Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2010

Infrastructure and Transport

Question No.: IA 01

Division/Agency: Infrastructure Australia
Topic: Proposed port of Anketell between Dampier and Cape Lambert
Hansard Page/s: 32 (26/05/10)

Senator Back asked:

Senator BACK—Okay, thank you. Can I return to Mr Deegan then, please? I refer to the proposed port of Anketell between Dampier and Cape Lambert. Mr Deegan, can you give us any indication from your viewpoint as to where it now lies in the planning process?
Mr Deegan—I will take the specific port question on notice, but simply indicate that what we are trying to do at a national level is better understand how our competitive international gateways operate and how they might fit into a better regime of national thought about the sorts of issues that are important in north-western Western Australia, as, indeed, they are in other parts of the country. But specifically about Anketell, let me take that on notice and I will come back to you.

Answer:

At this time a specific proposal for a port at Anketell has not been presented to Infrastructure Australia by the Western Australian Government.

Rural and Regional Affairs and Transport Legislation Committee

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Budget Estimates May 2010

Infrastructure and Transport

Question No.: IA 02

Division/Agency: Infrastructure Australia
Topic: Application from Tamworth for Chaffey Dam Upgrade
Hansard Page/s: 34 (26/05/10)

Senator Williams asked:

Senator WILLIAMS—Wonderful. In relation to some of the water programs I have raised before, have you had an application from Tamworth for an upgrade of Chaffey Dam?
Mr Mrdak—That is probably one for Mr Deegan. We have not in the department.
Mr Deegan—Infrastructure Australia's remit is in four areas: telecommunications, energy, water, and transport.
Senator WILLIAMS—Telecommunications, energy, water and—
Mr Deegan—Transport—to ensure rigorous assessment of proposals before us. We are focused principally on transport and water areas. I would need to check with my office as to whether we have had an application from Tamworth. I could take that on notice and come back to you.

Answer:

A submission was received from the Namoi Regional Organisation of Councils (which includes the Tamworth Regional Council) in October 2008 regarding a number of projects including the Chaffey Dam upgrade project.

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Budget Estimates May 2010

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Question No.: IA 03

Division/Agency: Infrastructure Australia
Topic: Costing – Dams and Desalination Plants
Hansard Page/s: 37 (26/05/10)

Senator Joyce asked:

Senator JOYCE—Away from the politics, is it more cost-effective to build dams or desalination plants?
Mr Deegan—I would have to take that question on notice. I think there are some figures available, but I will take that on notice.
Senator JOYCE—The on-costing of such areas as power and desalination plants is exceptional, isn't it?
Mr Deegan—I will get you the breakdown of the costs of the various forms of water supply. I do not have that available today.

Answer:

A 2006 report prepared by Marsden Jacobs Associates for the Department of Prime Minister and Cabinet based on water supply plans for Sydney, Adelaide, Perth and Newcastle found:

- The direct cost of dams and surface water ranges from $0.15/KL to $3.00/KL
- The direct cost of seawater desalination ranges from $1.15/KL to $3.00/KL

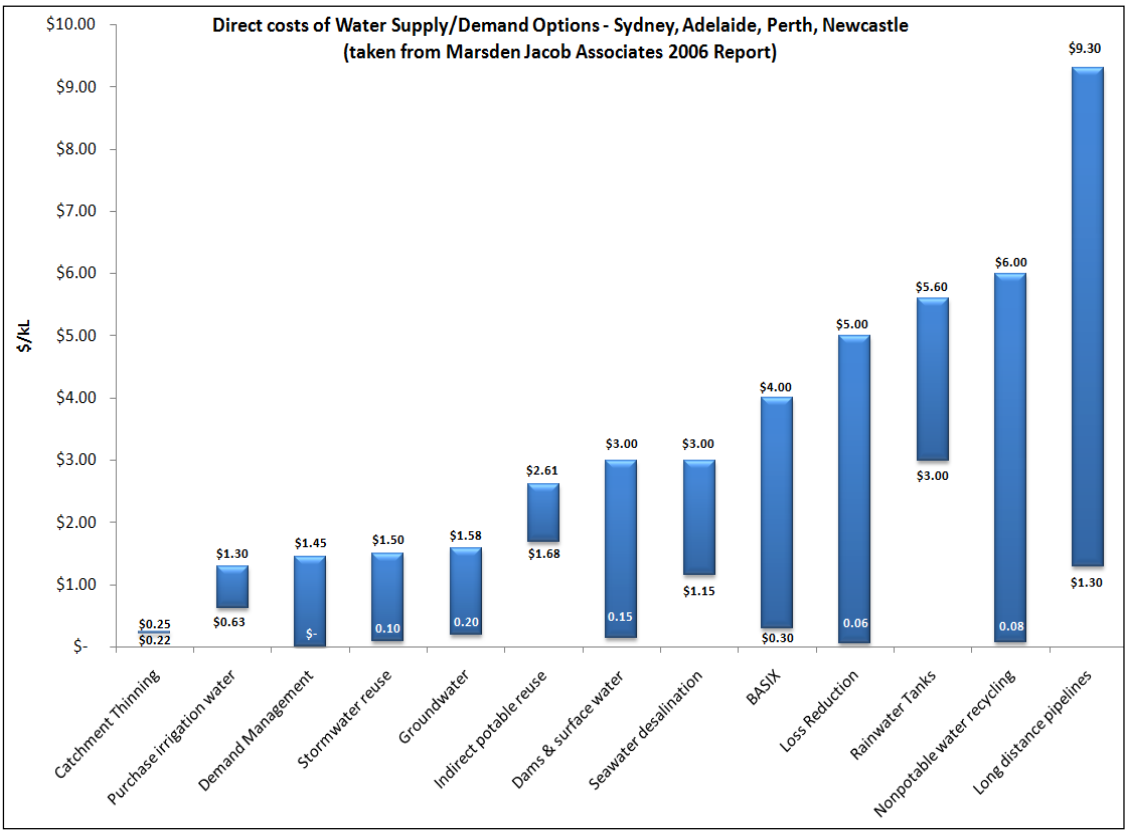
As stated in the report:

"The variation in costs from location to location impedes simple understandings of comparative costs. This means that solutions appropriate to one area can be inappropriate to another and that options favoured by public opinion may not always be cost effective."[i]

For example, a new dam may need to be located a significant distance from the area it is to supply to ensure a more reliable and sustainable water source (ie in high rainfall areas), or to meet land availability and topography issues, resulting in additional pipeline and pumping costs. The dependence on rainfall in dam catchment areas has, in the recent past, led to low dam levels in most capital cities. This has resulted in severe and prolonged water restrictions coupled with the need to build alternative, non-rainfall dependent supplies, such as desalination and recycled water plants.

Desalinated water treatment and distribution costs depend on the location, quantity and quality of supply. For example, desalination plants located long distances from end users require additional infrastructure to be constructed and operated such as pipelines and pumping stations. Size is also a significant factor, with larger plants achieving better economies of scale compared to smaller plants.

[i] Marsden Jacobs Associates, 2006, *Securing Australia's Urban Water Supplies: Opportunities and Impediments*, report prepared for the Department of the Prime Minister and Cabinet, November.


Direct costs of Water Supply/Demand Options - Sydney, Adelaide, Perth, Newcastle
(taken from Marsden Jacob Associates 2006 Report)
$/kL
$10.00
$9.00
$8.00
$7.00
$6.00
$5.00
$4.00
$3.00
$2.00
$1.00
$-
$0.25
$0.22
$1.30
$0.63
$1.45
$-
$1.50
0.10
$1.58
0.20
$2.61
$1.68
$3.00
0.15
$3.00
$1.15
$4.00
$0.30
$5.00
0.06
$5.60
$3.00
$6.00
0.08
$9.30
$1.30
Catchment Thinning
Purchase irrigation water
Demand Management
Stormwater reuse
Groundwater
Indirect potable reuse
Dams & surface water
Seawater desalination
BASIX
Loss Reduction
Rainwater Tanks
Nonpotable water recycling
Long distance pipelines

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2010

Infrastructure and Transport

Question No.: IA 04

Division/Agency: Infrastructure Australia
Topic: Assessment process of urban transport projects
Hansard Page/s: 41-42 (26/05/10)

Senator Joyce asked:

Senator JOYCE—Just going on to further infrastructure. Can you explain to me the idea of wider economic benefit and how it applies to the assessment of urban transport projects?
Mr Deegan—I can, but it is quite a complex technical issue. We may be better to take that on notice and provide it in writing to you.
Senator JOYCE—Can you have a punt at it and try to explain it?
Mr Deegan—It is a complex area. I would prefer to take that on notice and put it in writing.
Senator JOYCE—How do you estimate the benefits of wider economic benefit for Australian cities?
Mr Deegan—I will include that assessment in my answer on notice.
Senator JOYCE—How do you differentiate wider economic benefit that is provided in cities of different sizes?
Mr Deegan—Again, the agglomeration effects will be part of the written answer I can provide.

Answer:

"Wider Economic Benefits" in the context of the assessment of transport projects refer to a number of impacts that arise from transport projects that have not traditionally been included in project assessment in Australia. Most of the new impacts are in fact methodological changes that aim to more accurately estimate impacts that are already included in the calculations.

The impact is calculated using a complex formula. Detailed methodological guidance can be found at the following site, which is maintained by the UK Department for Transport, which pioneered the estimation of wider economic benefits:
http://www.dft.gov.uk/webtag/webdocuments/doc_index.htm.

Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

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Infrastructure and Transport

Question No.: IA 05

Division/Agency: Infrastructure Australia
Topic: National Ports Policy
Hansard Page/s: Written Question

Senator Nash asked:

1) What is the current status of Infrastructure Australia's work in developing the National Ports Development Plan?
2) What industry consultation has been undertaken to date?
3) When is it anticipated that this Plan will be released?
4) When is it anticipated that the Plan will be released to the relevant State/Territory Governments?
5) When is it anticipated to be publicly released?

Answer:

The draft national ports policy has been extensively canvassed with governments, industry and the community. The draft is available at the Infrastructure Australia website and has been available to all who have expressed an interest.

Public release of the final policy will be dependent on COAG consideration.