

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

21 – 22 October 2009

**Question: sbt 36**

**Topic: COAG Infrastructure Projects**

**Hansard Page: E28 (22/10/09)**

**Senator BUSHBY asked:**

**Senator BUSHBY**—Has Treasury conducted or reviewed properly conducted cost-benefit analyses on the COAG infrastructure projects?

**Mr Ray**—Again, we provided advice on those projects. That advice would have taken into account the costs and potential benefits of them.

**Senator BUSHBY**—Finally, has Treasury conducted or reviewed properly conducted cost-benefit analyses on the budget infrastructure package?

**Mr Ray**—Similarly, we provided quite a lot of advice to the government on the budget infrastructure package, and that would have included the costs of the elements of the package and advice on potential benefits.

**Senator BUSHBY**—Are any of the advices that you have referred to, or the cost-benefit analyses, publicly available?

**Mr Ray**—The short answer is in general our advice is not publicly available, but it may be that some material has been released on that very wide ranging question, but I am happy to take it on notice to see if anything is available publicly.

**Senator BUSHBY**—Probably through you, minister, where the cost-benefit analyses have been provided to the government on any of those spends and have not been fully publicly released, will the government make those publicly available?

**Senator Sherry**—As Mr Ray has indicated, costs and benefits are part of advices given to government, but I will refer that matter to the Treasurer, and we will take it on notice.

**Answer:**

- The Government established a statutory advisory council called Infrastructure Australia through the *Infrastructure Australia Act 2008* on 9 April 2008.
- Infrastructure Australia has the primary function of providing advice to governments, investors and owners of infrastructure on Australia's current and future needs and priorities relating to nationally significant infrastructure.
- In accordance with the provisions of the *Nation-building Funds Act 2008*, Infrastructure Australia provided advice to Government on proposals for infrastructure to be funded from the Building Australia Fund.

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- Treasury is represented on the Infrastructure Australia Council by its Secretary, Ken Henry.
- Transport infrastructure projects proposed for funding from the Building Australia Fund (port, road and rail projects) were subject to a full cost-benefit analysis and assessed by Infrastructure Australia according to a rigorous, evidence-based assessment methodology.
  - Details of this methodology are available on Infrastructure Australia's website.
- On 12 May 2009 Infrastructure Australia released a list of priority infrastructure projects to help inform governments, investors and infrastructure owners in planning and coordinating long-term infrastructure investment priorities on a national basis. This was done through the 'National Infrastructure Priorities' document.
- In selecting projects to fund, the Government chose initiatives that demonstrated high benefit-cost ratios and positive externalities. The Government also ensured that the projects were consistent with national infrastructure priorities and had been independently evaluated.
  - Of the nine projects recommended in the document, seven were funded in the Budget.
- While most of the submissions made to Infrastructure Australia for Budget funding are available publicly, the cost benefit analyses can not be made public as they are they are commercially sensitive and hence classified as Commercial-in-Confidence.