

**Rural Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 41

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** National Electricity Market Rules

**Proof Hansard Page/s:** 15-16 (18/10/11)

**Senator MILNE asked:**

**Senator MILNE:** On the national electricity market rules and your negotiations around them, when do you expect the changes? I notice that, in your report, you say that the proposed changes to the rules to implement scale-efficient network extensions and interregional transmission charging are expected to be finalised in June 2011 and very 2012. Can you tell me what was finalised in June and what is expected to be finalised in February?

**Mr Deegan:** I will get you the details, perhaps on notice. The Minister for Resources and Energy, Mr Ferguson, is responsible for this area, by and large, and the changes that have been underway are well advanced. I will get you an update on the detail on where they are at.

**Senator MILNE:** Can you explain what the problem is at the moment because of the connection cost burden on first movers?

**Mr Deegan:** There is an issue for first movers and who pays the cost. That is part of the work that the people at the energy regulator have been trying to deal with. I will get you details of that on notice.

**Answer:**

*This response has been provided by the Department of Resources, Energy and Tourism (RET). Any further questions should be directed to RET.*

The change to the National Electricity Rules to implement the Scale Efficient Network Extension (SENE) provisions came into effect on 1 July 2011. The final SENE Rule aims to strengthen the existing connections framework to ensure an appropriate level of investment in network infrastructure is delivered to support renewable energy generation without imposing unnecessary costs on consumers. More information on this proposal, the issues it addresses and the assessment which underpins it is available from the Australian Energy Market Commission (AEMC), as the independent Rule maker, at <http://www.aemc.gov.au/Electricity/Rule-changes/Completed/Scale-Efficient-Network-Extensions.html>.

On 15 February 2010 the Ministerial Council on Energy (MCE) proposed a Rule change request to the AEMC in relation to inter-regional transmission charging. Full details on this process are available from the AEMC at <http://www.aemc.gov.au/Electricity/Rule-changes/Open/Inter-regional-Transmission-Charging.html>. The AEMC is expected to make a final Rule determination in October 2012.

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ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 42

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** Smart Grid Trials

**Proof Hansard Page/s:** 16 (18/10/11)

**Senator MILNE asked:**

**Senator MILNE:** Is Infrastructure Australia talking to the Australian Energy Market Operator, AEMO, and also the commission about how best to facilitate the rollout of the grid and to finance that infrastructure?

**Mr Deegan:** We are in discussion with a range of the players involved, including private sector proponents in renewable energy.

**Senator MILNE:** What is the one thing that you would say needs to happen quickly to facilitate that outcome?

**Mr Deegan:** I think it will come back in every case to ensuring that there is a proper economic assessment of the proposals before us and there is proper consideration of the pricing mechanisms that are associated with these sorts of developments.

**Senator MILNE:** And that will come from this assessment through the national electricity market rules?

**Mr Deegan:** That will be a very large part of it, yes.

**Senator MILNE:** And I will get on notice as to where that is up to.

**Mr Deegan:** Yes.

**Senator MILNE:** We have \$100 million at the moment for smart grid trials. Can you give us any indication of where that is taking Infrastructure Australia in terms of the learning experience?

**Mr Deegan:** We are at arm's length from the detail of the trials, but again it might be better if I take that on notice, as there is another portfolio dealing with the trials themselves.

**Answer:**

Infrastructure Australia is monitoring progress with the implementation of smart grid trials.

While the trials are yet to provide a definitive guide to broader implementation of the initiative, it is clear that it has the potential to deliver significant benefits to consumers and market players.

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Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 43

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** Staff KPIs and targets

**Proof Hansard Page/s:** 25 (18/10/11)

**Senator EDWARDS asked:**

**Senator EDWARDS:** I guess I would like to know if there is a system where you address those KPIs with those seriously credentialed people in your office.

**Mr Deegan:** Yes, it is part of our performance arrangements that we have those discussions. They need to provide evidence that they have met those targets.

**Senator NASH:** Great. Thank you, very much. That was very helpful, Senator Edwards. Those targets and those KPIs: can you provide to the committee the benchmarks that your staff have to meet?

**Mr Deegan:** Let me take that on notice.

**Senator NASH:** I would think that taxpayers would like to know what process is in place. I take the point that you have made a number of times now, that it is important to send, I think these were your words, 'a clear message about their engagement with the cities and thought it appropriate to have the Major Cities Unit both collocated with Infrastructure Australia and in the nation's largest city.' I accept that; that's absolutely fine. What I and my good colleague Senator Edwards are trying to understand here is the process by which you determine value for money. I think we are getting somewhere today. If you could provide for the committee the key performance indicators that Senator Edwards was talking about, those benchmarks that you use to determine whether or not that \$1.1 million of taxpayers money is value for money, it would be extremely useful.

**Senator EDWARDS:** To be fair, it is over \$100,000 a desk.

**Mr Deegan:** I will take the question on notice.

**Answer:**

The senior staff at Infrastructure Australia are required to meet the normal Australian Public Service key performance indicators for staff at this level.

**Rural Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 44

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** Parramatta to Epping Rail Link – MYEFO 2010-11 Projects

**Proof Hansard Page/s:** Written

**Senator Heffernan asked:**

1. Is Infrastructure Australia aware that, of the eight projects listed in MYEFO 2010-11 under the Nation Building 2 Program, the Parramatta-Epping Rail Link was the only project not to be mentioned again in the 2011-12 Budget Papers?
2. If so, can Infrastructure Australia explain why the Parramatta-Epping Rail Link was not mentioned in the 2011-12 Budget?

**Answer:**

Refer to Question 70.

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ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 45

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** Parramatta to Epping Rail Link – Completion of Construction

**Proof Hansard Page/s:** Written

**Senator Heffernan asked:**

Can Infrastructure Australia confirm they are working towards the completion of construction of the Parramatta-Epping Rail Link by end of 2017/18 as per the item in MYEFO 2010-11 under the Nation Building 2 Program?

**Answer:**

Refer to Question 71.

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Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 46

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** Parramatta to Epping Rail Link – Feasibility Study

**Proof Hansard Page/s:** Written

**Senator Heffernan asked:**

Has Infrastructure Australia commenced or planned to commence a feasibility study or cost-benefit analysis towards the roll-out of the Parramatta-Epping Rail Link project?

If so, when will these documents be made publicly available?

**Answer:**

Refer to Question 71.

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ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 47

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** Parramatta to Epping Rail Link – Assessments

**Proof Hansard Page/s:** Written

**Senator Heffernan asked:**

Has Infrastructure Australia performed any assessments regarding requirements for the compulsory acquisition of housing for the Parramatta-Epping Rail Link?

If so, how many houses does Infrastructure Australia expect they will need to compulsorily acquire in order to perform full construction of the Parramatta-Epping Rail Link and when will these assessments be made publicly available?

**Answer:**

Refer to Question 73.

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ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 48

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** Discussions with Minister's Office or the Department

**Proof Hansard Page/s:** Written

**Senator Heffernan asked:**

Has Infrastructure Australia been involved with discussions with the Minister, the Minister's office, or the Department regarding the intended steps if the NSW Government does not commit to contribute funding towards the Parramatta-Epping Rail Link?

If so, what are the outcomes of these discussions?

**Answer:**

No.



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Supplementary Budget Estimates October 2011

**Infrastructure and Transport**

**Question no.:** 49

**Program:** 1.1

**Division/Agency:** (IA) Infrastructure Australia

**Topic:** Parramatta to Epping Rail Link – Funding Allocation

**Proof Hansard Page/s:** Written

**Senator Heffernan asked:**

In light of the item in MYEFO 2010-11 to provide \$2.08 million over four years to construct the Parramatta-Epping Rail Link from 2014-15 under the Nation Building 2 Program, can Infrastructure Australia confirm if funding has been allocated towards this project within the current forward estimates period?

If so, what amount is allocated within each year and to perform what functions?

**Answer:**

Refer to Question 69.