

Chapter 1

Introduction

Referral of the inquiry

1.1 On 13 August 2015, the Senate moved that the decision to commit funding to the Perth Freight Link Project be referred to the Rural and Regional Affairs and Transport References Committee (the committee) for inquiry and report by 26 November 2015, with particular reference to:

- (a) the decision-making process that led to the announcement that the Perth Freight Link would receive Commonwealth funding,
- (b) the information relied upon by state and Commonwealth governments informing the decision to fund this project,
- (c) the importance of transparency of decision-making in relation to infrastructure decisions,
- (d) evaluation of options for managing growth in the Perth freight task, and
- (e) any related matters.¹

1.2 On 12 November 2015, the Senate granted an extension of time for reporting until 25 March 2016.² On 29 February 2016 the Senate granted a further extension of time to report to 29 April 2016.³

Conduct of the Inquiry

1.3 The committee advertised the inquiry on its website and in *The Australian* newspaper. The committee also directly contacted a number of organisations and individuals to invite them to make submissions by 13 September 2015.

1.4 The committee received 228 public submissions from individuals and organisations, which are listed at Appendix 1 of this report. The full submissions and other information authorised for publication by the committee can be accessed through the committee's website at www.aph.gov.au/Parliamentary_Business/Committees/Senate/Rural_and_Regional_Affairs_and_Transport/Perth_Freight_Link.

1.5 The committee held two public hearings in Western Australia, the first at Fremantle on 7 October 2015, and the second at Kwinana on 23 March 2016. A list of witnesses who gave evidence at this hearing can be found at Appendix 2 of this report, and Hansard transcripts of evidence are available on the committee website.

1 *Proof Journals of the Senate No. 106—13 August 2015*, p. 2939.

2 *Proof Journals of the Senate No. 126—12 November 2015*, p. 3375.

3 *Proof Journals of the Senate No. 142—29 February 2016*, p. 3837.

Participation of the Western Australian government

1.6 The committee invited relevant Western Australian government agencies to make submissions to this inquiry, as well as to give evidence at the public hearings in Fremantle and Kwinana. These invitations were declined. This has meant that in considering the state government's involvement in the development and implementation of the Freight Link proposal, the committee has been obliged to rely upon publically available material relating to the project published by the Western Australian government.

1.7 The committee notes that the Commonwealth Department of Infrastructure and Regional Development (department) made a formal submission to this inquiry and sent officers to give evidence at the public hearing in Fremantle, both of which provided limited evidence about the Western Australian government's involvement in the Freight Link proposal.⁴

Availability of the full Business Case for the Freight Link

1.8 The full Business Case for the Freight Link that was developed by the Commonwealth and state governments is not publically available. However, a 30-page executive summary that did not include 'commercially sensitive material' was released in December 2014.⁵

1.9 The full Business Case informed the Infrastructure Australia Board's assessment of the Freight Link proposal at its meeting over 7 and 8 May 2015. Infrastructure Australia published their Assessment Brief for the project on 17 August 2015.⁶

1.10 On 10 August 2015 the Senate passed an order for the production of documents relating to the Freight Link, including the full Business Case, which stated:

- (a) That the Senate notes the comments made by Productivity Commissioner, Mr Peter Harris, who said 'we treat consumers like idiots if we don't publish [cost benefit studies]' in relation to Commonwealth funding of major infrastructure projects; and
- (b) there be laid on the table by the Minister representing the Minister for Infrastructure and Regional Development, no later than 5pm on Tuesday, 11 August 2015, the following documents held or prepared by Infrastructure Australia:

4 Department of Infrastructure and Regional Development, *Submission 71*, p. 3.

5 Department of Infrastructure and Regional Development, *Submission 71*, p. 3.

6 Infrastructure Australia, *Submission 15*, p. 2. The committee notes that Infrastructure Australia's Assessment Brief was not attached to its submission (*Submission 15*), and thanks the Town of Fremantle for bringing it to the attention to the committee as part of their submission. See Town of Fremantle, *Submission 57*, Attachment 2. See also the Department of Infrastructure and Regional Development, *Submission 71*, p. 11.

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- (i) the Infrastructure Australia Board evaluation of the Perth Freight Link project that occurred at its meeting on 7 May 2015,
 - (ii) any business case presented by the Western Australian Government for the Perth Freight Link project,
 - (iii) any other documents in relation to the Perth Freight Link project provided to Infrastructure Australia by the Western Australian Government, and
 - (iv) any assessment of the proposed Perth Freight Link undertaken by Infrastructure Australia, including the priority of this project as compared to other projects.⁷

1.11 Mr Philip Davies, Chief Executive Officer, Infrastructure Australia, responded to this order in a letter addressed to the Clerk of the Senate dated 10 August 2015, which was tabled in the Senate the following day.⁸ This letter raised a public interest immunity claim against the provision of the requested documents, stating that:

As per similar motions in the past, I have sought the views of the Western Australian Government on this matter. The advice from Mr Reece Waldock, Director General of the Department of Transport, Commissioner for Main Roads Western Australia and Chief Executive Officer of the Public Transport Authority included significant objection to the release of documents at this time on the basis of its commercial in confidence nature and the potential impact any release may have on Commonwealth-State Relations.⁹

Note on submissions received by the committee

1.12 The committee notes the overwhelming opposition to the Perth Freight Link in submissions it has received, particularly those made by local governments, and the many individuals and various communities that would be negatively affected by the project.

1.13 Of the 228 public submissions received, only 5 were in favour of the project proceeding. These included submissions made by the department, Infrastructure Australia and the City of Melville, as well as some private individuals.

7 *Proof Journals of the Senate No. 103 - 10 August 2015*, p. 2882.

8 *Proof Journals of the Senate No. 104 -11 August 2015*, p. 2894.

9 See the letter from Mr Philip Davies, Chief Executive Officer, Infrastructure Australia, to Dr Rosemary Laing, Clerk of the Senate responding to the order of the Senate of 10 August 2015 at appendix 3 of this report.

Structure of this report

1.14 This report consists of 5 chapters:

- Chapter 1 (this chapter) sets out administrative matters relating to the inquiry;
- Chapter 2 provides a background to the Perth Freight Link proposal, including the Commonwealth's account of its development, how it would be funded, and what progress has been made on its implementation to date. It also outlines the proposed benefits of the project as stated by its proponents, the Commonwealth and Western Australian governments;
- Chapter 3 interrogates the Commonwealth's account of the development of the Freight Link proposal and its announcement in the 2014-15 Budget, as outlined in chapter 2. It then looks closely at the claims about the costs and proposed benefits of the project, as outlined in the Executive Summary of the Business Case, and considers the many ongoing uncertainties about the project's implementation;
- Chapter 4 examines concerns raised by local governments and communities about the Freight Link, including the lack of consultation undertaken by the Commonwealth and state governments, potential damage to the environment and heritage sites, and the negative effects it would have on the city of Fremantle; and
- Chapter 5 presents the views and recommendations of the committee.

Acknowledgements

1.15 The committee thanks all individuals and organisations that participated in the inquiry by making submissions and giving evidence at public hearings. In particular, the committee would like to recognise the many individuals who informed the committee's work by making submissions.