

Rural & Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Infrastructure and Transport

Question no.: 46

Program: N/A

Division/Agency: (IA) Infrastructure Australia

Topic: Staffing

Proof Hansard Page/s: 19 (29/05/2013)

Senator Nash asked:

Senator NASH: In terms of the staff, what sort of classification will they be—do you know what sort of level they will be?

Mr Deegan: We are just working on that now. I have a working party trying to deal with all of those implementation issues at the moment—subject, of course, to the parliament passing the legislation.

Senator NASH: When you determine that, would you mind advising me—just taking that on notice?

Mr Deegan: I am very happy to do so, Senator.

Senator NASH: If we could have that one reasonably quickly—I think that might be an easy one to get back to the committee within a time frame. Are the staff going to be in the premises in Sydney?

Mr Deegan: That is not yet determined.

Senator NASH: Again could you take that one on notice?

Mr Deegan: Yes, Senator.

Answer:

The implementation issues are under further consideration.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2013

Infrastructure and Transport

Question no.: 47

Program: N/A

Division/Agency: (IA) Infrastructure Australia

Topic: Non-monetary issues of freight

Proof Hansard Page/s: 23 (29/05/2013)

Senator Ludlam asked:

Mr Deegan: Taking a step back, one of the issues when we started was to look at the national strategic approach around a host of issues. In the transport space we have pushed fairly hard for a nationally consistent approach to freight, whether that is road or rail, and how those issues are measured. An example is rail noise and how rail noise is considered as a social impact within the freight corridors. Our advice to governments has been that the corridors of significant national freight importance should all be considered in the same way, and the social impacts of various issues—for example, rail noise—would also be considered in the same way, as we do as a nation around our airports. So what we are trying to do is create a methodology that treats like-for-like and deals with these issues. Similarly, if you are on a freeway, road noise and the sorts of issues that would impact. But as the licence from the community to operate is extended, these things are not taken for granted. So that we take that as a qualitative issue in a broader, strategic sense, and then bring that down into assessing particular projects is the approach that we have taken.

Senator LUDLAM: Okay. Are you able to provide us with a list? So rail noise is one interesting one. Could you provide us with a list of the non-monetary impacts that are included for all projects, if they are right across the board?

Mr Deegan: I will take that on notice.

Senator LUDLAM: Is that something that you are likely to be able to do?

Mr Deegan: Yes.

Answer:

Examples of non-financial impacts of freight which are considered in assessing freight projects are listed below. Default parameters are applied to these impacts to place a monetary value (cost or benefit) on them in order to assess the economic merit of a freight projects.

Non-monetary impacts that are typically considered in freight projects (road, rail and sea) include:

- Air pollution (primarily diesel)
- Greenhouse gas emissions/climate change (primarily diesel)
- Noise
- Water (for example quality/pollution, increased stormwater runoff, water supply)
- Nature and landscape (for example biodiversity and ecosystems as well as visual impacts)
- Urban separation (an indicator of sprawl)
- Heritage (buildings and sites)

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References:

Australian Transport Council (2006) National Guidelines for Transport System Management in Australia, pages 101 and 102
http://www.atcouncil.gov.au/documents/files/National_Guidelines_Volume_3.pdf

ARTC et al. (July 2010) Melbourne–Brisbane Inland Rail Alignment Study Final Report, page 90
http://www.artc.com.au/library/IRAS_Final%20Report.pdf

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Budget Estimates May 2013

Infrastructure and Transport

Question no.: 48

Program: N/A

Division/Agency: (IA) Infrastructure Australia

Topic: Freight submissions

Proof Hansard Page/s: 25 (29/05/2013)

Senator Ludlam asked:

Senator LUDLAM: Ah, that is where we are hung. Can you tell us how many freight submissions you have received from WA in total? It might be on notice.

Mr Deegan: I will take that on notice, but there are very active discussions, particularly with Minister Buswell and his department. The projects around freight moving in and out of Kalgoorlie to the various ports is one project that we actively engaged. You may have seen that the West Australian government has just released their freight strategy. We are pouring over that at the moment as an interactive process with the West Australian government, dealing particularly with the general port issues, but also the larger port up in the Pilbara.

Answer:

The freight strategy released by the WA Government has a large number of possible projects. The office of the Infrastructure Coordinator is engaged in further discussions with the Western Australian Government on these issues.

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Question no.: 49

Program: N/A

Division/Agency: (IA) Infrastructure Australia

Topic: Project governance report

Proof Hansard Page/s: 27 (29/05/2013)

Senator Back asked:

Mr Deegan: Thank you, Senator. I appreciate the question and your continuing interest in this important area. We were made aware of a particular detailed study being undertaken by a contracting firm in Sydney, and I think the business school from the University of Melbourne on project governance. We have been working with those players and have now produced a report that if it is not up on our website will be shortly, and does go through in a large degree of detail around project governance. It is primarily from a study of people directly involved in governing these projects, both within government and the private sector, and it reinforces the comments that you have made elsewhere about the significant cost issues around not getting the project governance right. Issues as to the accountability of the people who are on governance committees, as to whether it is just on top of their day job, whether there is any incentive for them to be involved in getting the right outcomes, or indeed accountability in a different sense where things do not go right. We think, certainly in our work from my office, that getting these project governance structures right can represent a significant saving to both public sector and private sector, and it is a report that we would hope to engage with governments and the private sector more generally about the potential to save the sorts of huge losses to which you have referred. I will make sure you get a copy of that report.

Senator BACK: I would be appreciative of it, because if it was to find its way into documentation associated with projects as they are allocated, if we could save a proportion of that \$12 billion, it would be very significant.

Answer:

A copy of Infrastructure Australia's report *Efficiencies in Major Project Procurement* has been provided.

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Question no.: 50

Program: N/A

Division/Agency: (IA) Infrastructure Australia

Topic: Priority List of work

Proof Hansard Page/s: 28 (29/05/2013)

Senator Gallacher asked:

Senator GALLACHER: Do you have a priority list of work that you look at?

Mr Deegan: Yes, we do. We publish that each year.

Senator GALLACHER: Where does that project stand in your priorities?

Mr Deegan: Let me just check my notes and I will come back to you in a moment, if I can. Thanks, Senator.

Senator GALLACHER: All right. Thank you.

Answer:

Infrastructure Australia will publish its annual report in July 2013 where the priority attached to this project will be reported.

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Question no.: 51

Program: N/A

Division/Agency: (IA) Infrastructure Australia

Topic: Desalination plant

Proof Hansard Page/s: 50 (29/05/2013)

Senator Birmingham asked:

Senator BIRMINGHAM: Okay, thank you. Well that will cut some time off and we will simply move straight on to the other matter which is, hopefully, more directly within the department's domain. I have one other question on the desalination plant—and this may have been referred to Infrastructure Australia anyway. On 8 May I wrote to Minister Albanese seeking release of any cost-benefit analysis and or benefit-cost ratio relating to the Adelaide desalination plant. Is the department aware of where consideration of that request that was made to the minister is?

Mr Mrdak: Sorry, Senator; that is one for Infrastructure Australia. We can certainly take that on notice and seek advice for you.

Answer:

The Minister is unable to direct Infrastructure Australia, an independent body, to release reports provided to Infrastructure Australia in confidence.