

**Rural & Regional Affairs and Transport Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE  
Supplementary Budget Estimates  
**Infrastructure and Regional Development**

**Question no.:** 91

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** WestConnex Traffic Modelling Analysis

**Proof Hansard Page:** 7 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** In the three months to June 2014, the department engaged RB consultants to conduct analysis of WestConnex's traffic modelling at a cost of \$50,000. I think that is from estimates answer 85. Does that ring a bell?

**Mr Mrdak:** I will check that. I will just get my colleague up here.

**Answer:**

This question was answered during the hearing, refer pages 9 and 10 of the Hansard of Monday 20 October 2014.

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

**Question no.:** 92

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** WestConnex

**Proof Hansard Pages:** 10-11 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** When did stage 2 start? Again apologies; I know little about this project. I am just trying to understand this. From the sound of it, the payment is imminent; so I am now just asking when stage 2 starts.

**Mr Jagers:** On stage 2, there has been a call for expressions of interest for the King Georges Road interchange; that closed on 26 September. The call for expressions of interest for the main works closed on 7 October. Geotechnical work is underway at the moment, including the environmental impact statement, which was expected in late 2014. In terms of actual construction start, it will be early next year—early to mid-2015.

**Senator CONROY:** Early to mid?

**Mr Jagers:** Yes.

**Ms O'Connell:** Yes. We would expect our loan to be available to be called upon at that time.

**Senator CONROY:** Before that time?

**Ms O'Connell:** No, at that time.

**Senator CONROY:** So we would not release the funds until about then?

**Ms O'Connell:** Or later than that, depending on when the actual capital injection is required.

**Mr Jagers:** The funding will be released during the construction period for the project over a number of years; it will not be up front.

**Senator CONROY:** It will not be up front?

**Ms O'Connell:** The loan will not, no. It will be called upon when required, according to the construction schedule, when the tenders are signed.

**Senator CONROY:** What is the value of stage 1?

**Mr Jagers:** We might come back to you on the breakdown of those three components.

**Senator CONROY:** Okay.

**Mr Jagers:** We will come back to you this morning.

**Answer:**

This question was answered during the hearing, refer page 57 of the Hansard of Monday 20 October 2014.

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

**Question no.:** 93

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** WestConnex - Consultancy

**Proof Hansard Page:** 11 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** I hope the consultancy is going well. The question is whether or not you are finding that they match the New South Wales government's forecast. But, as you have said, it is premature to say any more and I will not press you on that. Which stage or stages of WestConnex were analysed? You are saying this is just stage 2?

**Mr Danks:** Just stage 2. The focus of the consultancy was on the concessional loan. The concessional loan is limited to stage 2.

**Senator CONROY:** RB Consulting was analysing the modelling of the New South Wales government. Who provided that to the New South Wales government? Whose work were you actually looking at?

**Mr Danks:** I believe that the New South Wales government have engaged their own consultants. We can take that on notice.

**Answer:**

The initial WestConnex traffic modelling was prepared for NSW by external consultants Jacobs/SKM. The additional traffic modelling work is now being undertaken in-house by the WestConnex Delivery Authority with assistance from Jacobs.

**Rural & Regional Affairs and Transport Legislation Committee**  
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**Question no.:** 94

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** WestConnex – Traffic Modelling Report

**Proof Hansard Page:** 11 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** ... When the report is finalised, will it be publicly available? That is probably a question to Mr Mrdak.

**Mr Mrdak:** I will have to take that on notice. The negotiations with the state of New South Wales are continuing. They remain commercial-in-confidence at this point. I will take on notice whether the details will be provided.

**Answer:**

Details of the traffic modelling are an input into broader commercial-in-confidence matters. As such, it is not expected that they will be publicly released.

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**Question no.:** 95

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Traffic Modelling – Companies Commissioned

**Proof Hansard Page:** 15 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** Those modellings were all commissioned by you, the department—not Infrastructure Australia?

**Mr Mrdak:** Yes. The department has responsibility for negotiating the terms of the Commonwealth Infrastructure Investment Programme.

**Senator CONROY:** With the first freight link, who was commissioned?

**Ms O'Connell:** The consultancy for Perth freight link—to do the traffic modelling?

**Senator CONROY:** I am interested in who was commissioned for the Perth freight link, the North-South Road. There was not any for that public road?

**Ms O'Connell:** No; and Toowoomba Second Range.

**Senator CONROY:** And Toowoomba Second Range. I am happy for someone to let us know.

**Mr Mrdak:** We will get that.

**Senator CONROY:** You may not have it right at your fingertips.

**Mr Pittar:** For both Perth freight link and for Toowoomba Second Range Crossing, a company known as Veitch Lister Consulting was engaged to undertake that work.

**Senator CONROY:** How much did they cost?

**Mr Pittar:** I do not have those figures.

**Senator CONROY:** You can take that on notice or perhaps someone could email them to you.

**Mr Mrdak:** We can get those back to you today.

**Senator CONROY:** Great. Also, when they commenced that work would be good—for both.

**Mr Pittar:** Yes.

**Answer:**

Traffic modelling for the Perth Freight Link was commissioned to Veitch Lister Consulting on 17 April 2014. The Department has spent \$137,000 on this to date on this contract (as per Andrew Jagers' follow up response on page 57 of Hansard).

Traffic modelling for the Toowoomba Second Range Crossing was also commissioned to Veitch Lister Consulting on 20 June 2014. The Department has spent \$100,000 on this to date on this contract (as per Andrew Jagers' follow up response on page 57 of Hansard).

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**Question no.:** 96

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Traffic Modelling Reports

**Proof Hansard Page:** 15 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** And when the report was handed to the department.

**Mr Pittar:** That work is still ongoing.

**Senator CONROY:** For both Perth and Toowoomba?

**Mr Pittar:** Correct.

**Senator CONROY:** Again, Mr Mrdak, are we able to get an indication of the findings of those pieces of work?

**Mr Mrdak:** I will take that on notice. As I said earlier, at the point at which the Commonwealth commits to the projects, we do so with the certainty of that analysis. I will take on notice when those reports will be publicly available.

**Answer:**

The traffic modelling reports for the Perth Freight Link and the Toowoomba Second Range Crossing projects are internal working documents that are currently in draft form and yet to be finalised.

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**Question no.:** 97

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** East-West Link Stage 2

**Proof Hansard Page:** 25 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** ... Can you confirm—we had a bit of a discussion on it earlier—that we have already paid \$1 billion to the Victorian government in the last financial year in respect of stage 2 of East West? That is correct, is it not?

**Ms O'Connell:** That is correct, Senator.

**Mr Mrdak:** That is correct, Senator.

**Senator CONROY:** What was the date of this payment?

**Ms O'Connell:** It was late June.

**Senator CONROY:** Late June? June 30?

**Ms O'Connell:** I do not have the exact date, but it was late June.

**Senator CONROY:** Could you get the exact date?

**Ms O'Connell:** It was in late June.

**Mr Mrdak:** It was in that last payment that is made by the Treasury.

**Senator CONROY:** It would be great if you could confirm the date during the morning...

**Answer:**

An Australian Government funding payment of \$1 billion towards the East West Link – Western Section (Stage 2) was paid on 30 June 2014 refer to page 27 of Hansard on 20 October 2014.

**Rural & Regional Affairs and Transport Legislation Committee**  
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**Question no.:** 98

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** East-West Link – Stage 2 MOU

**Proof Hansard Pages:** 25-26 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** At the time of the payment what was agreed in writing between the Commonwealth and the Victorian government about stage 2?

**Ms O'Connell:** There was a memorandum of understanding in place around that payment for East West West.

**Senator CONROY:** What are the broad outlines of the MOU?

**Ms O'Connell:** The broad outlines of the MOU are that if the project does not proceed the funding is returned, and that the project is to be subject to a cost/benefit analysis conducted by Infrastructure Australia. They are the broad terms and conditions.

**Senator CONROY:** At the time of payment was there an executed project proposal agreement?

**Mr Mrdak:** No.

**Ms O'Connell:** No. There was the MOU in place of an executed project proposal assessment.

...

**Senator CONROY:** Can we get a copy of the MOU?

**Mr Mrdak:** I will take that on notice.

**Answer:**

The East West Link Memorandum of Understanding (MoU) is an agreement between the Victorian and Australian governments. The Governments have chosen not to make the MoU public.



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**Question no.:** 99

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** East-West Link – Stage 2 Route

**Proof Hansard Page:** 26 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** I have mentioned this already, but I think it is fundamental to understand: the Commonwealth government's given a billion dollars, but we do not know the precise route yet, do we?

**Mr Mrdak:** We have seen the work that has been done to date by the Victorian government in relation to the business case and some initial designs, but we are yet to see any final detailed design.

**Senator CONROY:** So there is no precise route yet?

**Mr Mrdak:** There is an indicative route, and an indicative design which we are aware of but there is no final design.

**Senator CONROY:** Are there not options? There is a variety of options for where the tunnel comes up.

**Mr Mrdak:** There are options; that is correct.

**Senator CONROY:** Do we know where it starts? I think we do. Tell me where it starts.

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

**Answer:**

The Western Section of the East West Link will connect CityLink to the Western Ring Road (M80) via a combination of surface freeways, viaducts, a tunnel and bridges. The final design of the road will be informed by the planning, procurement and consultation process for the project.

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**Question no.:** 100

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Allocation of Projects Funds

**Proof Hansard Pages:** 29-30 (20 October 2014)

**Senator Rice asked:**

**Senator RICE:** I have one last question in terms of that process of having handed the money over. Do you have examples of other projects where funds allocated to a particular project were then subsequently redirected to another project at the request of the funding partner?

**Mr Mrdak:** Certainly. I think Senator Edwards mentioned a project in South Australia where there was a payment made for which there was recovery action taken. Those funds were subsequently utilised for other Commonwealth purposes. I will take on notice for you other projects.

**Senator RICE:** Could we get a list of all of those circumstances, say, over the last five years?

**Mr Mrdak:** Certainly, where there have been prepayments. I know, for instance, the Hume Highway was one of those projects where there was substantial payment made to the state of New South Wales which was subsequently utilised for investment. In some there were savings which were subsequently redirected. I will get you some details of those on notice.

**Answer:**

Since 2009-10, the following prepayments have had funding reallocated to other programmes in the Infrastructure investment programme.

Financial Year	State	Project Name	Prepayment Amount	Reallocated Funds
2009-10	NSW	Holbrook Bypass	\$201.5 million	\$10 million has been reallocated to other projects in NSW.
2009-10	QLD	Douglas Arterial	\$44.0 million	\$5 million was reallocated to the Bruce Highway – Cardwell Range realignment project and \$8.8 million was reallocated to the Queensland Contingency.
2011-12	SA	Gawler Line Modernisation	\$50 million	\$31.6 million was returned to consolidated revenue (this included \$1.0 million in interest)

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**Question no.:** 101

**Program:** 3.1

**Division/Agency:** Infrastructure Investment

**Topic:** Tasmanian Jobs and Growth Package

**Proof Hansard Page:** 31 (20 October 2014)

**Senator Whish-Wilson asked:**

**Senator WHISH-WILSON:** Lastly, you said that basically less than \$30 million is left to allocate, based on the original numbers. If we take out the regional tourism package and the investment fund, how much is left to allocate then? How many projects have not received their funding? You said there are 27 out of 33—so six left to go.

**Mr McCormick:** Yes.

**Senator WHISH-WILSON:** Is there a reason why they have not received their funding to date? Are there issues with their projects?

**Mr McCormick:** Four projects are currently under assessment. Basically we actually work with the proponents to get enough information to be able to make a value-for-money assessment on those projects. When they have provided that information we will make a recommendation to government for funding and take it from there.

**Senator WHISH-WILSON:** Can I get on notice what those projects are?

**Mr McCormick:** Certainly.

**Answer:**

The four Tasmanian Jobs and Growth Package projects under assessment at 20 October 2014 are:

- North Bank Masterplan (Launceston City Council)
- Macquarie House Innovation Hub (Launceston City Council)
- Clarendon Fly Fishing Museum (National Trust of Australia – Tasmania), and
- Caterpillar Manufacturing Modernisation (Caterpillar Underground Mining Pty Ltd). Note that this project was approved for funding by the Assistant Minister for Infrastructure and Regional Development on 24 October 2014.

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**Question no.:** 102

**Program:** 3.1

**Division/Agency:** Infrastructure Investment

**Topic:** Tasmanian Jobs and Growth Package – FC Management Pty Ltd

**Proof Hansard Page:** 31 (20 October 2014)

**Senator Brown asked:**

**Senator CAROL BROWN:** You have got six, I think you said, that are uncontracted—is that right?—and four that you have entered into discussions with the proponents about. When were you looking to have those assessments finalised?

**Mr McCormick:** As soon as the proponent provides the information. As I mentioned, we are actually working with the proponents and asked them for specific information usually relating to financial viability. Once they have provided that we can proceed. Two of the projects will not be proceeding. One has withdrawn. They were unable to get licence requirements.

**Senator CAROL BROWN:** What is that project?

**Mr Jagers:** It is the FC Management Pty Ltd's north-east marine engineering dry dock facility.

**Senator CAROL BROWN:** Where was that? Can you remind where that was located?

**Mr McCormick:** I would have to take that on notice.

**Senator CAROL BROWN:** When was that withdrawn? Do you have a date?

**Mr McCormick:** I would have to take that on notice, exactly.

**Answer:**

The FC Management Pty Ltd's north-east marine engineering dry dock facility was to be located at Bridport, Tasmania.

The project was withdrawn on 12 June 2014.

**Rural & Regional Affairs and Transport Legislation Committee**  
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**Question no.:** 103

**Program:** Tasmanian Jobs and Growth Package

**Division/Agency:** Infrastructure Investment

**Topic:** Tasmanian Jobs and Growth Package – Start Dates and Job Creation

**Proof Hansard Page:** 32 (20 October 2014)

**Senator Brown asked:**

**Senator CAROL BROWN:** Of the projects that have been funded, do you have an indication of how many jobs will be created?

**Mr McCormick:** Not in total, those being funded.

**Senator CAROL BROWN:** What do you have that you can share with me?

**Mr McCormick:** In each individual application the proponent actually specifies the jobs they expect to be created during the building and also the long-term jobs associated with the project.

**Senator CAROL BROWN:** Are you able to provide me with a list of the projects and when they will actually commence, when they will start? The \$98 million now, putting aside the two that have moved to other departments, that is over a period of years. How many years is that over?

**Mr Mrdak:** We require a start date under each agreement. On notice, I am happy to give you the start dates that have been nominated under the agreements for each of those projects.

**Senator CAROL BROWN:** Okay. If you can indicate job creation alongside each of those projects?

**Mr McCormick:** Certainly.

**Answer:**

A list of projects funded under the Tasmanian Jobs and Growth Package with start dates and job numbers as provided by the applicants is at Attachment A.

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**Question no.:** 104

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** East-West Link Stage 1

**Proof Hansard Pages:** 33-34 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** At the time of the payment, what was agreed in writing between the Commonwealth and the Victorian government about stage 1?

...

**Mr Foulds:** A project proposal report was received by the government of Victoria. The project proposal report was assessed by the department. That advice was provided to the government.

...

**Senator CONROY:** Are we able to get a copy of the signed project proposal agreement?

Mr Mrdak: Again, I am happy to take that on notice. It is a statutory instrument. I will take it on notice.

**Answer:**

Project Proposal Reports are submitted to the Australian Government on a confidential basis, and form the basis of advice to ministers. ~~It is not therefore usual for them to be released publicly.~~ The Australian and Victorian governments have chosen not to make the Project Proposal Report for the East West Link – Eastern Section public.

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**Question no.:** 105

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** East-West Link Stage 1

**Proof Hansard Page:** 35 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** At the time of the payment what advice did you receive from IA about the merit of stage 1?

**Mr Mrdak:** I will just check that. I think we were aware of the status that Infrastructure Australia's work had reached.

**Answer:**

At the time of the payment, East West Link – Eastern Section (Stage 1) was included on Infrastructure Australia's priority list as a project of real potential and Infrastructure Australia was undertaking analysis of the most recent business case provided to it by the Victorian Government for the project.

**Rural & Regional Affairs and Transport Legislation Committee**  
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**Question no.:** 106

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** East-West Link Stage 2 MOU

**Proof Hansard Page:** 35 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** A couple of very quick ones on the MOU you mentioned on East West 2, I think. Why was no public announcement made of the MOU? Were you keeping it a secret? Was it so good you did not want to tell people about it?

**Mr Mrdak:** It was signed, from recollection, by the Prime Minister. I think it was at a public event, from recollection.

**Ms O'Connell:** It was announced as part of a public event and the federal government—

**Senator CONROY:** He did not really sign it at the public event, did he? Was there a big contract and a sit-down?

**Ms O'Connell:** Actually I think it was.

**Senator CONROY:** I have done signing ceremonies, so I know what they are. This was a signing ceremony? I know there was a press conference; I don't know if there was a signing ceremony.

**Ms O'Connell:** There was a press conference to announce the commitment to the western section.

**Mr Mrdak:** I will check as to whether the MOU was signed at that event.

**Answer:**

The Memorandum of Understanding between the Commonwealth of Australia and the State of Victoria in relation to the East West Link project was signed on 28 June 2014.



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**Question no.:** 107

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** WestConnex

**Proof Hansard Page:** 36 (20 October 2014)

**Senator Rhiannon asked:**

**Senator RHIANNON:** Have you received a comprehensive business case for WestConnex to inform the project's priority ranking by Infrastructure Australia and subsequent financing?

**Mr Mrdak:** I will have my officers give you the details.

**Answer:**

The Department received a copy of the WestConnex Business Case on 11 September 2013.

**Rural & Regional Affairs and Transport Legislation Committee**  
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**Question no.:** 108

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** Freight Roads Programs

**Proof Hansard Pages:** 39-40 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** Are there New South Wales road freight initiatives? By definition, the Victorian road freight one probably will not include anybody else. Is there a similar program that includes any of the other states?

**Mr Jagers:** Certainly there are significant numbers of road projects in other jurisdictions, not with the same title. But we have a number of investments.

**Senator CONROY:** What are the equivalent programs in other states?

**Mr Jagers:** We have specific projects—even the Pacific Highway, which is essentially a significant freight route. We have individual projects nominated. In this case there are a number of projects that the Victorian government grouped together to provide as a package. We have done the same thing in the Northern Territory where we have groups of freight projects under a heading of a package. It is not the same for every jurisdiction. In Western Australia we can identify particular—

**Senator CONROY:** I might come back with a question on notice and ask you to spell out what equivalent style of packages or programs—whatever generic phrase is used for them—there are from each state. I will come back to that. Where have the federal funds for this program been sourced from?

**Mr Foulds:** They were announced in the federal budget.

**Senator CONROY:** Did they come from existing programs or projects?

**Mr Jagers:** We might have to take that on notice to indicate where the source of funding was for that. It was certainly in the budget. We will clarify that during one of the breaks.

**Answer:**

Savings had been identified on a number of projects within the Victorian Infrastructure Investment Programme including Regional Rail Link, Princes Highway West – Winchelsea to Colac, Nagambie Bypass, Geelong Ring Road 4A, and the Springvale Road Rail Grade Separation. As requested by the Victorian Government, these savings were allocated to a number of priority projects including \$60 million towards the \$80 million Road Freight Initiatives package.

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**Question no.:** 109

**Program:** Programme 1.1 – Infrastructure Investment  
**Division/Agency:** Infrastructure Investment  
**Topic:** Victorian Road Freight Initiatives Program  
**Proof Hansard Pages:** 40-41 (20 October 2014)

**Senator Conroy asked:**

**Mr Jagers:** I think we can identify where funding was reallocated within the Victorian program to accommodate these 14 projects and we will be able to give you the detail of that.

**Senator CONROY:** That would be great. 'Reallocated'. I would like to know where they were reallocated from.

**Mr Jagers:** Yes, I will indicate the source of that.

**Senator CONROY:** Do you know where the Victorian funds for this program were sourced from? Could you give us the details of whether it was from existing programs or projects? Was it from VicRoads? Do you have any information that you can share with us?

**Mr Mrdak:** I do not think we have that information. It is a commitment by the Victorian government.

**Senator CONROY:** I thought Mr Jagers was flicking his way through some papers there. I thought he might have it handy.

**Mr Jagers:** No, I do not, Senator.

**Mr Mrdak:** Not the Victorian contribution.

**Senator CONROY:** When was the program established?

**Mr Mrdak:** In the budget.

**Senator CONROY:** You can make an announcement in the budget. When did it formally—

**Mr Mrdak:** It was negotiated in the lead-up to the budget, so from the period in the months preceding the budget, as is part of the discussions with the Victorian government.

**Senator CONROY:** What agreement underpins it?

**Mr Mrdak:** From memory, it was an exchange of correspondence between senior ministers which underpin the decision to fund this project.

**Senator CONROY:** Are they available publicly? Can we see the terms? Normally, if you are spending public money and there is an announcement, there are guidelines and this sort of stuff. It is not a matter of two ministers writing to each other and saying, 'Hey, slip me 60 million.'

**Mr Mrdak:** The projects will be subject to the normal processes we discussed earlier around project proposal reports. The commitment was through an exchange of correspondence between the two governments. I will take on notice whether the minister is prepared to make those publicly available.

...

**Senator CONROY:** I am interested to know which projects this money was reallocated from.

**Mr Mrdak:** Certainly, Senator; we will get that detail for you.

**Answer:**

Savings had been identified on a number of projects within the Victorian Infrastructure Investment Programme including Regional Rail Link, Princes Highway West – Winchelsea to Colac, Nagambie Bypass, Geelong Ring Road 4A, and the Springvale Road Rail Grade Separation.

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**Question no.:** 110

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** Glenrowan Rest Area

**Proof Hansard Page:** 42 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** Is there anyone else at the table? Who looks after the Heavy Vehicle Safety and Productivity Program?

**Mr Jagers:** Yes, we do look after the program.

**Senator CONROY:** I thought I had the right people at the table. So does this project meet those criteria?

**Mr Jagers:** There were 153 proposals under that program.

**Senator CONROY:** This was not one of them?

**Mr Jagers:** I would have to take on notice or quickly check whether this was one of them. I suspect it was not but I will have to—

**Answer:**

A project to upgrade the southbound rest area at Glenrowan formed part of Round 2 of the Heavy Vehicle Safety and Productivity Programme (HVSPP) in Victoria. It was one of 11 projects under HVSPP Round 2 in Victoria which had no Australian Government funding contribution but the state government expenditure on the works was considered to represent part of the Victorian Government's contribution to overall HVSPP Round 2 funding.

Under the Victorian Road Freight Initiatives Package, there is a project to upgrade the northbound rest area approximately 4 kilometres north of Glenrowan.

The two projects are funded from two different programmes and were not assessed using the same criteria or process.

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**Question no.:** 111

**Program:** 1.1 (Infrastructure Investment)  
**Division/Agency:** Infrastructure Investment  
**Topic:** Clause 50 – National Partnership Agreement  
**Proof Hansard Pages:** 44-45 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** Why was clause 50 inserted? It is a new clause, is it not?

**Ms O'Connell:** Clause 50 of the National Partnership Agreement? Are you referring to the National Partnership Agreement?

**Senator CONROY:** Yes—clause 50 inserted into the agreement.

**Ms O'Connell:** I am just looking it up.

**Senator CONROY:** I can read it out to you:

In the event of Project cancellation, the Commonwealth may choose to reallocate its share of any remaining funding to another Project or Projects in the relevant state. In the case of a State, the State may choose to reallocate its share of the funding to other Projects.

That's a new clause?

**Ms O'Connell:** It is from the previous agreement, yes.

**Senator CONROY:** It is. So there are no similar provisions in the 2014 Victorian agreement?

**Ms O'Connell:** Well, there may have been similar related provisions, but not specifically compared to the other—

**Senator CONROY:** Can you tell me what number that provision was, if there was one?

**Ms O'Connell:** It would not have been identical to this. This is a new clause.

**Mr Jagers:** I will have to take that on notice. I think there was something similar in the MOUs that this National Partnership Agreement replaces. There has always been that notion that, should a project be cancelled or there are savings, that money can be re-allocated. There is certainly a slight difference in this phrasing to the previous version. I am happy to provide those details to you.

**Answer:**

A new National Partnership Agreement on Land Transport Infrastructure Projects (NPA) was agreed to by all States and Territories in October 2014. This NPA was made subject to provisions of the Federal Financial Framework and replaced the previous bilateral agreements between the Commonwealth and each jurisdiction for the same purpose. Therefore Clause 50 is a new Clause as the NPA is also new.

However, while Clause 50 is a new clause, its effect is similar to provisions in the previous bilateral agreements. It aims to streamline the agreement by merging some provisions (predominantly Clauses 58, 59 and 61) of the previous MOU with Victoria. (Note the previous Victorian Memorandum of Understanding is used as the reference here; clause numbers of previous MOU with other jurisdictions will differ.)

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**Question no.:** 112

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** Midland Highway Package

**Proof Hansard Page:** 46 (20 October 2014)

**Senator Brown asked:**

**Senator CAROL BROWN:** Has construction started on any of those seven projects that you outline, Mr Jagers? When will we see construction?

**Mr Jagers:** My understanding is that construction will be starting in coming months. Six of those projects should be completed by May 2015. I am not sure on the timing of the last one, the one that will not be completed by May.

**Senator CAROL BROWN:** Which work?

**Mr Jagers:** I do not know, sorry. I will have to take that on notice—about the seventh one. But certainly six of those are completing before May. The idea for this package of works is that the projects are approved, and then construction work is starting. Now that the National Partnership Agreement has been settled, Tasmania is keen to move forward with all these projects. They will be rolling out over a period of time.

**Answer:**

The Seventh safety work project is to provide improvements south of Tunbridge. It commenced in December 2014 and is expected to be completed by May 2016.

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

**Question no.:** 113

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Bell Bay Intermodal Terminal

**Proof Hansard Page:** 48 (20 October 2014)

**Senator Brown asked:**

**Senator CAROL BROWN:** The Bell Bay Intermodal Terminal?

**Mr Jagers:** On the Bell Bay Intermodal Terminal, they have agreed on providing \$5.2 million for this project. It is an \$8 million project.

**Senator CAROL BROWN:** I am sorry; did you say \$5.2 million?

**Mr Jagers:** It is \$5.2 million.

**Senator CAROL BROWN:** What is the total cost of that?

**Mr Jagers:** It is \$8 million. The project has commenced. There have been some delays in awarding the contract, following some changes in design. Construction is expected to commence later this month. I might just ask Mr Wood whether he has any further updates on that.

**Mr Wood:** No, that is the latest update I have. I spoke to TasRail last week. The contract was in the final stages of being executed and construction is expected to commence in the near future. It is still expected to be completed this financial year.

**Senator CAROL BROWN:** Who is undertaking that construction?

**Mr Wood:** The project is being overseen by TasRail. As to the actual name of the contractor that they appointed, I would have to take that on notice.

**Answer:**

TasRail awarded the civil works contract for the Bell Bay Intermodal Terminal to Hazell Bros Group Pty.

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

**Question no.:** 114

**Program:** n/a

**Division/Agency:** Infrastructure Investment

**Topic:** Assets Recycling Scheme

**Proof Hansard Page:** 54 (20 October 2014)

**Senator Peris asked:**

**Senator PERIS:** A recent suggestion by our Chief Minister is that sale of the Territory insurance office could fund a sporting stadium. Is this the kind of project that the Commonwealth would support under this scheme?

**Mr Mrdak:** Again, I would have to take that on notice. That is a matter for the Treasurer. We have not received such a proposal as yet. I do not know whether I can give you a definitive answer at this stage. I may take that on notice.

**Senator PERIS:** You could take it on notice and also: would this be enhancing productivity?

**Mr Mrdak:** Again, I would have to take it on notice as to what the government's view on that would be.

**Answer:**

The Treasury has not sought the advice of the Infrastructure Portfolio on funding a sporting stadium in the Northern Territory under the Asset Recycling Initiative. As such, the Department is not in a position to form a view on whether such a project would be productivity enhancing.



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ANSWERS TO QUESTIONS ON NOTICE  
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**Infrastructure and Regional Development**

**Question no.:** 115

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Peak Downs Highway

**Proof Hansard Pages:** 58-59 (20 October 2014)

**Senator McLucas asked:**

**Senator McLUCAS:** ... The other issue that I want to go to is the Peak Downs Highway. There have been some conversations about bringing part of this project forward. Are you aware of that?

...

**Mr Jagers:** I am just saying that I might need to take that on notice. I can give you the funding profile for the project but I do not have a lot of details on it in front of me.

**Senator McLUCAS:** Has it changed since 12 months ago?

...

**Mr Pittar:** For the current funding commitment for the Peak Downs Highway project the Australian government contribution is capped at \$120 million. I believe that is a project that is proposed to be funded 100 per cent by the Australian government.

**Senator McLUCAS:** Is that 100 per cent by the Australian government?

**Mr Pittar:** As outlined in the program of works and as I think the schedule shows that is now on the department's website, it has funding provided for in 2014-15 of \$18.57 million; 2015-16 of \$56.2 million and 2016-17 of \$36.73 million. That is the profile going forward.

**Senator McLUCAS:** If you could take that on notice. The question that I am trying to ascertain is: has there been any change to the forward funding profile for this Eaton Range section of the Peak Downs Highway from the 2013-14 to the 2014-15 budget?

**Mr Mrdak:** We will get that quickly and come straight back to you.

...

**Senator McLUCAS:** I am asking whether there is any acceleration of the project; on whose recommendation was it accelerated but, more importantly, does that affect any other projects, in particular the Mackay Ring Road?

**Mr Mrdak:** We will come back to you with answers on those.

**Answer:**

As at 1 December 2014, there has been no change to the forward funding profile for the Peak Downs Highway project.

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

**Question no.:** 116

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Peninsula Development Road

**Proof Hansard Page:** 59 (20 October 2014)

**Senator McLucas asked:**

**Senator McLUCAS:** How can you confirm that the Cook Shire Council staff who were employed using that \$1.6 million for day labour only did works on the PDR?

**Mr Mrdak:** I would have to check that.

**Answer:**

The Australian Government has committed \$1.6 million to cover additional costs incurred by the Cook Shire Council (CoSC) for disaster reconstruction works on the Cape York Peninsula road network in the calendar year 2014, not the Peninsula Developmental Road exclusively. The funding is to be managed through Category D of the National Disaster Relief and Recovery Arrangements (NDRRA) and has been off-set by a reduction in funding of \$1.6 million to the Cape York Region Package.

Payment of the \$1.6 million will be made in arrears. Disaster recovery projects in Queensland are administered by the Queensland Reconstruction Authority (QRA), which implements a process of detailed assessments, inspections and reporting for all projects claiming funding under NDRRA. This includes proposals for the use of council staff under the Local Government Value for Money Pricing Model (Day Labour Trial). The Day Labour Trial has been extended to cover 2014 events for CoSC only. Projects must be audited by the Queensland Audit Office before claims are made. Payment is managed by Emergency Management Australia in the Attorney-General's Department, on behalf of the Australian Government.

To date, no project applications for the cited work have been received from CoSC by QRA.

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**Question no.:** 117

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Peninsula Development Road

**Proof Hansard Pages:** 59-60 (20 October 2014)

**Senator McLucas asked:**

**Senator McLUCAS:** How much is the state putting in?

**Mr Pittar:** The state is putting in about \$52 million. Essentially that is on an 80-20 basis.

**Senator McLUCAS:** What years will the state be putting that \$52 million in?

**Mr Pittar:** I do not have that profile with me at the moment.

**Senator McLUCAS:** Can you get that?

**Mr Pittar:** We can take that on notice.

**Senator McLUCAS:** You have given me the 2014-15 through to 2018-19 allocation from the Commonwealth, so if you could do the same from the state that would be helpful. ...

**Answer:**

The Queensland Government is developing a Business Case for the overall Cape York Region Package for the Australian Government's consideration. The timing of the Queensland Government contribution to the project will be determined once the Business Case is finalised.

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**Question no.:** 118

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** WestConnex - Drilling

**Proof Hansard Pages:** 61-62 (20 October 2014)

**Senator Conroy asked:**

**Mr Foulds:** The M4 widening construction contracts are expected to be signed before the end of this calendar year with construction commencing in early 2015. The construction tender process assessment process is currently underway on that.

**Senator CONROY:** So no-one is drilling at the moment?

**Mr Foulds:** Geotechnical work has happened across stage 1 and stage 2.

**Senator CONROY:** Could you explain what geotechnical work means for the uninitiated?

**Mr Foulds:** Geotechnical work is the taking of core samples and going down as far as you need to in order to assess basically the rock structure, the earth structure, and it is valuable to tenderers to understand the tunnelling and other constraints involved in the construction. That is occurring now on stage 2.

**Senator CONROY:** How many workers are involved in the drilling?

**Mr Foulds:** I could not tell you how many workers but I know that they are on schedule on both corridors. I do not know how many.

**Senator CONROY:** Could you take that on notice?

**Mr Foulds:** I can. I will have to go to New South Wales.

...

**Senator CONROY:** ... How many workers are involved in drilling?

**Ms O'Connell:** We do not have that information.

**Mr Mrdak:** We undertook to come back to you on that.

**Senator CONROY:** That was on stage 1.

**Mr Mrdak:** We will do the same for stage 2.

**Answer:**

NSW has advised that approximately 105 workers were involved in drilling as at the end of October, as follows:

The New M5—21 site staff (drillers and engineers) and 12 support staff (project managers, engineers, safety, environmental, administration and data entry, etc.)

M4 East—41 site staff and 31 support staff.

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**Question no.:** 119

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Toowoomba Second Range Crossing

**Proof Hansard Page:** 89 (20 October 2014)

**Senator Conroy asked:**

**Senator CONROY:** Given that you told estimates that you could not calculate a BCR for this project, could you indicate whether today you have assessed and agreed a BCR?

**Mr Mrdak:** There were BCRs available for the project in its business case stage previously, which are available. I can get that information for you.

**Answer:**

The latest Benefit Cost Ratio for the Toowoomba Second Range Crossing provided by the Queensland Government is 1.1 based on a discount rate of seven per cent.

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**Question no.:** 120

**Program:** Programme 1.1 – Infrastructure Investment

**Division/Agency:** Infrastructure Investment

**Topic:** East West Milestones

**Proof Hansard Page:** Written

**Senator Sterle asked:**

I refer to 20 October Estimates transcript page 44, where you indicated that there were hundreds of projects and many milestones for payment. You indicated that you could provide milestones as examples for particular projects.

1. Please provide detail of all the milestones applicable to payments in respect of East West Stage 1 payments from the Commonwealth.
2. Please provide detail of all the milestones applicable to payments in respect of East West Stage 2 payments from the Commonwealth.

**Answer:**

1. Payment milestones for East West Link – Eastern Section (Stage 1) are yet to be determined.
2. Payment milestones for East West Link – Western Section (Stage 2) are yet to be determined.

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**Question no.:** 121

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** WestConnex Milestones

**Proof Hansard Page:** Written

**Senator Sterle asked:**

Please provide detail of all the milestones applicable to payments in respect of Westconnex Stage 1 payments from the Commonwealth.

**Answer:**

Payment milestones for WestConnex are yet to be determined.

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**Question no.:** 122

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Perth Freight Link

**Proof Hansard Page:** Written

**Senator Sterle asked:**

Under the National Partnership Agreement signed on 10 October 2014, what was the agreed profile for WA Government funding for the Freight Link?

Specifically, what has the WA Government agreed for this project for:

1. 2014-5
2. 2015-6
3. 2016-7
4. 2017-8
5. 2018-9
6. Years after that?

**Answer:**

The Western Australian Government commitment to the Perth Freight Link project in the National Partnership Agreement is \$275.5 million. The National Partnership Agreement does not set out the cash flow profile for these funds.



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**Question no.:** 123

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** State Funding Profiles

**Proof Hansard Page:** Written

**Senator Sterle asked:**

1. Does the Department have, for the States and Territories that have signed the National Partnership Agreement of Land Transport Projects, profile of the States'/Territories' funding contribution profiles for each project?
2. Can the Department please provide these in the same format as it has posted Federal profiles on its website?
3. Why are these not already available on the website?

**Answer:**

State and territory funding contribution profiles are a matter for the State and Territory Governments.

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**Question no.:** 124

**Program:** Community Development Grants Programme

**Division/Agency:** Infrastructure Investment

**Topic:** Community Development Grants

**Proof Hansard Page:** Written

**Senator Sterle, Glenn asked:**

1. I note that under the guidelines of the Government's new NSRF total funding for projects from the Australian Government cannot exceed 50 per cent of the total project cost and applicants must match the NSRF grant on a dollar for dollar basis. Was a similar requirement applied in the assessment of what projects would be funded under the CDGs Programme?
2. I note that under the guidelines of the Government's new NSRF projects must contribute to the economic growth in the region. Was a similar requirement applied in the assessment of what projects would be funded under the CDGs Programme?
3. There appears to be under-spending this programme – the amount of grants announced (\$307 M) compared to the amount of the programme as announced by the Minister (\$342 M) – what is planned for the unspent \$30 million plus of allocated funds? What will be the process for allocating these remaining funds?
4. How did the Government make its decisions around which projects would be included in round 1 of CDG?
5. Does the Department have any evidence of the Government's rationale?
6. What were the two projects initially announced as part of the CDG programme in November that has been transferred in to the TJGP?
7. Has this transfer affected the status of the projects that have been announced under the TJGP?
8. What were the six projects initially announced as part of the CDG programme in November that has been cut?

**Answer:**

1. No
2. No
3. The process for reallocating the remaining funds is a decision of Government.
4. Projects selected were a decision of Government.
5. The CDG Guidelines, released on 4 December 2013, state that the programme will fund projects including the Government's 2013 election commitments and Government selected uncontracted projects from the Regional Development Australia Fund (RDAF) and Community Infrastructure Grant (CIG) Program.
6. The two projects transferred were Sense T and the North Bank Precinct Redevelopment.
7. No
8. No projects have been cut from the CDG programme announced in November 2013. There are five projects which did not proceed as they were funded under a previous programme and two projects which have been withdrawn by the applicant as the project was not proceeding.

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**Question no.:** 125

**Program:** 3.1

**Division/Agency:** Infrastructure Investment

**Topic:** National Stronger Regions Fund

**Proof Hansard Page:** Written

**Senator Sterle asked:**

1. I note that the final decision on projects funded under the NSRF will be made by the Ministerial Panel. I assume that the Department will provide advice to the Minister and/or the panel on what projects are suitable for funding?
2. What will be process for the Department providing advice to the National Infrastructure Committee of Cabinet that is referred to in the NSRF guidelines?
3. Will the Ministerial Panel correspond with any other organisation apart from the National Infrastructure Committee of Cabinet in making its decisions on projects to be funded?
4. I note that RDA Committee will be involved in making recommendations to the Department or the Minister on project priorities. So what is the role of the RDA Committee's in the process of funding under the NSRF?
5. Can you explain why this change was made? By whom?
6. I note that funding will not be made available under the NSRF until 1 July 2015. This means that funding will be made available a year later than funding planned under RDAF, is this correct?
7. Do you know if this delay has any kind of impact on regional Australia?
8. Do you know if this had any impact on organisations in regional Australia applying for funding?
9. The scrapping of RDAF Round 5 and 5b would've put a total of \$350 million back into the Department's budget. Has the Department reallocated these funds? Will these funds be used for the NSRF?
10. Can you please outline whether any of the new funding found for the NSRF is from other parts of the Department's Budget?
11. Will each Local Government across Australia get a minimum allocation from this fund?
12. I note that one assessment criteria for the NSRF is the extent to which projects supports or addresses disadvantage, while one of the eligibility criteria is for applicants to match the NSRF grant on a dollar for dollar basis.
13. Do you think the need for applicants to match the NSRF funding on a dollar for dollar basis will discourage groups from applying who do meet the assessment criteria that addresses disadvantage?
14. Do you think the eligibility criteria for applicants to match the NSRF grant on a dollar for dollar basis will discourage smaller community groups who may not have the resources to raise the money required to match funding?
15. Is it anticipated there'll be any exemptions for the eligibility criteria for applicants to match the NSRF grant on a dollar for dollar basis?
16. Which of the Parliamentary Secretaries to the Prime Minister will be on the Ministerial Panel?

**Answer:**

1. Yes.
2. The Ministerial Panel will consult with the National Infrastructure Committee following consideration by the Panel of the advice from the Department.
3. As advised in the NSRF Guidelines the Ministerial Panel and National Infrastructure Committee may take other factors into account when making decisions on projects to be funded.
4. As advised in the NSRF Guidelines Regional Development Australia (RDA) Committees may assist applicants to identify infrastructure projects, particularly projects which contribute to long term economic growth and have been identified as priorities. Committees may approach eligible

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organisations about developing an application for an infrastructure project or play a facilitation role by bringing key parties together, including those who may provide a financial contribution to the project. Committees may work with applicants to prepare applications, supporting documents and evidence.

5. This was a decision of Government.
6. NSRF funding will be available from 1 July 2015. RDAF Rounds 2, 3 and 4 uncontracted projects are being funded through the Community Development Grants programme with funding available until 30 June 2017. In addition, previously contracted RDAF projects will continue to be funded until 30 June 2017.
7. No as RDAF Rounds 2, 3 and 4 uncontracted projects are being funded through the Community Development Grants programme with funding available until 30 June 2017. In addition, previously contracted RDAF projects will continue to be funded until 30 June 2017.
8. No as RDAF Rounds 2, 3 and 4 uncontracted projects are being funded through the Community Development Grants programme with funding available until 30 June 2017. In addition, previously contracted RDAF projects will continue to be funded until 30 June 2017.
9. Unallocated funding was returned to the Budget and \$1 billion was allocated to NRSF as part of the 2014-15 Budget process.
10. Funding for NSRF was determined as part of the 2014-15 Budget process.
11. No, this is a competitive grants programme and projects will be assessed on their individual merits.
12. That is correct.
13. The NSRF guidelines provide the flexibility for applicants to partner with other organisations to raise their cash contribution.
14. The NSRF guidelines provide the flexibility for applicants to partner with other organisations to raise their cash contribution.
15. No
16. This is yet to be confirmed.

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**Question no.:** 126

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Project Savings

**Proof Hansard Page:** Written

**Senator Sterle asked:**

I refer to the Department's answer to written question 147 from the May Estimates hearing – in which savings to projects since the last election are itemised. Can you indicate now or today as to which category these savings occur for each listed project:

- a. Same scope, came in under budget
- b. Reduced scope
- c. Project cancelled

**Answer:**

State	Project	Saving \$m	Category
NSW	Alstonville Bypass	6.7	a. Same scope, came in under budget
NSW	Bega Bypass	10.4	a. Same scope, came in under budget
NSW	F5 Widening (Brooks Road to Narellan Road)	4.3	a. Same scope, came in under budget
NSW	M4 East	25.0	c. Project cancelled, incorporated into WestConnex
NSW	Maldon to Dombarton Rail Link Design Stage	10.0	a. Same scope, came in under budget
NSW	The Hunter Economic Infrastructure Plan	0.1	a. Same scope, came in under budget
NSW	The Northern/Sherringham Road Intersection	0.5	c. Project cancelled
NT	Upgrade of the Maryvale Road Hughes Stock Route	0.01	a. Same scope, came in under budget
QLD	Gateway Motorway North	70.4	a. Same scope, came in under budget
QLD	Ipswich Motorway - Dinmore to Goodna	42.0	a. Same scope, came in under budget
QLD	Moreton Bay Rail Link	159.0	a. Same scope, came in under budget
QLD	QLD Continuing AusLink Projects	0.2	a. Same scope, came in under budget
QLD	Bruce Highway - Douglas Arterial Duplication	8.8	a. Same scope, came in under budget
QLD	Bruce Highway - Cardwell Range Realignment	4.0	a. Same scope, came in under budget
SA	South Road Package Works - Other Projects	17.4	a. Same scope, came in under budget
SA	South Road Planning - Other Projects	1.4	a. Same scope, came in under budget
SA	Northern Expressway	12.8	a. Same scope, came in under budget
SA	Advance Traffic Management System (ATMS) on South Eastern Freeway	8.0	c. Project cancelled
TAS	Brighton Intermodal	0.4	a. Same scope, came in under budget
TAS	Rail Capacity Improvements at Rhyndaston	4.0	a. Same scope, came in under budget
TAS	Upgrade to the Illawarra Link Road	0.3	a. Same scope, came in under budget
VIC	Anthony's Cutting	7.6	b. Reduced scope

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<b>State</b>	<b>Project</b>	<b>Saving \$m</b>	<b>Category</b>
VIC	Clyde Road Upgrade	2.8	a. Same scope, came in under budget
VIC	Dandenong Intermodal	18.0	c. Project cancelled
VIC	Geelong Ring Road Stage 4A (Anglesea Overpass)	5.0	a. Same scope, came in under budget
VIC	Kings Road Interchange (Calder Freeway)	3.4	a. Same scope, came in under budget
VIC	Nagambie Bypass (Goulburn Valley Highway)	10.5	a. Same scope, came in under budget
VIC	Somerton Intermodal	20.0	c. Project cancelled
VIC	Regional Rail Link	319.0	a. Same scope, came in under budget
VIC	Nagambie Bypass	8.5	a. Same scope, came in under budget
VIC	Geelong Ring Road	1.6	a. Same scope, came in under budget
VIC	Spring vale Road	8.0	a. Same scope, came in under budget
VIC	Princess Highway West - Winchelsea to Colac	72.0	a. Same scope, came in under budget
WA	Bunbury Port Access Road (Stage 2) and Bunbury Outer Ring Road (Stage 1)	3.2	a. Same scope, came in under budget
WA	Great Eastern Highway Widening	12.6	a. Same scope, came in under budget
WA	Great Northern Highway, Muchea to Wubin, Bindi Bindi to Lyons	4.0	a. Same scope, came in under budget
WA	Perth Airport Gateway	11.4	a. Same scope, came in under budget
WA	WA Grain Rail	16.7	a. Same scope, came in under budget
WA	Great Eastern Highway, Kooyong Road to Tonkin Highway	10.4	a. Same scope, came in under budget
WA	Port Hedland Improvements Project (Stage 2 - Realignment of Great Northern Highway)	1.0	a. Same scope, came in under budget
<b>Savings from Projects Cancelled during the 2013 Election</b>			
QLD	Cross River Rail	715.0	c. Project cancelled
QLD	Bruce Highway - Raise southern approach to the Mulgrave River Bridge	40.0	c. Project cancelled
SA	Tonsley Park Public Rail Transport Project	31.5	c. Project cancelled
VIC	Melbourne Metro Rail	1,000.0	c. Project cancelled
WA	Perth Urban Rail Public Transport Project	500.0	c. Project cancelled
WA	Airport rail - planning	3.0	c. Project cancelled

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**Question no.:** 127

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** South Australia Project Reallocation

**Proof Hansard Page:** Written

**Senator Sterle asked:**

In written answer 147 in which the Department outlines an \$8 million cut at the Advanced Traffic Management System (ATMS) on South Eastern Freeway.

1. What was this project, and what did it involve?
2. Given this project involves lower capital cost (not building a new road but better traffic management), these projects have high BCRs – around 8 to 10 in fact. I gather both Governments have agreed to move the funding to one of the South Road projects – is that correct?
3. Can you indicate the BCR for the ATMS project and the BCR for the project to which the funds are now being applied?
4. How is this shift justified by the Commonwealth?

**Answer:**

1. The South Eastern Freeway Advanced Traffic Management System (ATMS) project would have involved the installation of:
  - variable speed limits and message signs, loop incident detection equipment, powered communication systems and closed circuit television between Stirling and Mount Barker; and
  - electronically operated median barrier gates between the Mount Osmond interchange and the Crafers interchange to provide access and divert traffic during an incident.
2. The Australian and South Australian governments agreed to reallocate the Australian Government's \$8 million contribution from the ATMS project to the North South Corridor for planning and delivery works. The South Australian Government contribution of \$8 million was reallocated to the Mount Barker Interchange project.
3. The Benefit Cost Ratio (BCR) for the ATMS project was estimated at 1.3. As specific projects on the North-South Corridor to utilise the funds are yet to be identified, there is no BCR available.
4. The reallocation of funds has been agreed with the South Australian Government based on the high priority of the North South Corridor and the Mount Barker interchange project.

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**Infrastructure and Regional Development**

**Question no.:** 128

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Project Payments

**Proof Hansard Page:** Written

**Senator Sterle asked:**

Can you indicate what payments to the relevant States had been made in respect of the following projects, as at 18 September 2014:

- a. East West Stage 1
- b. East West Stage 2
- c. Western Sydney Infrastructure Package
- d. Westconnex Stage 1
- e. Westconnex Stage 2
- f. Perth Freight Link
- g. South Road (Torrens to Torrens)
- h. South Road (Darlington)
- i. Toowoomba Second Range Crossing
- j. Northern Territory Roads package
- k. Midland Highway package

Please list (if any), which of these projects had road plant working on construction as at 18 September 2014?

**Answer:**

- a. \$500 million.
- b. \$1 billion.
- c. Nil.
- d. \$500 million in total has been paid to WestConnex for the total project. An additional \$25 million was paid for planning.
- e. Refer to d.
- f. Nil.
- g. \$32.69 million. This includes \$12.69 million for planning for South Road, Regency Road to Anzac Highway, which includes the Torrens to Torrens project.
- h. \$2.15 million for planning for South Road, Anzac Highway to Southern Expressway, which includes the Darlington project.
- i. Nil. The Australian Government has previously provided a total of \$43.25 million towards a Toowoomba Bypass project through earlier land transport investment programmes:
  - \$33.25 million for the planning and land acquisition (funds provided from 1996-97 to 2004-05); and
  - \$10 million to develop a Public Private Partnership (PPP) Business Case and build a pilot tunnel through the range (funds provided in 2006-07 and 2007-08).
- j. Nil.
- k. Nil.

Projects with road plant working on construction as at 18 September 2014

- South Road (Torrens to Torrens) – early works, involving upgrades to the South Road and Ashwin Parade intersection.



**Rural & Regional Affairs and Transport Legislation Committee**  
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**Infrastructure and Regional Development**

**Question no.:** 129

**Program:** n/a

**Division/Agency:** Infrastructure Investment

**Topic:** Asset Recycling Initiative

**Proof Hansard Page:** Written

**Senator Sterle asked:**

1. What role will the Department have in overseeing new projects to be funded by the proposed 15% Commonwealth incentive payment?
2. For new projects involving over \$100 million in Commonwealth incentive payments under the Asset Recycling Initiative, what guarantee is there that IA will evaluate the project prior to the payment of the incentive?
3. For new projects involving over \$100 million in capital expenditure under the Asset Recycling Initiative, what guarantee is there that IA will evaluate the project prior to the payment of the incentive?
4. What does the Department understand to be the process for evaluating the productivity benefits of new projects proposed for the 15% payment?

**Answer:**

1. The Asset Recycling Initiative is a programme managed by the Treasury. Treasury will seek advice on the eligibility of new projects proposed by the jurisdictions from relevant portfolios, including the Department.
2. Consistent with Government policy, Infrastructure Australia is required to conduct an assessment of projects where the Commonwealth provides more than \$100 million of incentive payments.
3. See response 2.
4. Eligible projects must: demonstrate a clear net positive benefit; enhance the long-term productive capacity of the economy; and, where possible, provide for enhanced private sector involvement in both the funding and financing of infrastructure. Jurisdictions are expected to provide sufficient information to Treasury to demonstrate the proposed infrastructure activity is eligible. In evaluating the projects against the criteria, Treasury will consider the information provided by jurisdictions and seek advice from relevant agencies. Treasury will then provide advice to the Treasurer, who has responsibility for agreeing incentive payments under the initiative.

**Rural & Regional Affairs and Transport Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

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**Question no.:** 131

**Program:** Regional Development Australia Fund

**Division/Agency:** Infrastructure Investment

**Topic:** RDAF

**Proof Hansard Page:** Written

**Senator Sterle asked:**

1. Can you please confirm that number of projects from previous RDAF rounds that will not be proceeding?
2. Can you please put on record the projects left over from previous RDAF rounds that will no longer be funded by the Government?
3. I note that some uncontracted projects from RDAF and some of the projects from Round 5 of RDAF have received funding under the Government's CDG funding programme. What was the process that decided which uncontracted projects from RDAF and which projects from Round 5 of RDAF found funding in the CDG funding programme?
4. I note that under the guidelines of the Government's new NSRF total funding for projects from the Australian Government cannot exceed 50 per cent of the total project cost and applicants must match the NSRF grant on a dollar for dollar basis. Was a similar requirement applied in the assessment of which uncontracted projects from RDAF and which projects from Round 5 of RDAF found funding in the CDG funding programme?
5. I note that under the guidelines of the Government's new NSRF projects must contribute to the economic growth in the region. Was a similar requirement applied in the assessment of which uncontracted projects from RDAF and which projects from Round 5 of RDAF found funding in the CDG funding programme?
6. I note that under the guidelines of the Government's new NSRF projects must support or address disadvantage in a region. Was a similar requirement applied in the assessment of which uncontracted projects from RDAF and which projects from Round 5 of RDAF found funding in the CDG funding programme?
7. I note that under the guidelines of the Government's new NSRF projects must support or address disadvantage in a region. Was a similar requirement applied in the assessment of which uncontracted projects from RDAF and which projects from Round 5 of RDAF found funding in the CDG funding programme?
8. I note that under the guidelines of the Government's new NSRF projects must be viable and sustainable. Was a similar requirement applied in the assessment of which uncontracted projects from RDAF and which projects from Round 5 of RDAF found funding in the CDG funding programme?

**Answer:**

1. No. Assessments had not been completed for any RDAF Round 5 or 5B projects. Applications under Round 5 each contained several projects and as these application are not proceeding an assessment will not be completed and an accurate estimate of the number of projects cannot be made.
2. No.
3. The Community Development Grants Programme is not a competitive grants programme. Only projects identified by the Australian Government are considered for funding.
4. No.
5. No.
6. No.
7. No.
8. Yes, one of the appraisal criteria under the Community Development Grants Programme guidelines is to assess project viability and sustainability.

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**Question no.:** 132

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Aquenta Consulting

**Proof Hansard Page:** Written

**Senator Sterle asked:**

I refer to the Aquenta consulting project into “cost estimates of infrastructure projects” that was undertaken between March and June this year, at a cost of \$50K [Estimates written answer 85 dated 25 September 2014]

1. Did Infrastructure Investment or Infrastructure Australia commission this work?
2. What was the scope of the work?
3. Was it a generic analysis or into specific projects?
4. If so, which projects?
5. Why was the work commissioned?
6. When was the report handed to the Department?
7. What were the main findings?
8. Can the report be made available to the Committee?
9. Has IA seen the report?
10. If so, when?

**Answer:**

1. Infrastructure Investment Division
2. Rapid cost estimates for specific infrastructure projects
3. Specific projects
4. (A) Badgerys Creek Roads and Intersections Upgrades, (B) Badgerys Creek Rail Link, (C) Stock Road Upgrade
5. To inform Government decision making
6. (A) 26 March 2014, (B) 26 March 2014, (C) 14 April 2014
7. Rapid cost estimates for the listed projects based on various assumptions.
8. The reports were used to inform Australian Government cabinet deliberations and will not be released
9. No
10. Not Applicable.

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**Question no.:** 133

**Program:** Community Development Grants  
**Division/Agency:** Infrastructure Investment  
**Topic:** Community Grants Programme  
**Proof Hansard Page:** Written

**Senator Edwards asked:**

1. How much of the \$300m available under the Community Grants Program has been spent to date?
2. What amount remains to be allocated and what form will the remaining funds take during allocation?
3. Of the projects awarded funding, how many noted potential tourism outcomes or revenue generating prospects from the development of the infrastructure?
4. How much of the total spend has been awarded to South Australia Infrastructure?
5. How many applications have you received in total? How many have you received in South Australia?
6. How many successful applications have there been in South Australia?
7. Of the unsuccessful applications, what are the total reasons for not awarding the applications (eg, not meeting criteria etc)?
8. Can you outline if any application has been made by Weikert Cottage in Sevenhill, SA? If so, can you provide a progress report on its application?

**Answer:**

1. As at 31 October 2014, funding of \$18.3 million has been expended under the Community Development Grants (CDG) Programme.
2. As at 31 October 2014, \$307.4 million has been allocated for 295 projects identified to be funded under the CDG Programme. Funding of \$171.4 million remains to be contracted for 98 projects. Projects are contracted when proponents have provided sufficient information to enable a value of money assessment to be completed. The Australian Government's appropriation to spend funding allocated to the CDG Programme extends until the 2016-17 financial year.
3. Under the CDG Programme, 195 projects provide a tourism or revenue generating outcome.
4. Of the 295 project identified under the CDG Programme, funding of \$26.6 million has been allocated to 19 projects in South Australia.
5. Applications were not sought under the CDG Programme. A total of 19 projects based in South Australia have been identified for funding under the CDG Programme.
6. As at 31 October 2014, a total of 13 projects based in South Australian have been approved and contracted by the Australian Government. The remaining six projects are still under assessment.
7. Applications were not sought under the CDG Programme.
8. The Weikert Cottage at Sevenhill, SA, was not identified for funding under the CDG Programme.

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**ANSWERS TO QUESTIONS ON NOTICE**

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**Question no.:** 134

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Queensland Infrastructure

**Proof Hansard Page:** Written

**Senator Ludwig asked:**

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

- The Second Toowoomba Range Crossing;
- Morton Rail Link;
- Darra-Ipswich Motorway;

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

**Answer:**

Toowoomba Second Range Crossing

1. Responsibility for the work or planning for the project lies with Projects Queensland and the Queensland Department of Transport and Main Roads (TMR). Project Queensland provided a Business Case to the Department in December 2012.
2. The Department liaises with the Minister's Office on a regular basis and any advice provided is advice to the Government.
3. The project is currently in the market being tendered as a Public Private Partnership (PPP). The outcome of the tender process will determine the project cost.
4. The Australian Government has \$1,285 million allocated and budgeted in the forward estimates for the project based on cost estimates undertaken prior to the commencement of the tender process.
5. The Australian Government will provide 80 per cent of the construction cost of the Toowoomba Second Range Crossing up to \$1,285 million, with the Queensland Government to provide the remainder. The PPP structure is yet to be confirmed but any private sector financing provided through the construction phase of the project will be supported by availability payments from Government.

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6. No
7.
  - a. Officers of the Department liaise on a regular basis with the Queensland Government.
  - b. Discussions are ongoing.
  - c. The Deputy Prime Minister, The Hon Warren Truss MP and the Queensland Treasurer, the Hon Tim Nicholls MP, have exchanged letters on a number of occasions in relation to the financial arrangements for the PPP model to be used for the Toowoomba Second Range Crossing.

#### Moreton Bay Rail Link

1. The Moreton Bay Rail Link commenced in 2012 and is progressing ahead of schedule. The project is expected to be complete by early 2016. Major earthworks are nearing completion, 21 of 22 bridges are currently under construction and construction on 3 of the 6 new stations has commenced.
2. As the project is well advanced, ahead of schedule and under budget, communication between the Minister's Office and the Department is mostly confined to regular updates on the projects progress.
3. The Australian Government funding commitment for Moreton Bay Rail is \$583 million. The current forecast cost is \$988 million.
4. Yes
5. Funding for this project was agreed and finalised as part of the intergovernmental agreement (IGA) signed in December 2010. The Queensland Government has committed \$300.0 million plus land and Moreton Bay Regional Council has committed \$105.0 million in funding for the project.
6. No.
7. As construction is well advanced, communication with the Queensland State Government is mostly through monthly Project Steering Committee meetings. This meeting is chaired by the Director-General of the Queensland Department of Transport and Main Roads, with the Australian Government represented by the General Manager, Rail and Intermodal Branch, from the Department of Infrastructure and Regional Development.

#### Ipswich Motorway – Rocklea to Darra

1. Responsibility for the work or planning for the project lies with the Queensland Department of Transport and Main Roads (TMR). TMR provided a Business Case to the Department in April 2012.
2. The Department liaises with the Minister's Office on a regular basis and any advice provided is advice to the Government.
3. The 2012 Business Case provides a total project cost estimate of \$558 million.
4. The total project cost estimate is \$558 million. The Australian Government's proportion of the total project cost is allocated and budgeted in the forward estimates.
5. The Australian Government has committed \$279 million towards the upgrade of the Rocklea to Darra section of the Ipswich Motorway, subject to the Queensland Government providing matching funding.
6. No
7.
  - a. Officers of the Department liaise on a regular basis with the Queensland Government.
  - b. Discussions are ongoing.
  - c. The Deputy Prime Minister, The Hon Warren Truss MP, has written to the Hon Scott Emerson MP, Minister for Transport and Main Roads, to advise that the Australian Government's \$279 million commitment towards the Rocklea to Darra upgrade is subject to the Queensland Government providing matching funding.

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**Infrastructure and Regional Development**

**Question no.:** 135

**Program:** n/a

**Division/Agency:** Infrastructure Investment

**Topic:** Economy-Wide Investment Target

**Proof Hansard Page:** Written

**Senator Sterle asked:**

I refer to this statement by the Assistant Minister for Infrastructure and Regional Development from November 2013, in a speech to the IPA.

With respect to the then underway PC inquiry into public infrastructure, the Assistant Minister said, back then:

“...today I am announcing that my Department will be submitting to the Productivity Commission inquiry a paper that canvasses options on whether we should work towards a target or a benchmark, for combined public and private infrastructure investment”.

On October 20 Estimates at page 120-1, there was some discussion of this matter.

In addition to that can you now answer this:

1. Where, in the Department’s 38-page submission to the PC Inquiry, dated 24 December by the PC, does the Department canvass options on such a target?
2. On what pages are options canvassed?
3. Why, given the Assistant Minister’s statement, didn’t the Department follow through with this?
4. Is the Department currently undertaking work around an investment target?
5. If yes, who is undertaking the work?
6. What type of target is being considered?
  - a. Economy-wide;
  - b. Public sector;
  - c. Private sector;
  - d. Other?
7. Has the Department been consulted by other parts of Government on an investment target?
8. If yes, by who?
9. What is being considered?

**Answer:**

1. The Department provided two submissions to the Productivity Commission; an initial public submission submitted to the Productivity Commission on 24 December 2014 and a second submission submitted to the Productivity Commission on 11 February 2014. The 24 December 2014 submission does not discuss options for a benchmarked level of combined public and private funding for infrastructure investment. The 11 February 2014 submission seeks for the PC to consider the merits and disadvantages of a fixed Commonwealth funding allocation for infrastructure investment.
2. Pages 2 and 3 of the Department submission of 11 February 2014.
3. The Department’s submission of 24 December 2013 emphasises the importance of coordinating public and private investment. The Department’s submission of 11 February 2014 discusses advantages and areas for consideration for the application of a fixed allocation of Commonwealth funding. In combination, the Department considered that the submissions address the matter.
4. The Department has not undertaken work on a combined public and private investment target.
5. N/A
6. N/A
7. No.
8. N/A
9. N/A

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**Question no.:** 136

**Program:** 1.1

**Division/Agency:** Infrastructure Investment

**Topic:** Toowoomba Second Range

**Proof Hansard Page:** Written

**Senator Sterle asked:**

Has the Department had (from its perspective) satisfactory access to the Queensland Government's funding model as at:

1. September 30, 2014
2. October 31, 2014
3. November 30, 2014

**Answer:**

The Department has not had access to the outputs of the Queensland Government's funding model.



**Rural & Regional Affairs and Transport Legislation Committee**  
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**Question no.:** 137

**Program:** n/a

**Division/Agency:** Infrastructure Investment

**Topic:** Productivity Commission Report

**Proof Hansard Pages:** 120-121 (20 October 2014)

**Senator Sterle asked:**

**Mr Mrdak:** The issue the minister raised about canvassing the need for a national investment target, shall we say, or public and private investment, was canvassed in the department's submission to the Productivity Commission. My understanding is that the Productivity Commission did consider that and did seek views on that. My recollection is that the Productivity Commission did not come to a final view on that matter in relation to its final report.

**Senator STERLE:** It was left out?

**Mr Mrdak:** I think it canvassed the issue but did not reach any recommendation in relation to it. The government is currently considering the Productivity Commission report and we anticipate that the government, following consultation with the states and industry, will issue its final response to the PC report in the coming months.

**Senator STERLE:** Can I then ask you, Mr Mrdak, if the minister had not made a public statement about that, is it normal that the PC report did not address it?

**Mr Mrdak:** The PC report certainly canvassed it. My recollection—I will have to go back and check—is that I do not think there was a specific recommendation in relation to that matter.

**Answer:**

Consistent with the Terms of Reference for the Productivity Commission's *inquiry into Public Infrastructure*, the Final Report includes analysis of existing levels of public and private funding for infrastructure investments as well as the capacity of the public and private sectors to invest in infrastructure, including barriers to investment.

The Productivity Commission did not make findings or recommendations in relation to a national investment target.