

Rural Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2011

Infrastructure and Transport

Question no.: 62

Program: 2.2

Division/Agency: (P&R) Policy and Research

Topic: Oil Price Projections

Proof Hansard Page/s: 19 (22/02/11)

Senator Milne asked:

Senator MILNE—I note from the agency's overview that the statement of intent is that the department contributes to the wellbeing of all Australians and one of the outcomes is improved infrastructure across Australia and an efficient, sustainable, competitive, safe and secure transport system for all transport users. What is the assumption built into all of the transport planning that you are doing about oil and oil availability into the future?

Mr Mrdak—I think, as Dr Dolman has indicated in past estimates, when we do look at future forecasts for transport growth we do factor in available estimates of oil price, as is done with best practice in transport forecasting.

Senator MILNE—I am glad to hear that you take it into account, but there is no evidence that we can see at all in the plans that you release that it is taken into account. So what is the assumption that you have made behind the release today of the draft national freight strategy, for example? What is the assumption about oil?

Mr Mrdak—All of the projections that are produced by our bureau, as well as other transport forecasters, make projections of what is the likely scenario for oil prices. I can get you the details of that specifically, but all of the transport projections that are produced indicate substantial growth in Australian land transport and marine and aviation transport over the forecast period. The presumption sitting behind the Infrastructure Australia discussion paper, which is being released today, is that that growth needs to be catered for and needs to be met, particularly the growth in freight. As you would be aware, it has been long said that the doubling of the freight task by 2020 has been a planning parameter to which we have been working.

Senator MILNE—I accept that you are projecting increased demand and I note that in the national draft freight strategy a lot has been said about provision of roads, et cetera, and road user charges. But if you are charged with providing advice to government about a sustainable transport system into the future then the community needs to know what the assumptions are behind this draft national freight strategy about the availability and price of oil into the future. What are you assuming: that oil will always be available to use to support the Australian transport system? Or do we have an assumption that we are aiming to reduce our dependence on imported oil by moving to other forms of energy? Or are we assuming we are getting people off the roads and onto rail? What are we assuming about the future and oil?

Mr Mrdak—I will come back to you with the specifics of the oil price that is factored into our transport projections.

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Answer:

The oil price forecasts included in the latest BITRE projections are from the 2009 International Energy Agency's World Energy Outlook. These project West Texas Intermediate (WTI) oil prices to rise from \$72 per barrel in 2009 to \$102 in 2020 and \$118 in 2030. In scenario analyses for the latest transport projections, a high scenario path for oil prices went to \$120 and \$144 in 2020 and 2030 respectively. These are the projected long term average prices, not short term or transitory spikes which can arise for a variety of reasons including geopolitical unrest.

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Question no.: 63

Program: 2.2

Division/Agency: (P&R) Policy and Research

Topic: Value of the contract for phase 1 of the high-speed rail study

Proof Hansard Page/s: 50 (22/02/11)

Senator Coonan asked:

Senator COONAN—On announcing the terms of reference: can somebody confirm if the tender has now been let, the date of it and to whom it was awarded?

Mr Mrdak—Yes, certainly, Senator. The first phase contract has been let. It is a consortium led by AECOM and that consortium includes KPMG, Sinclair Knight Merz and Grimshaw Architects in the AECOM consortium. That contract was awarded in January and that contract is now underway.

Senator COONAN—Dated 20 January; would that be right?

Ms O'Connell—That could be the announcement date. It was announced at the time.

Senator COONAN—It was the only one I could find. So I have assumed—

Ms O'Connell—It was announced at the time, Senator, in January.

Senator COONAN—What amount is that one?

Mr Mrdak—The contract I would have to take on notice, I think the work is around \$4.3 million for this initial contract.

Answer:

The value of the Services Agreement between the Department of Infrastructure and Transport and AECOM Australia Pty Limited for phase 1 of the high-speed rail study is \$4.0 million (inclusive of GST).

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Question no.: 64

Program: 2.2

Division/Agency: (P&R) Policy and Research

Topic: Members of the high-speed rail reference group

Proof Hansard Page/s: 50-51 (22/02/11)

Senator Coonan asked:

Senator COONAN—I have a couple of other questions. The formal reference group: has that been established, and who is on it?

Mr Mrdak—Yes, the reference group has been established. It is chaired by me. It includes representatives from Infrastructure Partnerships Australia, the Australasian Railway Association—

Senator COONAN—Can we have their names?

Mr Mrdak—Certainly.

Ms O’Connell—Brendan Lyon from Infrastructure Partnerships Australia.

Mr Mrdak—Brendan Lyon from Infrastructure Partnerships Australia.

Ms O’Connell—Bryan Nye from the Australasian Railway Association. My colleague might have to help me with the person’s name, but from the CRC for Rail Innovation there is—

Mr Mrdak—We will get you a list of names today.

Senator COONAN—You will take that on notice—

Ms O’Connell—We can tell you the organisations.

Senator COONAN—given the time.

Mr Mrdak—We have the head of the ACT Minister’s Department; the Department of Infrastructure and Planning in Queensland; Transport New South Wales, Les Wielinga; the Australian Local Government Association, Mr Beresford-Wylie; and the Department of Premier and Cabinet in Victoria represented on that reference group. I will get you the names.

Answer:

Currently, the members of the reference group are:

Name	Position	Organisation
Mike Mrdak (chair)	Secretary	Department of Infrastructure and Transport
Brendan Lyon	Chief Executive Officer	Infrastructure Partnerships Australia
Bryan Nye	Chief Executive Officer	Australasian Railway Association
David George	Chief Executive Officer	CRC for Rail innovation
Andrew Cappie-Wood	Chief Executive	ACT Chief Ministers Department
Craig Stevens	Director Project Assurance and Investment Analysis	Department of Infrastructure and Planning (Qld)

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Les Wielinga	Director General	Transport NSW
Adrian Beresford-Wylie	Chief Executive	Australian Local Government Association
Michael Geary	Manager, National Policy and Projects, Intergovernmental Relations.	Department of Transport (Vic)
Ray Kinnear	Deputy Director, Public Transport, Strategic Planning and Development, Public Transport Division	Department of Transport (Vic)
Dale Budd	Managing Director	Dale Budd & Associates Pty Ltd

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Question no.: 65

Program: 2.2

Division/Agency: (P&R) Policy and Research

Topic: Port Botany – Landside improvements

Proof Hansard Page/s: 82 (22/02/11)

Senator Nash asked:

Senator NASH—You say we are sort of middle of the pack in terms of other country comparison. You have certainly done the work to identify where we are at and what we are doing. Do you do work, though, on how we could improve, or is it really just the retrospective where we are at, how we are going and that sort of benchmarking?

Mr Dolman—Essentially, this comes out of our statistics area, so it is largely recording what is happening. What we are looking to do is improve the quality of the statistics that we collect, but also get a deeper understanding of what is happening. And to some extent that is why we are working with the policy areas both from our department and the Australian Maritime Group to give them an understanding of how Australian ports are performing and how they can improve. And that information, as I said, showing that the wharf side is actually working quite productively, but the problems are on the land side, is then feeding into the port strategy that Infrastructure Australia is developing and the development of policy to address those problems.

Mr Mrdak—The port strategy which Infrastructure Australia has developed has got quite a bit of focus on setting performance indicators going forward, which is really designed to get around that issue, as you are saying, as to where we want to position ourselves. Therefore, the industry starts to work towards much more defined targets. Clearly, the issue that has been identified is the port land interface where we think the greatest opportunity is for productivity improvements on the Australian waterfront.

Senator NASH—How do you encourage that to happen? You can have targets here, but how do you ensure that all of those factors come together to reach your targets?

Mr Mrdak—In many ways the work that has been done around a number of ports already gives us a pointer. One is additional investment into some of the transport linkages on the waterfront. The other part of it is better coordination between the parties. We have seen, for instance, in Port Botany attempts to lift the movement rate by alternative opening hours, alternative pricing arrangements and those sorts of things which actually provide incentives. That is the way it has been dealt with and that is consistent with what is being done offshore as well and also investment in new systems.

Senator NASH—Would you take on notice for me, just as an example on Port Botany, what they have done to improve that level?

Mr Mrdak—Certainly.

Answer:

The National Ports Strategy developed by Infrastructure Australia and the National Transport Commission, in consultation with key stakeholders, was endorsed by COAG in February 2011. The strategy recommends actions to improve port performance. The strategy

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specifically recommends the introduction of more robust performance indicators including the segmentation of road transport costs; extending the coverage of the indicators to rail transport and the introduction of indicators of physical performance of the road transport and rail transport systems to provide information on matters such as transit times, delays and queue lengths at Australia's ports.

The National Ports Strategy puts a high level of importance on better planning on the landside of Australia's ports. It recommends that there be a requirement for ports to prepare plans for the port surrounds which are consistent with regional and jurisdictional plans. These plans should identify the landside access routes critical to the efficient function of the system of the relevant port and designate these as national port freight corridors. These plans will be approved by the jurisdictions and assessed by the Council of Australian Governments to ensure that they conform to agreed standards, are sustainable, and present information at a sufficient level to enable stakeholders to determine, understand, and make financial investments against the future plans for each relevant port.

Regarding Port Botany specifically, Sydney Ports has implemented a range of reforms in its Port Botany Landside Improvement Strategy, including reciprocal financial penalties for stevedores and road carriers.

Details are available on their website:

http://www.sydneyports.com.au/port_development/landside_improvement/road_project_update

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Question no.: 66

Program: 2.3

Division/Agency: (P&R) Policy and Research

Topic: Road Deaths in Australia

Proof Hansard Page/s: 82 (22/02/11)

Senator Nash asked:

Senator NASH—That would be really useful. Finally, on road deaths what is the average road death per year over the last few years?

Ms O'Connell—In Australia?

Senator NASH—Yes, in Australia.

Mr Dolman—The most recent publication we have is for January 2010 and during the 12 months up to the end of January 2010 there were a total of 1,329 deaths.

Senator NASH—Have you got the year before as well?

Mr Dolman—It does include the year before. It is actually an 11½ per cent decrease on the 12-month period.

Senator NASH—Would you take it on notice to give me those figures annually for the previous 10 years as well. I find it extraordinary that if a thousand people died in one place in Sydney, the country would be in absolute uproar, but we have become almost immune to road deaths in the way they happen sporadically. It is an issue we certainly need to spend some more time on.

Mr Dolman—On the positive side, though, this is the lowest monthly fatality rate on record.

Answer:

For information regarding the Annual road crash deaths (calendar year) and the Annual road crash deaths per 100,000 population (calendar year), please refer to the '*The Australian Road Deaths Database*' on www.BITRE.gov.au.