We will get that breakdown for you.

Senator BULLOCK: It would be good. It is a significant reduction. That means that there must be many things going undone. It would be interesting to know what they were.

Mr Mrdak: I think it probably reflects a movement from the out years as we have got better definition of when project delivery will be. But I will get you a breakdown of those and the rationale for that reduction.

Answer:

A response was provided on page 59 of Hansard on Tuesday 24 February 2015 as follows:

Mr Mrdak: ... Chair, if I may: Senator Bullock asked me earlier about a figure in relation to page 21. I have just been advised that that figure is accounted for on page 18 with the investments that are set out in outcome 1, the reallocations between the Treasury. Essentially, the funding has not been decreased; it has been transferred from our programs to Treasury payments, under bridges and investment. Effectively there has been an increase in the payments done through Treasury, as opposed to payments done directly by ourselves.

CHAIR: A reallocation to Treasury?

Mr Mrdak: Yes. That is the rationale for the explanation. It is not a reduction overall.

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ANSWERS TO QUESTIONS ON NOTICE
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Infrastructure and Regional Development

Question no.: 39

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Northern Territory Infrastructure Funding 2013-14 to 2018-19

Proof Hansard Page: 61 (24 February 2015)

Senator Peris, Nova asked:

Mr Jagers: Under the Infrastructure Investment Program there is \$601.79 million allocated to the Northern Territory for the period 2013-14 to 2018-19.

...

Senator PERIS: We have some documents here. It is the Northern Territory projects National Partnership Agreement on Land Transport Infrastructure. It had that the total Australian government committed funding of \$833.72 million. But it says here that the asset recycling fund project is \$90 million.

Ms O'Connell: It includes more than the specific projects we have listed, yes.

Senator PERIS: Okay, so—

Mr Jagers: So the asset recycling funding would come from the Treasury portfolio, not from this portfolio.

The numbers I have provided are just this portfolio's contribution under that national partnership agreement. We might take that on notice just to double-check that figure for you and come back to you.

Answer:

The Australian Government has committed \$601.79 million in funding to the Northern Territory for the period 2013-14 to 2018-19. Included in the \$601.79 million is \$90.53 million the Northern Territory will receive from the Asset Recycling Fund Projects – Infrastructure Growth Package. Included in this Package, is additional Black Spot and Roads to Recovery Programme funding and an additional \$77 million for roads on the National Network in the Northern Territory.

The \$833.72 million Senator Peris refers to is the total funding committed to the projects listed in the NT Schedule of Projects, attached to the National Partnership Agreement on Land Transport Infrastructure Projects. Refer to <<http://investment.infrastructure.gov.au/funding/projects/index.aspx>>. This amount includes payments made to some of those projects listed in the Schedule of Projects in the years prior to 2013–14.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Infrastructure and Regional Development

Question no.: 40

Program: 3.1 Regional Development

Division/Agency: Infrastructure Investment

Topic: National Stronger Regions Fund

Proof Hansard Pages: 61-62 (24 February 2015)

Senator Sterle, Glenn asked:

Senator STERLE: I have got about a dozen questions, Mr Mrdak. I will be precise, and I trust the answers will be short and succinct too. I just want to confirm that the government has received 400 proposals in relation to the National Stronger Regions Fund.

Mr Mrdak: Yes.

Senator STERLE: You have received 405 proposals for that fund; is that correct?

Ms O'Connell: Yes, that is correct.

Senator STERLE: Fantastic. Do you have a list of where these proposals came from?

Mr Mrdak: We do have a list.

Ms O'Connell: But we do not have it with us.

Senator STERLE: That is fine. Please take it on notice. Could you provide the committee with the information on how many are from each state and territory, each local government area and each electorate.

Mr Mrdak: Yes. I do not know if we have the information by electorate, but we can certainly get you information by jurisdiction.

Senator STERLE: We will soon work that out if you have a list of the names next to it. Thanks, that is good. What proportion of the applications came from regional, rural or remote Australia versus the proportion from the metropolitan area? If you have got the answer now, great. If you have not—

Mr Mrdak: We do not have that.

Senator STERLE: Take that on notice, thank you. Has the department done any analysis on the types of local governments and organisations that have applied for the NSRF?

Ms O'Connell: We are currently in the process of doing assessments on all of those projects. We are part way through the 405 assessments.

Senator STERLE: This is a tricky question, I know, but how long do you think it will be before that work is completed? Bear in mind you have the budgets coming up and all sorts of stuff.

Mr Mrdak: By the end of March we anticipate completing our assessment process, which would enable the ministerial committee to then consider the funding recommendations.

Senator STERLE: Will that information be available at the same time for the committee?

Mr Mrdak: We will endeavour to give you the information you have sought.

Senator STERLE: Thanks, because I do get nervous—not because of you guys, because you pull your fingers out and get going, but because answers to questions on notice can get lost in this building. Has the department got any information on how many local governments applied for funding the NSRF?

Mr Mrdak: We can get that for you.

Senator STERLE: You will take that on notice as well?

Mr Mrdak: Yes. We do not have that detail here.

Senator STERLE: Will a full list of all applicants be published even after the decisions are announced so we know who is in and who is out?

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

Senator STERLE: Sure.

Mr Mrdak: I do not think that has been done in the past, but I can take that on notice. I do not think that has been done in the past.

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Answer:

The Government received 405 applications under Round One of the NSRF.

The number of projects by state, territory and local government areas is at [Attachment A](#). Information by electorate is not available.

Under NSRF Round One, 102 applications were received from metropolitan areas. The remaining 303 applications are from proponents in regional, rural or remote areas. This is based on geographic classifications in the ABS Statistical Geography Standard (ASGS) 2011.

In Round One, out of 405 applications, 262 local government authorities applied for funding.

All projects are listed on the Department's website as their funding agreements are executed in accordance with the Commonwealth Grant Rules and Guidelines. The Government usually announces successful applications when a decision has been made.

Rural & Regional Affairs and Transport Legislation Committee
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Attachment A

NSRF APPLICATIONS BY STATE AND LOCAL GOVERNMENT AREA

State	Number of Round One NSRF Applications Received	Number of Applications Submitted by Local Government Authorities
Australian Capital Territory	1	1
New South Wales	119	80
Northern Territory	15	8
Queensland	95	48
South Australia	37	24
Tasmania	13	10
Victoria	60	42
Western Australia	65	49
TOTAL	405	262

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2014 - 2015

Infrastructure and Regional Development

Question no.: 41

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Changes to the Infrastructure Growth Package – WestConnex Stage 2 – Provision of a Concessional Loan programme

Proof Hansard Page: Written

Senator Ludwig, Joe asked:

During Supplementary Estimates in 2014, Finance flagged changes to the Infrastructure Growth Package – WestConnex Stage 2 – Provision of a Concessional Loan program (Q F83).

1. Could you please provide a summary of these changes?
2. What is the timeframe for implementation?
3. Who is the responsible agency for actioning these changes?
4. When was the Minister last briefed on this item? Was this briefing requested or initiated by the Minister or was it initiated by the department?
5. What action has the Minister taken on this policy?

Answer:

The provision of a concessional loan for Stage 2 of WestConnex is managed by the Department of Infrastructure and Regional Development. The Department has been undertaking robust due diligence work in negotiating the commercial terms of the concessional loan with the relevant NSW authorities. The Department's due diligence is being undertaken with the assistance of legal, commercial and traffic patronage advisors being funded from the departmental allocation in the 2014-15 Federal Budget. The Department has briefed the Minister regularly on the progress of the due diligence.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Infrastructure and Regional Development

Question no.: 42

Program: 3.1 Regional Development

Division/Agency: Infrastructure Investment

Topic: Tasmanian Jobs Programme

Proof Hansard Page: Written

Senator Whish-Wilson, Peter asked:

1. How many applications have been received from businesses for funding under the Tasmanian Jobs Programme?
2. How many applications have been approved?
3. Has the scheme been modified in any way?

Answer:

1. Tasmanian Jobs and Growth Package (TJGP) Projects were identified by the previous government through Commonwealth Ministers with responsibility for regional development, following consultation with the Tasmanian Government, their regional development consultative forums, a Tasmanian business and community taskforce (the Economic Diversification Taskforce Tasmania) and other key stakeholders. Therefore, no applications have been received from businesses for selected funding under TJGP.
2. As at 28 February 2015, 28 projects have been approved for funding by the Hon Jamie Briggs MP, Assistant Minister for Infrastructure and Regional Development. The Department is awaiting information from proponents to enable value with relevant money assessments to be conducted on the remaining three projects.
3. On 15 November 2014, \$2.005 million was transferred to the Innovation and Investment Fund – Tasmania as two projects were not proceeding (the Energy Reduction and the North-East Marine Engineering Dry Dock projects). This ensured that the funding continued to be available for the economic development of Tasmania.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Question no.: 43

Program: 3.1 Regional Development

Division/Agency: Infrastructure Investment

Topic: Tasmanian Jobs and Growth Plan Funding

Proof Hansard Page: Written

Senator Whish-Wilson, Peter asked:

1. Are you able to provide any information on the economic activity that has been generated, or is predicted to be generated, as a result of the jobs and growth package?
2. Are you able to provide any information on jobs that have been generated, or are predicted to be generated, as a result of the jobs and growth package?

Answer:

1. Given that Tasmanians Jobs and Growth Plan is a relatively new programme with only three projects completed and other projects yet to commence, it is too early to comment on the outcomes of the programme.
2. The proponents have indicated that approximately 940 full-time positions will be created within 12 months of project completion and around 1600 full-time positions will be created within 24 months as a direct result of these projects.

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ANSWERS TO QUESTIONS ON NOTICE

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Infrastructure and Regional Development

Question no.: 44

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: WestConnex Business Case

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Does the Department agree with NSW Government's December decision to undertake a "formal and thorough revisiting" of the business case for Stages 2 and 3 of WestConnex and other major scope additions, in response to the Auditor-General's recommendations?
2. How has the Government's decision to lend \$2 billion to Stage 2 of WestConnex been affected by this recommendation?
3. Has any of this loan been called upon yet? If yes, how much and when?
4. Given there is still no effective business case, how can the Government be offering taxpayers money via the cost of a loan to a project of unknown merit?

Answer:

The Department agrees with the NSW Government's decision to undertake a formal review of the business case for Stages 2 and 3 of WestConnex. The Department is still undertaking robust due diligence on the terms of the concessional loan ahead of formal sign-off. No drawdowns will occur until this process is complete.

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ANSWERS TO QUESTIONS ON NOTICE

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Infrastructure and Regional Development

Question no.: 45

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: NSW Funding

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Have any fund allocations to the NSW projects under the National Partnership Agreement of October 10, 2014 been changed since?
If yes, what is the detail of the change (ie which project, how much, has it been reallocated – if so to where?)
2. Has the NSW Government agreed to this reallocation?

Answer:

1. No.
2. N/A.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2014 - 2015

Infrastructure and Regional Development

Question no.: 46

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Federal support for urban passenger rail projects in New South Wales

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Has the Department had any discussions with the NSW Government or any of its agencies about Federal support for urban passenger rail projects, since September 2013?
2. If yes, which projects?

Answer:

1. The Department has discussions with New South Wales Government agencies on a wide range of matters on a regular basis; however, there has been no specific consideration of proposals for Australian Government funding support for passenger rail projects.
2. The Treasurer, the Hon Joe Hockey MP, announced on 8 March 2015 approximately \$2 billion in funding for New South Wales Government in relation to proposals under the Asset Recycling Initiative, including significant investment in passenger rail projects. This initiative is administered by the Treasury.

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 2014 - 2015

Infrastructure and Regional Development

Question no.: 47

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: East West Link

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Given the Government's stated position on the role of IA in recommending projects, why did the Department facilitate the June 30, 2014 payments before they had completed their analysis?
2. At the time you made the June 30, 2014 payment, what did the Department understand to be the BCR for Stage 1?
3. At the time you made the June 30, 2014 payment, what did the Department understand to be the Victorian Government's claimed BCR for Stage 1?
4. At the time you made the June 30, 2014 payment, what did the Department understand to be the BCR for Stage 2?
5. At the time you made the June 30, 2014 payment, what did the Department understand to be the Victorian Government's claimed BCR for Stage 2?
6. At the time you made the June 30, 2014 payment, what did the Department understand to be the BCR for the whole project?
7. At the time you made the June 30, 2014 payment, what did the Department understand to be the Victorian Government's claimed BCR for the whole project?

Answer:

1. The Australian Government decided to make the payment in the May 2014 Budget process to accelerate planning, project development and construction of the project.
2. In June 2014, the Department understood that the BCR for Stage 1 was 1.4 with wider economic benefits.
3. In June 2014, the Department understood that the BCR for Stage 1 was 1.4 with wider economic benefits.
4. Refer to Answer 1.
5. Refer to Answer 1.
6. In June 2014, the Department was not aware of the BCR for the whole project.
7. In June 2014, the Department was not aware of any BCR claimed by the Victorian Government for the whole project.

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Question no.: 48

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: State and Territory Funding Contributions
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. In written answer 123 from October Estimates you indicated that State and Territory funding contribution profiles for federally-funded projects were a matter for them. Is it the case that the Department does not know or knows, but does not feel at liberty to tell?
2. How does the Department ensure that the Commonwealth pays no more than its agreed share for projects?
3. For each State and Territory, please provide detail of actual (or forecast actual) Commonwealth Government spending for the 2013-4 and 2014-5 financial years, broken into these three categories:
 - a. Road project spending
 - b. Rail project spending
 - c. Maritime project spending (including ports).

Answer:

1. Throughout the life of a project, the Department does receive the state and territory funding profiles. We do not report on them and we consider them to be a matter for the State and Territory Governments.
2. Projects are committed to by both the Australian Government and State and Territory Governments. Monthly reports received from each state and territory sets out the amount of state or territory and federal expenditure to date.
3. Table 1 below shows actual Commonwealth Spending for 2013-14 by state and territory and Table 2 shows forecast Commonwealth spending for 2014-15.

Table 1 Actual Commonwealth Spending for 2013-14

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT	Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Road	1,899.30	1,863.17	1,093.99	374.31	114.40	61.93	99.90	75.90	0.37	5,583.27
Rail	391.91	1,128.82	68.38	23.02	-	33.70	-	-	1.34	1,647.16
Port	-	-	-	-	-	-	-	-	-	-
Research and Evaluation (parts 4 & 5)	-	-	-	-	0.57	-	-	-	9.43	10.00
Total	2,291.21	2,991.99	1,162.37	397.33	114.96	95.63	99.90	75.90	11.14	7,240.43

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Table 2 Forecast Commonwealth Spending for 2014-15

	NSW	VIC	QLD	WA	SA	TAS	NT	ACT	Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Road	1,431.93	830.84	1,396.68	809.65	316.50	113.73	150.18	79.92	74.36	5,203.78
Rail	281.49	340.87	108.00	(1.63)	-	27.12	-	-	73.66	829.51
Port	-	-	-	-	-	-	-	-	-	-
Total	1,713.42	1,171.71	1,504.67	808.03	316.50	140.85	150.18	79.92	148.02	6,033.29

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Question no.: 49

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Section 17
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Since September 18, 2013, has any funding been provided to a funding recipient under section 17 of the National Land Transport Act, or the same provision in the predecessor Act?
2. If yes, in respect of which projects?
3. For each project, list the approving Minister, and the amount approved for payment?
4. For each project, what document outlines the terms of the payment?

Answer:

1. Yes.
2. Projects are listed on the schedule to the National Partnership Agreement on Land Transport Infrastructure Projects available on the Department's website at <http://investment.infrastructure.gov.au/funding/projects/index.aspx>.
3. Projects are approved by the Hon Warren Truss MP, Deputy Prime Minister, the Hon Jamie Briggs MP, Assistant Minister for Infrastructure and Regional Development, or their delegate in the Department.
4. The terms and conditions for the projects are set out in the National Partnership Agreement on Land Transport Infrastructure Projects and the accompanying Notes on Administration for Land Transport Projects 2014-15 to 2018-19.

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Question no.: 50

Program: 3.1 Regional Development
Division/Agency: Infrastructure Investment
Topic: National Stronger Regions Fund
Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Has the Department done any analysis on the types of local governments and organisations that have applied for the NSRF?
2. Has the Department got any information on how many local governments applied for funding under the NSRF?
3. Will a full list of all applicants be published – even after the decisions are announced?
4. Does the Department know if there has been a noticeable impact on smaller local governments or smaller community organisations applying for the NSRF as compared to the Regional Development Australia Fund? – if yes, is this due to the eligibility criteria which requires applicants to match funding on a dollar for dollar basis?
5. Has the Department received any feedback on this requirement and whether it is affecting the ability of small and regional local government to apply for the funding?
6. Are there any safeguards in place to ensure that smaller local government organisations and community groups receive funding under the NSRF?
7. Are there any plans to tailor any rounds of the NSRF for smaller regional cities or quarantine some of the funding for these areas?
8. Why did the Government drop a commitment built into previous regional funding guidelines to support projects which helped Close the Gap and addressed indigenous and social disadvantage?
9. Is there the potential for the Ministerial Panel to reject the Department's advice given to it on whether to fund a project?
10. I note in a previous answer to a QoN, the Government had not decided which of the Parliamentary Secretaries to the Prime Minister would be on the Ministerial Panel, when will this decision be made?

Answer:

1. Of the 405 applications received under Round One of NSRF, 262 applications were from local government and the remaining 143 were from not-for-profit organisations.
2. Of the 405 applications received under Round One of NSRF, 262 applications were from local government.
3. No, only the successful projects will be announced.
4. Assessments for Round One are still underway and no analysis is available.
5. Two items of correspondence have been received raising this issue.
6. Under NSRF there are lesser requirements for those applicants requesting funding of less than \$1 million. This reduces the compliance burden associated with small projects, whilst ensuring there is sufficient information to conduct robust appraisals.
7. The Government has requested a review of NSRF at the completion of Round One to determine if any changes are required to the structure of the program for subsequent rounds.
8. The Government has indicated that regions are vital to the future economic prosperity of Australia and is committed to building stronger regions. The Guidelines for the National Stronger Regions Fund reflect the Government's priorities to enhance economic opportunities for Australia's regions,

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including indigenous Australians. The NSRF has a focus on addressing regional disadvantage, and this is reflected in the selection criteria of, “The extent to which the project supports or address disadvantage in a region”. Projects that address indigenous disadvantage are therefore favourably supported by the NSRF Guidelines.

9. NSRF is a discretionary grants programme. The Ministerial Panel in consultation with the National Infrastructure Committee of Cabinet makes final decisions on which projects will be funded.
10. The Hon Christian Porter MP, Parliamentary Secretary to the Prime Minister, will be the third Panel member.

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Question no.: 51

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Supplementary Submission to the PC *Inquiry into Public Infrastructure*

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

I refer to the Department's written answer 135 from October Estimates and I ask:

1. Is the date of the first submission to the PC actually 24 December 2013, instead of 2014?
2. Why is the second submission dated February 11, 2014 apparently not listed on the Productivity Commission website as either public or confidential?
3. Are the contents of pages 2 and 3 of the February 11 2014 submission publicly available?
4. If yes, where?
5. If not, why not?
6. Can and will the submission be provided to the Committee?
7. If not, why not?

Answer:

1. Yes, the date of the first submission to the PC is 24 December 2013.
2. The submission was provided to the Productivity Commission. This question should be referred to the Productivity Commission.
3. No.
4. N/A.
5. The submission was provided to the Productivity Commission. This question should be referred to the Productivity Commission.
6. Yes (Attachment A).
7. N/A.

Attachment A – Department of Infrastructure and Regional Development – supplementary submission to the Productivity Commission's *inquiry into Public Infrastructure* (11 February 2014)

**Australian Government****Department of Infrastructure and Regional Development****Secretary**

Contact: Niall Boyd 02 6274 7654

Mr Peter Harris AO
Productivity Commissioner
Productivity Commission
Level 12, 530 Collins Street
MELBOURNE VIC 3000

Dear Mr Harris *ptc*

Subject: Productivity Commission inquiry into Public Infrastructure – supplementary submission

My Department has conducted an initial analysis of the available submissions made to the Productivity Commission inquiry into the Public Infrastructure (the Inquiry) and has identified a number of themes that warrant closer examination. On this basis, and further to the Department's submission of 23 December 2014, I am writing to make a supplementary submission in response to some of these themes.

Funding and financing mechanisms

I note that the submissions have raised various models for the funding and financing of public infrastructure. The Department supports further examination of these innovative solutions. Topics of particular interest to the Department include the implementation of road user charging, infrastructure asset recycling, and discussion of the merits of an infrastructure bonds scheme.

Road user charging

The application of road user charging has attracted diverse perspectives ranging from mass implementation, to removing user charging altogether. The Department notes views from freight and mineral industry participants about the additional cost to business of road user charging. These views should be considered in the context of the public value gained by the implementation of user charging where it supports an expanded road network capacity. The Productivity Commission may also wish to consider the merits of a national framework for road user charging to maximise the benefits of this mechanism.

Government asset recycling programmes

At the recent Council of Australian Government meeting, the Commonwealth, state and territory governments gave consideration to recycling government-owned infrastructure assets as an in-part solution for sourcing future infrastructure project funding. I noted that this mechanism has also been raised in a number of submissions to the inquiry. It would be desirable for the inquiry to consider and advise on the merits of an asset recycling programme, including consideration of suitable incentives to provide to asset owners, to ensure appropriate assets are sold and the funding is reinjected into infrastructure projects.

An infrastructure bonds scheme

There is a diverse level of detail provided across submissions on the possible implementation of a bonds scheme. The two approaches preferred in submissions tend towards increasing the release of Commonwealth Government Securities as an investment class of Government debt, or the development of an incentivised corporate bond market to supply risk adverse investors with an attractive infrastructure asset class. I note that the submissions highlight that Australia's existing bond markets are not well structured for long term infrastructure projects. When considering bond schemes and other related financing mechanisms, the Department supports a project-focused approach to financing including selecting the most appropriate financial structure for each project, as opposed to establishing undirected tax concessions or other broad based financial instruments.

Project prioritisation and Commonwealth infrastructure investment

The need for a robust national pipeline of infrastructure projects

I note that submissions raise the need for a clear pipeline of government projects to assist the private sector in planning their participation in the financing and tendering of major projects. A theme in the submissions is that whilst industry welcomes and supports Infrastructure Australia's national priority lists which sets a national pipeline of projects, they have concerns that the pipeline is not robust, is subject to political influence and does not fully cover state and local government priorities. The Department strongly supports the need for a robust project pipeline which establishes the national, state and local infrastructure priorities through an evidence-based assessment of Australia's infrastructure needs.

Targeting Government investment in infrastructure to meet national priorities

A related theme raised in submissions and which could be considered further through the Inquiry is the most effective model for allocating Australian Government funding for infrastructure investment. It is critical that public investment in infrastructure is appropriately targeted to optimise productivity returns against the limited funding available by identifying the right projects first before considering the optimal financing and funding model to assist in the delivery of those priority projects. The Australian Government has a key role in this prioritisation by undertaking top-down, evidence-based assessments of Australia's future infrastructure needs, taking a national view on identifying infrastructure gaps and prioritising available funding to nationally significant projects which will most effectively enhance national productivity or help unlock Australia's economic growth potential.

A key issue to consider in examining targeting infrastructure investment is the degree of transparency in the budgetary process in relation to providing funding for projects. In particular, the Government would be interested in the Productivity Commission's views on how Government could better ensure the evening out of its infrastructure spend across the financial year.

Setting a fixed infrastructure investment allocation

I am aware that an alternative approach to Commonwealth infrastructure investment has been proposed whereby the Australia Government would commit to a fixed Commonwealth funding allocation. This allocation would be provided to state, territory and local governments, who would be responsible for identifying and delivering their local infrastructure priorities. The advantage of this approach could be that it would provide governments and the private sector with long term certainty over the quantum of public funding availability. It also addresses a key concern of industry in ensuring a public infrastructure pipeline aligned with economic growth.

The Department is interested in the Productivity Commission's view on the merits and disadvantages of a fixed annual allocation approach to Commonwealth infrastructure investment. In particular, the Department would be interested in the impact of this approach to the need for an investment pipeline for industry certainty and project prioritisation, including selecting nationally significant productivity enhancing projects and those with cross jurisdictional elements. It would also be beneficial to consider whether this approach would provide adequate certainty to infrastructure financiers and constructors across different categories of infrastructure, and what the likely risks to the infrastructure industry and the economy would be, should the target allocation not be reached or maintained between years.

Expediting project delivery and reducing project costs

As you would be aware, identifying mechanisms that help expedite project delivery and reduce project costs for major infrastructure projects is a priority of the Australian Government, and the Government would welcome advice on how best to do this. For example, themes in the submissions include the need to streamline tender and approvals processes and to reduce costs through workplace reforms.

When considering mechanisms to help expedite projects, it is also important to consider how best to ensure that governments will receive value for money for their infrastructure investments. For example, there may be merit in an examination of the role of longer term maintenance contracting models in improving cost efficiency of delivering infrastructure services. A relevant example of this model is Western Australia's Integrated Service Arrangements for road maintenance, which includes fixed long term contracts and funding allocations, supported by partnership contracting arrangements between the public and private sectors to ensure appropriate outcomes are delivered.

There may also be merit in considering mechanisms to decouple the total government funding allocation for government infrastructure projects from their desired outcome. This could assist governments in obtaining the most competitive price for the components of a project. This consideration is particularly pertinent when examining equity partnership models which involve a fixed allocation of government resources to a project.

I look forward to the Productivity Commission's recommendations for further options to assist the Government in expediting project delivery and reducing project costs.

Thank you again for the opportunity to comment on this important Inquiry, and I look forward to the Productivity Commission's draft and final reports.

Yours sincerely



Mike Mrdak

// February 2014

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Question no.: 52

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Changes to the programme's criteria and the funding amounts to the different categories of projects in rounds three and four.

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Was the eligibility criteria for this program changed from Round Three to Round Four? [*Round Three was former Labor Govt, Round Four was Abbott Govt*]
If yes:
 - a. Can you outline the Round Three criteria?
 - b. Can you outline the Round Four criteria?
 - c. Why did the criteria change?
 - d. Who authorised the change to the criteria?
 - e. Minister Truss/Assistant Minister Briggs involvement?
 - f. Did the Department consult with any external stakeholders on the change to criteria?
 - g. Has the safety focus been weakened in the new criteria?
2. Can you indicate the category of projects funded in Rounds Three and Four – under the following list – by number of projects and total value for each category:
 - a. **Rest Area projects:** which improve the provision of heavy vehicle rest areas on key interstate routes;
 - b. **Parking/Decoupling Bay projects:** which provide heavy vehicle parking/decoupling areas and facilities in outer urban/regional areas;
 - c. **Technology Trial projects:** which include the trial technologies to improve heavy vehicle safety and/or productivity;
 - d. **Road Enhancement projects:** which enhance the capacity and/or safety of roads (including bridges) to allow access by high productivity vehicles to more of the road network;
 - e. **Demonstration projects:** which facilitate innovation to improve heavy vehicle safety and productivity projects; and
 - f. **Livestock Transport Industry projects:** which improve heavy vehicle safety and productivity for specific livestock transport operations.

Answer:

1. Yes
 - a. Yes, see below.
Criterion 1 – Benefits
 - The Department will make a judgement about the degree to which the project will improve safety and productivity for heavy vehicles. This will include consideration of evidence to support claims, for example crash statistics and traffic densities, and BCRs as appropriate. Ranking will be on a sliding scale down to those project proposals that demonstrate little or no benefits.

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Criterion 2 – State or Territory or local government contribution

- The Department will consider the financial contribution of the applicant. Projects may be proposed with a state contribution and/or an industry or local government contribution and may as a result receive a higher ranking. Ranking will be on a sliding scale.

Criterion 3 – Industry Priorities

- The Department will compare the proposed projects with industry priorities. Project proposals that demonstrate a clear link to those proposals identified by industry will be attributed a rank in the appraisal process. Ranking will be on a sliding scale.

Criterion 4 – State or Territory Priorities

- Project proposals will be prioritised by each state or territory government. The Department will use the state or territory priorities as provided.

Criterion 5 – Risk

- The Department will assess the robustness of the risk assessment process. PPRs should describe the process of assessing exposure to risk and the process for mitigating such exposure. Ranking will be on a sliding scale.

b. Yes, see below.

Criterion 1 – Improved Productivity and Safety

The degree to which the project is consistent with the programme objectives.

(The programme objectives are to:

- *increase productivity of heavy vehicles by enhancing the capacity of existing roads and improving connections to freight networks; and*
- *improve the safety environment for heavy vehicle drivers.*)

Criterion 2 – Quantified Benefits

- The degree to which the project provides a level of measurable benefits relative to other proposals.

Criterion 3 – State/Territory Priority

- Project proposals will be prioritised by each state or territory government and higher ranked projects will be assessed by the Department as meeting this criterion to a higher degree.

Criterion 4 – Construction-Readiness

- The degree to which proposals demonstrate that they can be delivered within required timeframes - commencement in 2014-15 and completion by 30 June 2017.

c. To align the criteria with the Bridges Renewal Programme.

d. Deputy Prime Minister Truss.

e. Deputy Prime Minister Truss.

f. Yes. The Australian Local Government Association and the relevant state and territory government departments.

g. No.

2.

- a. Round 3 – 29 rest area project receiving \$20.34 million in Australian Government funding.
Round 4 – Eight new rest areas and seven upgrades, including two advanced signage projects receiving \$10.88 million in Australian Government funding.
- b. Round 3 – Two decoupling projects receiving \$3.5 million in Australian Government funding.
Round 4 – Two decoupling projects receiving \$1.33 million in Australian Government funding.
- c. Round 3 – Two technology trial projects receiving \$3.08 million in Australian Government funding.
Round 4 – Nil.
- d. Round 3 – Nine road enhancement projects, including 7 bridges receiving \$8.54 million in Australian Government funding.
Round 4 – 42 productivity and safety projects upgrading road infrastructure, including 31 road and intersection upgrades receiving \$83.76 million in Australian Government funding.
- e. Round 3 – Two demonstration projects receiving \$260,000 in Australian Government funding.

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- Round 4 – Nil.
- f. Round 3 – 48 projects receiving \$10.07 million in Australian Government funding.
Round 4 – Nil.

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Question no.: 53

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Road and Rail Projects that Commenced Construction in 2013-14

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

The Department's Annual Report states that 22 road and rail projects were commenced in construction in 2013-4 – can you provide a list of these (similar to the completed list on pp 32-3 of the 2013-4 Annual Report)?

Answer:

22 Road and Rail Projects commenced construction in 2013-14:

NSW	Freight rail upgrades between Sydney and Newcastle – Epping to Thornleigh Third Track
NSW	Completion of Concrete Resleeper Works on the Melbourne to Sydney Rail Line
NSW	Pacific Highway - Frederickton to Eungai
NSW	Barton Highway Improvement Strategy
NSW	Pacific Highway - Nambucca Heads to Urunga
NSW	Newell Highway – Overtaking lanes
NSW	Chullora Intermodal (stage one road upgrades)
NT	Improve Flood Immunity, Road Safety and Productivity on NT Highways - Katherine Heavy Vehicle Bypass
NT	Tiger Brennan Drive – Darwin CBD to Berrimah Road Duplication
QLD	Kirrama Range Road
QLD	Vantassel Street to Cluden Duplication
QLD	Bruce Highway - Yeppen Floodplain Upgrade
QLD	Remote Community Access Road Upgrades in Cape York - Bloomfield Road
QLD	Kennedy Highway Upgrades
QLD	National Smart Managed Motorways – Bruce Highway – Gateway Motorway to Caboolture
QLD	Moreton Bay Rail Link
SA	South Road Planning Study – Darlington and Anzac Highway to Southern Expressway
VIC	Signalling Works for a Passing Lane between Albion and Jacana
WA	Kewdale Intermodal Rail Supply Chain
WA	Trial of Low Profile Concrete Sleepers on the WA Grain Lines
WA	Gateway WA Perth Airport and Freight Access
WA	Great Northern Highway Upgrade – Muchea to Wubin, Bindi Bindi to Lyons East Road Section

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Question no.: 54

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: **Additionality of Roads to Recovery**

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. How has the Federal Government satisfied itself that Roads to Recovery Funds have been genuinely additional to other planned road expenditure?
2. How will the Government address the additionality of Roads to Recovery funding in light of its freeze (that is, real cuts to future local govt budgets) on Financial Assistance Grants, which include road funding?

Answer:

1. The Roads to Recovery funding conditions require each funding recipient to spend a minimum amount (known as their reference amount) on roads from their own source funds in order to continue to receive Roads to Recovery funding. Each funding recipient's own source roads expenditure is audited as part of the funding recipient's Roads to Recovery annual report.
Each funding recipient's reference amount is calculated based on their previous levels of own source roads expenditure and own source funds means the funds available to the funding recipient other than funds provided by the Commonwealth, a State or Territory government or by the private sector for specific projects.
This requirement has been used in successive Roads to Recovery programmes to ensure that road works funded by Roads to Recovery are additional to works which would otherwise have been undertaken.
2. Financial Assistance Grants are funds provided by the Commonwealth and so do not form part of each funding recipient's Roads to Recovery reference amount.
The Australian Government will provide an additional \$350 million under the Roads to Recovery programme in 2015-16. The additional funding in 2015-16 means that each funding recipient will receive the equivalent of one extra year's Roads to Recovery funding.

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Question no.: 55

Program: 1.1 Infrastructure Investment
Division/Agency: Infrastructure Investment
Topic: Infrastructure Growth Package
Proof Hansard Page: Written

Senator Cameron, Doug asked:

1. The Government has indicated that this package will leverage \$58.0 billion in new investment (DIRD Annual Report 2013-4 p 33) – please indicate how the \$58 billion figure is calculated.
2. Please indicate how this is profiled by year.

Answer:

1. The \$58 billion of new infrastructure investment identified in the Annual Report comprises:
 - a. \$11.6 billion under the Infrastructure Growth Package.
 - b. \$13.0 billion of state/territory and private sector infrastructure expenditure expected to accompany the Commonwealth's Infrastructure Growth Package expenditure.
 - c. \$33.3 billion of state and territory asset recycling expenditure (Treasury estimates).
2. A profile by year has not been calculated.

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Question no.: 56

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Major Projects Facilitation

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Please list the 19 projects that were provided with Major Project facilitation services by the Department in 2013-4.
2. How many projects are currently being provided with this service? Please list them.

Answer:

1. In 2013-14 the following projects were receiving MPF Services:
 - a. Alpha Coal Project (QLD);
 - b. Aurora Algae Project (WA);
 - c. Border Railway Project (NSW/QLD);
 - d. Browse LNG Project (WA);
 - e. Central Eyre Iron Project (SA);
 - f. China First Project (QLD);
 - g. Collie Urea Project (WA);
 - h. Equus Gas Project (WA);
 - i. Field Support Hub (FiSH) Project (WA);
 - j. Ichthys LNG Project (WA);
 - k. Kevins Corner Coal Project (QLD);
 - l. Mobile LNG Project (SA/WA/NT);
 - m. Prelude Floating LNG Project (WA);
 - n. Tassie Shoal Methanol Project (NT);
 - o. Timor Sea LNG Project (NT);
 - p. Terminal 4 Project (NSW);
 - q. West Pilbara Iron Ore Project (WA);
 - r. West Seahorse Project (VIC); and
 - s. Yanchep Two Rocks Project (WA).
2. There are 17 projects currently receiving MPF Services:
 - a. Alpha Coal Project (QLD);
 - b. Border Railway Project (NSW/QLD);
 - c. Browse LNG Project (WA);
 - d. Central Eyre Iron Project (SA);
 - e. China First Project (QLD);
 - f. Collie Urea Project (WA);
 - g. Equus Gas Project (WA);
 - h. Field Support Hub (FiSH) Project (WA);
 - i. Ichthys LNG Project (WA);
 - j. Kevins Corner Coal Project (QLD);
 - k. Mobile LNG Project (SA/WA/NT);
 - l. Prelude Floating LNG Project (WA);
 - m. Tassie Shoal Methanol Project (NT);
 - n. Timor Sea LNG Project (NT);
 - o. West Pilbara Iron Ore Project (WA);
 - p. West Seahorse Project (VIC); and
 - q. Yanchep Two Rocks Project (WA).

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Question no.: 57

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Notes on Administration for Land Transport Infrastructure Projects

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. Who prepared this document?
2. Who approved the document?
3. Appendices include requirements for receiving Commonwealth funding under different Acts – correct?
4. How is Infrastructure Australia’s role incorporated into these approvals?
5. Can I put to you that IA is not an essential part of the funding approval process at the Commonwealth level, according to these Notes?
6. In fact, the only recognition of IA’s role is via the Building Australia Fund, section 116 – which is a legislated requirement – correct (see Notes p 13)
7. Why isn’t IA integrated into the process listed here?
8. Why was “estimated capital cost” of over \$100 million selected as the trigger for demonstrated consideration of State/Territory PPP options under the National Partnership Agreement (see Notes Appendix A, p 41)?
9. What process identifies this “estimated capital cost”?

Answer:

1. The Department.
2. Executive Director, Infrastructure Investment Division.
3. Yes.
4. Infrastructure Australia is an independent advisory body established under the *Infrastructure Australia Act 2008* (the Act). Its powers are clearly set out in legislation, including its role and functions. The Notes on Administration, which have been in place since 2008-09, outline the role of and regulate interactions between, the Department and jurisdictions in the administration of Infrastructure Investment Programme projects.
5. Refer to answer 4.
6. The role identified in that section of the Notes on Administration relate to the legislative requirements to approve funding under the Building Australia Fund.
7. Refer to answer 4.
8. The “estimated capital cost” of over \$100 million was agreed with the States during the National Partnership Agreement negotiations. This is consistent with the National PPP Guidelines.
9. Unless otherwise approved by the Commonwealth, Funding Recipients must develop estimates using appropriate probabilistic cost estimation techniques to generate P50 and P90 Outturn Costs for the Funded Project.

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Question no.: 58

Program: n/a

Division/Agency: Infrastructure Investment

Topic: Roads access and charging

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

1. What work is the Department undertaking on roads access and charging?
2. Given the Government's response to the PC Inquiry into Public Infrastructure included the passage: *"..opportunities to test the practical application of road funds could be implemented as pilot schemes, such as building on the regional-based Roads and Transport Alliance model currently in place in Queensland, which allows multiple local governments to cooperate and have greater input into road improvements specific to their regions needs"* (p6), what new steps is the Department undertaking or aware of?
3. What work is the Department doing towards the development of Road Funds with States and territories as per recommendation 8.1 of the PC report, which the Government supports?

Answer:

1. On 23 May 2014, the Transport and Infrastructure Council (the Council) agreed that jurisdictions would commence work to implement initial heavy vehicle investment and access reform measures. These measures recognise the need to improve the transparency of information provided to the heavy vehicle industry on road conditions and service standards, provide the heavy vehicle industry with assurance that road agency planning and funding processes are robust and transparent and, where appropriate, enable industry to be more closely consulted in decision making processes.

The Department is leading a multi-jurisdictional effort to commence implementation of the following initial measures:

- a. publish asset registers and assessments of road conditions according to agreed service level standards;
- b. improve data for demand forecasting;
- c. publish annual heavy vehicle expenditure plans, based on efficient costs and prepared on a consistent basis; and
- d. investigate practical ways for industry to negotiate and pay for improved access.

Transport Ministers also agreed in May 2014 that advice be prepared for the Council on possible next steps in heavy vehicle charging and investment reform. The Department is working with jurisdictions to develop a road map for future possible phases of reform which include the potential development and application of heavy vehicle road funds.

The Department works with states and territories to evaluate and deliver road infrastructure projects that incorporate user charging arrangements, including WestConnex and Perth Freight Link.

As highlighted in the Government's response to the PC Inquiry into Public Infrastructure, the Government will preference infrastructure projects which meet a range of long-term priorities, including projects which have evaluated, and, where appropriate and efficient, applied cost recovery mechanisms including user charging. The Department is working to include these priorities in frameworks for evaluating future infrastructure investments.

The Department is also undertaking ongoing research into road access and user charging, including through monitoring international activities and developing internal policy papers.

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2. The Department is continuing to work through inter-jurisdictional bodies, including the Transport and Infrastructure Senior Officials' Committee (TISOC) and the COAG Infrastructure Working Group (IWG) to identify opportunities for future trials.
3. Refer to answer 1.

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ANSWERS TO QUESTIONS ON NOTICE
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Infrastructure and Regional Development

Question no.: 59

Program: 1.1 Infrastructure Investment

Division/Agency: Infrastructure Investment

Topic: Commonwealth Expenditure on Infrastructure

Proof Hansard Page: Written

Senator Sterle, Glenn asked:

Looking at Appendix B on page 39 of that document – headed “Commonwealth expenditure on infrastructure”. Right at the bottom it says BITRE is the source of these numbers, unless otherwise specified.

With respect to the numbers on that page:

1. Footnote (a): this indicates some spending is in 2013-4 – can you indicate how much spending in this column occurred in 2013-4?
2. Any other spending in this period results from privatisation – correct?
3. Given the Queensland outcome on assets recycling, isn't the spending of \$5 billion on this initiative by 2019 now highly unlikely?
4. How much of the estimated State Asset Recycling expenditures were crowded into the Forward Estimates rather than beyond (see footnote d)?
5. What construction will occur after 2019-20 (see footnote d and *)?

Answer:

1. \$7.3 billion was spent on Commonwealth Infrastructure spending in 2013-14, which was the same amount estimated in Appendix B.
2. No other expenditure in the table results from privatisation.
3. This is a matter for the Department of Treasury.
4. This is a matter for the Department of Treasury.
5. Construction is expected to continue on the Western Sydney Infrastructure Plan, Bruce Highway and Midland Highway.