

Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Budget Estimates May 2009
Infrastructure, Transport, Regional Development and Local Government

Question No.: BITRE 03

Division/Agency: Bureau of Infrastructure, Transport and Regional Economics

Topic: Predicted Global Oil Decline Rates

Hansard Page/s: Written Question

Senator Ludlam asked:

I refer to predicted global oil decline rates as described by, for example, the International Energy Agency's World Energy Outlook (WEO) published in November 2008, and ask:

1. How were global oil decline rates factored into decision-making on infrastructure spending, either by the Government or its advisory bodies including Infrastructure Australia? (IA input).
2. Were global oil decline rates explicitly factored into any of the infrastructure decisions announced in the 2009/10 budget? (IA input).
3. If yes to (2), will the Minister outline specific examples and table supporting documentation outlining the assumptions underlying the decisions? (IA input).
4. Is the Minister aware that the planning documents submitted for the proposed F3 Freeway extension assume +22% to +59% traffic growths in 10 years? (NBII input).
5. Does the Minister consider these projections plausible in the light of the WEO document and related sources? (NBII input).
6. Is the Minister aware that the planning documents submitted for the proposed Pacific Highway Kempsey bypass assume a doubling of traffic out to 2031? (NBII input).
7. Does the Minister consider these projections plausible in the light of the WEO document and related sources? (NBII input).
8. Is the Minister aware that the BTRE forecasts a doubling of air traffic out to 2030? (BITRE input).
9. Does the Minister consider these projections plausible in the light of the WEO document and related sources? (BITRE input).
10. Can the Minister outline whether or not future funding rounds managed through the selection process undertaken by Infrastructure Australia will explicitly include forecasted global oil decline rates? (IA input).

Answers:

1. The impact of movements in oil prices was assessed through the cost benefit analyses supporting proposed projects.
2. See Answer 1.
3. See Answer 1.

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4. The independent Lower Hunter Transport Needs Study commissioned jointly by the Australian and NSW Governments projected growth on the New England Highway corridor of between 3.4% and 4.1% per annum.
5. The Government has accepted the findings of the Lower Hunter Transport Needs Study.
6. Yes.
7. Yes.
8. Yes.
9. Yes. BITRE forecasts are based on the best available evidence and are in line with those prepared by International Air Transport Association (IATA).
10. Infrastructure Australia will continue to refine its prioritisation methodology, including how the potential impacts of oil price movements are factored into assessments of a project's economic costs and benefits.