

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 01

Division/Agency: AusLink

Topic: Mount Low Parkway

Hansard Page: 46 (22/05/06)

Senator Macdonald asked:

Senator IAN MACDONALD—I know officers from your Department have been up to look at that project. Perhaps I could have on notice an update on where you are at with the Mount Low Parkway. It is a duplication of the main road north.

Mr Elliott—Certainly.

Answer:

The Department is aware that there is a traffic issue at the junction of Mount Low Parkway with the Bruce Highway. Various options which may or may not involve duplication of the Highway are being examined. The Department has yet to resolve a preferred solution with the Queensland Department of Main Roads.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 02

Division/Agency: AusLink

Topic:

Hansard Page: 47 (22/05/06)

Senator Macdonald asked:

Senator IAN MACDONALD—He urged me to lobby my Federal counterparts to secure a better deal for Queensland for national highway funding. He refers to national highway funding. He is a bit old-fashioned, like me, I suspect. Anyway, hopefully we have discharged that with the budget announcement.

Finally—and this is the last question, Mr Chairman—I did raise with Mr Lucas the guardrail repairs at Hencamp Creek, Sullivan’s Swamp and Arnott Creek. They have been taken out for some time. I was told by constituents in the Ingham area that these have been out for about six months. So I asked him to deal with that. He has told me that Main Roads have made every effort to expedite the repairs, and they are expected to be completed by the end of May 2006. I was up on the road a couple of weeks ago and there had been no action taken at all. Again, those of us who have been around for a while assume it is a national highway, which everybody believes is federally funded. Here is something that needs to be done, yet it is not done. It is a safety issue again. They have the money. Is there anything we can do to make sure the guardrails that desperately need repairs at those three particular creeks can be attended to?

Ms Riggs—We will be happy to talk to QDMR and find out what the hold-ups are, if there are hold-ups, and provide you with a status report on notice.

Answer:

Queensland Department of Main Roads has advised that guardrails for Hencamp Creek and Sullivan’s Swamp are essentially complete, with all the rails and posts in place. QDMR is waiting for some materials to finish the job by the end of June 2006.

Work at Arnott Creek was finished at the end of May 2006.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 03

Division/Agency: AusLink

Topic: Re-classifications between Appropriations

Hansard Page: 49 (22/05/06)

Senator O'Brien asked:

Senator O'BRIEN—I cannot see any footnoting to explain that, so where else would it have been explained?

Ms Riggs—Just bear with me a moment. Mr Ash will seek to find the answer. If you give us a minute, can we come back to it?

Answer:

There was no footnoting provided in the Portfolio Additional Estimates Statements 2005-06. Ms Riggs response relates to the \$316.5 million AusLink - Roads to Recovery component of the reclassification. With respect to the \$26.041 million AusLink - National Network component of the reclassification, this adjustment reflects an adjustment between State and non-State payments for research projects and to the ARTC.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 04

Division/Agency: AusLink

Topic: MOU with NSW Government – Pacific Highway Funding

Hansard Page: 52 (22/05/06)

Senator O'Brien asked:

Senator O'BRIEN—Is there a set of reporting arrangements and schedule of works which the Committee can see?

Ms Riggs—Not at this stage. As with the works for the Bruce in Queensland or the detail on the Hume, we will be negotiating precisely what those additional funds are spent on in relation to the Pacific Highway as part of the MOU negotiations. I will consult with the Minister about whether he is prepared for those MOUs to be made available when they are completed.

Answer:

When the MOUs are signed and with the agreement of State or Northern Territory Minister, the Minister anticipates making these publicly-available.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 05

Division/Agency: AusLink

Topic: AUSL 04 Attachment-AusLink Project Funding

Hansard Page: 61 (22/05/06)

Senator O'Brien asked:

Senator O'BRIEN—Is it possible to have this document updated if it is changed significantly?

Ms Riggs—We will be happy to provide you with an updated copy of that table.

Answer:

The updated table is **attached**, showing the end of year payment outcome for each project.

The sum of the yearly profile over 2004-05 to 2008-09 for each project generally does not equal the Australian Government's funding contribution for the five-year period, 2004-05 to 2008-09.

The primary reason for this is that the 2005-06 actual outcomes vary from forecast 2005-06 outcomes, on which the yearly profiles for the period 2006-07 to 2008-09 were based. The yearly profiles have also yet to be adjusted for approved cost increases and reductions for some projects. Cost increases are approved on the basis that the State or Territory concerned will find offsetting savings from other projects within their program to keep within their AusLink funding 'envelope' for the period 2004-05 to 2008-09.

[AUSL 05 attachment – not included. Available from the committee secretariat on request.]

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 06

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 64 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—Can someone tell me how many Local Governments undertook works that were not within the first R2R program guidelines?

Ms Riggs—I will have to take that question on notice.

Answer:

Projects were checked for compliance with the *Roads to Recovery* program guidelines each quarter during the payment process and councils were asked to amend or withdraw non complying projects. The definition of a 'road' under the *Roads to Recovery Act 2000* and associated documentation was broad and, as most councils had a real need for road works, there was no need for them to divert these funds to non-complying works.

The Australian National Audit Office, in its 2005 audit of the *Roads to Recovery* programme, reviewed the work schedules of 93 councils, which involved about 1,800 projects and inspected more than 400 of these. It identified only one project which it considered ineligible for funding under *Roads to Recovery* program. This was a street sweeping project in the City of Swan in Western Australia. However, the Department considers that the project was complying under the previous definition as street sweeping is part of maintenance. Street sweeping has, however, been excluded from funding under the current AusLink *Roads to Recovery* program.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 07

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 64 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—Can you also tell us which Local Governments, what projects were outside the guidelines and what action, if any, was taken?

Ms Riggs—Yes. We will do our best to provide you with as complete an answer as we can.

Answer:

As indicated in the answer to **AUSL 06**, the Department is unaware of any projects which were outside the programme guidelines.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 08

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 66 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—Why was the section downsized?

Ms Riggs—I have no idea. It is way before my time in this job.

Senator O'BRIEN—Who would know?

Ms Riggs—The program was started in 2001, so any downsizing of the team took place in 2002. I do not believe there is anyone at the table who was part of this program's administration at that time.

Senator O'BRIEN—But who would know who is currently within the Department?

Mr Tongue—I am happy to take it on notice and see if we can provide an answer.

Part of the Government's philosophy in establishing this program however, was that it be a program that was built on a partnership with local government and not necessarily burdened by a high degree of intrusive bureaucracy, if you like. So, partly we are sticking, in our administration of the program, to the intent—

Answer:

The *Roads to Recovery* Section was at its maximum size of nine staff about April or May in 2001. This reflected the large initial workload in response to requests for advice from a great many councils about the completely new programme and the large volume of Ministerial and other correspondence. The Section was also responsible for the Western Sydney Orbital in Sydney and the Scoresby Freeway in Melbourne for most of 2001.

In time, the two latter tasks were transferred to other areas in the Department and, as councils became familiar with the programme, the volume of inquiries and correspondence fell away to a level which could be handled by three full-time staff plus some input from management.

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Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 09

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 67 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—I want to turn to Strathbogie Shire, the horse capital of Victoria, and its ambitious \$2.16 million bridge program. I am sure you are aware that Strathbogie Shire Council featured in the ANAO performance audit report. Its bridge program involved the urgent repair or replacement of 25 bridges within the shire. It is a timely program if a report about one of the bridges in the Shire—the 108-year-old Kirwans Road bridge—is accurate. Apparently, the bridge has become so dilapidated and termite infested that school buses and fire trucks can no longer cross. In May and July 2002, the Department received several submissions from the Strathbogie Shire, under the R2R hardship provisions, for funding for urgently needed work on 25 bridges and a total of \$770,252 was paid across to allow the works to begin. What was the assessment process of the application?

Ms Riggs—It would have been assessed according to the hardship provisions assessment criteria that the Department had in place at that time. I am happy to make them available on notice. I am sorry, but we did not bring a copy with us.

Answer:

The criteria agreed by the then Minister for hardship funding was as follows:

“Funding for hardship is only available for works already commenced or committed before 15 May 2002 which have had to be, or will have to be, interrupted, as a result of the rephasing.

The criteria are, in order of importance:

1. That a council would suffer a financial loss from having to break a commitment involving a written or verbal contract.
2. Partly completed projects (eg bridges) which provide the community with limited or no benefit from the investment to date.
3. Employment. If the rephasing will result in the loss of employment bearing in mind that the *Roads to Recovery* Programme is supplementary with a life limited by legislation from the time of its announcement.
4. The interruption of works underway or committed as at 15 May 2002 where this would have serious safety or economic implications.
5. Preference for smaller councils.”

All requests for hardship funding were determined by the then Minister.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 10

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 68 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—It is a pretty damning report in relation to this shire. In August 2003, a further payment of \$1,347,941 was made to the shire. The question needs to be asked: before this payment was made, had the payment of \$770,252 been fully acquitted—accounted for?

Ms Riggs—I will take on notice that part of it which could have been accounted for under the terms that the program was then operating under.

Answer:

According to its August 2003 quarterly report, the Strathbogie Shire Council had by then spent \$1,140,820 of *Roads to Recovery* funds against total payments made to it by the Commonwealth of \$1,733,067. The formula used for making payments, stated in terms of the August 2003 payment, follows:

Payment = cumulative expenditure by council on *Roads to Recovery* projects from the inception of the programme until 31 July 2003
plus projected expenditure for the period August to October 2003
less total payments to council by Commonwealth.

Thus, as at August 2003, the council was holding Commonwealth funds of \$592,247. However, the projected expenditure for the quarter from August to October 2003 as stated in the council's quarterly report was over \$2 million, so a payment of \$1,347,941 was made to the council. This paid the council its full entitlement under the program.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 11

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 68 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—Do you know whether any checks were undertaken to ensure that the proposed urgent works had been undertaken?

Ms Riggs—I will take that on notice.

Answer:

No on ground checks were done. It was the responsibility of the council to undertake the works. With 15,000 projects funded under the original *Roads to Recovery* program, it would have been impractical for Departmental staff to have tried to check the completion of all works. However, as indicated in the Australian National Audit Office Case Study No.4.1, by 30 June 2005, the council had spent all the money on the projects and had spent \$250,000 of its own funds as well.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 12

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 68 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—Did the council have to sign off that the original \$770,000-odd had been expended before they got additional funds?

Ms Riggs—I will take that on notice.

Answer:

See answer to Question **AUSL 10**.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 13

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 68 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—What bridge works was the additional payment in 2003 for?

Ms Riggs—I will take that on notice.

Answer:

The funds were to cover all projects on the council's work schedule which at that time were not complete. There were 82 projects on the work schedule of which 47 were shown as not complete in August 2003. 24 of the incomplete projects were bridge projects.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 14

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 68 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—Is there any question, as reported, that two bridge projects which were the subject of funding had not even commenced at the time of the ANAO's August 2005 site inspection?

Ms Riggs—I will take that on notice.

Answer:

The Australian National Audit Office has stated in its report that projects 58 and 64 had not commenced at the date of their visit. Planning had, however, been underway for some time. The council has advised that it had originally intended to spend \$64,000 on project 58 and \$43,400 on project 64 under *Roads to Recovery*. However, as there were delays on the projects, most of the *Roads to Recovery* funds originally allocated for these projects were transferred to other projects with only planning work on these two projects funded from *Roads to Recovery program*. The two projects were subsequently undertaken with other council or own source funds.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 15

Division/Agency: AusLink

Topic: Expenditure on the Melbourne North-South Corridor

Hansard Page: 70 (22/05/06)

Senator O'Brien asked:

Mr Wolfe—There is a break-up of the expenditure on the three corridors [of the additional \$270 million provided for the Melbourne-Sydney-Brisbane rail corridor].

Senator O'BRIEN—Can we see it?

Mr Wolfe—We would be happy to provide that for you

Answer:

The Australian Rail Track Corporation (ARTC) has advised that the additional \$270 million will be used for new concrete sleepers that will be installed in the following track segments as part of the ARTC's overall program to complete concrete sleepers of its leased track on the north-south rail corridor:

- Melbourne to Junee – 690,000 sleepers at a cost of \$115 million;
- Sydney to Junee – 580,000 sleepers at a cost of \$95 million; and,
- Newcastle to Queensland Border – 360,000 sleepers at a cost of \$60 million.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 16

Division/Agency: AusLink

Topic: Transapex Tunnel Project - Brisbane City Council Request

Hansard Page: 74 (22/05/06)

Senator O'Brien asked:

Senator O'BRIEN—I want to ask about Brisbane's TransApex tunnel proposal. In the answer to **AUSL 02** taken on notice at our last hearing, the Department said that the prefeasibility study confirmed that TransApex is technically feasible and financially viable and would enhance transport access across Brisbane's central urban areas. On 3 February this year, the member for Ryan, Mr Johnson, said: it is critical that the Federal Government lends its support to Brisbane Lord Mayor Campbell Newman's vision of addressing choking roads and traffic gridlock...

And he called on the Government to fund a \$20 billion feasibility study. That call was not heeded in the budget obviously. What formal request has the Brisbane City Council made?

Ms Riggs—I am not aware that the Department has received or seen any such formal request.

Mr Elliott—Could we take that on notice. I would not mind checking.

Senator O'BRIEN—Maybe Mr Johnson wrote to the Department rather than the Lord Mayor. Perhaps you could check both?

Mr Elliott—We will check what we have and get back to you, Senator. This project is not on the national network. To a large extent, we are dependent on reading what is in the press or what is communicated to us in correspondence.

Answer:

No correspondence was received by the Department itself from Mr Johnson or Brisbane City Council regarding funding for the project.

Mr Johnson, among other MP's, wrote to the Minister for Local Government, Territories and Roads, the Hon Jim Lloyd MP, in June 2005 after a letter was sent to Federal MP's in Southeast Queensland by Brisbane City Councillors, including the Mayor, to muster support for the tunnel project. In that letter, he sought Government for support of the project.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 17

Division/Agency: AusLink

Topic: Meeting between Mr Truss and Pacific National

Hansard Pages: 79-80 (22/05/06)

Senator O'Brien asked:

Senator O'BRIEN—And Mr Truss has not met with the company since 29 November last year?

Ms Riggs—I would have to check.

Senator O'BRIEN—That is what you told us.

Ms Riggs—I would have to check that, but I do not believe so.

Answer:

Minister Truss met with Mr Don Telford, Chief Executive Officer of Pacific National on 14 June 2006.

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Transport and Regional Services

Question: AUSL 19

Division/Agency: AusLink

Topic: *Roads to Recovery* Projects

Hansard Page: 62 (22/06/06)

Senator O'Brien asked:

Senator O'BRIEN—In terms of the program administration prompted by the recent performance, which I will not say raises some questions in relation to the audit by the ANAO, in the initial R2R program there appeared to be confusion over what constituted an eligible project. What guidelines were used to determine project eligibility?

Ms Riggs—There are some conditions of funding for the Roads to Recovery program and there are also some accompanying notes on administration. Because of instances that the Department was aware of and as the ANAO progressed its audit and brought them to officials' attention within the Department, both the conditions of funding for the AusLink R2R program and the notes on administration have been amended in order to address more clearly the definition of 'eligible project'. All councils and those relevant State and the Northern Territory Governments were advised in a Roads to Recovery circular of the clarification of the definition at the time that it was agreed to by the Minister. I am happy to make available a copy of both the conditions of funding and the notes on administration.

Senator O'BRIEN—Thanks for that

Answer:

A copy of the funding conditions and the notes on administration are **attached**.

[AUSL 19 attachment – not included. Available from committee secretariat on request.]