



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT  
LEGISLATION COMMITTEE

**Estimates**

(Public)

MONDAY, 4 NOVEMBER 2024

CANBERRA

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**RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE**

**Monday, 4 November 2024**

**Members in attendance:** Senators Allman-Payne, Carol Brown, Canavan, Ciccone, Cox, McDonald, McKenzie, O'Sullivan, David Pocock, Rennick, Reynolds, Roberts, Sharma, Sheldon, Shoebridge, Sterle, Tyrrell and Waters

## **INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT, COMMUNICATIONS AND THE ARTS PORTFOLIO**

### **In Attendance**

Senator Chisholm, Assistant Minister for Education, Assistant Minister for Regional Development  
Senator McAllister, Minister for Emergency Management, Minister for Cities

### **Department of Infrastructure, Transport, Regional Development, Communications and the Arts Executive**

Mr Jim Betts, Secretary  
Ms Jessica Hall, Deputy Secretary  
Ms Marisa Purvis-Smith, Deputy Secretary  
Mr David Mackay, Deputy Secretary  
Ms Maree Bridger, Deputy Secretary

### **First Nations Partnerships**

Ms Lillian Gordon, First Assistant Secretary, First Nations Partnerships  
Ms Bek Hendriks, Assistant Secretary, First Nations Partnerships

### **People, Culture and Change**

Ms Rachel Houghton, Chief People Officer, People, Culture and Change Division  
Ms Kylie Donovan, Assistant Secretary, People Branch  
Ms Sonia Bradley, Assistant Secretary, Integrated Services  
Ms Rosie Ma, Acting Assistant Secretary, Communication and Change  
Dr Kate Feros, Acting Assistant Secretary, Ministerial, Parliamentary and Cabinet

### **Finance, Budget and Governance**

Ms Cha Jordanoski, Chief Financial Officer  
Ms Jodi George, Assistant Secretary, Financial Management Branch  
Mr Mike Hogben, Assistant Secretary, Budget Engagement and Strategy Branch  
Mrs Michelle Mant, Assistant Secretary, Assurance, Integrity, Risk and Governance Branch

### **Information Technology**

Mr Jeff Goedecke, Chief Information Officer

### **Interim Aviation Industry Ombuds Scheme**

Mr Adam Stankevicius, Acting Ombudsperson

### **Domestic Aviation and Reform**

Ms Stephanie Werner, First Assistant Secretary, Domestic Aviation and Reform  
Ms Sarah Nattey, Acting First Assistant Secretary, Domestic Aviation and Reform  
Ms Tori Wright, Assistant Secretary, Airport Environment Branch  
Mr Scott Small, Acting Assistant Secretary, Airports Branch  
Ms Natalie Broughton, Acting Assistant Secretary, Domestic Policy and Programs Branch  
Ms Belinda Sachse, Acting Assistant Secretary, Sydney Airport Slots and Consumer Aviation Reform

### **International Aviation, Technology and Services**

Mr Richard Wood, First Assistant Secretary, International Aviation, Technology and Services Division  
Mr Jim Wolfe, Assistant Secretary, International Aviation Branch  
Ms Naa Opoku, Assistant Secretary, Safety and Future Technology Branch  
Mr David Jansen, Assistant Secretary, Western Sydney Airport Regulatory Policy Branch  
Mr Brendon Buckley, Assistant Secretary, Transport Accessibility and Future Fuels Branch

### **Land Transport Infrastructure**

Mr Andrew Bourne, First Assistant Secretary, Land Transport Infrastructure Division

Mr Simon Milnes, Assistant Secretary, Budget, Policy and Assurance Branch

Mr Toby Robinson, Assistant Secretary, Infrastructure Investment Reform Branch

Mr Bill Brummitt, Assistant Secretary, QLD Infrastructure Investment and Brisbane 2032 Games Venue Branch

Mrs Maxine Ewens, Assistant Secretary, WA and NT Infrastructure Investment Branch

Mr Lok Potticary, Acting Assistant Secretary, NSW and ACT Infrastructure Investment Branch

Mr Lachlan Wood, Assistant Secretary, Vic., Tas. and SA Infrastructure Investment Branch

### **Commonwealth Infrastructure Projects**

Mr Greg Cox, First Assistant Secretary, Commonwealth Infrastructure Projects Division

Mr David Muldoon, Assistant Secretary, Freight Terminals

Mr James Savage, Assistant Secretary, Western Sydney International Delivery

Mrs Jen Stace, Assistant Secretary, High Speed Rail and Infrastructure Advisory

Mrs Jo Piva, Assistant Secretary, Taskforce

Mrs Rachel Figurski, Assistant Secretary, Rail Delivery

Mr Drue Edwards, Director, Taskforce Team 2

### **Partnerships and Projects**

Ms Lisa Rauter, First Assistant Secretary, Partnerships and Projects Division

Mr Andrew Burke, Assistant Secretary, Northern Australia Investment and Projects Branch

Ms Casey Greentree, Assistant Secretary, Office of Northern Australia

Mrs Erin Cassie, Assistant Secretary, Cities and Suburbs Unit

Mr John Maxwell, Acting Assistant Secretary, City and Regional Partnerships Branch

### **Regional Development and Local Government**

Ms Clare Chapple, First Assistant Secretary, Regional Development and Local Government Division

Dr Jennie Hood, Assistant Secretary, Regional Programs Branch

Mr Michael Gregory, Assistant Secretary, Local Government, Regional Intelligence and Data Branch

Ms Katrina Kendall, Assistant Secretary, Major Projects and Governance Branch

### **Data, Research, Strategy and Net Zero**

Mr Ian Porter, First Assistant Secretary, Data, Research, Strategy and Net Zero Division

Mr Andrew Morgan, Acting Assistant Secretary, Net Zero Unit

Mr Andreas Bleich, Assistant Secretary, Data, Systems and Information Management Branch

Ms Georgia O'Cianain, Acting Assistant Secretary, Bureau of Infrastructure and Transport Research Economics and Bureau of Communications, Arts and Regional Research Branch

### **Road and Vehicle Safety**

Ms Anita Langford, First Assistant Secretary, Road and Vehicle Safety Division

Ms Susan Cattermole, Assistant Secretary, Office of Road Safety Branch

Ms Melissa Cashman, Assistant Secretary, Vehicle Safety Policy and Partnerships Branch

Mrs Melony Czajor, Assistant Secretary, Targeted Infrastructure Programs Branch

Ms Amanda Milczarek, Acting Assistant Secretary, Vehicle Safety Operations Branch

### **Surface Transport Emissions and Policy**

Ms Paula Stagg, First Assistant Secretary, Surface Transport Emissions and Policy Division

Ms Sally Todd, Assistant Secretary, Land Transport Policy Branch

Mr Andrew Johnson, Assistant Secretary, Strategic Fleet Branch

Ms Megan Scott, Assistant Secretary, Maritime and Shipping Branch

Mr Mike Makin, Assistant Secretary, Transport Partnerships and Emerging Technology Branch

Mr Tristan Kathage, Assistant Secretary, Reducing Surface Transport Emissions Branch

Ms Emmi Mikedakis, Acting Assistant Secretary, New Vehicle Efficiency Standard Regulator Branch

**Territories**

Ms Kim Forbes, First Assistant Secretary, Territories Division  
Ms Jo Neuling, Assistant Secretary, Enabling Services Branch  
Ms Jane McIntyre, Acting Assistant Secretary, Indian Ocean Territories Branch  
Mr Kynan Gowland, Acting Assistant Secretary, Norfolk Island and Mainland Territories Branch  
Mr Adam Stankevicius, Acting Ombudsperson

**Legal, Legislation Liaison and Privacy**

Ms Christie McClure, Acting Chief Counsel, Legal, Legislation Liaison and Privacy Division

**Portfolio Agencies****Civil Aviation Safety Authority**

Ms Pip Spence, Chief Executive Officer and Director of Aviation Safety  
Dr Jonathan Aleck, Executive Manager, Legal, International and Regulatory Affairs  
Ms Philippa Crome, Executive Manager, Corporate Services Division  
Mr Andrew Sparrow, Executive Manager, Air Navigation, Transformation and Risk  
Mr Matt Bouttell, Executive Manager, Regulatory Oversight Division  
Mr Steve Campbell, Executive Manager, National Operations and Standards

**Airservices Australia**

Mr Rob Sharp, Interim Chief Executive Officer  
Mr Peter Curran, Deputy Chief Executive Officer  
Mr Craig Charker, Acting Chief Airspace and Network Officer  
Mr Paul Logan, Chief Financial and Performance Officer  
Ms Danielle Mesa, Chief People and Culture Officer  
Ms Donna Marshall, Head of Community Engagement  
Mr Paul Stoddart, Chief Customer and External Relations Officer

**Northern Australia Infrastructure Facility**

Mr Craig Doyle, Chief Executive Officer  
Mr Stephen Land, Chief Investment Officer  
Mr Nicholas Mant, Chief Investment Risk Officer and Chief Sustainability Officer  
Ms Cathie McBean, Chief Strategic Policy and Engagement Officer

**Australian Rail Track Corporation**

Mr Wayne Johnson, Chief Executive Officer and Managing Director  
Mr Nick Miller, Chief Executive Officer, Inland Rail Pty Ltd

**Infrastructure Australia**

Mr Adam Copp, Chief Executive Officer  
Mr David Tucker, Chief, Project Advisory and Evaluation  
Mr Steve Brogan, Chief, Policy and Research

**WSA Co Limited**

Mr Simon Hickey, Chief Executive Officer  
Ms Shelley Turner, Chief Financial Officer  
Mr Matthew Martyn-Jones, Chief Capital Allocation Officer

**National Transport Commission**

Mr Michael Hopkins, Chief Executive Officer and Commissioner  
Ms Dimi Rigas, Executive Leader, Strategy and Government Relations

**National Intermodal Corporation Limited**

Mr James Baulderstone, Chief Executive Officer

Mr Neil MacDonald, Chief Financial Officer

**Office of the Administrator of Norfolk Island**

Mr George Plant, Administrator of Norfolk Island [by video link]

**Committee met at 09:00**

**CHAIR (Senator Sterle):** I declare open this hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee into the 2024-25 supplementary budget estimates. I begin by acknowledging the traditional custodians of the land on which we meet today and pay my respects to their elders past, present and emerging. I extend that respect to Aboriginal and Torres Strait Islander peoples here today. The Senate has referred to the committee the particulars of proposed expenditure for 2024-25 and related documents for the infrastructure, transport, regional development, communications and the arts portfolio excluding communications and the arts. All questions on communications and the arts go to the department's appearance before the Senate Environment and Communications Legislation Committee. The committee has before it a program, listing agencies relating to matters for which senators have given notice. The proceedings today will begin with an examination of corporate matters within the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The committee has fixed Thursday 19 December 2024 as the date for the return of answers to questions taken on notice. Senators are encouraged to provide any written questions on notice to the committee secretariat by Thursday 14 November 2024.

Under standing order 26 the committee must take all evidence in public session. This includes answers to questions taken on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee. Such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence. The Senate has endorsed the following test of relevance of questions in estimates hearings: any questions going to the operations or financial positions of the departments and agencies which are seeking funds in estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

Witnesses are reminded of the Senate order specifying the process by which a claim of public interest immunity should be raised. I incorporate the public interest immunity statement into the *Hansard*.

*The extract read as follows—*

**Public interest immunity claims**

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

**CHAIR:** I remind all senators that, as we continue our work implementing the *Set the standard* report, as chair I will ensure that proceedings are conducted in an orderly, respectful and courteous way.

#### **Department of Infrastructure, Transport, Regional Development, Communications and the Arts**

[09:03]

**CHAIR:** I now welcome Senator the Hon. Anthony Chisholm, Assistant Minister for Regional Development; Mr Jim Betts, Secretary of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts; and, of course, all the officers of the department. Assistant Minister Chisholm, do you wish to make an opening statement?

**Senator Chisholm:** Good morning, Chair. No, thanks.

**CHAIR:** Mr Betts, do you wish to make an opening statement?

**Mr Betts:** Only very briefly, Chair, to say that Senator Canavan wrote to me in the usual way on 10 October on behalf of opposition senators requesting information which we are tabling this morning. That includes the supplementary information that Senator Canavan requested in relation to the Housing Support Program.

**CHAIR:** We have a very busy schedule today. Colleagues have assured me that we are going to get through it by 11 o'clock tonight. I now call officers in relation to corporate matters and invite questions.

**Senator CANAVAN:** Chair, I think the media is waiting for approval.

**CHAIR:** All good with the media. Thanks, Senator Canavan.

**Senator CANAVAN:** I want to go to the annual report and the accounting elements of that to start with. The annual report does show a \$48.1 million budget deficit. That is before depreciation and some repayments of leased assets. I am advised that this is the second year in a row there has been a deficit. This deficit is three times the size of last year's. Can you take me through why there is seemingly such a large deficit in the department?

**Mr Betts:** I will ask our chief financial officer to speak to that. The adjusted loss, after adjustment for depreciation and amortisation, is \$28 million. Of that, \$13.9 million is a writedown in impairment of assets. The residual \$12.8 million relates to investments we've made in the consolidation and uplift of our information technology within the department. In the usual way, when departments are anticipating a loss, we budgeted for that loss and sought approval through our minister from the finance minister for a loss of \$22.9 million. This was flagged ahead of time and was a planned loss insofar as it related to cash. I will ask our chief finance officer to give you more detail on that.

**Ms Jordanoski:** In answering your question, and as the secretary has mentioned, I refer to our reported deficit on page 166 of our financial statements, which is in our statement of comprehensive income. It reports a deficit of \$48.1 million, as the secretary mentioned. However, when you take into account accounting adjustments, such as depreciation, amortisation and lease payments under the Australian accounting standards of AASB 16 leases, that does provide an adjusted loss of \$28 million. That is specified on page 221 of our annual report. That is our net cash appropriation arrangements. That does show a net cash appropriation of \$28 million in deficit. As the

secretary mentioned, the reason for the increase was that, in 2022-23, the department did finalise the much-needed critical IT consolidations post the 2019-20 MOG. That did cost quite a significant amount of money for the department. We had to draw down on cash reserves to fund that loss. We also did have a significant increase in write-off of intangible assets as a result of a finding that we had the previous year from the Australian National Audit Office. That did increase the write-off of \$13.9 million. The reasons for the increase, as I mentioned, were the long-delayed IT consolidation from the 2019-20 MOG and the significant write-offs that related to the write-off in intangible assets from the ANAO audit.

**Senator CANAVAN:** I will take you to page 25 of your annual report. I am sure you have it in front of you. I understand the point you are making about investment in longer term assets. I am interested in how and why the deficit has tripled to the Australian government. It has gone from a \$15 million deficit to a \$48 million deficit. I look at the rows above that figure to get to those figures, which is about the middle of the page. It seems to me that the only significant change in expenses is the employee and supplier expenses. They went up quite a substantial amount, by nearly \$50 million, so well over 10 per cent. Everything else has stayed the same. Obviously you have a bit more revenue from the government to help offset that. What was the reason for such a large change in employee expenses? Obviously other factors go after the supplier surplus or deficit. There has been quite a significant change in employee expenses that hasn't been covered or mentioned yet.

**Ms Jordanoski:** There was an increase in ASL over that period and associated costs for employee entitlements and employee provisions. That is why you can see that increase of around \$50 million in employee costs. That is the main driver, as you mentioned. That is employee and supplier expenses. In addition to the breakdown of those supplier expenses, I can take that detail on notice, if you would like. Certainly the big driver is the increase in employee costs and associated provisions for those increases in ASL.

**Senator CANAVAN:** What are those people doing? This is a substantial increase in taxpayer expenses. What are those extra people doing in the department to provide better infrastructure to Australians?

**Ms Jordanoski:** This goes back to the 2023-24 budget. Unfortunately, my papers don't have the exact breakdown of that detail, unless I can find it. Someone from my team might be able to find it. From memory—I don't want to quote the wrong number—there was an increase in the ASL in the 2023-24 budget, which obviously the financials pertain to. That would be the one of the drivers. That would relate to measures and decisions of government at the 2023-24 budget in May last year.

**Senator CANAVAN:** That's when it happened. I was asking what those people were doing. I suppose it's probably more a question for the secretary. What are we getting for an extra \$50 million a year in costs?

**Mr Betts:** I will try to source the information as to the budget measures in the budget before last so we can give you an accurate breakdown of that. Obviously we would have covered that at Senate estimates at the time.

**Senator CANAVAN:** You are the head of the organisation. If you have an organisation that had its employee expenses grow by more than 10 per cent in one year, I would have thought you would be across the detail of what those people are doing. Independently of any measures or announcements a year and a half ago, what are these extra people doing that is making life better for Australians?

**Mr Betts:** I will give you a description of some of the key activities which the department has undertaken over that 12-month period, some of which would have been subject to supplementary funding in the budget before last, which is the budget you are currently asking me questions about. That would include things such as the *Aviation white paper*, which is a major piece of policy generation that has been undertaken by the Australian government and was published earlier this year. You would be familiar with the establishment of the Net Zero Unit within the department. It is a relatively modest expenditure. There is the production of the infrastructure and transport decarbonisation road map and the new vehicle efficiency scheme, which is a major piece of policy. There is also, of course, across the wider department significant policy activity in the arts sector and in media reform and online safety. There are a range of different measures. We are happy to give you the detail of that. I don't have it at my fingertips, because it doesn't relate to the budget to which this Senate estimates relates.

**Senator CANAVAN:** The *Aviation white paper* predated the budget last year or started before that, didn't it?

**Mr Betts:** I will have to check that. As I say, you are asking me questions about the budget which is not the one we are here to talk about today.

**Senator CANAVAN:** It is still a substantial struggle. From my perspective as a significant user of our nation's roads, things are getting much worse. Our roads are just terrible. They're horrible at the moment. They're unsafe. You feel worried driving on them at night. I do when driving my family back from Brisbane to Rockhampton. I don't understand what has gone on and what has happened to our road system. We're spending \$50 million more on the department that's responsible for that, but our roads are getting worse. How do you measure the KPIs of



these? I don't know what a new vehicle efficiency scheme or a net zero scheme do for me. I just want to get my family home safe. Why am I unable to do that right now? So many people died on the Bruce Highway last year.

**Mr Betts:** Under the infrastructure outcome, which we will be talking about next, we will be able to talk to you about the \$120 billion plus investment program going into land transport in this country, including significant investments in the quality, resilience and operation of our road network.

**Senator CANAVAN:** We will definitely be taking that up. I will move to these performance targets. Your annual report says only two-thirds of the performance targets are being met. Which performance targets were not met in full?

**Ms Jordanoski:** Let me find that for you.

**Mrs Mant:** For this year's annual report, 24 were met, two were substantially met, five were partially met, one not met and two that didn't have targets.

**Senator CANAVAN:** Which one wasn't met?

**Mrs Mant:** Performance measure 21, relating to Thriving Suburbs, was not met.

**Senator CANAVAN:** Why wasn't that met?

**Mrs Mant:** That was not met, because it was put on hold while broader government decisions on program delivery were made.

**Senator CANAVAN:** What would the Thriving Suburbs Program have done?

**Mr Betts:** We are happy to talk about that under outcome 3 when we will have the relevant officers here this afternoon.

**Senator McKENZIE:** I think Senator Canavan is asking questions about why the KPI wasn't met, which is a relevant question for this outcome.

**Senator CANAVAN:** I am asking a general question.

**Senator McKENZIE:** You don't need to go into the details of the program.

**Senator CANAVAN:** I would have thought somebody at the table would understand what the Thriving Suburbs Program is. How much money was under this program? Presumably that is a question I can ask the chief financial officer.

**Ms Jordanoski:** In relation to those measures, as the secretary mentioned, the detail of the delivery belongs to the relevant line area. That is outcome 3. I can get you that information.

**Senator CANAVAN:** How much money—I don't know if it has been put on hold—was allocated to the Thriving Suburbs Program before it was put on hold? Is it still on hold, by the way?

**Mr Mackay:** No. Applications are being assessed at present. The Thriving Suburbs Program has a total appropriation of \$350 million. It provides community infrastructure in urban areas. It is the geographical counterpart to Growing Regions. The individual projects can be worth between half a million dollars and \$15 million each.

**Senator CANAVAN:** How long was this funding put on hold for? What was the profile of the funding? When you set the KPI to say, 'We want to deliver the Thriving Suburbs Program,' what was the profile of the funding? Obviously it has been put on hold and the KPIs haven't been met. What happened?

**Mr Mackay:** I have the funding profile, which, as it is currently, is \$125 million in this financial year, 2024-25. It is \$210 million in 2025-26 and \$15 million in 2026-27. I will need the people who will be here under outcome 3 this afternoon to go to any change in that profile. I don't have it in front of me.

**Senator CANAVAN:** Has any money been spent in previous financial years under the program?

**Mr Mackay:** No. This is the first round of the program.

**Senator CANAVAN:** This is the first spending of the money. This is a pretty important program; obviously. I will wait until outcome 3 to go through it. Given how much of a housing shortage we're going through as a country, you would think this would be an important one to get moving. When a KPI is not met, what happens? How does it affect performance assessment? What happens to the processes within the department?

**Ms Jordanoski:** The process in which we undertake our annual performance statements is that we have to comply with the audit that has been undertaken by the Australian National Audit Office. It basically goes through all of our performance measures. As part of that, we set targets and go through the process of providing evidence to ensure that the targets have been met. If they are not being met, we provide disclosure in our annual report as to why. In terms of all that, I think my colleague can find the rationale for why we have disclosed this. This is

heavily audited by the Australian National Audit Office. I understand that they are still in the process of finalising their audit report on the annual performance statement process because it is done across multiple departments in the APS. I'm unable to talk through their audit findings and their report, but certainly there is a process that we undertake.

**Mr Mackay:** I want to be clear on what this performance measure refers to. This goes to your question about the change in the funding profile. There was expenditure anticipated to have occurred within the financial year that this report covers. Because that funding slipped into the following financial year, that performance measure is technically not met.

**Senator CANAVAN:** When you set a KPI and it's not met, does that impact on people's bonuses? What has happened because the KPI has not been met?

**Mr Betts:** In the case of the Thriving Suburbs Program the performance measure related to the program being established within agreed timeframes. In order to launch within agreed timeframes we are required to procure approvals through cabinet processes, including securing approval for the program guidelines. That took longer than anticipated. That was a function of government decision-making. That is obviously easily rectified by the fact that the program is now open. However, it wasn't achieved within the timeframe stipulated in the performance measure.

**Senator CANAVAN:** So there's no consequence for anyone if a KPI is not met?

**Mr Betts:** Because the opening of that program is a choice for government rather than a function of the performance of public servants.

**Senator CANAVAN:** Out there in the real world, people who have to sell goods or finalise deals don't get paid. If they don't do the sale or finalise the deal, they don't get paid. Quite often it can be for reasons completely out of their control. They just don't get it done and don't get their bonus. Why is it different in the Public Service?

**Mr Betts:** We are required to comply with the PGPA legislation stipulated by the parliament, including that we need to get relevant approvals through government processes before we can start spending public money.

**Senator CANAVAN:** That doesn't answer my question. I'm not saying it is the fault of the public servants. Maybe there are other factors. Everyone else out there has to suffer the swings and roundabouts of real life. Sometimes things don't come off, and they don't get a bonus. That's the way it works. I will ask a more general question. Mr Betts, you are a few years in now. In your experience, has someone's bonus ever been affected by the failure to meet a KPI?

**Mr Betts:** We don't have performance bonuses.

**Senator CANAVAN:** You don't have anything at all? Why do we set KPIs, then? What's the point of them?

**Mr Betts:** For the purpose of having the conversation we're having: to hold the department to account.

**Senator CANAVAN:** But there's no consequence. I will leave it there and we'll move on.

**Senator McKENZIE:** Minister, these questions are for you. The Prime Minister made changes to the ministerial code when the Labor Party was elected. His foreword says that his ministers will be held to higher standards. Do you agree the Prime Minister and all ministers are bound by both the code and his signed statement?

**Senator Chisholm:** Yes.

**Senator McKENZIE:** Do you agree that ministers are required to be held to a higher standard due to their regulatory powers and collective decision-making?

**Senator Chisholm:** Yes.

**Senator McKENZIE:** I will quote section 1.3 part iv of the Prime Minister's ministerial code:

Ministers must accept the full implications of the principle of ministerial responsibility. They will be required to answer for the consequences of their decisions and actions—that is, they must ensure that:

- their conduct in office is, in fact and in appearance, in accordance with this Code;

... ..

- their conduct in a private capacity upholds the laws of Australia, and demonstrates appropriately high standards of personal integrity.

Is it your belief that ministers are explicitly bound to uphold this code in both their public and private capacities?

**Senator Chisholm:** That's my understanding.

**Senator McKENZIE:** I will read section 3.18 under the heading 'Gifts'. It is page 7 for anyone following along at home:

Ministers, in their official capacity, may therefore accept customary official gifts, hospitality, tokens of appreciation, and similar formal gestures in accordance with the relevant guidelines, but must not seek or encourage any form of gift in their personal capacity.

That is in the Prime Minister's code of conduct for his ministers. Minister, have you ever sought or encouraged any gift from an entity that would be considered directly within the sector that this portfolio regulates?

**Senator Chisholm:** No, Senator McKenzie.

**Senator McKENZIE:** Thank you. Has any other minister within this portfolio sought gifts?

**Senator Chisholm:** Not to my knowledge.

**Senator McKENZIE:** Have you ever sought or encouraged a gift that benefited you in a personal capacity?

**Senator Chisholm:** No, Senator McKenzie.

**Senator McKENZIE:** Why not?

**Senator Chisholm:** It is just not the way I operate.

**Senator McKENZIE:** I just thought I would ask. Has any other minister or assistant minister within this portfolio ever sought or encouraged a gift that benefited them in their personal capacity?

**Senator Chisholm:** Not to my knowledge.

**Senator McKENZIE:** Do you accept that soliciting a gift in a personal capacity for a private benefit is explicitly prohibited under the code of conduct for ministers?

**Senator Chisholm:** I don't have the code of conduct in front of me, Senator McKenzie, but broadly that would be my understanding.

**Senator McKENZIE:** I just read the relevant passages.

**Senator Chisholm:** I understand.

**Senator McKENZIE:** Why do you think the Prime Minister and the ministerial code of conduct would make it so explicit that ministers shouldn't be accepting and soliciting gifts?

**Senator Chisholm:** Obviously the Prime Minister is a very experienced parliamentarian. He has been in this place for a long time. I think in coming to government, we saw what went on with our predecessors and the lack of integrity and accountability that applied. The Australian people wanted to see a higher standard set. That is what the Prime Minister has done, and that is what his ministers are striving to achieve.

**Senator McKENZIE:** You have a political answer. My question is: why for ministers, in terms of their regulatory functions, would soliciting a gift be problematic?

**Senator Chisholm:** You would have to put that to PM&C.

**Senator McKENZIE:** Do you believe that ministers within this portfolio accepting gifts from the aviation sector for a private family holiday breaches the code?

**Senator Chisholm:** It's not really for me to judge that.

**Senator McKENZIE:** I want to read another section to you. Section 3.21 states:

Ministers must not seek or accept any kind of benefit or other valuable consideration either for themselves or for others in connection with performing or not performing any element of their official duties as a Minister.

Do you agree accepting flight upgrades or gifts as minister for transport for private benefit is a breach of the code?

**Senator Chisholm:** It's not really for me to judge.

**Senator McKENZIE:** Why not?

**Senator Chisholm:** It would be a matter for PM&C.

**Senator CANAVAN:** I want to go to the staff survey results. It might be called the census. Is that right? The latest census apparently shows that only 53 per cent of staff feel a strong attachment to the agency. That is apparently 10 percentage points below the APS. Is that something that concerns you, Mr Betts? Are there any plans in place to try to improve that?

**Mr Betts:** It doesn't greatly concern me, to be honest. I look at that finding within the overall census results. There is a 91 per cent response rate and an uptick in our overall staff engagement. It was noted in the capability review a year and a half ago that the department, which has a very long name and lots of functions within it, is a

relatively recent creation dating back to 2020. There are entities within that department, such as the Office of the Arts and Communications and Media, which have a long tradition of operating within a lot of different machinery-of-government structures. The department is spread across multiple different buildings in Canberra. In a way, that measure of identification with the department is a function of its history. My view is that, provided the different parts of the department cooperate and collaborate with each other when they need to and provided that staff understand the level of diversity of opportunity that exists within such a broad portfolio, as long as those different entities are doing their day job, they don't need to be homogenised in their culture. No, that subcomponent of what was overall a pretty good census outcome doesn't greatly concern me.

**Senator CANAVAN:** From what you have said, it would probably follow that the attachment, the result on this metric, should be higher for the central parts of the department, such as the department of infrastructure and transport, which is not a creation of 2020 and has been there for a long time, than maybe some of those other arms, if you like, which have a lower attachment. Do you have a breakdown of that result for people from the different outcomes or however you divide the department?

**Mr Betts:** It's broken down across the different functional areas of the department. I wouldn't necessarily say that Infrastructure is any more central to the department than Communications and the Media. My point is that those functions have relatively recently been conjoined through the machinery-of-government change.

**Senator CANAVAN:** My point is, of course, that the department of infrastructure has been something like the department of infrastructure and transport for decades.

**Mr Betts:** And there has been something like the Office for the Arts and something like the department of communications as well, you will recall.

**Senator CANAVAN:** Sure. As you say, they are recent additions to this department. I wonder whether we can get on notice the breakdown of those.

**Mr Betts:** Sure. They are in the public domain anyway, but we will.

**Senator CANAVAN:** What was the staff attrition rate for last financial year?

**Mr Betts:** I will get that information for you. I think our attrition rate generally, which has traditionally been quite high, is now moderating.

**Ms Houghton:** I can give you two numbers, Senator. For 2023-24, it was 17.4 per cent. However, as at 31 August, we are currently sitting at 15.3 per cent.

**Senator CANAVAN:** How much?

**Ms Houghton:** For the last financial year, it was 17.4 per cent. As at 31 August, though, it is 15.3 per cent.

**Senator CANAVAN:** Is that over a 12-month period to 31 August?

**Ms Houghton:** That's right.

**Senator CANAVAN:** What was it the previous financial year, for 2022-23?

**Ms Houghton:** In 2022-23, it was 19.6 per cent.

**Senator CANAVAN:** It still seems relatively high. What is the average across the Public Service?

**Ms Houghton:** It differs by the different types of departments. It is slightly higher than the APS average, but it is lower than many of our equivalent policy agencies.

**Senator CANAVAN:** Like what?

**Ms Houghton:** You could look at, for example, the Attorney-General's Department or Prime Minister and Cabinet. You could look at—

**Senator CANAVAN:** Those two are higher than yours?

**Ms Houghton:** I couldn't comment on their numbers. I think they are publicly available, though.

**Mr Betts:** I think the point is that, when you look at the whole of the Public Service, you will look at entities such as Services Australia or Defence, where people tend to stay put for long periods of time because they are highly specialised. In microeconomic policy departments like ours, Climate Change or Industry, people move around more. They have more generalist skills, and so their attrition rates are generally higher.

**Senator CANAVAN:** I'm just trying to get a handle on it. Which ones do you compare yourselves to? How do you rate compared to them? What is the specific quantitative data?

**Mr Betts:** We may need to take that on notice. I would say the relevant comparators, as I've just mentioned, are industry, climate change and agriculture et cetera.

**Senator CANAVAN:** Maybe you can take on notice what you compare it to and exactly what their staff retention rates are compared to you.

**Mr Betts:** Yes.

**Senator CANAVAN:** How many people in the department are working from home at the moment?

**Ms Houghton:** I can give you the number of people who have both flexible work arrangements and equally those people who have home based work arrangements. We have 67.69 per cent who have flexible work arrangements, which are much broader than just home based work. That includes things like part-time work or remote working arrangements. So 59.98 per cent of the department has a formal home-based work arrangement.

**Senator CANAVAN:** What is it?

**Ms Houghton:** It is 59.98 per cent. They have varied days. That doesn't mean that those people are working all the time from home. It could be one day up to five days. It could also be an ad hoc arrangement.

**Senator CANAVAN:** How does that compare to the wider Public Service?

**Ms Houghton:** I don't have that data with me, Senator.

**Senator CANAVAN:** Could you take that on notice?

**Mr Betts:** My sense is that people are in the office two to three days a week, which is probably a bit more frequently than the average. We'll back that up with some proper data for you, Senator.

**Ms Houghton:** I might have some data from the APSC that I could provide. The APSC have identified through the annual APS employee census that 76 per cent access some form of flexible work, which is broadly similar to the same number in 2023. I don't have anything else.

**Mr Betts:** We'll get back to you if we can.

**Senator CANAVAN:** The number I have from your staff census is that 74 per cent of your staff reported that they work from home or away from the office. That is a bit higher than the formal arrangements you have. Do you not necessarily need a formal arrangement to do that?

**Ms Houghton:** Sorry, Senator. The APS data is that 61 per cent are working away from the office or working from home at least part of the time.

**Senator CANAVAN:** That accords with mine. I have 74 per cent for yours in the census. That is 13 per cent higher than the average, so that checks out. It is 13 percentage points higher.

**Ms Houghton:** Sorry, no. So there is 61 per cent of the APS. I think our data was 59.91 per cent. It is nearly identical.

**Senator CANAVAN:** Your census said 74 per cent, though.

**Ms Houghton:** That would take into account a range of flexible work arrangements.

**Senator CANAVAN:** So where is the 61 per cent from?

**Ms Houghton:** The 61 per cent is APS-wide in the APS employee census.

**Mr Betts:** There's a difference here between—

**Senator CANAVAN:** They are both the census, then? If you are using the 61 per cent figure from the census, presumably you need to compare it to your census, which has 74 per cent. You are 13 percentage points higher than that.

**Ms Houghton:** The APS as a whole is 61 per cent. Our HR data systems holdings indicate that 59.98 per cent have a formal home-based work arrangement.

**Senator CANAVAN:** Can you see what I am saying? If you are using the APS figure from the census—presumably, the census is a survey response—the comparable figure for your department should be from your census, presumably, not from internal HR data, which could be derived on a different basis.

**Ms Houghton:** I think we're talking at cross-purposes. The 61 per cent is the APS as a whole.

**Senator CANAVAN:** From their census. How do they get the 61 per cent?

**Ms Houghton:** From the census.

**Senator CANAVAN:** And the figure from your census is 74 per cent. Is that right?

**Ms Houghton:** Our HR systems are 59.98 per cent—basically 60 per cent.

**Senator CANAVAN:** I want to confirm. You reported that 74 per cent of staff work from home or away from the office. Is that correct?

**Ms Houghton:** That's right, yes.

**Senator CANAVAN:** Thank you. That is 13 percentage points higher than the census for APS-wide. A number of state government agencies are encouraging their workforces back to the office. Is there any encouragement for people to come back into the office within the department?

**Mr Betts:** We generally allow individual teams to find the right level in terms of combining the benefits of flexibility that home working provides with the desirability of people coming together as teams to have face-to-face meetings. We allow our divisions to find the path that works for them. That seems to be the best way of optimising people's productivity.

**Mr Bridger:** I am the chief operating officer. It also depends on the nature of the work they do. Some staff need to come into the office to use particular systems, be it security classification and the like.

**Mr Betts:** Some staff have regulatory functions that require them to be on the ground.

**Senator CANAVAN:** Yes. Has there been any research on the productivity question?

**Mr Betts:** There has been research from a number of different sources at state government and Commonwealth level, not by our department specifically.

**Senator CANAVAN:** I am mindful that your employee expenses have gone through the roof. I don't think our infrastructure is getting any better; anyone would say that. I am wondering how you measure the productivity.

**Mr Betts:** When you say that our employee expenses have gone through the roof, do you mean that they have increased and that they have increased as a result of additional provision being made in past budgets to support increased activity by the department?

**Senator CANAVAN:** I think \$50 million is a lot of money.

**Mr Betts:** It is a lot of money.

**Senator CANAVAN:** It's year on year.

**Mr Betts:** There is a lot of policy work going on in the department as a result of that.

**Senator CANAVAN:** It doesn't seem to be translating into better services.

**Mr Betts:** That is an opinion.

**Senator CANAVAN:** I have some questions about the Housing Support Program.

**Mr Betts:** That is under outcome 3, and we will answer them under outcome 3.

**Senator CANAVAN:** I will go to Senator McKenzie first.

**Senator McKENZIE:** Mr Betts, can you advise what process is undertaken within the Public Service for the secretary's performance assessment?

**Mr Betts:** The secretary's performance assessment is undertaken by the secretary of the Department of the Prime Minister and Cabinet and the Australian Public Service Commissioner. Your questions are best directed to them. Having been on the receiving end of two performance assessments during my time, my understanding is that conversations take place with ministers. The secretary and the commissioner have regard to other data points, such as census results. They also undertake a thing called 270-degree feedback, which is where feedback on the performance of secretaries is sought from their peers, from people who work for them and from external stakeholders.

**Senator McKENZIE:** So 270 degrees. Why not 360?

**Mr Betts:** Again, they are questions for the Australian Public Service Commissioner and the secretary of PM&C. The remaining quadrant is dealt with through the feedback that is provided by the lead minister within the portfolio.

**Senator McKENZIE:** Thank you. So ministers contribute through engagement with PM&C and the APS Commissioner?

**Mr Betts:** That's my understanding.

**Senator McKENZIE:** You've undergone two. Have you been informed of the results?

**Mr Betts:** Yes.

**Senator McKENZIE:** Have your ministers been advised of the results, or would it only be the senior minister?

**Mr Betts:** I don't know. That's a matter for PM&C.

**Senator McKENZIE:** I'll follow that up. Have any of your ministers discussed the results with you?

**Mr Betts:** No.

**Senator McKENZIE:** Do the outcomes of this process impact on remuneration at all?

**Mr Betts:** No.

**Senator McKENZIE:** Thank you.

**Senator CANAVAN:** I realise that the Housing Support Program is in a different outcome. I want to make sure that these weren't relevant for corporate, because obviously, once we let you go, that's it. My understanding is that \$1 billion has been announced under this program. Is that correct?

**Mr Betts:** I think the total is \$1.5 billion. That is including \$1 billion supplementation in the most recent estimates.

**Senator CANAVAN:** The supplementation is what I'm asking about.

**Mr Mackay:** Depending on what you mean by 'announced', Senator, the total value of the program is \$1.5 billion. It was originally appropriated as a \$500 million program. That was increased by an additional \$1 billion.

**Senator CANAVAN:** Okay. So how much of that extra \$1 billion has been provided to state and territory governments?

**Mr Mackay:** All of it.

**Senator CANAVAN:** So it has already been sent to them?

**Mr Mackay:** That's correct.

**Senator CANAVAN:** When did it get sent to them?

**Mr Mackay:** I have that date with me. Give me a moment to locate it.

**Mr Betts:** The funding is mediated through federal funding agreements.

**Mr Mackay:** It was provided to states and territories, Senator, on 28 June 2024.

**Senator CANAVAN:** Were there specific projects they had to deliver from that \$1 billion?

**Mr Mackay:** From the \$1 billion that we are discussing, implementation plans are due to be agreed between the Commonwealth and jurisdictions by 30 September. That's in my notes. That has obviously passed. As at 14 October 2024, South Australia, Western Australia, Victoria, Queensland and the ACT had submitted their implementation plans.

**Mr Betts:** For completeness, Senator, it is \$1.5 billion in total with three streams. In the first stream, the results were announced by the Prime Minister on 1 July. It funded 80 projects with a combined value of \$49.7 million directed to lifting planning capability across local government and the states and territories. There are 73 local government entities and obviously seven states. There is a second stream of some \$450 million, which was opened on 5 July and closed on 16 August, for infrastructure and amenity projects to enable housing supply. That's still on foot.

**Senator CANAVAN:** I am trying to understand the rationale for handing over \$1 billion. Just to be clear, the implementation plan has now been included for most states. What do they do? What do the implementation plans say? Do they identify particular projects?

**Mr Mackay:** Yes, Senator. I'll have the people who can take you through that when we come to it.

**Senator CANAVAN:** I understand that some of these might be for later. I am trying to understand the rationale of giving \$1 billion without any idea of what they are going to spend it on.

**Mr Mackay:** I don't think it's right to say that we don't have any idea what they are going to spend it on. That is the purpose of the implementation plans. It is to agree.

**Senator CANAVAN:** Why do they need the money, though? If there is not a specific project, they've obviously got nothing to spend the money on. Why did they need it on 28 June?

**Mr Mackay:** I think we're moving outside the—

**Senator CANAVAN:** Maybe the minister can help. It is maybe more a question for the minister. We are borrowing this money. Why are we putting this on our debt to give to state governments?

**Senator Chisholm:** Obviously—

**Senator CANAVAN:** It's real cash, right. We've handed over the cash, just to be clear?

**Mr Mackay:** Yes.

**Senator CANAVAN:** They've got \$1 billion extra in their bank accounts?

**Mr Mackay:** It is a transfer between treasuries.

**Senator McKENZIE:** That has already occurred?

**Senator CANAVAN:** On 28 June?

**Mr Mackay:** On 28 June.

**Senator Chisholm:** Obviously we're dealing with a housing shortage around the country. Senator Canavan, this is one of the measures that the government took. I was in the Carpentaria shire, which is one of the beneficiaries of this, to help develop a housing estate there. It was well received by Mayor Bawden up there as well. I think it is something that is going to speed up the ability of councils to develop housing projects.

**Senator CANAVAN:** Has the Carpentaria shire got any money from this to date?

**Senator Chisholm:** It was announced as part of the package. That's my understanding.

**Senator CANAVAN:** Your answer doesn't quite explain why you would transfer the money to them before they need it. There are obviously carrying costs of money. There is an interest cost of money. There is an opportunity cost of money. You have now exposed federal taxpayers to that for no benefit. We didn't have to give them this money three months ago.

**Senator McKENZIE:** That's right.

**Senator CANAVAN:** You haven't answered why.

**Senator Chisholm:** Obviously, the department is going through the process around how that is administered. I'm confident that this will make a difference to speed up housing approvals in this country.

**Senator CANAVAN:** It is five months ago, I should say. It's November now. Time is flying. You haven't given a very strong rationale for why we have to give them this money. Apparently, the department's website says you're currently assessing applications. Do I need to ask that question in outcome 3? I thought I would ask this here because I thought some of the money questions might be more relevant.

**Mr Mackay:** Indeed. What I was going to say before, Senator, is that there will be elements of this question that may be better addressed to Treasury because of the nature of that \$1 billion transfer and the fact it was agreed through a national cabinet process. The applications that are currently being assessed are in that second stream that the secretary outlined before—the \$450 million stream—which was open to applications earlier in the financial year. We are currently assessing those.

**Senator McKENZIE:** I want to ask a question about the \$1 billion that left Treasury to sit in state government bank accounts. What is the cost of that over five months, given that we haven't got all the implementation plans in let alone agreed projects?

**Mr Mackay:** That would be a question for the Treasury. These are transfers between treasuries.

**Mr Betts:** They go through our books.

**Senator CANAVAN:** I want to clarify whether for this program there is any funding beyond last financial year. Have you handed over all the money?

**Mr Mackay:** The split of funding for the program, as it is appropriated, is \$1.05 billion in 2023-24, which is essentially that transfer plus the planning stream, and \$450 million in this financial year, which is that second stream that is currently being assessed.

**Senator CANAVAN:** So will the \$450 million be provided only after particular projects have been identified?

**Mr Mackay:** That stream operates on a different basis. That was open for application from both states and local governments.

**Senator CANAVAN:** Is there any reason that one is being done on a planned process through an application process and the \$1 billion was just handed over? I still can't understand why we handed \$1 billion over for no return.

**Senator McKENZIE:** Is this normal? Is this just what your government does, Minister—shovel money to states and get their plans later?

**Senator Chisholm:** We are obviously dealing with a challenging circumstance in housing. We're committed to ensuring that we are delivering more housing and the infrastructure that is required. I visit a lot of councils around the country. They are all screaming out for more money to help develop projects like this that these programs are going to assist. I think it is a good outcome. I certainly see it will be welcomed by councils and states.



**Senator McKENZIE:** Minister, like me and others, you have travelled around talking to other councils. Are they saying they can't open up more housing blocks because they haven't got a swing set for the housing development? The swing set comes before the sewerage? I'm hearing they need sewerage, power supply, water and telecommunications. Your programs go to funding swing sets, community halls et cetera—

**Senator Chisholm:** Well, that's not true.

**Senator McKENZIE:** prior to—

**Senator Chisholm:** That's not true.

**Senator McKENZIE:** We'll get to that in the other outcome. The minister just made the claim that he is listening to local councils. Are they wanting swing sets or sewerage to open these blocks?

**Senator Chisholm:** I'm sure they are wanting all sorts of support. That is what the government is providing, Senator McKenzie.

**Mr Mackay:** To be clear, Senator, the Housing Support Program pays for that underlying enabling infrastructure.

**Senator McKENZIE:** Yes. I was also talking about the community enabling infrastructure piece, which is the \$450 million that you have there. Just to confirm, South Australia, Victoria, Queensland, WA and the ACT have signed up and have an implementation plan? Is that correct, Mr Mackay?

**Mr Mackay:** As at 14 October, they were the jurisdictions that had provided their implementation plans to the Commonwealth.

**Senator McKENZIE:** What is the next step of the process? Are there any milestones within the implementation plan? You've given over all the money.

**Mr Mackay:** The implementation plans need to be agreed by the Commonwealth minister.

**Senator McKENZIE:** They've already got the money.

**Mr Mackay:** The money was transferred between treasuries; that's right. What I don't have is whether any others have been provided between 14 October and today.

**Senator McKENZIE:** I appreciate that.

**Mr Mackay:** But I'll have the people here this afternoon who can clarify that.

**Senator McKENZIE:** That's fine. I'm wanting to understand the process—the point of an implementation plan needing to be agreed if the money is already sitting in the state governments' bank accounts. What mechanism does the Commonwealth have to ensure that \$1 billion in the state governments' bank accounts is only spent on implementation plan X?

**Mr Mackay:** On the basis that the terms of the transfer require an implementation plan to be agreed between the relevant jurisdiction and the Commonwealth. That's part of the funding schedules that have been signed.

**Senator McKENZIE:** Does it also have milestone payments?

**Mr Mackay:** I don't have that detail in front of me, Senator.

**Senator McKENZIE:** It is a rhetorical question, Mr Mackay. You've told me the government has already given the states \$1 billion. Milestone payments don't exist, do they? Mr Mackay, milestone payments do not exist, do they?

**Mr Mackay:** I don't have that level of detail in front of me.

**Senator McKENZIE:** Secretary, do milestone payments exist, given the \$1 billion is sitting in state and territory government bank accounts?

**Mr Betts:** We'll get the detail on how all of that works this afternoon.

**Senator McKENZIE:** This is a corporate question, Secretary. I'm not interested in the detail.

**Mr Betts:** It's a federal funding agreement entered into through Commonwealth Treasury, not through our department.

**Senator McKENZIE:** In terms of negotiating this, do milestone payments exist or not? The fact is that none of you can answer that question. It's quite a simple answer.

**Mr Mackay:** It's not my understanding that there are milestone payments in the way we might have them for a grant, where a particular milestone is reported and then funds are transferred. Nonetheless, the implementation plans do need to be agreed between both governments.

**Senator McKENZIE:** Yes.

**Senator CANAVAN:** Again, if these need to go through outcome 3, let me know. I want to confirm what the administrative costs are. Do you have them?

**Mr Mackay:** I do. The total program appropriation of administered funding is \$1.5 billion, as we discussed. The administrative cost over two years is \$7.4 million.

**Senator CANAVAN:** How many staff? Do you have an allocation of staff to this program?

**Mr Mackay:** That will be made up within that \$7.4 million. All I've got is—

**Senator CANAVAN:** You don't have the FTE equivalent?

**Mr Mackay:** I've only got the dollar figure in front of me.

**Senator CANAVAN:** Maybe you could take on notice if you have that.

**Mr Mackay:** I will see if we can get that to you this afternoon.

**Senator CANAVAN:** Great. Thank you very much. I will go back to where Senator McKenzie was going. Under these implementation agreements or any other agreement you have with a state or territory government with regard to this money, is there any way to claw back the funding if they don't meet the commitments under the plan?

**Mr Mackay:** I think that is a question better handled under outcome 3. I don't have a copy of the schedules with me.

**Senator CANAVAN:** We'll take it up later. I suppose the key point here is that a lot of this project seems to be funding normal local government infrastructure—the kind of things that governments deliver day to day all the time. Senator McKenzie mentioned parks. There is also sewerage and whatever it can fund. How are we going to know that they are doing more of it? How do we know that \$1 billion is delivering additional infrastructure apart from just the state government going, 'Whoopee. Here's a billion bucks. Now we can offset the costs of what we were doing anyway?' How do we know that?

**Mr Mackay:** I think that is better handled with the team here in outcome 3 this afternoon, Senator.

**Senator CANAVAN:** It seems a very relevant question, which we will come back to.

**Senator McKENZIE:** Ms Bridger, what mechanisms have been included in the contract to actually claw back funds if a state doesn't meet its obligations under the agreed implementation plan?

**Mr Betts:** It's a federal funding agreement. It's a question for the Commonwealth Treasury.

**Senator McKENZIE:** Implementation plan.

**Mr Betts:** It's a federal funding agreement. It's a question for the Commonwealth Treasury.

**Senator McKENZIE:** You don't know?

**Mr Betts:** I've answered your question.

**Senator CANAVAN:** There is another point. This is while we've got you, Secretary and others. I might come back to this later. Presumably, some elements of this are for your department to design. It's obviously a common issue with government funding. Have you designed anything in the program to mitigate the problem of our money not providing additionality?

**Mr Betts:** These are entirely legitimate questions, which we will answer this afternoon when we have the relevant subject matter experts here.

**Senator CANAVAN:** They are very relevant.

**Senator McKENZIE:** I want to go to professional development speakers. In answer to a QON from February additional estimates, we had four speakers contracted for professional development training between 1 July and February. They are Michelle Shephard for \$2½ thousand, Celia Pacquola for \$15½ thousand, Jelena Dokic at nearly \$11,000 and Mimi Kwa at \$8,400-odd. How much did the department spend in total on the provision of professional development training for staff from external providers?

**Mr Betts:** Over what period?

**Senator McKENZIE:** In 2023-24.

**Ms Houghton:** Senator, can you repeat your questions just so I can be accurate?

**Senator McKENZIE:** How much did you spend in 2023-24 on external providers of staff development training?

**Ms Houghton:** I don't have that data. I have some information about speakers that I can provide, if that's helpful.

**Senator McKENZIE:** No. I just want external providers. How long would it take you to get that information?

**Ms Houghton:** I'll check with the team.

**Mr Betts:** We'll get it for you as soon as we can.

**Senator McKENZIE:** It is my understanding that, in answer to my QONs, you spent \$15½ thousand for an actor from the *Utopia* program to give advice to staff in the department. Is that correct?

**Mr Betts:** Celia Pacquola has a long career in acting, including in the *Utopia* program, yes. The event that she spoke at on 4 October 2023 was part of Mental Health Week. The talk related to mental health and wellbeing. In recent times, Celia Pacquola has done a very well regarded documentary on SBS called *The Truth about Anxiety*. She spoke quite powerfully about her own experiences with anxiety and depression. So 213 of our staff attended that event either in person or virtually. It was a very successful component of Mental Health Week.

**Senator McKENZIE:** Aside from that very powerful lived experience being shared with your staff for Mental Health Week, was there any other advice that she gave? I know she is the inspiration behind the High Speed Rail Authority. Was there any other infrastructure delivery advice she gave? Was it really about her lived experience with mental health and anxiety?

**Mr Betts:** That was the purpose of the whole talk, yes.

**Senator McKENZIE:** Why was she selected?

**Mr Betts:** She is high profile and, therefore, likely to attract interest from our staff. She is also a publicly recognised figure who has been very open about her experiences with anxiety and depression. That is a powerful thing for people who may be struggling with that themselves or may have, for instance, teenage children who are going through that kind of trauma. When public figures are prepared to speak out about that kind of thing—I know a number of politicians who have very courageously spoken out about it—it has a positive reinforcing effect on our own people as they struggle with equivalent issues.

**Senator McKENZIE:** And Jelena Dokic? Why was she selected? What advice did she provide?

**Mr Betts:** Jelena Dokic is obviously a very high profile Australian who has achieved amazing things in the world of tennis. At the same time—she has written about this in two autobiographies—she is a victim of domestic and family violence. Her father was in an abusive relationship with her. Again, she spoke very movingly about those experiences and where she had turned for support during the most difficult of times.

**Senator McKENZIE:** Are there any plans for Mental Health Week coming up this financial year?

**Mr Betts:** I think Mental Health Week took place a few weeks ago. We had a panel of internal speakers talking about their own experiences. Mental health and wellbeing is something we try to talk about a lot in the department. We know that one in five Australians at some point in their life experience anxiety or depression. It costs our economy about \$11 billion, conservatively assessed. We have moral as well as legal obligations to provide a psychologically safe work space.

**Senator McKENZIE:** And the internal panel of speakers are internal to the department?

**Mr Betts:** Correct, yes. There may have been an external one as well as a facilitator. We had some senior people within the department who talked about their own personal experience and those of their family members.

**Senator McKENZIE:** Who external did you have?

**Ms Houghton:** I can add that. It was Hayley Lewis. It was for Mental Health Month and National Safe Work Month. She discussed her experience with mental health and her role as a mental health ambassador for the Queensland government that allowed her to pioneer new codes for mental health in the workplace.

**Senator McKENZIE:** Anybody else?

**Ms Houghton:** No.

**Senator McKENZIE:** How much did we pay Ms Lewis?

**Ms Houghton:** It was \$8,554.

**Senator McKENZIE:** And I am assuming the internal panel members were there pro bono?

**Mr Betts:** Correct.

**Senator McKENZIE:** How many staff attended this event?

**Ms Houghton:** The one with Hayley Lewis was 214.

**Senator McKENZIE:** So one up on last year. Your staff are very good at attending these events. Thank you very much.

**CHAIR:** This is corporate matters. Senator Rennick has questions.

**Senator RENNICK:** I have news regarding the \$100 million given for Avoca Drive. I'm curious to know what the process is for giving out federal grants on non-federal highways?

**Mr Betts:** That is outcome 1, infrastructure.

**CHAIR:** We're not there, Senator Rennick.

**Senator RENNICK:** What time is that?

**CHAIR:** It was to be quarter to 10, but I'm in the hands of the opposition senators, who might have an idea. Will we get there before the break, Senator Canavan, or should Senator Rennick come back after it? Have you got many more for corporate, Senator Canavan?

**Senator CANAVAN:** I've just got one more.

**CHAIR:** Hang around, Senator Rennick.

**Senator CANAVAN:** This has been in the news a bit lately. Mr Betts, have you got membership of the Qantas Chairman's Lounge?

**Mr Betts:** Yes. I have been a member for 15 years.

**Senator CANAVAN:** The Virgin Beyond lounge?

**Mr Betts:** No. I don't think so. I'm a member of the standard Virgin lounge.

**Senator CANAVAN:** Not the Beyond one. I want to check from within the department's reporting of this that access is considered a gift or benefit?

**Mr Betts:** Yes.

**Senator CANAVAN:** Do all your deputy secretaries have membership of the Chairman's Lounge?

**Mr Betts:** Yes, they do.

**Senator CANAVAN:** Presumably, you will need to check on the Virgin Beyond lounge, then?

**Mr Betts:** Yes.

**Senator CANAVAN:** Take that on notice. They all have Chairman's Lounge access?

**Mr Betts:** Yes. And in a couple of cases, including mine, partners have membership as well.

**Senator CANAVAN:** I want to read this out. There is apparently an accountable authority instruction. Are you familiar with it? Some sections in it are relevant. Bear with me until my question. Item 2 states:

- With respect to the receipt or acceptance of gifts and/or benefits, officials must not ask for, or encourage the giving of, gifts or other benefits to themselves, family, associates or other officials.

It says:

- They must not accept a gift or a benefit that influences, or could be perceived to influence, their decision or action on a particular matter except in accordance with this AAI. For the purpose of clarity, this acceptance of any gift or benefit except in accordance with instructions within this AAI should be viewed as potentially creating a perception of influence.

I want to clarify that you don't believe any of those memberships do create the perception of influence over the department?

**Mr Betts:** I don't. I think it's fair to say that my predecessors in this role over a number of decades have also had lounge membership. I think it is a legitimate question to ask around the management of any perceived conflict of interest. You've accurately described the accountable authority instruction in relation to gifts and benefits. There are also processes for the declaration of any interests. I'm required, as secretary, to write to the minister documenting those interests. That includes the membership of the Chairman's Lounge for me and my wife. I'm happy to talk about the management of any perceived conflicts of interest, including the fact that regulatory functions are not undertaken in relation to airlines at secretary or deputy secretary level within our department or our portfolio.

**Senator CANAVAN:** Are you suggesting that if there are government officials that do undertake regulatory functions with regard to Qantas or Virgin, being a member of these lounges would be a perception of a conflict of interest?

**Mr Betts:** There may be a perception, but they would need to deal with that through management plans. For instance, the Civil Aviation Safety Authority, ACCC and Home Affairs have memberships to the Chairman's

Lounge. I imagine that there are management plans in place to deal with them to avoid any actual conflicts of interest arising.

**Senator CANAVAN:** You're not familiar with those plans? Some of those agencies fall under your department—

**Mr Betts:** I wouldn't be, no.

**Senator CANAVAN:** But you're not familiar with them?

**Mr Betts:** No.

**Senator McKENZIE:** Would the minister have to be assured regarding those perceived conflicts of interest, particularly with CASA and Airservices Australia? Who assures? If you are not assuring around the management of perceived or actual conflicts of interest in those agencies, who would?

**Mr Betts:** I would have to take that on notice. They operate independently of the department and, in some cases, in other portfolios. Certainly as far as my own conflicts of interest, I make representations to the minister to document what those interests are and to describe how they will be managed.

**Senator McKENZIE:** Do your staff who also hold Chairman's Lounge memberships have to report directly to the minister, or do they report through you?

**Mr Betts:** They all declare it in terms of gifts and hospitality. Where there is a risk of a perception of a conflict of interest, there are equivalent processes in place. It is me who is accountable for it.

**Senator CANAVAN:** I want to table, Chair, if possible, an FOI document 24112. This document is an email chain titled 'Upgrade to chairman's lounge membership for David Mackay'. I will quote from that email. These emails are from unnamed people. They are blanked out. It is an email from the executive assistant to David Mackay, who sends an email to a Qantas person and says: 'It was lovely to meet you yesterday. As discussed, David Mackay is a newly appointed deputy secretary, and I understand he is now entitled to be upgraded to chairman's lounge membership.' There are some further details. Is that in accordance with what I have described earlier, that there should be no solicitation of gifts? I've got here a direct email under FOI?

**Mr Betts:** I haven't seen that email. I would only say that it is standard practice for Qantas to offer Chairmans Lounge membership to deputy secretaries in all Australian government departments. I can't speak to what a junior staff member may have said in an email.

**Senator CANAVAN:** Maybe you could just take on notice and reflect on that.

**Mr Betts:** I will.

**Senator CANAVAN:** I am not expecting you to have seen it. I don't expect you to make any judgements on it without having a proper look at it.

**Senator McKENZIE:** I have one other question. Secretary, you said that there are plans to deal with the perceived conflict of interest of a Chairman's Lounge membership for yourself and obviously your senior officials and that the regulatory functions within the department are elsewhere. Is there not a power imbalance between the people who hold the Chairman's Lounge membership and those within the department who are charged with the regulatory functions of the department? That is my question. Can you unpack for me how you manage that?

**Mr Betts:** We manage it through formal and structured delegations which are transparent. The particularly relevant legislation or regulations relate to noise and airport capacity regulation, particularly in relation to Sydney airport, and the Air Navigation Act. There is also a piece of legislation in relation to the Airports Act, which is the only delegation held at deputy secretary level. That is a very tightly circumscribed one. It is managed through formal processes of delegation. Obviously, when it comes to the generation of policy or policy advice, that is advice, and any decision-making is for the minister or cabinet or, ultimately, for the parliament.

**Senator McKENZIE:** You're confident that your holding and your staff's holding of a Chairman's Lounge membership has not influenced their advice to government or their views around protecting Qantas's market share in our aviation sector?

**Mr Betts:** Yes. I am confident of that. To the extent that there were any risk of that, the measures we've taken in terms of delegations go part of the way towards mitigating that. In extremis, there would also be channels through which our own staff could report any concerns about any conflict of interest not being appropriately managed. There would be public interest disclosures through to the Australian Public Service Commission in relation to the code of conduct and, ultimately, to the National Anti-Corruption Commission. They are obviously fallbacks. We think we've put processes in place to make sure that there is transparency here and that there are controls through formal delegations.

**Senator McKENZIE:** That would explain why your department recommended to Catherine King to approve Qatar's application for additional flights last year—because your officials did not have a conflict? That is why the advice to Catherine King was to approve Qatar's additional flights last year that the minister herself chose to reject? It may go in a way to explain how you've been able to manage the conflicts internally whilst the government may not have been able to. I don't expect you to answer that.

**Mr Betts:** I was going to say that it sounds like one of your rhetorical questions.

**Senator McKENZIE:** Yes. I will consider that a comment.

**Senator CANAVAN:** I have one other very quick question on this. I want to go back to the issue involving Mr Mackay. I would also like to table the document that approves the gift from you, Mr Betts. That is dated 7 June 2023. The email that I table, you will see, was from 17 January 2023. Do you have a particular time frame upon which gifts should be declared? That is the only correspondence I have. I am not sure when Mr Mackay sent it to you exactly. Is there a particular time frame through which gifts must be declared?

**Mr Betts:** As a minimum, these things should be dealt with on an annual basis.

**Senator CANAVAN:** Thank you. We are done.

**CHAIR:** Mr Betts, we'll let corporate matters people disappear and move to outcome 1.

**Senator RENNICK:** My question concerns the Avoca Drive upgrade. I notice that the federal government is putting in \$100 million to a \$130 million upgrade. What is the process for federal government funding of infrastructure? My understanding of it was that federal highways have an 80-20 funding split. What goes beyond federal highways? What rules and guidelines do you use to fund roads that aren't a part of the federal highway? My understanding of it was that it is at best fifty-fifty. I am curious to know why the federal government would be putting in the bulk of money for a \$130 million upgrade that isn't part of a federal highway?

**Ms Hall:** It is around 80-20 or fifty-fifty. That was a previous government policy. This government's policy—it was actually the same under the previous government—is always to negotiate with the jurisdictions on the funding splits. That is part of the normal negotiations with those jurisdictions and has been since the Infrastructure Investment Program existed. Some projects may be at 80-20. Some projects may be at 75-25. Some projects may be at fifty-fifty.

**Senator RENNICK:** This was more like 75-25 federal funding. What were the guidelines? Why did you decide to fund this?

**Senator Chisholm:** This was an election commitment made in the lead-up to the 2022 election.

**Senator RENNICK:** That's good to know. Thanks, Senator Chisholm. Why this road? I know plenty of roads in outback Queensland could do with upgrades as well. Why did this road get priority funding and such a disproportionate amount of funding from the federal government rather than the New South Wales government? What was the criteria? Is there a standard criteria that determines how this money is given out?

**Senator Chisholm:** Because it was an election commitment, Senator Rennick, and all oppositions obviously go around the country providing election commitments. Normally the parties work through that in their normal process, as I'm sure they did with this one.

**Senator RENNICK:** So there was no favouritism or anything like that, because this road was near the Central Coast?

**Senator Chisholm:** It was an election commitment made prior to the last election.

**Senator RENNICK:** I realise that. I am trying to work out the criteria and who made the decision. Did the Prime Minister have any input to this?

**Senator Chisholm:** It was an election commitment, so it was made by the opposition in the lead-up to the election. We would have done it with whoever was our candidate or sitting MP in that area. I don't actually know who that is.

**Senator RENNICK:** It is Gordon Reid. That is so you know who the candidate was. At the time, the opposition leader in the last election was the Prime Minister, Anthony Albanese. Did he have any direct involvement in making this decision?

**Senator Chisholm:** I don't know the answer to that. I know the process we went through in terms of broadly putting our policies together before the last election. We consulted with local MPs or candidates about what their priorities were. Obviously, we go through it in a responsible way to ensure that we deliver projects that will make a significant difference for local communities. I'm sure Gordon Reid would have been influential in that decision given that he is a good local MP.

**Senator RENNICK:** Was the commitment prior to the election for \$100 million out of \$130 million, or was that decided after in government?

**Senator Chisholm:** I don't have the election commitments in front of me in terms of what we exactly promised. I know that the upgrade to this road was what we promised. I presume we had a dollar value associated with it before the election.

**Mr Potticary:** The commitment for the incoming government was \$30 million, and an additional \$70 million was committed in January 2023.

**Senator RENNICK:** Who made the decision to commit an extra \$70 million when you were in government? The election promise was \$30 million. That then got lifted to \$100 million in government. How was that decision evaluated?

**Mr Potticary:** It was a decision of government, Senator.

**Senator RENNICK:** Is it possible to get correspondence between the minister's office and the department as to how that decision was calculated or made? You went and decided to add another \$70 million over and above an election commitment. Don't you think that deserves some explanation?

**Ms Hall:** Senator, what we find from both sides of politics is that often when they make an election commitment, they make an election commitment for a certain type of upgrade. Often the dollar figure doesn't align with the upgrade that they would like to deliver. We need to make sure that we have enough funding to deliver the upgrade they've actually asked for. It would have been in conversations with the New South Wales government to say something along the lines of, 'To deliver that project, that isn't enough money. We need an extra amount.' It would have been through negotiations with the jurisdiction, which is what we do with all of the jurisdictions, to make sure that we've got enough money to deliver what was actually expected.

**Senator RENNICK:** My experience of election commitments is normally that they are broken and the money gets downgraded, not upgraded. If more money was put in by the federal government, why didn't the state government put in more money as well? My concern is that this isn't an electorate. This is a road that now leads to the Prime Minister's new house.

**Senator Chisholm:** You should be careful not to smear people.

**Senator RENNICK:** With all due respect—

**Senator Chisholm:** This was a decision made years ago.

**Senator RENNICK:** It was in 2023. It was an extra \$70 million under your government.

**Senator Chisholm:** It was an election commitment.

**Senator RENNICK:** This outshines any upgrades, which don't cost anywhere as much in millions. You've just suddenly decided out of the blue to give another \$70 million to a road that leads to the Prime Minister's new house.

**Senator Chisholm:** That's ridiculous, Senator.

**Senator RENNICK:** I think this deserves greater scrutiny. I think it deserves an explanation.

**Senator Chisholm:** It was delivering on an election commitment we made prior to the 2022 election. The department had talked through the process—that often happens—post an election in terms of assessing that. We were very determined to deliver on our election promises, which is what we have been doing around the country.

**Senator RENNICK:** Can I get all the paperwork prepared to make this decision, please?

**Ms Hall:** We'll take it on notice.

**Senator RENNICK:** And the justification for increasing the number of federal taxpayer dollars spent from \$30 million to \$100 million?

**Ms Hall:** We'll take that on notice, Senator Rennick.

**Senator RENNICK:** Thank you.

**Senator CANAVAN:** I want to go back to what I was saying before about the Bruce Highway. I don't understand what has happened. It's never been a fantastic road. In the last year, there have been potholes all over the place. They don't seem to get repaired very frequently. As I said earlier, it is incredibly dangerous. It's had a number of shocking and tragic fatalities in recent months. It is a topic of conversation where I live about why this road has become so bad. Could anybody give me an update on why this has happened? Does anyone know?

**Senator Chisholm:** It's obviously a really important road. I'm a Queenslander. Senator Canavan, I think you mentioned earlier that you drove it during the school holidays back down to Brisbane from where you are?

**Senator CANAVAN:** Yes.

**Senator Chisholm:** In school holidays, I went the other way. I went from Brisbane to Proserpine and back and towed my boat up there, so I've driven a similar stretch that you've done recently. Obviously, I also note that, on the way back, I got to drive on the new Gympie bypass as well, which has been a significant improvement to that part of the world. There's no doubt that we need to continually invest in the Bruce Highway. I pass on my condolences and thoughts to those who have lost loved ones. There have been some terrible incidents, as you mentioned, Senator Canavan, of late. We need to ensure that we are continually investing in the Bruce Highway. We've obviously got the \$10 billion commitment over the 10 years. We had additional money in the last budget that also went to safety upgrades. We're keen to work constructively with the new state government to ensure that we're making it as safe as possible and delivering so that those people who do use it regularly, either for work or pleasure, know that it is safe and up to standard.

**Senator CANAVAN:** Thank you, Minister. Thank you for the condolences. I will come back to my question. Has anyone looked at why? The key issue for me here is, as I say, it has never been a great road. I appreciate that both sides of politics have put significant funding into upgrades, such as the Gympie bypass, which is great. This question I'm asking is not about that. It is the fact that we haven't been able to maintain the road in the same state, let alone do upgrades. I am in a position where I would be happy if it just went back to where it was a year or so ago. Can anyone explain why these potholes seem to be getting bigger and staying for longer than they ever have in my experience before?

**Ms Hall:** I'm not sure I can answer your question. Obviously, the maintenance of the road is a question for the Queensland government. We can definitely get some advice from them with regard to what they are using as the cover and things like that to see if it is an issue with regard to the asphalt. It obviously does have significantly more traffic on it now than in the past. We have obviously had more rain events as well. We can come back to you on that.

**Senator CANAVAN:** I'm not sure about the rain. We've had a pretty good few years of rain. It's nothing unusual. We haven't had major flooding in Central Queensland, at least, for some years. This is a national highway network. I realise it is managed by the state government, but it is part of the national highway network. Has anyone from the department proactively sought to meet with the Queensland government about this? It has been a major topic of conversation, including in the media, that I'm sure you've seen. Has anyone from the department proactively gone and spoken to the Queensland government about why there seem to be these issues?

**Ms Hall:** We are regularly in consultation with Transport and Main Roads about the Bruce Highway and what we can do to ensure that it becomes a safer road.

**Senator CANAVAN:** Has anyone actually asked this question about why there have been more fatalities? What is the answer you got when you asked them?

**Ms Hall:** We have asked with regard to issues around fatalities. Some of them are in areas where it has been highly unusual, I suppose, for those fatalities. It's not necessarily just the quality of the roads. As you know from a road safety perspective, some of it has to do with driver behaviour. We can talk more about that when we talk about road safety, if you like. We do know that there is a priority of actions being rolled out. The government did recently give more maintenance funding to all of the jurisdictions, as you know, as part of the FFAS. We are hoping that some of that will also go to the Bruce Highway. We are working very closely on a program of works on the Bruce Highway. I know that, as the Assistant Minister has said, the minister is also talking closely with her counterparts in Queensland now as well.

**Senator CANAVAN:** Minister, have you got a briefing from the department officials or the Queensland government officials about the state of the Bruce Highway, given you've driven on it and seen it first-hand?

**Senator Chisholm:** I haven't had a briefing. I know that the minister wrote to the Queensland minister to suggest that they come forward to prioritise safety upgrades. I'm assuming that was the previous minister. I'm sure that offer will extend, as Ms Hall suggested, to ensure that we're prioritising safety upgrades that are going to make a difference and make the road safer.

**Senator CANAVAN:** I want to put on the record that I have sought multiple briefings from Transport and Main Roads in Queensland for the last few years. Since the federal election, all of those requests have been refused by the Queensland government. They will not meet with me or, to my knowledge, at least, I know, the local LNP officials in Central Queensland. I think it is an absolute disgrace. It is no reflection on the officials in Central Queensland. I've always had a very productive working relationship with them. It seems like the minister in Brisbane refused requests for parliamentarians to meet with officials to try to get to the bottom of what is going on. As I say, this is a constant thing that comes up when you talk to people at soccer games and barbecues. People



are very worried about that road. People here don't seem to know why it has gotten so much worse. It doesn't seem to make sense. It would be great if someone could have some answers at some point for me. Maybe with the new government we'll have more luck.

**Senator McKENZIE:** After the last two budget updates, the government has paid out over \$16.87 billion to plug budget blowouts in state and territory infrastructure projects. The *AFR* reported that the update would include millions of dollars in road and rail projects. Has the department provided advice to the minister about further cost blowouts in state government projects?

**Mr Betts:** The department works with its state and territory counterparts to understand the cost pressures that they are facing across the range of projects in which we are coinvesting. As has been thoroughly documented by Infrastructure Australia through its independent work and as has been discussed at previous estimates hearings, we face significant cost pressures within the construction market related in part to the price of materials, skill shortages and so on. Every jurisdiction, regardless of their political colour, has experienced those cost pressures at various points over the last eight to 10 years. When jurisdictions report cost pressures to us, we consider them on their merits. I will hand to Ms Hall to talk about the process we follow.

**Ms Hall:** With regard to the process we follow, as you know, Senator, jurisdictions are required to provide us with information about their projects. We obviously—

**Senator McKENZIE:** How regularly, Ms Hall?

**Ms Hall:** It depends on the size of the project. We actually sit on a number of boards depending on the project. That would be on a very regular basis. It would be probably monthly.

**Senator McKENZIE:** You won't sit on 700 boards, though.

**Ms Hall:** No. We don't. Probably monthly. The teams meet probably more often than that. I meet with them every quarter. The secretary and I meet with them every six months.

**Senator McKENZIE:** To answer my question: how often do you get information from the state governments, with their arrangements, about the cost blowouts?

**Mr Bourne:** Senator, as soon as jurisdictions are seeing the potential for cost pressures, they are normally advising us in advance of that to give us some sense of what might be coming forward. My teams meet with their jurisdictions weekly depending on what the issues are. In terms of those cost pressures, though, once they give us a sense of those, they clearly need to go off and determine the extent of those—

**Senator McKENZIE:** To quantify it?

**Mr Bourne:** That's right. To understand the basis behind them to see what they can do to minimise the level of the cost pressure. Once they've done all those sorts of things, they come forward with a formal request.

**Senator McKENZIE:** How often are you formally advised, or is there no kind of requirement? Is it ad hoc?

**Mr Bourne:** It depends on the project.

**Senator McKENZIE:** Is it ad hoc? It is sounding more ad hoc than I thought it would be.

**Ms Hall:** I wouldn't say it is ad hoc. I would say that the jurisdictions provide us in advance of information. They are required under the FFAS and the previous MPA to let us know if there are cost pressures emerging. With regard to how the government actually assesses cost pressures, as you know, Senator, this happens twice a year with regard to MYEFO and the budget.

**Senator McKENZIE:** Has the department provided Minister King with an update of any potential further cost blowouts other than MYEFO 2023 and the budget for 2024-25, where the federal government had to provide an additional \$16.87 billion?

**Ms Hall:** Obviously, Senator, we're in the throes of MYEFO as we speak. Yes, we have provided additional advice for this process.

**Senator McKENZIE:** Thank you. So it is sitting up there. That's fine. Has the Victorian government provided advice to the department about further cost blowouts in state road and rail projects?

**Ms Hall:** Yes.

**Senator McKENZIE:** Formally or just ad hoc?

**Ms Hall:** Formally through the process.

**Senator McKENZIE:** Did the former Queensland government provide advice to the department about further cost blowouts for state road and rail projects before last weekend's state election?

**Ms Hall:** Yes.

**Senator McKENZIE:** Can you tell me how much? I thought I would try. It is too early in the day.

**Mr Betts:** As Mr Bourne has attempted to describe, this is part of the regular process of engagement.

**Senator McKENZIE:** Yes, I know. I appreciate it.

**Mr Betts:** When cost pressures are notified to us, we don't just take them at face value. We go through a process to—

**Senator McKENZIE:** Verify them?

**Mr Betts:** Verify them, to confirm that they are legitimate and they don't represent, say, discretionary scope changes that the states would like us to fund. There is a process of analysis before we put advice to ministers. As Ms Hall has said, that is a minimum of twice a year through the budget and MYEFO processes.

**Senator McKENZIE:** Thank you for clarifying that, Mr Betts. Which states and territories have signed up to the new FFA?

**Ms Hall:** All of them.

**Senator McKENZIE:** They've all accepted the funding schedule? They've signed up to the funding schedules associated with the May 2024 budget?

**Ms Hall:** Yes, Senator.

**Senator McKENZIE:** Were there any changes to the funding proportions or delivery timelines through that negotiated process?

**Ms Hall:** No, Senator.

**Senator McKENZIE:** Just to clarify, if they signed up to fifty-fifty, that hasn't been changed? That's prior to Catherine King's decision to go from 80-20 down to fifty-fifty. If you had signed up to 80-20, that wasn't changed through this process?

**Ms Hall:** Whatever was in that schedule has been signed up to, Senator.

**Senator McKENZIE:** Are there any states that are yet to agree to the government's proposed fifty-fifty funding split for regional and remote road infrastructure projects?

**Ms Hall:** No.

**Senator McKENZIE:** They've all signed up?

**Ms Hall:** It is not a signing up. The fifty-fifty—

**Senator McKENZIE:** They've all agreed?

**Ms Hall:** is not in the FFAS, as you know. It is in the infrastructure policy statement. It is government policy to negotiate from a fifty-fifty basis.

**Senator McKENZIE:** From a fifty-fifty basis?

**Mr Betts:** Yes.

**Senator McKENZIE:** And it's a negotiated outcome?

**Mr Betts:** Correct.

**Ms Hall:** Correct.

**Senator McKENZIE:** Where fifty-fifty is the goal of the Commonwealth funding entity?

**Ms Hall:** Correct.

**Senator McKENZIE:** But you recognise that you won't end up at fifty-fifty through a negotiated process?

**Mr Betts:** It would depend on the negotiation.

**Senator McKENZIE:** Of course. Since that policy change has been implemented, have there been any projects negotiated with state or territory governments where the Commonwealth-state split isn't fifty-fifty?

**Ms Hall:** We haven't considered any because we're still going through the MYEFO.

**Mr Bourne:** The FFAS was only signed recently, Senator.

**Ms Hall:** Signed in August.

**Senator McKENZIE:** Minister King wrote to state and territory ministers requesting information in relation to the CFMEU influence on Commonwealth funded construction projects. Which states have responded to the minister's letter?

**Mr Bourne:** I might have to come back to you on that. I don't have that detail.

**Mr Betts:** The minister wrote on 31 July to her state and territory counterparts asking them to ensure that any inappropriate or criminal behaviour was reported to relevant regulators. As at 15 October, a couple of weeks ago, we've received no reports of such behaviour back from any of our state and territory counterparts. It is worth adding that ministers King and Gallagher wrote jointly to all our government business enterprises to ask them to undertake similar due diligence. The federal funding agreement, which we have just described, hardwires that compliance with relevant legislation and reporting of obligations into our agreement with the states.

**Senator McKENZIE:** As yet, no state government has replied to Minister King's letter?

**Mr Betts:** No state government has responded to Minister King's letter by telling us that they are aware of any inappropriate or illegal behaviour by CFMEU or any other union.

**Senator McKENZIE:** Isn't it just manners to respond?

**Mr Betts:** Well, they've executed a federal funding agreement in the meantime which actually crystallises those obligations. We talk to our state and territory counterparts, including as recently as last week. They are working on how they operationalise those reporting obligations.

**Senator McKENZIE:** Minister King and Minister Gallagher jointly wrote to states and territories on 31 July?

**Mr Betts:** No. government business enterprises. I think it was Western Sydney Airport and Inland Rail. Minister King wrote to her state and territory counterparts on 31 July.

**Senator McKENZIE:** Got you. I am asking for the impetus of that. I wrote to Minister King on 17 July requesting her to assure me and the coalition about Commonwealth taxpayers' spend and whether projects were CFMEU controlled and what the influence and cost drivers were there. When did the draft of the 31 July letter go to Minister King's office?

**Mr Betts:** I think we will have to take that on notice. Obviously, there was widespread media reporting at that time about concerns regarding behaviour on site. That was playing out in the political arena and in the media at the time. The minister responded accordingly.

**Senator McKENZIE:** When you are checking the correspondence register, you might let me know when my letter to Minister King was sent down to the department for response. Was that response generated within the minister's office? Ms Hall, do you have some information?

**Ms Hall:** No. I was just looking at when you sent your letter. I can't tell you when it was actually received by my office. I will take it on notice.

**Senator McKENZIE:** My understanding is that it was sent on 17 July. I want to know whether it was sent down for response to the department or whether it was responded to within the minister's office. When was the draft of the 31 July letter from Minister King to states and territories compiled? Was it something the department did?

**Ms Hall:** We'll take that on notice and get back to you.

**Senator McKENZIE:** I would like the timelines on that correspondence, please. Has the department undertaken any analysis of the impact of CFMEU negotiated deals, industrial action or other activities on the cost and timeliness of delivering Commonwealth funded projects? Do you rely on the reporting of the states?

**Mr Betts:** We have explained that we receive reports from the states. We do scrutinise them. As at two weeks ago, we had received no reports of any illegal or inappropriate behaviour. No, CFMEU activity or outcomes don't feature in the information that has been provided to us by the states and territories about cost pressures.

**Senator McKENZIE:** They are very careful words, Secretary—inappropriate or illegal behaviour. What about jacking up the price of publicly funded projects to the tune of 30 per cent, as has been costed quite publicly and quoted? When you are assessing the veracity of the state's claim for budget blowouts on infrastructure projects, do you actually assess the impact of the CFMEU or other unions—the poor old AWU is trying to get a look-in on construction projects in this country—on budget blowouts? Is it not something you consider? That is what I want to understand.

**Mr Betts:** We are attempting to address any inappropriate or illegal behaviour. A number of different factors can lead to cost pressures on projects. It could include the cost of materials. It could include the cost of labour. Obviously, enterprise agreements entered into with a range of different unions can be a factor with labour costs. Provided that employers and unions are legally complying with their obligations under those agreements, that is not something we can second-guess.

**Senator McKENZIE:** Is it something you specifically consider in your advice to the minister on cost blowouts?

**Mr Betts:** The enterprise agreements are entered into by contractors with their employees—

**Senator McKENZIE:** I appreciate that. I'm asking about your analysis—

**Mr Betts:** who are operating in a competitive environment.

**Senator McKENZIE:** The department's analysis of the advice given from state and territory governments. You are very au fait with the issue. Do you provide advice to the minister when you analyse the cost blowouts that have been reported by states and territories? Do you provide the minister with advice around the impact of EBA agreements and other things, such as labour costs, when you provide your advice about cost blowouts? Is it a specific—

**Mr Betts:** No.

**Senator McKENZIE:** Thank you. Given the minister wrote to state and territories wanting to understand the impact, do you think it is something you should consider putting in your advice to her?

**Mr Betts:** Well, we've mentioned that Infrastructure Australia provides advice on the factors that have tended to drive escalation within the construction sector. To the extent that pattern agreements or enterprise agreements are a relevant consideration to that, it will be factored into IA's market analysis along with the rise in the cost of aggregates, minerals, concrete and steel. It is just a cost factor.

**Senator McKENZIE:** On 2 October 2024, the *Weekly Times* reported that the Victorian Labor government had 'creamed off \$1.57 million of federal black spot funding to prop up its own department's budget'. It is money intended to fix road safety risks and represents almost five per cent of the state's allocation. Is the department aware of this cash grab by Victorian state Labor?

**Mr Betts:** We'll ask the person responsible within the department for programmatic spend.

**Mrs Czajor:** Was the question about the Victorian government's administration costs for Black Spots? I was just walking through.

**Senator McKENZIE:** A public report in the *Weekly Times* from 2 October said that it was essentially five per cent of the state's allocation to fix roads. You don't need to go very far outside Melbourne to realise not just the productivity risks but the safety risk of our road network in regional Victoria, particularly on black spots. Five per cent of the state's allocation had gone to the state's department's budget.

**Mrs Czajor:** The department is aware of that. Under the Black Spot Program guidelines, for a number of years now, program administration costs have been eligible. As you are probably aware, the reason is that when a Black Spot project is nominated—it can be nominated by a member of the public or a local government—it is at the concept stage. The state government puts a lot of administrative work into actually making it a project that can be delivered. We've had advice from the Victorian department of infrastructure that they retain approximately nine per cent of Black Spot Program costs. That is eligible under our program guidelines. We have analysed what they have used that program administrative funding for. It goes to costs out of scope for the project that require funding recipients to ensure appropriate recordkeeping and administration costs for audit purposes as well as facilitating payments and meeting our reporting guidelines.

**Senator McKENZIE:** This report was talking about five per cent. You are saying it is nine per cent in Victoria. What is the dollar figure for that?

**Mrs Czajor:** I don't have that. I have it only for one project raised in a media request. I don't have the total figure at the moment. I could take that on notice for you, Senator.

**Senator McKENZIE:** Do you have the administrative costs in other states?

**Mrs Czajor:** No.

**Senator McKENZIE:** Who would have the administrative costs for each state and territory for the money expended by the Commonwealth?

**Mrs Czajor:** It comes through with project budgets. It is not something that we would ordinarily analyse unless it was above what our expectations would be.

**Senator McKENZIE:** What is your expectation, then? Is it nine per cent?

**Mrs Czajor:** We consider that anything under 10 per cent is realistic.

**Senator McKENZIE:** Is there a state that isn't up against that 10 per cent?

**Mrs Czajor:** Not that we're aware of.

**Senator McKENZIE:** So all the states maximise the generosity in administrative funding?

**Mrs Czajor:** I couldn't comment on that, Senator. We haven't done the analysis on it.

**Senator McKENZIE:** When was the last time that generous guideline was reviewed?

**Mrs Czajor:** Recently, we released the new Black Spot Program guidelines on—

**Senator McKENZIE:** No. The 10 per cent.

**Ms Hall:** That would have been part of our analysis when we looked at updating the guidelines, Senator.

**Senator McKENZIE:** What is the 10 per cent based on? You have reviewed it. You've said it's still appropriate to hold it at 10 per cent. Why? I want to understand. If I were a cash strapped state government, I would be going, 'Thank you very much, Commonwealth taxpayer', irrespective of how much. There is no acquittal of that. They don't have to prove to you that they've had to pay this many staff or do this many consults or go and check that it was the community group versus a local council.

**Mrs Czajor:** We do receive breakdowns of budgets, Senator, for the projects, which include a breakdown of program administrative costs.

**Senator McKENZIE:** Yes. That would say nine per cent administrative costs.

**Mrs Czajor:** Sometimes it does breakdown a bit more than that, but not into the detail of—

**Senator McKENZIE:** Exactly. That's my point. You have reviewed that 10 per cent is still appropriate. I want to understand what you base that appropriateness on. What analysis did you do, Ms Hall?

**Ms Hall:** I think it goes to the point that Ms Czajor was already making, Senator, which is very much that it is on a project by project basis and the detail we actually have to go into depending on where that project is at. I think she has already answered your question.

**Senator McKENZIE:** On notice, I would like to understand project by project—if you really want to do 700 projects or however many projects—which state governments haven't taken advantage of the generosity of this guideline. If it is so bespoke, Ms Hall, I imagine there is a variance. I'm a cynic. I doubt there will be. Please help enlighten me. Thank you. I have some additional questions about Minister King's letter requesting information from the states and territories. She announced that she had actually directed the department to review construction projects that were overseen by Commonwealth government enterprises. Which agencies were investigated?

**Ms Hall:** All of the agencies that are GBEs. It was Inland Rail, ARTC, Western Sydney Airport and the National Intermodal Corporation.

**Mr Betts:** I don't think 'investigation' is an accurate description. It is the letter I referred to earlier.

**Ms Hall:** That's right. Were reviewed.

**Senator McKENZIE:** Where is that review up to?

**Mr Betts:** It was a letter from, as I've said before, ministers King and Gallagher to the chairs of the government business enterprises asking for assurances from their boards that they were compliant with the stipulations we've made around the reporting of inappropriate or illegal behaviour.

**Ms Hall:** All of the boards have responded to her letter saying that there is no evidence of criminal behaviour. They are continuing to monitor it. Perhaps Mr Cox can go into more detail if you need, Senator.

**Senator McKENZIE:** I would love some more detail, Mr Cox.

**Mr Cox:** I confirm that we have received responses from all of the—

**Senator McKENZIE:** Run me through that. There is the ARTC, Western Sydney Airport—

**Mr Cox:** And Inland Rail. They sent a joint letter from the chairs on 28 August. Western Sydney responded on 30 August. National Intermodal responded on 24 October.

**Senator McKENZIE:** Just in time for estimates. Is that the conclusion of the review? Is the minister satisfied with those responses? Has she been presented with those responses?

**Mr Cox:** Yes, she has. They were letters directly from the chairs to the shareholder ministers. I think it is reasonable to say that those letters also arrived in the context of the regular reporting that we receive from each of the GBEs on a monthly basis as to the progress that they have against their respective projects; the governance that they put around them; and the issues raised with us with respect to things such as cost, any industrial relations issues and those sorts of things. We thrash that out on a monthly basis with each of the respective government business enterprises.

**Senator McKENZIE:** And that information, I assume because they are GBEs, is equally shared with the other shareholder minister?

**Mr Cox:** That's right. Finance is represented at those meetings as well.

**Senator McKENZIE:** Are those responses then seen as a completion of the review by Minister King? Is that the end?

**Mr Cox:** Again, I think 'review' is a term used in the media. This was an assurance process that the minister asked us to undertake in the context of the work we do on an ongoing basis with the GBEs. From our perspective, they have all responded and provided the minister with an assurance that she sought. We would provide the minister with any advice on issues on an ongoing basis that pertain to that issue.

**Senator McKENZIE:** If there were subcontractors or contractors on any of these projects that had cost or industrial relation issues, who do they go to, then? Do they go to you, Mr Cox?

**Mr Cox:** No. They don't come to us.

**Mr Betts:** Cost or industrial relations issues? How do you mean?

**Senator McKENZIE:** I have just heard that there is monthly reporting around cost and industrial relations issues from these entities and that is discussed and considered. The minister has received assurances that there are no issues. What if there are subcontractors? I will ask the agencies this, if they are listening. What conversations and communications did they have within their projects to assure themselves so they can assure the minister? The minister can only be assured if the GBEs have actually done the groundwork. The subcontractors within these projects and these GBEs may have issues. If they do, do they just go to the chairs of the GBE? Is that the appropriate place for them to take their concerns?

**Ms Hall:** I think, Senator, those projects do actually have their own governance, as you quite rightly point out. They have a CEO and they have a board. They would go to those in the first instance.

**Senator McKENZIE:** In the first instance, right. Thank you.

**Ms Hall:** I think they are questions for the GBEs when they come.

**Senator McKENZIE:** I will be pursuing them. That is it for this line of questioning.

**CHAIR:** We have six more minutes before the break.

**Senator CANAVAN:** I realise we are about to have a break.

**Senator McKENZIE:** I have another question while Senator Canavan is looking. I think the media reported a review. The ministers, to quote, said assurance. What is the difference? Why would the media say review if it wasn't a review?

**Mr Betts:** We can't account for why the media characterise things in certain ways. The minister sought assurance from the properly appointed governance structures within the GBEs that they had processes in place to ensure that any inappropriate or illegal behaviour by the unions was appropriately reported to the relevant regulators. It was a request for them to attest to that. The minister has received the assurances she was seeking.

**Senator McKENZIE:** I imagine that is ongoing. If issues are raised with the GBEs, the expectation from the minister is that—

**Mr Betts:** It would fall within the scope as defined in that letter, yes.

**Senator McKENZIE:** Thank you.

**Senator CANAVAN:** I want to get an update on the Tiaro bypass. Can anyone provide me that? Have any tenders been called for that project?

**Mr Bourne:** Senator, you will find that on page 19 of the information that we provided this morning.

**Senator CANAVAN:** That is the funding. I'm asking specifically about whether tenders have been called.

**Mr Bourne:** Give me a second.

**Senator CANAVAN:** I'm interested in the funding profile, too.

**Senator McKENZIE:** Beloved funding profile.

**Senator CANAVAN:** That is to start with.

**Mr Bourne:** Would you like me to give you the funding profile?

**Senator CANAVAN:** Maybe. If you have that ahead of you, why don't we start with that.

**Mr Bourne:** In 2024-25, it is \$21.75 million. In 2025-26, it is \$43.52 million. In 2026-27, it is \$75.61 million. In 2027-28, it is \$50.52 million. In 2028-29, there is \$10.81 million. In 2030-31, there is \$54.83 million. In 2031-32, there is \$2.36 million.

**Senator CANAVAN:** Is there a reason it goes down to \$10 million and then back up to \$50 million? That seemed a bit strange. Is that right? I thought I heard that.

**Mr Bourne:** That is what you heard, Senator. Some of this obviously is us working with the jurisdictions on their delivery schedule. Those years are a fair way out, so further refinement might need to happen going forward.

**Senator CANAVAN:** Has there been any change in that funding profile in this update compared to the one you provided us in the budget?

**Mr Bourne:** From budget to now, you mean?

**Senator CANAVAN:** Yes.

**Mr Bourne:** No.

**Senator CANAVAN:** It has stayed the same?

**Mr Bourne:** Yes.

**Senator CANAVAN:** Thank you for that. I will return to my question about tenders. Have any tenders been released for the project?

**Mr Brummitt:** A detailed design contract was awarded in March 2023, with the detailed design expected to be complete in early 2025. The TMO will then provide further advice on delivery timelines for the project.

**Senator CANAVAN:** So there won't be any tenders for construction until after the design is complete?

**Mr Brummitt:** Correct.

**Senator CANAVAN:** Is the design on track to be completed by March 2025?

**Mr Brummitt:** That's my understanding from the latest briefing I've had, Senator.

**Senator CANAVAN:** Have there been delays on this? It seems to be taking a little while. This funding was announced back in 2021.

**Mr Brummitt:** My understanding is that cost escalations on the project have resulted in the Queensland government exploring delivery options that will deliver the best value for money on the project.

**Senator CANAVAN:** Have those cost escalations been discovered through the design process? Were they aware of those before they awarded that contract to design?

**Mr Brummitt:** I'm not sure, Senator.

**Senator CANAVAN:** Could you take that on notice?

**Mr Brummitt:** Yes.

**Senator CANAVAN:** Is the cost escalation that they are aware of going to require additional funding from the federal government to complete the project?

**Mr Brummitt:** They haven't notified us of any request.

**Senator CANAVAN:** They are looking at options, though, of more efficiencies to deliver the project within the funding envelope?

**Mr Brummitt:** Yes. They are looking at the best scope.

**Senator CANAVAN:** There is no change? I suppose there's not much you can do. The project has to bypass Tiaro, presumably?

**Mr Brummitt:** Correct.

**Senator CANAVAN:** Tiaro is not a particularly large town, so there's no real way—

**Mr Brummitt:** Yes.

**Senator CANAVAN:** You can't build half that road. You'll end up with a road to nowhere or a dead end. Have you actually been in discussions with the Queensland government about this project, then, and why it's taking so long?

**Mr Brummitt:** I'm a member, and my staff are represented on the steering committee for this project. I also had discussions on my most recent trip up to northern Brisbane and the Bruce Highway. I will clarify. As to the cost pressure I think Queensland is dealing with, it has been identified through the design process.

**Senator CANAVAN:** I will come back to it. There's a few more. I realise we're over time already. Thank you, Chair.

**CHAIR:** Thank you. We'll suspend until 11.15 am.

**Proceedings suspended from 11:00 to 11:16**

**CHAIR:** Welcome back, everyone.

**Senator CANAVAN:** I might finish on this Tiaro bypass issue. Have you had any discussions with the Queensland government to extend the four lanes from the termination of the Gympie bypass at Curra to the Tiaro bypass? It would keep it going. This is now that it's done. Are you also going to build a Tiaro bypass?

**Mr Brummitt:** No.

**Senator CANAVAN:** Are there any plans or projections to look at putting four lanes in the Bruce Highway between Curra and Maryborough?

**Mr Brummitt:** Not that I'm aware, Senator. There is not specifically any plan that has come across my desk, but it wouldn't surprise me if there were. You only have to go to the end of the Curra section B to see that it is a logical question.

**Senator CANAVAN:** We will stay on the Bruce Highway. Obviously, I spoke about it earlier. I looked at the funding profiles you gave us at the last estimates. You've divided the funding up into Bruce Highway south, Bruce Highway central, Bruce Highway north and a Bruce Highway safety package. That is what I could identify as Bruce Highway funding. In the May update we received, the budget update, there had been a \$488 million reduction in spending across those four line items. Can someone explain to me why there was almost a half a billion dollars cut to Bruce Highway funding at the last budget?

**Mr Bourne:** I think there was an increase of \$466 million provided at the budget, Senator, if that's what you're referring to?

**Senator CANAVAN:** I'm over the forward estimates, though. Maybe that's the issue.

**Mr Bourne:** It could relate to aligning the delivery schedules to those projects and, therefore, some refinements of profiles occurred.

**Senator CANAVAN:** For those four line items, what are your figures? What have you just provided me today? I received them only this morning. How do they compare to the budget? Have there been any changes this time?

**Mr Bourne:** There won't be any changes from the budget, Senator.

**Senator CANAVAN:** Have you got the figures for the budget and those at the previous budget?

**Mr Bourne:** Budget versus MYEFO?

**Senator CANAVAN:** Either that or the budget in 2023, whichever is easiest for you.

**Mr Bourne:** We can probably go from the budget to MYEFO at this stage, if that works.

**Senator CANAVAN:** Okay. Do that.

**Mr Bourne:** Would you like us to take you through each—

**Senator CANAVAN:** Just for the forward estimates.

**Mr Bourne:** For the corridors?

**Senator CANAVAN:** I will compare them. Let's start with Bruce Highway south if you have it. Do you have a 2023-24 figure?

**Mr Bourne:** Bear with me for a second. For Bruce Highway south—if you are looking at the documents we sent you, it's on page 18—there were 22 projects. In terms of the funding for the 2024-25 budget, it was \$234.8 million. At MYEFO, it was \$241.9 million.

**Senator CANAVAN:** For the forward estimates?

**Mr Bourne:** For the forward estimates in total, it was \$1.77 billion at budget and \$1.82 billion—

**Senator CANAVAN:** In the MYEFO?

**Mr Bourne:** Yes. There was a small reduction of about \$30 million from the budget.

**Senator CANAVAN:** And then Bruce Highway central?

**Mr Bourne:** In terms of the budget, there was \$355 million over the forwards. At MYEFO, there was \$551 million. So there was a movement of around \$200 million.

**Senator CANAVAN:** What was that? Which projects largely contributed to that reduction?

**Mr Bourne:** I would have to look. Could we come back to you on that, because there are 20-odd projects in that corridor?

**Senator CANAVAN:** Bruce Highway north?

**Mr Bourne:** For Bruce Highway north, it was \$267.9 million at budget and \$424.7 million at MYEFO.



**Senator CANAVAN:** Another \$160 million. Don't worry about the safety package. I believe it's relatively small in the scheme of those numbers. There is a few hundred million there. You don't have a particular reason for this funding reduction?

**Mr Bourne:** Other than looking to try to align the delivery schedules, which is something we do regularly with our jurisdictions.

**Senator CANAVAN:** Given the minister's comments earlier about how important the Bruce Highway is, why is there, it looks like here, at least—it gets close to what I was saying—a half-billion-dollar reduction in funding over the forward estimates for the Bruce Highway?

**Mr Bourne:** There is nothing—

**Senator CANAVAN:** It does mean that the projects aren't occurring at the same time as we expect them.

**Mr Bourne:** I think a part of that, Senator, is to align it with the actual capacity of the market to deliver it.

**Senator CANAVAN:** Sure. As I said earlier, that means our road is less safe and more dangerous because we are not getting these projects done.

**Senator Chisholm:** It's also not us deciding where we go and spend this money, Senator Canavan. We obviously work with the state government of the day. It is profiled to ensure that it can be delivered with timeframes.

**Senator CANAVAN:** You mentioned that there have been no funding cuts in this update to date? It has stayed the same?

**Mr Bourne:** There have been no funding cuts.

**Senator CANAVAN:** In the update in the supplementary budget estimates?

**Senator Chisholm:** The last budget had an increase of \$467 million.

**Senator CANAVAN:** But not over the forward estimates, obviously, as we've just been through. The minister has just mentioned it. It must be in the out years for it to be true.

**Ms Hall:** It is over the 10-year plan.

**Senator CANAVAN:** It is over 10 years. It is a desperate situation now. Promising to do something in six, seven and eight years is not much saving for people.

**Senator Chisholm:** The minister also wrote to her state counterpart, as we discussed earlier, about what we can do to improve safety. I expect that offer will extend to the current state government and the new state government.

**Senator CANAVAN:** You mentioned earlier, Minister, the \$10 billion program. That has been around for some years now. Is there a plan for new projects on the briefs going beyond things such as the Gympie bypass and the Rocky ring road? We've done the Mackay ring roads now. Are there detailed discussions going on with the Queensland government about the next steps for the Bruce Highway?

**Ms Hall:** Yes, Senator, there are. Including Rocky ring road, the program is actually nearly \$12 billion. So there has been an actual increase. It is \$11.6 billion including the Rocky ring road. There are over 40 projects currently on the Bruce. We still have over \$5 billion we still need to expend. We are in negotiations, as we said, with the current new government with regard to what we could do. I am conscious that the Bruce Highway trust released a document in August. We're also going through and looking at that as well. There are lots of conversations going on with regard to the Bruce.

**Senator CANAVAN:** Can I confirm that the new Queensland government has already had discussions with you about the Bruce Highway?

**Ms Hall:** My understanding is that there are negotiations with the new Queensland government on the entire Queensland program as we head into MYEFO.

**Senator CANAVAN:** They've only been in there for a week. They've already reached out and had discussions with you. In fact, I don't think they had a minister until Friday. You spoke with officials last week about the Bruce Highway?

**Ms Hall:** We've spoken with officials. I understand that the minister has spoken with her counterpart, which might have been the Deputy Premier at the time.

**Senator CANAVAN:** The minister for transport was only, as I said, confirmed on Friday. That's great to hear that there's action moving on that. Is there a list of projects that you are discussing apart from the 40-odd in the program? I'm talking about additional ones. Are other identified projects being discussed right now?

**Ms Hall:** We're going through, as I said, the trust documentation. We're going through a range of different information pieces that have been provided. We are heading into MYEFO.

**Senator CANAVAN:** On notice, could you come back to us with any projects that the Queensland government has identified on the Bruce Highway addition to what is already funded?

**Ms Hall:** Yes.

**Senator CANAVAN:** I will go back to the figures we got in May. It appears to us that \$150 million was moved from the Northern Australia Roads Program to the Bruce Highway corridor?

**Mr Bourne:** Yes. That's correct, Minister.

**Senator CANAVAN:** Did the minister change the Northern Australia Roads Program guidelines to enable this transfer of money?

**Mr Bourne:** No.

**Senator CANAVAN:** Why was this done?

**Mr Bourne:** The funding has been moved to the northern highway in unallocated. The way that money needs to be expended needs to follow the guidelines under the Northern Australia Roads Program.

**Senator CANAVAN:** Even though the \$150 million has been moved to the Bruce—

**Mr Bourne:** The northern part of the Bruce Highway, yes.

**Senator CANAVAN:** That \$150 million still is subject to the Northern Australia Roads Program guidelines. What is that \$150 million?

**Mr Bourne:** I beg your pardon, Senator?

**Senator CANAVAN:** What specific project is that \$150 million for?

**Mr Bourne:** It is still unallocated at the moment. It hasn't been attributed to a project yet.

**Senator CANAVAN:** Why was it moved?

**Mr Bourne:** It was a decision of government. It is a decision of government.

**Senator CANAVAN:** Is that \$150 million in the forward estimates?

**Mr Bourne:** No. It wouldn't be in the forward estimates. It would depend on when the project has been attributed and the profile of that project. At that point, it would then be applied over the 10-year pipeline. It currently sits in an unallocated bucket.

**Senator CANAVAN:** I will leave it there for now.

**Senator McKENZIE:** I have some questions about Dunheved Road in Western Sydney in New South Wales. In May 2022, right before the election, Catherine King committed funding to accelerate construction works for the Dunheved Road upgrade. Has any money been allocated or spent on accelerating the construction of the project?

**Mr Potticary:** Are you asking how much money has been paid to the state against that project?

**Senator McKENZIE:** No. I'm not asking that. I am assuming it had a funding profile prior to the 2022 election. The minister said she would accelerate construction. I want to understand how she has accelerated the construction. How is that evidenced in the funding profile?

**Mr Potticary:** I don't have the details of the funding profile pre the 2022-23 budget. I would have to check that, Senator, and come back to you. In terms of the status of the project, tender applications closed in the middle of the year. The tender is expected to be awarded—

**Senator McKENZIE:** So tenders closed on 24 June?

**Mr Potticary:** No; it was in late August.

**Senator McKENZIE:** Do you have a date?

**Mr Bourne:** It was 22 August.

**Mr Potticary:** It was 22 August, and the contract is expected to be awarded before the end of this year.

**Mr Bourne:** Work is expected to start in the first quarter of next calendar year.

**Senator McKENZIE:** The announcement of acceleration in 2022 was prior to the 2022 May election, and nothing will be done until first quarter 2025. Is that correct?

**Ms Hall:** No, Senator. With regard to the length of a project, it goes through design, early works and all of those sorts of things to actually get to construction. I wouldn't say that nothing has been done.

**Senator McKENZIE:** Ms Hall, it's not that the minister was announcing that she was going to fund Dunheved Road. That was a project that already had commitments against it. The minister said she would accelerate it prior to May 2022. It is now October 2024 and I'm hearing from officials that the project won't be started until—

**Mr Bourne:** Sorry, construction.

**Ms Hall:** Construction.

**Senator McKENZIE:** I appreciate design, yes, but the shovel in the ground will be in the first quarter of 2025. I want to understand how that is an acceleration.

**Ms Hall:** We would have to take that on notice, with regard to the process that happened.

**Senator McKENZIE:** What have you done differently?

**Mr Bourne:** These projects, as you are well aware, can be quite complex. It takes quite some time to get through the relevant approval processes, planning processes and design work to be able to deliver the project.

**Senator McKENZIE:** What was brought forward?

**Mr Bourne:** As Ms Hall said, we would have to take that on notice.

**Ms Hall:** We can come back to you on it.

**Mr Bourne:** We can come back to you on it.

**Senator McKENZIE:** It is actually 1½ years behind schedule. So it's not even on time, let alone accelerated.

**Ms Hall:** I think the minister probably referred to accelerating something that was already behind schedule.

**Senator McKENZIE:** When will I be able to understand how long it will take? Will I be waiting for a written answer on notice, or is this something we can get today?

**Ms Hall:** We'll try to get it to you today, Senator.

**Senator McKENZIE:** I'm happy to pass the box over, if that would assist at all—or I can get the boxes of previous estimates brought up. Can someone assist with that, because I want to understand the difference? What about Mulgoa Road stage 2? This was a project that was originally allocated \$232½ million. Funding was lost during the IIP review. It was then reannounced as \$115 million for the project, which actually on paper seems like a cut of \$117½ million. Can you please walk me through why more than half of the Commonwealth contribution to Mulgoa Road stage 2 project was taken away?

**Ms Hall:** I think we've said previously, Senator, with regard to decisions under the IIP review that there were, I think, three predominant reasons: either the projects had not progressed at all; there were significant cost overruns; or the project was actually being funded through other means. So it would have sat under one of those three.

**Senator McKENZIE:** Which one is it for Mulgoa Road stage 2?

**Ms Hall:** The minister would have made it very clear that, if a state wants to come back, they can do so.

**Senator McKENZIE:** I understand there are three things; I want to understand which one it was for Mulgoa Road stage 2.

**Mr Potticary:** I will offer a bit of clarification. The project that was withdrawn in the lead-up to the 2023-24 MYEFO was of a different scope. It was both Mulgoa Road stage 2 but also stages 5A and 5B. So a bigger scope project was withdrawn. As Ms Hall said, the minister committed that if states or jurisdictions wanted to come back and reprioritise projects, they could. As part of the 2024-25 budget, there was a commitment from the Australian government to fund stage 2.

**Senator McKENZIE:** So the \$115 million reannouncement for the project is for which part of the scope?

**Mr Potticary:** It is stage 2, so it's between Glenmore Parkway and Jeanette Street.

**Senator McKENZIE:** That's the \$115 million?

**Mr Potticary:** That's correct.

**Senator McKENZIE:** If you want any more beyond that, the state will have to come back?

**Mr Potticary:** Correct.

**Senator McKENZIE:** And 5A and 5B are the ones that have been cut?

**Mr Potticary:** The funding was withdrawn for those components. It wasn't part of the new project that was funded at budget.

**Senator McKENZIE:** What conversations have been had with the New South Wales government about the \$117½ million that was not reallocated to the project?

**Mr Potticary:** At the time of the Australian government withdrawing its funding, that funding was maintained within the state. There were decisions made at the budget to reallocate some of that funding.

**Senator McKENZIE:** The New South Wales budget?

**Mr Potticary:** No; as part of the Commonwealth 2024 budget. The funding held against the state from the withdrawn projects was reallocated to new projects as part of that budget.

**Senator McKENZIE:** Thank you. I now have a series of questions on Western Sydney infrastructure more broadly. We just saw that the IIP review cancelled billions of dollars of funding for Western Sydney infrastructure and the reallocation of \$1.9 billion. The government reallocated \$1.9 billion and completely cancelled funding for some projects. It is now spending less, as we've just discussed, with the Mulgoa Road project. What was the hold-up on projects caused by the review and the repackaging of the new funding agreements? Has it caused delays in the rollout of projects on the ground? I drove through Western Sydney, I think, last week. There is a lot going on. Given the review and the repackaging were late last year and early this year, two separate governments are trying to get projects going. What has been the fallout on the ground?

**Mr Bourne:** I don't think there have been any delays in relation to the projects. As we've previously mentioned, as part of the IIP review, if jurisdictions felt at any time they needed to progress projects, they could write to the minister accordingly and ask to do that. We had none of them. In terms of the existing pipeline of projects, there were no delays. In terms of new projects, obviously they are coming on and moving forward. I don't think we would classify or categorise anything as being delayed.

**Senator McKENZIE:** Is the amount of population increase, particularly into Western Sydney over the last 2½ years, something the department examines in its negotiations with the states?

**Mr Bourne:** Yes.

**Senator McKENZIE:** How does that play out?

**Mr Bourne:** A part of that in our conversations with them is to understand their broader transport infrastructure planning. Population growth and those types of matters all get considered in determining what priorities should be looked at being committed to moving forward.

**Senator McKENZIE:** Can you talk me through the population growth impacts in Western Sydney over the last couple of years? How have they changed that conversation you've been having with the New South Wales government?

**Mr Bourne:** I don't have those details before me, Senator.

**Senator McKENZIE:** Who would?

**Ms Hall:** Probably someone from our bureau, if they were here. We can get that on notice for you today.

**Senator McKENZIE:** I would rather talk about it.

**Mr Betts:** Can you clarify the question?

**Senator McKENZIE:** I want to talk to somebody within the department who is au fait with this. I am assuming that, when you have a negotiation with a state government, you look at pressures that different communities are going through at different times. Western Sydney is a community that has been under significant pressure from population growth, as most peri-urban centres are. Western Sydney in particular is. I want to understand what they were. What are the population pressures for Western Sydney in particular? Is there someone in the bureau who can help?

**Ms Hall:** We can get somebody in to talk to you about that. The things we look at when we're looking at making recommendations to government on whether to support the projects that are being brought forward by the state jurisdiction or not include whether those projects are addressing anything that is in our infrastructure policy statement. Obviously, population growth is one of them. We also look at whether there are safety issues. We look at liveability issues. We look at whether it is going to help with resilience. These are all of the things. We also look at, obviously, the business case. We get advice from IA as well. There is over \$17 billion already being invested in Western Sydney to cater for that population growth. That includes metro lines and, I think, over 20 projects, if not more. It includes a new airport. Significant analysis about that goes into the 13 LGAs there.

**Senator McKENZIE:** Ms Hall, I don't know where your officer is. You said someone from the bureau was coming.

**Ms Hall:** I'm hoping that there is someone at the back.

**Senator McKENZIE:** While you are getting it for me, I want to understand the \$17 billion that is going into Western Sydney. How has that been impacted or influenced by the population pressures? Has that changed over time? I don't expect that it has been a linear thing. We can get to that with any information.

**Mr Betts:** The population has been growing in Western Sydney for many years.

**Senator McKENZIE:** I understand that, Mr Betts.

**Mr Betts:** The investment that Ms Hall has described is commensurate with that. Under the new federal funding agreement with all of the states, including New South Wales, we have commitments to joint planning with those jurisdictions over the long term, including the production of 10-year forward looks on infrastructure. You will recall that a year or two ago, the Commonwealth and state government cofounded a forward look on transport and infrastructure requirements associated with population growth in Western Sydney. A number of those projects have fed through into the development of business cases now. We look primarily to the New South Wales government, which controls land use planning and the lion's share of transport investment as well as the operation of transport networks, to lead the conversation around where population pressures and housing affordability concerns are driving infrastructure priorities. Working with them, we seek to coinvest to support that program.

**Senator McKENZIE:** Thank you. While we're looking for that information, I have some questions about the Western Sydney Transport Infrastructure Panel report. I want to understand why that took seven months to publicly release.

**Mr Betts:** We'll see if we can get Mr Mackay to the table to explain that.

**Senator McKENZIE:** Senator Reynolds can ask some questions. I will wait for the appropriate officials.

**Senator REYNOLDS:** Thank you very much. Good morning. I have a series of questions in relation to Western Australian projects. None of them should be a surprise to you because we have discussed them all before. The first one I would like to go to is AUKUS related infrastructure projects. In previous estimates, you were still waiting for a phone call from the WA state government and/or Defence. Have you now had any engagements with Defence or the WA government on any AUKUS related infrastructure in and around Garden Island, Rockingham and the southern Perth suburbs?

**Ms Hall:** No; I haven't, Senator.

**Senator REYNOLDS:** It is quite extraordinary given the first of the US submarines is going to be long-term located there with a lot of extra infrastructure. We have discussed Garden Island Highway a number of times. Nothing has come to you yet at all about any infrastructure in relation to the city of Rockingham?

**Mrs Ewens:** The answer to that question is no.

**Senator REYNOLDS:** In somewhat desperation, the city of Rockingham and the southern city councils have just completed a transport needs survey looking at the AUKUS implications, which are now going to be active in less than two years. Something we have talked about before is the Garden Island Highway. Without any road remediations, by 2030, there will be a 2.3 kilometre backlog of traffic to and from the island every day going right through the heart of Rockingham. That will not only have Australian, US and UK personnel. A 2.3 kilometre backlog is the surest way to lose social licence. By 2040, there will be 3.5 kilometre delays. I find it unbelievable. In other estimates, Defence tells us, 'We've got it all under control. Don't you worry your pretty little heads about all of these AUKUS related projects.' We've discussed it on multiple occasions in these estimates. While they haven't come knocking at your door yet, have you, in any discussions about Western Australia, brought any of this up, given we have discussed it in these estimates?

**Mrs Ewens:** Not specifically with regard to that. What we've discussed before is the investment that we have had with regard to those roads. As I've said before, we don't have any projects at the moment under the IIP that look at that as a project.

**Senator REYNOLDS:** Not even a suggestion of something that might come from the Western Australian government yet?

**Mrs Ewens:** Not specifically. However, the Western Australian government, under the new FFAS, as you are aware, needs to bring forward an annual infrastructure plan. I would assume as part of that we could be having discussions about it.

**Senator REYNOLDS:** You assume you could?

**Mrs Ewens:** There is nothing specific they've brought forward.

**Senator REYNOLDS:** When they bring that forward, when is it due?

**Ms Hall:** We've just received the plans. We're just going through them as we speak.

**Senator REYNOLDS:** If you have that from Western Australia, could someone have a quick look at it today?

**Ms Hall:** We'll look and see what we can find.

**Senator REYNOLDS:** Even just do a word search to see whether Garden Island Highway or Rockingham comes up.

**Ms Hall:** Yes.

**Senator REYNOLDS:** Thank you. That would be very helpful.

**Ms Hall:** We'll see what we can find. We are very conscious that those agreements are confidential. We'll see what we can do. I am conscious that, with AUKUS, they are questions for Defence. Because of security levels, we just may not be able to answer.

**Senator REYNOLDS:** Chair, I want to table—it might help the process; this is a public document—the Cape Peron Transport Needs Study. Would you mind passing it on? This is the executive summary of it. It might help going backwards. Thank you. I will now come to METRONET, which is again in WA. My first series of questions in relation to METRONET are general questions in terms of Commonwealth funding. When the Commonwealth funds state projects—in this case, METRONET—what are the expectations of the Commonwealth in probity and community engagement and how the project rolls out in a practical sense? I will come to some more specific questions. What is the general approach of the department? Is it all care, no responsibility and it is the state that is responsible for overseeing contractors and alliance partners in terms of probity and delivering what they've been contracted to do?

**Mr Bourne:** Yes, the state is responsible for delivering the project. They are also responsible for stakeholder engagement. They do keep us informed on how they intend to procure a project, how that project is being delivered over the course of the lifecycle of that project, and how they are engaging with stakeholders and any issues that may come from that. They keep us informed on all those things. They are matters for the state. They are at the pointy end, in a sense.

**Senator REYNOLDS:** For example, with all the various elements of METRONET, how often does the state government report? What is the content of what they report back to you in terms of all of those governance, assurance and probity issues? What does that look like?

**Mr Bourne:** I will ask my colleague Mrs Ewens to talk about this.

**Mrs Ewens:** I can answer that. Depending on the project, there are several processes that are required. It is monthly on each of the projects. There are project status reports aligned with any claims for a milestone and appropriate evidence. We also have across the number of projects in the METRONET program various levels of committees and governance reporting. I sit on several governance committees across the METRONET program. That includes going through the normal project management risks, issues, status, timeframes, costs and things like that. I would say it's very regular. I am talking to Western Australian officials at least monthly and seeing progress reports and updates.

**Senator REYNOLDS:** In those monthly reports, you get status updates. Are they something you can provide the committee on notice?

**Ms Hall:** We would have to take that on notice.

**Senator REYNOLDS:** Can you take that on notice? They could be obtained by FOI. I don't know whether we would have to FOI them or whether you are able to provide them.

**Mrs Ewens:** Is it for a specific project that you're looking for? There are different levels.

**Senator REYNOLDS:** Let's start with Midland.

**Ms Hall:** I think it does go to Commonwealth-state relations. We will work out what we can do for you, Senator.

**Senator REYNOLDS:** Specifically, in the monthly reports and your meetings, has the state government ever raised any concerns about any of the alliance partners for Midland?

**Mrs Ewens:** I am definitely on the project board associated with the Midland project. Have they specifically raised an issue with their alliance partners? I cannot recall off the top of my head. I would need to look at that.

**Senator REYNOLDS:** If you could. It has come to my attention—it has also been widely reported in the Western Australian press—that one of the alliance partners, Georgiou, has been getting incredibly favourable deals from the state governments, particularly in relation to the Landgate building. They got it something like \$22 million cheaper than the valuation of the property. I also understand that there have been other issues with the

closeness of some of the state government officials and one, if not more, of the alliance partners. Could you take that on notice? You don't specifically recall that being raised?

**Mrs Ewens:** No.

**Senator REYNOLDS:** Do you recall specific concerns by the Midland community being raised in any of these reports? It concerns the conduct of the contractors and the PTA over the last 12 months. There has been extreme interference and interruption with their businesses. They have been operating throughout the night keeping residents awake. Residents have had to move. There is extensive reporting locally of this. Has that come to your attention at all?

**Mrs Ewens:** Yes, it has. I am aware of community concerns about some recent nightworks on the Midland.

**Senator REYNOLDS:** It's not just the nightworks. If you go back, for well over 12 months there has been flooding in the streets. They have been getting rid of several hundred carparks so people have nowhere to park any more. Are you aware of any of those concerns going back well over 12 months?

**Mrs Ewens:** I'm not aware of those concerns going back over 12 months. More recently, I am definitely aware of community concerns about the works being undertaken there, which are discussed at a broad level, not at a detailed level.

**Senator REYNOLDS:** Has the state government told you what they are doing to remediate it?

**Mrs Ewens:** I believe that the state government did offer relocation for a couple of residents during specific nightworks.

**Senator REYNOLDS:** Two residents.

**Mrs Ewens:** Two residents, I think, but I would need to go back and look at that.

**Senator REYNOLDS:** I will ask you to go back and look at that. I have been going down there regularly for many months. You can't relocate your hospitality businesses et cetera. Could you look at that and come back? You've seen it.

**Senator McKENZIE:** I can't get into their businesses.

**Senator REYNOLDS:** I wouldn't normally say this, but I think the state government and the state government agencies are lying to you or they are actually keeping information from you. I ask that you go back. I'm happy to provide separately a whole lot of information which is publicly available. It is a disgrace.

**Mrs Ewens:** I'm very familiar with that station and the Midland works and the need. I understand during the period of upgrading that, as you know, the very old train station and carparking and things like that have had disruptions. I will definitely have a look.

**Senator REYNOLDS:** I have found nobody in the community there who doesn't agree that it needs a new train station and that there will be disruptions. The way that the state government is doing this reflects really badly on the Commonwealth government. The Commonwealth government has signs all over the place. Hypothetically, what if you have somebody on behalf of the state government who is writing cheques but is also an alliance member? They are writing state government cheques effectively to the business. I think on any look it would smell a bit of corruption to sign cheques to your own alliance. If that were the case, given it's Commonwealth money—

**CHAIR:** Hang on; I'm lost. Is this a hypothetical?

**Mr Betts:** Are you accusing it of corruption?

**Senator REYNOLDS:** No; I'm asking about jurisdiction. Is there any jurisdiction? If anybody had a concern of corruption, given it is Commonwealth money, could that be referred to the NACC, or would that have to go to the state? Given the Commonwealth funding—

**Mr Betts:** I think the funding is provided through a federal funding agreement to the Western Australian government. You should ask the Attorney-General's Department about the operation of that.

**Senator REYNOLDS:** I will ask them about it. In relation to complaints, there was a highly publicised case of a Chinese national working on a METRONET project. It was not Midland, I understand; I think it was Bayswater. He was in a category of workers where he was forced to be an independent contractor so he could be paid less. It has been widely reported in WA. He wasn't a lone case; METRONET contractors have been engaging in this practice. Are you aware of this?

**Mrs Ewens:** No; I'm not, Senator.

**Senator REYNOLDS:** Can I get you to also take that on notice? Again, it was widely reported. It should have been something that the Western Australian state government reported through to you. It was earlier this year.

**Mrs Ewens:** No problem.

**Senator REYNOLDS:** I will now go community infrastructure. Is that now, or is it just roads at the moment?

**Mr Betts:** Later. It is outcome 3.

**Senator REYNOLDS:** I will go to the West Swan Road project. It is the Reid Highway interchange with the West Swan Road. Could you give us an update on where that project is up to, please?

**Mr Bourne:** My understanding is that, for that project, the design and development are currently continuing, including environmental approvals, land acquisition and the procurement process. I think construction is expected to be commenced in mid-2027.

**Senator REYNOLDS:** So it won't start until mid-2027?

**Mr Bourne:** The construction part won't start until then.

**Senator REYNOLDS:** If it starts in mid-2027, when is it due to be completed?

**Mr Bourne:** Its completion date is late 2028.

**Senator REYNOLDS:** I am sure you are aware that is a terrible choke point. In the morning it can take an hour to get through the one interchange. Do you know if the state government has any other mitigation arrangements in place before then to ease some of the traffic congestion there or during construction? Where is the traffic going to go when the intersection is being upgraded?

**Mrs Ewens:** I'm also very familiar with that road. I would need to take that specifically on notice.

**Senator REYNOLDS:** If you could, thank you.

**Mr Bourne:** Some of those things will come out as part of the design works and the future procurement arrangements.

**Senator REYNOLDS:** What is the estimated full budget for that?

**Mrs Ewens:** The total project cost is \$175 million on a fifty-fifty arrangement. The Australian government funding on that project is \$87.5 million.

**Senator REYNOLDS:** Thank you. I want to quickly go back to METRONET more generally. Can you remind us when the project started? What was the original project budget? What is it now?

**Mrs Ewens:** I think, with regard to the original business case in 2019, the Australian government committed over \$5.65 billion across 18 METRONET projects.

**Senator REYNOLDS:** It was \$5.65 billion in 2019?

**Mrs Ewens:** No. I think it is \$5.65 billion in total up to now across the entire program from the beginning.

**Senator REYNOLDS:** How much did we commit in 2019?

**Mrs Ewens:** I don't have that figure in front of me for 2019.

**Senator REYNOLDS:** Could you give me an update on the specs? How many kilometres of track? I think there are something like 20-odd stations now. As part of that, could you give an update on how many of them are actually open and operating? That would be helpful. What is still to be opened?

**Mrs Ewens:** Can I just clarify, that is across the full 18 projects since its inception?

**Senator REYNOLDS:** By project, if you could, yes.

**Mrs Ewens:** And how many are currently—

**Senator REYNOLDS:** Just so we can get that journey from here to now and how it has expanded. This is my final question on METRONET. We've had figures released in WA to say that, once METRONET is fully operational, it will cost somewhere over \$1 billion a year for subsidies for operational costs. While the federal government is not paying for that, in terms of their business case, has the state government had cause to provide you with information about the ongoing operational costs of METRONET?

**Mrs Ewens:** Not specifically. Certainly, in the METRONET program, projects are coming to an end. You know that the Yanchep line recently opened. Morley-Ellenbrook will be open towards the end of the year. Certainly, in the broad we talk about the ongoing arrangements post delivery but not specifically around that figure you just quoted.

**Senator REYNOLDS:** Could you take on notice for me and go back and check, even in the updates that you are having a look at, what each of the lines in the business case was? When it is open, what numbers are they



expecting? What numbers are they expecting on the Yanchep line? How much revenue are they expecting to get from passengers? How much will the taxpayer be putting in for each of the lines?

**Mr Bourne:** We'll look at that for you, Senator, and see what we can do for you.

**Senator REYNOLDS:** Thank you.

**Senator O'SULLIVAN:** I have previously asked about the Nicholson Road grade separation project. It is listed on page 27 of the document you provided to us. Can you please provide us with an update? Are the tenders still on schedule to be put out by December, as you previously advised in February this year?

**Mrs Ewens:** With regard to the Nicholson Road and Garden Street separation, the project development works have been completed, including early designs, environmental and heritage assessments and land acquisition works. We have been meeting regularly on that specific project. The design development is ongoing. I think I reported to you before that we're looking at extensive service relocations with Western Power and APCO. The project is on track to commence construction by December 2024 with the extension of the Nicholson Road pedestrian underpass, which will provide an active transport link from the METRONET Nicholson Road station. With regard to the tender, I don't have that off the top of my head, but I'm sure my team will get that.

**Senator O'SULLIVAN:** I will clarify your evidence. You are saying that the project will commence—

**Mrs Ewens:** Only on Nicholson. It is a very complex roundabout. There are still a number of early works, discussions and designs happening. As part of that, from the Nicholson METRONET site, there will be a Nicholson overpass that will help ease some of that to begin with. As part of that, they will also be looking at early works service relocations and looking at that bypass that goes over.

**Senator O'SULLIVAN:** Have the Western Power relocation works been completed?

**Mrs Ewens:** No.

**Senator O'SULLIVAN:** There is a delay, then, on that?

**Mrs Ewens:** It's ongoing. There are ongoing discussions around the service relocations. Main Roads WA is definitely looking at other options, such as early realignment and things like that, with regard to that. Certainly the service relocations involving Western Power and APCO gas have not been completed.

**Senator O'SULLIVAN:** This is similar to the question that Senator Reynolds was asking in relation to the Midland project. There have been other roadworks programs related to the train station at Nicholson Road. There have been quite significant interruptions to businesses operating in that area. Some of them have actually had to close their doors. The traffic would have to go all the way up Nicholson Road and then do a U-turn to come back to be able to get a left-hand turn into some of those businesses. They are very concerned about the impact if there is a continued delay in the delivery of these projects. The feedback—

**Senator Chisholm:** It was an election commitment from the last election, Senator O'Sullivan.

**Senator O'SULLIVAN:** Why you are interrupting?

**Senator Chisholm:** You are trying to suggest that there is some sort of delay. It was an election commitment we made.

**Senator O'SULLIVAN:** No. You are wrong. This was a previous government commitment.

**Senator Chisholm:** But you didn't put any money into it.

**Senator O'SULLIVAN:** It was a commitment by the government.

**Senator Chisholm:** You didn't put any money into it, though.

**Senator O'SULLIVAN:** No. That's not true.

**Senator Chisholm:** It is true. We are the ones that have actually made progress on it. You come in and complain about it and say we're the ones that are delaying it.

**Senator O'SULLIVAN:** I said there is no progress. That is the point I'm making.

**Senator Chisholm:** Well, there is. The department can talk to you about—

**Senator O'SULLIVAN:** There is no progress at all.

**Senator Chisholm:** the progress that is being made.

**Senator O'SULLIVAN:** Can you provide the evidence for that?

**Senator Chisholm:** You were the side of government that didn't do anything about it.

**Senator O'SULLIVAN:** Sorry, but you're wrong.

**Senator Chisholm:** I'm not, Senator O'Sullivan.

**Senator O'SULLIVAN:** This project has been sitting there for quite some time.

**Senator Chisholm:** Because the previous government did nothing about it. That is the point I'm making. That is exactly my point.

**Senator O'SULLIVAN:** The commitment was made about six months before the election.

**Senator Chisholm:** And you were in government for 10 years.

**Senator O'SULLIVAN:** I will continue with my questions, if that's alright, Chair.

**CHAIR:** It might be a good idea to just quit while you're ahead and keep going, Senator O'Sullivan.

**Senator O'SULLIVAN:** There's obviously a bit of defence being run here. We have a project that is delayed, presumably because of what seems to be the Western Power issue and the relocation of those services. Is that right?

**Mrs Ewens:** It's primarily to do with the service relocations across Western Power and APCO gas.

**Senator O'SULLIVAN:** When will the project be able to commence? It is not the pedestrian overpasses. I get that. That's all part of the train station. When is the grade separation going to commence? When will it be completed?

**Mr Bourne:** As Mrs Ewens said, it will be subject to those very complex utility relocations that are currently undergoing. We know that the WA government is focused on it because we discuss it with them often. That process does and can take time.

**Senator O'SULLIVAN:** What will be the cost implications for these delays?

**Mrs Ewens:** I will go to your earlier question. The main contract for the Nicholson Road commences in early 2025. The award is anticipated in late 2025, with construction to commence in early 2026. We would need to consult with our WA colleagues on any cost implications from these delays associated with that project. Further to that, I will go to your comments about the disruptions to businesses. Broadly, I am definitely working closely with WA colleagues. I know that WA Main Roads is always looking to minimise disruption to any businesses associated with it.

**Senator O'SULLIVAN:** There are two separate projects. The concern of those businesses is that this is just going to keep dragging on and on. They would rather there be coordination and a more streamlined approach to it, particularly to addressing the concerns of those businesses. This is a separate project that is not listed on your schedule. Have there been any requests from the Western Australian government in relation to the Leach Highway and Shelley Bridge widening?

**Mrs Ewens:** Not that I'm aware, no.

**Senator O'SULLIVAN:** So the Western Australian government hasn't made any approach to the Commonwealth in relation to that project? Has the Commonwealth government been made aware that, in 2017, there were four options prepared for the Shelley Bridge widening project? You can take it on notice.

**Mrs Ewens:** I would have to take that on notice.

**Senator O'SULLIVAN:** Has the Western Australian state government communicated to the Commonwealth government the priority ranking of improvements along the Leach Highway? There were improvements at the Fremantle end. Towards the airport, there is a need for upgrading and widening. Shelley Bridge is a pinch point. You go from three lanes to two lanes and then back to three once you get over it. It is a pinch point. Has there been any discussion in relation to that or other intersections?

**Mrs Ewens:** Not specifically relating to the Leach Highway. As we previously discussed, we're currently looking through the Western Australian annual infrastructure plan. We will be looking at that, including any priorities they might bring forward as part of that plan associated with the Leach Highway.

**Senator O'SULLIVAN:** Is this on Infrastructure Australia's list at all?

**Mrs Ewens:** I couldn't tell you off the top of my head, but we'll certainly have a look and get back to you on that.

**Mr Bourne:** I think they are coming today. You might be able to ask that of IA later today.

**Senator O'SULLIVAN:** Sure. That's all from me, thanks.

**Senator CANAVAN:** There was an event to host an open day at the Gympie bypass recently. There were apparently reports that the Queensland government spent \$311,000 on this event. Did the Australian government provide any contribution to the open day?

**Mr Bourne:** No, Senator, not that I'm aware.

**Senator CANAVAN:** Were any Australian government representatives there?

**Mr Bourne:** There certainly were.

**Senator CANAVAN:** Do you have any other funding available for community events associated with the opening of the bypass?

**Ms Hall:** No.

**Senator CANAVAN:** I forgot to ask this earlier because we suspended. I was asking about the Bruce Highway. Have you had any discussions with the Queensland government about the fifty-fifty and 80-20 discussion with the new Queensland government?

**Senator McKENZIE:** With the new Queensland government.

**Ms Hall:** I haven't, Senator.

**Senator CANAVAN:** It hasn't been raised at this stage?

**Ms Hall:** No, Senator.

**Senator CANAVAN:** With this idea we were mentioning of new Bruce Highway projects, the current approach is to fund those fifty-fifty? The current federal government proposal would be to fund any new projects fifty-fifty on the Bruce Highway?

**Ms Hall:** As we said before, Senator, that would be the starting point for negotiations.

**Senator CANAVAN:** It's a bit hard to hear.

**Ms Hall:** As I said before, that's a government starting point for negotiations. We will see what the new government would like to put on the table.

**Senator CANAVAN:** So the fifty-fifty funding split is not set in stone, then?

**Ms Hall:** It is not in the FFAS. It is in the infrastructure policy statement that it is the government's preferred split. We've also said that for jurisdictions that would find it difficult to do fifty-fifty, such as the Northern Territory, we would look at different funding options.

**Senator CANAVAN:** So it's up for negotiation. If it went 80-20 on the Bruce, would that impact funding other roads in Queensland? Would that be linked?

**Mr Betts:** Clearly, the more of our capital budget we're contributing to one project, the less available capital there is to contribute to others.

**Senator CANAVAN:** There could be an impact, then, depending on the overall funding envelope?

**Mr Betts:** You might recall we talked last time about 80-20 and fifty-fifty and how it evens out in the end. The number of projects you can fund is increased if you go to fifty-fifty rather than 80-20. It's just arithmetic.

**Senator CAROL BROWN:** I have a question about a project in Tasmania.

**CHAIR:** Is it the bridge thing?

**Senator CAROL BROWN:** No. It's not the bridge.

**CHAIR:** The bridge we've talked about for 20 years?

**Senator CAROL BROWN:** It's very quick. It's going really well now. This will probably get a quick response. What can you tell me about the Hobart transit centre?

**Senator McKENZIE:** It's in Hobart. It was a very open-ended question.

**Senator CAROL BROWN:** It's on the list of projects here. It was predicted to start in December 2018. I wonder what is happening.

**Mr L Wood:** Is that the transit centre?

**Senator CAROL BROWN:** The Hobart transit centre. If you don't have the information here, you can take it on notice, if you like.

**Ms Hall:** Is it community infrastructure as opposed to?

**Senator CAROL BROWN:** I can't see any allocation of federal funds, but it is on this list.

**Mr Betts:** We'll find out what we can, Senator, and come back to you.

**Senator CAROL BROWN:** Thank you. I have finished, Chair.

**CHAIR:** We are still in outcome 1.

**Senator CANAVAN:** I want to ask about the beef roads program. Have there been any changes to the funding profile of beef corridors in this update?

**Mr Bourne:** This budget, Senator?

**Senator CANAVAN:** In this update today. There has been no change? There has been, I believe, in the previous update and, I'm informed, in today's update \$10 million allocated for this financial year. Has that been spent or allocated to any particular road for this financial year?

**Ms Hall:** While Mr Brummitt is getting himself organised, I know that there have been some really good conversations with stakeholders on the beef roads. He might be able to go into that and where we're up to in the expenditure.

**Mr Brummitt:** Thank you. In relation to the expenditure, you would be aware of the early works announcement. Those early works were commencing in May. The current activity on the project relates to the development of an investment strategy to essentially prioritise projects for delivery over the short, medium and long term, with a total time horizon of 10 years. The current funding is directed towards that, with the early works commencing from May next year. We are actively involved in the stakeholder advisory group that is delivering the investment strategy. I was in Emerald on 1 August for the first of those meetings. I will be there again on 22 November for a subsequent meeting.

**Senator CANAVAN:** Great to hear. These early works programs had been announced by the previous Queensland government, I think, back in March. Is any of that \$10 million going to them? I think they've identified four here in the March media release.

**Mr Brummitt:** Those works will commence from May 2025. Depending on the exact timing—

**Senator CANAVAN:** So \$10 million might not go out this financial year?

**Mr Brummitt:** It may not.

**Senator CANAVAN:** It would be milestone payments here? Work would have to be completed before you would release the \$10 million. We're unlikely to do much in a month. I'm trying to get a handle on it. Over the next few years, there is \$10 million this financial year; \$15 million the next; and \$20 million in 2026-27, if I'm reading all this right. Is that just to fund these four projects? I will read them out. There is Clermont-Alpha Road, Alpha-Tambo Road, Fitzroy Development Road and the May Downs Road. All of them are pave and seal sections or widening of the roads. Is it \$45 million over the next three years to fund those four projects?

**Mr Brummitt:** Yes. As those projects get into construction, that's clearly where the majority of that funding will be going towards.

**Senator CANAVAN:** Of those four projects, how much are the early works costing in total?

**Mr Brummitt:** It is \$45.7 million, from memory.

**Senator CANAVAN:** The total cost?

**Mr Brummitt:** Yes.

**Senator CANAVAN:** The federal government contribution would be 80 per cent of that \$45 million?

**Mr Brummitt:** Correct.

**Senator CANAVAN:** When is the next tranche of roads to be announced? Is there a time line for that through this work?

**Mr Brummitt:** The next tranche of projects will be set out in the investment strategy, which will be essentially, I guess, those highest priority projects that are suitable for delivery in the short term and essentially in the tranche subsequent to the early works package. There's no specific timing allocated to that. As I said, the investment strategy as a whole is 10 years, and then there's a short, medium and long-term—

**Senator CANAVAN:** There's no set time frame about when the next set of investments will be identified beyond these four?

**Mr Brummitt:** Not at this point. As I said, there's a further meeting on 22 November, which will be—

**Senator CANAVAN:** Take me through this group you are in. I might not have heard of it before.

**Mr Brummitt:** It's essentially chaired by Transport and Main Roads. All of the responsible mayors are present. They were all physically present at Emerald when I was there. There are a number of other people who—

**Senator CANAVAN:** What is the group called?

**Mr Brummitt:** The beef corridors stakeholder advisory group.

**Senator CANAVAN:** Was that first meeting in Emerald? I forgot the month you said.

**Mr Brummitt:** It was 1 August. That was the first meeting.

**Senator CANAVAN:** That was the first meeting of that group?

**Mr Brummitt:** Yes.

**Senator CANAVAN:** That's good.

**Mr Brummitt:** There was a broader stakeholder engagement meeting in Brisbane three or four weeks ago. The next stakeholder advisory group is on 22 November.

**Senator CANAVAN:** Have you got the list of the councils or mayors of the councils in that group?

**Mr Brummitt:** Yes.

**Senator CANAVAN:** I will quickly go through that, if you have them there.

**Senator Chisholm:** Banana, Central Highlands and Isaac are definitely there.

**Mr Brummitt:** Rockhampton Regional Council, Gladstone Regional Council, Banana Shire Council, Woorabinda Aboriginal Shire Council, Central Highlands Regional Council, Isaac Regional Council and Barcaldine Regional Council.

**Senator CANAVAN:** I think I've got them all. That's it? It's just the mayors and the federal and state departments? Are there any other stakeholders?

**Mr Brummitt:** There were a number of stakeholders. There were some advisers present.

**Senator CANAVAN:** From the councils?

**Mr Brummitt:** Advisers both from the councils and from, I think, TMR, who are helping to deliver the strategy.

**Senator CANAVAN:** I want to clarify. There are no other external groups? There is not AgForce or other third parties? It's just the government?

**Mr Brummitt:** No. The subsequent meeting in Brisbane had—I'm not using the correct names—the truck drivers, the Queensland Farmers' Federation et cetera and all of those broader stakeholder groups.

**Senator CANAVAN:** That's very good. It is a really important project, as I've expressed before. It's good to hear some good development of it.

**Senator McKENZIE:** I want to quickly go to the Gladstone Port access road extension. I am seeking an update on the \$100 million project that the coalition government committed \$100 million to. It hasn't been commenced. The Department of Transport and Main Roads website has not been updated since 2020 regarding this project. I want to get some clarification on any factors contributing to the delay on behalf of Colin Boyce, the local member.

**Mr Brummitt:** This is the Gladstone Port access?

**Senator McKENZIE:** Yes.

**Mr Brummitt:** I know that, in the 2024-25 budget, the Australian government accepted a request from the Queensland government to essentially rename the project and change the scope to essentially focus the funding on the bridge over the Calliope River. Obviously, that will allow, as you realise, higher heavy mass vehicles to travel over that bridge and access the port. The project remains in planning, with essentially the Australian government working with the Queensland government to finalise the delivery timeframes.

**Senator McKENZIE:** Is it an 80-20 split, given it was announced—

**Mr Bourne:** Yes, Senator.

**Senator McKENZIE:** When it was announced. It retains its 80-20 split. And the project time line? We've renamed it. Have we actually got a plan to get some shovels in the ground?

**Mr Brummitt:** Going by the funding profile, there is funding from 2024-25. The majority is through until 2029-30. The majority of that funding is probably by 2028-29.

**Senator McKENZIE:** It is in the forwards?

**Mr Brummitt:** And slightly beyond. It is \$12 million in 2024-25; \$12 million in 2025-26; \$12 million in 2026-27; \$24 million in 2027-28; \$24 million in 2028-29; and \$16 million in 2029-30.

**Senator McKENZIE:** Thank you. I have a question about the CQU campus. Is it appropriate to ask it here?

**Mr Betts:** I think it is outcome 3.

**Senator McKENZIE:** There was another one in Queensland.

**Senator CANAVAN:** I will finish in Queensland. I believe that there was some promise or funding allocated to do a business case for passenger rail from Toowoomba to Brisbane. What is the status of that?

**Ms Hall:** Greg Cox will be able to help with that.

**Mr Cox:** Thanks, Senator. We received the strategic assessment of service requirement from TMR in August 2021 and the preliminary evaluation report in May 2022. Both governments have agreed to close the business case, work on this under the existing PPR and return the remaining funds to the IIP. A project summary developed from that work is on the TMR website. Any further release of findings will be subject to agreement from both governments.

**Senator CANAVAN:** So the summary is on the website. Is there a bigger report that has been conducted behind that summary?

**Mr Cox:** That's right, Senator, there is.

**Senator CANAVAN:** Who wrote the report? Was it a consultant?

**Mr Cox:** It was the Queensland government.

**Senator CANAVAN:** It was a government report. Could we get a copy of that?

**Mr Cox:** We could certainly ask Queensland. It is their IP, so we would have to ask them for permission.

**Senator CANAVAN:** How much funding did we provide for this?

**Mr Muldoon:** It was \$2½ million.

**Senator CANAVAN:** What did the Queensland government contribute?

**Mr Muldoon:** There was no contribution from Queensland.

**Senator CANAVAN:** We paid for it. The federal government paid for it. The Queensland government takes all the IP.

**Senator McKENZIE:** Who wrote that contract?

**Senator CANAVAN:** When you say they own the IP—

**Mr Cox:** We share an interest in it.

**Senator CANAVAN:** Of course.

**Mr Cox:** We have to get agreement from both parties.

**Mr Muldoon:** I should say that Queensland contributed in-kind resources from the department to support the work.

**Senator CANAVAN:** Sure. Obviously what is done is done. It seems strange that we don't negotiate a tougher line on this stuff if we're going to fund it.

**Senator McKENZIE:** Absolutely.

**Senator CANAVAN:** Maybe we should have the IP. It's frustrating for us in exercising parliamentary accountability. Something funded by the federal government is now excluded from being provided to a parliamentary committee of the federal parliament. This money was appropriated by the federal parliament.

**Mr Cox:** I don't think I'm saying it's going to be excluded. What I am saying to you, Senator, is that we will go back to Queensland and seek permission to get it.

**Senator CANAVAN:** My point is a more generic one, though. Even if in this instance we get it, the problem is that we're at the whim of the Queensland government. We have no powers in this committee to compel the Queensland government to provide it. If they say no, that's that. It seems very strange that something funded by the federal parliament and appropriated by the federal parliament can be somewhat kept from oversight of the federal parliament. It's not a partisan point. I have seen this happen a number of times. We pay for state governments to do stuff and they just run—

**Senator McKENZIE:** Rings around us.

**Senator CANAVAN:** That's right. The business case has been done. When was that provided to the federal department? Did you say last year it was completed?

**Mr Cox:** The preliminary evaluation report was in May 2022.

**Senator CANAVAN:** That was provided to the federal department in May 2022?

**Mr Cox:** That's my understanding, yes.

**Senator CANAVAN:** Was the minister briefed on the findings?

**Mr Cox:** I would probably have to take that on notice. I expect the answer is yes, but I want to get the right date for you, Senator.

**Senator CANAVAN:** That's fine.

**Senator McKENZIE:** May 2022? Post the election in May? Which minister?

**Senator CANAVAN:** It would have had to be. Just to be clear, you haven't confirmed whether anyone was briefed in May 2022 or briefed at all. You are saying that the report was finalised in May 2022 and probably provided to the federal government in May 2022?

**Mr Cox:** I will check the timeline.

**Senator CANAVAN:** Check the timeline when it was provided and when and if a minister was briefed.

**Senator McKENZIE:** And which minister.

**Senator CANAVAN:** Did you say it was \$2.2 million?

**Mr Cox:** It was \$2.5 million, I think.

**Senator CANAVAN:** How much was originally allocated to the project?

**Mr Muldoon:** It was \$15 million.

**Senator CANAVAN:** Presumably, there was a budget for that \$15 million. What wasn't done that would have been done by only spending \$2½ million?

**Mr Muldoon:** It did the public facing summary. The project did not proceed to a final business case.

**Senator CANAVAN:** The extra money could have been used for a final business case. These questions have been provided to me, I am happy to say, by Mr Garth Hamilton, an excellent member of parliament. He knows a lot more about this than me. What did they find? Did they say there's no need to continue with it?

**Mr Muldoon:** I suppose there were a number of findings. The reports looked at the forecast for such a service. It found, as outlined in the public facing summary, that demand was modest, reflecting the lower population levels in the corridor. The study also found that the options assessed had very high capital costs with a relatively low benefit to cost ratio.

**Senator CANAVAN:** Maybe 50-cent fares would mean a higher demand and uptake, though, for the project. It could be relooked at. Did you say that's it for Queensland?

**Senator McKENZIE:** I think that is it for Queensland. I stand corrected. I'm happy for you to go through the pack.

**Senator CANAVAN:** There is a line on the Olympics.

**Senator McKENZIE:** That is a whole other line item. I want to talk about the Canterbury Road upgrade on behalf of the fabulous local member for Casey, Aaron Violi. I want to understand the current status of the Canterbury Road upgrade to add a new lane between Dorset and Liverpool roads.

**Mr L Wood:** At the 2023-24 MYEFO, the project would be scoped for planning only. The remaining funding would be reserved for construction pending completion of the planning works.

**Senator McKENZIE:** That is occurring right now. That was MYEFO. How long is it until we have the planning works completed?

**Mr L Wood:** I will have to check with the Victorian government and when we're expecting that. I don't have that information in front of me.

**Senator McKENZIE:** What is the amount of money put aside for planning?

**Mr L Wood:** The budget is \$4.76 million for planning.

**Senator McKENZIE:** How much is sitting waiting in the outcome?

**Mr L Wood:** The previous commitment was \$47.59 million.

**Senator McKENZIE:** And the Victorian state government is doing the planning?

**Mr L Wood:** That's correct.

**Senator McKENZIE:** I want to understand if the state government has raised any concerns with regard to the delivery of the project.

**Mr L Wood:** Not that I'm aware, but I will check and come back to you if there is anything.

**Senator McKENZIE:** Ms Hall, is this one of these projects where you meet regularly with state governments around its delivery?

**Ms Hall:** No. This is not one of the major projects, Senator. Mr Wood and his team would be talking regularly on some of these smaller projects. I'm sure we can get the planning timeframe for you quite quickly with regard to it. We'll have somebody out the back who could answer the question with regard to the planning timeframe. We'll come back to you.

**Senator McKENZIE:** I would really appreciate that. When was the last time you met with the Victorian government on this or had an update from the Victorian government on the planning of the project?

**Mr L Wood:** I haven't met with the Victorian government on this. This is a smaller project. My team meets with them as part of general updates. I will check with them and come back to you.

**Senator McKENZIE:** Thank you so much. I want to know when that planning will be done so we can actually get started. We are heading out to Coldstream, a beautiful part of the world, and the Yarra Ranges Council. I want to ask about the Maroondah Highway and Killara Road upgrade. What is the expected commencement date of this project?

**Mr L Wood:** Construction is expected to start in mid-2025.

**Senator McKENZIE:** Has the state government raised any concerns to the department or the minister about the delivery of this project?

**Mr L Wood:** Not that I'm aware.

**Senator McKENZIE:** Can you check?

**Mr L Wood:** I will.

**Senator McKENZIE:** Put this on your checklist. What is the cost? We are starting construction in mid-2025. Walk me through the profiling of that.

**Mr L Wood:** Sure. The profile for 2024-25 is \$12.17 million. In 2025-26, it is \$4.99 million.

**Senator McKENZIE:** It is \$16.17 million. It was announced as \$20 million.

**Mr L Wood:** There was also money in 2023-24, which was \$1.26 million. The total, including that, is \$17.16 million.

**Senator McKENZIE:** Which you are confident will get this project delivered as scoped and planned?

**Mr L Wood:** I haven't heard otherwise, Senator.

**Senator McKENZIE:** Thank you. You will advise me if something comes up. I will move to the Shepparton rail line upgrade on behalf of the fabulous member for Nicholls, Sam Birrell. Has the delivery partner, the Victorian government, raised any further concerns with the delivery of the project or cost increases? We confirmed last estimates that an additional \$11 million had been provided due to cost pressures being felt by the Victorian government.

**Mr L Wood:** Correct. No, there have not been any additional cost pressures raised by the Victorian government.

**Senator McKENZIE:** That will be proceeding with the profiling that had been previously outlined?

**Mr L Wood:** The profile is unchanged.

**Senator McKENZIE:** Thank you, Mr Wood. That is a really sharp answer. It's very helpful. There is \$10 million for the Shepparton rail line upgrade, identifying current and future freight rail requirements from Shepparton to Tocumwal, to consider options to upgrade and standardise the rail line. Can you please give me the current status of that piece of work on the freight task to the New South Wales border? You did tell me at the last update the scoping work was underway. I am hoping we have got beyond scoping.

**Mr L Wood:** Is that the Shepparton alternative freight route enhancement package?

**Senator McKENZIE:** Does it go to Tocumwal, which is just across the border? Shepparton is the hub. I might put it on notice for you and seek more clarification from Mr Birrell.

**Mr L Wood:** Thank you, Senator.

**Senator McKENZIE:** I think there were some questions about whether it was aligned with Inland Rail. I think we can go to the Olympics.

**Senator CANAVAN:** While we are still on the Inland Rail, I might ask this question. Is there any update on the funding for a study on the extension of the Inland Rail to Gladstone?



**Mr Cox:** This is Toowoomba to Gladstone?

**Senator CANAVAN:** Yes.

**Mr Cox:** Okay.

**Senator CANAVAN:** I thought \$10 million or so had been allocated to that project.

**Senator McKENZIE:** Yes, it was.

**Mr Cox:** That is still ongoing. I think it goes to the issue we were just discussing, Senator. This is, again, a project we have jointly funded with Queensland.

**Ms Hall:** I think we're hoping to finalise that shortly.

**Senator CANAVAN:** Nothing has been completed at this stage? There has been no final product produced or provided?

**Ms Hall:** There have been no final decisions made or publicly announced, as far as I am aware, Senator.

**Senator CANAVAN:** Who is doing this work?

**Mr Cox:** Again, it's Queensland.

**Senator CANAVAN:** The Queensland department of main roads. Who will own the IP of this work once it is completed?

**Mr Cox:** It will again be a shared proposition, as we just discussed, with the other piece of work.

**Senator CANAVAN:** I'm getting confused. I thought you said that the IP is owned for the Toowoomba to Brisbane passenger rail case. Who does ultimately end up with the intellectual property of this report for Toowoomba to Gladstone?

**Mr Cox:** We both have a vested interest in it, the Commonwealth and the state. It requires agreement of both the Commonwealth and the state to release the report.

**Senator CANAVAN:** We have a 50 per cent share of the IP, in effect?

**Mr Cox:** I would want to go and look at the actual contract.

**Senator CANAVAN:** Maybe take it on notice. Is there any contract that deals with it?

**Mr Cox:** I'm happy to take that on notice.

**Senator CANAVAN:** I suppose it goes to this issue of parliamentary accountability and providing information on the spending of taxpayer dollars. You say soon. Is there a deadline for it?

**Ms Hall:** We're hoping that it will be relatively imminent. It will be up to governments, given that there is a new Queensland government.

**Senator CANAVAN:** Before the end of the year?

**Ms Hall:** That's our hope.

**Senator CANAVAN:** When was it started?

**Ms Hall:** I think it was a couple of years ago, Senator. I'm sure the team have the information.

**Mr Cox:** The strategic assessment service requirement, which was part 1 of the gateway, was January 2023.

**Senator CANAVAN:** It would be good to get it. Will this be the completion of that \$10 million of funding once this report is done, or is there further work to do after it?

**Mr Betts:** It would be a matter for governments to decide.

**Senator CANAVAN:** Well, the \$10 million has been expended by the end of this report?

**Ms Hall:** For the business case. Whatever the final costs come in as, it won't be more than \$10 million, no.

**Senator CANAVAN:** How much are you budgeting for it? Presumably, you have a budget for it. What has been put against the budget for this report that is to be finalised imminently?

**Mr Muldoon:** The Commonwealth government committed \$10 million. A project proposal report has been approved for \$10 million.

**Senator CANAVAN:** Are they two separate things?

**Ms Hall:** No. As you know, Senator, because we pay on milestones, we do the project proposal reports. They will tell us what they think the estimated cost is within that budget. In this case, they align.

**Senator CANAVAN:** So \$10 million is allocated to this report that is due?

**Ms Hall:** Yes.

**Senator CANAVAN:** I want to check there is no hollow log there. I suppose there is not much more to ask about that because it's not done.

**Senator McKENZIE:** I will go back to Queensland. All politics is local. This is about the New England Highway at Cabarlah. This is a project outside Defence barracks that sees significant traffic flow on the New England Highway with military and heavy vehicles entering and exiting. It is a safety issue. The allegation is that Queensland Labor sat on the project for almost five years. The federal coalition committed to it. I would like the department to advise the current status of the project.

**Mr Bourne:** Senator, could you please repeat the name?

**Senator McKENZIE:** It is Cabarlah on the New England Highway.

**Senator CANAVAN:** It's just north of Toowoomba.

**Senator McKENZIE:** Always good to have a local, Senator Canavan.

**Mr Brummitt:** At the 2023-24 MYEFO, this project no longer received Australian government funding.

**Senator McKENZIE:** So it has been cut?

**Mr Brummitt:** We're working with the proponent to finalise project closure.

**Senator McKENZIE:** When was it supposed to be commenced before the funding was cancelled?

**Ms Hall:** It was a 2019 election commitment. That is my understanding, Senator.

**Senator McKENZIE:** Before the project was cancelled, had the Commonwealth reached agreement with the state government on the design and scope of the project? According to the TMR website, the design was complete.

**Mr Bourne:** We'll have to take that on notice.

**Ms Hall:** We'll have to take that on notice, Senator. That one is quite a small project. The team will have to provide additional information to us.

**Senator McKENZIE:** This has now been cancelled, as per the official's evidence. Has the department consulted with Defence, given the impact on the barracks?

**Mr Brummitt:** No.

**Mr Bourne:** I haven't consulted with Defence on this, Senator.

**Senator McKENZIE:** Has the delivery partner raised road safety concerns as a result of the project being cancelled?

**Mr Bourne:** As in TMR, our Queensland officials? Not to my knowledge.

**Senator McKENZIE:** And the delivery partner hasn't raised any concerns with the project being cancelled?

**Mr Bourne:** Not to my knowledge, Senator.

**Senator McKENZIE:** Could you check? My understanding is that this is a huge safety concern. To your knowledge, these days, we just need to double-check things. Thank you. I have a question on the Inland Rail from its great champion, the honourable Mark Coulton. It has been a passion project of his for many decades, as I'm sure everyone in the department knows. I want to get clarification on previously unanswered questions on notice about the Inland Rail and get clarification on when construction for N2N of the Inland Rail will commence. That is the Narromine to Narrabri section. I want to understand if QON SQ24-000612 on land parcels has left the department and headed to the minister's office.

**Mr Betts:** My understanding is that all questions on notice have been tabled and all responses have been tabled as of this morning.

**Senator McKENZIE:** I will ask the secretariat to get me that response. Can you please confirm the amount of land needed to be acquired for phase 2 of the Narrabri to North Star project?

**Mr Cox:** That would be a question better directed to Inland Rail.

**Senator McKENZIE:** So you don't know?

**Mr Cox:** I don't have that information to hand.

**Senator McKENZIE:** Has the amount of land changed over the lifetime of the plan?

**Mr Cox:** Again, I would have to take that on notice.

**Senator McKENZIE:** Thank you. When will the construction for Narromine to Narrabri commence?

**Mr Cox:** Inland Rail is focused, as per the government's requirement, on delivery south of Parkes. It is working predominantly on land acquisition alignment et cetera north of Parkes. Again, Mr Miller can probably give you some detail when he is here later this afternoon.

**Senator McKENZIE:** I appreciate that is the government's focus. The breadth of this project means that you are not doing one thing.

**Mr Cox:** That's exactly right, Senator.

**Senator McKENZIE:** With a project of this scope and magnitude, that is the focus. The minister has been very clear on that. We're seeing progress there. When is the plan to start on the N2N?

**Ms Hall:** Once government has more surety of the costs, we will continue to move forward on that.

**Senator McKENZIE:** When will that occur, Ms Hall?

**Ms Hall:** As you know, we're still going through land acquisition issues. We are going through environmental approvals. We are hoping that with some of the environmental approvals we will get a better understanding of those costs shortly. I think you've asked previously, Senator, when we are getting our cost assurer on board. We now have our cost assurer on board. We are hoping within the next six months we'll have a better understanding.

**Senator McKENZIE:** Of the costs?

**Ms Hall:** North of Parkes.

**Senator McKENZIE:** North of Parkes. N2 to North Star phase 2 is still with the New South Wales government. It is at the response to submission stage. A letter was sent to Martin Singleton, Inland Rail's environmental adviser, on 24 July 2024 asking him to respond to submissions. Has Mr Singleton or Inland Rail responded?

**Ms Hall:** I think that is a question for Inland Rail.

**Mr Betts:** You'll have the opportunity to ask them tonight, Senator.

**Senator McKENZIE:** I will. In terms of the costing verifying the Schott review's costs, when is that work expected to be complete?

**Mr Cox:** The first tranche is due to us in May, Senator.

**Senator McKENZIE:** May next year?

**Mr Cox:** That's right.

**Mr Brummitt:** Senator McKenzie, in relation to your Cabarlah question, the original PPR indicated construction between October 2023 and November 2024.

**Senator McKENZIE:** Thank you. That has well passed. I have another question from Mark Coulton on Inland Rail payment to subcontractors. Is that a question for Inland Rail directly?

**Mr Cox:** It is.

**Senator McKENZIE:** I'll save that for later so they know that one is coming.

**Senator CANAVAN:** I want to go back to the passenger rail business case between Toowoomba and Brisbane. I want to table a document that I have only electronically at this stage. This is a question to the minister for infrastructure from Mr Garth Hamilton in the House of Representatives. It is question No. 466, if that means anything to people. I will table it, Chair. Mr Hamilton asks about the business case. In the answer dated 6 February 2024, Ms King says:

The minister has not been provided with a copy of the strategic business case.

Is that still the case? You said it was completed in 2022, but the minister had not been provided with a copy of the business case by 2024.

**Mr Cox:** There are a couple of things here. There will be an answer about what was actually provided to the minister in the briefing and whether the briefing was a summary attached to the strategic business case. If the answer says no, I expect we did not.

**Senator CANAVAN:** There is no detail in that regard. Hopefully you'll get it soon. There is a copy.

**Ms Hall:** Thanks, Senator. We received the business case in 2022. We worked through with the jurisdictions to make sure that there was no additional work that needed to be done before we actually finally briefed the minister, which would have been at a later time. We can come back to you on notice with that.

**Senator CANAVAN:** Presumably, this answer is right. You would stand behind this answer provided to the House of Representatives? At least as late as February this year, the minister had not been provided with a copy

of that case. We don't know if the minister was briefed on it. It says that the Queensland and Australian governments are currently working together to consider next steps on the project. Is that still the case, or is this closed now? I got from your answers earlier that the decision has been made not to progress?

**Ms Hall:** We have now briefed and it has been finalised, hence the information on the Queensland website.

**Senator CANAVAN:** Thank you for that. Senator Brown has a few questions.

**Senator MCKENZIE:** I have some final ones, too.

**Senator CANAVAN:** Chair, I'm happy to hand over to Senator Brown briefly. We will try to get outcome 1 done before lunch, if we can.

**CHAIR:** Thank you. We will break at 1.15 pm.

**Senator CAROL BROWN:** Thanks, Chair. That is very quick. I want to ask some questions on road maintenance funding. Is this the right area?

**Mr Betts:** Yes.

**Senator CAROL BROWN:** Can you describe how the funding is allocated?

**Mr Betts:** Sure. We might provide some contextual statements around the new federal funding agreement and the supplementary funding for road maintenance, which has been provided through that agreement. Road maintenance funding, having been frozen for about 10 years, there is—

**Senator CAROL BROWN:** Sorry, Mr Betts. Did you say that road maintenance funding had been frozen?

**Mr Betts:** It had been frozen for a protracted period of time—I think for around 10 years. With the execution of the FFAS with the states and territories recently, supplementary funding, I believe, of about \$500 million over the forward estimates period will now flow to the states to address some of the concerns that Senator Canavan was raising earlier. I will ask the team to speak to the way in which that is distributed across the states.

**Ms Hall:** We can give you the quantity as soon as Mr Milnes is ready. It is also worth noting that for the first time it has also been indexed, so it will continue to grow as well.

**Senator CAROL BROWN:** So the road maintenance is indexed now?

**Ms Hall:** Yes.

**Mr Betts:** It is.

**Senator CAROL BROWN:** That is good news.

**Ms Hall:** It will continue to get larger. It used to be \$350 million. It has gone up.

**Senator CAROL BROWN:** Essentially it was going backwards because it was frozen.

**Ms Hall:** That's right.

**Senator CAROL BROWN:** Now, with this decision, there is additional funding and now it is indexed?

**Ms Hall:** Additional funding and indexation—that's correct.

**Senator CAROL BROWN:** Could I get some information on the total amount of funding and how that funding is allocated, please?

**Mr Milnes:** The additional funding over the forward estimates is \$510 million. Its allocation across the states and territories is as follows: ACT has an additional \$1.4 million, New South Wales has an additional \$168.8 million, Northern Territory has an additional \$24.1 million, Queensland has an additional \$98 million, South Australia has an additional \$46.8 million, Tasmania has an additional \$12.2 million, Victoria has an additional \$77.6 million and Western Australia has an additional \$81.3 million.

**Senator CAROL BROWN:** They are the additional amounts. That is on top?

**Ms Hall:** That is on top of the normal amount.

**Senator CAROL BROWN:** Could you give me those figures as well?

**Mr Milnes:** The ACT will receive, over the forward estimates, \$5.6 million. New South Wales will receive \$552.8 million. The Northern Territory will receive \$90.8 million. Queensland will receive \$423.3 million. South Australia will receive \$175.8 million. Tasmania will receive \$45.1 million. Victoria will receive \$305.6 million. Western Australia will receive \$311.12 million.

**Senator CAROL BROWN:** And there are criteria around how the states and territories spend this money?

**Mr Bourne:** Yes. There's a formula for how the money is provided.

**Ms Hall:** There's a formula for how it's provided but not for how they get to choose to allocate the money.

**Senator CAROL BROWN:** It has to be on road maintenance?

**Mr Bourne:** That's right.

**Ms Hall:** It has to be on road maintenance and it has to be on roads on the national land transport network.

**Mrs Czajor:** Mr Milnes just spoke about the funding. The way it is broken down is that it's calculated on the national land transport lane length, the daily vehicle distance travelled and the heavy vehicle distance travelled. That is how it is calculated across the jurisdictions. Other than that, we've answered the questions.

**Senator CAROL BROWN:** That's good news. It's good to see the increase, that the freezing of the previous funding has been ceased and that the funding is now indexed. That is a good win for the states and territories. Thank you.

**Senator McKENZIE:** With regard to the earlier question, what is the status of the business case for the high-speed rail project?

**Ms Hall:** The business case for high-speed rail is due to be completed at the end of this year. They are on track to deliver that.

**Senator McKENZIE:** Really?

**Ms Hall:** Yes.

**Senator McKENZIE:** On time and on budget?

**Ms Hall:** Yes, Senator.

**Senator McKENZIE:** Well done. I have some questions about the regional railway crossing safety program. When did the program commence? I have double-checked with my people. Apparently it's here.

**Ms Hall:** We have lots of programs.

**Senator McKENZIE:** It is exciting.

**Ms Hall:** I think it is exciting. My children? Not so much.

**Senator McKENZIE:** I want to understand when the Regional Railway Crossing Safety Campaign started.

**Mrs Czajor:** The campaign itself is actually funded through our surface transport people. As part of outcome 1, we have the Regional Level Crossing Upgrade Fund, which is part of the broader level crossing safety package.

**Senator McKENZIE:** Can you answer any questions about the Regional Australia Level Crossing Safety Program?

**Mrs Czajor:** On the fund itself, yes.

**Senator McKENZIE:** There was a campaign. Somebody asked in budget estimates the total cost of the road safety level crossing program. It is QON1108. What is the remaining amount of \$2.62 million to be spent on?

**Mrs Czajor:** That would go to SEPP, Senator. The total funding is \$180.1 million for the Regional Australia Level Crossing Safety Program. That is broken down into the education and awareness activities, which is \$6.1 million; research and innovation projects of \$4.7 million; data improvement projects of \$1.7 million; National Railway Level Crossing Safety Strategy development and implementation of \$1 million; and departmental funding of \$6.6 million. On top of that you have the \$160 million regional level crossing upgrade fund.

**Senator McKENZIE:** Can you talk me through how you evaluated the success of the education campaign?

**Mrs Czajor:** Everything apart from the level crossing upgrade fund is in outcome 2.

**Senator McKENZIE:** I will save it for outcome 2, then.

**Ms Hall:** Do you want me to answer your questions about the population of Western Sydney?

**Senator McKENZIE:** Yes, thank you.

**Ms Hall:** As of 30 June 2023, the total population of Western Sydney was 1.2 million. This is 22 per cent of the population of the Sydney greater capital city statistical area. The population of Western Sydney has increased by nearly 100,000 persons over five years ending in that same time period. This compares to Sydney's greater statistical area of an increase of 260,000. Western Sydney has grown at an average rate of 1.7 per cent over the last five years compared to one per cent for Sydney and a whole of 1.3 per cent nationally.

**Senator McKENZIE:** That clearly shows that it is growing at a higher rate than other areas of Sydney.

**Ms Hall:** Yes. And a lot of other areas in Australia.

**Senator McKENZIE:** My question is about the commensurate increase in infrastructure funding support at a higher rate.

**Ms Hall:** Yes, there has been. I will give you that percentage.

**Senator McKENZIE:** I want that unpacked so I can see.

**Ms Hall:** We can give that to you. This has been a significant increase in funding for Western Sydney.

**Senator McKENZIE:** I know you want to give me five years. I would like it over the last two.

**Ms Hall:** Okay.

**Senator McKENZIE:** Thank you. I will go to the Olympics. Can I have an understanding of the discussions? There has been a change with the Queensland government. Have any discussions on the Olympic funding agreements, or is it all expected to proceed as planned?

**Mr Betts:** I'll ask Mr Brummitt to speak to the detail of that. Obviously, the newly elected Queensland government has committed to undertaking what it is characterising as a 100-day review of the Olympics venues program. We are continuing to meet with our Queensland counterparts, including as recently as Friday, to make sure that the governance remains in place. Obviously they will need to work with their government and advise their new ministers on the status of the venues program. The government legitimately will want to make some decisions about whether there is any aspect of that program that it wants to modify. I might ask Mr Brummitt to add any more detail.

**Mr Brummitt:** I do not really have a lot to add to that, Secretary. The IGA runs to 2033. It can be varied by mutual agreement. That will continue to provide the overarching governance.

**Senator McKENZIE:** And the transport projects that we've spoken a lot about? Is there any update on the meeting with you and me? Is there any update?

**Mr Betts:** When you say the transport projects, what do you mean?

**Senator McKENZIE:** There was rail up to the Sunshine Coast.

**Mr Betts:** We can answer questions specifically on the Sunshine Coast direct rail.

**Mr Brummitt:** There is a range of projects that have been planned, funded and delivered that will contribute to the 2032 Games, including, as the Secretary said, direct Sunshine Coast rail, Logan to Gold Coast faster rail and a couple of projects on the M1. There are no additional projects.

**Senator McKENZIE:** Do I take it, Secretary, from your comments that it will be the venues that are part of that review, not the transport?

**Mr Brummitt:** The current Queensland government has been explicit that they will also include transport, particularly direct Sunshine Coast rail, and the possible extension to essentially, in their view, deliver to Maroochydore. That will be included in the 100-day review.

**Senator McKENZIE:** So the 100-day review will be complete by the time we next get together in February. Is that correct?

**Mr Betts:** Well, the 100-day review is the terminology in the project—

**Senator McKENZIE:** I appreciate that.

**Mr Betts:** of the Queensland government. We can't really speak to the timeframes of that.

**Senator McKENZIE:** And knowing how reviews goes, a 90-day review could take 200 days. Hopefully not. We can then prosecute that and find out what changes. I want to specifically go to the Toowoomba sportsground upgrade proposal. Could you advise of the total expenditure for that? It is one of the minor venues?

**Mr Brummitt:** Zero.

**Senator McKENZIE:** Zero?

**Mr Brummitt:** Yes. The Australian government has made the decision not to proceed with that project. No payments were made for the project, so the expenditure is zero.

**Senator McKENZIE:** Of the \$935 million provided by the Commonwealth for minor venue upgrades, how much has been spent?

**Mr Brummitt:** How much has been paid to Queensland?

**Senator McKENZIE:** Yes. I'm assuming you don't own bulldozers.

**Mr Brummitt:** We've made \$27.8 million in first milestone projects for five projects.

**Senator McKENZIE:** Could you just run me through those five? This is the minor venues program?

**Mr Brummitt:** The minor venues.

**Senator McKENZIE:** What are the five?

**Mr Brummitt:** The Sunshine Coast Indoor Sports Centre.

**Senator McKENZIE:** What will be hosted there?

**Mr Brummitt:** The Sunshine Coast Stadium; Sunshine Coast Mountain Bike Centre; the Chandler Indoor Sports Centre and precinct; and Brisbane Aquatic Centre.

**Senator McKENZIE:** And nothing for the tennis?

**Mr Brummitt:** No.

**Senator McKENZIE:** It is safe to say, in terms of the minor venue upgrades and \$27.8 million by five, that's all planning. Are there actual upgrades? What are the milestones?

**Mr Brummitt:** The first milestone is essentially approval of the project validation report.

**Senator McKENZIE:** Is that what the \$27.8 million has gone to? All five projects have been a business case validation?

**Mr Brummitt:** Yes.

**Senator McKENZIE:** No shovels in the ground yet?

**Mr Brummitt:** The procurement process has commenced on six projects.

**Senator McKENZIE:** Which six? Are we just going to add one to those five?

**Mr Brummitt:** I will have to check.

**Senator McKENZIE:** We have three minutes before we break for lunch. Six have gone to procurement. What are they?

**Mr Brummitt:** I will run through them. Chandler Indoor Sports Centre is under procurement. Logan Indoor Sports Centre is under procurement. Morton Bay Indoor Sports Centre is under procurement. Sunshine Coast Indoor Sports Centre is under procurement. Barlow Park and the Brisbane Aquatic Centre are both under procurement.

**Senator McKENZIE:** On notice, could you let me know when each of those procurement processes is due to finish? How is this going to work if the state government is going through a review process and you are in the middle of a procurement?

**Mr Brummitt:** We're not in the middle of a procurement. Queensland—

**Senator McKENZIE:** We as team Australia for the Olympics?

**Mr Brummitt:** Queensland runs the procurement process.

**Senator McKENZIE:** They can halt it if they want.

**Mr Brummitt:** They will manage that, yes.

**Senator CANAVAN:** If you can give me five minutes, I will be done.

**CHAIR:** Sure. We will extend the break, for those listening.

**Senator CANAVAN:** Apparently, in 2019, we had \$5 million put towards a feasibility study of a level crossing at Tooronga Road in Melbourne. Can I get an update on whether the department has received a copy of that report? It will be on the Glen Waverley train line, if it happens.

**Senator McKENZIE:** This is true.

**Mr Bourne:** Sorry, Senator. Can you repeat that one more time, please?

**Senator CANAVAN:** It is the Tooronga Road in Melbourne. You have no records of that?

**Mr Bourne:** Bear with me.

**Mr L Wood:** The feasibility study was provided to the department in May 2023.

**Senator CANAVAN:** So you have the report. Have you made that report public?

**Mr L Wood:** I don't believe so.

**Senator CANAVAN:** Can we get a copy of that?

**Mr L Wood:** Yes.

**Senator CANAVAN:** What options does the report provide to remove the level crossing at Tooronga Road?

**Mr L Wood:** It did find that significant further planning and investment would be required to proceed to delivery.

**Senator McKENZIE:** Can you expand on 'significant'?

**Mr L Wood:** That is all I have in front of me at the moment.

**Senator CANAVAN:** Maybe you could take on notice the options. Was there a preferred option? If so, what was the cost of the preferred option?

**Ms Hall:** My understanding, Senator, is that it was extraordinarily expensive. We will come back to you.

**Senator CANAVAN:** I will move to the Glenferrie Road level crossing removal project. I believe there was also some funding allocated for that business case.

**Mr L Wood:** Just a moment.

**Senator CANAVAN:** Maybe we'll let these people search for it. I think my colleague Senator McKenzie has another line of questions.

**Senator McKENZIE:** I do. I have one other line of questioning.

**Senator CANAVAN:** I probably have exactly the same questions on that one, basically, when you find it, so we might have time to come back to it.

**Senator McKENZIE:** Thank you. I want to ask about the Cunningham Highway upgrade, including the Amberley Interchange.

**Senator CANAVAN:** Have you got that report?

**Mr L Wood:** In Kooyong? Just confirming Glenferrie Road?

**Senator McKENZIE:** Yes.

**Mr L Wood:** In the 2022-23 October budget, the Australian government announced that this project would not be proceeding to delivery. The feasibility study was provided to the department in May 2023 and found that significant further planning and investment would be required to proceed to delivery.

**Senator CANAVAN:** So it was too costly to proceed. That is easy. Likewise, could we get a copy of that report on notice? I want to confirm, going back to Tooronga Road, that no decision has been made? No similar decision has been made not to proceed with that?

**Mr L Wood:** I think any further decision would be a matter for the Australian government.

**Senator CANAVAN:** Right. It sounds like on the Glenferrie one there's been a definitive decision to not proceed?

**Ms Hall:** I think there were decisions on both of them, Senator. It's just the way that the teams put it.

**Senator McKENZIE:** Can you clarify that, Ms Hall? What did you just say? Sorry, I missed it.

**Ms Hall:** With regard to both of those projects, my understanding—obviously, it is before all of our time—is that they were both quite costly, so a decision has been made at this stage not to progress until the Victorian government comes to us with alternatives.

**Senator McKENZIE:** Thank you. If their suburban rail paperwork is anything to go by, that won't happen. We have the Cunningham Highway upgrade, including Amberley Interchange. Minister King announced \$20 million on 27 September for the business case with the now former Labor Queensland minister for infrastructure. When was this funding first provisioned in the IIP?

**Mr Bourne:** I think that goes way back a couple of years. I would have to test that to give you the right time frame.

**Ms Hall:** My understanding is that it was committed in the 2019-20 budget, Senator, but we'll double-check for you.

**Senator McKENZIE:** In the 2019-20 budget it was committed?

**Ms Hall:** Yes.

**Senator McKENZIE:** So the coalition committed \$170 million in 2018. That was matched by Labor in 2019 as an election commitment, but they didn't win that election. It was first provisioned by the coalition government in 2018. Can someone clarify?

**Ms Hall:** We'll clarify that for you.

**Senator McKENZIE:** You just said 2019. But that is just a Shayne Neumann release. I don't know when it actually got put into—

**Ms Hall:** We'll double-check that for you. We'll have to go back through our records for that.



**Senator McKENZIE:** Thank you for that. Can you confirm that \$20 million of funding was previously listed as a package of works for planning works along the entire Cunningham Highway corridor?

**Ms Hall:** We'll take that on notice.

**Senator McKENZIE:** Mr Brummitt? It was previously provisioned. Was \$20 million previously provisioned for the Cunningham corridor?

**Mr Brummitt:** The project previously consisted of a package of 20 planning projects. Due to cost pressures and community feedback, in TMR's processes, it has been rescoped to the two business cases that focus on the highest priority upgrades, including the Cunningham Highway and Ipswich-Rosewood Road intersection, the so-called Amberley Interchange, and the Ripley Road and Swanbank interchanges. That context I can give you. Beyond that, I—

**Ms Hall:** The project cost—

**Senator McKENZIE:** It has gone from \$20 million to two focused projects. That is what I am hearing.

**Ms Hall:** Within the \$20 million.

**Senator McKENZIE:** Yes. When was the decision made to direct the whole \$20 million to these two projects? When was the decision made?

**Ms Hall:** I think it was 2023, Senator.

**Senator McKENZIE:** In what context, Ms Hall?

**Ms Hall:** My understanding is that it was following community consultation and the delivery of the business case, which found that it was probably too difficult to do it. But we'll come back to you with the detail.

**Senator McKENZIE:** A decision was made to go to the two. When was the funding profile updated? If it was 2023, we decided it was too hard with community feedback et cetera.

**Mr Bourne:** Senator, there was a profile change from MYEFO to the budget.

**Senator McKENZIE:** Could you walk me through that?

**Mr Bourne:** I can. At budget, it was \$5 million in 2024-25; \$5 million in 2025-26; and \$4.68 million in 2026-27. In MYEFO, it was for 2024-25, \$8.43 million; for 2025-26, \$2.22 million; and, for 2026-27, \$2.56 million. For the MYEFO run, there was also money in 2028-29 of \$0.94 million; in 2029-30 of \$0.25 million; and in 2030-31 of \$0.28 million. Money was brought forward.

**Senator McKENZIE:** Can I clarify that is still on an 80-20 split?

**Mr Bourne:** That's correct.

**Senator McKENZIE:** Of the \$16 million of Commonwealth funding, we've got the Ipswich-Rosewood Road intersection, the Ripley Road interchange and the Swanbank Road interchange. Can you give me the breakdown for each of those three components?

**Mr Bourne:** I think we would have to look at that, Senator. This is planning work, so we would have to check that.

**Senator McKENZIE:** You don't have that information at all?

**Mr Brummitt:** We certainly don't have it available here.

**Senator McKENZIE:** We don't have it available here, or is it stuck in Queensland?

**Mr Brummitt:** We don't have it available here. We could take it on notice to see if we have it. We don't have it available here.

**Mr Bourne:** It is planning business case work, so I suspect that it will be together.

**Senator McKENZIE:** As one package?

**Mr Bourne:** Yes. That's what I would suspect.

**Senator McKENZIE:** If I can find out more detail, that would be great.

**Mr Bourne:** Sure.

**Senator McKENZIE:** When did the business case for the Amberley Interchange upgrade commence?

**Mr Bourne:** My understanding is that it was in 2020.

**Senator McKENZIE:** What solutions is the business case investigating?

**Mr Brummitt:** Senator, my understanding is that the business case is investigating, in response to the community feedback, I guess, the desired end state. It is looking at the desired end state as opposed to short-term fixes.

**Senator McKENZIE:** Got it.

**Mr Brummitt:** It is focused on the longer-term solution.

**Senator McKENZIE:** How do we get to the—

**Mr Brummitt:** How we get to the longer-term solution.

**Senator McKENZIE:** A new objective? That's not finalised, or that is being finalised?

**Mr Brummitt:** It's underway.

**Senator McKENZIE:** It's underway, but it hasn't been provided to government yet?

**Mr Brummitt:** That's correct.

**Senator McKENZIE:** When do we expect that to be finalised?

**Mr Brummitt:** I don't have an answer to hand, sorry.

**Senator McKENZIE:** On notice, from your conversation with your Queensland colleagues, could you get that? If the business case was announced in 2020, they've gone out and consulted. As I am hearing it, the response to that consultation is that you are changing the end destination. Is the September 2024 announcement from Minister King a new business case or a refocus of the old business case? I just need clarification.

**Mr Bourne:** Senator, I don't have that here. I can't give you the detail on that right now.

**Senator McKENZIE:** We just talked about it. We just talked our way through it.

**Mr Brummitt:** My understanding is that the current business case is focusing squarely on these small number of projects that we have been discussing.

**Senator McKENZIE:** The three?

**Mr Brummitt:** The three.

**Senator McKENZIE:** It is a more focused business case than what was originally announced in 2020 as a response to public feedback. Am I reading this right?

**Mr Brummitt:** That's my understanding.

**Senator McKENZIE:** I'm getting nods from the back, so I will go with that. So it's not a new announcement of a business case? It is a refocused business case in response to community feedback?

**Mr Brummitt:** Yes. It is a package of 20 planning projects that has been condensed down to three. That is what the business case is focusing on.

**Senator McKENZIE:** What is the current construction funding for the IIP for the Amberley Interchange upgrade?

**Mr Bourne:** Senator, I think that is a purpose of the business case. I don't think we have specifics.

**Senator McKENZIE:** So there's nothing in the IIP? Whack it off in year seven waiting for the business case?

**Mr Bourne:** No, Senator.

**Senator McKENZIE:** There is no provision in the IIP for the Amberley Interchange for the next 10 years other than the business case?

**Mr Bourne:** That is the purpose of the business case—to work through exactly what they need to do.

**Senator McKENZIE:** So there's no indicative time frame for the delivery?

**Mr Betts:** Again, that's the purpose of the business case.

**Senator McKENZIE:** Okay.

**Mr Brummitt:** They are just planning funding.

**Senator McKENZIE:** Thank you. I think I am finished outcome 1.

**CHAIR:** Thank you very much. You heard it, Mr Betts; outcome 1 can go. We will resume at 2.30 pm with outcome 2. Thank you.

**Proceedings suspended from 13:27 to 14:31**

**CHAIR:** Welcome back, everyone. We will go to outcome 2.

**Senator McKENZIE:** I want to go to the Qatar decision that we prosecuted in the select committee last year. As we know, for those following along at home who can't be bothered reading the *Hansard*, the department and the minister were of a mind to approve a Qatar bilateral agreement or conclude that or begin negotiations. The minister herself told Jane Hrdlicka from Virgin that was the case. At some point, the minister changed her mind and blocked Qatar's application. The government gave in excess of 10 different excuses as to why they chose to protect Qantas's market share and not expand choice.

**Senator Chisholm:** You are not going to get away with this in Senate estimates. If you have questions, you can put them. You have been on this for a year—

**Senator CANAVAN:** I raise a point of order, Chair.

**Senator Chisholm:** A political witch-hunt, without actually uncovering anything.

**CHAIR:** Hang on, Minister. Senator Canavan, you have a point of order?

**Senator CANAVAN:** I raise a point of order. Senator McKenzie was asking a line of questions. She had only been going 30 seconds. The minister is obviously uncomfortable with it and trying to interrupt. I ask Senator McKenzie to continue.

**CHAIR:** I am sorry that I was responding to an SMS from someone in Perth. Senator McKenzie, you have the call. Were you halfway through a question?

**Senator McKENZIE:** I was trying to ask a question, yes. I was reiterating what many of these—

**CHAIR:** It was a comment?

**Senator Chisholm:** There was more comment than question.

**Senator McKENZIE:** You get more time at question time. I was 30 seconds into asking my question.

**CHAIR:** Senator McKenzie, you have the call.

**Senator McKENZIE:** Thank you. The minister provided in excess of 10 different reasons as to why she changed her mind and blocked Qatar Airways' application. Obviously, there are now a lot of questions around the Prime Minister's influence on this decision, given his close personal relationship with Qantas. Minister, did the Prime Minister speak to Minister King about the Qatar application prior to making the decision?

**Senator Chisholm:** My understanding, Senator McKenzie—I think it was borne out through questions put at the time—is that the minister made her decision in the national interest and made the Prime Minister aware of that decision.

**Senator McKENZIE:** So you are saying that the Prime Minister wasn't aware of her decision until Minister King had signed the brief?

**Senator Chisholm:** I can only base it off the information that we have traversed previously, which is that the minister made her decision in the national interest and then informed the Prime Minister of that decision prior to it becoming public.

**Senator McKENZIE:** So it's your evidence to this committee that the Prime Minister wasn't aware of Minister King's decision to block Qatar Airways prior to her signing the brief?

**Senator Chisholm:** I don't know about signing the brief. What I know is—

**Senator McKENZIE:** Prior to her making the decision.

**Senator Chisholm:** That's my understanding.

**Senator McKENZIE:** That is the effect of making the decision; it is the signing of the brief.

**Senator Chisholm:** That's my understanding. That has been the evidence that I think Minister King has been consistent with.

**Senator McKENZIE:** That's the problem. Minister King has been very inconsistent with the reasons why.

**Senator Chisholm:** I disagree with that.

**Senator McKENZIE:** As to why she made the decision she did in the end. Did the Prime Minister speak to any departmental representative regarding the Qatar application prior to the minister making the decision? That might be one for you, Mr Betts?

**Mr Betts:** When you say departmental representative, you are presumably talking about people within my department as opposed to any other?

**Senator McKENZIE:** Yes.

**Mr Betts:** Not that I am aware.

**Ms Purvis-Smith:** Not that I am aware, Senator.

**Senator McKENZIE:** Did anyone from the PMO, the Prime Minister's office, speak to the minister or a member of the minister's office regarding the Qatar application prior to the decision being made?

**Ms Purvis-Smith:** I'm not aware of any discussions, Senator.

**Senator McKENZIE:** Are you aware of any texts?

**Ms Purvis-Smith:** I'm not aware of any texts.

**Senator McKENZIE:** Or communication?

**Ms Purvis-Smith:** I'm not aware, Senator.

**Senator McKENZIE:** Mr Betts, are you aware?

**Mr Betts:** No. Same answer.

**Senator McKENZIE:** Minister, are you aware of anyone—not the Prime Minister—within the Prime Minister's office speaking to Minister King or someone from Minister King's office regarding the Qatar application prior to her decision being made?

**Senator Chisholm:** I'm not aware.

**Senator McKENZIE:** You are not aware? You are quite confident in your earlier answer that the minister communicated to the Prime Minister previously. But now you are not aware? So you actually couldn't have been so emphatic?

**Senator Chisholm:** I think they are separate questions, Senator McKenzie.

**Senator McKENZIE:** Minister, earlier you said that Minister King made her decision and then let the Prime Minister know what her decision was.

**Senator Chisholm:** That's my understanding, yes.

**Senator McKENZIE:** That's your understanding. You are not aware, and you don't want to be more emphatic, that there was no connection or conversations between the Prime Minister's office and Minister King's office prior to her making that decision?

**Senator Chisholm:** I don't know. I'm unaware of that.

**Senator McKENZIE:** You are unaware?

**Senator Chisholm:** Yes.

**Senator McKENZIE:** Given the number of people who are no longer with us around this topic, and when the decision was being made, could I please ask the department to take on notice to look through diaries, maybe recollections of the date, for the reason and who may have been involved in a discussion between the PMO and Minister King's office around the decision to block Qatar Airways?

**Ms Purvis-Smith:** We can take that on notice, Senator, but we may not have anything. We are not necessarily privy to the discussions or diaries of people in the minister's office.

**Senator McKENZIE:** That's true. Ms Smith, are you the one who would have been involved in briefing the minister on making this decision?

**Ms Purvis-Smith:** If I may, it's Ms Purvis-Smith.

**Senator McKENZIE:** Sorry, Ms Purvis-Smith.

**Ms Purvis-Smith:** Thank you, Senator. I was the relevant deputy secretary, as was Mr Wood and Mr Wolfe, as you may recall from the Qatar inquiry last year. Mr Wood and Mr Wolfe were the leads on the information and assessment of the Qatar issue.

**Senator McKENZIE:** Mr Wolfe and Mr Wood did the technical work, shall we say? Who briefed the minister?

**Ms Purvis-Smith:** The brief was a written brief that was sent up to the minister, Senator. I think we went through this last year at the inquiry. I don't have that information handy, I'm sorry. We did go through at which point what written briefing was provided to the minister at different points in time.

**Senator McKENZIE:** Yes. We did go through that in great detail. The written briefs or something of this magnitude would usually be also verbally briefed. You are saying this wasn't so? This was only a written brief?

**Ms Purvis-Smith:** From memory—I would have to go through my diary—I didn't brief the minister verbally on this decision.

**Senator McKENZIE:** No. Did Mr Wood or Mr Wolfe, or were they looking at the technicalities back in the home front? Were they up in the minister's office? Mr Wood, you can probably answer for yourself.

**Mr R Wood:** Typically, mandates or briefs around bilateral air services arrangements are signed off by the relevant assistant secretary. In this case, I'm not aware of the briefing of the minister.

**Senator McKENZIE:** Secretary, it wasn't something that you would have raised in your weekly meeting or monthly meeting at all?

**Mr Betts:** No.

**Senator McKENZIE:** Who else would that brief have been sent to? Only Minister King? Minister Wong, as foreign minister?

**Mr R Wood:** No, Senator. The ministerial brief is a brief to our minister. It would have been copied to senior people within the department—the secretary and deputy secretary. Our brief is to our minister.

**Senator McKENZIE:** Did anyone in the PMO speak to any department representative regarding the Qatar application prior to the decision being taken by the minister? Mr Wood, did anyone speak?

**Mr R Wood:** Not that I am aware.

**Ms Purvis-Smith:** Not that I am aware, Senator.

**Senator McKENZIE:** Where is Mr Wolfe?

**CHAIR:** I don't want to be rude, but wasn't there an inquiry into this?

**Senator McKENZIE:** You cut it short, so we're going to visit it.

**CHAIR:** We're doing it all over again. Is this for theatrics, or are there some serious questions you want to ask?

**Senator McKENZIE:** Do you want to call Alan Joyce? I'm very happy to if you want to set it up again, but you keep voting against it. Mr Wolfe, did anyone from the Prime Minister's office contact you prior to the minister making her decision to reject Qatar Airways' application?

**Mr Wolfe:** No.

**Senator McKENZIE:** Thank you. What about anyone in PM&C? Ms Purvis-Smith?

**Ms Purvis-Smith:** Again, this is going on memory. I don't recall having a discussion prior to the decision with PM&C.

**Senator McKENZIE:** So in the time line, as I recall, the department had been quite upfront. It was the December-January period. The minister was across the issue and was of a mind to approve as per the evidence given to the inquiry last year. Fast forward six months, give or take, and she rejects the application. I am trying to work out what happened in that period of time to change her mind. In that five months, no-one from PM&C spoke to Ms Purvis-Smith, Mr Wood, Mr Wolfe or Mr Betts about the Qatar Airways bilateral service agreement?

**Ms Purvis-Smith:** I will let Mr Wood and Mr Wolfe speak for themselves. As far as I recall, I didn't have any conversations with PM&C before the decision was made.

**Senator McKENZIE:** Mr Wood?

**Mr R Wood:** Not that I am aware, Senator. It is possible that in talking about the sorts of issues we were considering, this would have been one of the issues of many that we raised. But I'm not aware of any discussion of substance around this issue.

**Senator McKENZIE:** It was more, 'This is what is happening in the department' rather than—

**Mr R Wood:** We typically catch up with PM&C on a roughly monthly basis to run through things on our desk. It's possible it was listed in such a discussion, but it is not a discussion of substance that I can recall.

**Senator McKENZIE:** Mr Wolfe?

**Mr Wolfe:** I agree with that, Senator. That's basically my understanding.

**Senator McKENZIE:** This is a regular IDC, or just a regular PM&C and infrastructure catch-up?

**Mr R Wood:** Senator, the form of those discussions changes over time. Currently, with my current counterparts, we have a monthly meeting. At that time, it may have been less regular. It depends on the pace of business and other commitments. There is certainly not a formal meeting or IDC.

**Senator McKENZIE:** Thank you. Ms Purvis-Smith, did the department provide any documents, briefs or advice to the Prime Minister, the PMO or the Department of Prime Minister and Cabinet prior to the minister making her decision about Qatar?

**Ms Purvis-Smith:** I'm not aware that we provided any advice, documents or anything or had conversations with the PMO itself. As Mr Wood and Mr Wolfe have outlined, there were general discussions with PM&C. I'm also not aware of providing them with any documents specific to the decision.

**Senator McKENZIE:** Would you be aware?

**Ms Purvis-Smith:** I would normally. Given that—

**Senator McKENZIE:** You know a lot.

**Ms Purvis-Smith:** I do. Given that we went through a Qatar inquiry last year, though, I expect that I would be aware. If we had provided documents to the Prime Minister's office, I would be aware of that.

**Senator McKENZIE:** Mr Wood and Mr Wolfe, do you agree with Ms Purvis-Smith's evidence?

**Mr R Wood:** Yes, Senator.

**Mr Wolfe:** Yes.

**Senator McKENZIE:** Good lads. Minister, did PM&C make any recommendation or provide advice to Minister King prior to her making the decision?

**Senator Chisholm:** Not to my knowledge. They would be better put to PM&C, I would have thought.

**Senator McKENZIE:** Would you like to take that on notice for the minister?

**Senator Chisholm:** I would love to.

**Senator McKENZIE:** Excellent. Thank you. Mr Betts, did PM&C make any recommendation or provide advice to the department prior to the minister making the decision?

**Mr Betts:** Not that I am aware. I think you've just had the answer from the people who would work for me and be across the detail of it.

**Senator McKENZIE:** Thank you so much. Earlier this month, Anthony Galloway wrote an article in *Capital Brief* that made some quite shocking allegations about Minister Watt's staff leaving some cabinet documents on a plane in Doha. The cabinet documents were contained in a bag. They have never actually been recovered. I understand from an article that the Australian embassy in Doha was contacted but to no avail. According to the sources in the article, and I quote:

The timing of the incident raised suspicions amongst senior officials in DFAT.

A week later, Minister King made the decision to refuse Qatar application for additional flights. Did Minister King or any member of her office speak to, or receive advice from, the foreign minister or DFAT regarding this incident or other issues prior to making the Qatar decision?

**Ms Purvis-Smith:** I am not aware of anything, Senator.

**Senator McKENZIE:** I thought our evidence was that there was a communication from Minister Wong's office to Minister King's?

**Ms Purvis-Smith:** I think that's right, but I'm not aware as to whether it raised that specific issue that you have just raised.

**Senator McKENZIE:** Or whether it raised the other issue.

**Ms Purvis-Smith:** I think our evidence—again, from memory—at the Senate inquiry last year was that we understood there was communication between the office of the Minister for Foreign Affairs and Minister King's office. I'm not aware of exactly the content of that communication and whether it covered the issue you just raised.

**Senator McKENZIE:** Wasn't there an assumption, when we had the inquiry, that it actually involved the searches of Australian women on a flight into Doha? The assumption was that the communication from Minister Wong to Minister King surrounded that incident, not this incident with Minister Watt. Isn't that correct?

**Ms Purvis-Smith:** I think there was an assumption that it was in relation to the Qatar decision and issues around the Qatar decision. At the time of the Senate inquiry, the issue around the women was being discussed. But I hadn't heard anything and I don't know whether it raised the issue that you have just raised.

**Senator McKENZIE:** Because we have only just learnt of this.

**Ms Purvis-Smith:** I haven't heard of that.

**Senator McKENZIE:** We've got senior officials in DFAT concerned with the timing of the incident. In fact, it says the timing of the incident raised suspicions. Senior officials in DFAT aren't suspicious for no reason, in my experience.

**Mr Betts:** You've got a media article we haven't seen which reports that unnamed DFAT officials have a suspicion. It is pretty tenuous. I'm not sure there's much we can comment on at any rate.

**Senator McKENZIE:** It's alright. It's from Anthony Galloway in *Capital Brief*. I will pause my questions. We will get it photocopied and you can have a copy of the article. We can then discuss it.

**Mr Betts:** We have not heard of it. We wouldn't comment on hearsay anyway.

**Ms Purvis-Smith:** We have not heard of that issue before. No-one has raised that issue with me.

**Senator McKENZIE:** But we were very quick to assume the communication between Minister Wong's office and Minister King's prior to the Qatar decision being made, which overturned her original inclination to, shall we say, approve back in January. By June she is not approving after communication with Minister Wong's office. We assume it was about the women being searched. We now find that senior DFAT officials were suspicious about this incident in Qatar about Minister Watt's lost documents. I will just leave it there until everyone can have the article in front of them. Thank you, Chair.

**CHAIR:** Are there any others? Senator Tyrrell, do you have some questions on outcome 2?

**Senator TYRRELL:** Yes, Please. They relate to the freight equalisation scheme in Tasmania. Tasmanian businesses have told me that the rebates received to pay for their freight expenses do not equal the difference between shipping by sea and equivalent distance by road. Can you explain how the reimbursement is calculated, please?

**Ms Scott:** Certainly. There are a number of different methods of calculation related to the distance between either freight to wharf or freight to door that a shipment goes through. It depends also on the size of the commodity and if it is going north or southbound. It is quite specific to an individual shipper.

**Senator TYRRELL:** Thank you. Some Tasmanian businesses have told me that the administration in claiming the reimbursement by the TFES costs them more time than what they get in return. Other businesses have told me they don't bother with the TFES because of the time it takes to complete the claims. Is there a way that the scheme can be simplified so more Tasmanian businesses can be reimbursed? It seems awkward that a scheme that is set to equalise the cost of freight is so onerous that businesses aren't doing it.

**Ms Scott:** We have heard similar information coming through, Senator Tyrrell. Certainly in relation to the committee that you have just formed, through their submissions we've seen that evidence coming through. We can work with our service provider, Services Australia, on the simplification of those forms if there is a finding out of your committee that is a recommendation to government. Services Australia also provides significant assistance to claimants to help them complete forms and lodge them in a timely manner.

**Senator TYRRELL:** I think maybe that has been lost in communication with some of the people who want to do the claims. Services Australia delivers the TFES, like you said, on behalf of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. Can this administrative process be streamlined so that it is not necessarily people making a claim to deal with two government entities?

**Ms Scott:** They only deal with one government entity, Senator, and that's Services Australia. They complete the relevant forms and submit those forms to Services Australia, who process the application. They don't have any interaction with our department.

**Senator TYRRELL:** Does Services Australia also do the review processes on claims that have been issued prior?

**Ms Scott:** Services Australia does a review in the first instance and reassesses if there's a complaint about a claim. If that complaint is upheld within Services Australia, it is then escalated to the department. A delegate in the department will also then review.

**Senator TYRRELL:** The 2024 TFES monitoring report consultation draft for the four years between 2019-20 and then 2022-23 was released today. In 2022-23, the average time between shipment and payment of the TFES assistance was 94 days, or around three months. Services Australia's average processing time was 10 days. If it takes 10 days to process, what is happening during the other 84 days?

**Ms Scott:** That would be the individual claimant waiting for receipts and invoices to come through that they are required to submit with their application and for them to complete the relevant application paperwork. As you say, once they are submitted to Services Australia, they do tend to turn them around in a very short space of time. I think our number was about 7.7 days. The service level standard is 30 days.

**Senator TYRRELL:** The maximum time between shipment and pay of the TFES reimbursement was 608 days, which is around 20 months. Do you have details of that claim? Can you tell me what situation would lead to that time blowout?

**Ms Scott:** I don't have the particulars of that case. We would have to take that on notice. It is likely to do with providing the evidence required for Services Australia to complete the processing of that claim. We can get those details to you on notice.

**Senator TYRRELL:** If people are making similar claims over and over—it is the same kilometrage and they use the same providers—wouldn't it be better to average it out, do you think, rather than waiting on the same documentation for each claim that they are making over and over again? I know that is a hypothetical question.

**Ms Scott:** That would require a speculative answer.

**Senator TYRRELL:** That's fine. Thank you. Services Australia has 30 days to process TFES claims. Were any claims processed outside the 30-day period incurring interest payments for the TFES claimant? How many instances are there of payments being processed outside the 30 days?

**Ms Scott:** We've had one, Senator.

**Senator TYRRELL:** Sounds perfect. How much in interest payments have these longer claims attracted?

**Ms Scott:** It is \$1,311.34.

**Senator TYRRELL:** When was that?

**Ms Scott:** I will have to take that on notice. I believe it was in 2021.

**Senator TYRRELL:** So it's an old claim?

**Ms Scott:** It's an old claim.

**Senator TYRRELL:** Could you also check if they've actually claimed a TFES subsequently?

**Ms Scott:** We can take that on notice as well.

**Senator TYRRELL:** Thank you for the words. I appreciate it. The Bureau of Infrastructure and Transport Research Economics reviewed the TFES parameters regularly until 2013, but this hasn't happened since 2016, when the Australian government decided that the TFES parameters and rates of assistance would not change any further. What was the reason behind this decision considering that costs of freight, sea and road, fuel and living in general have changed?

**Ms Scott:** I would have to get you the exact detail. I believe it was a decision made around the parameters of the actual monitoring report back in 2016. We will have to come back to you with the exact rationale.

**Senator TYRRELL:** They are the magic words; it's a government decision. Can I also put a hypothetical question out there? We got evidence in the inquiry from a beef producer on King Island. They presented a spreadsheet of 12 years of transactions. I will throw out estimations. It was about \$6,000 12 years ago to freight cattle across to the mainland. They got \$1,710 12 years ago. Fast forward 12 years later. Freight costs on King Island to transport the cattle are between \$12,000 and \$14,000. Guess how much they get 12 years later? They get \$1,710. Does that sound right? Would the parameters around the math to establish that amount have changed significantly throughout the 12-year period?

**Ms Purvis-Smith:** Senator, we're unable to answer hypothetical questions or provide an opinion. Any changes to the scheme are a matter for government.

**Senator TYRRELL:** Thank you so much. I appreciate it, Chair.

**Senator CAROL BROWN:** How much funding was allocated to TFES?

**Ms Scott:** In 2024-25, there was \$182 million allocated to TFES.

**Senator CAROL BROWN:** That's not a capped scheme, though, is it?

**Ms Scott:** No. It is uncapped and demand driven. If there were an instance where it went over, the government would continue to pay.

**Senator CAROL BROWN:** Thank you.

**Ms Stagg:** I will provide some further evidence. In relation to your question on when the late interest payment occurred, it was in 2020.

**Senator TYRRELL:** So it was a period of time.

**Senator SHARMA:** I have some questions about the tender for the Sydney Airport slot manager. Can I get an update on the tender for the Sydney Airport slot manager? I understand the request for proposals closed on 2 September.

**Ms Sachse:** Yes, that's correct. The responses closed on 2 September. The department is still doing its assessment of them.



**Senator SHARMA:** How many applications were received?

**Ms Sachse:** I don't think we can provide you with that information, I am sorry, as it's still under assessment.

**Senator SHARMA:** Why not? Are you making a public interest immunity claim? I'm not asking for who the applicants were. I am asking for how many applications were received.

**Ms Purvis-Smith:** Can we take that on notice, Senator? I wouldn't like to prejudice a process accidentally. We'll see if we can get that to you. Usually while we're in the middle of a process—I know you are not asking who—we also don't usually say how many there may be. If you wouldn't mind, I would like to take that on notice.

**Senator SHARMA:** Sure. Take that on notice. Am I correct that no decision has been made yet regarding the successful tenderer?

**Ms Purvis-Smith:** That's correct, Senator. No decision has yet been made.

**Senator SHARMA:** When do you expect to make a decision?

**Ms Purvis-Smith:** As soon as we can. We are going through all of the issues. We will go through the probity issues as well and make a decision. The delegate will make a decision in due course.

**Senator SHARMA:** I understand from the tender documents that the winning bidder was due to be notified in October.

**Ms Purvis-Smith:** Obviously we are in November. We are still going through the process. That hasn't happened.

**Senator SHARMA:** In due course is comforting. How soon is in due course?

**Ms Purvis-Smith:** I don't think I can put an end date, like an actual date, on it. We will be moving through making a decision as soon as we can.

**Senator SHARMA:** When is the new slot manager, or the successful tenderer, due to commence operations?

**Ms Sachse:** That is 1 April 2025.

**Senator SHARMA:** I understand there is a transition arrangement in the tender documents. The new slot manager is meant to hand over with the existing slot manager.

**Ms Purvis-Smith:** That will depend on the outcome of the tender. If there is a change in the documents, there is a transition period.

**Senator SHARMA:** When does that transition period begin?

**Ms Sachse:** We'll have to take that on notice. I don't have that with me, I am sorry.

**Senator SHARMA:** I think it says in the tender document that it begins in November. This is why I am curious to know where this is up to. Obviously, if there is a new slot manager, they should be starting the transition now. Has the department provided advice to the minister on who the successful tenderer should be? Are you waiting on a ministerial decision on this?

**Ms Nattey:** As Ms Purvis-Smith said, we're still going through the process of evaluation of the tenders. Once we've concluded that evaluation, we'll provide information to the minister for her to make her decision.

**Senator SHARMA:** Has there been contact with the various tenderers since the application process closed? Is that a normal part of the tender process?

**Ms Sachse:** We'll have to take that on notice. None of us is on the assessment panel.

**Senator SHARMA:** So you can't tell me if there has been any contact with, for instance, the existing slot manager, Airport Coordination Australia, since the application window ended with regard to this process, not in regard to business as usual?

**Ms Purvis-Smith:** We'll take that on notice, Senator.

**Senator SHARMA:** Has there been any communication with either Qantas or Virgin regarding the new slot manager?

**Ms Purvis-Smith:** We'll have to take that on notice, Senator.

**Senator SHARMA:** Finally, how is it intended that any potential or actual conflicts of interest be managed under the new slot manager arrangements?

**Ms Nattey:** I am happy to talk to that and to go to my colleague Ms Sachse if there's any further detail you require. The request for proposals was published on AusTender. As a result of that publication, there are three references about managing conflicts of interest. The first goes to operational independence and managing conflicts. I quote:

The respondent must demonstrate how operational independence and real or perceived conflicts of interest can be managed. The respondent will manage any perceived or real conflict of interest around ownership and control as it exercises its functions, including, as a minimum, outlining the framework and processes, including any code of conduct in the organisation to manage conflicts of interest and the process for declaring and recording conflicts of interest. The respondent will manage any perceived or real conflict of interest around financial structure, financial management and financial reporting arrangements, including any potential conflicts of interest associated with the financial arrangements proposed that must be declared. If applicable, information on how finance for slot coordination at Sydney Airport will be ringfenced from costs associated with slot coordination at any other domestic and international airports must be included.

There are also obligations on the slot manager:

It must provide an annual declaration outlining operational independence, as set out in the best practice activities in Annex 12.6, as well as clear processes on handling real or perceived conflicts of interest. It must also maintain an audit trail, including email traffic, outlining the basis for which slots have been allocated and provide written reasons to all affected operators and a copy to the Department within seven days of an allocation decision where more than one operator applied for a slot and an operator which applied for the slot owns shares in the slot manager, if applicable, and the slot series was not allocated on the basis of historical precedents and, thirdly, there is a statement of expectations for the slot manager at Sydney Airport.

It states:

The slot manager is to take reasonable steps to address stakeholder concerns regarding potential perceived conflicts of interest in slot allocation. This includes providing an annual declaration outlining operational independence, as set out in the best practice activities, set out in Annex 12.6 of the WASG, as well as clear processes on handling real or perceived conflicts of interest; developing and publishing public materials which outline how slot allocation decisions are made and recorded operationally; developing and publishing a conflict of interest policy outlining how potential conflicts of interest and perceived conflicts of interest will be addressed or managed, including the process for declaring and recording conflicts of interest; and providing written reasons to all affected operators and a copy to the department within seven days of an allocation decision where all of the following circumstances exist.

**Senator SHARMA:** I will ask you to table the rest of that.

**Ms Nattey:** There are only three more dot points, Senator.

**Senator SHARMA:** I think I have seen the tender documents. Is this a new addition to the tender documentation? Do these obligations exist on the current slot manager?

**Ms Sachse:** I think we'll have to take that on notice as to what is in the current one.

**Ms Nattey:** I don't have a copy of the current information, Senator. I have only what we've put through to the market.

**Senator SHARMA:** I will ask a general question, then. Is there any requirement for the current slot manager to display operational independence and manage conflicts of interest? Are there any requirements?

**Senator McKENZIE:** You would hope so.

**Ms Sachse:** The minister did issue a statement of expectations to the slot manager. I don't have a copy of that, so we would need to take that on notice.

**Senator SHARMA:** To the current slot manager?

**Ms Sachse:** Yes. To the current slot manager.

**Senator McKENZIE:** When was that issued?

**Ms Sachse:** We might have to take that on notice. I don't have it off the top of my head quickly.

**Ms Nattey:** We can come back to you through the session, Senator, with a date.

**Senator SHARMA:** If you could. And with some advice on to what extent obligations exist on the current slot manager to manage conflicts of interest and where that exists. I'm curious to know whether this is a new addition to the tender documentation.

**Ms Nattey:** We'll endeavour to come back through the session.

**Senator SHARMA:** Thank you. I have no further questions on that topic, thank you.

**CHAIR:** We have five minutes before we need to change ministers.

**Senator McKENZIE:** I will finish my line of questioning. You have the document in front of you now. My question remains. It is probably for you, Minister. Are you confident that this incident at Doha airport a week before Minister King rejects Qatar's application for additional flights played no part in her decision?

**Senator Chisholm:** I'm not aware that it played a role, Senator McKenzie. I note that there is no actual quote from DFAT in this. I think that the nature of this column, which I am not overly familiar with, doesn't actually have anything official from DFAT that raised their concerns with regard to this issue.

**Senator McKENZIE:** When a journalist of integrity says the timing of the incident raised suspicions amongst senior officials in DFAT, that suggests that this journalist has sources that are senior officials in DFAT who were concerned. They don't need direct quotes from ambassadors to be able to write that. They need to have sources that they can verify and that they are prepared to stand behind to actually make those claims.

**Senator Chisholm:** You can understand—

**Senator McKENZIE:** You are not aware that this played any role?

**Senator Chisholm:** No. You can obviously put those questions to the Department of Foreign Affairs and Trade. I think this issue was canvassed somewhat in the inquiry.

**Senator McKENZIE:** No. The issue that was canvassed in the inquiry was the advice that DFAT provided to the department of transport—to Mr Wood and Mr Wolfe, I am assuming—around the negotiation of a bilateral agreement. There was communication between Minister Wong's department and Minister King's department and Minister Farrell's department, as I understand, around negotiating a bilateral agreement with Qatar. There was also—please, Ms Purvis-Smith, correct me if I am wrong—in the inquiry an examination of the advice from DFAT around the drafting of a letter from Minister King regarding the strip search of Australians at Doha airport. Is that correct, Ms Purvis-Smith?

**Ms Purvis-Smith:** I am drawing on my memory here.

**Senator McKENZIE:** I have given Minister Chisholm a quick cook's tour.

**Ms Purvis-Smith:** Drawing on my memory, I think that is in general accurate. That is based on my memory, given it was last year. Are any of my colleagues able to—

**Senator McKENZIE:** Mr Wood?

**Mr R Wood:** That's correct, yes.

**Senator McKENZIE:** Mr Wood and Mr Wolfe, you were involved in the discussions with DFAT at that time?

**Mr R Wood:** I don't believe I was.

**Senator McKENZIE:** Mr Wolfe?

**Mr Wolfe:** To be honest, I don't think there were a lot of discussions with DFAT apart from that specific—

**Senator McKENZIE:** Seeking advice on that specific issue. There was nothing around the issue for Minister Watt or concerns that DFAT officials had around an incident at Doha airport?

**Mr Wolfe:** No, Senator.

**Mr Betts:** A senior DFAT official gave evidence at the inquiry last year.

**Senator McKENZIE:** I think we have two incidents. This one has only just come to light.

**Mr Betts:** Okay. But as the minister has indicated, DFAT would be the right people to ask. It is not even an unattributed quote. It is an unattributed sentiment in a second-hand report.

**Senator McKENZIE:** A lot of people could say that about Joe Aston's allegations, too.

**Mr Betts:** True.

**Senator McKENZIE:** And yet here we are. Thank you, Chair.

**CHAIR:** Pursuant to an agreement with the committee a couple of weeks ago, Minister Chisholm, you are now going to depart. Minister McAllister is replacing you. We are going to jump from outcome 2 to outcome 3 to do cities. When we finish that part, we will come back to outcome 2. Unfortunately, people from outcome 2 can't leave. Sorry, Mr Betts, I should probably have informed you earlier of that.

**Mr Betts:** We knew there was some arrangement you made. It's no drama.

**CHAIR:** Thanks. I welcome Minister McAllister. I believe you have a very short opening statement?

**Senator McAllister:** I do, Chair. I thank the committee for allowing me to make a short statement. It's the first time I have appeared. I think it might assist committee members in understanding my responsibilities and focus in the new role. Of course, I am honoured to be appointed as a minister in the Albanese government. I would like to thank and acknowledge my friend and colleague Catherine King, who has taken the cities agenda forward since the government was elected in 2022. We have made significant progress in delivering on our election

commitments in this portfolio, including delivering on commitments under existing city deals, re-establishing the Cities and Suburbs Unit, re-establishing the Urban Policy Forum, creating the urban policy network and making significant progress on a draft framework for the national urban policy.

It has been a pleasure in my short time as minister to engage across the country at all levels of government and with experts. I was particularly pleased to meet with the Urban Policy Forum, capably chaired by Professor Barbara Norman. As Minister for Cities, my priorities will include delivering the national urban policy and *State of the cities* report, which we hope to do imminently; and the Urban Policy Forum and urban policy network, honouring commitments under the Adelaide, Darwin, Hobart, Perth, South East Queensland and Western Sydney city deals. I will also assist the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon. Catherine King, in managing meetings of planning ministers and aspects of the delivery of the Thriving Suburbs Program and the Urban Precincts and Partnerships Program. As you would expect, I will also represent Minister King in stakeholder engagement and at events and announcements.

The Minister for Infrastructure, Transport, Regional Development and Local Government will continue to lead on elements of city deals, such as deliverables related to the Infrastructure Investment Program and other specified projects. Delivering quality infrastructure in our cities is essential to achieving the social, economic and environmental outcomes that Australians expect and deserve. As Minister, I will be focused on taking the pressure off families, including ensuring that our infrastructure policies reflect the importance of social infrastructure and essential services. I also intend to work with my colleagues to ensure that, as the global economy shifts, new technologies emerge and the world undertakes a clean energy transformation, we are supporting industries, skills, research and manufacturing that will help Australia be internationally competitive and prosperous long into the future.

Australia is already home to globally significant cities. We have unique natural endowments, world-class institutions, a stable investment environment and a rich culture. We can leverage these strengths to ensure our cities contribute to the national effort that sees Australia reach our potential as an open, prosperous, multicultural social democracy.

**CHAIR:** Thank you, Minister.

**Senator McDONALD:** Thank you. Good afternoon. I, of course, have questions on growing a stronger Northern Australia economy.

**Senator McAllister:** That, of course, is not the area that I represent.

**Senator McDONALD:** That's right. You are representing all of outcome 3, I understand?

**Senator McAllister:** Outcome 3.3, Senator McDonald.

**Senator McDONALD:** Only cities?

**CHAIR:** Yes. Only cities.

**Senator McDONALD:** I have nothing for cities.

**Senator CANAVAN:** I might pick up on the Housing Support Program, which we raised a bit this morning. As we were going through this morning, \$1 billion has already been paid to the state and territory governments. Apparently, there are implementation plans, I think, with four states and one territory. Can we get some details on what are in these implementation plans?

**Senator McAllister:** I'll ask officials to talk you through that.

**Mrs Cassie:** Thank you for your question. The federated funding agreement schedule signed for the priority works stream of the Housing Support Program asked the states to provide an implementation plan, which will outline the specific projects that be will funded under there. These will be followed up by biannual reporting and post completion reports on progress against the implementation plan.

**Senator CANAVAN:** In each of these implementation plans that the states and the ACT have signed, do they have specific programs that we are funding?

**Mrs Cassie:** Specific projects, yes.

**Senator CANAVAN:** Projects. Could we get a list of those projects?

**Mrs Cassie:** At the moment, they have not been cleared for release. Obviously, both levels of government would need to agree to them. Some of the projects will be subject to cabinet-in-confidence in some states while they are working through the detail of whether to release them.

**Senator CANAVAN:** These are plans you have signed?

**Mrs Cassie:** Yes.

**Senator CANAVAN:** Can we get a copy of the plans?

**Mrs Cassie:** The template, or the detail of the plans?

**Senator CANAVAN:** No. The signed plan with the state government. Can this committee please get a copy of the plan?

**Mrs Cassie:** We would need to get the agreement of the relevant state government.

**Senator CANAVAN:** Why?

**Senator McAllister:** You asked a question. Perhaps we can take that on notice and investigate what can be made available to the committee. I think the official has indicated to you that there may be some constraints to do with the relationships between the Commonwealth and state governments. We'll take it on notice and examine what is possible.

**Senator CANAVAN:** Just to be clear, there has to be a public interest immunity to refuse such a document to this committee. Are you claiming that? What is the public interest?

**Senator McAllister:** No. I think we're taking it on notice, Senator Canavan, so that those issues can—

**Senator CANAVAN:** I didn't get an indication that there is. It seems strange that they would be withheld from the Australian public, particularly given the money has already gone.

**Senator McKENZIE:** It has left the building.

**Senator CANAVAN:** The money for these programs has already gone out of federal taxpayer bank accounts and now we're not allowed to see the programs.

**Senator McAllister:** Senator, we have taken the question on notice.

**Senator CANAVAN:** This is clear. You are keeping these projects—

**Senator McAllister:** No. That's incorrect, Senator Canavan.

**Senator CANAVAN:** Well, you are.

**Senator McAllister:** We are taking the question on notice so we can consider what may appropriately be provided to the committee.

**Senator CANAVAN:** I'm not sure why they weren't released when you signed them. You are obviously keeping them secret. It's a question—

**Senator McKENZIE:** Absolutely.

**Senator CANAVAN:** of whether you will release them subject to the accountability provisions of this parliament. You are keeping them secret from the Australian public.

**Senator McKENZIE:** That's right.

**Senator CANAVAN:** You have these projects. You have signed them with the states and you haven't released them to the Australian people despite the fact that they've already prepaid for them.

**Senator McKENZIE:** Prepaid.

**Senator McAllister:** Is there a question?

**Senator CANAVAN:** How many projects in each of the agreements have been agreed?

**Mrs Cassie:** I don't have the detailed numbers for each state in front of me.

**Senator CANAVAN:** Can we get them, please?

**Mrs Cassie:** We can take that on notice and bring it back to you.

**Senator CANAVAN:** Surely we can have that today.

**Mrs Cassie:** Yes. Absolutely today.

**Senator CANAVAN:** It can't be too hard. There are projects for each of the states here?

**Mrs Cassie:** For those who have agreed implementation plans, yes.

**Senator CANAVAN:** Who are you waiting on? New South Wales, Tasmania and the Northern Territory?

**Mrs Cassie:** The Northern Territory submitted theirs on 30 October. That is under consideration. New South Wales and Tasmania have not to date submitted theirs.

**Senator CANAVAN:** Not submitted them yet. Of the projects that are in the first five, how much do they add up to in terms of cost?

**Mrs Cassie:** Each of the states and territories have fully expended their allocation.

**Senator CANAVAN:** Let's take a step back. How much is allocated from the \$1 billion to each jurisdiction?

**Mr Mackay:** The breakdown per jurisdiction is on a per capita basis.

**Senator CANAVAN:** Have you got those figures in front of you?

**Mr Mackay:** I do. New South Wales was \$304.3 million. Victoria is \$248.8 million. Queensland is \$199.2 million. Western Australia is \$105.3 million. South Australia is \$67.4 million. Tasmania, the Australian Capital Territory and the Northern Territory are \$25 million each. It was on a per capita basis with a minimum \$25 million for the smaller jurisdictions.

**Senator CANAVAN:** Okay. For Victoria, Western Australia, South Australia, Queensland and the ACT, they have spent the projects that they have agreed to in the implementation plans for them add up to the amounts you've just said?

**Mrs Cassie:** Yes.

**Senator CANAVAN:** Exactly?

**Mrs Cassie:** We will take that on notice when we come back with the project figures.

**Senator CANAVAN:** It seems strange to get it down to the decimal point. Take that on notice. Has any of the jurisdictions that have signed the implementation plan announced projects under them?

**Mrs Cassie:** Some of the projects have been announced. We saw an announcement in Victoria last week and Queensland last month.

**Senator CANAVAN:** Could we get the details of those?

**Mrs Cassie:** Yes.

**Senator CANAVAN:** Have you got them in front of you?

**Mrs Cassie:** We'll have them in front of us.

**Senator CANAVAN:** I am interested in the project and how much that project is worth.

**Mr Mackay:** They are ministerial media releases. They would be public. We can provide the links to them through the secretary.

**Senator CANAVAN:** I just don't have them with me.

**Ms Rauter:** For example, the Victorian recent announcement was for \$248 million to fast track 3,781 dwellings across the state. Funding is to be used on enabling infrastructure works across the state, such as roads, sewerage and water, as well as supporting access to social housing and increasing housing supply. A further \$4.5 million is being provided to deliver a signalised intersection and left turn lane access from Burwood Highway in Knoxfield to pave the way for 400 new dwellings and increase access to the area. More than \$88 million is being made available for social housing and enabling infrastructure across regional Victoria. At least 10 per cent of the funding is directed towards First Nations housing outcomes consistent with the Victorian government's commitment under the big housing fund.

**Senator CANAVAN:** Is that the whole allocation for Victoria that they've announced?

**Ms Rauter:** Yes.

**Senator CANAVAN:** It seems pretty close to that. It's a bit more than that, I think, but they are obviously funding some of that themselves.

**Ms Rauter:** They may be funding some of that themselves, correct.

**Senator CANAVAN:** That is done. Victoria has announced. You don't need to keep that one secret. What about Queensland?

**Mrs Cassie:** In Queensland, there was the announcement last month of \$40 million to the Meadowbrook development south of Brisbane, with 500 new homes.

**Senator CANAVAN:** That is the only one Queensland has announced?

**Mrs Cassie:** Yes.

**Senator CANAVAN:** You have specific projects that they've agreed to in the other jurisdictions?

**Mrs Cassie:** Yes.

**Senator CANAVAN:** It sounds like this is just a slush fund that politicians are holding back to make announcements.

**Senator McKENZIE:** Against maybe some future election timetable.

**Senator CANAVAN:** Yes. It's really weird. I just don't understand—

**Senator McKENZIE:** What this is.

**Senator CANAVAN:** We've actually spent the money. We've given them the money. You've agreed on the projects with them. You're keeping it secret from the Australian people. What is the rationale for that?

**Senator McAllister:** Senator Canavan, it's not uncommon for governments to work with one another to agree an appropriate communication strategy for something that has been agreed between two different governments. That is the case in this program.

**Senator CANAVAN:** I don't necessarily disagree with that. The additional element here is the spending of the money. You've already given them the money.

**Senator McKENZIE:** There aren't milestone payments here.

**Senator CANAVAN:** Is there an example you can think of where the government has given the money over and then secretly agreed the projects that money would fund and then held those details from the Australian people? They've paid for it already.

**Senator McAllister:** Senator Canavan, as we've already explained to you, we've taken on notice whether or not the material may be released to the Senate. As I've said to you, it is not uncommon for governments working together to agree on a timetable for making public matters that have been agreed between two different governments.

**Senator CANAVAN:** I'll look forward to the public interest immunity here. It has been appropriated—

**Senator McKENZIE:** That is exactly right.

**Senator CANAVAN:** by the federal parliament. I find it really hard to—

**Senator McKENZIE:** Are you claiming—

**Senator CANAVAN:** understand how this could in any way be kept—

**Senator McAllister:** Senator McKenzie, as you know it is not—

**Senator CANAVAN:** Hang on, Minister.

**Senator McAllister:** Apologies. Senator McKenzie was asking a different question. I wasn't sure who had the call.

**Senator CANAVAN:** I think both of you were interjecting.

**Senator McAllister:** That's true.

**Senator CANAVAN:** I suppose the Victorian projects are a little more extensive. How do we know that this additional expenditure is new commitments from the Victorian government?

**Mrs Cassie:** The guidelines for the stream, which were published as part of the FFA schedules, detailed that. Already committed projects were outside the scope of the program.

**Senator CANAVAN:** Sure, but how do we know that they weren't going to fund this anyway? Even if it hadn't been committed, they might still have plans to or might have to. How do you know that that is additional to what the Victorian government did without us providing the \$1 billion?

**Ms Rauter:** I'm not sure we can answer that question, Senator, other than to state the fact that each of the state and territory governments has signed up to the FFA and committed for the funding to be used for new projects.

**Senator CANAVAN:** So we are taking them at their word?

**Ms Rauter:** We are taking them at their signature to the FFA, yes.

**Senator CANAVAN:** At their word. It seems a little naive to me. If I were a state government, I think I would be rubbing my hands with glee. A lot of this stuff they have to do anyway. The only test we've got is that they haven't actually committed to it. They haven't actually funded it. Is that the only test you are applying under the guidelines?

**Mrs Cassie:** There is a scope of work and types of works that were eligible under the program. Up to 25 per cent of it could be spent on social housing. The stipulation is that it could not be already committed projects.

**Senator CANAVAN:** I asked my next question earlier question—and it was agreed that it was a reasonable question but we had to wait until this outcome. At a general design principle level here, how did we evaluate the risks of this money not funding additional infrastructure? What did you do to mitigate those risks when you were designing the guidelines?

**Ms Rauter:** The mitigation is through our six-monthly reporting from the states and territories. Our guidelines specify what their funding can be spent on. They were agreed by national cabinet. The design of the program was delegated by national cabinet down to first secretaries. Under that federation funding agreement, they have to comply with those guidelines.

**Senator CANAVAN:** Can you give me something? That's obviously very generic. I am asking for specific things that were designed to mitigate against this risk—that the funding doesn't actually generate additional infrastructure above and beyond what a state government would have spent anyway.

**Mr Mackay:** I think what Ms Rauter has taken you to is the agreement that was reached between governments as part of that national cabinet process. That is what you see reflected in the schedule, which is that funding for projects already been committed to is out of scope to be funded through this activity.

**Senator McAllister:** Senator, this is a national contribution to creating circumstances where we can get more housing built. Our government is committed to dealing with a very longstanding challenge facing Australians, which is the supply of affordable housing in good locations—well-located housing. We are working with the states and territories to enable that where we can. This is an outcome of the national cabinet.

**Senator CANAVAN:** I want to check for both the Victorian and the Queensland programs whether there is a timeline for the delivery of the projects.

**Ms Rauter:** Yes; there is a timeline. The federal funding agreement states that all funding must be committed by states by 30 June 2026. It says that states will work to deliver the maximum number of projects possible by 30 June 2026, with no less than 60 per cent of projects to be delivered within two years—that is, by 30 June 2026. Any remaining projects will be delivered within three years—so no later than 30 June 2027. That would apply equally to all states and territories.

**Senator CANAVAN:** Are there any penalties if they don't meet those timeframes?

**Ms Rauter:** There is not a penalty, but there is flexibility within the agreement for them to come back and seek agreement, if a project cannot proceed, to replace that with an alternative project that also meets those guidelines.

**Senator CANAVAN:** Is there any way the money can be clawed back if they don't meet the performance standards?

**Ms Rauter:** Under federation funding agreements, we generally cannot claw back the funding. The aim of the project is to get the houses delivered. Therefore, the aim is to work with the states and territories to get those projects delivered.

**Senator CANAVAN:** It seems very strange to me. It comes back to this point: why did we give them the money upfront? Why didn't we design this with normal milestone payments in mind?

**Senator McKENZIE:** Who designed it?

**Senator CANAVAN:** Was that put forward as an option to the minister? You could have designed this with milestone payments and checked that they did what they said they would?

**Ms Rauter:** The design was agreed by national cabinet.

**Senator McKENZIE:** So the states just said, 'Give us the money and we'll agree'?

**Senator CANAVAN:** Soft touch. Did you provide advice to the minister about designing this with milestone payments in mind rather than an upfront transfer of cash?

**Ms Rauter:** The national cabinet delegated the design negotiations to first secretaries, who made those design decisions through a negotiation process. It was presented back to ministers.

**Senator CANAVAN:** Did the minister sign off on the guidelines?

**Ms Rauter:** The minister did sign off on the guidelines.

**Senator CANAVAN:** I will come back to when you briefed the minister with the guidelines.

**Ms Rauter:** Sorry, first secretaries signed off on the design.

**Senator CANAVAN:** So the minister didn't sign off at all?

**Mrs Cassie:** She signed the schedules. The design was first secretaries.

**Senator CANAVAN:** I'm shocked. So we've given them \$1 billion and then we let the officials in this room you're in negotiate. Who was our representative in this group? You said first secretaries.

**Mr Mackay:** We would have to take that on notice. Not from this department.



**Senator CANAVAN:** We have different terminologies. There was a Commonwealth government person involved?

**Mr Mackay:** First secretaries would be the secretary of Prime Minister and Cabinet or the equivalent person.

**Senator CANAVAN:** So it wasn't even in this department?

**Mr Mackay:** That's right; we would have to take on notice the Commonwealth participation.

**Senator CANAVAN:** One day, the Audit Office might have a field day with this. You guys are the experts at allocating and spending this money. You weren't even in the room advising on the design of the program?

**Ms Rauter:** We did meetings with Treasury in terms of the initial design processes. Treasury owns housing policy, not this department. The department is administering that program.

**Senator CANAVAN:** These aren't really housing projects, are they? They are not building homes. They are supporting infrastructure.

**Ms Rauter:** It is, in the main, enabling infrastructure.

**Senator McKENZIE:** Swings and slides.

**Senator CANAVAN:** That is your bailiwick, really. I will move on quickly. I am running out of time. Senator McKenzie has raised this issue. From my understanding of the guidelines, it can include funding for parks, sporting facilities and community halls et cetera. Is that right?

**Ms Rauter:** Yes. It is the community enabling infrastructure and what we call the trunk work—sewerage and other works—that enables a housing development to be built.

**Senator CANAVAN:** It can include things like parks and community halls?

**Mr Betts:** Often when we think about enabling infrastructure to enable housing supply to flow, it's things like water reticulation and wastewater et cetera. Public open space is also a critical condition that is often put into the design of new housing estates. Often state governments legitimately require that communities have access to public open spaces, not least where they have young families.

**Senator CANAVAN:** But none of the initial two projects seem to fund that type of infrastructure, do they?

**Mrs Cassie:** The community enabling infrastructure is the competitive process. There are three streams to the Housing Support Program. Priority works is the one non-competitive element done on the basis of a cabinet allocation. There are two streams that are competitive. The community enabling infrastructure stream is one of those two competitive streams.

**Senator CANAVAN:** Is that \$450 million?

**Mrs Cassie:** Yes.

**Senator CANAVAN:** Can that go to sewerage and water as well—this other stuff?

**Mrs Cassie:** Yes.

**Senator CANAVAN:** What is the timeframe on that?

**Mr Mackay:** It's under assessment at present, Senator.

**Senator CANAVAN:** When do you think you will finish the assessment?

**Mr Mackay:** We will finish them as soon as we can.

**Senator CANAVAN:** How does the decision-making framework work? Do you make recommendations to the minister? Is there a panel?

**Mr Mackay:** Yes, Senator.

**Senator CANAVAN:** Straight to the minister—the minister determines and signs off?

**Mrs Cassie:** Yes; correct.

**Senator CANAVAN:** Have you provided a shortlist of projects?

**Ms Rauter:** Not at this point.

**Senator CANAVAN:** And you don't know when you might do that.

**Senator ALLMAN-PAYNE:** My questions are about Middle Arm.

**Senator McAllister:** Senator Allman-Payne, the chair may be able to assist you. I am here to answer questions about program 3.3, which is the area of the department I administer.

**Senator ALLMAN-PAYNE:** I spoke with the chair. I was advised by the secretariat that 3.3 is the place where I should ask these questions.

**CHAIR:** You did say that to me, but I'm not aware of where it sits.

**Senator ALLMAN-PAYNE:** Okay; I will check with the secretariat. It is happening near a big city. My understanding is that in February the Japanese owned investment company JBIC signed an MOU with the NT government on 'financing energy and infrastructure projects'. Could you tell me what projects JBIC is specifically interested in?

**Mr Mackay:** I'm not aware of those. We're not a party to agreements signed by the Northern Territory government.

**Senator ALLMAN-PAYNE:** Notwithstanding the investment you are making in Middle Arm, you don't know whether they relate to Middle Arm specifically or its border?

**Mr Mackay:** I couldn't comment, Senator.

**Senator ALLMAN-PAYNE:** Do you know whether JBIC has met with the department or shared any of its LNG plans at Middle Arm with the department?

**Mr Mackay:** With this department?

**Senator ALLMAN-PAYNE:** Yes.

**Mr Mackay:** Not to my knowledge, Senator. We would have to check on notice. I'm not aware.

**Senator ALLMAN-PAYNE:** On notice, please let us know. Given that they are a state-owned entity with an intention to invest in infrastructure and they have an office in Sydney, surely they should be speaking to you.

**Mr Mackay:** I'm not sure that follows, Senator. We don't control investment flows. If it is an agreement that an entity has with a state government, it doesn't immediately follow that we would be involved.

**Senator ALLMAN-PAYNE:** I will look forward to you finding out on notice whether you have. Do you know whether JBIC's interests cover vanadium redox flow battery investment at Middle Arm?

**Mr Mackay:** It is the same answer, Senator.

**Senator ALLMAN-PAYNE:** I've asked this question in previous sessions. I am after an update. The government's election commitment for \$1.5 billion for common use infrastructure is an equity investment. We talked about that before. Do you know what corporate vehicle is going to receive the \$1.5 billion yet?

**Ms Rauter:** No, Senator; we don't know that. The design of Middle Arm is still at an early stage. We are at the early stages of reengaging with the Northern Territory post their election. None of that detail has reached any level of design yet.

**Senator ALLMAN-PAYNE:** In terms of that future equity investment, can the federal government put terms on that equity investment? For example, will it be possible for it only to be made so long as no gas or petrol chemical facilities are built at the site?

**Ms Rauter:** I couldn't comment at this early stage given the design and business case is still in development.

**Senator ALLMAN-PAYNE:** I guess my question is in broader terms. If you have an equity investment vehicle, is it possible for the government to put terms around that for any type of equity investment?

**Mr Mackay:** I'm conscious that we're getting very close to a hypothetical discussion, which would be tricky. In general terms, yes, governments can put policy requirements around agreements by negotiation and by agreement with other parties to the agreement. I think, beyond that, we would be speculating on decisions that the government is yet to take.

**Senator ALLMAN-PAYNE:** Thank you; that's all I have.

**Senator McKENZIE:** I want to go to the cities and the Thriving Suburbs Program. Why has the closing date extended from 26 August to 2 September?

**Mr Mackay:** I will get the right people to the table, Senator. One moment.

**Senator McAllister:** I think, Senator McKenzie, the short story is that the department provided recommendations for a short extension based on feedback they had received from stakeholders. I will let the department provide further information about that.

**Dr Hood:** Yes; that's correct. We received feedback that applicants required some additional time to finalise their applications.

**Senator McKENZIE:** Why is that? How long was it open from?

**Dr Hood:** Prior to the extension, it was open for four weeks.

**Senator McKENZIE:** We have known this has been coming for a while, haven't we? It was announced?

**Dr Hood:** Yes; it was announced.

**Senator McKENZIE:** When was it announced? It was years ago.

**Dr Hood:** It was part of budget 2023.

**Senator McKENZIE:** Years ago. We finally get it, but we only open it for four weeks. Why did we think that was a good idea for something as eagerly anticipated as this? This department is incredibly experienced at running massive grant programs for communities that need infrastructure investment. Who thought four weeks was a good idea?

**Senator McAllister:** I understand, Senator McKenzie, that the forecast funding opportunity and eligibility checklist were released ahead of the opening to allow organisations to start preparing their applications. I will let the officials add any further detail that predates my time in the portfolio.

**Dr Hood:** That's correct. The forecasted funding opportunities were published in May. The guidelines were released on 27 July, I believe.

**Senator McKENZIE:** Then we opened it for four weeks. Was it the department's advice up to the minister in the design of the program that four weeks was an appropriate time?

**Mr Mackay:** I think we would have to take that question on notice, Senator, unless Ms Chapple happens to know.

**Ms Chapple:** From memory, we provided a number of options around timeframes. I think we would need to take that detail on notice.

**Senator McKENZIE:** There were a number of options, and the minister selected four weeks. Look at this: surprise, surprise, people need more time. Excellent. Program guidelines were revised a third time on 26 August. Did the revised guidelines that were released on 26 August disadvantage any of the applications received prior to those changes being made?

**Dr Hood:** Unfortunately, I don't have the date. I have the versions and changes made. Revised guidelines were released on 26 August. That was to extend and amend the closing date to 2 September.

**Senator McKENZIE:** That was the only change?

**Dr Hood:** Yes.

**Senator McKENZIE:** Who are the members on the multiparty panel?

**Ms Chapple:** As per the process with Growing Regions, we keep the names of those six panel members confidential until decisions have been made. That is to protect the integrity of that process. They will be released once decisions have been made.

**Senator McKENZIE:** But they know who they are?

**Ms Chapple:** They know who they are.

**Senator McKENZIE:** Just checking. As stated in guidelines, panel members will participate in probity briefings. How many probity briefings were held?

**Dr Hood:** There was one probity briefing before they received their applications. The refresher was also provided when they—

**Senator McKENZIE:** This is to the parliamentary panel?

**Dr Hood:** Yes.

**Senator McKENZIE:** How many of the members of the panel attended the probity briefings?

**Dr Hood:** I will need to check if I have that detail. The session was also recorded. That recording was provided to all members and their staff as well.

**Senator McKENZIE:** We don't know if they watched the recording.

**Ms Chapple:** We can get the details of the participation within the session.

**Senator McKENZIE:** Did any members of the panel declare a conflict of interest?

**Dr Hood:** I will need to take that on notice. I don't have that level of detail. As with Growing Regions, the panel members weren't able to assess applications that were within their electorate or if they were a senator within that jurisdiction. I believe that there were additional conflicts of interest declared on top of that.

**Senator McKENZIE:** Being born in the regions could potentially be counted as a conflict because you just want to see more things built. How many applications in total were received as part of the Thriving Suburbs Program?

**Dr Hood:** There were 235 applications received in total.

**Senator McKENZIE:** There were 205?

**Dr Hood:** No, 235.

**Senator McKENZIE:** How many of those were eligible?

**Dr Hood:** Of those, 80 applications were considered eligible.

**Senator McKENZIE:** Only 80?

**Dr Hood:** That's correct.

**Senator McKENZIE:** We let everyone know in May what the guidelines are. They've had months to prepare their application so it meets the guidelines. Only 80 out of 235 were eligible to be assessed by the parliamentary panel?

**Dr Hood:** Yes.

**Senator McKENZIE:** Are they still on track to be announced? Are they still on track to be announced in late 2024?

**Dr Hood:** Yes.

**Senator McKENZIE:** When will they be announced?

**Mr Mackay:** They are on track to be announced in late 2024 subject to the obvious caveat that the timing of the announcement will be a matter for the minister and the government to choose.

**Senator McKENZIE:** But you will be ready to go?

**Mr Mackay:** Yes. We wouldn't want to speculate on when the minister would choose.

**Senator McKENZIE:** Of course, that is a matter for government.

**Mr Mackay:** That's correct.

**Senator McKENZIE:** There were certain amendments to 1.1 section 10, section 11 and section 12 to define steps for successful applicants. There seems to have been a lot of changes made to sections of the guidelines throughout July and August.

**Ms Chapple:** Between the forecast opportunity and the guidelines being released?

**Senator McKENZIE:** Yes.

**Ms Chapple:** Yes. There were some design changes.

**Senator McKENZIE:** I guess my question is around those changes impacting some of those 235 applicants. That might explain why only 80 were eligible for funding at the end of the process.

**Ms Chapple:** The Business Grants Hub in the department of industry undertook that eligibility assessment. I think we will wait until the end of the assessment process before we do a review on what the thresholds were and the gates as part of that 235 down to 80. You refer to changes between the forecast opportunity and the guidelines properly being released. I think they were intended to clarify, and I hope they really clarified, for applicants what was eligible and what was ineligible. We hope that made it easier for them.

**Senator McKENZIE:** My quick maths would say that 155 were ineligible. A lot of time goes into developing these. You will have had everyone on the phone. They've suddenly found out their whole application is ineligible because you've changed your guidelines or advice 100 times with the July-August process change. You haven't had any feedback from applicants about the impact of those changes on the final eligibility of their project or application?

**Ms Chapple:** Dr Hood will correct me if I am wrong. The Business Grants Hub will have been receiving feedback from applicants. In terms of looking back and determining what, if anything, it was that gave you this outcome that you've got, I think it's a bit early for us to be able to say. That would be speculation.

**Senator McKENZIE:** You will have to deal with the fallout of the grants hub applications? Is that how I am reading this? You can't say that. That is being mean to grants hub, which is annoying.

**Mr Mackay:** It is true that we have the policy accountability for the program.

**Senator McKENZIE:** Correct.

**Ms Chapple:** That's right.

**Senator McKENZIE:** You have to deal with the applicants, who will be heartbroken. Were these changes that were made throughout July and August to different sections because of advice from grants hub, the minister's office or internal discussions within your own department?

**Dr Hood:** There was advice back from the Business Grants Hub and what we determined. For example, one of the changes made was including a link to the national urban policy to make it easier for grantees to find it. There was also clarification on who was the program delegate and the probity requirements for the panel.

**Senator McKENZIE:** That is not going to change your eligibility, though.

**Dr Hood:** No.

**Mr Mackay:** No. They are relatively minor changes to the guidelines.

**Dr Hood:** They are minor administrative changes.

**Senator McKENZIE:** I look forward to the review. That is for February. Will it be done by February? That is a matter for government.

**Senator REYNOLDS:** I have two questions. I have a feeling that none of them might quite fit in with the change of program. The first one is on the Ellenbrook pool, which is something that we've talked about before. Can that be done now, or do I have to wait for that?

**Mr Mackay:** I think we have the right people at the table to answer that one, Senator.

**Ms Chapple:** We'll get one of the right people to the table. While one of my colleagues is coming to the table, I'll come back to you on the multiparty panel. We had five of the six panel members attend the probity briefing in person. The sixth viewed the recording and access guidance when it was available.

**Mr Mackay:** We are good to go for Ellenbrook.

**Senator REYNOLDS:** Thank you. As you would be aware, this has been a long and sorry saga caused by a number of factors. Can you give me an update? My understanding is that, on the last information we got from the department, there was \$5 million of federal funding allocated which said the delegate approved the negotiating of an agreement. Can you give me an update on the status of that negotiation?

**Ms Kendall:** The Ellenbrook project was a commitment under the Priority Community Infrastructure Program, or PCIP. That project also has funding under, I believe, a department of health program. The status of that one at the moment is that there has been an agreement with the grantee as well as the WA government that will look to negotiate an agreement with the state government. It is looking to combine both amounts of federal funding under that same agreement. We are in discussion and negotiation with the state government on that currently.

**Senator REYNOLDS:** I want to get this right. There has been an agreement. That would be the City of Swan?

**Ms Kendall:** I believe so.

**Senator REYNOLDS:** And the state government. That is new. Thank you. Is it still \$5 million from the Commonwealth?

**Ms Kendall:** Under the PCIP, yes, it is.

**Senator REYNOLDS:** It is \$5 million.

**Mr Mackay:** It is \$5 million from this program. As Ms Kendall said, we understand there is also funding from the federal health portfolio.

**Senator REYNOLDS:** Do you know how much that is, or do I need to ask Health? Have you got some visibility of that?

**Ms Kendall:** I'll have to take that on notice.

**Senator REYNOLDS:** Take that on notice and the total breakdown. I understand that it is now a \$105 million project. Does that sound right? That is in total.

**Ms Kendall:** Again, I would have to take that on notice with the WA government funding as well.

**Senator REYNOLDS:** Could you give me any more information? I'm happy to take them on notice. Give me the project breakdown; who is under this agreement; and who is funding what and how much. I will go to Health as well and ask them. Can you also give me the timeframe and the forward estimate? I think it probably goes beyond the forward estimates now. Can you give me that breakdown? What is the project now comprised of? In the agreement, what phases are now to come in terms of timeframes for all of the required activities?

**Ms Kendall:** Certainly, Senator. Can we take all of that on notice?

**Senator REYNOLDS:** Absolutely. That would be fine. Thank you very much. I have one other question. I suspect that I may have missed the boat on this. Secretary, you are still here. It is actually in relation to modern slavery reporting for the department. Does the department do annual modern slavery reporting?

**Mr Betts:** Yes, we do. I would need my corporate colleagues, who I think have all gone.

**Senator REYNOLDS:** When I looked at it, I thought it was corporate and I had missed the boat. Could you provide some detailed breakdown of how you do your modern slavery reporting? I am particularly focused on how you do it as a methodology and how far into the supply chains you go as a department for all the projects that you manage and oversee. Do you have any requirements or expectations of the states and territories and their contractors? It is now very clear that most construction materials that are sourced from overseas, particularly North Asia, are riddled with slave labour. It not just millions of Uyghur but also, increasingly, Tibetans and North Koreans who are in bonded labour. It is pretty much anything that has any form of minerals in it—concrete and building materials. Could you take that on notice? If you don't, I wouldn't be surprised, because I don't think too many do yet. I would be interested to know because of the billions of dollars that we purchase in these contracts from overseas.

**Mr Betts:** Absolutely, Senator. We will be guided by whole-of-government policies stipulated by the Department of Finance. I think we and other departments are rolling out the modern slavery provisions and increasingly embedding them in our processes. It is a process that is underway. We will give you all the information we can on notice.

**Senator REYNOLDS:** I am particularly interested because they are new energy technologies. There is not a solar panel, wind turbine or electric vehicle et cetera that doesn't have many components that have been made with slave labour. In the construction industry, it is also particularly rife. I would be quite interested to see what approach you are taking.

**Mr Betts:** I understand your question. It is very clear. We'll come back to you on notice.

**CHAIR:** Senator Canavan, do you have a quick question before we break?

**Senator CANAVAN:** It might be five minutes or so. Is that okay? Then we will have done cities and we can move on, I think. Is the Townsville concert hall project in this area? While you are coming to the table, presumably FAGs are not in 3.3?

**Mr Mackay:** That's right. Financial assistance grants are later.

**Senator CANAVAN:** I'll leave that until later. This is my only topic. What is the update on that?

**Mr Maxwell:** A business case was completed for the Townsville concert hall that was fully funded by the Australian government to the tune of approximately \$1 million. Since the business case has been completed, you may have seen in the media that the Townsville City Council announced that it has decided to no longer proceed with the concert hall project. As you would have seen, there was money available under the Townsville City Deal. Townsville City Council indicated a preference that they would like to be spend money on the reconstruction of the Great Barrier Reef Aquarium. That was the decision subsequently taken by government.

**Senator CANAVAN:** I thought \$5 million was set aside for the business case originally. Is that correct?

**Mr Maxwell:** Originally it was up to \$2 million for the business case. The business case cost approximately \$1 million.

**Senator CANAVAN:** So it was cheaper than expected. Has that business case been released?

**Mr Maxwell:** No, it has not.

**Senator CANAVAN:** Who conducted the business case?

**Mr Maxwell:** The department fully funded it. It was AECOM.

**Senator CANAVAN:** You contracted AECOM to do it?

**Mr Maxwell:** We did, yes.

**Senator CANAVAN:** Could we get a copy of the business case, then?

**Ms Rauter:** We would have to take that on notice.

**Senator CANAVAN:** Again, just so we are clear, there would need to be a good reason to hold it back. It would be hard to understand what that reason would be.

**Ms Rauter:** We need the agreement of each of the deal partners.

**Senator CANAVAN:** Who were the deal partners?

**Mr Mackay:** The Commonwealth, the Queensland government and the Townsville City Council.

**Senator CANAVAN:** In this case it was fully funded by the federal government.

**Mr Mackay:** Yes.

**Senator CANAVAN:** There was a contract with AECOM.

**Mr Mackay:** Yes.

**Senator CANAVAN:** So the Queensland government presumably were consulted and involved?

**Mr Mackay:** That's why we would like to take it on notice.

**Senator CANAVAN:** Fair enough. They have no ownership.

**Mr Mackay:** It was fully funded by the Commonwealth under a governance structure that is tripartite.

**Senator McKENZIE:** Who owns the document, then?

**Mr Mackay:** It was funded by the Commonwealth, so I imagine we own the document.

**Senator McKENZIE:** We imagine?

**Mr Mackay:** Under the city deal and regional deal governance, decisions are taken across the three levels of government that participate. That is why we would like to take it on notice.

**Senator CANAVAN:** Thank you for that. As I say, it would be hard to see how this could be kept secret from the Australian public given they've paid for it. Are there any plans to release the business case publicly?

**Ms Rauter:** Again, we would have to take that on notice.

**Senator CANAVAN:** Surely the minister could answer that. Are there plans?

**Ms Rauter:** It's not a decision for the department.

**Senator CANAVAN:** That's a fair point. Minister, do you have any plans to release this business case funded by taxpayers?

**Senator McAllister:** I will take it on notice.

**Senator CANAVAN:** It's your decision, right? You're the minister? You could release it now.

**Senator McAllister:** I am not in fact the minister who is handling the Townsville City Deal.

**Senator CANAVAN:** Who is doing that, then?

**Senator McAllister:** I believe it is Minister King.

**Senator CANAVAN:** It is in this section, though, of 3.3.

**Senator McAllister:** That's right. On the matters I am leading, I am obviously briefed. On the matters where Minister King is leading, I have some of the information. Sometimes it is incomplete, and I will take it on notice.

**Mr Betts:** The city and regional deals were entered into under the previous government. We are merely saying that we want to comply with the terms of those deals. We will take it on notice and provide you with whatever information we can.

**Senator CANAVAN:** I want to go back to the decision about the Reef HQ. We glossed over some details there. My understanding is that the timeline here was that the Reef HQ project blew out in cost. Is that correct?

**Mr Maxwell:** The exact details of that would be a matter for the environment portfolio. I can give you some high-level information about that project.

**Senator CANAVAN:** Don't worry about going through the details, because I did promise I would be five minutes. My understanding of the situation is that when that blew out—if we take as a given that it blew out in costs—the federal government basically told the council, 'You've got to choose between one or the other project.'

**Mr Maxwell:** I don't believe any such proposition was put to council.

**Senator CANAVAN:** That is not what has been reported in the media. You can categorically deny that the council was asked to say, 'Hey, we can't fund both anymore. You have to choose between one or the other.'

**Mr Maxwell:** Officials did not put that to council.

**Senator CANAVAN:** Did any government ministers or minister?

**Senator McAllister:** I'll take it on notice. I don't have personal knowledge of that, but I will take it on notice.

**Senator CANAVAN:** I think the reporting of it has indicated that the council was told one or the other.

**Mr Mackay:** It's certainly true that the Commonwealth contribution to the Townsville City Deal is capped.

**Mr Betts:** Can I just clarify that the responsible minister is Minister McBain.

**Senator CANAVAN:** It's not Minister King? It's Minister McBain?

**Mr Betts:** Correct.

**Senator CANAVAN:** You mentioned deal partners. Was there a formal agreement around the concert hall?

**Ms Rauter:** The concert hall business case would have been one of the projects committed to under the deal.

**Senator CANAVAN:** That deal is public.

**Ms Rauter:** The deal is public.

**Senator CANAVAN:** So the department never contacted the Townsville City Council and asked it to make a decision on how the \$100 million of federal funding that had been allocated to the concert hall be spent?

**Ms Rauter:** I would have to take that on notice. I don't have that detail.

**Senator CANAVAN:** Just to be clear, did anyone have a conversation with the Townsville City Council and say, 'Hey, there's \$100 million here. How do you want it to be spent?'

**Mr Maxwell:** It's fair to say, as Mr Mackay said, that the amount of available funding under the Townsville City Council deal is capped. There was funding under the deal that was unallocated. We had ongoing discussions with council and with the Queensland government about exactly what that money should be spent on.

**Senator CANAVAN:** It sounds like the answer to my question is, yes, you did discuss with the council how that \$100 million would be used and what it would be used for?

**Mr Maxwell:** Yes, that's correct.

**Senator CANAVAN:** But we just don't know, and you will take on notice, whether they were told, 'It's one or the other, guys. Take your pick.' I might it leave there.

**Senator McKENZIE:** I have some quick questions on FAGs.

**Senator CANAVAN:** FAGs are later. Unless there is anything else for cities, I don't have anything more.

**Senator McKENZIE:** There is nothing else for cities.

**CHAIR:** Let's suspend and return in 15 minutes time. We will come back to outcome 2.

#### **Proceedings suspended from 16:07 to 16:21**

**CHAIR:** Welcome back, everybody. I have a slight change. We will go back to cities at 3.3 for a couple of minutes for Senator Pocock. We will then go back to outcome 2.

**Senator DAVID POCOCK:** Thank you very much to the committee for allowing this. I have a few questions about the Thriving Suburbs Program and the Urban Precincts and Partnerships Program.

**Mr Mackay:** Certainly. We'll get the right people to the table.

**Senator DAVID POCOCK:** Thank you very much for this. I understand that applications for the latest round of the Thriving Suburbs Program closed on 2 September. Were there any applications received from the ACT?

**Dr Hood:** I don't actually have the breakdown on who has applied for the Thriving Suburbs Program. I would need to take that on notice.

**Senator DAVID POCOCK:** Sure. How long would that take to get?

**Ms Chapple:** Usually we would do the breakdown of applications received and then merit-assess through the process once assessment decisions have been made. Once the minister has signed off on successful projects, absolutely we could provide that detail.

**Senator DAVID POCOCK:** Before then you can't even tell me if there were any from the ACT?

**Dr Hood:** The Business Grants Hub and the Department of Industry, Science and Resources did the eligibility, so they would have access to the full breakdown of the applications. We receive the eligible applications to do the merit assessment.

**Senator DAVID POCOCK:** I will ask DISR?

**Mr Mackay:** That would be the place to start.

**Senator DAVID POCOCK:** Is the Urban Precincts and Partnerships Program ongoing?

**Ms Rauter:** That's correct.

**Senator DAVID POCOCK:** Have any applications from the ACT been received?

**Ms Rauter:** It is the same answer. All of the applications go through the Business Grants Hub. We have not closed off yet our first batch of applications to be assessed. That information is currently sitting within the Business Grants Hub in DISR. We can take that on notice and find out.

**Senator DAVID POCOCK:** You can take it on notice. I will also chase up the other department.



[16:24]

**CHAIR:** Thank you, officers. We will now revert back to outcome 2.

**Senator McKENZIE:** I know we ask a lot about PMO conversations. There has been no contact by DFAT or the foreign minister's office regarding the incident at Qatar with Minister Watt's documents, Mr Betts?

**Mr Betts:** I'm not aware of any contact. I wasn't aware of the story until you brought it to our attention.

**Senator McKENZIE:** Ms Purvis-Smith, on some of our earlier evidence—forgive me if you already gave it a year ago or in October—we know from previous investigations that DFAT did provide advice to your minister on the drafting of her letter to the government of Qatar that we spoke about in the bilateral services inquiry. What date did the minister request that advice?

**Ms Purvis-Smith:** I would have to take that on notice for you, if you like. I don't have that with me.

**Senator McKENZIE:** When was the advice received back from DFAT?

**Ms Purvis-Smith:** I'll take that on notice.

**Senator McKENZIE:** Again, the date that letter from the minister was sent to the Qatari government.

**Ms Purvis-Smith:** I think that might have been in our previous testimony last year.

**Senator McKENZIE:** It might have been. I was hoping you would have it here.

**Ms Purvis-Smith:** No, I don't. I can take it on notice. Given we have provided it in previous testimony, it should be fairly easy to get.

**Senator McKENZIE:** I have some questions about Rex Airlines. When did the department first become aware of the financial circumstances surrounding Rex going into administration?

**Ms Purvis-Smith:** On the day before we found out that it was being placed in a trading halt, on 29 July.

**Senator McKENZIE:** When did you find out they were having difficulties with the books?

**Ms Purvis-Smith:** On that day I rang Rex's non-executive chairman, Mr Sharp, to see whether there was anything he could tell me, noting that he was chair of a listed company. He mentioned to me that he was legally constrained in what information he could share with me. He suggested that he would set up a time at a later stage to try to tell me when he could. The next day we had several briefings with Rex. My first assistant secretary, Ms Werner, attended a briefing with CASA that was led by the CEO of Rex, Mr Neville Howell. It went through that the airline may go into voluntary administration. I had a phone call with Mr Sharp later that morning to discuss whether an administrator had been appointed. He alerted me that the board may make a decision to put the business into voluntary administration.

**Senator McKENZIE:** Remind me of the date of that timeline.

**Ms Purvis-Smith:** That is Tuesday 30 July.

**Senator McKENZIE:** You had that conversation on the Tuesday?

**Ms Purvis-Smith:** That's correct.

**Senator McKENZIE:** My question was this: when did you first become aware of the financial issues with Rex? That is the conversation you had with the non-executive chairman. When did the department become aware?

**Ms Purvis-Smith:** I had a conversation with the non-executive chairman the day before—

**Senator McKENZIE:** So the 29th?

**Ms Purvis-Smith:** On the 29th. After the company went into an ASX trading halt, I rang Mr Sharp to see if there was anything he could tell me.

**Senator McKENZIE:** You have been very forthcoming in what action you took after the ASX trading halt. These are stakeholders you are all in close contact with all the time, particularly the three airlines. When did you first become aware of the difficulties with Rex financially? Was it on 29 July?

**Ms Purvis-Smith:** On 29 July. As you know, we do reach out and engage with Rex on a regular basis. We noticed a few weeks earlier that there was an extraordinary general meeting and ASX announcement to consider the removal of the Rex directors, so we were monitoring. Given it was an ASX listed company, there was a limited amount they could tell us. We were monitoring as much as we could from public information. There was not much public information.

**Senator McKENZIE:** And no backchannels?

**Ms Purvis-Smith:** I go through Mr Sharp. On the 29th he said that he was legally constrained.

**Senator McKENZIE:** Did anyone brief the minister or her office regarding Rex going into administration?

**Ms Purvis-Smith:** Yes, we did.

**Senator McKENZIE:** When did you brief the minister?

**Ms Purvis-Smith:** There was a brief on Tuesday 30 July as soon as we were aware and given an indication that they may be going into administration. They went into administration around 9.30 on Tuesday evening. We briefed the minister and minister's office as we soon as we were made aware that was a possibility, that morning.

**Senator McKENZIE:** The morning of the 30th?

**Ms Purvis-Smith:** The 30th.

**Senator McKENZIE:** What assistance has the government offered the administrators?

**Ms Purvis-Smith:** We meet with the administrators on a daily basis. At the moment that's six days a week. The government has provided a government guarantee on tickets. The minister has also waived the slot 'use it or lose it' arrangement for the next season for Rex.

**Senator McKENZIE:** The ticket guarantee took a couple of weeks to actually be public, and the brand damage may have occurred. In your brief to the minister on 30 July about Rex going into administration, did that include some options for—

**Ms Purvis-Smith:** There have been quite a few briefs to the minister since they went into administration; I would have to refresh my memory. Things were moving very quickly, as you might imagine. We were briefing both in written form and verbally and, at the beginning, multiple times a day as we were receiving information from the administrator. At that stage it was very early. There was not a formal request until later.

**Senator McKENZIE:** When you say 'later', when was that?

**Ms Purvis-Smith:** On 1 August Mr Sharp contacted me to raise concerns about a perceived lack of public confidence to book with Rex, so we started to work on what a potential solution might be from that day forward.

**Senator McKENZIE:** The ticket guarantee came out of that process.

**Ms Purvis-Smith:** Yes, I believe it did. Given that this was moving on—

**Senator McKENZIE:** I appreciate it, but you'll have your timelines there.

**Ms Purvis-Smith:** I do.

**Senator McKENZIE:** Was it just the ticket guarantee that was one of the options? What about an equity stake? When was that floated with the minister?

**Ms Purvis-Smith:** I don't know that I can tell you what options have been floated with the minister and with the government at this stage. The government has said that all options are on the table. We are working closely with the administrator. Something that we have to be mindful of is the duties of the administrator throughout this process. Neither the government nor the department can take decisions of or for the administrator. All decisions would go through normal cabinet processes of government but also need to be made by and agreed to by the administrator so that they don't contravene their duties under the Corporations Act.

**Senator McKENZIE:** What was the timeline between the minister being given the option of the ticket guarantee and the announcement? Rex raised that on 1 August. When was it announced that the government would be—

**Ms Purvis-Smith:** The announcement was on 15 August.

**Senator McKENZIE:** So it was two weeks later. I'm trying to ascertain when the decision was made.

**Ms Purvis-Smith:** Decisions were made through normal cabinet processes via briefs to the minister and then through ERC. One of the things that we needed to do was work with the administrator, because it needed to take into account the commercial arrangements between Rex and the administrator's relationship with their merchants, which we were not privy to. I don't want to disclose any commercial in-confidence arrangements between Rex and their merchants, but that did change. The administrator was talking to its merchants on a daily basis, and those arrangements and commercial arrangements were moving. We needed to settle the terms of the guarantee to take into account the commercial arrangements that the administrators and Rex had, which included what the merchants were going to be doing.

**Senator McKENZIE:** What timelines are in place at the moment?

**Ms Purvis-Smith:** In terms of?

**Senator McKENZIE:** In terms of timelines for the administrators to land this.

**Ms Purvis-Smith:** The administrators' current convening period is through to 25 November.

**Senator McKENZIE:** And you're talking with them every single day. They've got another month. Are they confident?

**Ms Purvis-Smith:** We are working closely with the administrator, with a view to—

**Senator McKENZIE:** With more options—all the options on the table?

**Ms Purvis-Smith:** All options are on the table with a view to securing the best possible outcome for Rex.

**Senator McKENZIE:** Has the department been requested to provide or has it provided advice to the minister regarding financial assistance to passengers, workers or contractors?

**Ms Purvis-Smith:** The airline is still operating, and the guarantee was designed to provide confidence to consumers to purchase.

**Senator McKENZIE:** That's not my question.

**Ms Purvis-Smith:** You're referring to employees who have been made redundant?

**Senator McKENZIE:** I'm asking if the department has been requested to provide or has provided advice for assistance for contractors, for staff and for customers who've been detrimentally affected. It's a simple question: have you been requested to provide that advice? I don't want to go into the details. Have you been requested to provide that advice or have you provided advice around those three issues?

**Ms Purvis-Smith:** We've provided advice on the impact on and the circumstances of employees. We've provided advice on customers, because there was an arrangement that Rex had organised, and Virgin had offered to rebook customers who were on the 737 business that stopped flying. The government guarantee was designed to provide assurance to customers to be able and consumers to continue to fly so that they would be able to get refunds in circumstances where they were eligible.

**Senator McKENZIE:** Contractors, or only workers and—

**Ms Purvis-Smith:** I'm not sure we went into that level of detail of working out employees versus contractors.

**Senator McKENZIE:** But were you requested?

**Ms Purvis-Smith:** To go that level of detail?

**Mr Betts:** Could you clarify what you mean by contractors in that context?

**Senator McKENZIE:** Contractors that work for Rex that are impacted by Rex going into administration.

**Mr Betts:** Individuals who are not employees but are—

**Senator McKENZIE:** Indirectly employees, yes. The traditional definition of a contractor.

**Mr Betts:** It could be a supply contractor or it could be an individual.

**Senator McKENZIE:** That's true.

**Ms Purvis-Smith:** We work through DEWR, who have responsibility for the Fair Entitlements Guarantee. They also have their own relationship with the administrator to go through the impact on employees—

**Senator McKENZIE:** But not contractors?

**Ms Purvis-Smith:** I'm not sure.

**Senator McKENZIE:** Could you clarify that for me? I want to know if you've been requested to look at contractors. Has there been any contemplation on providing direct financial assistance to keep regional services operating?

**Ms Purvis-Smith:** As I mentioned, I can't go through exactly what the options are.

**Senator McKENZIE:** In generality?

**Ms Purvis-Smith:** Even in generalities. The reason is that it is not just the government's decision; it is also the administrator's decision.

**Senator McKENZIE:** My question then is: is there a contingency plan in place? I respect and understand that you can't go into the details of that. That's a matter for government. But is there a contingency plan in place for Rex for regional service provision?

**Ms Purvis-Smith:** What I can say is that we are working with the administrator to get to a point and to get the best possible outcome for Rex going forward. All options are on the table. We are working very closely with the administrator.

**Senator McKENZIE:** I understand you're focused on Rex as an airline, but what comfort or consideration do regional communities have in this situation?

**Ms Purvis-Smith:** We are focused on Rex because regional connectivity is important in Australia, and Rex is one of the largest airlines that provide regional connectivity.

**Senator McKENZIE:** I appreciate that. What assurance can the department provide regional communities that they will maintain that connectivity if Rex is sold?

**Senator Chisholm:** That's the priority of the government: ensuring that those regional communities continue to be served by airlines. I understand how important that is. I've travelled to many places around the country where Rex is the only one who flies, and that remains the priority of the government. That's why the flights that have been guaranteed are those regional routes.

**Senator McKENZIE:** It was a bit late. What support has been given to regional airports who are also suffering as a result of this?

**Ms Purvis-Smith:** Regional airports will be a creditor until they go into the voluntary administration process. There is a voluntary administration process that they need to follow. One of those things is to go through an adjudication process with all of the creditors. They are still going through that process. The administrator has been paying bills throughout the administration process, recognising that there are creditors, for up to the day that they went into voluntary administration, and the councils, with the airports, are some of those creditors.

**Senator McKENZIE:** So landing fees et cetera, whilst they're in administration, are still being paid to regional airports.

**Ms Purvis-Smith:** That's correct.

**Senator McKENZIE:** Finally, how much money has been spent to date to support Rex through administration?

**Ms Purvis-Smith:** The guarantee has not been drawn down. It has not been required. That is a good thing. That means that confidence is holding up for people to continue booking with Rex Airlines, and that is the design of the guarantee. That's what the guarantee is for, as well as the slots which Rex asked for.

**Senator CANAVAN:** I've got some more questions on outcome 2, I think. The Electric Vehicle Strategy is in this outcome; is that right?

**Ms Purvis-Smith:** It is, Senator.

**Senator CANAVAN:** I'm referring to a report, the National Electric Vehicle Strategy. This is a department of climate change report, but it is linked on your website. I'm trying to get a handle on the projections for EV sales. Do you do that? Do you track those at all yourselves? Do you track the current data and projections for EV sales?

**Mr Kathage:** We do. We have a group of people researching on them, so we do keep tabs on those.

**Senator CANAVAN:** What's happening with them at the moment?

**Mr Kathage:** The information that I have at the moment is that, in 2023, EVs represented 8.45 per cent of new light vehicle sales in Australia, which was an increase from 3.8 per cent in 2022. I'd have to check if we have any numbers that relate to 2024.

**Senator CANAVAN:** In this report I mentioned there's a figure for April 2024. It seems to have just ticked over nine per cent share. But I suppose both your figures and these show something of a plateauing perhaps. They're still increasing but not surging. I've read before that your department predicted that EV sales would be 27 per cent of Australian car sales by 2030.

**Mr Kathage:** We did have a projection, I believe, in our impact analysis for the new vehicle efficiency standard. I can't confirm the 27 per cent figure, but hopefully we can provide you the reference. Actually I have it here. If you're familiar with the impact assessment, it's figure 8 on page 31.

**Senator CANAVAN:** It's been a while. What's the figure then?

**Mr Kathage:** It's a graph that shows what we think the BAU, the business as usual, EV uptake is.

**Senator CANAVAN:** Is that as a percentage of new car sales?

**Mr Kathage:** That's correct.

**Senator CANAVAN:** Roughly in 2030 what does it—

**Mr Kathage:** I don't have the numbers on this graph.

**Senator CANAVAN:** You could probably estimate.

**Mr Kathage:** It's between 20 and 30 per cent, on the graph that I have in front of me, by 2030.

**Senator CANAVAN:** Not perhaps around the range I mentioned.

**Ms Stagg:** You might be referring to a 2019 BITRE report that produced those figures. We did have previous research released by BITRE that indicated Australia would reach eight per cent by 2025 and 27 per cent by 2030.

**Senator CANAVAN:** Obviously the new government previously, in their RepuTex modelling, forecast that 89 per cent of new car sales in 2030 would be through electric vehicles. Does the department expect we will get to anywhere close to 89 per cent by 2030?

**Mr Kathage:** I haven't seen that modelling you're referring to.

**Senator CANAVAN:** It's been widely reported. It was part of their carbon emissions reduction plan. I'll ask the minister. Do you still stand behind that RepuTex modelling?

**Senator Chisholm:** I'm not aware of that.

**Senator CANAVAN:** I think the minister has backed away from it. Obviously 90 per cent is not going to happen, but even 27 or somewhere between 20 and 30 is starting to look a little hard to get to. Are there any more projections or updates given the new data showing this plateauing of sales?

**Mr Kathage:** We wouldn't want to speculate on what might happen in the future.

**Senator CANAVAN:** You're not going to update the projections at all?

**Mr Kathage:** In the impact analysis? It wouldn't be normal for the department to update its impact analyses on decisions that have already been made.

**Senator CANAVAN:** Won't this have an impact, though, on the new vehicle efficiency scheme, the uptake of EVs? If there's less uptake of EVs, the costs of complying with NVES will be higher for Australia.

**Mr Kathage:** There is a provision in the NVES Act that requires a review of the NVES Act to be undertaken. As part of that, of course, the department would look at the broader context of the light vehicle market and what's happening in that market.

**Senator CANAVAN:** It sounds like, just months after the legislation passed, the government has to reconsider the NVES scheme because people aren't buying EVs as quickly as was projected. That's what you just indicated—that we were going to look at this.

**Ms Purvis-Smith:** I believe Mr Kathage was referencing the review mechanism that is in the legislation already and that the department would review the NVES at that time and take into account any changes that have happened until that time.

**Senator CANAVAN:** Just to confirm my point, though, given the hard caps of emissions targets that are needed under this scheme, fewer Australians buying electric vehicles means there will be a higher cost for other vehicles to have to pay to get to an average baseline level. Is that right?

**Ms Stagg:** I might add, and we've discussed this previously, that there are a range of ways for—

**Senator CANAVAN:** For those listening online, if people don't provide a clear answer to a clear question, it means that the answer is yes. But go on, Ms Stagg.

**Senator Chisholm:** You can add your commentary all you like.

**Mr Betts:** It would be great if you wouldn't shut officials down while they're trying to answer your question.

**Senator CANAVAN:** It'd be nice to get answers.

**Ms Stagg:** As we've discussed previously, there are a range of ways that the vehicle suppliers can meet their NVES obligations. We don't set targets for particular engine types, things like electric vehicles. Suppliers can adjust their vehicle mix using a range of different technologies that are more efficient than IC engines, the uptake of hybrid vehicles as well as electric vehicles, so there are a range of ways they can adjust their vehicle fleet to meet their obligations.

**Senator McKENZIE:** But not all of them can, can they, because they don't have the range, so it will mean a reduction of choice available to Australians, won't it?

**Senator CANAVAN:** It's necessarily built into that answer that people have to adjust the cars they buy. If they adjust the cars they sell, that means that people are adjusting the cars they buy. Australians won't have free choice anymore in what car they drive.

**Ms Stagg:** Typically we see a greater range of choice for consumers rather than a reduction, because there is an incentive to provide a greater range of efficient vehicles in the market, including includes variants that are offered in other markets that are more efficient than the equivalent vehicle in Australia.

**Senator McKENZIE:** Offerings from vehicle manufacturers such as Isuzu or Mazda that do not have the breadth or range of offerings to offset the government's tax will end up exiting the market, because they can't actually do what you're saying they can do. Only those with quite a broad range of offerings to the public can avail themselves of the mix-and-match.

**Mr Kathage:** What we've seen occur in other markets is that—

**Senator McKENZIE:** Please don't go to the European stuff that you were talking about last time.

**Mr Kathage:** they adjust their line-up. As Ms Stagg has indicated, they adjust the vehicles that they provide to the public to make them more efficient, including, for example—

**Senator McKENZIE:** This is because you based this on Europe, didn't you.

**Ms Purvis-Smith:** Senator—

**Senator McKENZIE:** I'll butt out.

**Mr Betts:** Chair, we've been asked questions and then heckled during the giving of the answers by the person asking the question. Can you help us here?

**CHAIR:** Yes, I certainly can. Sorry, I was wrapped up in reading about Indigenous training in the trucking industry, because I'd switched off. I'd better switch back on. To take up the point, we've said this many times: if you're going to ask the question, at least let the officers answer it without the interjections.

**Senator CANAVAN:** The good news for Australians is they do have a choice. They have a choice at the next election whether they want to have a government that restricts their car choice or not. I'm happy to finish.

**CHAIR:** Do I take it that we're finished on outcome 2?

**Senator McKENZIE:** No. On 15 August 2024 the opposition wrote to Minister King seeking advice as to why the department had denied registration on the RAV, Register of Approved Vehicles, for a fuel-efficient Kei car which had previously been granted import approval. Why has the minister failed to respond to this correspondence?

**Mr Betts:** We will get the relevant officials to the table.

**Ms Langford:** Senator, could you repeat the question? It was about correspondence.

**Senator McKENZIE:** It was. The opposition wrote to Minister King seeking advice as to why the department had denied registration on the RAV, the Register of Approved Vehicles, for a fuel-efficient Kei car which had previously been granted import approval. I'm wanting to know why the minister has failed to reply to the correspondence. I think it's a Honda vehicle.

**Ms Hall:** I believe that a draft is currently circulating between us and the office and will be finalised shortly.

**Senator McKENZIE:** Is there a reason? How long has this been going on for? What date did the department provide the first draft response?

**Ms Hall:** I'd have to come back to you on that. I don't have that in front of me at the moment.

**Senator McKENZIE:** My understanding is that the matter has been raised by representatives of the Australian Imported Motor Vehicle Industry Association. The vessel transporting the vehicle, the Honda N-One Kei car from Japan, arrived in Australia on 24 May and cleared customs on 24 June to be delivered to a registered automotive workshop. When the registered automotive workshop attempted to lodge the necessary compliance documentation to register the vehicle, the department advised that the model report had been suspended and refused the registration. Is that correct?

**Ms Milczarek:** The vehicle did receive an initial approval under the importation. When it arrived in Australia, the model reports were suspended. This was a result of a tip-off that we received. The department did an investigation into a range of model reports related to these vehicles. When we asked the model—

**Senator McKENZIE:** A tip-off? I'm intrigued now.

**Ms Milczarek:** Someone had reported to us that they're noncompliant with Australian standards, so as part of our investigation we went back to the approval holders of these model reports and asked them to provide us evidence of compliance with the certain standard. These model report authors or approval holders were unable to provide this to us, so they received an intention-of-suspension notice, where they're given time to respond to the department in writing. The authors that didn't provide the responses in writing were then suspended.

**Senator McKENZIE:** When did the department first discover that the vehicle, of under 1.5-metre width, wouldn't comply with the Australian standard? As I understand it, it is ADR 84.

**Ms Milczarek:** I'm aware of the vehicle you're talking about. For that one I would have to come back to you with the dates of when we were informed. The particular owner of the vehicle has lodged an appeal against the decision, and it's currently going through the Administrative Appeals Tribunal.

**Senator McKENZIE:** How long does the department's service charter allow for assessing a model report?

**Ms Milczarek:** Assessing a model report is 60 business days.

**Senator McKENZIE:** And how long has this been going for?

**Ms Milczarek:** The model report was already assessed and approved, and it's now suspended.

**Senator McKENZIE:** Because you got a tip-off?

**Ms Milczarek:** No. It's because the approval holders were unable to provide evidence when asked by the department.

**Senator McKENZIE:** When did you get the tip-off? When did you verify the tip-off?

**Ms Milczarek:** As at 30 September we've suspended 12 model reports in total that related to these Kei cars.

**Senator McKENZIE:** You said they could come in, and no-one bothered checking about the standard that these cars weren't compliant with, according to the tip-off.

**Ms Langford:** No. The regulatory framework is a risk-led one where the applicants make declarations to us that they comply with the legislation. Amanda's team assesses those declarations. On this occasion the tip-off led them to investigate those declarations. They found that some of them had been made without the necessary evidence, so they suspended the reports.

**Senator McKENZIE:** How many affected vehicles have been issued an import approval and were halfway through the importation process when their model reports were suspended?

**Ms Langford:** Under the 12 model reports suspended, 134 vehicles supplied are on the Register of Approved Vehicles. I don't have the—

**Ms Milczarek:** We probably will have to take it on notice to get the exact numbers, but I am aware there are a couple of vehicles that were in transit on their way here before—

**Senator McKENZIE:** You've suspended them, but the import approval was provided. So they're going through the process, and you've suspended them. And you think it's only a couple?

**Ms Milczarek:** We've suspended the model reports. The import approval is a different approval.

**Senator McKENZIE:** I know. I'm trying to work out how many were approved and suspended subsequently. What's the total number? I'll ask these questions on notice. Affected constituents have argued that the department should have made allowance for these vehicles that were halfway over on their way at the time of the decision—that these vehicles have been imported under initial approvals from the government, only to find they were no longer valid. What steps are you taking to ensure that this doesn't happen again? Have you changed anything?

**Ms Langford:** So, as I mentioned before, the onus is on the model report author to ensure that what they declare to us is correct. We do work closely with them. This particular design rule is designed to reduce the risk of serious and fatal injury in side-impact crashes, so that also affects how we treat them. Sometimes there are things that we call minor and inconsequential where we can waive some requirements, but in this case, because it was to do with side-impact protection, the safety imperative was such that we needed to treat it this way. But Amanda and her team have been working closely with the model report authors, and she was able, with her team, to bring some of them into compliance, and so those vehicles were able to be supplied. But, where they weren't able to bring them into compliance, we've had to take the action we have for safety reasons.

**Senator CANAVAN:** I have a couple of questions on rail safety—level railway crossings. I want to ask some questions about a draft code of practice for level crossings and train visibility. Are you aware of that? Apparently it was out for public comment earlier this year. I'll try to get through these quickly. Are trains exempt from illumination requirements under this code? I've got here 'ATA' illuminations. I don't know what 'ATA' stands for.

**Ms Todd:** Infrastructure and transport ministers tasked the National Rail Safety Regulator to develop the code of practice. It's a voluntary code. It builds on the RISSB lighting standard and adds some additional holistic risk management approaches, such as hazards impacting visibility, human factor considerations around specific crossings, use of common safety control measures and relationships between rail operators and road managers.

**Senator CANAVAN:** Going back to this question about illumination, do all trains need to be illuminated under the code?

**Ms Todd:** The code has different illumination requirements depending on the level of risk. All trains have standard headlights, which research says provide the best luminance. The code of practice provides that other types of lights—for example, beacon lights can provide greater luminance if, for example, you can't use the headlights on the train in built-up areas et cetera.

**Senator CANAVAN:** My questions are particularly about other people being able to see the train. That's the concern here—not so much the headlamps, I suppose, but lighting on the side et cetera that you'd normally see on large trucks et cetera. Do trains that are compliant with this voluntary code have to have that type of lighting?

**Ms Todd:** Yes.

**Senator CANAVAN:** They do?

**Ms Todd:** Yes. The research undertaken to inform the code is testing luminance, which is around the distinction between the train and its background, basically.

**Senator CANAVAN:** So they have to do that?

**Ms Stagg:** The code is voluntary, so it's not that it's mandated. However, helpfully, section 250 of the Rail Safety National Law does enable operators who comply with the code of practice to use that as evidence in court proceedings. So it creates quite a strong incentive for rail operators to comply with the voluntary code, given it's a way for them to discharge their safety obligations. And a number of the major rail freight operators have already publicly stated their intention to comply with the code.

**Senator CANAVAN:** Do we have an idea about how many trains do comply with this, or what proportion of the industry complies with this code or will comply with this code once it's in place?

**Ms Todd:** The voluntary code of practice is currently with infrastructure and transport ministers for voting. Assuming it's agreed, it will then come into force about a month after that.

**Senator CANAVAN:** The Australian Trucking Association, I think, is keen to see illumination on all trains. Are you aware of that?

**Ms Todd:** Yes.

**Senator CANAVAN:** Have you responded to them or engaged with them about their issues?

**Ms Todd:** The Australian Trucking Association has recently been added to the national level crossing steering committee, so they've got a seat at the table, and a key part of the steering committee's work is around level crossing safety, including the code of practice. So yes.

**Senator CANAVAN:** Do trucks need to have illumination on the sides of their vehicles under law?

**Ms Todd:** Presumably, but that's a separate—

**Senator CANAVAN:** That would be a separate law but—

**Ms Stagg:** The national heavy vehicle regulator would—

**Senator CANAVAN:** I'm told they have to. Their issue is 'if we have to, the trains have to'. Is it true that under this code only a single headlight on the front of the train is enough to comply with the code?

**Ms Todd:** As I said, the code does mandate the use of headlights, either halogen or LED. Depending on the risk profile of the operator, the code also includes the use of beacon lighting, as I said earlier. And the use of side lighting is also in the code of practice.

**Senator CANAVAN:** If you just have a single headlight at the front, is that enough to comply as a train?

**Ms Todd:** It depends on the risk profile of that particular operator.

**Senator CANAVAN:** Is the risk profile something that's self-assessed?

**Ms Todd:** It's self-assessed, but it will be on the basis of guidance from the Office of the National Rail Safety Regulator.

**Ms Stagg:** We have a co-regulatory model for rail safety, where operators develop their safety management systems and work with the Office of the National Rail Safety Regulator to demonstrate that they meet their safety obligations.

**Senator MCKENZIE:** I've met with Lara Jensen, who lost a family member as a result of this. This is a huge issue in Western Australia. Senator Canavan and my colleague Mia Davies have been strong proponents of action on this. Senator Canavan's questions are incredibly pertinent, because if a singular light on the locomotive is all that's required in some of these trains, particularly in remote areas—they can be very, very long, and it is a significant amount of time between the locomotive passing through a crossing and the actual obstruction to



motorists in the dark or if there's still fog. So I'm wanting to understand. The decision is before ministers. When will they make a decision on this?

**Ms Stagg:** That's a decision we can't pre-empt.

**Senator McKENZIE:** Is it coming up for the next transport ministers meeting? Is it on the agenda?

**Ms Stagg:** It's with ministers at the moment for decision.

**Senator McKENZIE:** And how long has it been before ministers for decision?

**Ms Stagg:** My recollection is that it was provided in October.

**Senator McKENZIE:** October 2024?

**Ms Stagg:** Yes.

**Senator McKENZIE:** So, recently. The officials meeting that you have before the ministers meeting—have all officials signed off on this?

**Ms Stagg:** Yes.

**Senator McKENZIE:** So there really is no excuse for ministers if all their secretaries have agreed.

**Ms Stagg:** Well, that's a decision for ministers.

**Senator McKENZIE:** Of course, yes. What have officials agreed, specifically?

**Ms Stagg:** I don't know that I have all of the detail of the code in front of me. As Ms Todd has outlined, it's around headlights, beacon lights and side lights. I don't have the specific detail. The code's actually managed by the Office of the National Rail Safety Regulator as the lead agency. So there may be some of this detail that we need to take on notice to consult with them and obtain that further detail you're looking for.

**Senator McKENZIE:** Okay. I might just run through some questions that I know the community group that I've been speaking with would like me to ask. I think it's important, given their advocacy, that we pay them respect. With respect to unused railway line crossings during audits of inspection of the railway system across Australia, who has the final sign-off on disused rail infrastructure?

**Ms Stagg:** I'd have to take that on notice.

**Senator McKENZIE:** Once the sign-off has been completed, how long does it take to have the rail line removed, signs removed and rail crossing dismantled?

**Ms Stagg:** I'd have to take that on notice.

**Mr Betts:** That will vary by who the rail manager is and the arrangements in place jurisdiction by jurisdiction. And it will also, obviously, in the latter case, depend on the complexity of the engineering works involved.

**Senator McKENZIE:** Why are trains exempt from the ATA illumination compliant requirements?

**Ms Stagg:** The ATA has been lobbying a position for lighting, but there is no ATA compliance requirement of trains. They've publicly stated a position for what they would like to see happening. But I wouldn't say that anyone's exempt from those, because they are not actually a requirement of the industry.

**Mr Betts:** The code of practice we're talking about has been developed by the Office of the National Rail Safety Regulator, whose job it is under the rail safety legislation, to make sure that risks of the kind that have been legitimately identified are mitigated so far as reasonably practicable. So we've got an independent statutory regulator that's been driving the consultation and the development of the code.

**Senator McKENZIE:** Are you able to answer questions about train visibility at all?

**Ms Stagg:** To some extent but ultimately the rail safety regulator is the lead agency for this.

**Senator McKENZIE:** I appreciate they're the lead agency. I also appreciate that you are experts in this field for the department. I'm not expecting you to be the lead. I'm expecting you to know stuff about this for us.

**Ms Stagg:** Yes.

**Senator McKENZIE:** Thank you. I was just checking. In terms of an average road user, do we have data around how you can estimate the distance to a train or estimate the speed of the train? Is there a way to identify the objective as a train as opposed to and distinguished from other objects? Is there data available as to the human eye's ability to do that?

**Ms Stagg:** I believe the regulator has that information and it's quite context dependent. On things like the availability of the sight line, it really depends site by site at level crossings. So there are different datasets: things like the national level crossing safety portal, where we're trying to collect data that is specific to each level crossing, so that when we take risk mitigations at a level crossing it is specific to that site. It may be that in some

cases it's about signage, the use of rumble strips and things to draw a driver's attention. In other cases it may be that it's a very visible level crossing but the issue is around the sightlines, the curvature of the road, the intersection with the level crossing. So it really is very dependent on each individual site.

**Senator McKENZIE:** Given that it is so contextualised, an agreed visibility code on trains other than just a light at the front would seem a sensible way to ensure that motorists can see a train once the locomotive has gone past.

**Ms Stagg:** Lighting is one aspect of it. I would note that the majority of accidents actually occur during the daytime: 74 per cent, I believe, of fatalities and 81 per cent—

**Senator McKENZIE:** There are many countries around the world that make motorists drive during the day with their lights on. That's not an excuse not to light the carriages.

**Ms Stagg:** No. What I'm saying is there's a range of safety factors that contribute to that.

**Senator McKENZIE:** I know but I would hate for that to be interpreted that way. In terms of the WA coroner's report recommendation, are you able to explain why that WA coroner's report from 2001 has not been accepted or acted on, or led to changes made to prevent further fatalities? That's 2001. Here we are at 2024. Is there—

**Ms Stagg:** I can't comment on why our predecessors may not have taken action in relation to that. It has been information that has been relevant in things like the new National Level Crossing Safety Strategy and the current Regional Australia Level Crossing Safety Program. For example, we've taken lessons around the importance of conducting research and trials on prospective technologies that are applicable in regional contexts in particular, where it may be cost prohibitive to make a level crossing an active safety—so we're looking at alternative options that would be effective in remote and regional locations in particular. So we are taking the lessons from that. But I think the families are right to be frustrated that there was no action sooner.

**Senator McKENZIE:** But from what you're telling me, officials have made an agreed position which does or doesn't—does it include lighting on carriages?

**Ms Stagg:** It does include side lighting. I don't know that it goes as far at this stage as doing the lighting down the carriages. There are still trials underway—for example, use of reflective paints rather than lighting. There are issues. For example, on some of these trains, with the locations they operate in, dust becomes problematic and it reduces the effectiveness. So the idea of the research that's being undertaken in relation to these is to ensure that if we're going to recommend or require a change to lighting, it is actually effective and that cost delivers a benefit to road users. These initial steps that we've outlined are off the back of trials that showed they had some benefits in certain conditions. It's not across the board. It's not a silver bullet, essentially. But we are continuing to look at other options around lighting. And as those are proven, the intention is for RISSB to continue to amend that standard to highlight those additional effective technologies, including side lighting.

**Senator McKENZIE:** So the code of practice that's before ministers—

**Ms Stagg:** It takes account of everything we have at the moment in terms of technology.

**Senator McKENZIE:** Will it be mandatory for all rail operators? Is it a compulsory code?

**Ms Stagg:** No. As I've outlined, it's a voluntary code of practice, but that can be used in proceedings within the court system, which creates an incentive. Pacific National and Aurizon have already announced that they intend to comply with the code.

**Senator McKENZIE:** I'll have a lot of questions on notice.

[17:18]

**CHAIR:** That's outcome 2 done. We'll go back to outcome 3. Questions, Senator McDonald?

**Senator McDONALD:** Ms Greentree, I want to ask you if you're still meeting fortnightly with the minister's office, including the minister.

**Ms Greentree:** Yes. That is still a standing meeting with the minister's office. And, when the minister is available, she attends.

**Senator McDONALD:** Do any of those meetings include conversations or preparation for questions around Senate estimates?

**Ms Greentree:** No, they don't.

**Senator McDONALD:** Do you still meet with Mr Mackay every fortnight?

**Ms Greentree:** I do, yes.

**Senator McDONALD:** At the May budget estimates, I asked for an index of dates, times and locations of meetings with the minister and senior department officials. I want to expand on that. Could you please advise how often the following visit you in Darwin for the regular meetings held: the minister; the First Assistant Secretary, Partnerships and Projects Division; the deputy secretary; the regions, cities and territories groups; and other senior officials in the department of infrastructure.

**Ms Greentree:** I'll have to take that one on notice. There's no regularity to it in terms of being able to say it's per month and so forth. But Ms Rauter has come up and visited me several times and met Mr Mackay in different regional locations.

**Senator McDONALD:** Mr Mackay, have you been to Darwin recently?

**Mr Mackay:** I would have to take it on notice, Senator. Yes, but I couldn't tell you the dates.

**Senator McDONALD:** I think the offices there are the best in Australia, I have to say—best view, anyway.

**Mr Mackay:** It would be hard to beat.

**Senator McDONALD:** Would you please explain what the northern Australia interdepartmental committee is, who sits on the committee and how the Office of Northern Australia works this committee?

**Ms Greentree:** I don't believe I have on hand the departments that are a part of the interdepartmental committee, or IDC, but I'm happy to provide you the exact list on notice. But I can tell you, Senator, the IDC is essentially the our formal coordination body or meeting across Commonwealth departments in terms of how we will be delivering the action plan. And particularly it is a group that was heavily involved through the development of the action plan and the writing. And it will also be a group that continues to meet, particularly around the 17 areas of continued focus, particularly because those departments that are a part of it will be responsible for those areas.

**Senator McDONALD:** Ms Greentree, if you can't help me, Mr McKay, can you tell me who are the members of the northern Australia interdepartmental committee?

**Mr Mackay:** Yes, Senator. We can provide that on notice—the full list.

**Senator McDONALD:** Is that something you can provide today?

**Mr Mackay:** We'll see what we can do.

**Senator McDONALD:** The Office of Northern Australia—how does it work with the committee? Does it sit on the committee?

**Mr Mackay:** Ms Rauter chairs the committee.

**Senator McDONALD:** Could I ask you, Ms Rauter, to provide some further detail?

**Ms Rauter:** Yes. I chair the committee. We convened the committee multiple times in the lead-up to the action plan. And that committee provided input in terms of the responsibilities under the action plan that sit in different portfolios across the Commonwealth. So we have input from them on that action plan. We also liaise with them around our northern Australia annual statement.

**Senator McDONALD:** Could you please provide an update on the status of the Northern Australia Ministerial Forum?

**Ms Greentree:** Certainly. The Northern Australia Ministerial Forum just recently held a meeting in Broome on 4 September. At that meeting it had a focus on housing needs, the responses learned from the WA government in the Kimberley flood response, trade and investment opportunities, the role of overseas migration in the north and maximising local outcomes from defence investment.

**Senator McDONALD:** Could you please provide me an update on the status of the Indigenous references group on northern Australia?

**Ms Greentree:** With a lot of pleasure, Senator, because it's a group that has achieved a lot. They have met 12 times since their establishment in December 2021. We are currently planning for their next meeting the week of 18 November, which will be in Canberra. Their last meeting was held in Karratha, adjunct to the Developing Northern Australia Conference. The Minister for Northern Australia met with them also at that time and met with them at the previous meeting, which was held in Alice Springs, I believe, in May. The IRG has been sought to take a step back. IRG picks particular focus areas that they like to focus on for the year. This year they're focusing on local jobs, cost of living, data sovereignty and protecting Indigenous knowledge. They have made, with the support of ONA, 16 submissions to government across various government inquiries and processes, plus also government consultation processes.

**Senator McDONALD:** Does the Indigenous references group work with the Minister for Indigenous Australians?

**Ms Greentree:** Yes, they do, Senator. As I mentioned, the minister has met with them a total of seven times since they were established in December 2021—the current Minister for Northern Australia. And, as I mentioned, she met with them at their last meeting in Karratha and she also met physically with them in Alice Springs in May.

**Senator McDONALD:** That's Senator McCarthy?

**Ms Greentree:** My apologies, Senator.

**Senator McDONALD:** I thought that sounded like a lot for a new minister. Please start again.

**Ms Greentree:** My apologies. The group reports to the Minister for Indigenous Australians. Senator McCarthy is yet to meet with them.

**Senator McDONALD:** Will they be meeting with Senator McCarthy when they come to Canberra on 8 November—8 or 18, did you say?

**Ms Greentree:** The week of 18 November. I will have to check in with the team and confirm that with you, but I understand it's being arranged.

**Ms Rauter:** And, Senator, I can advise you the members of our northern Australia interdepartmental committee. In addition to the department of infrastructure, who chairs that committee, there are the National Emergency Management Agency; Prime Minister and Cabinet; the National Indigenous Australians Agency; the Department of Defence; Austrade; Treasury; the Department of Education; the Department of Climate Change, Energy, the Environment and Water; the Department of Social Security; the Department of Agriculture, Fisheries and Forestry; the Attorney-General's Department; and the Department of Industry, Science and Resources.

**Senator McDONALD:** Thank you. What level is the person from each of those departments?

**Ms Rauter:** Generally, it's my level, which is the SES band 2 representative.

**Senator McDONALD:** It's my understanding there's a request in to meet with the Minister for Indigenous Australians. Hopefully she's listening and takes that meeting. Has the Indigenous references group met with the minister for environment?

**Ms Greentree:** Not that I'm aware of, Senator, that I can think of, but it is also one that they were looking to schedule for their next meeting. So we'll have to come back to you with that one.

**Senator McDONALD:** What about the minister as the Minister for Resources, as opposed to having her northern Australia hat on?

**Ms Greentree:** I think she meets with them with both of her hats on.

**Senator McDONALD:** I've laughed about that. But specifically is there an agenda that discusses resources in northern Australia?

**Ms Greentree:** I'll have to take on notice whether it's been scheduled at one of the meetings—not that I'm aware of. But typically, as I mentioned, we develop the agenda in conjunction with the Indigenous reference group members and with the chairperson as well.

**Senator McDONALD:** What about when the minister made a decision on the Jabiluka mine lease? Do you think that's come up on an agenda?

**Ms Greentree:** Not that I'm aware of.

**Senator McDONALD:** It's a pretty big project for northern Australia. Minister for Regional Development, have you had an opportunity to meet with the Indigenous references group yet?

**Senator Chisholm:** I haven't. I'm unsure if Minister McBain has.

**Senator McDONALD:** I'm sorry—I just expanded your remit. Can you take that on notice whether the minister has done that. With regard to the operating costs, can you confirm that the travel costs for 2023-24 are \$360,000?

**Mr Mackay:** Is that for the reference group?

**Senator McDONALD:** Yes.

**Ms Greentree:** For the Indigenous Reference Group—is there any period of time?

**Senator McDONALD:** 2023 to 2024.

**Ms Rauter:** We have a cost for the calendar year for 2024 of \$170,633.74, to be precise. That's the only figure we've got.

**Mr Mackay:** We'll take the financial year question on notice, if we may.

**Senator McDONALD:** Thank you.

**Ms Greentree:** Sorry, Senator. I think that might have been the cost for ONA.

**Senator McDONALD:** I'm sorry if I have not got that correct. So it's not the Indigenous Reference Group—it's ONA. I apologise.

**Ms Greentree:** It happens.

**Senator McDONALD:** Could I go back to that travel budget. Could you provide a list of travel expenses per individual? I'm happy for it to be by position or band level rather than individuals for those last three financial years—2024, 2023 and 2022.

**Mr Mackay:** We can take that on notice. I think broken down by classification will be probably the most sensible way to present it.

**Senator McDONALD:** Okay. Can I just ask how many questions on notice you took from program 3.4 from the May budget estimates? Do you think you've answered all of them?

**Mr Mackay:** I can answer the second part first. Yes, I'm confident that we've answered the questions that we took from the last estimates. I may need a minute to give you the number that we took.

**Senator McDONALD:** Okay. Thank you.

**Ms Greentree:** I believe there were five that were related to the Office of Northern Australia.

**Senator McDONALD:** Thank you. In the Office of Northern Australia, how many FTE people do you currently have employed?

**Ms Greentree:** I can report that, as at 30 September, we had a total of 16.6 FTE.

**Senator McDONALD:** I asked a question on notice in May around policy development and workload of the Office of Northern Australia staff. I was told that there were 19.5 staff at that time. Can I just check—has there been a reduction in FTEs?

**Mr Mackay:** This is just vacancies that come up as people move on. It's not a change to the establishment but just the number of FTE that are in the team at the moment.

**Ms Rauter:** There is recruitment underway to replace those positions.

**Senator McDONALD:** And in northern Australia?

**Ms Rauter:** That is our aim.

**Senator McDONALD:** Thank you. In the answer provided, there was workload around governance, coordination, policy advice, engagement, grants management and communications. But there was no reference to how many staff were engaged with policy development and the time and priority allocated to that. Can you split that out or is that going to be too tricky? I'll tell you why I'm asking. I'm looking for the work on the white paper refresh.

**Mr Mackay:** I think if we can take the question of the number of people who worked on the white paper, that will be a quicker way to get you the information that you're looking for rather than trying to categorise—we don't measure people's hours against particular tasks in a centralised way. But we could take the question of the number of people who worked on the white paper refresh.

**Senator McDONALD:** All right.

**Ms Rauter:** Senator, the thing to add to that is that different parts of the Office of Northern Australia worked on the white paper refresh process at different stages. We had one team that was particularly focused on stakeholder engagement, another team that was particularly focused on First Nations stakeholder engagement and other parts of the team that were actually involved in the policy elements and the drafting of the report. We will cobble together what we can, but it's not a discrete team that did every part of that white paper refresh process.

**Mr Mackay:** As you'd expect, it was a significant priority for the ONA team, so it did draw on resources from across the office.

**Senator McDONALD:** Given that northern Australia has a relatively small population, why do you split the comms for the stakeholder management for Indigenous Australians and other Australians?

**Ms Rauter:** It's just to do with the specialty of staff.

**Ms Greentree:** Senator, the reason we typically change it as well—we've also restructured the Office of Northern Australia since the release of the action plan. That is so we can be better set up working across the different policies and themes across the action plan to do it. Therefore, we no longer have a specific comms team. We do have a dedicated team that looks after Indigenous policy that provides direct support to the Indigenous Reference Group, but they also work on—there are there are a couple of measures or actions within the action plan that are Indigenous specific, such as the prescribed bodies corporate and the First Nations economic policy. Their typical stakeholders that they might work with are typically around land councils or with Indigenous business councils. But we don't see that as separate to our other team that has a focus on economic development. That would have very similar stakeholders as well. But it's more that we've now structured it more around the specific focuses within the action plan.

**Senator McDONALD:** How many people are going to be specifically allocated to the tenure issues for the action plan?

**Ms Greentree:** For example, around the prescribed bodies corporate, there's a reform that is currently underway that is led by the NIAA under the Indigenous affairs minister. But there are a number of working groups around that. That has Attorney-General's and DCCEEW involved in that as well. Our Indigenous engagement team takes a lead in terms of working with those different groups across the Australian government. So it's not them specifically working on land tenure issues but being tapped into the things across the Australian government that are focused on that.

**Senator McDONALD:** How many people are there?

**Ms Greentree:** In the Indigenous engagement team, it would be—I will have to take it on notice, but I believe it's five or six staff in that area.

**Mr Mackay:** We'll see if we can confirm that during the hearing.

**Senator McDONALD:** So you're taking on notice the number of staff or the proportion spent on the white paper refresh. I want to ask the same question on the Indigenous reference group. How many of the Office of Northern Australia staff are dedicated to developing and working with that group? I want to understand how much time is spent feeding into early policy development and providing advice across the department.

**Mr Mackay:** We can take that on notice. I would add that, within the department, I think that's a key role of the interdepartmental committee that Ms Rauter was speaking about before, which she chairs. That is also an opportunity, in addition to us seeking input from all of those portfolios in that instance to the development of the action plan, for us to push the northern Australia priority back out to those agencies, specifically in early policy development. I'd suggest perhaps we combine both within the department but also through the IDC.

**Senator McDONALD:** We heard earlier today that there was \$150 million of the northern Australia roads budget that's been unallocated. How do you think that's going? Do you think departments are responding to the idea that northern Australia needs to be prioritised? I was a bit surprised to hear that there'd be money allocated to Northern Australia roads but not allocated to projects when they're so desperately needed.

**Mr Mackay:** I think the action plan is a very clear statement that every portfolio has a part to play in support of the northern Australia agenda and northern Australia priority. The specific question about allocation of funding within the Northern Australia Roads Program is one for our colleagues in in outcome 1, but that action plan, I think, makes it clear that there is a responsibility on portfolios right across government in support of northern Australia.

**Senator McDONALD:** I won't labour the point, but money not allocated to projects in the north doesn't provide me with a sense of urgency. That's not a question; it's a comment. What is the status of the white paper refresh and its action plan?

**Mr Mackay:** In terms of the work that was to be done as part of the budget measure for the white paper refresh, we would say that work has completed. We are now into the implementation phase of the action plan. That was a defined period of effort on the refresh itself. I think we spoke at previous estimates about the resourcing that was specifically identified in that budget measure. Ms Rauter might want to just add in terms of the reporting structures and the monitoring that now is part of our role.

**Ms Greentree:** I'm happy to take that on. In terms of implementing the action plan, there is a commitment within the action plan that talks about annual reporting. I'm just pulling that up.

**Senator McDONALD:** Has the northern Australia white paper refresh been published?

**Ms Greentree:** Yes, it has. The outcome of the refresh was the action plan.

**Senator McDONALD:** I understand the outcome, but the paper itself—the white paper refresh—was that published?

**Ms Greentree:** No. The process that was part of the refresh was doing stakeholder engagement to test whether the issues that were raised in the white paper but also things that have happened since that period of time were still relevant. It was also to collect, I guess, information in terms of what has happened since the release of the white paper. The culmination of that was the Northern Australia Action Plan. In terms of the outcomes of the consultation or engagement for the white paper refresh, that has not been released.

**Senator McDONALD:** That was a \$1.7 million project, and the action plan is the only thing that's been published?

**Ms Greentree:** The output of it is the action plan.

**Mr Mackay:** Senator, just to add to the progress reporting point that we touched on, the action plan includes, as Ms Greentree said, an annual progress report to cover Australian government action in northern Australia, work done by agencies across the government against the six policy priority areas in the action plan, and to provide an update on new initiatives that support northern Australia.

**Senator McDONALD:** So we haven't had one of those updates?

**Mr Mackay:** That's yet to come.

**Senator McDONALD:** When do you expect that?

**Mr Mackay:** The timing of its release will be a decision for the government, but we're working to have it ready this financial year, Senator.

**Senator McDONALD:** This financial year—so sometime before June of next year?

**Mr Mackay:** That's right.

**Ms Greentree:** My apologies. I'll just clarify that. We're looking to the reporting period for government on the delivery of the action plan to be this financial year. So we would expect that the report would be released after this financial year.

**Senator McDONALD:** So there wasn't actually a report that said how the white paper had been going to date—it's just established a new set of action plans; my favourite of which, I have to tell you, was the housing one, which said, 'We will continue to raise the housing shortage as an issue.' There are not a lot of measurables in the action plan. I think that means it's going to be a bit light, isn't it, the reporting? Do Instinct and Reason and PwC Indigenous Consulting Pty Ltd remain the only consultants for the white paper refresh?

**Ms Greentree:** They remain the only consultants. They were engaged to support the stakeholder engagement process.

**Senator McDONALD:** Is PwC Indigenous Consulting Pty Ltd connected to PwC the accountants?

**Ms Rauter:** They are connected, yes, but they are run by different—I guess PwC Indigenous Consulting is a subsidiary.

**Senator McDONALD:** It's a proprietary limited business?

**Ms Rauter:** Yes.

**Senator McDONALD:** Okay. So the work for both of those consultants has completed?

**Ms Rauter:** Yes, it has.

**Senator McDONALD:** Are there any consultants or staff currently working on the white paper refresh?

**Ms Greentree:** No. That has completed with the release of the action plan.

**Senator McDONALD:** Has Instinct and Reason delivered its report summarising the engagement methods, their implementation, stakeholder participation and a synthesis of the information received regarding the white paper refresh?

**Ms Greentree:** Yes, they delivered it to the Office of Northern Australia, and we used that to develop the action plan.

**Senator McDONALD:** When was that delivered?

**Ms Rauter:** The contract was finalised as of 15 March 2024.

**Ms Greentree:** And I believe that was on receipt of the final report.

**Senator McDONALD:** Okay. I wanted to ask about expenditure and progress update on the Burke Developmental Road project, in north Queensland. Do you have any information on any of the specific projects?

**Mr Mackay:** That will be in the material that was tabled at the start of the hearing this morning, which has all of the line item details for Infrastructure Investment Program and all of the land transport infrastructure investments.

**Senator McDONALD:** All right. I wanted to ask about a project. Given the work of the Indigenous reference group on the flooding events in northern Western Australia, I assume that there have also been actions on the flooding in north Queensland early last year. Do you have an update on the community's request for the upgrade of the Burketown airstrip and bridge upgrades?

**Ms Greentree:** I don't have the specific details in terms of the response to those extreme weather events.

**Senator McDONALD:** Given that it's the Office of Northern Australia, with consultation with the Indigenous reference group, that's not been an agenda item?

**Ms Greentree:** It certainly has been in terms of looking at it from a policy perspective rather than from a specific location or issue. In terms of their advocacy, it's typically has been around ensuring that Indigenous communities are involved in the rescue and the recovery efforts. A lot of their advocacy has gone to ensuring that Indigenous businesses and Indigenous organisations are a part of that recovery effort.

**Senator McDONALD:** The Indigenous council—that was a priority request for them when they came down here last year. I'm just surprised. That was a key ask of one of the committee members and yet that's not something that the Office of Northern Australia has specifics on.

**Ms Greentree:** As I mentioned, Senator, it's more discussed in terms of policy or in terms of what is the Australian government approach in terms of those specific issues. We would definitely support the Indigenous Reference Groups to help them and connect them with the right areas to be speaking with. But generally the conversation is around a policy or a whole-of-government approach.

**Senator McDONALD:** What is the status of the work undertaken by the Bureau of Communications, Arts and Regional Research within the department of infrastructure on the economic contribution gross regional product estimates for northern Australia?

**Mr Mackay:** Just while we're preparing for that question, Senator, I have an answer for you on a question on notice from the last hearing. There were nine questions on notice taken by the Office of Northern Australia. There were a further 19 questions on notice directed to the NAIF. All of the answers to those questions from the last round have been answered and published.

**Senator McDONALD:** Thank you.

**Ms O'Cianain:** The bureau released the experimental gross regional product estimates on 7 May. They covered years 2015-16 and 2020-21.

**Senator McDONALD:** That's the five years of the white paper? I'm just wondering why those two years—

**Ms O'Cianain:** Why these years were selected?

**Senator McDONALD:** Yes.

**Ms O'Cianain:** It would have been more to do with how the data came from the census.

**Senator McDONALD:** I understand. Thank you. What's the status of the work?

**Ms O'Cianain:** They were produced down to fiscal area level 4. I can run you through the key insights if you'd like.

**Senator McDONALD:** That was published on 7 May?

**Ms O'Cianain:** Yes.

**Senator McDONALD:** What were the key insights?

**Ms O'Cianain:** In 2020-21, the economic contribution of capital city—sorry, we'll just go to northern Australia.

**Senator McDONALD:** Yes, we're not interested in capital cities. That's not so exciting.

**Ms O'Cianain:** For 2020-21, the estimate for northern Australia's gross regional product was actually within a range. It went from \$177.8 billion and \$240.8 billion or, alternatively, between 8.5 and 11.5 per cent of the nation's total economic output. I can talk you through why we've used arranged, if you would like.

**Senator McDONALD:** Thank you.

**Ms O'Cianain:** The range is due to some of the SA4s, which is the smallest size that we can use for this data, being partly outside the northern Australia boundary. The upper value includes SA4s with some areas that are partly in the south, whereas the lower value only includes SA4s that are completely in the north.



**Senator McDONALD:** I understand.

**Ms O'Cianain:** We have published a map showing that in detail as part of the release.

**Senator McDONALD:** Is that work now complete?

**Ms O'Cianain:** Yes.

**Senator McDONALD:** Is there a plan for any update on that or will you wait for the next census?

**Ms O'Cianain:** We will need to wait for the next census for a meaningful update.

**Senator McDONALD:** Okay. The Northern Australia Development Program—how is that separated out from the Office of Northern Australia?

**Ms Greentree:** Because the grant program has been established and been expanded, it is therefore managed by the business grants unit in DISR. We still retain program management of that.

**Mr Mackay:** The other distinction is that the grant program is administered funding and ONA resourcing is departmental funding to pay for the operations of the office.

**Senator McDONALD:** And the development grant program is fully expended—that's it's all clean and tidy? Is there any follow-up work or remaining work?

**Ms Greentree:** No, the fund was fully expended to the amount—I think there was just a small amount, which I think we went over previously. But it was expended all within one grant round.

**Senator McDONALD:** And the expenditure in progress status of the projects as listed in the fact sheet—the 2023-24 fact sheet of budget initiatives benefiting northern Australia—will you be able to provide me with any updates on those?

**Ms Greentree:** These are the ones from budget 2024-25—the highlights for northern Australia?

**Senator McDONALD:** The \$40.6 million for the continuation of the Indigenous Ranger Biosecurity Program, \$283.5 mill for the enhanced high frequency communication system and 64—

**Ms Greentree:** I do believe that may have been from the 2023-24 budget.

**Senator McDONALD:** Yes. I'm sorry. That is what I said.

**Mr Mackay:** We can provide you with updates against that table.

**Senator McDONALD:** Great. Given that you've moved on and you're up to the 2024-25 budget, can you give me updates on the new list as well?

**Mr Mackay:** Yes, we can do both of those.

**Senator McDONALD:** Thank you.

**Ms Greentree:** That was actually provided on notice as well in May. It's from the May estimates, but we can provide you an update.

**Senator McDONALD:** Thank you. I've got some questions on staff, but I'll put those on notice. It's my usual ones about where people are and how many and corporate overheads. Thank you very much.

**Senator COX:** Can I ask some questions in relation to the Northern Australia Action Plan?

**Mr Mackay:** Yes, Senator. We have the right people at the table.

**Senator COX:** Thank you. In the Northern Australia Action Plan, your department talks about protecting heritage over the next five years as per the policy priority area No. 6. Can you give us a brief overview of how the department is going to go about that?

**Mr Mackay:** Certainly, Senator. As we outlined, I think, to Senator McDonald a moment ago, the Office of Northern Australia plays a coordinating role across all of the elements of the action plan, but it does make clear that northern Australia is a priority for all portfolios. Individual elements within the action plan will remain the responsibility of the relevant Commonwealth agency or department, and the Office of Northern Australia will coordinate all of that work and support the annual reporting process that we discussed earlier. The specifics of this activity may be better directed to our colleagues in the Department of Climate Change, Energy, the Environment and Water, but I will just see whether Ms Rauter or Ms Greentree have got anything that we can add at this point.

**Ms Greentree:** Not to that—I was just confirming the actions around it. They still remain within the responsibility of those portfolio agencies. The relevant ministers have signed off on the action plan as well. So it goes to that commitment.

**Senator COX:** In that vein, then, can you tell me if the policy area No. 6 is supported by any current legislation or any proposed legislation for the area of cultural heritage?

**Mr Mackay:** That is a question best put, I think, in this case to the Department of Climate Change, Energy, the Environment and Water. We couldn't comment on their legislative arrangements.

**Senator COX:** Okay. The action plan contains 51 measures across the six policy priority areas. Can you tell me how they're being measured and who's measuring those?

**Mr Mackay:** They will be measured in the first instance by the responsible department or agency. The Office of Northern Australia's role will be to collect and collate the reporting in order to produce the annual report on the action plan. But the individual measures will sit with the agencies that have responsibility for them.

**Ms Greentree:** Just to add to that, there are a couple of layers to that as well. As we mentioned earlier, there will be annual reporting on this, and we'll be working with our Commonwealth colleagues through the interdepartmental committee on progressing that. But, also, ONA works specifically with those policy areas as well during that time. The report mentions a number—there were about 178 Australian government initiatives that will go into that. We expect that the annual reporting will be an update on what has been the outcome for Northern Australia within those Australian government programs but also in terms of the 17 areas of continued focus, which have been agreed and approved by the relevant ministers and the departments as well.

**Senator COX:** Thank you. In the action plan, it talks specifically about simpler land arrangements to support investment. Can you tell me what that actually means in practice within the plan?

**Ms Greentree:** Certainly. I think that goes to—sorry to sound a bit like a broken record in terms of the work that's being undertaken around the prescribed body corporate reform. That is being undertaken by NIAA in terms of how to support prescribed body corporates in that negotiation process. But I can also take on notice further detail on what that may involve and how we're working with the different departments on that.

**Senator COX:** Maybe you could also take on notice how that interacts with the previous question I just asked about priority area No. 6 in relation to simpler land arrangements supporting investment, but also the protection of cultural heritage. That would be appreciated.

**Mr Mackay:** We'll consult with both NIAA and DCCEEW on that question.

**Senator COX:** That's great. Thank you. Can I ask how the department's measuring infrastructure outcomes, particularly in relation to housing in northern Australia?

**Ms Greentree:** I'm just trying to think of the best way to answer that. In terms of how the measurements and the progress of the action plan will be done, that is something that we are working up at the moment across those. I guess the best way to describe that and how we would measure it is looking at the government programs that have been identified and looking at what have been the outcomes for northern Australia within those programs. Also, there's an area of continued focus that is around housing—in particular, working with jurisdictions in terms of understanding the challenges and opportunities with that. So we would also be reporting on what work the Australian government has been doing around that as well.

**Ms Rauter:** Senator, can I just add to that? There are commitments that were outlined in the Northern Australia Action Plan that are the responsibility of Prime Minister and Cabinet and the National Indigenous Australians Agency in terms of their commitment of \$2.1 billion over 10 years from this financial year to improve housing in Northern Territory communities and develop a sustainable, community-controlled housing model, including up to 2,700 new homes to be delivered with funding matched by the Northern Territory government. Those departments—PM&C and NIAA—would be responsible for reporting on the outcomes of that particular program, as well as the additional \$120 million over three years for maintenance on housing and essential infrastructure.

**Mr Mackay:** And, given that both of those start this financial year, there may not be reporting data on progress available just yet.

**Senator COX:** Thank you. Just to pick up that point, it says that the outcomes will be measured against the needs—it specifically outlines the needs of First Nations communities through community consultation. Has that already been undertaken or is this something that, again, is in the future when we get closer to the reporting date?

**Mr Mackay:** Senator, I couldn't speculate on the work that has been done to date, but we can take that on notice to consult with both Prime Minister and Cabinet and NIAA.

**Senator COX:** That'd be great. Thank you.

**Senator McKENZIE:** Let's go to Growing Regions. I just want to look at round 1. Of the 40 projects that were successful, how many contracts have been signed?

**Ms Chapple:** For Growing Regions, those projects will now be delivered through state and territory governments rather than direct grants to proponents. Of those arrangements with state and territories, I understand there's one that has been signed between the Western Australian government and a project proponent.

**Mr Mackay:** But agreements are in place with all states.

**Ms Chapple:** That's correct.

**Senator McKENZIE:** Going back to Senator Canavan's line of questioning throughout the day, the 40 projects have been approved at a Commonwealth level?

**Ms Chapple:** Yes.

**Senator McKENZIE:** And the funding is Commonwealth?

**Mr Mackay:** Commonwealth funding transferred through an FFA schedule to the relevant jurisdiction for each project. They will be responsible for establishing funding agreements.

**Senator McKENZIE:** It's a bit like the billion dollars for housing. Has the money gone to the states already?

**Mr Mackay:** It's in the process of being transferred. We can talk about where it's up to with different jurisdictions. All of the schedules—

**Senator McKENZIE:** You've got one on the hook, haven't you?

**Mr Mackay:** All the schedules with the states are signed and those schedules—they're on the Treasury website, and they include all of the projects that relate to each state.

**Senator McKENZIE:** What are the requirements under the FFA then for the state to report back about when a contract is signed or when the minister can come and cut a ribbon now or when she can get a shovel out and turn a sod?

**Ms Chapple:** Senator, just bear with us. We will get the relevant information. It is publicly available, as Mr Mackay has indicated.

**Dr Hood:** In the schedules that, as Ms Chapple noted, are publicly available on the Treasury website, they do note that we will work closely with the states and territories, and they will provide regular reports to us so that we can monitor the progress of those projects.

**Senator McKENZIE:** Okay. And how often does that happen?

**Dr Hood:** That will depend on each of the jurisdictions, and we are working with them.

**Senator McKENZIE:** So you are going to have multiple arrangements with multiple states?

**Mr Mackay:** We will aim for as consistent reporting as possible. There may need to be some adjustments for different jurisdictions.

**Ms Chapple:** Just looking at the schedule now, there are notes relating to announcements and recognition as well as reporting and governance arrangements.

**Senator McKENZIE:** Just on the announcement and recognition, there are a lot of concerns raised from local MPs, who have lobbied hard to get projects up and going with their local community, and they're not allowed to attend the opening. It's been an explicit requirement, shall we say.

**Mr Mackay:** Are you speaking specifically about—

**Mr Betts:** The guidelines in their application have not changed in many years.

**Senator McKENZIE:** But the application of the guidelines has been changed, I'm sorry.

**Mr Betts:** There's no evidence of that.

**Senator McKENZIE:** You're saying it hasn't?

**Mr Betts:** Correct.

**Senator McKENZIE:** Okay. I will ensure local MPs contact you directly. From the date of announcing the successful round 1 project, how many days have elapsed?

**Ms Chapple:** I'm not sure we have the answer in days, although we can probably work it out for you. But we will have—

**Ms Kendall:** It was 16 May—

**Senator McKENZIE:** So that's five months and a bit.

**Ms Chapple:** Yes.

**Senator McKENZIE:** And no contract—or you don't know?

**Mr Mackay:** We have the FFA schedules now in place with every state, and it will be for the states to establish the individual project funding agreements.

**Senator McKENZIE:** When do you anticipate—is there any requirement within the FFAs for that to have a timely—

**Ms Chapple:** I'll just double-check. They can start negotiating contracts as soon as the Commonwealth has provided funding. That's happened for two states—Western Australia and South Australia. They will have their own processes for negotiating with the proponents what those contracts look like. The others, I think, will follow very shortly—next week, if not before. But we're also working really closely with our state and territory counterparts to provide all the information that we have and that we've received through the program to make that process as smooth as possible.

**Senator McKENZIE:** What provisions have been made for the fact that the delays will increase the cost of the projects and therefore impact design scope?

**Mr Mackay:** The schedules provide—the schedules are clear that, as with any other program like this that's been Commonwealth funded, cost overruns will come back to the Commonwealth to decide on. I think it's probably too early to talk about specific examples, but—

**Senator McKENZIE:** But you don't control how long the states take to actually get the contracts in place and get the procurement processes et cetera?

**Mr Mackay:** As Ms Chapple said, we are working very closely with our state counterparts to support that to happen as quickly as possible.

**Senator McKENZIE:** So there are no timelines in place for signing the contracts—that's up to the states. Have applicants been consulted with regard to the status of their projects?

**Dr Hood:** Yes, they have. That's correct. We've communicated with all applicants to advise them of the change in delivery mechanism and also advising which state department would be negotiating the funding agreement with them.

**Senator McKENZIE:** Okay. When did that occur—the consultation?

**Ms Chapple:** I do have that information. I believe it's different for different states. I can take you through state by state if that's helpful.

**Senator McKENZIE:** Sure.

**Ms Chapple:** For WA, the relevant proponents there were advised on 11 September that an agreement had been signed with WA and that it would be progressed through an FFA. For South Australia, it was 30 September. For Queensland, it was 10 October. For Tasmania, it was 14 October. For New South Wales, it was 23 October—

**Dr Hood:** Sorry, Ms Chapple—we are meeting with Victoria this week. While the proponents in Victoria have been advised that it's transferred to the states, we will advise them later this week about which department that is.

**Senator McKENZIE:** I wouldn't be transferring anything down there until you've actually got something in place. Anyway, round 2—how many applications were initially received under Growing Regions round 2?

**Mr Mackay:** It was 294.

**Senator McKENZIE:** How many expressions of interest were approved to progress to full application?

**Dr Hood:** Round 2 has a single-stage process rather than a two-stage process, so the figure Mr Mackay went through is the amount.

**Senator McKENZIE:** Right. How many were initially received for the online eligibility stage?

**Dr Hood:** That was the amount.

**Mr Mackay:** That's the 294.

**Senator McKENZIE:** So they're all online eligible. How many get to progress to full application—the whole 294?

**Mr Mackay:** The full 294 will be eligibility checked. I don't know if that's—

**Dr Hood:** That's in process. The assessment process is still very much live.

**Senator McKENZIE:** So when we hear about assessment processes, it's just to see if they're eligible to go to the next stage?

**Mr Mackay:** There's one application that then passes through two gates. The first is eligibility and the second is merit assessment. But applicants aren't required to prepare additional material for the second gate, if you like.

**Senator McKENZIE:** So they basically had to put in a full application to see if they were eligible?

**Mr Mackay:** Consistent with the Thriving Suburbs example, one application is assessed for eligibility and for merit.

**Senator McKENZIE:** When will they know if they've proceeded to the next gate?

**Dr Hood:** Hopefully shortly. It's still a live process. The Business Grants Hub is currently conducting the eligibility assessments.

**Senator McKENZIE:** Okay. Just on Growing Regions round 1 and the states administering it, are they clipping the ticket to 10 per cent as they were in other programs we discussed earlier today? What's their administrative cost?

**Mr Mackay:** Senator, we are providing administrative costs but not on a percentage basis.

**Senator McKENZIE:** How much is the administrative cost to the states?

**Dr Hood:** There are two elements to it. There's a funding formula that's provided to the states for their administration of these projects. The first element is a once-off base payment of \$150,000. Then an additional—

**Senator McKENZIE:** Per project?

**Dr Hood:** No, for administration of the program.

**Mr Mackay:** For example, for Growing Regions.

**Senator McKENZIE:** So it's \$150,000?

**Ms Chapple:** Yes, and then an additional amount equal to one per cent of the allocated program funding for each state.

**Senator McKENZIE:** Do you know what that is for WA and South Australia?

**Dr Hood:** Yes. For WA it's \$385,475. For South Australia, it's \$380,020.

**Senator McKENZIE:** Is that money coming out of the \$600 million?

**Dr Hood:** No.

**Senator McKENZIE:** Where are you getting that from?

**Ms Chapple:** It's a budget decision.

**Senator McKENZIE:** No, but which bucket? It's not out of the \$600 million.

**Mr Mackay:** It was a separate budget decision.

**Senator McKENZIE:** Right—to fund states to administer Growing Regions?

**Mr Betts:** Yes.

**Senator McKENZIE:** So our round 2 applications—just so I'm very sure—haven't progressed to the next gate, and therefore they haven't come in front of the multiparty parliamentary panel?

**Mr Mackay:** Correct.

**Senator McKENZIE:** Do we know who's on the multiparty parliamentary panel for this particular program?

**Mr Mackay:** Senator, it would be the same answer that we covered with you earlier on today.

**Senator McKENZIE:** So they'll be doing everything? Is it the same people?

**Mr Mackay:** It's the same panel for Growing Regions round 2, with the same caveats around not seeing projects within their own electorates or jurisdiction.

**Dr Hood:** And just noting that it's a different panel from Thriving Suburbs.

**Senator McKENZIE:** Thank you. So it's different parliamentarians—we've got people from thriving suburbs assessing Thriving Suburbs projects and people from the regions assessing regional projects. Excellent. In terms of this arrangement with the states, was that part of your advice? It's a unique design. Was that part of your advice to government or was it a ministerial decision?

**Mr Betts:** It was a decision of cabinet.

**Senator McKENZIE:** In terms of charging the states administration costs rather than them—in other programs like, say, the road safety program, they take a percentage of the program as an administrative piece. This is separate?

**Mr Mackay:** On this occasion, it's a separate decision.

**Senator McKENZIE:** Was that a ministerial decision to make it separate?

**Mr Mackay:** That was also a decision of government.

**Senator McKENZIE:** At ARC or ministerial? It would have had to go to cabinet, surely.

**Mr Betts:** It's a budget decision.

**Senator McKENZIE:** Did it come out of negotiations with National Cabinet—this is how the states would prefer it?

**Mr Betts:** The approach was, I believe, discussed at National Cabinet.

**Senator McKENZIE:** Okay. I just want to go to some concerns from the shadow minister for local government in his consultations with councils, particularly in New South Wales and Victoria. I'd just like you to detail the administrative process around Growing Regions round 2—the opening dates.

**Mr Mackay:** Yes. Growing Regions round 2 opened for applications on 5 September.

**Senator McKENZIE:** Did the department prepare a brief for the minister with proposed opening dates?

**Mr Mackay:** Yes.

**Ms Chapple:** Yes, I think as part of approving the design, it would have included timeframes.

**Senator McKENZIE:** Did the minister change the department's proposed opening dates?

**Mr Mackay:** I would have to check that on notice.

**Senator McKENZIE:** Did the department highlight the fact that two states would be in caretaker over the period that round 2 was open—sorry, local councils. I should have been clearer.

**Ms Chapple:** I think we would need to take that on notice to check the detail.

**Senator McKENZIE:** How many applications were received from New South Wales and Victorian councils?

**Mr Mackay:** As Dr Hood said, the eligibility checking is underway at the moment through the Business Grants Hub.

**Senator McKENZIE:** But how many were received? I'm not asking how many—

**Mr Mackay:** We'd have to get the breakdown.

**Senator McKENZIE:** We've got 294. Of the 294, how many came from New South Wales and Victoria?

**Mr Mackay:** We would need to get breakdown from the hub. We don't currently have it.

**Senator McKENZIE:** So you don't have the 294 by state?

**Ms Chapple:** We wouldn't routinely receive that breakdown until we're notified of eligible applications.

**Senator McKENZIE:** Then, from the grants hub, do you get eligible applications by state and also the ones that failed eligibility by state? Can you request that, please?

**Ms Chapple:** Yes.

**Senator McKENZIE:** Thank you. Then I can ask you in February. What is the appropriateness of having applications open for a program like this when two states' local governments were in caretaker mode?

**Mr Mackay:** I think that's really asking us for an opinion, Senator.

**Senator McKENZIE:** Minister, do you think it was appropriate to open a grants funding round for local councils when two states were in caretaker for local council elections?

**Senator Chisholm:** I think it's okay, Senator McKenzie. Obviously, the opening period goes for a period of time, so I'm sure councils had the opportunity to get their bids in if they wanted to.

**Senator McKENZIE:** Maybe if CEOs were acting without authority, they could. That's interesting, Minister. Thank you. I do have some questions—I'm sorry if I'm keeping the government up.

**CHAIR:** No, I've been bored all day.

**Senator McKENZIE:** I'm sure there's a whole group of people who would love to get on with this job.

**CHAIR:** Get on with the question you're asking.

**Senator McKENZIE:** Why has it taken so long to get to—it goes through the original timeline for round 1 of the Growing Regions program. I'm just wondering why it took so long to get to that stage in the process. Is that because it went to grants hub?

**Dr Hood:** Sorry, the amount of time between announcing applications and receiving funding?

**Senator McKENZIE:** Yes.

**Dr Hood:** It's because of the design change to delivery through states via an FFA and needing to negotiate and land those.

**Senator McKENZIE:** What was the date of the National Cabinet where this decision was made that they'd do it this way?

**Dr Hood:** Senator, I don't have that with me. I think we can try and get back to you—

**Mr Mackay:** We'll try to get that to you within this session, otherwise we'll provide that on notice.

**Senator McKENZIE:** Is there a contingency plan to deal with the fact that there will be cost blowouts as a result of this delay and that it was not the proponents? A lot of these have co-funding arrangements. In Minister Chisholm's home state, you're dealing with councils such as Longreach, which has 700 ratepayers.

**Mr Mackay:** Senator, cost increases on projects in programs of this kind are not unusual. I think our starting position would be that we would consider those on a case-by-case basis.

**Senator McKENZIE:** Nor are delays of this size—because decisions were made in places that usually aren't involved in deciding how these types of programs are run out, with all respect.

**Dr Hood:** Nonetheless, I think the starting point would be to consider it on a case-by-case basis.

**Senator McKENZIE:** Thank you.

**Senator CANAVAN:** I'm just referring to the documents that were published this morning. I've got some questions about the Investing in Our Communities Program. In the projects under close grants, there are a number that still don't have contracts finalised. Just going through these one by one, I've got a program in New South Wales—lighting over at the Estella crossing in Wagga. Has that not been approved?

**Ms Kendall:** The information that I have with me is that project was not approved under the Investing in Our Communities Program.

**Senator CANAVAN:** So that's not proceeding. The next one is Corrimal Cougars ground expansion and training space in Wollongong. Is that not proceeding?

**Ms Kendall:** Correct. That was also not approved under the program.

**Senator CANAVAN:** And the Phoenix netball upgrades at the Ferny Grove facility in Brisbane?

**Ms Kendall:** Also not approved, Senator.

**Senator CANAVAN:** And the water play park in Brisbane?

**Ms Kendall:** The water play park in Brisbane was approved and is not yet contracted.

**Senator CANAVAN:** The Brothers rugby club facilities upgrade project stage 3A?

**Ms Kendall:** It has been approved and there's been a change in that information since the 'as at' date in the material. It's now contracted as well.

**Senator CANAVAN:** The contract has been approved?

**Ms Kendall:** Yes.

**Senator CANAVAN:** And the Wanneroo Districts Cricket Club upgrade facilities in Wanneroo in Western Australia?

**Ms Kendall:** It's also been approved and has now been contracted.

**Senator CANAVAN:** Okay. For those first three I read out—I'm just checking. The Phoenix netball upgrade is not proceeding?

**Ms Kendall:** Correct.

**Senator CANAVAN:** Were these all election commitments?

**Ms Kendall:** Yes.

**Senator CANAVAN:** But they're not being delivered?

**Ms Kendall:** No.

**Senator CANAVAN:** Can we go to some of the reasons the government breaking its promises to deliver these?

**Ms Kendall:** The construct for this program—the department is the delegate and the decision-maker. As part of the program setup, proponents that relate to election commitments were invited to submit applications and detail their projects, and that was then merit assessed by the department. In this case, the projects that we just discussed did not pass that merit assessment process and therefore are not proceeding to funding.

**Senator CANAVAN:** But can we give these communities something more specific? It's a broken promise from the government. I'm happy for the minister to step in. Why aren't the people of Wagga getting the lighting they were promised, the people of Wollongong getting the training and ground expansion they were promised and the Ferny Grove community getting the netball upgrades that were promised?

**Senator Chisholm:** Obviously as part of the election commitment process that we went through we wanted to make sure that the promises that we made were robust. Obviously, the department went through that process and these were deemed not as robust as they could be.

**Senator CANAVAN:** But I'm just trying to understand. These were these were knocked out not because of probity or because they just didn't meet a merit process?

**Ms Kendall:** Senator, I can tell you that, in two of those three—for the Phoenix netball project, that application was deemed ineligible as it wasn't registered for GST, which was a requirement under the program guidelines. It was the same on the Corrimal Cougars project. The information I have with me is that the lighting over Estella crossing project was not able to meet the financial viability assessment criteria. So it was a merit-based decision.

**Senator CANAVAN:** Did the Labor Party explain to these communities before the election that they had to meet these hurdles to get the funding? Was that communicated?

**Senator Chisholm:** I'm unsure what each individual one of those was promised before the election.

**Senator CANAVAN:** Of course, but people voted for you and you're breaking their promise to them.

**Senator Chisholm:** We went through a process, Senator Canavan, I'm sure—

**Senator CANAVAN:** Well, I'm happy if you can point to where you told people there would be this process before the election. I'm very interested.

**Senator Chisholm:** We want to ensure—we inherited a mess when it comes to grant programs.

**Senator CANAVAN:** Okay, so it's our fault.

**Senator Chisholm:** We want to ensure that taxpayer money is spent appropriately. I know it's a foreign concept to you.

**Senator CANAVAN:** Just moving on to the Priority Community Infrastructure Program, similarly, with the documents tabled today, have there been delays to the Swan Active Ellenbrook project?

**Dr Hood:** Senator, I think we took a few things on notice for Senator Reynolds earlier on on that project. We're working with the proponent on the delivery of that one.

**Senator CANAVAN:** Right. And the High Wycombe Community Hub?

**Ms Kendall:** It has been approved and contracted now.

**Senator CANAVAN:** The Cairns regional developments marine precinct user facility?

**Ms Kendall:** That project doesn't actually sit under the Priority Community Infrastructure Program. That's a standalone commitment that's delivered in a separate program.

**Senator CANAVAN:** Is it in this area?

**Ms Kendall:** It's a standalone commitment. It'll be delivered through a funding agreement.

**Senator CANAVAN:** Is it proceeding?

**Ms Kendall:** The commitment for that project is there. We are working with the Queensland government on the delivery of that at the moment.

**Senator CANAVAN:** What's the time frame for that. What's happened so far since the election?

**Ms Chapple:** We have signed an agreement through an FFA. Sorry, is this the Cairns regional development marine project?

**Senator CANAVAN:** Yes.

**Ms Kendall:** What I can tell you about that one is that it's current status—the funding agreement has not been signed with the Queensland government as yet. There are site works underway at the site currently. It's a joint investment from the Queensland government and the Australian government. The Queensland government is in the process of transferring the governance and responsibility for that project from the department to Ports North. While that bit of work is underway and with the impact of the Queensland election as well, we've not progressed that funding agreement, but we are continuing to work closely with the Queensland government on it.

**Senator CANAVAN:** Moving on to the Armstrong Creek stadium in Victoria—is that proceeding?



**Ms Kendall:** It is. That project was originally part of the Priority Community Infrastructure Program. It now also will be delivered as a separate standalone agreement with the Victorian government through an FFA. That's been an arrangement that was at the request of originally the City of Geelong and then the Victorian government. So that one is under assessment at the moment.

**Senator CANAVAN:** Okay. And, finally, the Perth Aboriginal Cultural Centre?

**Ms Kendall:** Again, that was one that was originally under the PCIP. It will also be delivered through an FFA with the WA government.

**Senator CANAVAN:** That is it for me.

**CHAIR:** Thank you. We will suspend the hearing and resume with outcome 4.

**Proceedings suspended from 18:32 to 19:31**

**CHAIR:** Mr Betts, we will now move into outcome 4. Here we go. We do have the Administrator of Norfolk Island via videoconference. Hello.

**Mr Plant:** Hello.

**CHAIR:** G'day. I can see you're well. Beautiful. Thank you. Sorry to keep you waiting. We have Senator Pocock in the room, so let's kick off.

**Senator DAVID POCOCK:** Thank you again for your time. I understand that, sometime between June and August this year, a document was forwarded from the department to the minister regarding recommendations for a future governance model on Norfolk Island. Is that correct?

**Ms Forbes:** The NIGC provided a proposed new governance model to the minister in July 2024.

**Senator DAVID POCOCK:** The department received that from NIGC in July. When was that—

**Ms Forbes:** This was following nine months of discussions with NIGC, and a workshop that was undertaken in June.

**Senator DAVID POCOCK:** When was that handed to the minister?

**Ms Forbes:** In July.

**Senator DAVID POCOCK:** That exact same document?

**Ms Forbes:** The minister was fully briefed on all the recommendations that came from the NIGC. That's correct.

**Senator DAVID POCOCK:** What were the recommendations in that document?

**Ms Forbes:** That is currently under government decision at the moment. However, the agreement log that was undertaken for the workshop in June was FOI'd, and that's available on the department's website.

**Senator DAVID POCOCK:** Are you claiming cabinet in confidence? Or what's the—

**Ms Forbes:** That's correct.

**Senator DAVID POCOCK:** It's gone to cabinet?

**Mr Mackay:** Yes. This is advice from the department into decision-making processes of government. We can't disclose the nature of the advice that we have provided into those processes.

**Senator DAVID POCOCK:** Was it at all changed from what was received from the governance committee?

**Mr Mackay:** Senator, the minister was fully briefed on where the NIGC had landed. Even just for reasons of process, we put that into a standard ministerial submission. So it's not exactly the same document, but the minister has been fully briefed on where the committee landed.

**Senator DAVID POCOCK:** Okay. But the recommendations that were given to the minister were exactly what the governance committee had recommended, just put into a different form?

**Mr Mackay:** Senator, I can't comment on the detail of the recommendations the department has made—

**Senator DAVID POCOCK:** I'm not asking you to give me the details.

**Mr Mackay:** but I'm saying that everything the committee settled upon was conveyed to the minister.

**Senator DAVID POCOCK:** Okay. There was a workshop on the 12 and 13 June, held in Brisbane by the NIGC.

**Mr Mackay:** Yes.

**Senator DAVID POCOCK:** Could you please table the outcomes of this meeting—minutes et cetera?

**Mr Mackay:** The document that Ms Forbes referred to earlier is the agreement log of that workshop, which was released under FOI. That is the detail of all of the elements that were considered by the committee through that workshop.

**Senator DAVID POCOCK:** That is available where?

**Mr Mackay:** It's on our disclosure log on the department website.

**Senator DAVID POCOCK:** I understand that the elected Norfolk Island members of the NIGC published a proposed governance model, following consultation with the community in May. Did the department also work on a proposed governance model together with Queensland?

**Ms Forbes:** A Queensland representative as well as an Australian government representative is on the NIGC.

**Senator DAVID POCOCK:** Was that input through a document?

**Ms Forbes:** As outlined in the terms of reference for the governance committee, it is a consensus approach—and that includes the Queensland government representative.

**Senator DAVID POCOCK:** But the document that the democratically elected representatives for Norfolk Island submitted was separate to the final document?

**Ms Forbes:** I'm unsure of what document you're referring to. However, at the two-day workshop that we were just discussing, all members of the NIGC went through all the key elements, and that went through a consensus approach. As outlined in that document, it's clearly detailed that all members agreed on those elements.

**Senator DAVID POCOCK:** My understanding is that there was a document submitted by the elected members. Are you able to table that document as part of this process?

**Mr Mackay:** I'm not sure we can identify the document you're referring to. Submitted to whom?

**Senator DAVID POCOCK:** As part of this governance making process.

**Mr Mackay:** I don't think we can shed any light on that.

**Ms Forbes:** Sorry, I don't know what document—

**Senator DAVID POCOCK:** Why are there people from Queensland on the Norfolk Island Governance Committee?

**Ms Forbes:** The Queensland government is a representative—

**Senator DAVID POCOCK:** I know they're the service deliverer.

**Ms Forbes:** That's correct; they provide service delivery to Norfolk Island and a very insightful understanding as to how those services can be delivered to Norfolk Island. They're a key partner.

**Senator DAVID POCOCK:** When will Norfolk Islanders know about what the restoration of democratic rights looks like?

**Mr Mackay:** The announcement of any decision taken by government is a matter for government. We can't speculate on what the timing of that might be.

**Senator DAVID POCOCK:** Minister, can you say anything to people on Norfolk Island that have been waiting for years for some sort of democratic process to elect people on their island?

**Senator Chisholm:** Obviously it's an important issue, and I understand why you'd be asking questions about it. I know we're going through the process, and the government is considering those options. I know the minister is thankful for the elected Norfolk Island Governance Committee representatives, and to the community for the feedback they've provided. That'll all be part of the government's consideration.

**Senator DAVID POCOCK:** My understanding is that Michael Colreavy's term as Administrator of Norfolk Island Regional Council expires in early December.

**Mr Mackay:** That's correct.

**Senator DAVID POCOCK:** Then what happens?

**Ms Forbes:** The minister is currently looking at options in respect of transitional steps, pending the outcome of the governance model coming through from the government decision. That will then outline what the next steps are.

**Senator DAVID POCOCK:** When did that process start?

**Ms Forbes:** We're waiting on the government decision to come through.

**Senator DAVID POCOCK:** We're 30 days away. How much time are you going to give people on Norfolk Island in the notice of a transition?

**Mr Mackay:** I couldn't speculate on the timing of an announcement by government.

**Senator DAVID POCOCK:** I know they're a long way away, but this seems pretty outrageous, Minister—the way we're treating people on Norfolk Island. They've had their democracy sort of stripped away from them. They've engaged in good faith in a process. They get very little in the way of information and, from what I'm hearing, feel pretty disrespected in this process.

**Senator Chisholm:** We've gone through the consultation process, Senator Pocock, and people from the local community have had the opportunity to have their say. The government's now considering its options for its model, and I am confident that that will be announced shortly.

**Senator DAVID POCOCK:** Can you give any timeframes for people there?

**Senator Chisholm:** It's obviously not my call, but I understand the government announcement will be soon.

**Senator DAVID POCOCK:** When will the community be informed about the transitional arrangements after Mr Colreavy's term as Administrator ends?

**Ms Forbes:** That will be dependent on when the minister and the government make an announcement post of the model that's been—

**Mr Mackay:** It's all part of the same set of decisions.

**Senator DAVID POCOCK:** So this is all just sitting with the minister?

**Mr Mackay:** It's under consideration by the government at the moment, that's right.

**Senator DAVID POCOCK:** It's hard to know what to say. Norfolk Islanders have been engaging in good faith and feel like they're just being forgotten over there. Minister, I'd really urge you—I know it's a small community, it probably doesn't matter for votes or whatever it might be—

**Senator Chisholm:** No, that's not the case—

**Senator DAVID POCOCK:** but we cannot treat people like this.

**Senator Chisholm:** I disagree with your assessment of it. We've gone through a process. The community's provided feedback. We've said the minister will make a decision, and that is imminent. These are the steps that are required to ensure that there is local representation, which is exactly what the community want.

**Senator DAVID POCOCK:** I guess I want to convey the frustration of people on Norfolk Island. Time and time again, they've trusted in the Australian government and have been disappointed. I'm just hoping that this is not setting them up for another disappointment. This is a culturally and linguistically distinct group of people who have a very strong identity, and some of them disagree with even being part of Australia. Many, many may disagree with that. But to have Australians with no local representation for so long, seems so unfair.

**Senator Chisholm:** That's what we're trying to fix.

**Senator DAVID POCOCK:** Well, I'd urge you to fix it soon, because it seems like election mode is here, and I don't want the people of Norfolk Island to be forgotten.

**CHAIR:** Are there any further questions? Are there any questions to the administrator while Senator Shoebridge is on his way?

**Senator DAVID POCOCK:** I've got a couple for the administrator.

**CHAIR:** You go now, Senator Pocock, because we'll get moving as soon as we're finished.

**Senator DAVID POCOCK:** Mr Plant, thank you very much for your time. I appreciate it's getting late there. I was interested in when your last update from the department or the minister was about the process that we've been hearing about.

**Mr Plant:** We are always waiting to hear what the outcome of the work that we've been doing is, and I understand, exactly as you've been told, that's under consideration by government now. So we are waiting to here.

**Senator DAVID POCOCK:** When was the last update you received from the department or the minister's office?

**Mr Plant:** I'd have to check my notes, but when I meet with the minister's office, I raise it every time—and that would have been within the last two weeks.

**Senator DAVID POCOCK:** I don't know where Senator Shoebridge is.

**Senator WATERS:** I'm happy to move on to Airservices and come back to Norfolk Island, maybe.

**CHAIR:** There's been plenty of notice, so we will move on to Airservices.

**Senator DAVID POCOCK:** I think he's in another committee.

**CHAIR:** Do we know how far away he is? Because once we move on—

**Senator WATERS:** As long as we can go back—

**Senator Chisholm:** No. We've waited for hours. It's not fair.

**Senator WATERS:** Well, we're all waiting for hours.

**Senator Chisholm:** No, but they've—

**Senator WATERS:** They've wasted an entire—

**CHAIR:** Look, hang on, I'll make a ruling here, people. I've been sitting on this committee for 19 years. I'm happy for everyone to come in here and ask a question, but this committee will not be bowing to those that aren't permanent members if they can't get their act together. I'll give a little bit of leeway, but I'm not sitting here for the next 10 minutes waiting. We've got a full program to get through tonight. If Senator Shoebridge doesn't walk through that door in the next minute, it's over red rover and we're moving on to Airservices Australia.

**Senator CANAVAN:** I might ask a few questions to help my colleague out.

**CHAIR:** Sorry, Mr Administrator. But you've already been waiting for the last three hours as it is.

**Senator CANAVAN:** Just leading on from Senator Pocock's questioning: if and when the people in Norfolk Island have this representation, what powers will they have, in terms of government services, tax rates et cetera? What will they be able to decide on the island for themselves?

**Mr Mackay:** I think you're asking us to get ahead of the decisions that the government will make on the model.

**Senator CANAVAN:** So everything's on the table?

**Mr Mackay:** The decision log that Ms Forbes referred to before sets out all of the elements that the committee has worked through. We can take you to some of those headings at least, if that's helpful. But ultimately it will be—

**Senator CANAVAN:** I suppose what comes to mind is my previous understanding that they weren't subject to federal income tax until the last few years. Is that right?

**Mr Mackay:** Certainly there were a range of arrangements that changed in 2016 when self-government ceased.

**Senator CANAVAN:** Yes, okay. That long ago—time flies. But then, at that point, they also didn't have access to some federal welfare programs, like Medicare and the like. Is that right?

**Mr Mackay:** That's correct.

**Senator CANAVAN:** But that decision was imposed on them, so to speak. That's my understanding; there was no vote or anything like that to decide whether they wanted income tax.

**Mr Mackay:** My recollection is that it was a decision of the federal parliament.

**Senator CANAVAN:** Is that potentially on the table—that they could go back to the pre-2016 model under these new arrangements?

**Mr Mackay:** The primary role of the NIGC is to design a new, bespoke model of local governance within the local government framework.

**Senator CANAVAN:** Okay. That's why I'm glad to get some specifics here. So not everything is on the table? They won't be able to go back to a model where they're not subject to federal income tax or don't have access to the same social services that Australians are—those things aren't under consideration?

**Mr Mackay:** That's correct.

**Senator CANAVAN:** We're more in the world of deciding, in the local governance sphere, what services they're responsible for and, presumably, what source of revenue they could raise.

**Mr Mackay:** The revenue model is an important part of it, that's right.

**Senator CANAVAN:** And I suppose in between your local and federal governments, there's some—the ACT has a bit of a mixed model where it has responsibility for schools and hospitals as well as the normal local government responsibility for roads and rubbish et cetera. Is that something that Norfolk Island potentially could get control of?

**Mr Mackay:** Those elements will remain the responsibility, ultimately, of the Commonwealth. As Ms Forbes touched on before, we work with the Queensland government as a service delivery partner.

**Senator CANAVAN:** There's nothing on the table that would allow Norfolk Island to run its own school system, for example. That's not on the table either.

**Mr Mackay:** No.

**Ms Forbes:** No.

**Senator CANAVAN:** Or hospital?

**Mr Mackay:** No.

**Senator CANAVAN:** I don't understand the health services there, but there's presumably a hospital on the island.

**Mr Mackay:** There's a health and residential aged-care service.

**Senator CANAVAN:** That will remain under the Commonwealth? Is that Commonwealth run?

**Mr Mackay:** We partner with the Metro North Health hospital service in the Queensland government too.

**Senator CANAVAN:** Through Queensland as well. Okay. I think Senator Pocock might have some follow ups, which I'm happy to let him ask.

**Senator DAVID POCOCK:** Thank you very much.

**CHAIR:** It's your time we're cutting into, too. I'm just letting you know; I'm trying to work with you.

**Senator CANAVAN:** I'm just helping.

**Senator DAVID POCOCK:** Have you seen the proposed model that was sent to the minister, Mr Plant?

**Mr Plant:** No, I haven't.

**Senator DAVID POCOCK:** Do you know if the elected members of the governance committee have seen it?

**Mr Plant:** I know that they haven't seen it either.

**Senator DAVID POCOCK:** Does that concern you?

**Mr Plant:** It's not a decision of mine; it's a decision that was made. I know there are concerns in the committee about it, but that is as it is.

**Senator DAVID POCOCK:** Maybe to the department: the administrator hasn't seen the recommended governance model?

**Mr Mackay:** That's unsurprising. Ultimately—

**Senator DAVID POCOCK:** What about the elected members on the governance council?

**Mr Mackay:** The briefing that we described earlier on is input to a cabinet process, and we're not in a position to share that outside—

**Senator DAVID POCOCK:** I don't want to ask about that. All I want to ask is—you have three people elected by people on Norfolk Island to help develop a future governance model, and what is then decided by the department to go to the minister those three people don't even get to see. So it's: 'Consult. We'll do our own thing and give it to the minister.'

**Mr Mackay:** I'd go back to our earlier conversation to say that, where the NIGC landed out of the workshop that Ms Forbes has described, all of that work has been fully conveyed to the minister.

**Senator DAVID POCOCK:** What I'm hearing though is that the people elected to help develop a governance model have absolutely no idea what was actually recommended as the governance model that they were meant to come up with, and that was the understanding—

**Mr Mackay:** That's what is in the decision log that has been released under FOI—where the committee's recommendations landed out of the workshop.

**Senator DAVID POCOCK:** But that doesn't actually show them what model is going to be proposed.

**Mr Mackay:** That's the point at which it turns into advice to government for cabinet deliberation.

**Senator DAVID POCOCK:** But you can surely see how they feel a bit misled. 'We'll elect three people and help develop a governance model.' But they now don't get to see the governance model that gets recommended.

**Senator Chisholm:** They provided advice about it to government.

**Senator DAVID POCOCK:** But that's not the same as actually knowing that that advice is going to government.

**Senator Chisholm:** Ultimately, it's a decision for government.

**Senator DAVID POCOCK:** No-one's disputing that. What I'm asking is—it seems very unusual to go through the process of having an election to elect people to give advice on a governance model and for them to not know what governance model is actually being recommended.

**Senator Chisholm:** It's a decision for government, but they provided advice on the model, as the department have said.

**Senator DAVID POCOCK:** But that wasn't the understanding when the election took place. It was that they would be part of shaping it. They would have some sort of oversight—

**Senator Chisholm:** I believe they have been part of that process; it is a difference of opinion.

**Senator DAVID POCOCK:** It wouldn't be the first time we've seen misunderstanding around deep consultation and actually taking people seriously, but—

**Senator CANAVAN:** Can I just ask a couple of other follow-ups? Once the model is decided upon, will the Norfolk Island people have any other say on this? Will it be put to them, if you like, for a vote, even yes or no options?

**Mr Mackay:** One of the roles that's set out in the governance committee's terms of reference is to assist in the transition to the new model, but it is ultimately a decision of the Commonwealth government.

**Senator CANAVAN:** So the answer is no. There's no plan to put this to a plebiscite or referendum—

**Mr Mackay:** There's no plan for a subsequent vote, no.

**Senator CANAVAN:** to get their agreement.

**Mr Mackay:** No.

**Senator CANAVAN:** What are the considerations of the federal government that might mean it goes against the recommendations of the panel? Is it about the revenue or implications? I presume there's a preference to try and meet the expectations of the Norfolk Island elected people who have proposed something? Is that—no?

**Mr Mackay:** It's a difficult question to answer without speculating on what's in the advice.

**Senator CANAVAN:** I'm just trying to get an impression of what the countervailing—I understand you probably can't say, 'You guys go and design what you want,' because, ultimately, the federal government's exposed to a degree of risk here—and has to support the government. I'm just trying to understand. What's the interest of the federal government here? Are they trying to impose their own particular governance model, or are they simply seeking to protect the fiscal position, the risk exposure, of federal taxpayers?

**Mr Mackay:** The underlying consideration is for a bespoke model of local governance that is stable and sustainable for the circumstances of Norfolk Island and the community.

**Senator CANAVAN:** Thank you.

**CHAIR:** Senator Shoebridge.

**Senator SHOEBRIDGE:** Thanks so much for your attendance. One of the questions that has been raised with me repeatedly by the community is the question of the government's commitment to a sustainable shipping service. What does the government mean by 'sustainable'? What are the elements of 'sustainable'?

**Mr Mackay:** The first thing to say is: a sustainable freight service would be one that operates commercially and doesn't require ongoing Commonwealth subsidy. To that end, a dedicated commercial sea freight service began in July 2023, and we consider that that situation is currently stable.

**Senator SHOEBRIDGE:** So no government subsidies—

**Mr Mackay:** There have been in the past.

**Senator SHOEBRIDGE:** Is 'sustainable' just code for 'commercial'?

**Mr Mackay:** I don't know that I'd agree with the word 'code', but there have been subsidies in the past and there aren't currently.

**Senator SHOEBRIDGE:** The Norfolk Island community is very confused about the term 'sustainable' and they're concerned that it is just code for a purely for-profit freight service. Their concerns are valid because, actually, that's the government's view: it has to be a for-profit freight service, despite the difficulties they have with a small population, distance and difficulty with a port facility.

**Mr Mackay:** The difference, particularly from the middle of last year, is the acquisition by Neptune Pacific Direct Line, NPDL, of a dedicated vessel, MV *Norfolk*. One of the issues that was affecting the ability of the service to meet demand was weather, as you would expect, but also vessel commitments elsewhere.

**Senator SHOEBRIDGE:** If for some reason that commercial provider decides it's not profitable and they cease providing that, what's the government's answer for Norfolk Island? Do they just get cut off?

**Mr Mackay:** We would consider that on a case-by-case basis. As I said, there have been subsidies provided in the past. There aren't currently, but there have been in the past.

**Senator SHOEBRIDGE:** That's hardly a plan from the government for Norfolk Island. To simply say, 'We'll just leave it to the market,' is not a plan. That's just an abdication of Commonwealth responsibilities, isn't it, to just leave it to the market.

**Mr Mackay:** That's not what I said. Subsidies have been provided in the past where the service has not met the demand on island, but, at present, with the acquisition of a dedicated vessel, *MV Norfolk*, regular shipping has been provided by NPDL since June 2023.

**Senator SHOEBRIDGE:** Have you had meetings on Norfolk Island with the community and explained to them what you mean by this term 'sustainable'—that you actually just mean 'commercial'?

**Mr Mackay:** There certainly have been public meetings held on island. Minister McBain held a shipping forum on island in 2023, and I'll check with my colleagues on more recent meetings.

**Mr Gowland:** There have been no recent meetings on island with the community about shipping.

**Senator SHOEBRIDGE:** They're a small, isolated island community. If they're going to be left to entirely rely on commercial freight and commercial shipping services, that's going to cripple their economy going forward. Have you looked at what the impact will be on the economy and just the ability to sustain the community on Norfolk Island from this sustainable/commercial arrangement?

**Mr Mackay:** Our understanding is that the current service is meeting the demands of the community.

**Senator SHOEBRIDGE:** The community have told me that there's no answer for large waste. There's no answer for bulk waste. There's no answer for getting machinery offsite. There's no answer for a whole series of problematic waste issues that they have. Have they told you that?

**Mr Gowland:** I do know that the council are aware of the issues, and they're working with the various freight suppliers, including airfreight, and are looking at various options on how to deal with the waste that is generated on island.

**Senator SHOEBRIDGE:** You're not going to airfreight off a broken, disused bulldozer.

**Mr Gowland:** No.

**Senator SHOEBRIDGE:** They're the kinds of problems they're dealing with and they're the kinds of problems that won't have a commercial answer. What's the answer to the airfreight?

**Mr Mackay:** As Mr Gowland said, it was only a reference to airfreight. We understand the council is working with a number of freight providers to address the waste issue, in particular.

**Senator SHOEBRIDGE:** To move to another point, because we are short of time, why was the port management tender cancelled?

**Mr Gowland:** Sorry, Senator, I don't have those details in front of me.

**Mr Mackay:** I thought it was the council.

**Ms Forbes:** I would say that would be the council. Is that regarding Ball Bay?

**Senator SHOEBRIDGE:** Yes.

**Ms Forbes:** That's the responsibility of the Norfolk Island Regional Council.

**Mr Mackay:** Not the department.

**Senator SHOEBRIDGE:** The department had no role in that?

**Ms Forbes:** No.

**Mr Mackay:** It's not our tender.

**Senator SHOEBRIDGE:** Are you aware of concerns that the port services are so substandard that they don't comply with basic Australian minimum standards?

**Ms Forbes:** At present, the freight system is, as you'd be aware, a break-bulk system, but what you may be referring to is the Ball Bay as well as the Cascade analysis of looking at the roll-on roll-off options analysis.

**Senator SHOEBRIDGE:** Are you going to work with the council and the community? Are there resources being put aside to help deal with, provide, a freight solution, or are you simply saying it's a matter for the council and for a commercial provider?

**Mr Gowland:** Sorry. There is a freight solution already on island. I haven't received any complaints about the current shipping freight on island. We are doing investments in Cascade infrastructure to improve the ability for sea freight to be loaded and unloaded.

**Senator SHOEBRIDGE:** I note the time; I think the committee is being quite indulgent and I thank them. Is there currently a subsidy for airfreight, though?

**Ms Forbes:** It's underwritten for passenger services—

**Mr Mackay:** There is a subsidy for airfreight, and we underwrite passenger flight services.

**Senator SHOEBRIDGE:** Have you looked at how that impacts on the shipping service? Have you taken a system approach to see whether or not the airfreight subsidy might actually make it harder to provide a commercial shipping service?

**Ms Forbes:** We'd have to take that one on notice.

**Senator SHOEBRIDGE:** Are you looking at it as an ecosystem?

**Mr Mackay:** We can take that on notice and check.

**Senator SHOEBRIDGE:** Alright. Thanks very much.

**CHAIR:** Thank you. If that is the case, thank you very much to the good folk on Norfolk Island. We will now move to Airservices Australia.

### Airservices Australia

[20:03]

**CHAIR:** I now welcome representatives from Airservices Australia. Does anyone wish to make a very brief opening statement?

**Mr Sharp:** It is a pleasure to be here, and we're happy to answer any questions that you have for us.

**CHAIR:** Fantastic. Thank you, Mr Sharp. Senator Waters.

**Senator WATERS:** Thanks, Chair. Hello, folks. Thanks for your time this evening. I have some questions related to Brisbane Airport in my hometown, starting off with the noise action plan, NAP4B as it's known, and any impact metrics that might or might not actually be in there. I can't find them, so can you please tell me where I can find the impact metrics that are in that noise action plan?

**Mr Sharp:** Thank you for the question. I will have to pass that across.

**Ms Marshall:** You're looking at the actual Noise Action Plan for Brisbane document which outlines our recommendations.

That document doesn't have any specific metrics, so to speak, because the noise action plan is a range of different measures that we can investigate to see if we can find some improvement. As part of that investigation, we need to engage with communities to understand what resonates and what doesn't. As we go through that process, we refine those options down, and that's then when we can determine what those metrics might be.

**Senator WATERS:** Okay. How long will that refining process take?

**Ms Marshall:** It depends on the packages. We've got four packages of work. Package 2 is around increasing over-water operations. Package 3 is about reducing the frequency and concentration of operations, and package 4 is about reviewing the wider airspace operation. Each of those packages has different levels of complexity. With package 2, we're in the final stages at the moment, and so we do have some metrics that are starting to come out for that. Package 3 would probably be early-to-mid next year, and then package 4 would be later in 2025.

**Senator WATERS:** Thank you. Just to make sure I am clear, how are you going to assess whether there have been any net noise reductions?

**Ms Marshall:** At the completion of each investigation, we do an assessment report, and in that assessment report, we compare a range of metrics that are developed around the recommendation to understand the number of people affected at 70 decibels and 60 decibels, which are your higher noise readings. We also look at the total population that's overflown. We look at emissions; we look at whether it is reducing concentration or getting more aircraft over water. We look at all of those metrics and measures, and, based on that—and what the community has said and what industry has told us—we then make decisions holistically, looking for the best possible outcome.

**Senator WATERS:** It's called a noise action plan, and it's taking quite an extended period of time, and you will eventually come up with some metrics against which any future noise reductions will be measured. It seems like they just want noise reduction now, and they have made that abundantly clear through multiple community



fora, multiple different organisations and a Senate inquiry that addressed this issue, so I'm at a bit of a loss to understand why there's not already some KPIs against which any reduction in noise can be measured—or an increase, for that matter.

**Mr Curran:** I might just add to what Ms Marshall has said. As we've gone through each of the different stages and proposed possible changes to the community, we've published data that shows what we expect the change would result in. As Ms Marshall said, that's related to the population overflowed and changing decibels but also to flights over water, using a particular operating mode. We've been able to explain what the current experience is, in terms of what percentage of flights are operating over water today, and, once we implement a new mode, what percentage we think will be in 2025—or is forecast to be—and then we'll report back against how we went against that forecast improvement. So, as we go, we are explaining to the community what we think the benefits and trade-offs will be for each of these options, and making that clear as part of each package.

**Senator WATERS:** Are they published somewhere? Can the community go and check that?

**Mr Curran:** Yes, they are.

**Senator WATERS:** When will your SODPROPS 1 go up?

**Mr Curran:** So SODPROPS relates to over water—that's the one I was just referring to. We expect that to increase from November this year, following the execution of a ministerial direction. We're forecasting that in 2025 it will increase from about 2.3 per cent of flights in SODPROPS, which was the experience in 2023, to about 5.3 per cent—a more than doubling, in terms of flights. Another metric we produce is the number of hours that we will operate in that mode for. Typically, that's sensitive times of day—night-time and weekends. Again, we expect a substantial increase from 2023. For 8.7 per cent of the hours of the year, we were in SODPROPS mode, and we believe that will increase to 12.3 per cent in 2025.

**Senator WATERS:** That's your aspiration, and then you'll measure it and put a report on your website about whether that aspiration was met.

**Mr Curran:** Correct, and we communicate that via our community engagement website today, in a range of material that we publish, and then we engage communities—as Ms Marshall has said—and we talk exactly through those options and the sorts of benefits and trade-offs we anticipate each option will necessitate.

**Senator WATERS:** In relation to the noise action plan, my understanding—and please correct me if I'm wrong; I'd love to be wrong—is that there's actually no net noise reductions planned; it's more noise sharing. Can you please dissuade me of that? Because I'm sure the community would be thrilled if I was wrong about that.

**Ms Marshall:** There's actually a combination. The noise sharing comes more out of package 3 and 4, where we're reducing concentration and looking at the wider airspace operation for those noise sharing opportunities. The net noise reduction is really around our package 2 work in terms of that SODPROPS mode that Mr Curran was just speaking to. For every flight that we can operate in SODPROPS, between 300,000 and 500,000 less people are overflowed, and that is a net noise reduction in terms of the number of people affected by aircraft noise.

**Senator WATERS:** Okay. But that's not a target as such; it's not in the noise action plan as a KPI, because you're still completing package 2, you told me before.

**Ms Marshall:** As I said, there are no KPIs contained within the noise action plan. The noise action plan is a plan, a series of recommendations and actions that we'll investigate to the fullest extent to understand what opportunities they have in terms of improving noise outcomes for the residents of Brisbane, and then we work through those with the community, sharing the data that Mr Curran was talking about, so that they can give us informed feedback, and from that we then make a decision on what should be implemented and what won't actually be supported by the community.

**Senator WATERS:** Just coming to that segmentation that you've mentioned—packages 2, 3, and 4—my understanding is that the Trax report recommended a holistic reorganisation and a redesign of the airspace back in 2022. I thought those recommendations had been accepted in full, but you haven't put that bit in any of package 2 and 3. That's in package 4, which you said was coming later in 2025. That seems a bit odd, to do the comprehensive bit at the end and not at the start. Why did you not do the comprehensive reorganisation and redesign of the airspace first?

**Ms Marshall:** The work on package 4 has been progressed in parallel with the other packages. The reason that we're not implementing it first is that the nature of the work is quite complex. For everything that you undo, it undoes something else, so it has a much longer lead time to carry through to fruition. It did commence at the same time as the other work, but it will just take longer to deliver because it's a bigger piece of work.

**Senator WATERS:** Okay. In relation to how big that piece of work genuinely is, I note that in the Canberra hearings of the Senate inquiry into aircraft noise, Mr Curran, you were asked by Senator Colbeck—I've got the *Hansard* here—about package 4 and the extent of changes. You said:

We'd look to make the changes necessary to get benefits for community and to balance that with industry. I think the plain answer is: we'd make as much change as we have to to get outcomes, but as little as possible.

I understand that that statement got around Brisbane families and communities who've been suffering from flight noise for some time, and they feel somewhat underwhelmed by the aspirations to fix the problem that they're living under. Would you like to explain what you meant by doing 'as little as possible' to change the airspace usage?

**Mr Curran:** I think that the full context of the answer that I gave is clear in so far as we are very much aware, and get the feedback from communities, that the amount of consultation and engagement that we've been undertaking over the last number of years can be fatiguing. So it's important that we identify all the changes that we can and should make, and that's what I was referring to.

**Senator WATERS:** I think it's more the flights waking them up that's causing the fatigue, not the consultation on how to fix the flight noise. Would you like to rephrase what you've just said?

**Mr Curran:** We have had feedback from communities that are experiencing a level of consultation that they find frustrating and fatiguing at times. That's the feedback that we've had. I don't for a moment—

**Senator WATERS:** Yes, but they still want their issue fixed. They're just sick of being asked how to do it, because that's your job.

**Mr Curran:** Yes, but it is important that we consult with regard to the potential impacts of any changes that we make, and that's what the engagement has been about.

**Senator WATERS:** Are you receiving good feedback? Or are you receiving feedback that people are sick of being asked and they just want you to fix it?

**Mr Curran:** It's mixed. There has definitely been some criticism, and we've tried to learn from that. Certainly, some of the feedback we've had is that communities are experiencing serious impacts from aircraft noise. We are very mindful of that.

**Senator WATERS:** How many people have you got working on those various packages? Is there anything you can do to speed up some of those timeframes, particularly the package 4 timeframe that you mentioned?

**Ms Marshall:** We actually have a consultant that's working on package 3 and package 4—Trax International, who supported our postimplementation review and were the independent reviewers through that process. They're delivering packages 3 and 4. They are working through it as quickly as they can, but, again, due to the complexity—and there are a number of steps. While you look up in the sky and it's a fairly big, blue expanse up there, there are a lot of things that need to be considered in changing a flight path. There are safety assessments and environmental assessments. You've got to make sure you've got separation and so forth. Then, importantly, as Mr Curran was saying, the engagement is absolutely critical, because, while we might move a flight path to reduce the impact on one community, that impact could then shift to another, and we need to make sure that we're engaging fully and properly with all affected parties, both those that will benefit and those that may have an impact.

**Senator WATERS:** Yes, and you did mention that there was some small reduction plan, but it was a focus on noise sharing. Can you quantify how much noise reduction is being planned, or are you just moving the flight paths about to spread the noise?

**Ms Marshall:** At the moment, we've released concepts for some of the most frequently overflowed locations in the city. Through a heatmap, Trax have identified where those locations that are most frequently overflowed and are subject to the greatest number of operations are. They've then developed concepts on how to reduce the concentration over those communities by sharing it with others.

Again, there are no KPIs at this stage because they're at concept stage. They're in the process of reviewing the feedback from some 2,000 submissions that we got to that process. They're reviewing those at the moment, and then they'll be coming back with preferred designs. That's when we'll be able to have some more tangible measures around what we believe the preferred options can and can't achieve for the community.

**Senator WATERS:** Will those options include reduction rather than just sharing?

**Ms Marshall:** Those options are around sharing as opposed to removing aircraft operations.

**Senator WATERS:** Will there ever be a consideration for net noise reduction?

**Mr Sharp:** The short-term benefit is the SODPROPS. That is a reduction. We've also been working with the airport and some of the larger carriers that generate noise at night. The community feedback I heard was some of those larger aircraft coming over the city at night are troublesome for some of the residents, so there has been a move by some of those airlines in the last month to actually go over the ocean more with a higher tailwind. Those pilots are selecting to do that, because they're able to with their safety measures, and that's been a demonstrable shift. About two-thirds of those flights are now going over the bay.

So there are some short-term benefits that will reduce noise; however, clearly, there has been an EIS signed off, there are runways being built and there's been capacity approved for that airport. What we're doing is managing the actual flow of that traffic. That flow of traffic was approved many, many years ago—2007, I think, was the date of the EIS. That noise is now coming through. The city has built up. To reduce that flying is actually a reduction in capacity to the airport, which is a decision we can't make. What we can do is move flight paths to mitigate it or spread it as much as we can, but the SODPROPS and the larger aircraft flying over the bay are a reduction.

The other reduction that would occur is the tailwind. At the moment, the EIS is based on a 10-knot tailwind assumption. That wasn't approved, so we're working with the industry, as well as with Brisbane Airport, to look at a seven-knot tailwind. It actually will allow a lot more operations to go over the bay; that will reduce noise. That's in play at the moment, and we'll be looking at some trials and presenting a pack to CASA to get a safety sign-off.

**Senator WATERS:** When will that go to CASA?

**Ms Marshall:** It's being worked on at the moment. I think we were targeting either late this year or early next year, subject to the safety work being completed. Brisbane Airport Corporation have got some consultants involved in supporting that as well, to get an external consultant to pull that together. But we probably need to take the specific timing on notice, if you want an exact timing.

**Senator WATERS:** That would be good; I appreciate that.

Sticking with airspace, in 2022 it was reported that Airservices asked Defence to free up some airspace for noise abatement. The military airspace above Amberley, as I understand it, restricts the ability of flight path planning. Have you had any further discussions with the RAAF base in Amberley in relation to airspace for commercial flights?

**Ms Marshall:** We've been engaging with Defence on an ongoing basis throughout the Noise Action Plan for Brisbane. We have had several meetings with them about it, and they're certainly amenable to those discussions, but we haven't yet been able to reach any resolution on that.

**Senator WATERS:** Why is that?

**Ms Marshall:** Amberley requires the airspace for their operations as well. For them to relinquish any of that airspace, it would have a flow-on effect to the training and other activities that they do within their airspace. It's something that's just taking a little bit of time to work through with them.

**Senator WATERS:** Have they said no, or have they said, 'We'll try to find a way'?

**Ms Marshall:** They've said that they're happy to continue discussions with us.

**Senator WATERS:** To the end of finding a solution, or just dragging out saying no?

**Ms Marshall:** I believe they're looking to find a solution, but we don't know what that is at this time.

**Senator WATERS:** Do you have a timeframe for when you hope those conversations to conclude and hopefully be resolved positively?

**Ms Marshall:** No firm timeframe at this stage.

**Mr Sharp:** Can I add to that. We've got a large program called OneSKY, which is a joint military-civil system. The reason that's really critical is to address issues like this, because the capability of the Defence Force means they're travelling further and they need more airspace to carve out, to actually do their operations. That then puts more pressure back onto the commercial airspace. Ultimately, that tool will enable more flexibility in managing that airspace. However, that's a good two years away—before that's operational. In the meantime, we're relying on conversations with the local Defence Force in Amberley.

**Senator WATERS:** Thank you. Just a little more specificity about the specific work that's been done about that airspace planning: have you proposed an amount of reduction to Defence in any of those conversations?

**Ms Marshall:** The main thing we've been speaking with the Department of Defence about at Amberley is they've got the easternmost boundary of their airspace, and we have to maintain a three-nautical-mile clearance from it. If we can get that boundary to move further west, it means we can shift some of the flight paths that are

affecting suburbs to the north-west of the airport—so we've been discussing that. Also, there's a flight path that routes through Amberley airspace that we use when we're in that SODPROPS mode. We've been working with the Department of Defence around how we can use that during daytime hours when Amberley airspace is active.

**Senator WATERS:** What are the barriers, if any, to them allowing a bit of flexibility on that three-nautical-mile boundary on the east?

**Ms Marshall:** I think that would be a question that would need to be put to the Department of Defence. I'm not aware of what their—

**Senator WATERS:** They're not telling you?

**Ms Marshall:** No.

**Senator WATERS:** If Amberley were to release airspace for commercial flights—either of those two examples that you've just taken me through, or any another possible change or release of airspace—what would be the expected impact on noise reduction for the local community?

**Ms Marshall:** If we were able to secure daytime access to the flight path that runs through Amberley—that we use when we're in that SODPROPS mode—it would make it easier for us to transition into that mode when other conditions allow in daytime hours, when we've got appropriate traffic levels and weather conditions. It would just make the airspace less complicated. The other thing it would do is, if we could get that easternmost section of their airspace, we could shift some of the flight paths that are quite concentrated over those communities to the north-west of the airport and put those flight paths more over green space, noting we would still need to engage with people in those locations as well. But it would give us more space to work with in terms of the final design of those flight paths.

**Senator WATERS:** Are you able to quantify your hopes for noise reduction from doing either of those things?

**Ms Marshall:** Not at this stage, because we don't yet know what it is we'll be able to get access to.

**Senator WATERS:** This is the last question from me. What data has been, or will be, provided to the department of infrastructure as part of the department's ongoing performance reporting and monitoring of air services? As a follow-on, how will the department assess the impact of the noise action plan?

**Mr Curran:** I'm not sure the department is here.

**Senator WATERS:** They're not even here?

**Mr Sharp:** That would be a matter for the department.

**Senator WATERS:** Could somebody take that on notice on behalf of the department, please?

**Mr Sharp:** We'll take that on notice.

**Senator WATERS:** Thank you. Perhaps, Minister, that might be your job.

**CHAIR:** Senator McKenzie.

**Senator McKENZIE:** Hi, Airservices Australia. On the Trax consultancy, how much is that consultation contract for?

**Mr Curran:** I'm advised that the contract for the Trax consultancy is \$3.2 million. That covers package 3 and package 4.

**Senator McKENZIE:** And the \$3.2 million is only for packages 3 and 4, or is it for packages 1, 2, 3 and 4?

**Mr Curran:** They're not doing packages 1 and 2; they're doing packages 3 and 4.

**Senator McKENZIE:** And that's \$3.2 million. I've got a whole series of questions on some information out of your annual report, but, just before we start, I want to understand how many members of your executive team, Mr Sharp, have Qantas Chairman's Lounge memberships. I've got a little org chart here.

**Mr Sharp:** None.

**Senator McKENZIE:** How many of your board members?

**Mr Sharp:** I don't know. We'd have to ask the question of the board, but I presume they would have the membership. I can take that on notice.

**Senator McKENZIE:** How does Airservices Australia manage the potential conflict of interest of board members holding Qantas Chairman's Lounge memberships?

**Mr Sharp:** I would grapple with what the conflict would be. The contract that we have with our customers, being the airlines, is basically signed off by the ACCC. There's a negotiation process. It's fully transparent. The

airlines put submissions in, and then the ACCC provides a balanced outcome. That could be no objection, or it could be an objection and then there's further consultation. But it is signed off and negotiated through a very transparent process, signed off by the ACCC.

**Senator McKENZIE:** So, from your perspective, you don't know if any of your board members have Qantas Chairman's Lounge memberships.

**Mr Sharp:** I don't know. I would have to ask the question of the board.

**Senator McKENZIE:** But you assume that they do. Mr Curran, do you know? You've been around a while. It's not our first rodeo at this question.

**Mr Curran:** Whilst I don't know definitively, I believe that that is the case. I can recall declarations in our board packs that deal with such matters for both Virgin and Qantas.

**Senator McKENZIE:** So Virgin—is that the Beyond Lounge?

**Mr Curran:** I don't know the name of it.

**Senator McKENZIE:** But it's the fancy one?

**Mr Curran:** I believe so, yes.

**Senator McKENZIE:** If the rumours are correct. Regarding the Qantas Chairman's Lounge, of the board members, is it only your chair or a number of them?

**Mr Curran:** I don't know definitively. We'd be better to take it on notice. I'm certain that some do, but I couldn't say definitively.

**Senator McKENZIE:** Mr Sharp, I know you say there potentially wouldn't be a conflict because of the relationship between Airservices Australia and the contractual arrangement with airlines. I might ask you, on reflection, to actually reflect on that evidence once you find out how many of your board members are members of the Chairman's Lounge.

**Mr Sharp:** Yes.

**Senator McKENZIE:** With your executive team, do you know how many are ex-Virgin or ex-Qantas employees?

**Mr Sharp:** I'm an ex-Virgin and ex-Qantas employee.

**Senator McKENZIE:** Aviation in Australia is a small world.

**Mr Sharp:** It is. I don't think there's anyone else—

**Senator McKENZIE:** On your executive team?

**Mr Sharp:** No, I don't believe so.

**Mr Curran:** I have worked for the International Air Transport Association, Senator, representing airlines.

**Senator McKENZIE:** I'm not asking for personal declarations from everyone at the table. I was just checking. A lot has happened since we were last here. Has everyone got their correct titles today?

**Mr Sharp:** We do.

**Senator McKENZIE:** Excellent. Since we were last here, how many additional, fully qualified air traffic controllers have been recruited to Sydney and Brisbane towers?

**Mr Curran:** I'm going to get the numbers for Sydney and Brisbane specifically. I can give you the overall national story—

**Senator McKENZIE:** It's where the problem is and it's where I'm exploring today, so could you get the specific. I'd also like to know of any redundancies this year. Who's getting you those numbers? Someone behind you? Can I have someone who's heard Mr Curran's call?

**Mr Charker:** I don't have to hand the number of people recruited but I can walk through the actual numbers.

**Mr Curran:** What we are proposing to provide you now, if it's acceptable, is the number of operational air traffic controllers that we require in each of those towers and the number that we currently have.

**Senator McKENZIE:** So you can't tell me, and yet we do this every estimates—talk about staffing, the problems with staffing and the need to improve. The first question I've asked is, 'How have you gone since the last time we were here?' and you can't tell me.

**Mr Curran:** We have had 53 endorsements of air traffic controllers nationally in the last financial year and we are forecasting to deliver an additional 35 by the end of this calendar year. That's nationally. As it relates to

the specifics of Brisbane and Sydney towers, what we can provide now is information that says: here's how many we need and here's how many we've got.

**Senator McKENZIE:** Let's do it that way.

**Mr Charker:** Sydney tower requires 39 people in its requirement. We have a total supply of 41 people and 38 people available to work on the roster. The 38 is less people on long service leave people on extended absences.

**Senator McKENZIE:** And what about Brisbane?

**Mr Charker:** Brisbane requires 33. We have a total supply of 37, and 29 available.

**Senator McKENZIE:** Of the 53—the new ones—where are they going?

**Mr Curran:** The 53 are the ones that we've had endorsed. Operationally, that means they've joined the organisation, gone to a location and become operationally proficient to work there. They've already been deployed. The new 35 that are coming in by the end of this calendar year go to our workforce planning, and we would be sending those, on a prioritised basis, across our 29 towers and the two major centres that we have nationally.

**Senator McKENZIE:** So, for the 35—you've got 29 towers—where in your priority list are Brisbane and Sydney? Are they in the top five towers?

**Mr Curran:** Yes, Senator. They are always right in the top couple of towers.

**Senator McKENZIE:** Top two?

**Mr Curran:** They are in the top two or three. But of course it depends where the need is at the time. There is a balance, but they absolutely are priorities.

**Senator McKENZIE:** On notice, please provide me with the locations of air traffic controllers in each of your 29 locations. I would like to understand the exits and recruitments for each posting. Are you able to run me through those figures, Mr Charker?

**Mr Charker:** No, sorry, Senator.

**Senator McKENZIE:** No? There are 29, and you haven't got how many you have and how many you need?

**Mr Charker:** Yes. Yes, we can.

**Senator McKENZIE:** You can run me through that?

**Mr Charker:** Yes.

**Senator McKENZIE:** Do you have the exits—how many have left?

**Mr Charker:** No.

**Senator McKENZIE:** Can you get me that on notice?

**Mr Charker:** Yes.

**Senator McKENZIE:** Thank you. McKinsey has been engaged to advise on your restructure; is that correct?

**Mr Charker:** Correct.

**Senator McKENZIE:** How much are we paying McKinsey?

**Mr Charker:** I'd need to ask Ms Mesa.

**Ms Mesa:** In relation to the value of McKinsey, I will defer to Mr Logan.

**Mr Logan:** To date, we have a contract with McKinsey for about \$1.8 million.

**Senator McKENZIE:** And that's to help you restructure the organisation?

**Mr Logan:** Yes.

**Senator McKENZIE:** Have any staff surveys been done by McKinsey?

**Ms Mesa:** Senator, we have recently completed the organisational health index with McKinsey. That is a very comprehensive survey that covers something in the order of 43 management practices. We've recently completed that.

**Senator McKENZIE:** Okay. How many executives have you recruited this year?

**Mr Sharp:** We'd have to take that on notice. Are you talking about the leadership team? The definition of 'executive' can be quite broad. We have heads of—

**Senator McKENZIE:** If I go to your annual report on page 140, your executive is table 2. You've obviously got highly paid staff et cetera. But, as I understand it, it is your executive team. How many executives have you employed this year?

**Mr Sharp:** What page was that again, Senator?

**Senator McKENZIE:** 140.

**Mr Sharp:** 140.

**Senator McKENZIE:** Then, when I look at your org chart, in your executive structure you've got one, two, three, four, five, six, seven, eight, nine, 10, 11, 12.

**Mr Sharp:** Twelve. That sounds like the executive leadership team.

**Senator McKENZIE:** Okay. What would your executive look like, then?

**Mr Sharp:** The structure remains the same as when I came in 12 weeks ago. Any change to the executive leadership team would take place once the role is permanently appointed.

**Senator McKENZIE:** Just table, on notice, how many executives you've recruited this year, specifically around your leadership team. Are there any vacancies in the leadership team other than the CEO?

**Mr Curran:** There are a number of people acting at the moment.

**Senator McKENZIE:** If people are acting, does that mean there are vacancies? Mr Curran, run me through the acting roles. Why don't you run me through the vacancies in which people are acting.

**Mr Curran:** Yes. Mr Charker is acting in the Chief of Airspace and Network Officer role. We have another member of the team, Ms Peterson, who is acting in the Chief of Aerodromes Officer role. That's it.

**Senator McKENZIE:** So two. You've got the CEO and two others.

**Mr Curran:** They are two new roles that were created recently to add more management capability into the frontline service delivery.

**Senator McKENZIE:** So you've added two executive roles to your structure?

**Mr Curran:** It's a net increase of one.

**Senator McKENZIE:** Okay. Maybe on notice a full org chart—just so we can understand who's who in the zoo. Mr Curran, you were appointed deputy CEO in July; is that correct?

**Mr Curran:** That's correct, Senator.

**Senator McKENZIE:** By my count, there were nine executives at the end of last year, and, the year before that, there were eight. Is that correct? But, by the end of this year, there will be 12. We've gone eight, nine, 12. You're saying it's only an increase of one.

**Mr Curran:** I was making an observation about the increase. The two acting roles were previously undertaken in part by one role. We've separated that out, and that's now two roles. I wasn't making the comment with reference to the previous years.

**Senator McKENZIE:** Executive remuneration in 2022-23 was \$5 million and in the last annual report, it shows that it has ballooned out to \$6.6 million. That's a 32 per cent increase in executive salaries. What actual changes can we point to in the organisation, other than extra people, that this 32 per cent increase in executive salaries has delivered?

**Mr Curran:** While Mr Sharp is referencing the annual report, I think one of the most important pieces that we'd point to is the improvement in service performance over the last six to eight months. There's been a marked improvement in our contribution to delay—to September is the most recent report—now 0.1 per cent of all delay is attributable to Airservices. It's still not where we want it to be, but it's much improved.

**Senator McKENZIE:** But the executives aren't on the tools for the delays.

**Mr Curran:** I think we're driving a performance culture into the organisation.

**Mr Sharp:** On my document here, on page 156, the base salary average for financial year 2023 was \$4.9 million, and for financial year 2024 it was \$5,000,050. If you're looking at the base salary, it's gone up about four per cent.

**Senator McKENZIE:** My understanding is that, in 2018-19, senior executive salary was \$3.7 million.

**Mr Sharp:** Sorry—going back to 2017?

**Senator McKENZIE:** No, 2018-19, and I'm saying 2022-23. Anyway, 2022-23 was \$5 million.

**Mr Sharp:** Yes. In the last 12 months—

**Senator McKENZIE:** And your last annual report was \$6.6 million, a 32 per cent increase.

**Mr Sharp:** The last annual report—this one has the 2023 number, which is \$4.9 million.

**Senator McKENZIE:** Does Airservices Australia operate as a for-profit or a cost recovery model?

**Mr Sharp:** There is a base of assets that are utilised to provide the services to the airlines. That includes the air traffic control assets as well as the fire brigade assets. That has a capital return that's included on it that's negotiated with the airports and reviewed by the ACCC. So it is a recovery through the industry—

**Senator McKENZIE:** Is it cost recovery?

**Mr Sharp:** It is cost recovery, yes. Our customers are—

**Senator McKENZIE:** So you're not required to pay Treasury dividends?

**Mr Logan:** We are technically, yes, a for-profit entity.

**Senator McKENZIE:** Ah, not cost recovery.

**Mr Logan:** Embedded in the pricing structures that Mr Sharp is referring to is a cost recovery methodology that fits within that. We do pay dividends to the government, and there's an expectation of paying dividends that's entrenched in our act.

**Senator McKENZIE:** Thank you for clarifying that. Don't be shy in jumping in to assist the committee, because it's getting late. Your airways revenue for 2024 was more than \$1 billion. That, by my calculations, is a 17 per cent increase in revenue year-on-year, and nearly a hundred per cent increase on the 2022 results, yet you're running at a loss. Can you explain why?

**Mr Logan:** Yes. It starts with COVID, where we lost about 80 per cent of our revenue at that point in time.

**Senator McKENZIE:** I'm saying it's a 100 per cent increase—oh yes, keep going.

**Mr Logan:** We have been increasing revenues progressively over the last number of years, as the activity within the industry has been returning. Our revenue in financial year 2021, which was the most impactful year of COVID, was sitting at about \$416 million.

**Senator McKENZIE:** I appreciate that your revenue now is 100 per cent increased on the 2022 revenue. I appreciate the impact of COVID.

**Mr Logan:** Our revenues are still sitting below 2019 revenues, which is pre COVID.

**Senator McKENZIE:** So you're running at a loss?

**Mr Logan:** Yes, Senator. Our total revenues in—

**Senator McKENZIE:** And you're putting on executives. That okay. Are you putting your loss down to recouping after COVID?

**Mr Logan:** We've agreed on a recovery path with the government to return to profitability by financial year 2027-28.

**Senator McKENZIE:** Are you tracking accurately against that?

**Mr Logan:** Our latest corporate plan is showing how we track towards that.

**Senator McKENZIE:** Well, just inform me in case I haven't read it cover to cover.

**Mr Logan:** Our latest corporate plan tracks our forecasts for this year. In financial year 2024, our net loss after tax was about \$160 million. The financial year 2025 forecast is for a net loss after tax of \$55 million. For FY 2026, it's \$19 million heading towards a profit after tax of \$55 million in FY 2027 and \$97 million in FY 2028.

**Senator McKENZIE:** Great. Thank you for outlining that.

**Mr Sharp:** I have two observations, if I may. If you go back to financial year 2019 and compare it to 2024, the pricing we've been charging the industry has actually gone down by 24 per cent in real terms because there has been no effective increase in the pricing through that period. That's part of the challenge. The other challenge is that, in my personal observation, the organisation isn't efficient.

*Honourable senators interjecting—*

**Senator McKENZIE:** Hello, Mr Sharp!

**Mr Sharp:** Hello!

**Senator McKENZIE:** I'm going to call you 'Captain Understatement' from now on!

**Mr Sharp:** That's right! Thank you! There is a \$60 million challenge in the efficiency benefit that we've got to deliver in the current financial year to achieve the corporate plan, and that's what we're working on at the moment.



**Senator McKENZIE:** Does that partially account for why you increased your fees by six per cent?

**Mr Sharp:** Yes, it does. The six per cent just reflects the fact that, for not quite 10 years—for six years—we've had an effective decrease in fees. There's a whole raft of reasons for that, including COVID. But, putting COVID aside, there's not a recovery of the costs. We need to be able to go to the airlines and say we're running efficiently. When we do the next ACCC review in 18 months' time, it will demonstrate that we're running an efficient business, and then there will be a price reset off the back of that, bearing in mind we've got quite a lot of technology investments that will be delivering benefits to the industry.

**Senator McKENZIE:** Is that because you're only able to deliver 80 per cent of your planned capacity in some of these airports?

**Mr Sharp:** In terms of planned capacity, our target is about 83 per cent. Typically, it's weather driven, but we actually hit that target. The metric in the financial report for FY 2024 was 83 per cent, so that's delivering planned capacity. Service variations are the ones impacted by staff shortages at the moment. The plan is that, by early 2025—in other words, post Christmas—we will have heads in the ATC team to be able to eliminate or substantially reduce that issue.

**Senator McKENZIE:** Mr Curran, how many people report to you directly?

**Mr Curran:** I've got two large programs and our audit and group risk function, so I have three direct reports at present.

**Senator McKENZIE:** Okay. The annual report shows that your targets for planned capacity are as low as 78 per cent for Sydney Airport. How do you justify the six per cent increase in fees, given that they're only getting 80 per cent of the service, Mr Sharp?

**Mr Sharp:** I'm not sure what service statistic you're referencing.

**Senator McKENZIE:** It's the planning capacity. I'm specifically talking about Sydney Airport.

**Mr Sharp:** Is that the 83 per cent or the Sydney—

**Senator McKENZIE:** My understanding is that your annual report shows your targets for planned capacity are as low as 78 per cent for Sydney Airport.

**Mr Sharp:** Mr Curran, can you—

**Mr Curran:** Senator, if I may, I will talk to the capacity definition—

**Senator McKENZIE:** The thing I'm looking at says Sydney: 78—

**Mr Sharp:** The average is 83.

**Senator McKENZIE:** Melbourne: 79; Perth: 82; and Brisbane: 93.

**Mr Sharp:** And the average is 83. So we're talking about the same statistic, thank you, Senator.

**Senator McKENZIE:** Yes, but I'm interested specifically in how the 83 average goes to 81 per cent in Sydney, 79 in Melbourne, 83 in Perth and 89—

**Mr Sharp:** I'll ask Mr Charker to talk specifically to Sydney.

**Senator McKENZIE:** I'm trying to understand.

**Mr Charker:** If I may, the planned—

**Senator McKENZIE:** If your offering is so bespoke, given the different rates for each of these airports, why haven't you chosen to marry the price increase in fees related to the planned capacity aspect?

**Mr Charker:** The planned capacity metric is one that effectively measures predictability. When we run the ground delay program the evening before, we make an estimate based on weather conditions and other factors et cetera for what will be the arrival rate in the system, and then we would run the ground delay program based on that. And then we'll measure post what was actually achieved. What we plan the night before can vary due to different weather forecasts.

**Senator McKENZIE:** Why is the target in Sydney airport for ground delays less than 70 hours, yet in Melbourne the target is zero? How does that work?

**Mr Charker:** I think some of the target's metrics that have been established there have been based on the history of what we've actually been achieving for those airports.

**Senator McKENZIE:** But shouldn't your target be for zero ground delays?

**Mr Charker:** That's not a ground delay metric for that.

**Senator McKENZIE:** Sorry, attributable to a ground delay.

**Mr Charker:** If we had perfect forecasts of weather—I agree. These are the factors that play out for the next day where we see variations. Again, it's a measure of predictability for how accurately we're setting the ground delay program to what was actually achieved on the day.

**Senator McKENZIE:** I find it incredible that, somehow, Sydney has more weather issues than Melbourne, and I think anybody listening would see the same. I want to understand why Brisbane is so high as well. It's got no restrictions on it—like Sydney does, for instance, in terms of the curfew.

**Mr Sharp:** Basically, it's a forecast for operational reasons for the airlines for the following day. If we just put the capacity in and left it, if a storm came through there'd be a lot of flight cancellations. The purpose of this is to try to almost predict the weather for the following day so that the airlines can proactively cancel flights, reschedule customers, get the customers to where they need to be and avoid, effectively, aircraft getting stuck on the ground and lots of passengers clogging up terminals. The airlines and the airports like that forecast—it's a predictability forecast, not a capacity forecast. The closer you can get to it, the better the optimal outcome is for the whole ecosystem. That's an important one—looking at our ability to predict weather for the following day, effectively.

**Senator McKENZIE:** Is the difference in targets—for instance, zero for Melbourne and 70 hours for Sydney—because your ability to predict is better in Melbourne than it is in Sydney?

**Mr Charker:** I think we've moved into the Airservices-attributable ground delay—is that correct?

**Senator McKENZIE:** That's what I said. I said attributable ground delay.

**Mr Charker:** Sorry. I didn't understand, Senator. My apologies. Again, yes, we tend to have more Airservices-attributable ground delays. The delay that we would say is due to our services, which tends to be higher at Sydney, associated with staffing and things like that, has demonstrably reduced.

**Senator McKENZIE:** Thank you, because I thought I was going insane just then.

**Mr Charker:** There are two separate—

**Senator McKENZIE:** I know that, which is why I couldn't appreciate—alright, I will put some questions on notice about that, because I do think there are some issues around there. I think Senator McDonald's got some questions for Airservices Australia.

**CHAIR:** Sure.

**Senator McDONALD:** Good evening. I won't be long. I want to turn to northern Australia airfields. Have you got any data on the number of flights that have been unable to land because of weather?

**Mr Curran:** That's not a statistic I have to hand. To explain some of the complexity there, it would very much depend on the aerodrome—

**Senator McDONALD:** Could I be more specific to help you?

**Mr Curran:** Thank you, yes.

**Senator McDONALD:** Mount Isa is the largest inland city in northern Queensland, and I've had the joy of, on several occasions, being turned around at the airstrip and having to get in my car in Townsville and drive back to Mount Isa, along with medical specialists, conference attendees and families. Qantas tells me it's because Airservices has not installed the suitable equipment at Mount Isa that would allow them to do instrument landings for low-visibility approaches.

**Mr Curran:** I'd have to take that on notice. There are a number of different instrument landing systems. There are other mechanisms that we have in place to lower the minima that can mean a flight is more likely to get into a location or land at a location. I'd have to take on notice the exact navigation infrastructure we have at Mount Isa, and come back to you with what that is.

**Senator McDONALD:** Alright. Just to speed up time for the next estimates, could you do that specifically for Mount Isa and could you also take a look across northern Australia at airfields, particularly ones with high traffic, that are going to have a significant impact on the population—hospitals, those sorts of things—when aircraft aren't able to land there, whether it be from Brisbane, Townsville or Cairns, particularly when it's over a couple of days. It's a really significant issue, and I am surprised that in 2024 we're still doing this.

**Mr Curran:** We'll take that on notice. On the locations, we've pulled up the data on Mount Isa. There are three types of instrument navigation there, but perhaps I'll take that on notice rather than try to go into the technicalities of what those instruments and abates are. I think Qantas may have been referring to an instrument landing system, and the change between what's there now and an instrument landing system is quite significant in terms of cost and investment. We'd need to understand exactly what Qantas' perspective on that was.

**Senator McDONALD:** That would be good. Then I'd like to understand what that request is. If you can do an instrument landing in Brisbane, Cairns and Singapore, since Mount Isa produces billions of dollars of ore every year and is a significant northern Australia community I'd like to know why it's a lesser destination than Alice Springs or some of the others.

**Mr Sharp:** As part of the negotiation for the pricing with the airlines, there's a list of projects and there's a prioritisation exercise that occurs. We can look to talk specifically to those in that next prioritisation list, because they would be needing to be funded with quite substantial dollars. Often there are trade-offs in those conversations. If Qantas has raised it, we'll talk to them to clarify specifically what their priority is.

**Senator McDONALD:** To be fair, I've probably raised it but they tell me that they've specifically ordered the new planes that they're ordering with the necessary equipment from their end.

**Mr Sharp:** That could be another capability that they're referring to then. Thank you; we'll inquire with Qantas.

**Senator McDONALD:** Thank you. I appreciate it.

**CHAIR:** Sayonara, Airservices. Senator Hodgins-May had requested the National Transport Commission. As she's not here, the NTC can knock off.

#### **WSA Co Limited (Western Sydney Airport)**

[20:59]

**CHAIR:** I welcome Western Sydney Airport. Did you want to make a very brief opening statement?

**Mr Hickey:** No, thank you. I'm happy to go to questions.

**CHAIR:** Brilliant, thank you. Senator McKenzie.

**Senator McKENZIE:** It's great to see you, Mr Hickey. Thanks for showing Senator Brown and me around.

**Mr Hickey:** You're very welcome, Senator.

**Senator McKENZIE:** It was fantastic.

**CHAIR:** I wish I could have been there.

**Senator McKENZIE:** You were all invited, but you didn't rock up.

**Senator CAROL BROWN:** It was good, thank you.

**Senator McKENZIE:** Could you tell the committee about the economic contribution that Western Sydney Airport will be providing Western Sydney more broadly?

**Mr Hickey:** Western Sydney is a growing area in Sydney at 2½ million people there today. It's forecast to be over three million people in the early 2030s. Already today, we have contributed significantly to the economy of Western Sydney. We've invested \$500 million with Western Sydney businesses. Over 50 per cent of our workforce are from Western Sydney. Our workforce in September was just under 4,000 people. When we commence operations, we expect the percentage of Western Sydney people to increase as we go forward. We are increasing the air freight component supply chains for all of Australia in Western Sydney, being a 24/7 airport. That will significantly contribute to the supply chains and the ability to grow new industries. We're also developing, obviously, the visitor economy. The New South Wales government has just come out with its visitor economy strategy, and it says that we need another 150,000 people to be working in the visitor economy across New South Wales. Obviously, that growth will significantly be coming from Western Sydney Airport. So we're forecast in the future to provide around \$24.6 billion in terms of GDP contribution—I will get you a date on when that will be, Senator—so significant contributions.

I will wrap up by saying that, in addition to that, Bradfield, which is the new city of Sydney, is being built one metro stop from Western Sydney Airport, which will provide new jobs in new industries—advanced manufacturing, research facility, defence industries, space research and agribusiness—which also means that all those industries are there because Western Sydney Airport is being built right next door.

**Senator McKENZIE:** Excellent. Which airlines do Western Sydney Airport have agreements with?

**Mr Hickey:** We have announced an agreement for domestic travel—that was our first agreement—which was with Qantas and Jetstar.

**Senator McKENZIE:** Who was the minister who announced that?

**Mr Hickey:** I'm sorry, I have to take that on notice. I think it was our current minister.

**Senator McKENZIE:** Your current minister?

**Mr Hickey:** Yes, but it was a couple of years ago that we announced that.

**Senator McKENZIE:** It wasn't three years ago?

**Mr Hickey:** Was it? I don't think—

**Senator McKENZIE:** No, it's a question.

**Mr Hickey:** No. I think it was a couple of years ago, so I think it was our current minister.

**Senator McKENZIE:** So it was the current minister?

**Mr Hickey:** Yes.

**Senator McKENZIE:** It wasn't a trick question; it was a genuine question.

**Mr Hickey:** The current minister, I think.

**Senator McKENZIE:** So Qantas, Jetstar—

**Mr Hickey:** Actually, it looks like it was the Prime Minister who announced that. My apologies.

**Senator McKENZIE:** Oh, wow. This is getting better! So the PM announced Qantas as the landmark—

**Mr Hickey:** For domestic operations—

**Senator McKENZIE:** for domestic operations at Western Sydney Airport.

**Mr Hickey:** And then we announced Singapore Airlines, which is our first international airline, more recently. Again, Minister King and the Prime Minister announced that agreement.

**Senator McKENZIE:** Do we have a signed commercial agreement to deliver those flights?

**Mr Hickey:** Yes.

**Senator McKENZIE:** When was that signed?

**Mr Hickey:** Before that announcement.

**Senator McKENZIE:** Good. Just checking! It's important to check your details for accuracy. For Qantas domestic, if you could, on notice, give me the date both of the signing of the agreement and of the announcement? I'm also just wondering if Virgin is also going to be part of Western Sydney Airport. Or is that still in negotiation?

**Mr Hickey:** It's still in negotiation. We're now working through our operations. Obviously, we're still two years out from opening; we will open at the end of 2026. Normally what you do with an airport is you announce airlines 12 months out, which is when they go into their selling systems, and they sell those flights at that point in time. But, being a greenfield, we'll actually work with the airlines to develop the operations around the airport, and they will work through their processes and procedures for a new airport. We have announced them earlier than we would normally do, and so they're not in their selling systems. Their selling systems don't open until 12 months out. But, as a result of those announcements, we've got significant interest from around the world. Instead of us needing to say, 'Here we are; we're Western Sydney Airport, a new airport,' airlines around the world are now very well aware of Western Sydney Airport, and we're aggressively looking to increase the capacity that we're bringing to Western Sydney Airport.

**Senator McKENZIE:** Excellent. Do you see any challenges to that?

**Mr Hickey:** I think there are industry challenges. Global supply of aircraft is one of those issues. But, as airlines are looking to expand capacity into Australia, we will be a very good option, particularly as we come and prove ourselves and traffic moves through Western Sydney Airport. I think we'll be a very great success.

**Senator McKENZIE:** Thank you very much. I really appreciate it.

**Mr Hickey:** Thank you, Senator.

**Senator McKENZIE:** On time, on budget—a great Coalition legacy project.

**CHAIR:** Thank you very much. See you later. Let's get CASA.

#### **Civil Aviation Safety Authority**

[21:06]

**CHAIR:** Welcome, Ms Spence and officers of CASA. Do you wish to make a very brief opening statement?

**Ms Spence:** No, thanks.

**CHAIR:** Fantastic. Senator McKenzie.

**Senator McKENZIE:** Ms Spence, it's lovely to see you and Mr Campbell. How many in your executive team?

**Ms Spence:** Seven.

**Senator McKENZIE:** Including you?

**Ms Spence:** Including me.

**Senator McKENZIE:** How many of your executive team have chairman's lounge memberships?

**Ms Spence:** I think it's on our website. It's me and two others, who have got it through their previous work or their partner.

**Senator McKENZIE:** Sorry?

**Ms Spence:** They don't have it because of their role in CASA. They've had it from before they arrived in CASA.

**Senator McKENZIE:** But chairman's lounge membership is not a lifetime membership.

**Ms Spence:** Yes, that's right. I'm simply saying that they weren't given it because they are CASA employees. One of them has it because of their spouse, and the other one has it because of a previous job.

**Senator McKENZIE:** I've heard the grief in older gentlemen's voices upon receipt of the letter saying, 'You are no longer a member of the chairman's lounge.' It's very real. So I can't imagine that you would be holding—you're making it very clear at the moment that they're not part of your job at CASA.

**Ms Spence:** That's right.

**Senator McKENZIE:** So how long do you get to hold them once you're in CASA, if you're bringing in your chairman's membership? Take yourself, for instance. Your chairman's lounge membership, you're saying, isn't a result of being in CASA?

**Ms Spence:** No, sorry.

**Senator McKENZIE:** I'm trying to understand what you said.

**Ms Spence:** Setting myself aside—I'm simply saying that we've got three members of the executive, including myself, who've got chairman's lounge membership and, while I fully accept that mine is because of my position, the other two executives have got it either from a partner having a membership or because of their previous position. And I don't know when they've been renewed. I do know they've been declared.

**Senator McKENZIE:** How do you manage the conflict of interest, with you and two other members of your executive team being members of the chairman's lounge?

**Ms Spence:** It's very transparent. We've got it on our gifts and benefits register, and it's all declared in accordance with our gifts and hospitality policy.

**Senator McKENZIE:** So when you're discussing matters to do with Qantas, there are no additional requirements?

**Ms Spence:** No.

**Senator McKENZIE:** In decision-making?

**Ms Spence:** If I were making a decision about Qantas, I would ensure people knew about my chairman's lounge membership, but, as I said, it's fully transparent.

**Senator McKENZIE:** And the board?

**Ms Spence:** Two members of our board have got chairman's lounge memberships.

**Senator McKENZIE:** Who are they?

**Ms Spence:** It would be our chair and one other member.

**Senator McKENZIE:** How is that managed within your governance structures?

**Ms Spence:** Again, it's transparently announced. It's declared at the start of every board meeting. It's also probably important to remember the role of our board, which doesn't take regulatory decisions.

**Senator McKENZIE:** No, but it does, I assume, oversee regulators.

**Ms Spence:** It oversees the organisation from a strategic direction, yes.

**Senator McKENZIE:** What is your regulatory role in the aviation sector, CASA? Is it safety?

**Ms Spence:** Yes.

**Senator McKENZIE:** That's it? And Qantas is something you regulate?

**Ms Spence:** Yes.

**Senator McKENZIE:** Is Senator Roberts here?

**CHAIR:** No, he's not. Let's go to an early break.

**Senator Chisholm:** Do these witnesses need to stay?

**CHAIR:** Yes, unfortunately; Senator Roberts wants you.

**Proceedings suspended from 21:11 to 21:23**

**CHAIR:** Welcome back. Senator Roberts.

**Senator ROBERTS:** Thank you for appearing again. CASS has again refused to provide, in SQ24-001131, the number of times myocarditis and other conditions are mentioned in your medical records system. What are you hiding?

**Ms Spence:** Nothing. As we've explained before, the medical records don't allow themselves to be interrogated in the way that you've asked. But, as we have indicated previously, we have no evidence or examples of any pilot who has been impacted by a COVID vaccination in a way that has meant they weren't airworthy.

**Senator ROBERTS:** You don't take the word of British courts and our own health authorities here?

**Ms Spence:** I'm simply explaining to you what's in our system. We have no-one who's reported having become unairworthy as a result of a COVID vaccination. Nothing has changed from when we provided evidence to you on this basis in numerous estimates hearings.

**Senator ROBERTS:** Okay. We'll come back to that. This is a simple matter. You simply search your database for the word myocarditis, and you give this committee the number of matches that are returned. Why do you refuse to do that?

**Ms Spence:** Because, Senator, as I think—again—we've explained previously, if we were to do that, it wouldn't necessarily align with any examples of myocarditis. I can't explain it anymore than I have previously, and that Andreas Marcelja has and Kate Manderson has. We've got nothing more to add, I'm sorry, Senator.

**Senator ROBERTS:** Then you say it is an unreasonable diversion of resources. That's freedom-of-information talk, and I don't know if you realise this, but that excuse doesn't fly in the Senate. You're in parliament. How many hours did it take you to answer SQ23-003267, dated 13 February 2023?

**Ms Spence:** I'd have to take that on notice, Senator.

**Senator ROBERTS:** Okay. How many resources did it take you to answer that question?

**Ms Spence:** I'll take that on notice, Senator.

**Senator ROBERTS:** Thank you. CASA seems to change between two different excuses on this issue—the same issue. Most recently you've said it's too hard and voluminous. Before, you just said it wouldn't be useful without context. It seems like you can do the search; you just don't want to. My question is: can you do this search for those words in your medical records system?

**Ms Spence:** Senator, the—

**Senator ROBERTS:** Yes or no?

**Ms Spence:** Yes.

**Senator ROBERTS:** Thank you. I can't imagine that answer is no, because you've already done it. Thank you for confirming it. What specifically has changed since you answered SQ23-003267 in February 2023 that means it's impossible for you to answer the same question in the same way in SQ24-001131?

**Ms Spence:** My recollection, Senator, was—the issue that we've got is that we could do a search and the word could come up. We've got no way, without significant resources, to actually determine how often that word is actually linked to someone who has experienced that condition. We'd have to review every time that the word came up to determine whether it's actually linked to a specific example, sorry.

**Senator ROBERTS:** I'm concerned. You mean that you're telling me that CASA won't get off its backside and examine something unless the answer's easy?

**Ms Spence:** No, Senator, that's not what I said.

**Senator ROBERTS:** There's a bit of work involved here. You're responsible. You're the sole person responsible for the safety of our commercial aviation system.

**Ms Spence:** And we put our resources where it makes the most difference.

**Senator ROBERTS:** I want the question answered. What specifically has changed—then we can come back to this hearing and talk about the context. Right now, I'm asking why the Senate shouldn't refer you for contempt, for blatantly refusing to do something you can do—seemingly out of convenience or to try to hide the answer.

**Ms Spence:** Senator, I've got nothing further to add. I'm not trying to hide anything. I'm simply saying that to get the answer that you're after would require us to go through what could be a voluminous number of examples of the word, with no way of being able to determine which one is actually related to a specific example of that, and that's what we've said consistently throughout our appearances.

**Senator ROBERTS:** Can you just provide the answer to the question? The number of times—

**Ms Spence:** I'll take that on notice, Senator.

**Senator ROBERTS:** Thank you. AstraZeneca has been withdrawn. AstraZeneca was found to be dangerous and not effective in the British court system. You refuse to give me, after many attempts, the name of any agency or person—expert—as to who you've based your assessment that vaccines were safe.

**Ms Spence:** Senator—

**Senator ROBERTS:** AstraZeneca has been withdrawn. What is CASA doing to test—

**CHAIR:** Senator Roberts, I'm going to let Ms Spence answer that, in all fairness. I'm going to—

**Senator ROBERTS:** I didn't get to my question yet.

**CHAIR:** I think you said 'you refused' or something like that. You were going along 'who was the expert that said'. And I remember sitting in this building when our Prime Minister was carried out on a sultan's chair with every Premier because of AstraZeneca and all that sort of stuff. But I think you should at least allow Ms Spence just to answer that claim—

**Senator ROBERTS:** Fine, but I haven't asked my question yet.

**CHAIR:** No, but you made a claim—an assertion. I do want to give her the chance, Senator Roberts. Thank you.

**Ms Spence:** Unfortunately, Senator, you could go through *Hansard* and find it as well. We have relied on the health experts—

**Senator ROBERTS:** Go through what?

**Ms Spence:** Sorry, Senator; if you want to follow up on issues around AstraZeneca, they should be referred to the health department, not the Civil Aviation Safety Authority.

**Senator ROBERTS:** I want to know what you're doing to make sure that pilots who took AstraZeneca are not at risk.

**Ms Spence:** We have not seen any example of a pilot being incapacitated as a result of a COVID vaccination.

**Senator ROBERTS:** Again it seems to me that CASA is waiting for the evidence to jump into its face.

**Ms Spence:** I have nothing else to add, I'm sorry, Senator.

**Senator ROBERTS:** Have you checked?

**Ms Spence:** Before we came to Senate estimates, yes, I asked whether there had been any examples of a pilot coming up in our system as having been incapacitated as a result of a COVID vaccination, and the answer has not changed from the last time we appeared before this committee.

**Senator ROBERTS:** Specifically, AstraZeneca?

**Ms Spence:** No, Senator, all COVID vaccinations.

**Senator ROBERTS:** Would it be worth checking, because we now know that AstraZeneca is dangerous?

**Ms Spence:** Senator, it wouldn't matter what vaccination they had. The question is: has any pilot been incapacitated as a result of a COVID vaccination? That would include AstraZeneca, as well as the other types of vaccinations.

**Senator ROBERTS:** I get that, but do we need to remind you that some pilots are afraid to report their injuries?

**Ms Spence:** Senator, if you've got pilots who you know are incapacitated, or if pilots are approaching you who said they are incapacitated, as a result of a COVID vaccination, I can only encourage you to get them to report that. They can do it anonymously through the ATSB response, but I cannot act on what I have no knowledge of.

**Senator ROBERTS:** Okay. Let's do some safety related questions. Thank you for the copies of the permits with regard to helicopter flying and dispersion of chemicals. How low may a helicopter fly to distribute insecticide over a property?

**Ms Spence:** I might refer that to my colleague.

**Mr Campbell:** It can vary, but generally, for dispensing operations, it can be as low as 300 feet, or lower if it's crop spraying.

**Senator ROBERTS:** What about in a hilly valley?

**Mr Campbell:** The pilots would have to take that into account. When they do dropping operations, they always do a risk assessment, and that will all come into it.

**Senator ROBERTS:** What about around houses, especially houses that have water tanks for catching drinking water off the roof?

**Mr Campbell:** Anything near a populous area will require not only the risk assessment but consultation with that property to go through those kinds of matters.

**Senator ROBERTS:** So you don't have environmental responsibility?

**Mr Campbell:** No, we don't.

**Senator ROBERTS:** I understand that. How close can they fly to a house? Could they fly close enough to disperse toxins on a house?

**Mr Campbell:** The drop site will be planned out previously, and it won't involve a house. It's up to the pilot and the operator to ensure that anything that's dropped remains within the planned drop site.

**Ms Spence:** Senator, it's a bit like the other question. As we briefed your adviser, if someone has evidence of a helicopter dropping bait in a way that's not consistent with the way that Mr Campbell has described, again, they should report it to the Civil Aviation Safety Authority or through the ATSB's REPCON process.

**Senator ROBERTS:** Must a helicopter avoid flying low over houses and dumping payload onto residential buildings? It sounds like they must.

**Ms Spence:** That's exactly right; they must. And if they don't, then it should be reported to us. We do not have any examples of it having been reported to us. So, again, as we briefed your office, we would appreciate examples of that happening. And it can't just be an anecdotal one; we would need to have as much information as possible—preferably photos that would allow us to see what has actually happened.

**Senator ROBERTS:** Must a helicopter avoid dumping payloads of what it's dispersing, to use your words, Mr Campbell, in creeks and waterways? Or is that beyond your authority?

**Mr Campbell:** That is beyond our remit. We deal with safety—as long as they are not dropping anything that's going to injure humans or animals or damage property.

**Senator ROBERTS:** So, if a helicopter pilot dispenses something that hurts humans or animals—

**Mr Campbell:** Injures or damages.

**Senator ROBERTS:** Injures or damages. What's 'injures', literally? Is it ingestion of chemicals that cause someone to be sick or an animal to die?

**Mr Campbell:** No, I don't think it extends to illnesses that are created from whatever the dispensing agent is. It is about when it hits the ground or near a person.

**Ms Spence:** Physically.

**Senator ROBERTS:** If it becomes a projectile.

**Ms Spence:** It's an issue where, again, as we've discussed, there are multiple regulators in this space. Issues about the impact of the chemicals that are used to bait the fire ants are not something that we have any role in approving or anything like that, so I expect that concerns about the impact on the environment as a result of how those baits are used are probably better taken up with someone in the environment portfolio.

**Senator ROBERTS:** We are, and we'll be taking it up here again with a third committee. What can be done to stop a helicopter pilot from doing any of the things like dropping payloads on crops, animals, creeks, waterways or houses?

**Ms Spence:** If it's reported to us, we can then investigate. The more information we have, the more likely we can actually take enforcement actions against an operator who does something illegally.



**Senator ROBERTS:** Your permits, as I understand it, don't come with conditions. Do you leave it up to the pilot?

**Mr Campbell:** The operator, yes.

**Senator ROBERTS:** So it'd be pretty hard to say that the pilot has done something wrong.

**Ms Spence:** No. If they're flying below the height that's approved—again, as we passed on to your office, a lot of those details are set out in the actual manual of standards and the regulations. So, if they're operating in a way that's not consistent with the manual of standards or the regulations, that can get reported to us and we can then take enforcement action.

**Senator ROBERTS:** What would you say into the camera now, to constituents in Queensland who are infested with these helicopters disturbing them?

**Ms Spence:** I would say that they should be reporting. If they are concerned that a helicopter is operating outside the parameters that Mr Campbell outlined to you, they should be reporting that.

**Senator ROBERTS:** Where would they find those parameters?

**Ms Spence:** There's the material that we did send through to your office, but it is around the 300 feet and the area in which they can operate.

**Mr Campbell:** Yes. If there are residents out there who feel that helicopters are dropping—

**Ms Spence:** Flying too low—

**Mr Campbell:** flying too low around their home, they can take video footage or take photos, as Ms Spence said, and report them, and we'll do our best to assess whether they've operated outside of their approval.

**Senator ROBERTS:** How do you regulate these behaviours? How do you regulate their behaviours?

**Ms Spence:** The same ways—we provide the approval that they can operate in accordance with the requirements that we set, and then, if someone has evidence to say that someone is operating outside of those parameters, we investigate and we can either take enforcement action or refer it to the DPP.

**Senator ROBERTS:** Last question, Chair. What's the process for making complaints about breaches of safety protocols or regulations?

**Ms Spence:** On our website, there is actually a mechanism to report a safety concern, and I think the ATSB has also got a similar ability to report on their website.

**Senator ROBERTS:** Thank you, and, after months or years of trying to extract things from CASA, it is a pleasure to have you in my office giving us information freely.

**Ms Spence:** Always happy to help, Senator.

**CHAIR:** Senator McKenzie.

**Senator McKENZIE:** I just have a couple of follow-ups. Ms Spence, you've declared your chairman's lounge membership. Are you a member also of Beyond?

**Ms Spence:** Yes, I am.

**Senator McKENZIE:** The other two members of your executive team?

**Ms Spence:** They're not members of Beyond.

**Senator McKENZIE:** They're not members of Beyond but are of the chairman's lounge?

**Ms Spence:** Yes.

**Senator McKENZIE:** Who are they?

**Ms Spence:** Our CFO and our head of corporate.

**Senator McKENZIE:** Your evidence was that both of those are partners.

**Ms Spence:** No. I said one of them was because of the partner.

**Senator McKENZIE:** Which one is the partner?

**Ms Spence:** Our CFO.

**Senator McKENZIE:** The CFO, as a partner—yes?

**Ms Spence:** Yes.

**Senator McKENZIE:** And the head of corporate—

**Ms Spence:** From a previous position.

**Senator McKENZIE:** How do you know it's from a previous position?

**Ms Spence:** I think there was a policy that Qantas had that officers of a certain level at Defence were invited into chairman's lounge. I don't know the details of it—

**Senator McKENZIE:** How long has he or she been with your organisation?

**Ms Spence:** She has been with us for just over five years.

**Senator McKENZIE:** Five years. The chairman's lounge membership is usually a lot less than five years.

**Ms Spence:** Senator, I can't—

**Senator McKENZIE:** So can you please clarify with her if there has been another membership given in her current role, rather than a hangover membership of when she was in Defence—

**Ms Spence:** I'll take it on notice.

**Senator McKENZIE:** five years ago. That's very important. Now, my understanding is that your disclosure regime is yearly.

**Ms Spence:** Yes.

**Senator McKENZIE:** Are you confident that all three of you, each year, have declared this?

**Ms Spence:** I certainly know that I have. I haven't got in my briefing pack what the others have done.

**Senator McKENZIE:** Can you take it on notice?

**Ms Spence:** Of course I will.

**Senator McKENZIE:** And, similarly, your board, chair, and the other member?

**Ms Spence:** Yes.

**Senator McKENZIE:** Are you saying that you know, or you don't know?

**Ms Spence:** Sorry—

**Senator McKENZIE:** You know they've got chairman's memberships?

**Ms Spence:** Yes.

**Senator McKENZIE:** Do you know if they've been declaring? You did give evidence that they—

**Ms Spence:** At the start of every board meeting, as you'd expect, we have a declaration of any changes—

**Senator McKENZIE:** But a public declaration?

**Ms Spence:** Senator, I'm sorry, I'll have to check that as well—what's on our gifts and benefits register.

**Senator McKENZIE:** Why don't you know? You knew you'd be asked this question.

**Ms Spence:** And I was expecting it to be about me, and I have obviously—

**Senator McKENZIE:** The reach of Qantas goes very deep into the regulatory system and the governance of this country. It's not just you, Ms Spence, because you have always been very upfront and open about it—but it is also understanding right throughout the organisation, including your board.

**Ms Spence:** Yes, Senator.

**Senator McKENZIE:** You've told me you've got processes in place to manage it. It doesn't sound to me like you are across it.

**Ms Spence:** Senator, what I'm—

**Senator McKENZIE:** Declaring it at the start of every board meeting—but is it publicly declared by both of these board members?

**Ms Spence:** We've certainly got it on our website, for our gifts and hospitality register. It refers to the fact that I've got membership, and it refers to the fact that there are two executive members who've got membership and two board members have got membership. That is clearly on our register.

**Senator McKENZIE:** I apologise if this isn't right, but I'm looking at a printed copy of the gifts and benefits register, and 2024—

**Ms Spence:** It's right at the top.

**Senator McKENZIE:** But you don't name them. Okay.

**Ms Spence:** But it's definitely there.

**Senator McKENZIE:** And the board members?

**Ms Spence:** Yes.

**Senator McKENZIE:** And that's updated every year? Alright. Excellent. Sorry, I missed that. Thank you. I have no further questions.

**CHAIR:** Hallelujah. Okay. ARTC and Inland Rail.

#### **Australian Rail Track Corporation**

[21:42]

**CHAIR:** Welcome, gentlemen. Does anyone wish to make a very brief opening statement before we go to questions?

**Mr W Johnson:** Thanks, Senator. I welcome the opportunity to be here with my colleague Nick Miller, who's CEO of Inland Rail. I do note that, at the previous estimates, I appreciated the focus around the network investment program and our work around the reliability and resilience of the network, and we're happy to answer questions you might have for us this evening.

**CHAIR:** Thank you, Mr Johnson. Questions, Senator Roberts?

**Senator ROBERTS:** Thank you for appearing tonight. Where is the Inland Rail missing link at—Narromine to Narrabri? Where is that?

**Mr Miller:** I can update you on that. The Narromine to Narrabri section has completed all its planning approvals, so the primary planning approvals both at a state level and at a federal level have been granted. We are in a process of voluntary land acquisition. To date, on the section, we've completed around 23 per cent of the land acquisition through the alignment. We're in the process of leading to some preliminary design contracts to inform us around scope, schedule and engineering design. And we've commenced the Pilliga revocation process through the Pilliga forest, with the New South Wales government. So it's tracking well.

**Senator ROBERTS:** Have any of the Queensland sections of Inland Rail started construction?

**Mr Miller:** They haven't started construction, Senator. We're still in the planning processes in Queensland. Importantly, for the very significant section from the New South Wales-Queensland border to Gowrie, the final i's have been dotted and t's are being crossed in relation to the EIS submission. We expect to lodge that with the office of the Coordinator-General during November, and it will be up to the Coordinator-General as to the public exhibition, which we would hope would be underway this side of Christmas.

**Senator ROBERTS:** Has the ARTC been contacted by the PortConnex consortium, who are wanting to build their 60-kilometre tunnel under Brisbane?

**Mr Miller:** I have met with Martin Albrecht and his team. Importantly, we've got a very clear scope within Inland Rail, so it was really to inform that connection group as to where Inland Rail was at for their planning processes, and they informed us as to their program of a 60-kilometre tunnel with the electric train model. But, essentially, our scope of work does not include that, and we continue with the primary planning approvals from Gowrie to Kagaru.

**Senator ROBERTS:** Have you seen a business case, an environmental study and engineering details? We feel the cost for Inland Rail is undercooked and the economic benefits overstated.

**Mr Miller:** Could I clarify—are you referring to the alternate route 60-kilometre tunnel for \$7 billion?

**Senator ROBERTS:** Yes.

**Mr Miller:** I've not seen their business case, no.

**Senator ROBERTS:** What about the whole Inland Rail? Has the business case been developed?

**Mr Miller:** The business case was developed some years ago, prior to my time.

**Senator ROBERTS:** Have you checked it?

**Mr Miller:** As the department outlined today, one of the recommendations under the Kerry Schott review was to have a verification process. The department has just recently appointed an entity to assist with that verification process, and they're commencing works this month to verify both the cost and schedule that Inland Rail has developed internally.

**Senator ROBERTS:** Does the Inland Rail alignment still go across the Condamine flood plain? Have those engineering issues been resolved?

**Mr Miller:** We believe so. There has been extensive work around erosion velocities associated with those black soils. We're about to commence embankment trials in that area to understand the shrink-swell characteristics and the erosive characteristics of those soils. We've had an international flood panel. The

Queensland government and the Commonwealth did an independent review of the flood solutions. So we do believe that we have a solution for the Condamine.

**Senator ROBERTS:** Have you had contact with the I-PG, Inter-Port Global, led consortium offering to assist the Commonwealth government to build a forestry route alignment to Ducklo, then along the existing alignment to Dalby, with the Wellcamp and Brisbane freight route heading south-east and export freight heading north via Wandoan, Banana and on to the port of Gladstone?

**Mr Miller:** I'm aware of that proposal to Gladstone. I have not had engagement with that consortia. The reason, again, is it's outside the scope of Inland Rail and the approved project works that the Commonwealth has outlined for our project.

**Senator ROBERTS:** There seem to be many benefits to that route. The cost of that route, which is mostly along either existing alignment or state government land, would not require tunnelling, would be faster and technically feasible, would not cross the Condamine flood plain and will attract private investment. Minister, why is the Albanese government not seriously looking at the I-PG consortium proposal?

**Senator Chisholm:** I'd have to take it on notice, Senator Roberts.

**Senator ROBERTS:** Mr Miller, with regard to the current project parameters that you've used, if there's something attractive outside that, what would you do? What options do have?

**Mr Miller:** Essentially, we've got real clarity in terms of our current scope, but, in any engineering solution, we look at options. We look at the consideration of engineering optionality and impacts on communities. We have locked the alignment, essentially, and we're going through an EIS process. We think that's where it becomes critically important. The EIS environmental approval process is effectively working with the community and the stakeholders to come up with a solution with the least impacts for that area. Now, we understand that building a 1,650-kilometre rail alignment up the inland of Australia is going to have impacts. Our duty is to minimise those impacts and consult with stakeholders and communities, and through the EIS approval process is how we're regulated, effectively, on the impacts.

**Senator ROBERTS:** As I understand it, there are many cost benefits to terminating the Inland Rail at Gladstone instead of Brisbane. There are many overall benefits to the nation in terms of the cost of freight coming into the country and in terms of port access. There is a huge amount of land available at Gladstone. There are many, many factors in favour of Gladstone, and there are many hairs on Brisbane.

**Mr Johnson:** We have met with the consortium from GreenLink, who are proposing and considering—

**Senator ROBERTS:** Who's GreenLink?

**Mr Johnson:** GreenLink is the organisation you're referring to, that you're talking about—

**Senator ROBERTS:** I-PG?

**Mr Johnson:** Toowoomba to Gladstone. We have met with them, and, as they go through their relevant approvals and development of their own business case, we've committed to them to be able to provide them any input to the types of operational information that help them on their way, as we do for many adjoining infrastructure owners. Just to clarify, though, what is really clear, from both our position and what's being proposed, is the discussion about how they leverage the backbone of what Inland Rail is and its connection at Toowoomba. It is not a replacement. That's my understanding.

**Senator ROBERTS:** What was the name of that company, again?

**Mr Johnson:** GreenLink.

**Senator ROBERTS:** Is there any connection with I-PG, Inter-Port Global?

**Mr Johnson:** Not that I'm aware of. I don't know, sorry.

**Senator ROBERTS:** So you haven't had connection with I-PG?

**Mr Johnson:** No.

**Senator ROBERTS:** Thank you.

**CHAIR:** Any further questions?

**Senator McKENZIE:** Yes, I do. I wanted to understand—on behalf of Mark Coulton, a great champion for this project, as everyone at this table will know—where we were at with the N2N section and the construction that would start to commence. My understanding is, based on a question on notice that you answered for me, that you've bought—is it six parcels of land?

**Mr Miller:** You're referring to N2NS phase 2.

**Senator McKENZIE:** Yes.

**Mr Miller:** So N2NS phase 1 has been completed, and that's operational. N2NS phase two, or SP2 as we call it, is currently going through the state planning approval processes. We expect state planning approval on that site—it's quite a short section; it's about 13 kilometres around Moree—in the first quarter or second quarter of next year. The number of properties in question, you're correct, is six. The property area is around 16 hectares, so quite small. That did increase from 10 hectares as a result of the hydrological and flood planning works. I note that, earlier today, you referred to a letter and our response to submissions—

**Senator McKENZIE:** Great. That saves me asking it.

**Mr Miller:** and we responded to that—

**Senator McKENZIE:** Efficiency in action.

**Mr Miller:** last Wednesday. I appreciate there was a period—

**Senator McKENZIE:** What did you say?

**Mr Miller:** We updated our technical studies around flood and hydrology, and with some additional work going on around fauna. This EIS will be followed by a Commonwealth approval. It requires both the state and Commonwealth approvals. What I can say in terms of how we have improved in this space is that we just received last week the last planning approval for south of Parkes from the Commonwealth. The statutory period between the state approval and the Commonwealth approval is 30 days. We received that in 32 days. Everything south of Parkes now has planning approval, and all contracts, design and construction, have been let. Land acquisition is predominantly complete. There are some outstanding properties but nothing on the critical path. So we're on track for delivery of that section by the end of 2027, from Beveridge to Parkes.

**Senator McKENZIE:** That's wonderful. In terms of recommendation 14 of the Schott report, what work is being done to ensure work with the state to improve those approval timeframes is happening?

**Mr Miller:** We've been running the adequacy review process in parallel rather than waiting to submit the complete document. We've been running the adequacies, for example, B2G, through the Office of the Coordinator-General on a chapter-by-chapter basis. Essentially everything has gone through the adequacy review except for the last chapter, which means we won't get any surprises.

What that also enables us to do is get an understanding of what the planning implications are going to be on cost and schedule. That cascades to the verification process, as part of the Kerry Schott review, around the independent verification of Inland Rail's cost schedule scope. The Commonwealth has just appointed a consultant partner to work with us on that process between now and May 2025.

**Senator McKENZIE:** Excellent. I want to check on payments to subcontractors. You would have heard me start down this line—so you have had all day to prepare. What checks were previously in place to ensure payments were being made to subcontractors?

**Mr Miller:** We take payments to subcontractors and suppliers very seriously. In terms of the contracts that we set, this is taxpayers' money and it needs to cascade through the value chain. We were made aware that, on a small project around Narwonah, that there were three parties that had not been paid on time. We met with the head contractor to understand why that had occurred. We then followed that up with an independent accounting firm that went in to ensure that the payments and subsequent claims were made. I can confirm that for that Narwonah project all payments were up to date as of 30 September.

**Senator McKENZIE:** How do you know that this isn't just an isolated case? How do you know this isn't endemic throughout the process?

**Mr Miller:** We don't have any information to suggest that this is not an isolated case. The other mechanism that we have developed for one of the recent contracts we have let is setting up a project bank account. The project bank account is in the name of the head contractor, so we are not carrying risk as the client. That give us direct line of sight to the flow of equity funds through that bank account out to the subcontractors and the cost to the head contractor for their proportion.

**Senator McKENZIE:** It doesn't sound like we really have a system in place to ensure that, with subcontractors under the head contractor, there is any oversight. You have shifted that risk to the head contractor, and you are assuming that they are upholding their end of the bargain with their contractors.

**Mr Miller:** We are not assuming that, because we undertake audits. We ask our contractors to provide us with statutory confirmations that they have made the payments in accordance with the Security of Payments Act.

**Senator McKENZIE:** Had the people who skipped out on the case we talked about earlier signed a statutory declaration?

**Mr Miller:** Not in that case, and it was a small contract.

**Senator McKENZIE:** I will have some questions on notice there. I have a couple more for ARTC. One is on the Inland Rail direct Brisbane port route. Are you aware of the proposal by National Trunk Rail to deliver an Inland Rail connection from Gowrie, near Toowoomba, to the proposed Ebenezer Intermodal Terminal and then through a 60.8 kilometre tunnel all the way to the Port of Brisbane using battery powered locomotives? Are you aware of that proposal?

**Mr Miller:** Yes, I am.

**Senator McKENZIE:** Have you been briefed by the proponent of that proposal?

**Mr Miller:** I have had a very high-level briefing by that proponent, and I will have a follow-up briefing this Wednesday.

**Senator McKENZIE:** Have you done any evaluation to verify the cost estimate of that proposal?

**Mr Miller:** No, we have not.

**Senator McKENZIE:** And any feasibility work done on tunnelling through to the Port of Brisbane?

**Mr Miller:** No. The scope of our approved works is to get to Kagaru—a single stack from Ebenezer to Kagaru and double stacked from Ebenezer from Beveridge. It is outside our scope.

**Senator McKENZIE:** So it's not your focus because you're focused south of Parkes?

**Mr Miller:** No; we are focused on construction south of Parkes and we are focused on planning approvals, land acquisition and early design north of Parkes.

**Senator McKENZIE:** Thank you. I like that correction. Just on Inland Rail funding, as of 24 March, the government reported a total of \$3.799 billion in equity and that \$289.8 million in grant funding had been released to the ARTC to support the delivery of the Inland Rail project.

Can you advise how much money the government has provided to ARTC to date?

**Mr Miller:** Yes, I can. I'll just get the exact details.

**Senator McKENZIE:** It's not called Senate estimates for nothing. Sorry, it's getting late.

**Mr Miller:** I know that the overall project spend to date—what that sits at. With the splits between grant funding and equity, could I take that on notice, please? I can give you exactly that split and ARTC's contribution.

**Senator McKENZIE:** Mr Johnson, you can't help?

**Mr Johnson:** Not from the report that I've got in front of me but I'm happy to provide that information.

**Senator McKENZIE:** Finally, regarding the bridge upgrade at Hamilton Street, Broadford—all politics is local—can the ARTC advise on the status of the project, including any measures to acknowledge safety concerns at the Hamilton Street bridge? This is for Sam Birrell, the fabulous National Party member for Nicholls.

**Mr Miller:** We've just recently let the B to A tranche 2 contract that involves eight sites of enhancements through Victoria. You are correct—one of those sites is at Broadford in Victoria. There's a raising of a bridge on that site. What I can say is that there's been extensive consultation with the community around the proposal there, including the environmental and planning approvals. All of the design work complies with the minimum standards associated with the VicRoads requirements.

**Senator McKENZIE:** So you've had discussions with the Victorian Department of Transport and Planning and the Mitchell Shire Council about how that will impact surrounding infrastructure, including the intersection with High Street?

**Mr Miller:** Yes, we have. That has been raised by the local community group. I'm aware of that.

**Senator McKENZIE:** The solution for the rail will be sympathetic to actually moving traffic throughout Broadford; it won't just be a rail solution.

**Mr Miller:** Absolutely. We have to interact with the Victorian Road Authority around traffic volume and safety requirements. At that site, if I recall correctly—because there are a lot of sites across the alignment—I think it's a combination of a track lowering and a bridge raising.

**Senator McKENZIE:** It is, but then, in doing both of those, there will be flow-on impacts on either side of the bridge. Is there a planned proposal for further consultations with that community?

**Mr Miller:** Yes. The design development requires input from the local community so that is ongoing. Our people have met with that council and with that community group.

**Senator McKENZIE:** Thanks, lads. There are six sites aren't there, in Victoria?

**Mr Johnson:** There are 12 in total—eight in the second tranche, four in the first.

### Infrastructure Australia

[22:03]

**CHAIR:** G'day gentlemen, welcome. Does anyone wish to make an opening statement—a brief one?

**Mr Copp:** No.

**Senator McKENZIE:** Hello, Infrastructure Australia. How are you?

**CHAIR:** They're waiting for you to ask them a question.

**Senator McKENZIE:** The government has brought forward the date of the 2025 budget to March. Has the government, either minister or Treasurer, provided you with a date by which you need to provide the annual budget and performance statements to inform the 2025 budget?

**Mr Copp:** No, they have not provided a date. We're working towards finalising that by the end of the year.

**Senator McKENZIE:** In preparation for a March budget or a May budget?

**Mr Copp:** A May budget. A March budget? Did you say a March budget?

**Senator McKENZIE:** It's a March budget. Well, I'm saying it's a March budget. But you're finalising it at the end of the year in preparation for—

**Mr Copp:** We are seeking to finalise it, yes.

**Senator McKENZIE:** Okay. Will you be providing a prioritised list of infrastructure projects for consideration in the 2025 budget statement?

**Mr Copp:** That's what we're intending to do.

**Senator McKENZIE:** Are you working on that right now?

**Mr Copp:** Yes.

**Senator McKENZIE:** Who are you consulting with to do that?

**Mr Copp:** States and territories—on their priorities.

**Senator McKENZIE:** What about the government's priorities?

**Mr Copp:** The government's priorities are outlined in the infrastructure policy statement, and we're having regard to that as well.

**Senator McKENZIE:** So you're looking at marrying that. What is the interaction between those—the federal government's priorities and the states' and territories' priorities?

**Mr Copp:** The Australian government has set, through the infrastructure policy statement, the broad strategic themes of what they're seeking to invest in. Then states and territories have their own priorities. We will do a piece of analysis, and indeed the department does as well, about how they marry up and whether they are aligned. And we will make recommendations to government around how that works.

**Senator McKENZIE:** Okay. Can you explain the process that you're going through with that priority list? Is there regular formal consultation with states and territories?

**Mr Copp:** Yes. We have written to states and territories to ask them to bring forward what their priorities are. Then the project advisory team has done analysis on that and has been working closely with the states and territories. I would say that they're talking to states and territories every week.

**Senator McKENZIE:** Okay. When will a final draft of those priorities be ready to go to you—or to your board?

**Mr Copp:** To our commissioners. We are still working through what the priorities are. So I don't have a final deadline yet.

**Senator McKENZIE:** But, if you want it done by the end of the year—when is your next board meeting or your next meeting with your commissioners?

**Mr Copp:** We have one set for November. But we can hold—

**Senator McKENZIE:** Start or end of November?

**Mr Copp:** The middle of November. But we can hold—one of the benefits of the new governance model is that we do have the opportunity to meet more frequently.

**Senator McKENZIE:** But, ideally, no-one wants to be meeting on 20 December to decide their priority list.

**Mr Copp:** I'm sure our commissioners will feel very happy to do what is necessary.

**Senator McKENZIE:** Of course they would. They live to serve. Alright. I want to move on to the suburban rail loop. Has the long-awaited documentation arrived yet?

**Mr Copp:** We have received some further documentation from the Victorian government. We're just working through that now.

**Senator McKENZIE:** Walk me through what you've received.

**Mr Copp:** We only received it a few days ago. We're still working through it. But there is some costing information and deliverability information that has been provided.

**Senator McKENZIE:** Within that documentation has the Victorian government advised that the ANAO audit was the reason they weren't supplying the information?

**Mr Copp:** We haven't had that provided to us as a reason.

**Senator McKENZIE:** But it's interesting that it has arrived once the ANAO audit was complete. Suddenly this long awaited—it's like the baby that never arrives. So it's here, now. But you don't think that bears any relation to the ANAO audit?

**Mr Copp:** I couldn't say what was in the Victorian government's mind as to why they hadn't provided it.

**Senator McKENZIE:** So you've got a bit of costing, some 'deliverabilities'—are they like 'deliverables'?

**Mr Copp:** It's information about how the project will be delivered—

**Senator McKENZIE:** With timelines?

**Mr Copp:** So it might talk to engagement with what—aspects about the actual project delivery, rather than the economics.

**Senator McKENZIE:** So, just in your preliminary assessment, have you got enough information on which to undertake an appropriate assessment?

**Mr Copp:** It's probably too early to say. There is quite a process to go through and analyse the information in making that decision, and that will need to be taken through our commission.

**Senator McKENZIE:** How is it going to make it on your priority list if that is mid-November? Do you have enough resources to get that done before you give advice to your commissioners?

**Mr Copp:** The business case assessment process is separate to the infrastructure priority list process. So it will be on a different timeline.

**Senator McKENZIE:** So there's no way the suburban rail loop can get on Infrastructure Australia's priority list for the next budget?

**Mr Copp:** The infrastructure priority list is—

**Senator McKENZIE:** Because you will have already completed that before the cost—yes, okay.

**Mr Copp:** The infrastructure priority list will be a list of unfunded proposals for the Australian government to invest in. We have a role under the federal financial agreement to assess business cases for anything seeking over \$250 million of Commonwealth funding, which the Suburban Rail Loop is. It'll be on a different timeline. Because it already has some level of funding it's not a candidate for the new priority list, which will be targeting unfunded proposals.

**Senator McKENZIE:** Would you be the appropriate body to recommend to the minister that, should she choose to provide billions more of Commonwealth taxpayers' money to this project, it be placed on the statement of risk in the budget?

**Senator Chisholm:** I think you're speculating there.

**Senator McKENZIE:** No, I'm just asking: would they be the appropriate body to advise?

**Senator Chisholm:** It's a hypothetical.

**Mr Copp:** We don't have any role.

**Senator McKENZIE:** It's not a hypothetical.

**Senator Chisholm:** It is a hypothetical.



**Senator McKENZIE:** It's not a hypothetical.

**Senator Chisholm:** It is. You're proposing something that hasn't happened.

**Senator McKENZIE:** I'm not saying, 'She will or she won't.' I'm asking: would they be the appropriate body to say, 'I think this infrastructure project should be on the statement of risk?'

**Senator Chisholm:** 'Would'—a hypothetical.

**Senator McKENZIE:** I don't know where the minister would get that advice from, if not Infrastructure Australia.

**Mr Copp:** We haven't provided that advice in the past. We don't have a current role in relation to that statement of risk.

**Senator McKENZIE:** Maybe it's something Treasury should do. Has the paperwork you've seen from the Victorian government provided any more details of value capture revenue sources proposed to fund the construction of SRL stage 1?

**Mr Copp:** As I said, we're still working our way through what's been provided, so I couldn't say definitively one way or another.

**Senator McKENZIE:** When would you be in a position to give that advice?

**Mr Copp:** We're working as quickly as we can through what we've received.

**Senator McKENZIE:** So if the committee was of a mind to get a briefing from you on this at the end of November—

**Mr Copp:** If that's suitable, that's something we could consider.

**Senator McKENZIE:** Thank you. Are you aware of the National Trunk Rail proposal to deliver an Inland Rail connection from Gowrie, near Toowoomba, to the proposed Ebenezer intermodal terminal, and then through a 60.8-kilometre tunnel all the way to the Port of Brisbane using a battery powered locomotive?

**Mr Copp:** We have been briefed on it in the past—quite some time ago, yes. Did you have anything to add to that, Mr Tucker?

**Senator McKENZIE:** I just wanted to know if you knew about it.

**Mr Copp:** We heard about it quite some time ago—a number of years ago.

**Senator McKENZIE:** Have you done any evaluation to verify the cost estimate?

**Mr Copp:** No.

**Senator McKENZIE:** Okay.

**Mr Copp:** Sorry, there was one briefing more recently.

**Mr Tucker:** We've had some recent engagement on that proposal but we haven't done any detailed analysis of it.

**Senator McKENZIE:** Was the recent engagement at your instigation or the minister's office's?

**Mr Tucker:** It definitely was not from the minister's office. I can't recall if it was via the Queensland government or directly from the proponent themselves.

**Senator McKENZIE:** If you could enlighten me on notice, that'd be fantastic. Thank you very much.

**CHAIR:** Goodnight, gentlemen.

#### **Northern Australia Infrastructure Facility**

[22:13]

**CHAIR:** Welcome. Would anyone like to make a very brief opening statement before questions? Not at all? Thank you; great stuff.

**Senator McDONALD:** At the May budget estimates, you advised that \$4.42 billion was committed in loan value; that the average investment decision loan value per year is \$700 million to \$800 million; and that, therefore, there are three to four years of remaining NAIF funds, based on this trajectory. What is the current commitment of the loan value?

**Mr Doyle:** The current commitment is \$4.633 billion on investment decision loan commitments at the moment.

**Senator McDONALD:** As of 31 October or just for—

**Mr Doyle:** That's at 30 September, which is the same in this case, 30 October. There were no investment decisions in October.

**Senator McDONALD:** Okay. How much of that has been allocated?

**Mr Doyle:** Dispersed is just under \$2.1 billion.

**Senator McDONALD:** What has been earmarked? Is that the same as what your commitment is?

**Mr Doyle:** I'm not sure. Is that after investment decision or pre-investment?

**Senator McDONALD:** That's an excellent question. It's a phrase that's been used in relation to the fund, and I'm just trying to make sure that we're—

**Mr Doyle:** I'll give you a few numbers. Obviously, we're a \$7 billion facility. \$4.63 billion is committed. We now have \$3.34 billion at financial close, of which \$2.1 billion has been dispersed. There's contractual close in the middle of that as well, Senator, but that's probably the bookends of those numbers: \$4.3 billion committed. We now have 3.3 of 28 investment decisions that have reached financial close, which is the highest, obviously, we've ever had.

**Senator McDONALD:** There have been some questions raised with me about the speed at which projects are reaching financial close. Is that something that you can comment on? Have you seen delays due to the economy, approvals, some other thing?

**Mr Doyle:** That's to financial close, rather than investment decision. Every project is different. For example, a recent one, the Cairns housing project, went from investment decision to financial close in less than a month. Then other projects, depending on the conditions precedent, depending on whether the proponent has to raise equity in other things, can take much longer. I think our average time from SAP—that's the strategic assessment ID—is about 11 months and I think our average time to financial close is about the same, but every project is different. Some are quick, some can be slower, depending on when we're ready. What we don't do is make sure—I think it was a question last estimates from another senator—we don't reach financial close unless all relevant state, federal and other approvals are in place, so that we don't put the money on drawdown at risk.

**Senator McDONALD:** Are you saying it's on average 11 months for the strategic assessment period? And then did you just give me another statistic, that to financial close—

**Mr Doyle:** Typically, it's six to 12 months for most projects, from investment decision to financial close. Some can be longer. That would be the average.

**Senator McDONALD:** Are you seeing that slow down, speed up, remain consistent?

**Mr Doyle:** If anything, it's probably fair to say it's speeding up a little bit. There is the odd project that can affect the average and take quite some time, but I think, on average, the sophistication of our due diligence and what we explain to the proponent to have ready is far now. We try to engage with the proponent early. We try to make sure there are no surprises so we can reach financial close as quickly as we can.

**Senator McDONALD:** How many investment decisions have been made since the introduction of the new NAIF bill in 2023?

**Mr Doyle:** That's a good question. There were four investment decisions last financial year, which will be in the annual report. We've made another two in the last three months. So that's six since June 2023, and I think it was around about then that it might have come in. It might have been a bit earlier. I can take on notice to see if there are any more, other than those six.

**Senator McDONALD:** I work very hard to come up with questions that you won't know. You're disappointing me. You reported at the May budget estimates that \$2 billion had just been drawn down. What is the current drawdown figure?

**Mr Doyle:** Just under \$2.1 billion.

**Senator McDONALD:** Sorry, I've already asked you that. You also reported at the May budget estimates that 27 projects were in financial close. What is that number of projects now?

**Mr Doyle:** I'm not sure if we mentioned those as projects or investment decisions. Right at the moment, we have 28 investment decisions, which is equivalent to 26 projects. They're slightly different numbers. With some projects, as you probably would recall, there might be a couple of investment decisions. They might need to be topped up. That's usually in the pass. That's why those numbers are slightly different.

**Senator McDONALD:** So 28 investment decisions for 26 projects?

**Mr Doyle:** Worth \$3.34 billion of loan value.

**Senator McDONALD:** How many projects exist and/or are in the pre-pipeline or pipeline for the Indian Ocean Territories, Christmas and Cocos (Keeling) Islands?

**Mr Doyle:** There's one at the moment in pre-investment decision for IOTs.

**Senator McDONALD:** Not a lot coming forward from that region, or is it just because the change of legislation is only relatively recent?

**Mr Doyle:** It's only recent, but also a lot of those loans are the smaller type. As you would know, those loans in that smaller type, less than \$10 million, are something that our systems, at the moment, are probably not set up ideally to do, so we're working through that now.

**Senator McDONALD:** What's the value of that project? Can you tell me?

**Mr Doyle:** I can. The loan has a value of \$150 million. The project size is the same.

**Senator McDONALD:** So it is 100 per cent?

**Mr Doyle:** Yes—which probably wouldn't be the way we would process that one if it gets through. It's only in our active inquiry stage.

**Senator McDONALD:** What is the economic benefit and employment forecast for that project?

**Mr Doyle:** Because it's only in active inquiry, we don't calculate that until we get to investment decision.

**Senator McDONALD:** How many fossil fuel projects has NAIF financed over its history?

**Mr Doyle:** I think it's one.

**Senator McDONALD:** Just Olive Downs?

**Mr Doyle:** Olive Downs Pembroke, yes.

**Senator McDONALD:** Have you done any work on the economic benefit and employment position for that project?

**Mr Doyle:** Yes, we have. Public benefit is \$6.1 billion over the life of the project. The total number of jobs is 1,949. The loan value for that project was \$167.5 million.

**Senator McDONALD:** That sounds like a pretty good return, doesn't it? What was the value of the project?

**Mr Doyle:** It was \$877 million at the time of investment decisions. Some of these go up a little bit from the time, but that's the number we used.

**Senator McDONALD:** Do you have the number for how many proponents of fossil fuel projects have applied for a NAIF loan?

**Mr Doyle:** I don't think we've got that. We will have to take that on notice.

**Senator McDONALD:** Gotcha. In relation to the NAIF Indigenous Engagement Strategy and Reconciliation Action Plan, would you be able to advise the number of FTE-equivalent Indigenous jobs per NAIF project per year since NAIF started?

**Mr Doyle:** I might get Ms McBean to give this one.

**Ms McBean:** I can't give you the number per year, but, at the moment, the cumulative total is about 1,100 jobs across all projects.

**Senator McDONALD:** And in northern Australia, of course.

**Ms McBean:** Yes.

**Senator McDONALD:** So, of the 18,300 jobs supported by NAIF, 1,100 would be Indigenous jobs?

**Ms McBean:** Yes.

**Senator McDONALD:** Does that mean that that the current jobs existing as of today because of NAIF are 18,300?

**Ms McBean:** That's the number as of 30 June. As of today, it's now 20,200 because we've added two investment decisions since 30 June.

**Senator McDONALD:** So would the Indigenous number have changed?

**Mr Doyle:** Our reporting on that happens every six months. We haven't updated that. I think another update is in December, so that will go up after that.

**Ms McBean:** Those jobs only come into play, obviously, once they begin construction; not all of those projects have commenced construction.

**Senator McDONALD:** I understand. With the NAIF strategies in place to support Indigenous owned businesses, how many Indigenous owned businesses exist because of NAIF?

**Mr Doyle:** Projectwise for investment decisions, we haven't done any. There is a lot of procurement through Indigenous businesses linked to our project. Ms McBean has also got that number if you want it, but we also measure that as part of each EIS outcome for the projects as well.

**Senator McDONALD:** Would you like to give me that figure, please?

**Ms McBean:** It's about \$87.1 million in total that has been procured through Indigenous businesses through our projects since we commenced.

**Senator McDONALD:** What's the smallest project that you've funded to date?

**Mr Doyle:** Probably one of our first ones would be Humpty Doo; it's around that \$20 million to \$25 million total project value.

**Senator McDONALD:** Have any proponents of water projects met with you since the May budget estimates?

**Mr Doyle:** I think there might have been one infrastructure water one.

**Mr Land:** No.

**Mr Doyle:** I'm being told no.

**Senator McDONALD:** Last time we met, we discussed the timeframe from active inquiry to investment decision taking an average 12 to 18 months—which we've just talked about before. Have you introduced any procedures to quicken or track this process more closely?

**Mr Doyle:** We're always trying to refine the process. I think the key is engaging with the proponent very early. Even if a proponent's not ready and got a business case ready, in talking to us early we can give them feedback on what we want to see and what we'd need from them. We do that. That definitely speeds up the process, if that project makes it through to due diligence. It's something we're working on all the time. We're very keen to get through that process, while still having good governance in our due diligence.

**Senator McDONALD:** How many projects are in due diligence and active inquiry?

**Mr Doyle:** We have 25 projects in active inquiry and seven in due diligence, as of 30 September—32 in total.

**Senator McDONALD:** Can I ask anybody here about the NAIF review? Do you have anybody? Are any of the department officials here? No? OK, that's alright. How often is the NAIF board meeting, currently?

**Mr Doyle:** The board meets probably nine or 10 times a year.

**Senator McDONALD:** How many board meetings have been held since the May budget estimates?

**Mr Doyle:** There would have been all of them except October: June, July, August and September. We wouldn't count—five board meetings. October was a special meeting, for only if we had an investment decision, which we didn't have, so there was no meeting.

**Senator McDONALD:** That's four meetings.

**Mr Doyle:** Yes, sorry.

**Senator McDONALD:** How many NAIF board meetings has the minister attended?

**Mr Doyle:** None.

**Ms McBean:** None.

**Senator McDONALD:** Are there any projects in distress?

**Mr Doyle:** There's one impaired, which is Kalium Lakes, which has been for a while, and we have a number that Mr Mant can talk to, if you like, that we're keeping a close eye on. We'd use the word 'troubled', internally.

**Mr Mant:** We currently have six projects that would be classified as either impaired or troubled exposures. All of those projects are subject to a management plan and internal procedures with enhanced monitoring.

**Mr Doyle:** And one of those six is Kalium.

**Senator McDONALD:** Do you recommend a management advisory? When you say you're assisting them, what sort of process do you have?

**Mr Mant:** In assisting proponents?

**Senator McDONALD:** Yes.

**Mr Mant:** We have internal processes to potentially modify and vary the terms and conditions to support the proponents and provide additional financial accommodation. Each will be assessed on a case-by-case basis. When necessary, we also engage external advisers to assist in those deliberations.

**Senator McDONALD:** So it's an option to bring in somebody to assist them, if it's an internal issue or if they require additional capacity or assistance?

**Mr Mant:** That's correct, also for NAIF's own deliberations.

**Mr Doyle:** We have a technical resource that we use internally now—it's mainly been on for the last 12 months—to help us monitor that and help. Also the other level of governance is that we have a portfolio management group, which has two externals on it as well, that works with Mr Mant's department to monitor that, so we get another outside view on monitoring some of this as well.

**Senator McDONALD:** That's terrific. Do you have any lines of default?

**Mr Mant:** For NAIF, we have one project, as Mr Doyle said, Kalium Lakes, which went into voluntary administration last year. NAIF appointed receivers and manages on that loan—so, yes. From NAIF's perspective, there are no other loans that are in default.

**Senator McDONALD:** What is the headcount of staff currently employed by NAIF and where are they based, by location?

**Mr Doyle:** We have 50 headcount: 26 in Cairns, two in Townsville, three in Brisbane, 11 in Sydney, three in Darwin and five in Perth.

**Senator McDONALD:** Is that a small reduction in Sydney?

**Mr Doyle:** It depends on timing. It's down a little bit from May. Cairns would have been up a few.

**Senator McDONALD:** So you've still got people moving north?

**Mr Doyle:** Yes. We just appointed our first senior investment person, who will start in Cairns in January.

**Senator McDONALD:** And they will be much happier for it too. It's very exciting. How many of these staff are Indigenous?

**Mr Doyle:** There are four.

**CHAIR:** Senator Cox.

**Senator COX:** Can I also ask some questions of NAIF in relation to how, in the impact and investment opportunities, the priority items were assessed, if possible?

**Mr Doyle:** Is that in terms of our decision-making around investment decisions?

**Senator COX:** Yes, it is.

**Mr Doyle:** Thank you. We go through our normal due diligence. We don't have any sector prioritisation; a project is treated on its merit as it comes through. Some accelerate fast depending on their due diligence. We also have criteria that are called out in the mandate: five priority areas that we measure against as well, including Indigenous outcomes as one of those. We also make sure that the mandate calls out that our investment decisions have at least one of those five. On average at the moment, we're running three out of the five for those decisions.

**Senator COX:** The ones including funding for runway upgrades in Cairns, shops and the airport in Mackay are all meeting the priority criteria, as you call them? Is that correct?

**Mr Doyle:** Yes, in terms of public benefit job creation and Indigenous outcomes strategy with the proponents and the traditional owners, they are.

**Senator COX:** In relation to the Dampier bulk handling upgrade, I'm guessing that is for urea fertiliser. Is that correct?

**Mr Doyle:** Yes, that's correct. That was one of the projects linked to the Perdaman urea project.

**Senator COX:** That is obviously derived from natural gas. Was that project considered a priority?

**Mr Doyle:** We don't have priorities in terms of projects, but, in terms of it being assessed against those criteria, yes, it was. It would have gone through its normal due diligence through the board, and those checks against the mandate would have been undertaken.

**Senator COX:** I'm guessing Perdaman would have essentially got a bank loan for that kind of project. Would that, rather than a NAIF loan, not have been more reliable?

**Mr Doyle:** I think there were 11 financiers in that deal.

**Mr Land:** NAIF acts as a gap financier, so, in the majority of our projects, we're either the sole financier or work with a small number of other financiers such as Export Finance Australia. In the case of Perdaman, they did a global roadshow, so there was already a group of banks selected. They went on a roadshow to try to fill out the total funding requirement for that project and ultimately were unable to meet the full funding requirement, so they approached NAIF to see if we could be their gap financier in order for the project to be fully funded and proceed—which we did.

**Senator COX:** Great. Thank you. On the Chichester mine, solar and battery project that's used to power the mine in the Pilbara: out of interest, was that also assessed against priority criteria?

**Mr Doyle:** Yes, it was. As you know, there are a lot of solar panels offsetting diesel usage at two of the mines. That was assessed as well some time ago.

**Senator COX:** And it doesn't seem to provide to the public grid. It's directly to the mine site, which employs about 200 people. Is that correct? There's no community or public benefit?

**Mr Doyle:** That was approved awhile ago. That's correct. Definitely, when it was originally approved, it was supporting those two mines to offset diesel. There was no communication with the public when that was approved.

**Senator COX:** Can you tell me when that was approved? I'm happy for you to give me that on notice if you don't have it at hand. If you don't have that hand? Is it possible for any of these companies to claim a tax benefit for these projects that are financed by NAIF?

**Mr Doyle:** I'm not sure; I'm sorry. Mr Land can answer that.

**Mr Land:** In terms of the tax benefit, they are fixed assets, so they are subject to depreciation, so in that sense they are able to claim a tax deduction for the depreciation on the assets.

**Senator COX:** Also, NAIF provided a loan to the Kimberley Cotton Company for a new processing plant recently. That will provide only 61 jobs. Is that considered a good investment against your priority criteria?

**Mr Doyle:** Again, it would have been assessed in terms of the benefits to the community and benefits to the ag sector. We use a public benefit to loan ratio. We're aiming for a target of 10. I think the average right now is 8.5 to one across all our projects. But the board considers all that. In that particular case, the number of jobs is low. The loan is generally quite low, too. I think it was a \$35 million loan for that project.

**Senator COX:** What is meant by the term that you use in all your literature—'social infrastructure'? Can you give me a definition of what you call social infrastructure?

**Mr Doyle:** That's typically housing, universities—we have a large exposure to universities—and hospitals. We've got some hospital exposure, including a car park for the Mater hospital in Townsville. They're the main three.

**Senator COX:** And you've got a small loans program. Are there criteria that you use that are different from the other assessments that you do, against the larger projects?

**Mr Doyle:** That small loans program is actually through the Northern Territory government. They run and administer that. We've lent them the money. They do the due diligence on that. There is a check back to make sure that there is still consistency, and our condition of the loan through them is that those projects all still meet the NAIF mandatory criteria before they're processed.

**Senator COX:** And that goes to the board?

**Mr Doyle:** They've got their own approval processes. They have an investment committee, through the Northern Territory government, which is run by them, and then it goes through cabinet in the Northern Territory government for those ones.

**Senator COX:** Is that also to the northern Australia minister, or the ministerial group?

**Mr Doyle:** No. Those particular ones have different rules. There's an opt-out process for the department, but the minister doesn't have the veto rights on those for that particular program through the Northern Territory government.

**Senator COX:** So, it's not even given to her as a courtesy—'This is what's happening in the Northern Territory and this is what we've funded under our small loans program'?

**Mr Doyle:** There would still be reporting on what occurred, but in terms of the control of that, that lending and that approval went through the minister through the normal process and we provided the money to the Northern Territory government to run that program.

**Senator COX:** How does their government then assess that there's no duplication? People essentially could be double-dipping and getting money from the federal government as well as through the NT government. I don't see the bit that matches that up, if we're not providing some of that information to both the minister's office and essentially National Cabinet to have a conversation around what we're funding on the ground. There's obviously an opportunity for risk there. Would you agree?

**Mr Doyle:** I know that as part of that process there is information that comes to the department of infrastructure in the Northern Territory government that does the checks. I know a few have been picked up where there might have been funding or grants done through other programs as part of that due diligence, and if that's the case then those projects wouldn't progress through to their approval process.

**Senator COX:** You're currently under a statutory review. Is that correct? It's underway? Can you provide us an update on where that's up to?

**Mr Doyle:** For some reason they wouldn't let NAIF do its own review, which is very disappointing! But that's a matter for the review panel. All I know is that it's on public record that it is planned for the report to be presented to the minister on 15 December and, from what I understand, that's all on track.

**Senator COX:** Great. Thank you. That's all from me.

**Senator McDONALD:** I just want to follow up: the 28 investment decisions for 26 projects—

**Mr Doyle:** The financial close?

**Senator McDONALD:** Yes. Would you be able to list those for me on notice?

**Mr Doyle:** Yes.

**Senator McDONALD:** I was just reflecting that, when we talked about fossil fuel projects, we only identified Olive Downs, but, of course, Perdaman was the other one, wasn't it?

**Mr Doyle:** That's natural gas as a power source—in terms of the feed source. We wouldn't classify that project itself as a fossil fuel project under our definitions.

**Senator McDONALD:** How many fossil fuel projects have been assessed under this government?

**Mr Doyle:** For Olive Downs, it looks like the investment decision was made in December 2021.

**Senator McDONALD:** That was under the previous government.

**Mr Doyle:** There have been no others that have reached investment decisions since then that are linked to fossil fuels.

**Senator McDONALD:** Zero. Thank you, Chair.

**CHAIR:** Thanks, Senator McDonald. Good night, gentlemen and ladies.

#### **National Intermodal Corporation Limited**

[22:40]

**CHAIR:** Our last one for the evening is the National Intermodal Corporation. Welcome, Mr Baulderstone. Would you like to make a very brief opening statement?

**Mr Baulderstone:** Thank you for having us. We know we're the midnight shift. Obviously, we're responsible for building the intermodal terminals for Inland Rail. We had the pleasure of Senator Sterle visiting Moorebank a couple of months ago. We're pleased to be here and happy to answer your questions.

**CHAIR:** Time flies when you're having fun. It was probably well over a year ago. There you go! Senator Canavan.

**Senator CANAVAN:** This shouldn't take too long. I just want to get some updates. First of all, on the Beveridge intermodal project, when will construction begin on that?

**Mr Baulderstone:** We were very pleased to lodge our updated planning submission last Friday on 1 November. We are very keen to try and get planning approval for that in February next year, and we'd like to begin early works construction basically straight after that.

**Senator CANAVAN:** Have you signed contracts for construction?

**Mr Baulderstone:** We have a contractor ready to sign. That's basically an early works contract.

**Senator CANAVAN:** And the intention is to sign that before February next year, so you can get the green light.

**Mr Baulderstone:** No, we'll sign it after we've effectively got the approval.

**Senator CANAVAN:** You've got to wait. You can't make it contingent on—

**Mr Baulderstone:** There are strategies, but there is a bit of risk there. We basically have a letter of intent, ready to sign to get them ready to go, but we're quite close. We've picked the tender. I've been out there, and we're ready to go.

**Senator CANAVAN:** Have there been any delays in planning or approval over the last couple of years?

**Mr Baulderstone:** Planning and approvals across Australia are challenging, and it's no-one's fault. We have got to go through state planning, Commonwealth EPBC planning, council planning and traditional owner engagement. It's just complex.

**Senator CANAVAN:** What are the major delays, or what have been the causes of any major delays?

**Mr Baulderstone:** It's complicated. Again, we've had the issue of the earless dragon lizard. The earless dragon lizard has been found in Victoria, so we've had to deal with that. These are massive projects; they have large impacts. It's important to spend the time and get it right—nothing that you wouldn't expect in a major project.

**Senator CANAVAN:** Have you acquired the site?

**Mr Baulderstone:** Yes, we acquired the Beveridge site in 2021. Sorry, it was in 2023.

**Senator CANAVAN:** Have the Victorian government consulted with you on the proposed upgrade to the Camerons Lane interchange?

**Mr Baulderstone:** Yes, we've been pretty well engaged with the Victorian department of transport in relation to the Camerons Lane upgrade. Obviously, the federal government has made a major commitment in relation to Camerons Lane as well. It's a very important piece of infrastructure for us. When we talk about the early works package in 2026, that will get us going in a smaller way, but to have the full terminal operable by 2028, we'll need Camerons Lane or some other road upgrades to enable that terminal to be fully functional.

**Senator CANAVAN:** How much did the acquisition of the site cost?

**Mr Baulderstone:** I think that's confidential.

**Senator CANAVAN:** How much money have you spent on the project so far?

**Mr MacDonald:** We've spent \$344 million.

**Senator CANAVAN:** How much is the overall budget?

**Mr Baulderstone:** We have an allocation of \$1.62 billion for the Beveridge project.

**Senator CANAVAN:** Does that include a component for escalation or potential cost increases? Is there a contingency?

**Mr Baulderstone:** That's effectively the dollars of the day at the time.

**Senator CANAVAN:** Alright.

**Mr Baulderstone:** We're actually in the market at the moment for a partner, so a lot of us will depend on how we have our land development partner offsetting some of those costs as part of the process.

**Senator CANAVAN:** Notwithstanding some of the delays you got in planning, there hasn't been an increase? You are confident you can deliver within that envelope?

**Mr Baulderstone:** In the original budget estimate we included significant contingency. At the moment we're quite comfortable with the money we have allocated, together with a potential partner. We are quietly confident we can come in that budget.

**Senator CANAVAN:** When do you believe it will be operational?

**Mr Baulderstone:** Like I said, we would like to have an early terminal in 2026. That's our aim—to have initial early works, rail access and an interim terminal operating by that period. We're aimed then, obviously, to be ready for Inland Rail in 2028.

**Senator CANAVAN:** Moving on to Ebenezer, where are you with that project?

**Mr Baulderstone:** I'm going to Queensland on Wednesday to have another chat to EDQ about the Ebenezer site that has been earmarked.

**Senator CANAVAN:** Just explain to me EDQ.

**Mr Baulderstone:** Economic Development Queensland.

**Senator CANAVAN:** They are a Queensland government agency.

**Mr Baulderstone:** Yes. They are responsible for the commercial development of industrial type parks around Queensland. We have a very good relationship with them. They own the land that we're looking at either



acquiring or working together with them on. We've done some quite detailed engineering design reviews. We have a capital cost estimate. We're now looking at what a potential arrangement will be with EDQ to take the project forward.

**Senator CANAVAN:** Have you picked a specific site there? Has that been determined?

**Mr Baulderstone:** Yes. It hasn't been purchased yet, but there is a dedicated site that has been extensively reviewed, and we have a full terminal design for that site.

**Senator CANAVAN:** Who owns it at the moment?

**Mr Baulderstone:** EDQ

**Senator CANAVAN:** They sometimes seem to pull the wool over our eyes, but it should be possible to do. Do you have a set date for when the business case should be delivered to government?

**Mr Baulderstone:** We're looking at developing that over the next six-month period. For us, it's really about land preservation at the moment, for Ebenezer. Obviously, we're building the northern end of Inland Rail, and a lot depends on how that Inland Rail project comes to fruition. We are looking at some early development opportunities around the industrial park. A lot of our mandate is not simply the terminal, but the real value comes from the co-located warehousing that is associated with intermodal; that's where a lot of the value comes from with our business—the large warehousing. So we'd like to hopefully get some early activation in Queensland prior to Inland Rail being there.

**Senator CANAVAN:** How many years will that be?

**Mr Baulderstone:** A lot depends on EDQ and how it goes.

**Senator CANAVAN:** You don't have a set year, even for the early—

**Mr Baulderstone:** I'd be loathed to give a date at this period.

**Senator CANAVAN:** Okay.

**Mr Baulderstone:** But we're actively pursuing it, and it is something we are quite keen on. A lot of the people we talk to in Beveridge are very keen also to be able to co-locate to Queensland as well, with Inland Rail being the spine there. There is a lot of interest in both sites.

**Senator CANAVAN:** How much funding has been allocated to the Ebenezer site?

**Mr MacDonald:** Today we have spent \$3 million on it.

**Senator CANAVAN:** Have you got an allocation or a budget?

**Mr MacDonald:** We don't have a specific funding allocation other than the funds we have—

**Senator CANAVAN:** So that will have to wait for the business case to be completed.

**Mr Baulderstone:** That's right. We'll put the business case together. The land acquisition is next on the rack for us, then we'll go from there.

**Senator CANAVAN:** It's in your 10 year program?

**Mr Baulderstone:** Yes. It's in our five-year program.

**Senator CANAVAN:** That means you hope to do it in five years?

**Mr Baulderstone:** No, we'd like to buy the land and get the business case. Then the real question for us is: how early do you do the business park?

**Senator CANAVAN:** Thank you very much. It's all very interesting information.

**CHAIR:** Mr Baulderstone, I'll give you one promise: you're not going last next time. That concludes today's hearing. On behalf of the committee, thank you very much to everyone today. Minister, thank you. Thank you to the committee secretary, Tas, and their crew, and, of course, to Hansard and broadcasting.

**Committee adjourned at 22:49**