

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 01

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

Topic: Productivity Commission Report - Circular Head Dolomite

Hansard Page: 149 (27/05/09)

Senator Colbeck asked:

Senator COLBECK—We sort of danced around that Circular Head Dolomite stuff. Could I just ask you to review your answer to that question for me, please? You gave me an answer on notice to a question I asked before.

Mr Sutton—Yes.

Senator COLBECK—I would just ask you to review the answer, please.

Mr Sutton—Yes. I think that is probably better directed to the Bureau of Infrastructure, Transport and Regional Economics, because your question was about their parameter report, but we will certainly review it in consultation with the Bureau.

Senator COLBECK—Thanks, that is fine

Answer:

The Bureau of Infrastructure, Transport and Regional Economics has publically acknowledged that its previous citation of the Productivity Commission (2006) report was incorrect.

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 02

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

Topic: Productivity Commission Report - Circular Head Dolomite

Hansard Page: 154 (27/05/09)

Senator Colbeck asked:

Senator COLBECK—My question is effectively on notice. It is our ongoing argument that goes back to the review done on the Tasmanian Freight Equalisation Scheme. The dispute revolves around the ratios for high-density products and a reference that was made in response to a question on notice to me at the last Estimates, which talked about a reference in a Circular Head Dolomite submission to the Productivity Commission, suggesting a 30 per cent density rate rather than one that was current. They are disputing that. I have a question on an answer to a question on notice that refers to paragraph 5 in their submission. I have both of their submissions and they are still questioning with me where the reference comes from, because their view was that the density ratio should be removed, even if there were a category set up for that particular agricultural product, which is obviously their objective.

Senator Conroy—That is a fairly detailed question. I am just hazarding a guess that they may not be able to give you a fulsome answer.

Senator COLBECK—As I said at the outset, there is a question on notice to another part of the Department, who I assume will be coming back to you. So now you have it from me as well and you will have an understanding as to what my issue is. The question that I put to Mr Sutton was asking him to review the answer, because we do not agree that what is in the answer is correct.

Mr Tongue—We will take it on notice.

Senator COLBECK—That is fine. I am happy with that.

Answer:

See response to question BITRE 01.

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.
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.

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

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.