Question no.: 138

Program: n/a Division/Agency: Infrastructure Australia Topic: WestConnex Proof Hansard Page: 68 (20 October 2014)

Senator Rice asked:

Senator RICE: I understand that Infrastructure Australia has finally seen the full business case for Stage 1. I think from a question on notice in the budget estimates process that was confirmed. Before you received that final business case how many versions of the business case had been forwarded to Infrastructure Australia, whether they were draft, conceptual, interim or whatever else they were?

Mr Fitzgerald: Certainly one prior to that, but there might be more.

Mr Roe: The project has been assessed by Infrastructure Australia over a few years.

Senator RICE: I am interested to know what versions, whether they were interim, draft, conceptual or high level, and how many had been received over those few years.

Mr Roe: I can take that on notice and get you an exact number. Before the full business case was received the short form business case was provided to Infrastructure Australia.

Answer:

WestConnex was a new project submission included in the June 2013 update of the Infrastructure Priority List. Submission material provided by the NSW Government on WestConnex in 2012-13 for the June 2013 update the Infrastructure Priority List included the following documents:

- Submission for Nation Building 2 Funding October 2012. WestConnex Stages 1-6; and
- WestConnex Sydney's next motorway priority October 2012.

Question no.: 139

Program: n/a Division/Agency: Infrastructure Australia Topic: Consulting Report: Spend More. Waste More. Proof Hansard Pages: 84-85 (20 October 2014)

Senator Conroy asked:

Senator CONROY: How much did it cost to produce? Mr Fitzgerald: I would have to take that on notice.

Mr Mrdak: We will take that on notice.

Senator CONROY: Are you able to find out, during the course of the afternoon, how much the report cost? I am interested to know.

Mr Fitzgerald: Yes. I will endeavour to find that.

Answer:

The contractor was paid \$59,400 including GST to produce the report.

Program: n/a Division/Agency: Infrastructure Australia Topic: Consulting Report: Spend More. Waste More. Proof Hansard Pages: 99-100 (20 October 2014)

Senator Conroy asked:

Mr Fitzgerald: You asked a question about the cost of the Juturna report, which was \$59,400.
Senator CONROY: It was \$59,000 for the Juturna report?
Mr Roe: The price of the contract including GST was \$59,400 to write up that report. I will need to get back to you on what it was paid in relation to that. I think that might have been an upper limit.
Mr Fitzgerald: We are still trying to assess.
Senator CONROY: The budget was \$59,000?
Mr Fitzgerald: That is right.
Senator CONROY: But you are not sure of what you actually?
Mr Fitzgerald: No. We can find that out. It is only because our financial controller is away ill today.
Senator CONROY: I understand....

Answer:

\$59,400 including GST was paid to Juturna Consulting Pty Ltd.

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: Better Systems for Prioritising Road Funding Proof Hansard Page:** 85 (20 October 2014)

Senator Conroy asked:

Senator CONROY: ... Has Infrastructure Australia given any presentations or written any papers on better systems for prioritising road funding since its 4 March presentation to ABARES by Rory Brennan? **Mr Fitzgerald:** Not that I am aware of, but I could take that on notice.

Answer:

No.

Program: n/a Division/Agency: Infrastructure Australia Topic: IA Board Remuneration Proof Hansard Page: 92 (20 October 2014)

Senator Conroy asked:

Senator CONROY: What amount is budgeted for board remuneration in 2014-15 as against 2013-14? **Mr Fitzgerald:** I would have to take that on notice.

Senator CONROY: I am trying to understand what were the costs of running the board before 1 September and the costs since 1 September in terms of budgeting on an annualised basis. That will save you having to do four-twelfths versus three-quarters.

Mr Fitzgerald: All right.

Answer:

In the 2014-15 financial year there is a board remuneration budget of \$798,800 for the Chair and eleven members as per the Remuneration Tribunal Determination 2014/08: Remuneration and Allowances for Holders of Part-Time Public Office. As at 31 October, the board is made up of seven board members and the Chair.

In the 2013-14 financial year there was a budget of \$360,000 for remuneration of the Council. During the 2013-14 financial year, not all Council members received remuneration due to fees being waived or the member being employed by a State or the Federal Government.

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: Productivity Commission Report into the Tasmanian Shipping and Freight Proof Hansard Page:** 99 (20 October 2014)

Senator Brown asked:

Senator CAROL BROWN: Have you had a look at the Productivity Commission report into the Tasmanian shipping and freight?
Mr Roe: No, I have not.
Senator CAROL BROWN: Has IA?
Mr Roe: No.
Mr Fitzgerald: Not that I am aware of but we can take that on notice.
Senator CAROL BROWN: If you could. I would like to know if you had a look at it and the findings of that report.

Answer:

Infrastructure Australia is aware of recommendation 18 of the Productivity Commission Report endorsing the need for a comprehensive, long term integrated freight strategy for Tasmania to be developed by the Tasmanian Government and is in contact with the Tasmanian Government about Tasmania's long term freight needs.

Question no.: 144

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: Energy Related Projects Proof Hansard Page:** 100 (20 October 2014)

Senator Conroy asked:

Senator CONROY: Any energy related projects?
Mr Roe: This calendar year?
Senator CONROY: This calendar year will be good. Actually, since the change of government is probably a better way to consider it.
Mr Roe: There have not been any energy related projects submitted by state governments that I am aware of.
Senator CONROY: Any federal ones?
Mr Roe: Or the federal government.
Senator CONROY: So, councils? Can you take that on notice?
Mr Roe: I will take that on notice.

Answer:

Infrastructure Australia has evaluated one energy sector project since September 2013. The project was submitted by Harvest Power Pty Ltd for the design, construction, financing and operation of a 35MW biomass power plant in Carwarp, Victoria.

Program: n/a Division/Agency: Infrastructure Australia Topic: Projects Currently Assessed by IA Proof Hansard Page: 100 (20 October 2014)

Senator Conroy asked:

Senator CONROY: What projects is IA currently assessing? Could you take that on notice and could you provide us a list?
Mr Roe: Okay.
Senator CONROY: Thank you.

Answer:

As of 20 October 2014, Infrastructure Australia was assessing submission material recently received for the following projects (proponent details are included in parenthesis):

- CityLink Tullamarine Widening project (Vic);
- East West Link Stage 1 (Vic);
- WestConnex (NSW);
- Toowoomba Second Range Crossing (Qld);
- NorthLink (WA);
- Great Northern Highway Mulchea to Wubin (WA);
- North Western Coastal Highway Minilya to Barradale (WA);
- Strzelecki Track (SA);
- Tasmanian Irrigation Scheme Tranche 2 (Tas);
- Adani Commodity Freight Rail (Adani); and
- Moorebank Intermodal Rail (Moorebank Project Office).

As at 20 October 2014, Infrastructure Australia was following up with proponents, as business case information is further developed on a range of projects.

Program: n/a Division/Agency: Infrastructure Australia Topic: Victorian Regional Rail Link Proof Hansard Page: 98 (20 October 2014)

Senator Rice asked:

Senator RICE: ... As I said, it is a few years back so you probably will not have the information here. What I wanted to know was whether, in the scope of works that Infrastructure Australia assessed, it included the option of a rail connection between Werribee and West Werribee stations, what the cost of that connection was and what your assessment was regarding the desirability of that connection?

Ms O'Connell: We will have to take that on notice and provide that information to you.

Answer:

The range of options considered by Infrastructure Australia did not include a rail connection between Werribee and West Werribee stations in the scope of works.

Question no.: 147

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: WestConnex Proof Hansard Page:** Written

Senator Rhiannon asked:

- 1. According to the information you have received how many jobs do you understand will be created as a result of construction of the WestConnex?
- 2. Have you tested the assumptions behind these figures?
 - a. If yes, what were the findings?
 - b. If not, what information have you been supplied with regards to the veracity of the figures?

- 1. The July 2013 WestConnex Business Case estimates that almost 10,000 jobs will be created by the project.
- 2. Infrastructure Australia has not tested the assumptions behind this figure.
 - a. n/a
 - b. Information was provided in the July 2013 WestConnex Business Case.

Question no.: 148

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: East West Statement Context Proof Hansard Page:** Written

Senator Sterle asked:

http://www.infrastructureaustralia.gov.au/media/2014 09 12.aspx

In the statement, IA (via Mr Fitzgerald) made the following comment:

"I will certainly monitor any changes to delivery of the East West Road Link very closely, and consider any subsequent changes to investment practices when preparing advice to the IA board on future projects."

- 1. What does "consider any subsequent changes to investment practices when preparing advice to the IA board on future projects" mean?
- 2. Who chose those words?
- 3. How is that relevant to IA's work given IA does not make funding decisions?
- 4. Does this mean projects otherwise of merit will lose priority?
- 5. Has the IA Board endorsed the approach outlined in those words?

- 1. Infrastructure Australia (IA) has a role in developing best practise procurement policy and advice. In addition, IA provides advice on the deliverability of project proposals when undertaking assessments. Therefore, IA does consider any changes that any government makes to procurement or investment practises.
- 2. John Fitzgerald, with the assistance of IA's communications team.
- 3. See answer to question one (above).
- 4. All elements of a project will be considered on their merits.
- 5. The statement referred to in the question was made in response to media enquiries and was based on IA's existing approach.

Question no.: 149

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: Priorities Proof Hansard Page:** Written

Senator Sterle asked:

- 1. Has the IA Board determined IA's priorities for the rest of 2014-5?
- 2. If yes, what are they?

- 1. Yes.
- 2. Infrastructure Australia has established priorities that comply with its legislative functions and meet the Minister for Infrastructure and Regional Development's expectations.

Question no.: 150

Program: n/a **Division/Agency:** Infrastructure Australia **Topic:** Juturna Consulting Report **Proof Hansard Page:** Written

Senator Sterle asked:

- 1. How much did taxpayers pay for the Juturna Consulting report?
- 2. Will IA publish the report and seek stakeholder input on its contents?
- 3. Has the IA Board considered the report?
- 4. If not, why not?

- 1. \$59,400 including GST
- 2. 4. Refer to media statement: Juturna Consulting Report dated 22 July 2014 by the then interim Infrastructure Coordinator

Question no.: 151

Program: n/a **Division/Agency:** Infrastructure Australia **Topic:** Juturna Consulting Report **Proof Hansard Page:** Written

Senator Sterle asked:

http://www.businessspectator.com.au/article/2014/7/28/infrastructure/why-dont-they-do-it-road

Specifically, what is IA's view on the following extracts?

- 1. Page 6: "The real problem is that road agencies and other road project proponents in industry and the community spend next to no effort examining what problems their projects and plans are trying to solve, other than the perceived problem that they do not have enough road funding. In other words, the answer is almost always 'I just need more money', regardless of the question".
- 2. Page 8: "Change should involve moving away from blanket averaged truck charges to direct userpricing of heavy vehicles on at least some major highways which compete with commercial rail. In return, trucking should have legally enforceable rights to improve access and service levels for their vehicles on these routes. This would unlock significant economic value, because it will do much to resolve competitive non-neutrality issues between rail and road freight".
- 3. Page 9: "One of the major risks ahead for private toll road projects is that there is increasing uncertainty about growth in demand for car use in major cities: despite mainstream media concern presuming unmanageable passenger car growth in Australian capital cities, growth in aggregate car kilometres travelled in recent years has in fact been substantially below forecasts"
- 4. Page 10 : "Unlike almost every other agency imaginable across all levels of government, road agencies cannot be held to task for not achieving outcomes or meeting standards. None are expected of roads". It is also claimed there is no national data on road condition is this correct?
- 5. Page 11: "Continuing to provide funds to road agencies and local governments without any expectation whatever that the condition of their roads will be measured over time and funded to outcomes encourages an extremely inefficient system to perpetuate itself".

Answer:

IA has not considered the content of the article referred to.

Question no.: 152

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: Productivity Commission Inquiry into Public Infrastructure Proof Hansard Page:** Written

Senator Sterle asked:

- 1. Has the independent IA analysed the findings and recommendations from the PC inquiry into public infrastructure, released on 14 July?
- 2. If yes, please provide the response.
- 3. Is IA prepared to publicly release its views on those recommendations ahead of the Government?
- 4. Has the Government sought IA's views on the recommendations and findings?

- 1. IA is aware of the findings and recommendations and has not prepared a response.
- 2. N/A
- 3. N/A
- 4. IA staff were consulted by the Department of Infrastructure and Regional Development in the preparation of its advice to Government on the recommendations and findings.

Question no.: 153

Program: n/a Division/Agency: Infrastructure Australia Topic: IA Submission on Asset Recycling Bills Proof Hansard Page: Written

Senator Sterle asked:

- 1. Can you outline the arrangements surrounding the asset sales window under the May 2 Asset Recycling Agreement?
- 2. Does Infrastructure Australia share the concerns of the ACCC, Productivity Commission, Shipping Australia, Asciano and others about the potential for the short window provided under the Asset Recycling Initiative to drive monopoly infrastructure asset sales without adequate consumer protections?
- 3. Why did IA not raise any points about this concern in its 2-page submission to the Senate hearing into the Asset Recycling Bills?
- 4. What role does IA see for itself in advocating for adequate competition and regulatory protections prior to privatisation of infrastructure assets eg electricity transmission and distribution, water and ports?

- 1. The Australian Treasury would be better placed to respond to this question.
- 2. No
- 3. N/A
- 4. Infrastructure Australia's position on appropriate regulatory arrangements and consumer protections being in place prior to privatisation are outlined in our report *Australia's Public Infrastructure—Part of the Answer to Removing the Infrastructure Deficit* The report is available on the Infrastructure Australia website here: http://www.infrastructureaustralia.gov.au/publications/

Question no.: 154

Program: n/a **Division/Agency:** Infrastructure Australia **Topic:** Asset Recycling **Proof Hansard Page:** Written

Senator Sterle asked:

- 1. What role will IA have in evaluating 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 IA understand to be the process for evaluating the productivity benefits of new projects proposed for the 15% payment?

- 1. IA will evaluate projects where the Australian Government provides funding of over \$100 million.
- 2. Decisions on funding are made by the Australian Government.
- 3. Decisions on funding are made by the Australian Government.
- 4. The Australian Treasury would be better placed to respond to this question.

Question no.: 155

Program: n/a **Division/Agency:** Infrastructure Australia **Topic:** Tasmania Freight Equalisation Scheme **Proof Hansard Page:** Written

Senator Sterle asked:

- 1. Has Infrastructure Australia been consulted on the development of a Tasmanian freight strategy?
- 2. Has IA reviewed the findings of the PC report into Tasmanian shipping and freight?
- 3. Is IA aware of earlier work by IA on issues with the structure and operation of TFES?
- 4. Does IA stand by that earlier work?

- 1. Infrastructure Australia (IA) staff are in regular discussions with the Tasmanian Government in relation to its overall and regional freight strategies.
- 2. IA staff are reviewing the findings of the report.
- 3. Yes, IA staff are aware of the earlier work undertaken by the previous IA Infrastructure Co-ordinator, not the IA Council.
- 4. The recently established IA Board has not considered that earlier work of the former Infrastructure Coordinator.

Question no.: 156

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: Projects being assessed Proof Hansard Page:** Written

Senator Sterle asked:

What projects is IA currently assessing? Please provide a list.

Answer:

As of 20 October 2014, Infrastructure Australia was assessing submission material recently received for the following projects (proponent details are included in parenthesis):

- CityLink Tullamarine Widening project (Vic);
- East West Link Stage 1 (Vic);
- WestConnex (NSW);
- Toowoomba Second Range Crossing (Qld);
- NorthLink (WA);
- Great Northern Highway Mulchea to Wubin (WA);
- North Western Coastal Highway Minilya to Barradale (WA);
- Strzelecki Track (SA);
- Tasmanian Irrigation Scheme Tranche 2 (Tas);
- Adani Commodity Freight Rail (Adani); and
- Moorebank Intermodal Rail (Moorebank Project Office).

As at 20 October 2014, Infrastructure Australia was following up with proponents, as business case information is further developed on a range of projects.

Question no.: 157

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: Projects by BCR Proof Hansard Page:** Written

Senator Sterle asked:

Please list all IA assessed projects by IA approved BCR - highest to lowest.

Answer:

Please see the table below a table which provides a list of projects and their benefit-costs ratios (from highest to lowest), as published by Infrastructure Australia. The BCR is the estimate claimed by the proponents and the projects are (or have previously been) either at "Threshold" or "Ready to Proceed" on the Infrastructure Priority List.

Project	Benefit-Cost	Publication	Project
	Ratio	Year	Classification
Victorian National Managed Motorways – Monash	10.5	2013	Ready to Proceed
Freeway, High Street to Warrigal Road			
National Managed Motorways Program, proposals	3.0 - 10.0	2011	Ready to Proceed
from Queensland, NSW, Victoria, South Australia			
and Western Australia			
Northern Connector, Adelaide	8.5	2013	Threshold
Victorian National Managed Motorways – Warrigal	5.2	2013	Ready to Proceed
Road to Clyde Road			
Gateway Motorway Upgrade North, Brisbane	4.9	2013	Threshold
CityLink-Tullamarine Widening, Melbourne	4.5	2014	Threshold
Integrated Transit Corridor Development – Route 86	4.0	2011	Ready to Proceed
Demonstration Project, Melbourne			
Federal Highway Link to Monaro Highway – Majura	3.3	2011	Ready to Proceed
Parkway, Canberra			
Ipswich Motorway	3.2	2013	Threshold
Darwin East Arm Port Expansion	2.2	2013	Threshold
M80 Ring Road Upgrade, Melbourne	2.2	2013	Threshold
F3 Widening – Tuggerah to Doyalson	2.1	2013	Threshold
Brisbane Transitways – Northern and Eastern	1.8	2013	Threshold
North West Coastal Highway – Minilya to Barradale,	1.8	2013	Threshold
Western Australia			
Adelaide East-West Bus Corridor	1.7	2013	Threshold
Leach Highway/High Street Upgrade	1.6	2013	Threshold
Pacific Highway corridor upgrades	1.5	2013	Ready to Proceed
Brisbane Cross River Rail – core project	1.34	2013	Ready to Proceed
Great Northern Highway, Muchea to Wubin,	1.3	2013	Threshold
Western Australia			
Adelaide Rail Freight – Goodwood and Torrens	1.3	2011	Ready to Proceed
Junctions			-
Melbourne Metro	1.2	2013	Threshold
Oakajee Port	1.2	2013	Threshold

Question no.: 158

Program: n/a **Division/Agency:** Infrastructure Australia **Topic:** G20 **Proof Hansard Page:** Written

Senator Sterle asked:

- 1. Was IA consulted around the Australian Government's infrastructure agenda for this year's G20 process?
- 2. If yes:
 - a. Who consulted IA?
 - b. Who in IA did they consult?
 - c. What did they seek of IA?
 - d. Did IA provide any advice in respect of the G20?
 - e. If so, covering what areas?

- 1. Yes.
- 2. a. The Australian Government Treasury.
 - b. Several officers from IA.
 - c. Broad discussion.
 - d. There were broad discussions rather than formal advice.
 - e. Infrastructure policy.

Question no.: 159

Program: n/a **Division/Agency:** Infrastructure Australia **Topic: Evaluation of Proposals Proof Hansard Page:** Written

Senator Sterle asked:

- 1. Who can submit proposals to IA for evaluation?
- 2. How does IA decide which proposals to evaluate?
- 3. Is there a preference system? That is State/Territory Governments, then private sector infrastructure consortia with unsolicited proposals and so forth how do you filter and prioritise?
- 4. Given that the Deputy Prime Minister has said that he wants IA to scout about and not just wait for State Governments to lob with a proposal how does that process occur?
- 5. How does the new Act provide for IA to receive and evaluate proposals?

- 1. Any person, organisation or level of government can submit a proposal to Infrastructure Australia.
- 2. Infrastructure Australia evaluates all proposals it receives, provided it is supported by a business case.
- 3. There is no preference system. Submissions are initially filtered by determining whether the project is 'nationally significant'. If a project cannot demonstrate national significance, it is not included on the Infrastructure Priority List.
- 4. Through the National and Northern Australia Infrastructure Audits and the National Infrastructure Plan.
- 5. There are no changes to the provisions for receiving proposals under the Infrastructure Australia Amendment Act. The Act does provide for Infrastructure Australia to evaluate all projects where the Australian Government commits more than \$100 million.

Question no.: 160

Program: n/a **Division/Agency:** Infrastructure Australia **Topic:** IA Project Evaluation **Proof Hansard Page:** Written

Senator Sterle asked:

- 1. What legislative provision requires all nationally significant projects as defined in the IA Act, to come before IA for assessment?
- 2. Is it possible that projects could bypass IA, and be funded by the Commonwealth?
- 3. Does IA expect to evaluate dams proposals as proposed by the Minister for Agriculture?
- 4. Has IA received any dams proposals since October Estimates (when it said it hadn't received any).

- 1. There is no legislative provision requiring any project to be submitted to Infrastructure Australia.
- 2. Funding decisions have always been and will always be a matter for Government. IA was established by the former government as an advisory body. As such it has no funding decision powers.
- 3. Infrastructure Australia will assess any project where the Australian Government commits more than \$100 million. If requested, IA may also assess and provide advice on projects regardless of the amount of Commonwealth funding being sought.
- 4. As of 20 October 2014, no.