

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Kai Everist / s47F

SB22-000084

SUBJECT: Climate Change: Summary of Portfolio Actions**Talking Points**

- This portfolio has a significant, broad-ranging contribution to make to the government's climate change agenda and the transition to net zero emissions by 2050.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is establishing a Net Zero Unit to coordinate this work.
- Sectors in this portfolio are exposed to both the direct impacts of climate change-related events, and the economic impacts from the transition to lower emissions. This includes the transport and communications sectors, and sectors in regional Australia.
- The department is working with industry, state and territory governments, and communities to reduce emissions, improve resilience to climate change impacts, and support the transition to a lower emissions economy, particularly in regional Australia.

If asked: What is the government doing about transport emissions?

- The department is supporting whole-of-government work to reduce transport emissions. This includes consultation on fuel efficiency standards as part of the new National Electric Vehicle Strategy and supporting the National Hydrogen Highways Refuelling Network.
- The department will work closely with Australia's aviation industry to reduce domestic emissions; and is an active participant in international initiatives to reduce aviation and maritime emissions.

If asked: What is the government doing to support adaptation and resilience?

- Regional communities and critical communication and transport infrastructure networks are particularly exposed to risks from climate change-related events.
- The department considers climate change risks as part of its normal assessment processes for major infrastructure investments.
- The department is working with other levels of government, industry and regional communities to identify and leverage opportunities in a decarbonised economy.

Key Issues***Reducing emissions in the transport sector***

- Emissions from the transport sector comprise 19 per cent of national greenhouse gas emissions.
 - Since 2005 (baseline for Australia's 43 per cent emissions target by 2030), emissions generated by transport activity have increased by 10 per cent. This is through until 2021 so includes the impacts of COVID disruptions.

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- Road transport is the dominant source of transport related emissions (about 85 per cent).
- The department is working with all levels of government, industry and consumers to reduce transport sector emissions. It is also continuing to partner with industry, other countries and international organisations to reduce aviation and maritime emissions. Key actions include:
 - Developing the National Electric Vehicle Strategy with the Department of Climate Change, Energy, the Environment and Water (SB22-000201 Reducing Transport Emissions refers).
 - Consultation on the National Electric Vehicle Strategy commenced from 28 September, with comments sought until the end of October.
 - The consultation paper seeks views on increasing electric vehicle uptake and reducing transport emissions, including proposed fleet-wide vehicle fuel efficiency standards for new vehicles (SB22-000207 Fuel Efficiency Standard refers).
 - Working with the Australian Automobile Association on real-world testing of vehicles to ensure Australians know the actual fuel efficiency of their vehicles.
 - Introduction of Euro VI standards for trucks to be phased in over 12 months from 1 November 2024, to improve air quality as well as contributing to emissions reductions targets.
 - Supporting the government's consideration of how best to improve fuel quality, which would enable introduction of Euro 6d standards for light vehicles.
 - Supporting implementation of the National Hydrogen Highways Refuelling Network being led by the Department of Industry, Science and Resources and the Department of Climate Change, Energy, the Environment and Water.
 - Austroads guidance, funded by the department and published in July 2022, on use of recycled materials in road pavement and asphalt. Use of these materials can reduce embodied emissions in infrastructure projects.
 - Consequential amendments made to the Infrastructure Australia Act 2008 and the Northern Australia Infrastructure Facility Act 2016 (through the Climate Change (Consequential Amendments) Act 2022).
 - The consequential amendments will ensure emissions reduction targets are considered in Infrastructure Australia assessments and advice, and clarify that projects that contribute to the achievement of Australia's emissions targets can be financed by the NAIF (SB22-000168 on the NAIF refers).
 - Engaging with the aviation industry on establishment of a group, along the lines of the Jet Zero Council seen in the UK or the Council for Sustainable Aviation Fuels in Canada, to advise on sustainable aviation fuels, as announced by the Minister for Infrastructure, Transport, Regional Development and Local Government on 14 July 2022 (SB22-000208 - Jet Zero Council refers).

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- At the recent International Civil Aviation Organization (ICAO) Assembly Australia joined with global counterparts to adopt a long term aspirational goal for international aviation of net zero emissions by 2050. This adds to Australia's existing participation in the ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a global industry wide initiative to cap international aviation emissions at a global baseline.
- Leading the government's engagement, in collaboration with AMSA and other Commonwealth agencies, on emissions reduction at the International Maritime Organization, and on commitments to low and zero emissions green shipping corridors.
- Supporting the portfolio's five Government Business Enterprises as they seek to reduce emissions across their operations.

Supporting adaptation and resilience to climate change impacts

- The department is working with all levels of government, business and the community to support improved adaptation and resilience to climate change impacts in portfolio sectors. Key actions include:
 - Ongoing work to improve the resilience of Australia's telecommunications and broadcasting infrastructure, including new resilience programs in the Better Connectivity Plan and completion of the Strengthening Telecommunications Against Natural Disasters (STAND) program.
 - The new resilience programs are the Broadcasting Infrastructure Resilience Program and the Telecommunications Resilience Disaster and Innovation Program (SB22-000117 Telecommunications Resilience and SB22-000124 Better Connectivity Plan – Resilience refer).
 - Supporting infrastructure resilience work being led by the portfolio's Government Business Enterprises – for example, Inland Rail (ARTC) and NBN Co.

Supporting the transition to a low emissions economy

- The department will implement the new Regional Precincts and Partnerships Program which will see all levels of government and other stakeholders working together to invest in the long-term priorities of a region, including those related to the transition to net zero (SB22-000223 refers).
- The department will work with the Northern Territory government to implement the government's election commitment on the development of common use marine infrastructure in Darwin Harbour. This investment will support industries of the future, including renewable energy and related developments.
- The department is supporting work being led by the Department of the Prime Minister and Cabinet to consider the impacts of decarbonising the economy across Australia's regions.

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Net Zero Unit

- The department is establishing a Net Zero Unit to coordinate climate change related work within the portfolio. The Net Zero Unit was announced by the Minister for Infrastructure, Transport, Regional Development and Local Government in July 2022 (SB22-000220 refers).

Background

- The government has committed to a range of measures of direct relevance to emissions reduction in this portfolio through the Driving the Nation and Powering Australia election commitment packages.
 - A number of Driving the Nation election commitments are being led by this department – including investigation of fleet wide fuel efficiency standards.
 - Other Driving the Nation measures are being developed in partnership with the Department of Climate Change, Energy, the Environment and Water (DCCEEW). This includes a number of measures under the National Electric Vehicle Strategy.
 - The department is supporting work by DCCEEW and the Department of Industry, Science and Resources to develop the National Hydrogen Highways Refuelling Network, part of the Powering Australia package of measures.
 - The department will also work to implement Euro VI standards for heavy vehicles to be phased in over 12 months from 1 November 2024, as announced by the government on 13 October 2022.
- In addition to election commitments, there is significant work underway across the portfolio through existing measures to strengthen resilience of our critical infrastructure.
 - The Infrastructure Investment Program which allows for funding of projects to improve resilience against climate change risks.
 - The department funded the development of Austroads' Guide to Pavement Technology Part 4E: Recycled Materials, released in July 2022, which assesses the potential impacts and outcomes of recycled materials in road pavement and asphalt.
- The *Climate Change (Consequential Amendments) Act 2022* made changes to a range of Commonwealth Acts, including the Infrastructure Australia Act and the NAIF Act.
 - The amendments to the NAIF Act clarify that projects which contribute to the achievement of Australia's greenhouse gas emissions targets ambitions can be financed by the NAIF.
 - The amendments do not impact existing NAIF contracts (SB22-000168 refers).

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Broader portfolio actions

- The portfolio's five Government Business Enterprises (GBEs) are also working to reduce emissions, and ensure climate resilient infrastructure. The GBEs are:
 - Australian Rail Track Corporation – Inland Rail project
 - NBN Co
 - National Intermodal Corporation
 - Australia Post
 - WSA Co – Western Sydney Airport project

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Susan Charles

SB22-000086

SUBJECT: Online Safety Campaign**Key Issues**

The Online Safety Campaign evaluation and future campaign funding.

Background

- The aim of the 2022 Online Safety Campaign was to raise public awareness of the Australian Government's Online Safety Act 2021 (the Act), with a focus on the new and strengthened laws to keep Australians safe through Australia's online safety regulator, the eSafety Commissioner (eSafety).
- The Campaign launched on 30 January 2022, following the commencement of the Act on 23 January, and concluded 30 June 2022. On 13 April 2022, the Campaign secured bi-partisan agreement to recommence activities during the caretaker period.
- \$5.2 million (excl GST) was allocated for the Campaign in 2021-22. The Department of Infrastructure, Transport, Regional Development and Communications received an appropriation of \$4.43 million (excl GST) and eSafety received an allocation of \$747,000 (excl GST) to deliver public relations and education activities for youth and their influencers.
- The Campaign's evaluation has been completed. As at 31 August 2022, a total of \$4.27 million (excl GST) has been spent on the Campaign. Questions regarding total spend by eSafety should be directed to them. The department does not have visibility of their expenditure.
- The 2022 Campaign had three objectives:
 - raise awareness and understanding of the new, strong laws for serious online abuse
 - reassure online users that there are legal protections in place that continue to evolve and respond with changes in technology, and
 - raise awareness of where Australians can find more information or report if they have experienced serious online abuse.
- The 2022 Campaign's primary audiences were:
 - adults who are impacted or know others who may be impacted by serious online abuse
 - women aged 18-70 years
 - parents and youth influencers
 - culturally and linguistically diverse (CALD) people
 - First Nations communities
 - people with disability.

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SB22-000086

Evaluation

- Hall & Partners, the whole-of-government evaluation supplier, undertook evaluation for the Campaign.
- Evaluation has confirmed all objectives were met, and findings showed for those audiences who saw the Campaign, it:
 - significantly increased understanding of the Australian Government's strengthened online safety protections, particularly for First Nations audiences
 - significantly increased feelings of safety and protections among women and
 - drove increased visits to eSafety.gov.au – the Campaign's call to action.
- Overall, Campaign reach was limited across all audience groups, which was not unexpected given a modest media buy of \$2.2 million (excl GST) over a 5-month period.
- Following evaluation of the Campaign, key insights included:
 - Across all target audiences, those who were exposed to the campaign were generally better informed, held more positive attitudes and perceptions, and were more likely to engage in key campaign-related action.
 - Audiences responded positively to the campaign content particularly the video, with engagement highest with women, CALD and First Nation audiences.
 - Around half of those exposed to the Campaign took a key action as a result of the exposure – primarily driving increased visits to eSafety.gov.au, and talking to others about the laws.
 - Awareness and understanding, increased among women, when compared to the benchmark, specifically in relation to laws holding online platforms to account and that serious online abuse can be reported to eSafety.gov.au. These increases were largely driven by those aged 35-54 years, and those in regional areas.
 - The department notes that the Campaign successfully drove traffic to the eSafety website, with a 107 per cent increase in visits to eSafety.gov.au, 80 per cent being unique visitors, compared with the previous 12 months.

Design and Implementation

- The Campaign was informed by research (August 2021) indicating target audiences feel online safety is an important issue, but few people knew what to do if they had a negative online experience, and few had knowledge of legal protections or where to report instances of serious online abuse.
- The 5-month media spend was front weighted with a 4-6 week 'burst' of television, out-of-home and First Nations radio. TV placements ran until 28 February 2022. Content across online, social, First Nations and culturally and linguistically diverse (CALD) channels were live in market throughout the entire Campaign period, until 30 June 2022.

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- CALD campaign advertising materials were translated into five key language groups (Arabic, Korean, Mandarin, Cantonese and Vietnamese). An additional five languages were added to the Campaign materials for community outreach activities, which included 11 trusted community advocates.
- Dedicated digital creative for First Nations audiences was developed, featuring community advocates Leila Gurruwiwi and Shelley Ware.
- People with disability, women and parents formed part of the mainstream 18-70 year-old cohort for the paid media placement. All digital and social creative were captioned for accessibility purposes.
- The Campaign was developed in line with the Guidelines on Information and Advertising Campaigns by Non-Corporate Commonwealth Entities (Guidelines).
- The Independent Communication Committee considered the campaign on 8 December 2021 and concluded the Campaign was capable of complying with principles one to four of the Guidelines.
- The Secretary certified the campaign on 24 January 2022. The previous Minister for Communications, Urban infrastructure, Cities and the Arts, the Hon Paul Fletcher approved the campaign launch on 27 January 2022.

Financial Information as at 31 August 2022

- A total of \$4.43 million (excl GST) was allocated to the department for the Online Safety Campaign in 2021-22.
- Future funding from 2022-23 to 2026-27 is subject to further discussions and government approvals.

Program/Project Start Date:	1 July 2021					
Program/Project End Date:	30 June 2027					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	4.4	0.9	0.9	0.9	7.1
Less:						
Actual Expenditure YTD at 31 August 2022	0					
Total Committed Funds at 31 August 2022	0	4.4	0	0		4.4
Total Uncommitted Funds (balance)	0	0	0.9	0.9	0.9	0.9

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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Expenditure Information as at 31 August 2022

2021-22 and 2022-23 F/Y:

CN ID & procurement method	Supplier	Description	Date published	Contract value (incl GST)	Amount spent (as at 31 August 2022, excl GST)
CN3805884 <i>Limited tender</i>	Orima Research	Market research	18 August 2021	\$395,154	\$382,422.27
CN3830295 <i>Limited tender</i>			15 November 2021	\$22,727	
			21 December 2021	\$7,359.20	
TOTAL ORIMA RESEARCH				\$425,240	\$382,422.27
CN3824817 <i>Limited tender</i>	TBWA	Creative services	2 November 2021	\$106,870	\$611,897.54
CN3831756 <i>Limited tender</i>			30 November 2021	\$566,343.41	
TOTAL TBWA				\$673,213.41	\$611,897.54
CN3824818 <i>Limited tender</i>	33 Creative	First Nations communication services	2 November 2021	\$330,000	\$299,991
TOTAL 33 CREATIVE				\$330.000	\$299,991.00
CN3824077 <i>Limited tender</i>	CultureVerse	Culturally and linguistically diverse communication services	29 October 2021	\$329,710.33	\$299,736.67
CN3839517 <i>Limited tender</i>			5 January 2022	\$11,595.40	
TOTAL CULTUREVERSE				\$341,305.73	\$299,736.68
CN3839517 <i>Limited tender</i>	Hall & Partners	Evaluation services	5 January 2022	\$220,200.20	\$198,182.00
CN3839513 <i>Limited tender</i>	Universal McCann	Media strategy and placement services	5 January 2022	\$2,419,999.91	\$2,157,468.66
Nil – below reportable thresholds	Other	Mandatory campaign meetings	N/A	\$18,000	\$17,227.28
	Other	Resources/staffing	N/A	\$300,000	\$299,291.00
				Total allocated: \$4,409,959.44	Total spent: \$4,266,216.43

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000085

SUBJECT: Budget Funding**Talking Points**

- For the 2022-23 financial year, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) will administer \$17.3 billion in agency resourcing, comprising of \$0.5 billion in departmental¹ and \$16.7 billion in administered, which includes \$2.4 billion in payments to portfolio bodies (2022-23 October PBS pages 27 to 30)².
- This represents a net decrease in agency resourcing of \$1.1 billion from \$18.4 billion in 2021-22 to \$17.3 billion in 2022-23 (2022-23 October PBS pages 28 to 29). This decrease is primarily the result of Government decisions as part of the 2022-23 October Budget to contribute to Budget repair, and the completion of COVID-19 support measures.
- The Department is being appropriated \$413.7 million in departmental funding in the 2022-23 October Budget. This comprises \$401.2 million in departmental operating funding and \$12.5 million in departmental capital budget (2022-23 October PBS page 27).
- A further \$14.0 billion in 2022-23 (\$59.5 billion across four years) is provided to States and Territories through various National Partnership Payments (see 2022-23 October Budget, Budget Paper 3, page 54 to 55)³.
- The Department's Average Staffing Level (ASL) for the 2022-23 October Budget has increased by 56 ASL from the 2021-22 estimated ASL of 1,716 to 1,772. This is attributable to delivery of measures, net of Machinery of Government changes.

Key Issues

- The Department is budgeting for a break-even financial position for the 2022-23 financial year (2022-23 October PBS page 95).
- The 2022-23 October Budget recognises a net increase in departmental expenses of \$11.3 million from 2021-22 to 2022-23 as outlined in the 2022-23 October Budget (2022-23 October PBS page 95). This is predominantly attributable to:
 - a net increase of \$16.6 million in employee and supplier expenses from 2021-22 for additional staff and suppliers costs to deliver on the Government's priorities for 2022-23
 - a net decrease of \$0.4 million in depreciation and amortisation and finance costs for 2022-23
 - a net decrease of \$4.8 million due to movements in expenditure for grants and write-downs.
- The \$16.6 million increase in employee and supplier expenses⁴ is the net impact of decisions of Government made across a number of Budget cycles, including the 2022-23

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October Budget. A summary of the drivers of this increase is below (numbers may not add due to rounding).

- +\$68.2 million – impact of existing decisions taken in previous Budgets (ie prior to 2022-23 October Budget)
- -\$61.3 million – impact of reprofiling and reallocation of the Per and Polyfluoroalkyl Substances (PFAS) Program
- +\$23.6 million – reduced actual expenditure in 2021-22 (mainly relating to PFAS of \$22.8 million) which contributes to the difference when comparing years
- -\$15.3 million – the portfolio's Whole-of-Government savings allocation in 2022-23 October Budget relating to external labour, advertising, travel and legal
- +\$5.0 million – net impact of new measures from the 2022-23 October Budget (noting this amount only includes amounts attributable to employee and supplier expenses – so no capital amounts). New measures from the 2022-23 October Budget are included in the 2022-23 October PBS pages 31 to 33 and Attachment A refers.
- -\$6.5 million – Machinery of Government transfers out of the Department to: Attorney Generals' Portfolio for Copyright functions (\$1.2 million); and to the Climate Change, Energy, the Environment and Water Portfolio for Water functions (\$5.2 million)
- +3.0 million – other variations.

ASL

- The Department's ASL will increase by 56 ASL across its six outcomes to 1,772 ASL in 2022-23 from an estimated actual of 1,716 ASL in 2021-22 (2022-23 October PBS page 28).
- The Department's increase of 56 ASL is mainly attributable to the impact of existing measures and new decisions agreed in the October 2022-23 Budget to deliver the Government's priorities in 2022-23, net of Machinery of Government changes.
- There was a net increase in the Portfolio's ASL of 333 between the 2021-22 estimated actual of 11,051 ASL and the 2022-23 estimate of 11,384 ASL (a full breakdown by agency of the Portfolio's ASL is in 2022-23 October Budget Paper 4 and Attachment B refers). Apart from measure impacts, these increases generally reflect lower estimated actuals for agencies in 2021-22 due to delays in recruitment, with the 2022-23 figure reflecting agency staffing caps, apart from ABC and SBS who have increased their staffing for new positions funded from commercially generated revenue. The ASL increase is mainly attributable to:
 - an increase of 103 ASL for the Special Broadcasting Service
 - an increase of 56 ASL for the Department
 - an increase of 32 ASL for the National Archives of Australia
 - an increase of 30 ASL for the National Library of Australia
 - an increase of 27 ASL for the Civil Aviation Safety Authority

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- an increase of 23 ASL for the Australian Maritime Safety Authority
- an increase of 19 ASL for the Australian Broadcasting Corporation
- an increase of 13 ASL for the Australian Council
- an increase of 10 ASL for the Bundanon Trust
- an increase of 8 ASL for the National Film and Sound Archives of Australia
- an increase of 5 ASL for the National Gallery of Australia
- an increase of 5 ASL for the Australian Communications and Media Authority
- a net increase of 2 ASL across the other portfolio bodies under the Portfolio.

Administered

- There is a decrease of \$1.0 billion in resourcing from \$17.7 billion in 2021-22 to \$16.7 billion in 2022-23 (2022-23 October Budget pages 28 and 29). This decrease is primarily the result of the following:
 - a net reduction in funding for special appropriations (\$2.4 billion), predominantly related to the bring forward of funding for Local Government Financial Assistance Grants (untied funding provided to local governments to be used according to local priorities) from 2022-23 into 2021-22 as part of prior Budget processes (decrease of \$2.7 billion), offset by an increase in the Northern Australia Infrastructure Fund (NAIF) Special Appropriation (\$0.3 billion)
 - a reduction in annual administered funding for the Transport sector, in particular due to terminating Air Transport measures from prior Budget processes (\$0.8 billion)
 - a reduction in funding in specific payments to States, Territories and local government made by the Department (\$0.3 billion)
 - additional administered equity funding to rail infrastructure and supporting the Air Transport sector (\$1.8 billion)
 - an increase in prior year funding available (\$0.7 billion).
- A further \$14.0 billion in 2022-23 (\$59.5 billion across four years) is provided to States and Territories through various National Partnership Payments (see 2022-23 October Budget, Budget Paper 3, page 54 to 55)³.

Machinery of Government Changes

- The Administrative Arrangement Orders of 23 June 2022 transferred responsibility for:
 - the Copyright functions from the Infrastructure, Transport, Regional Development, Communications and the Arts Portfolio (the Infrastructure Portfolio) to the Attorney-General's Portfolio
 - the Water functions (including the North Queensland Water Infrastructure Authority) from the Infrastructure Portfolio to the Climate Change, Energy, the Environment and Water Portfolio
 - the National Archives of Australia from the Attorney Generals' Portfolio to the Infrastructure Portfolio

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- Old Parliament House from the Prime Minister and Cabinet Portfolio to the Infrastructure Portfolio.
- For the Department, the appropriation transfers included:
 - 7 ASL ongoing and approximately \$1.5 million per annum in appropriations (including \$1.2 million in departmental) ongoing for the Copyright functions (Section 75 Agreement); and
 - 28.6 ASL in 2022-23 (36.1 in 2023-24 and 9.6 ASL ongoing) and approximately \$14.9 million in 2022-23 (including \$5.2 million in departmental) for the Water functions (Section 75 Agreement).

Attachments

- Attachment A – Detailed breakdown of the 2022-23 October Budget measures
- Attachment B – Summary of ASL for the Portfolio for the 2022-23 October Budget
- Attachment C – 2022-23 October Budget Funding by Agency

¹ The \$0.5 billion figure is departmental resourcing, that includes s74 revenue and prior year appropriations. This differs from the \$413.7 million in departmental funding, that includes the departmental appropriation and the departmental capital budget.

² Figures may not sum due to rounding.

³ Note figures include National Water Grid Fund services totalling \$472 million in 2022-23 (\$1.7 billion across four years that are no longer delivered by the portfolio) and do not include Financial Assistance Grants (totalling \$821.5 million in 2022-23) as amounts have been limited to Infrastructure spending (as classified in Budget Paper 3 page 54-55).

⁴ Figures in this section are from the Comprehensive Income Statement from the 2022-23 October PBS and will not reconcile to appropriation funding referenced in other sections.

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Detailed breakdown of the 2022-23 October Budget measures

Attachment A

Measure Type	Measure Name	Costing No.	Agency	2022-23 BP2 Page Ref	2022-23 PBS Page Ref	DITRDC 2022-23 PBS Line Item	Admin Type	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total over 4 Years	Comment
Payment Measures	Better Connectivity Plan for Rural and Regional Australia Plan	363	DITRDCA	158	31	Abolish Australian 5G initiative	Departmental	5.2	-	(918)	(640)	(473)	-	(2,031)	
		363					Administered	5.1	-	(8,000)	(8,000)	(4,000)	-	(20,000)	
		393				Better connectivity for Rural and Regional Australia Plan	Departmental	5.2	-	3,328	4,043	2,972	2,175	12,518	
		393					Administered	5.1	-	19,200	164,300	182,400	126,500	492,400	
		457				Better Connectivity For Regional Australia Plan - Connecting Regional Australia - Reversal	Departmental	5.2	-	(6,075)	(7,137)	(5,373)	(3,883)	(22,468)	
		457					Administered	5.1	-	(97,800)	(169,800)	(169,800)	(179,000)	(616,400)	
		397				Better Connectivity For Regional Australia Plan - Regional Tech Hub Expansion	Administered	5.1	-	-	2,000	2,000	2,000	6,000	
		416				Better Connectivity For Regional Australia Plan - National Audit of Mobile Coverage	Administered	5.1	-	5,128	11,218	1,218	1,218	18,782	
		396				Better Connectivity For Regional Australia Plan - On Farm Connect Program	Departmental	5.2	-	1,221	2,258	2,299	-	5,778	
		396					Administered	5.1	-	5,100	12,500	12,400	-	30,000	
		339				Improving Mobile coverage-Mobile Black Spot Program	Administered	5.1	-	8,000	15,000	17,000	-	40,000	
		369				Improving Mobile Coverage - Savings from mobile black spot program round 6	Administered	5.1	-	(79,100)	-	-	-	(79,100)	
		395				First Nations Communications and Digital Abilities	Departmental	5.2	-	463	533	500	499	1,995	
		415				Peri Urban Mobile coverage - Additional Rounds	Administered	5.1	-	3,709	8,005	11,520	8,007	31,241	
											Total		-	(145,744)	34,280
Payment Measures	Better Funded National Broadcasters	N/A	DITRDCA	159	31	Better Funded National Broadcasters	Departmental	5.2	-	-	-	-	-	-	Relocation of SBS from Artarmon to Western Sydney feasibility study with cost to be absorbed by the Department.
						Total		-	-	-	-	-	-	-	
Payment Measures	Brisbane 2032 Olympic and Paralympic Games – departmental resourcing	414	DITRDCA	160	31	Brisbane 2032 Olympic and Paralympic Games – departmental resourcing	Departmental	3.5	-	803	1,823	1,584	1,598	5,808	
						Total		-	803	1,823	1,584	1,598	5,808		
Payment Measures	Building a Better Future Through Considered Infrastructure	N/A	DITRDCA	160	31	Road Research (Non-State)	Administered	1.1	-	8,687	2,000	-	-	10,687	
		N/A				Roads to Recovery	Administered	1.1	-	1,725	(1,621)	-	-	104	
		N/A				ARTC Grants	Administered	1.1	-	1,000	75,000	25,000	-	101,000	
		372				Establishing High Speed Rail Authority (HSRA)	Administered	1.1	-	4,447	5,431	4,059	4,095	18,032	
		375				Local Roads and Community Infrastructure Program	Administered	3.2	-	-	-	-	250,000	250,000	
		N/A				Expert Panel for Western Sydney Infrastructure Planning	Departmental	1.2	-	101	-	-	-	101	
										DITRDCA Total		-	15,960	80,810	29,059
		N/A	Treasury	160	N/A	Abolish Urban Congestion Fund	Treasury	N/A	-	(217,090)	(266,664)	(91,527)	(95,469)	(670,750)	
		N/A			Audit of Wasteful Spending - Infrastructure Investment Projects	Treasury	N/A	-	(56,746)	(1,437,140)	(1,274,680)	1,978,890	(789,676)		
		N/A			Energy Security and Regional Development Plan - Projects Delivery via IIP	Treasury	N/A	-	15,000	32,600	40,000	159,000	246,600		
		N/A			Infrastructure Investment Program – additional project cancellations	Treasury	N/A	-	(28,000)	(36,000)	(30,000)	(2,500)	(96,500)		
		N/A			Infrastructure Projects	Treasury	N/A	-	243,539	366,702	820,025	1,416,162	2,846,428		
		N/A			Reprofile of Infrastructure Projects	Treasury	N/A	-	(2,837,525)	(3,317,401)	(825,012)	342,286	(6,637,652)		
									Treasury Total		-	(2,880,822)	(4,657,903)	(1,361,194)	3,798,369
Payment Measures	Government Spending Audit – Agriculture, Fisheries and Forestry – efficiencies	379	DITRDCA	45	31	National Centre for Digital and Agricultural Innovation - Reversal	Administered	3.1	-	(11,800)	(11,404)	(3,405)	(3,408)	(30,017)	This is a reallocation of funding from the 2022-23 March Budget measure Regional Accelerator Program from the Department to DAFF.
						Total		-	(11,800)	(11,404)	(3,405)	(3,408)	(30,017)		
Payment Measures	Government Spending Audit – Climate Change, Energy, the Environment and Water – efficiencies	379	DITRDCA	62	31	Reversal of Recycling Modernisation Fund	Administered	3.1	-	(6,096)	(7,096)	(9,000)	(8,061)	(30,253)	This is a reallocation of funding from the 2022-23 March Budget measure Regional Accelerator Program from Department to DCCEEW.
						Total		-	(6,096)	(7,096)	(9,000)	(8,061)	(30,253)		
Payment Measures	Heavy Vehicle Road User Charge – increase	N/A	DITRDCA	162	31	Heavy Vehicle Road User Charge – increase	Departmental	2.4	-	-	-	-	-	-	This is a Treasury measure with no impact for the Department, noting the measure has a nil impact line included.
						DITRDCA Total		-	-	-	-	-	-		
		N/A	ATO	162	N/A	Heavy Vehicle Road User Charge – increase	ATO	N/A	-	(38,259)	(57,535)	(59,848)	(60,043)	(215,685)	Decrease in expenditure on the Fuel Tax Credit.
						ATO Total		-	(38,259)	(57,535)	(59,848)	(60,043)	(215,685)		
Payment Measures	Improving the NBN	431	DITRDCA	162	31	Boost educational opportunities for families with no internet	Departmental	5.2	-	152	18	18	-	188	This item includes \$2.4 billion in equity for NBN Co (note equity is not included in BP2 or PBS financial tables.
		Administered					5.1	-	4,500	-	-	-	4,500		
										Total		-	4,652	18	
Payment Measures	National Water Grid – delivering commitments	437	DITRDCA	67	31	Cairns water security project and Tasmanian irrigation	Administered	3.1	-	(5,000)	(20,500)	(6,500)	-	(32,000)	This is a reallocation of funding from the 2022-23 March Budget measure Energy Security Regional Development Plan (ESRDP) from the Department to DCCEEW.
											Total		-	(5,000)	
Payment Measures	Powering Australia – Driving the Nation Fund – establishment	366	DITRDCA	70	32	Real World Vehicle Testing	Departmental	2.4	-	(300)	(200)	-	-	(500)	
		Administered					2.1	-	500	500	3,500	3,500	7,500		
										Total		-	200	300	3,500

Measure Type	Measure Name	Costing No.	Agency	2022-23 BP2 Page Ref	2022-23 PBS Page Ref	DITRDC 2022-23 PBS Line Item	Admin Type	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total over 4 Years	Comment
Payment Measures	Responsible Investment to Grow Our Regions	435	DITRDCA	163	32	Community Development Programme - savings	Administered	3.1	-	(411,600)	(340,000)	(142,000)	(26,553)	(920,153)	
		411				Building Better Regions Fund - savings	Departmental	3.5	-	-	(992)	(749)	(147)	(1,888)	
		379				Regional Accelerator Program - savings	Administered	3.1	-	(100,000)	(75,000)	-	(250,000)		
		437				Energy Security and Regional Development Plan - savings	Departmental	3.5	-	(11,121)	(11,019)	(10,822)	(9,967)	(42,929)	
		438				Northern Australia Projects and Supporting Clean Energy in the Hunter	Administered	3.1	-	(103,380)	(187,008)	(456,097)	(585,516)	(1,332,001)	
							Departmental	3.5	-	3,186	4,967	4,337	4,242	16,732	
		409				Community Infrastructure Program	Administered	3.1	-	7,700	79,000	131,000	115,000	332,700	
							Departmental	3.5	-	3,879	9,101	9,503	2,803	25,286	
		445				Precincts and Partnerships Program (Regional Stream) – Strategic Priorities	Administered	3.5	-	62,250	227,000	470,000	600,000	1,359,250	
							Departmental	3.1	-	1,378	1,717	2,145	2,012	7,252	
		402				Supporting The Regional Australia Institute	Administered	3.1	-	-	125,000	175,000	200,000	500,000	
		410				Investing in Our Communities Program	Administered	3.1	-	1,000	2,000	2,000	-	5,000	
							Departmental	3.5	-	1,643	1,682	1,713	1,828	6,866	
		398				Shortland Terrestrial Television Transmission	Administered	3.1	-	22,927	108,940	128,014	59,700	319,581	
							Departmental	5.2	-	61	22	14	-	97	
						Administered	5.1	-	-	1,351	595	-	1,946		
						DITRDCA Total		-	(938,981)	(593,839)	(268,642)	94,471	(1,706,991)		
	443	Treasury	163	N/A	Cairns Marine Precinct and Central Queensland University - SPP	Treasury	N/A	-	-	10,000	46,000	46,000	102,000	Administered funds for these measures are administered by the Department of Treasury.	
					Local Community, Sport and Infrastructure - Child Development Unit at the Campbelltown Hospital and Resources Centre of Excellence	Treasury	N/A	-	6,000	-	-	-	6,000		
					Treasury Total		-	6,000	10,000	46,000	46,000	108,000			
Payment Measures	Safe Kids are eSmart Kids	412	DITRDCA	164	32	Safe Kids are e-smart kids	Administered	5.1	-	-	1,883	2,078	2,039	6,000	
						Total		-	-	1,883	2,078	2,039	6,000		
Payment Measures	Strategic Fleet Taskforce – establishment	413	DITRDCA	165	32	Strategic Fleet Taskforce	Departmental	2.4	-	6,291	-	-	-	6,291	
						Total		-	6,291	-	-	-	6,291		
Payment Measures	Support for Community Sector Organisations	N/A	DITRDCA	84	32	Administered indexation support	Administered	2.3, 3.1, 5.1, 6.1	-	2,163	2,163	2,163	2,163	8,652	
						Total		-	2,163	2,163	2,163	2,163	8,652		
Payment Measures	Support for the Aviation Sector	390	DITRDCA	165	32	Aviation White Paper	Departmental	2.4	-	3,134	3,907	-	-	7,041	
		446				Commonwealth Facilities at Western Sydney International Airport (Detailed Business case)	Administered	2.3	-	5,000	-	-	-	5,000	
		407				Newcastle Airport Upgrade	Administered	2.3	-	15,000	40,000	-	-	55,000	
		389				Hobart Airport Upgrade	Administered	2.3	-	-	20,000	40,000	-	60,000	
						Total			-	23,134	63,907	40,000	-	127,041	
Payment Measures	Supporting Local News and Community Broadcasting	371	DITRDCA	166	32	Supporting Regional and Local Newspapers	Administered	5.1	-	15,000	-	-	-	15,000	
		373				Supporting Community Broadcasting	Administered	5.1	-	-	4,000	4,000	4,000	12,000	
		394				News Media Assistance Program	Administered	5.1	-	4,000	-	-	-	4,000	
		394				Journalist (Cadetship and Training) - savings	Administered	5.1	-	(4,000)	-	-	-	(4,000)	This savings offsets the News Media Assitance Program.
						Total			-	15,000	4,000	4,000	4,000	27,000	
Payment Measures	Supporting the Arts	458	DITRDCA	166	32	Temporary Interruption Fund (TIF) - extension	Administered	6.1	-	-	-	-	-	-	Redirection of \$522.0 million in 2022-23 to the Live Performance Fund (leaving \$28.0 million of the original \$50.0 million available for TIF).
		408				Live Performance Fund (funding redirected from TIF)	Administered	6.1	-	-	-	-	-	-	Redirection of \$522.0 million in 2022-23 from TIF.
		403				NAISDA Dance College	Administered	6.1	-	5,000	-	-	-	5,000	
		406				Transfer CPA to Australia Council	Administered	6.1	-	-	(4,960)	(5,080)	(5,176)	(15,216)	
		459				National Performing Arts Training Organisations – Efficiency Dividend exemption	Administered	6.1	-	227	469	711	965	2,372	
		460				CN -460 Phase Down of the RISE Fund reversal	Administered	6.1	-	(18,000)	-	-	-	(18,000)	
		462				National Institute of Dramatic Art - additional funding	Administered	6.1	-	5,000	-	-	-	5,000	
		462				Bundanon Trust - additional funding	Administered	6.1	-	2,400	-	-	-	2,400	
						Total			-	(5,373)	(4,491)	(4,369)	(4,211)	(18,444)	
Payment Measures	Tourist and Heritage Operators' Rail Safety Regulation	442	DITRDCA	167	33	Tourist and Heritage Operators' Rail Safety Regulation	Administered	2.1	-	-	1,638	1,693	1,737	5,068	
						Total		-	-	1,638	1,693	1,737	5,068		

Measures Classified as NFP

Measure Type	Measure Name	Costing No.		2022-23 BP2 Page Ref	2022-23 PBS Page Ref			Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	Total over 4 Years	Comment
Payment Measures	Pacific Security and Engagement Initiatives	450	N/A		31	Key Sector Capability	Departmental	5.2	-	nfp	nfp	nfp	nfp	nfp	This proposal is NFP due to National Security reasons.
						TOTAL			-	nfp	nfp	nfp	nfp	nfp	

Summary of ASL for the Portfolio for the 2022-23 October Budget

2022-23 October Budget (BP No.4)				
Agency	2021-22 Estimated Actual (March ASL Cap)	2022-23 Estimate ASL Cap (March ASL Cap)	Change^	Key Variance Commentary*
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	1,716 (1,708)	1,772 (1,764)	56 (56)	2021-22 and 2022-23 both have an increase of 8 ASL since the 2022-23 March Budget. The 2021-22 increase of 8 ASL (above the agency cap) reflects actual ASL to deliver the Government's critical priority programs in response to the continued impacts of the pandemic, bushfires, floods and the drought. The 2022-23 increase of 8 ASL reflects the net effect of Machinery of Government changes and Government Decisions in the 2022-23 October Budget, with key material (above 5 ASL) changes to 2022-23 including: - Aviation White Paper (15 ASL) - Northern Australia Projects and Supporting Clean Energy in the Hunter (15 ASL) - Strategic Fleet Taskforce (14 ASL) - Better Mobile and Broadband Connectivity and Resilience (9 ASL) - Priority Community Infrastructure Program (Election commitments >\$5m) (9 ASL) - Establishing the High Speed Rail Authority (9 ASL) (noting the Department is including these net increases until the agency is established) - Not proceeding with 2022-23 March budget measures (reduction of 39 ASL) - Machinery of Government changes (Water policy a reduction of 29 ASL to DCCEEW and Copyright policy a reduction of 7 ASL to AGD).
Creative Partnerships Australia	18 (18)	18 (18)	0 (0)	No change to 2021-22 or 2022-23 since the 2022-23 March Budget, noting the MoG to Australia Council is only reflected from 2023-24 as below.
Australia Council	96 (101)	108 (108)	13 (7)	2021-22 has a reduction of 5 ASL since the March 2022-23 Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget. Note the CPA MoG impacts do not commence until 2023-24 with CPA ASL reflected above.
Australian Broadcasting Corporation	4,194 (4,130)	4213 (4,130)	19 (0)	s47 - commercially valuable information,s47E(d) - certain operations of agencies
Australian Communications and Media Authority	518 (518)	523 (520)	5 (2)	No change to 2021-22 and 2022-23 has an increase of 3 ASL since the 2022-23 March Budget, relating to the Spectrum Management Enhancement measure in the 2022-23 October Budget.
Australian Film, Television and Radio School	141 (145)	145 (145)	4 (0)	2021-22 has a reduction of 4 ASL since the March 2022-23 Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
Australian Maritime Safety Authority	425 (447)	448 (448)	23 (1)	2021-22 has a reduction of 23 ASL since the March 2022-23 Budget due to a delay in recruitment. 2022-23 has no change since the 2022-23 March Budget.
Australian National Maritime Museum	125 (125)	125 (125)	0 (0)	No change to 2021-22 or 2022-23 since the 2022-23 March Budget.
Australian Transport Safety Bureau	101 (106)	105 (105)	4 (-1)	2021-22 has a reduction of 5 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
Bundanon Trust	24 (23)	34 (34)	10 (11)	2021-22 has an increase of 1 ASL (above the agency cap) since the 2022-23 March Budget, relating to the new property build opening earlier than originally planned. 2022-23 has no change since the 2022-23 March Budget.
Civil Aviation Safety Authority	805 (832)	832 (832)	27 (0)	2021-22 has a reduction of 27 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
Infrastructure Australia	32 (30)	29 (29)	-2 (-1)	2021-22 has an increase of 2 ASL (above the agency cap) since the 2022-23 March Budget, relating to the delivery of the Australian Infrastructure Plan. 2022-23 has no change since the 2022-23 March Budget.
National Archives of Australia	332 (362)	363 (363)	31.5 (1)	2021-22 has a reduction of 30 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
National Capital Authority	57 (51)	61 (61)	3 (10)	2021-22 has a reduction of 6 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
National Faster Rail Agency	9 (11)	4 (11)	-5 (0)	2021-22 has a reduction of 2 ASL and 2022-23 has a reduction of 7 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment (2021-22) and the measure (2022-23) <i>Cessation of the National Faster Rail Agency with staff ASL to be moved into High Speed Rail Authority (HSRA)</i> (noting the DITRCA return includes HSRA elements as an initial approach, before the agency is established - see item above).
National Film and Sound Archive of Australia	174 (174)	182 (182)	8 (8)	No change to 2021-22 or 2022-23 since the 2022-23 March Budget.
National Gallery of Australia	212 (217)	217 (217)	5 (0)	2021-22 has a reduction of 5 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
Northern Australia Infrastructure Facility	1 (1)	1 (1)	0 (0)	No change to 2021-22 or 2022-23 since the 2022-23 March Budget.
National Library of Australia	341 (355)	371 (371)	30 (16)	2021-22 has a reduction of 14 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
National Museum of Australia	215 (216)	216 (216)	1 (0)	2021-22 has a reduction of 1 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
National Portrait Gallery of Australia	52 (52)	52 (52)	0 (0)	No change to 2021-22 or 2022-23 since the 2022-23 March Budget.
National Transport Commission	42 (42)	43 (43)	1 (1)	No change to 2021-22 or 2022-23 since the 2022-23 March Budget.
Old Parliament House	78 (78)	73 (73)	-5 (-5)	No change to 2021-22 or 2022-23 since the 2022-23 March Budget.
Screen Australia	95 (97)	97 (97)	2 (0)	2021-22 has a reduction of 2 ASL since the 2022-23 March Budget due to unfilled positions and delays in recruitment. 2022-23 has no change since the 2022-23 March Budget.
Special Broadcasting Service Corporation	1,249 (1,238)	1,352 (1,267)	103 (29)	s47 - commercially valuable information,s47E(d) - certain operations of agencies
Total Portfolio ASL	11,051 (10,640)	11,384 (10,786)	333 (146)	

^Amounts may not sum due to rounding.
*ASL counts included are net of Grants Hub transfers.



2022-23 October Budget - Funding and staffing by agency for 2022-23

Department Departmental Approp: \$413.7m Operating: \$401.1m Capital: \$12.5m ASL: 1,772 Administered Approp: Administered capital: \$39.2m Outcome 1 Annual Admin : \$225.4m Act 2: \$490.9m ASL: 314 Outcome 2: Annual Admin: \$336.7m Special Approp: \$226.8m ASL: 488 Outcome 3: Annual Admin: \$784.1m Act 2: \$669.3m Special Approp: \$821.5m ASL: 308 Outcome 4: Annual Admin: \$245.7m Special Account: \$19.9m ASL: 124 Outcome 5: Annual Admin: \$310.3m Special Account: \$329.1m ASL: 316 Outcome 6: Annual Admin: \$295.0m Special Account: \$0.5m ASL: 222	Australia Council* Dept Approp: \$220.5m Operating: \$220.5m Capital: Nil ASL: 108	ABC* Dept Approp: \$1,107.2m Operating: \$1,107.2m Capital: Nil ASL: 4,213	ACMA Dept Approp: \$139.0m Operating: \$130.8m Capital: \$8.1m ASL: 523 Special account approp: \$42.8m Admin Approp: \$8.2m Special Approp: \$8.3m	AFTRS* Dept Approp: \$23.0m Operating: \$23.0m Capital: Nil ASL: 145
	AMSA* Dept Approp: \$227.5m Operating: \$92.9m Special Approp: \$134.6m Capital: Nil ASL: 448	ANMM* Dept Approp: \$25.7m Operating: \$24.0m Capital: \$1.7m ASL: 125	ATSB Dept Approp: \$21.6m Operating: \$21.0m Capital: \$0.6m ASL: 105	CASA* Dept Approp: \$181.6m Operating: \$92.4m Special Approp: \$89.1m Capital: Nil ASL: 832
	IA* Dept Approp: \$12.7m Operating: \$12.7m Capital: Nil ASL: 29	NAA Dept Approp: \$105.2m Operating: \$86.5m Capital: \$18.7m ASL: 363	NCA Dept Approp: \$11.2m Operating: \$10.5m Capital: \$0.7m ASL: 61 Admin Approp: \$18.5m Admin Capital: \$43.4m Special Approp: \$0.03m	NFRA Dept Approp: \$3.5m Operating: \$3.5m Capital: Nil ASL: 4
	NFSA* Dept Approp: \$38.1m Operating: \$29.7m Capital: \$8.4m ASL: 182	NGA* Dept Approp: \$65.1m Operating: \$48.0m Capital: \$17.0m ASL: 217	NLA* Dept Approp: \$70.6m Operating: \$61.0m Capital: \$9.7m ASL: 371	NMA* Dept Approp: \$52.9m Operating: \$50.9m Capital: \$1.9m ASL: 216
	NPGA* Dept Approp: \$12.8m Operating: \$12.6m Capital: \$0.2m ASL: 52	NTC* Dept Approp: \$4.4m Operating: \$4.4m Capital: Nil ASL: 43	NAIF Dept Approp: \$20.9m Operating: \$20.9m Capital: Nil ASL: 1	OPH* Dept Approp: \$19.4m Operating: \$15.0m Capital: 4.4m ASL: 73
			Screen Australia* Dept Approp: \$27.8m (Plus \$70.5m OFTA program funding) Operating: \$27.8m Capital: Nil ASL: 97	SBS* Dept Approp: \$316.8m Operating: \$316.8m Capital: Nil ASL: 1,352

* Funding is appropriated through the Department for Corporate Commonwealth Entities
All appropriation figures exclude prior year appropriations available

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Andrew Hyles

SB22-000087

SUBJECT: Classification Board and Classification Review Board recruitment**Talking Points**

- Permanent appointments to the Classification Board and Classification Review Board are made by the Governor-General, following approval by the Prime Minister and the Cabinet. Candidates are nominated by the Minister for Communications after consulting with participating state and territory Ministers in line with the *Classification (Publications, Films and Computer Games) Act 1995* (the Act).
- The Governor-General appointed Ms Susan Bush as Convenor and Mr Adam Davy as Deputy Convenor of the Classification Review Board from 15 September 2022.
- In August 2022, two new temporary board members, Ms Denise Alexander and Ms Maria Cosmidis, were appointed to the Classification Board, and Mr Raphael Richards was re-appointed to the Board following a recent absence. Further recruitment of temporary members is currently underway.

Key IssuesRecruitment

- Under the Act, membership of the Classification Board and Review Board is to “be broadly representative of the Australian community”.
- The Australian Public Service Commission’s (APSC) Merit and Transparency policy does not apply to these positions as the Director, Deputy Director, Convenor and Deputy Convenor do not have responsibility for staff employed under the *Public Service Act 1999*.
- **Convenor, Review Board:** Ms Susan Bush was appointed as Acting Convenor from 1 July 2022, following the previous Convenor’s statutory term expiring. She has been a member of the Review Board for four years and, following a national merit-based recruitment process in 2021, was appointed as Deputy Convenor for seven months prior to appointment as Acting Convenor and then substantively as Convenor.
- **Deputy Convenor, Review Board:** Mr Adam Davy was appointed Acting Deputy Convenor from 1 July 2022 to fill the vacancy created by Ms Bush’s appointment as Acting Convenor. He was previously a member of the Review Board for two years and was shortlisted for the Deputy Convenor role following a national merit-based recruitment process in 2021.

Contact: Andrew Hyles**Cleared by First Assistant Secretary:** Pauline Sullivan**Phone:** (02) 6271 7707**Version Number:** 01**Date:** 7/10/2022

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Andrew Hyles

SB22-000087

- **Temporary members, Classification Board:** Ms Cosmidis and Ms Alexander were merit-listed through a national recruitment process in 2021. Mr Richards was a former temporary board member who previously resigned his position when he moved to Melbourne.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts also commenced a national, merit-based recruitment process in September 2022 to identify suitable candidates for additional temporary members of the Classification Board, with a focus on improving diversity on the Board.
 - Positions were advertised by the department on its website, APSJobs, Seek, LinkedIn on 2 September 2022. The total cost for advertising was \$551.02 (incl GST) - there is no cost for advertising on APSJobs or the department's website.
 - The positions were also advertised on the Federation of Ethnic Communities Councils of Australia (FECCA) bulletin to assist with improving diversity on the Board, particularly as it classifies a significant number of foreign language and international films. There was no cost for advertising in the FECCA bulletin.
 - The selection process was open for applications from 2 September to 18 September 2022 and is currently being finalised.
- **Deputy Director and members, Classification Board:** Following a national, merit-based recruitment campaign in August 2021, the following appointments were made:
 - Mr Tristan Sharp was appointed as Deputy Director and full-time member of the Board for a period of three years commencing on 2 May 2022.
 - Mr Iain Humphrey was appointed as a full-time member of the Board for a period of three years commencing on 4 April 2022.
 - Ms Jennifer Marvello and Mr Paul Tenison were appointed as part-time members of the Board for a period of two years commencing on 4 April 2022.
 - Ms Ellenor Nixon and Mr Thomas Mann were reappointed as full-time members for one year commencing on 2 May 2022.

Background

- The current members of the Boards have a diverse range of experience, backgrounds and skills, including education, government, publishing and agriculture.
- Members also come from a variety of household types.
- The current permanent members originate from varied geographic locations, representing metropolitan and regional areas.
- Besides professional qualifications and experience, Board members are also active members of their communities.

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BUDGET ESTIMATES 2022 - 2023

Environment and Communications

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SB22-000087

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- The use of temporary members on the Classification Board to manage Board workload and leave absences also supports the Board being broadly representative of the Australian community.

Board – current membership

- The Board is to consist of a Director, Deputy Director and other members.
- There are currently five full-time and two-part time members on the Classification Board.
- There are six temporary members who are engaged as needed to meet the Board's variable workload.

Review Board – current membership

- The Act requires that the Review Board consist of a Convenor, Deputy Convenor and at least three other members (not exceeding eight). A quorum for meetings of the Review Board is three members.
- There are currently five members on the Review Board.
- Terms of two part-time members will conclude in December 2022. A selection process to fill upcoming vacancies on the Review Board was advertised on 7 October and closed on 23 October 2022.

Attachment

- **Attachment A:** Classification Board and Review Board membership lists.

Contact: Andrew Hyles**Cleared by First Assistant Secretary:** Pauline Sullivan**Phone:** (02) 6271 7707**Version Number:** 01**Date:** 7/10/2022

Classification Board Membership: as at 15/09/2022

<u>NAME</u>	<u>GENDER</u>	<u>POSITION</u>	<u>FT/PT</u>	<u>STATE OF RESIDENCE</u>	<u>DATE APPOINTED</u>	<u>EXPIRY DATE</u>
Ms Fiona JOLLY	F	Director	FT	NSW	06.12.21	05.12.24
Mr Tristan SHARP	M	Deputy Director	FT	NSW	02.05.22	01.05.25
Ms Ellenor NIXON	F	Member	FT	NSW	02.05.22	31.05.23
Mr Thomas MANN	M	Member	FT	NSW	04.04.22	31.05.23
Mr Iain HUMPHREY	M	Member	FT	NSW	04.04.22	03.04.25
Ms Jennifer MARVELLO	F	Member	PT	NSW	04.04.22	03.04.24
Mr Paul TENISON	M	Member	PT	NSW	04.04.22	03.04.24

Current Gender and Geographic composition		
<i>Gender balance</i>	<i>Geographic balance</i>	
Males: 4 (57%) Females: 3 (43%)	NSW: 7 VIC: 0 SA: 0 NT: 0	WA: 0 QLD: 0 TAS: 0 ACT: 0 Other (e.g. overseas): 0

Temporary members, Classification Board

<u>NAME</u>	<u>GENDER</u>	<u>POSITION</u>	<u>FT/PT</u>	<u>STATE OF RESIDENCE</u>	<u>DATE APPOINTED</u>	<u>EXPIRY DATE</u>
Mr Adam HENNESSY	M	Temp	PT	NSW	18.04.16	17.04.23
Mr Felix HUBBLE	M	Temp	PT	NSW	18.04.16	17.04.23
Ms Lora PECHOVSKA	F	Temp	PT	NSW	18.04.16	17.04.23
Ms Maria COSMIDIS	F	Temp	PT	NSW	01.08.22	01.11.22
Ms Denise ALEXANDER	F	Temp	PT	NSW	01.08.22	01.11.22
Mr Raphael RICHARDS	M	Temp	PT	VIC	01.08.22	01.11.22

Current Gender and Geographic composition		
<i>Gender balance</i>	<i>Geographic balance</i>	
Males: 3 (50%) Females: 3 (50%)	NSW: 5 VIC: 1 SA: 0 NT: 0	WA: 0 QLD: 0 TAS: 0 ACT: 0 Other (e.g. overseas): 0

Classification Review Board Membership: as at 15/09/2022

<u>NAME</u>	<u>GENDER</u>	<u>POSITION</u>	<u>FT/PT</u>	<u>STATE OF RESIDENCE</u>	<u>DATE APPOINTED</u>	<u>EXPIRY DATE</u>
Ms Susan BUSH	F	Convenor	PT	QLD	15.09.22	14.09.24
Mr Adam DAVY	M	Deputy Convenor	PT	QLD	15.09.22	14.09.24
Ms Margaret CLANCY	F	Member	PT	VIC	10.12.20	05.12.22
Ms Rechelle LEAHY	F	Member	PT	NSW	10.12.20	05.12.22
Mr David TOLL	M	Member	PT	NSW	07.12.21	06.12.24

Current Gender and Geographic composition		
<i>Gender balance</i>	<i>Geographic balance</i>	
Males: 2 (40%) Females: 3 (60%)	NSW: 2 VIC: 1 SA: 0 NT: 0	WA: 0 QLD: 2 TAS: 0 ACT: 0 Other (e.g. overseas): 0

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Adam Carlon

SB22-000088

SUBJECT: ABC and SBS Funding**Talking Points****ABC and SBS – ongoing funding**

- Implementation of 5-year terms will commence on 1 July 2023.
- Apart from funding for new measures (below), base funding remains unchanged.
- The continuation of terminating measures will be considered as part of the 2023-24 budget process, with a decision made prior to commencement of 5-year funding terms.
 - *See table below for allocations over the forward estimates*
- As part of the Government's commitment to implement 5-year funding terms, there will be a review to identify options to provide a greater level of financial stability and certainty to the national broadcasters to safeguard against arbitrary funding cuts and political interference.
- More information about the review will be announced in due course.

ABC – October Budget – new measures (election commitments)

- **\$83.7 million over 4 years** (2022-23 to 2025-26) to restore funding removed from the 2019-22 funding period.
- **\$0.5 million in 2022-23** to undertake a feasibility study into the expansion of Double J.
- **\$8 million per annum for the next 4 years** (\$32 million) to expand its regional transmission infrastructure, content production and media capacity training in the Pacific.

Background

- The department receives appropriations which are then paid annually to the national broadcasters. Since 1988, ABC and SBS Budget appropriations have been determined for 3-year periods (trienniums).
- Funding for the national broadcasters comprises 2 components: general operational funding to support delivery of services, and transmission and distribution funding for transmission infrastructure (under contract with BAI).

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Adam Carlon

SB22-000088

Budget Information as at the October 2022-23 Budget (GST exclusive)

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Australian Broadcasting Corporation					
General Operational Activities, including:	915.8	935.5	976.4	980.7	3,808.3
<i>Enhanced News Gathering ⁽¹⁾</i>	<i>15.0</i>	<i>15.3</i>	<i>15.6</i>		45.8
<i>Audio Description ⁽²⁾</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>		3.0
<i>Restoration of Indexation</i>	<i>20.9</i>	<i>20.9</i>	<i>20.9</i>	<i>20.9</i>	83.7
<i>Double J Feasibility Study</i>	<i>0.5</i>				0.5
<i>Indo-Pacific Broadcasting Strategy</i>	<i>8.0</i>	<i>8.0</i>	<i>8.0</i>	<i>8.0</i>	32.0
Transmission and Distribution Services	191.4	196.3	206.2	211.5	805.4
Total ABC Funding	1,107.2	1,131.8	1,182.5	1,192.2	4,613.7
Special Broadcasting Service					
General Operational Activities, including:	245.7	259.6	256.8	258.3	1,020.4
<i>Media Sector Support ⁽³⁾</i>	<i>9.2</i>	<i>9.4</i>			18.5
<i>Audio Description ⁽²⁾</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>		3.0
Transmission and Distribution Services	71.1	74.4	75.8	80.2	301.5
Total SBS Funding	316.8	334.0	332.6	338.5	1,321.9

Notes: Totals may not add due to rounding.

- Enhanced News Gathering (ENG)** provides \$45.8 million to the ABC over 3 years to support news services outside the major city centres, invest in reporting by thematic specialists, and strengthen reporting in local communities. Funding terminates 31 June 2025.
 - Audio Description** provides \$3.0 million each for the ABC and SBS over 3 years to continue and expand audio description services for blind and vision impaired Australians. Funding terminates 31 June 2025.
 - Media Sector Support** provides \$29.1 million to the SBS over 4 years to increase the availability of news and content to Australian Chinese and Arabic speaking communities. Funding terminates 31 June 2024.
- In 2021-22, approximately 94 per cent of ABC's total revenue is from the Australian Government. The remainder, totalling \$68.4 million, is generated by ABC commercial activities, including co-production arrangements, facilities hire, services provided, interest and commissions.
 - SBS operates under a mixed funding model that allows its government funding to be supplemented by commercial activities. In the 2021-22 financial year SBS made \$149.6 million from advertising and the sale of goods and services, representing around 33 per cent of its total budget. SBS is limited by its charter in how it can raise funds.

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BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Adam Carlon

SB22-000088

October 2022 Budget announcement

- The Government has now committed to introduce 5-year funding terms (quinquenniums) that will commence from 1 July 2023.
- Both ABC, in comments by Managing Director David Anderson, and SBS welcomed the Budget announcements.
- ABC stated that it would use the additional funding to:
 - Increase capacity to deliver emergency broadcasting services to provide crucial information especially in regional areas
 - Invest in ABC Education to create interactive content to support literacy, numeracy, STEM, media literacy and Australian history learning outcomes
 - Enhance digital services, including development of iView, ABC Listen and ABC News Digital, and production of more content for younger audiences

Indexation pause on ABC funding

- The former Government applied an indexation pause to the general operational funding of the ABC from July 2019, for 3 years. As a result, total ABC funding was \$83.7 million lower over these 3 years than previous.
- The pause did not apply to SBS funding or the transmission component of ABC funding.
- On 19 November 2021 the Government committed \$83.7 million to the ABC over 4 years to reinstate this funding.

Previous funding announcements

- On 7 February 2022, the former Government announced ABC and SBS funding for the next triennium, commencing 1 July 2022. This included:
 - \$45.8 million for the ABC over 3 years as part of the Enhanced News Gathering program to sustain local news and current affairs, particularly services located outside capital cities
 - \$3.0 million each for the ABC and SBS to continue and expand audio description services for blind and vision impaired Australians
- ABC and SBS funding has been indexed since the February 2022 announcement and is now higher than the above figures. Indexation is a normal Budget process which occurs ahead of Budgets to reflect the forecast economic conditions of the year in which costs are expected to occur.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Adam Carlon

SB22-000089

SUBJECT: Community Broadcasting**Talking Points**

- The October Budget has provided funding to support community broadcasting.
 - Commencing 2023-24, the Australian Government is providing an additional **\$4 million** per annum (\$12 million over the forwards) to the Community Broadcasting Program (CBP).
 - This is in addition to the existing indexed funding of over **\$16 million per annum** – bringing **total annual funding to over \$20 million**. The CBP provides funding to community radio and television organisations to support a range of activities, including industry training and skills development, development of new content, and support for transmission and equipment costs.
- **Spectrum:** The Government has committed to keeping community television stations on air until there is an alternative use for the radiofrequency spectrum they use. Alternative uses for this spectrum is expected to be considered as part of the industry-led Future of Broadcasting Working Group. No timeframe has been set for this discussion.
- **Community broadcasting sector sustainability:** The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is undertaking a review of the Government's support for the community broadcasting sector. The review includes an evaluation of the CBP and a broader review of the sector's sustainability, including potential regulatory or other improvements. The Minister announced the review in a media release on 28 October 2022. The review is expected to be completed by June 2023.
- **Regulatory changes:** The Broadcasting Services (Community Radio) Amendment Bill 2022 was introduced on 27 October 2022. The Bill consists of minor legislative amendments to the community licensing arrangements in the Broadcasting Services Act to remove unnecessary red tape. Further reforms will be considered as part of the review of sector sustainability.

Key IssuesCommunity television

- The *Broadcasting Services Act 1992* and the *Radiocommunications Act 1992*, provide that community broadcasters must cease terrestrial broadcasting and vacate the spectrum by 30 June 2024. Any extension to C31 and C44 licences would require legislative amendments. Further, no new licences can be issued.

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Lead/Support contact: Pauline Sullivan/Adam Carlon

SB22-000089

- Channel 31 and Channel 44 receive funding through the Community Broadcasting Foundation (CBF). Between 2014-15 and 2020-21, Channel 31 has received \$593,992; Channel 44 has received \$482,974. The department executed a new agreement with CBF in November 2021. The contract states that any funding to Channel 31 and Channel 44 must be to support online streaming services for community television.

Community radio

- Community radio is supported by the Government through the CBP, which funds the Community Broadcasting Foundation (CBF).
- The previous funding agreement expired on 30 June 2021. The department signed a new four year funding agreement with CBF on 8 November 2021.
- The Broadcasting Services (Community Radio) Amendment Bill 2022 consists of minor legislative amendments to the Broadcasting Services Act 1992 to provide greater regulatory clarity for community broadcasters, improve the quality of content for listeners and streamline the Australian Communications and Media Authority (ACMA) licensing process.

BackgroundCommunity television licences

- C31 holds a community broadcasting services licence (BSL) for the Melbourne TV1 licence area issued under Part 6 of the *Broadcasting Services Act 1992* (BSA). C31's BSL will expire on 31 July 2024, but its associated apparatus licence under the Radiocommunications Act 1992 (RA) will expire on 30 June 2024.
- C44 operates under a different licence type (open narrowcasting television class licences) which will also expire on 30 June 2024.

Community broadcasting sustainability review

- To support the identification of a sustainable funding basis, the department commenced a review in October 2022 of the community broadcasting sector. The first phase is an evaluation of the CBP and the impact of the current annual funding allocation. This evaluation will examine the outcomes of current funding and whether any changes to the focus of this program are required in response to the changing media landscape.

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- The second phase involves a broader review of the sector's sustainability. This may include regulatory improvements and the extent to which emerging priorities are being met through the CBP (including but not limited to the role of community broadcasting in emergencies and public interest journalism). In collaboration with the National Indigenous Australians Agency (NIAA), the review will also look at how to best maximise outcomes for First Nations community broadcasting and the extent to which NIAA funding for First Nations broadcasting complements the department's funding.

Community Radio Legislative Reform

- The Broadcasting Services (Community Radio) Amendment Bill 2022 was introduced on 27 October 2022. The Bill consists of minor legislative amendments to the community licensing arrangements in the BSA.
- There are six amendments :
 - Confirm that community broadcasting licence (CBL) renewal is not a competitive process.
 - Clarify ACMA's powers to allocate new CBLs and temporary community broadcasting licences (TCBL) with effect from a specified future date.
 - Clarify the matters the ACMA must consider when allocating a new TCBL by adding criteria to improve management of TCBLs.
 - Allow ACMA discretion to limit the number of TCBL licensees that can share a particular frequency.
 - Include deadlines by which late applications to the community licensing process can be made.
 - Clarifying ACMA's powers to commence a process to allocate a new CBL.
- This represents the first tranche of regulatory change to be introduced to support the community broadcasting sector.

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BUDGET ESTIMATES 2022 - 2023**Environment and Communications****Lead/Support contact: Pauline Sullivan/Adam Carlon****SB22-000089****Financial Information as at 31 October 2022**

Program/Project Start Date:	8 November 2021					
Program/Project End Date:	30 June 2025					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget (GST Exclusive)	20.0	20.1	20.9	21.8	22.3	105.1
Less:						
Actual Expenditure YTD at 31 August 2022	20.0	20.1	20.5			
Total Committed Funds at 31 August 2022	20.0	20.1	20.9	17.8	18.3	97.1
Total Uncommitted Funds (balance)	0.0	0.0	0.0	4.0	4.0	8.0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000090

SUBJECT: ABC / SBS Board Appointments**Talking Points**Status of ABC and SBS Board Membership

- The SBS Board currently has one vacant position. A further two vacancies will arise on 8 November 2022. The ABC Board does not have any vacant positions.
- On 12 September 2022, Mr Nyunggai Warren Mundine AO wrote to the Governor-General, notifying his resignation as a non-executive Director on the SBS Board.
- On 7 November 2022, Mr William Lenehan and Ms Dorothy West's five-year terms as non-executive Directors on the SBS Board will conclude. Both Mr Lenehan and Ms West are not eligible for reappointment as they have served for 10 years.
- The Nomination Panel for ABC and SBS Board Appointments is currently running a merit-based selection process (selection process) to fill the 3 non-executive Director vacancies on the SBS Board.
- On 31 March 2022, the Governor-General appointed Ms Katrina Rathie as a non-executive Director to the SBS Board for a 5-year term. Ms Rathie was a candidate put forward by the Nomination Panel.
 - Ms Rathie's appointment filled the vacancy arising from the conclusion of Professor Sally Walker AM's term on 22 February 2022.
- On 16 December 2021, the Governor-General reappointed Ms Georgie Somerset AM as a non-executive Director to the ABC Board for a further 5-year term, commencing on 23 February 2022.

Current merit-based selection process to fill SBS Board vacancies

- The Nomination Panel is running a selection process to fill the current and upcoming SBS Board vacancies. Consistent with past practice, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts is using an executive search agency, Challis & Company, to support the Nomination Panel.
- A national advertising campaign for these positions commenced on 29 August 2022 and applications closed on 19 September 2022.
- The Nomination Panel is expected to provide its written report of recommended candidates for appointment to the Minister by mid-November 2022.

New appointments to the Nomination Panel

- On 24 August 2022, Ms Helen Williams was appointed as Chair of the Nomination Panel until the end of her current term on 28 June 2023.

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- Also on 24 August 2022, Dr Kirstin Ferguson, Dr Derek Wilding and Ms Catherine Liddle were appointed as members, for three-year terms until 23 August 2025.
- Under the *Australian Broadcasting Corporation Act 1983*, the Secretary for the Department of Prime Minister and Cabinet (PM&C) is responsible for making appointments to the Nomination Panel.
- Further questions on this matter should be directed to PM&C.

Appointment of ABC Board member, Ms Fiona Balfour, to Telstra PM Holdings Board

- On 26 August 2022, the Chair of the ABC Board, Ms Ita Buttrose AC OBE, wrote to the Minister about the potential actual or perceived conflict of interest of ABC Board member, Ms Fiona Balfour, in taking up a position on the board of Telstra PM Holdings Pty Ltd.
- On 19 September 2022, the Minister responded to the ABC Chair, advising that Ms Balfour's appointment to the Telstra PM Holdings Board is a matter for the ABC Board's consideration, in line with its role as the accountable authority under the *Public Governance, Performance and Accountability Act 2013*.
- On 4 October 2022, the Chair responded that the ABC Board had engaged a probity adviser to assist in its deliberations on the potential conflict of interest.
- Further questions on this matter should be directed to the ABC.

Election commitment – funding and governance review

- The Australian Government has committed to undertake a review of options to provide greater financial stability and certainty for the national broadcasters, to safeguard against arbitrary ideological cuts and political interference.
- The Government is currently considering the implementation of this election commitment.

Key IssuesSBS Board membership requirements

- Paragraph 17(2)(d) of the *Special Broadcasting Service Act 1991* (SBS Act) requires the Minister to ensure at least one of the SBS Board Directors is an Indigenous person.
- Following Mr Nyunggai Warren Mundine AO's resignation, and the conclusion of Ms Dorothy West's term on 7 November 2022, the requirement under paragraph 17(2)(d) of the SBS Act will not be met.

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Lead/Support contact: Pauline Sullivan / Adam Carlon

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- On 19 September, the Minister wrote to the Chair of the Nomination Panel requesting the Panel use the selection process underway to fill the November 2022 vacancies on the SBS Board to also recommend candidates to fill the vacancy arising from Mr Mundine's resignation. The Minister asked that the Panel consider the requirement for the Board to have at least one Director who is an Indigenous person, when undertaking the selection process.

BackgroundSBS Board – Current selection process to fill three NED vacancies

The list of publications in which advertisements for these positions were placed is below.

Publications		
National and metropolitan	CALD	Digital
Australian Financial Review	Epoch Times	SBS website
Weekend Australian	Neos Kosmos	LinkedIn
Regional	Indian Link	Seek
The Land	Il Globo	Australian Financial Review
Indigenous	Melbourne Journal	The Australian
Koori Mail	Ti vi Tuan San	National Indigenous Times

On 12 September 2022, Mr Nyunggai Warren Mundine AO resigned from his position as a non-executive Director on the Board. Mr Mundine's resignation has attracted media attention (see **Attachment A**).

Procurement of executive search agency to support the Nomination Panel

On 15 July 2022, the department executed an agreement with Challis & Company (Challis) for executive search services. The agreement covers a two-year period, ending on 17 July 2024, and is valued at a maximum of \$180,000 (GST inclusive).

The department procured Challis through a panel arrangement process. On 6 June 2022, the department sent a Request for Quote to the 15 suppliers on the Department of Finance's Governance and Executive Search Services Panel (SON ID: SON3579104) and received responses from nine tenderers. The department evaluated the responses and determined Challis to be the preferred tenderer.

Prior to executing an agreement with Challis, the department was in an agreement with Watermark Search International Pty Ltd for executive search services from 10 September 2020 until 30 June 2022.

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SB22-000090

Appointment of ABC Board member, Ms Fiona Balfour, to Telstra PM Holdings Pty Ltd Board
Ms Fiona Balfour, a non-executive Director on the ABC Board, was recently appointed as a director to the Board of Telstra PM Holdings, a recent acquisition by Telstra of the Digicel Pacific Business in July 2022. This appointment has attracted media attention, which has indicated that ABC Board members are concerned about a potential actual or perceived conflict of interest given that the ABC has contracts in place with Telstra (see **Attachment B**).

The *Public Governance, Performance and Accountability Act 2013* requires that Directors of an Australian Government entity, such as the ABC, declare material personal interests in a matter that relates to the affairs of the entity, subject to certain exceptions. Directors must not be present while a matter in which they have a material personal interest is being considered at a meeting of the Board and must not vote on the matter, except in certain circumstances.

SBS Board – Selection process completed ahead of Ms Rathie’s appointment

On 31 March 2022, Ms Katrina Rathie was appointed as a non-executive Director on the SBS Board, for a 5-year term. Ms Rathie’s appointment filled the vacancy arising from Professor Sally Walker AM’s departure from the Board on 22 February 2022.

A national advertising campaign for the position commenced on 13 November 2021 and applications closed on 5 December 2021. The list of publications in which advertisements were placed is below.

Publications		
National and metropolitan	CALD	Digital
Australian Financial Review	United Times	LinkedIn
The Australian	Asian Multimedia	Seek
Weekend Australian	Neos Kosmos	SBS
Regional	Ta Nea	Koori Mail Online
The Land	The Indian Weekly	Fairfax
	Il Globo	National Indigenous Times
	Melbourne Journal	
	Ti vi Tuan San	
	Viet Times	

The department utilised the recruitment services of Watermark Search International to support the Nomination Panel. The Nomination Panel’s report was received by the department on 31 January 2022 and provided to the former Minister, the Hon Paul Fletcher MP, in a submission on 3 February 2022.

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000090

Upcoming ABC/SBS Board vacancies (until December 2023)

ABC Board		
Name:	Position:	Term ends:
Mr Joseph Gersh AM	Non-executive Director	9 May 2023 (eligible for reappointment)
Dr Jane Connors	Staff-elected Director	30 April 2023 (not a government appointment)

SBS Board		
Name:	Position:	Term ends:
Mr William Lenehan	Non-executive Director	7 November 2022 (ineligible for reappointment)
Ms Dorothy West	Non-executive Director	7 November 2022 (ineligible for reappointment)
Ms Christine Zeitz	Deputy Chair	9 May 2023 (eligible for reappointment)

Appointment process*Appointment of Board members*

Part IIIA of the *Australian Broadcasting Corporation Act 1983* (ABC Act) and Part 3A of the SBS Act provide that a merit-based selection process must be followed before the appointment of new non-executive Directors to the ABC and SBS Boards.

The Nomination Panel for the ABC and SBS Board Appointments (Nomination Panel) conduct a merit-based selection process for each appointment of a Chairperson and non-executive Director to the ABC and SBS boards.

The Nomination Panel is required to provide the Minister with a report recommending at least 3 candidates for each vacancy. The government considers this report and makes its recommendations to the Governor-General for appointment.

It is not a requirement for the government to recommend a candidate nominated by the Nomination Panel. However, if a candidate not nominated by the Nomination Panel is appointed, the Minister must table a statement of reasons for the appointment in both Houses of Parliament that includes an assessment of the person against the selection criteria.

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000090

An overview of appointments to each Board since 2019 and whether appointees were recommended by the Panel is below:

ABC Board:

Name:	Position:	Start date:	End date:	Recommended by the Nomination Panel?
Ms Ita Buttrose AC OBE	Chair	07.03.2019	06.03.2019	N
Mr Peter Tonagh	Deputy Chair <i>Non-executive Director</i>	11.11.2021 13.05.2021	12.05.2026 12.05.2026	Y
Ms Georgie Somerset	Non-executive Director	23.02.2022 (reappt)	22.02.2027	Y
Mr Mario D'Orazio	Non-executive Director	13.05.2021	12.05.2026	Y
Ms Fiona Balfour	Non-executive Director	13.05.2021	12.05.2026	N
Mr Peter Lewis	Non-executive Director	02.10.2019	01.10.2024	Y

SBS Board:

Name:	Position:	Start date:	End date:	Recommended by the Nomination Panel?
Mr George Savvides AM	Chair	09.07.2020	08.07.2025	Y
Ms Christine Zeitz	Deputy Chair <i>Non-executive Director</i>	30.09.2021 10.05.2021	09.05.2023 09.05.2023	Y
Mr Nyunggai Warren Stephen Mundine AM	Non-executive Director	23.02.2022	22.02.2027	N
Mr Vic Alhadeff	Non-executive Director	30.09.2021	29.09.2026	N
Mr Peeyush Gupta AM	Non-executive Director	16.10.2019 (reappt)	15.10.2024	Y
Ms Katrina Rathie	Non-executive Director	31.03.2022	30.03.2027	Y

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000090

Deputy Chair appointments

Subsection 12(3) of the ABC Act and section 21 of the SBS Act provides that the Governor-General shall appoint one of the non-executive Directors to be the Deputy Chair of their respective Boards.

The appointment of a Deputy Chair is a machinery appointment – therefore, a public selection process is not required. This ensures the ongoing business needs of the Boards and the organisations can continue to be met.

Reappointment of Board members

Subsection 12(2) of the ABC Act provides that non-executive Directors, except for the staff-elected Director, shall be appointed by the Governor-General on a part-time basis for a period not exceeding five years as specified in the instrument of appointment and are eligible for re-appointment.

Subsection 12(2A) of the ABC Act provides that the sum of the periods for which a person holds office as a non-executive Director on the ABC Board must not exceed 10 years.

Subsection 18(1) of the SBS Act provides that a non-executive Director holds office, subject to the Act, for such period (not exceeding five years) as is specified in the instrument of appointment, but is eligible for re-appointment. Subsection 18(2) of the SBS Act provides that re-appointment must be for a period not exceeding five years. Subsection 18(3) of the SBS Act provides that the sum of the periods a person holds the office of non-executive Director must not exceed 10 years.

Election commitment

Further information on the funding and governance review is provided in the ABC and SBS Funding brief (**SB22-000088**).

Attachments

- Attachment A – Media clip: *Warren Mundine quits SBS Board, stating his other roles meant he could not 'provide the time'*, The Guardian, 15 September 2022
- Attachment B – Media clip: *ABC director faces scrutiny over telco role*, The Age, 29 August 2022

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Warren Mundine quits SBS board, stating his other roles meant he could not 'provide the time'

15 September 2022 | The Guardian | Amanda Meade

Exclusive: Labor had last year asked Coalition to consider removing Mundine from broadcaster over controversial social media posts

Failed Liberal candidate Warren Mundine has resigned from the SBS board two years into a five-year term during which he was admonished by the multicultural broadcaster for social media comments “not in line with the values of SBS”.

SBS confirmed Mundine had resigned early, citing his other business and personal commitments.

“Warren Mundine has been a valued member of the SBS board since joining in October 2020,” the SBS chair, George Savvides, said on Thursday.

“We understand the reasons for his decision, in that he has significant other business and personal commitments, and on behalf of the SBS board and the organisation I thank him for his service.”

Mundine told Guardian Australia: “It became apparent that as my businesses were growing I couldn’t provide the time that a director needed to commit to for SBS.”

The communications minister, Michelle Rowland, when in opposition called on the Coalition to consider removing Mundine from the board after he made a series of controversial comments including calling journalist Ben Eltham a “cunt” on Twitter.

Mundine was not recommended as a director by the independent nominations panel but rather was handpicked by the Morrison government.

After he was appointed in October 2020, Mundine called the Canadian prime minister, Justin Trudeau, “a complete asshole”, a “fool” and a “complete f**kwt” on social media.

The SBS board asked Mundine to delete the tweet and said it was in breach of the board’s code of conduct and did not align with the broadcaster’s values.

An SBS spokesperson said last year: “The comment made by Mr Mundine is not in line with the values of SBS, does not adhere to our policies, and is not consistent with the expectations which apply to our staff or those we work with.”

“The SBS board are expected to behave in accordance with the SBS code of conduct and Mr Mundine has been reminded of his obligations as an SBS board member, and has since deleted the tweet.”

Twelve months ago, Rowland wrote to then communications minister, Paul Fletcher, to ask why Mundine should not be removed by the governor general for misbehaviour under the SBS Act.

“Please confirm whether you, as the responsible minister, are satisfied that the performance of Mr Mundine meets the high standards expected of SBS board members,” Rowland said.

“Specifically I refer to conduct by Mr Mundine on Twitter that may bring SBS into disrepute and seek your explanation as to why he shouldn’t be removed by the governor general for misbehaviour in accordance with ... the SBS Act. It is a duty of the SBS board to maintain the independence and integrity of the SBS.”

Rowland on Thursday said the SBS chair had advised her of Mundine’s intention to step down from the board. “The minister thanks Mr Mundine for his service,” a spokesperson said.

The minister has promised to “revisit” the makeup of the SBS and ABC board nominations panel to ensure the integrity of the process of appointments.

Mundine stood unsuccessfully for the marginal Coalition seat of Gilmore in 2019 after he was hand-picked by Scott Morrison.

He was previously the national president of the Australian Labor Party but quit the ALP in 2012.

Released under FC

ABC director faces scrutiny over telco role

By BROADCASTING Zoe Samios

The Age

Monday 29th August 2022

478 words

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240cm on the page



ABC director faces scrutiny over telco role

BROADCASTING

Zoe Samios

ABC directors have raised concerns about a potential conflict of interest on the board of the public broadcaster, after one of its most recently appointed members accepted a position linked to one of its technology suppliers, Telstra.

Media sources familiar with the situation, who requested anonymity because board discussions are confidential, said some board members were concerned about director Fiona Balfour's recent appointment as a director of Telstra-owned Pacific telco operator Digicel. The government and Telstra completed the acquisition of Digicel Pacific in July, a move designed to prevent Chinese interests from acquiring the telco amid heightened national security concerns. Some members of the ABC board believe the appointment is a conflict of interest because the ABC has contracts in place with Telstra and believe Balfour should resign. Others on the ABC board disagree.

Balfour has been approached for comment. An ABC spokesperson said it does not comment on board matters. This masthead is not suggesting Balfour is in breach of her board duties or that a conflict of interest has been substantiated. Only that some concerns exist at board level about her position.

Communications Minister Michelle Rowland declined to comment on whether she had been notified about any conflict of interest concerns. Board appointments at Digicel are the responsi-

bility of Telstra and DFAT.

Balfour, a former chief information officer at Qantas and Telstra, joined the ABC board last May with former News Corp and Foxtel boss Peter Tonagh, and former Seven executive and Australia Post board member Mario D'Orazio. She has worked in several sectors including the aviation and financial services industry and sits on boards including Western Sydney Airport and Airservices Australia.

Unlike Tonagh and D'Orazio, Balfour was put on the board by former communications minister Paul Fletcher, who tabled the reasons for her appointment in parliament.

Telstra owns 100 per cent of Digicel, but \$1.9 billion in funding for the \$2.1 billion deal was provided by the federal government.

Digicel Pacific established a board in August, made up of representatives from Telstra and independent directors. Sources familiar with the Digicel Pacific board said Balfour was recommended due to her experience on other government affiliated boards such as the ABC and Western Sydney Airport.

Non-executive directors for the ABC board are required to have experience with media, business and financial management, corporate governance or cultural policy and need to have a geographic spread across the states and territories. They are required to have no conflicts of interest – meaning any other commercial, personal or political activity can't compete with their ABC interest.

The rules say there can be no fewer than four, and no more than six, in addition to the managing director, chairperson and staff-elected director. The board meets six times a year, with remuneration of \$58,670 a year for non-executive directors.



Fiona Balfour

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Adam Carlon

SB22-000091

SUBJECT: Online Gambling**Talking Points**BetStop - National Self-Exclusion Register for online wagering

- The Australian Communications and Media Authority (ACMA) has regulatory oversight and implementation responsibility for BetStop.
- ACMA is currently conducting a security assessment for the management of sensitive personal information in accordance with government requirements, including the Information Security Manual which outlines around 800 controls.
- The security of personal information is essential to ensure consumer confidence.
- The Minister for Communications will proclaim the commencement date by legislative instrument, subject to the completion of the security assessment and industry readiness.
- ACMA and the Register operator, Big Village consulted with industry on the design of the register, register rules and cost recovery arrangements and conducted extensive testing.
- BetStop will be cost recovered from industry. Industry is required to promote BetStop.
- A number of wagering providers, including Tabcorp, Sportsbet and Ladbrokes offer their own voluntary self-exclusion programs.
- Questions regarding BetStop and the security assessment can be directed to ACMA.

House of Representatives Standing Committee Inquiry into gambling

- On 15 September 2022, the House of Representatives Standing Committee on Social Policy and Legal Affairs launched an inquiry into online gambling and its impacts on those experiencing gambling harm.
- The inquiry is considering harm minimisation controls for online gambling; regulatory and licensing regimes; loot-boxes and social casino games; protections against illegal gambling services, and gambling advertising.
- Submissions to the inquiry are due by 11 November 2022.
- The department made a submission to the inquiry, which covered issues relevant to this portfolio - the *Interactive Gambling Act 2001* (IGA) and protections against illegal gambling services, social casino games and loot boxes, and gambling advertising under the broadcasting codes of practice.

Banning credit cards for online gambling

- The Parliamentary Joint Committee on Corporations and Financial Services released its report 'Regulation of the use of financial services such as credit cards and digital wallets

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for online gambling in Australia' on 23 November 2021, and recommended a ban on credit cards for online gambling.

- The Government is currently considering its response to the report.
- The House of Representatives Standing Committee Inquiry into gambling will examine emerging technologies, payment options and products. Credit cards may be considered in this context.

Blocking of illegal offshore gambling websites

- Since November 2019, ACMA has used its powers to direct Internet Service Providers to block illegal offshore gambling websites under section 313(3) of the *Telecommunications Act 1997*.
- Blocking websites is a useful tool for ACMA given the difficulties with enforcing compliance on infringing online gambling operators, in particular those located in countries with less stringent regulatory frameworks.
- As at 20 October 2022, ACMA has issued notices to block 620 illegal gambling websites since November 2019. A list of blocked websites is published on ACMA's website.
- The House of Representatives Standing Committee Inquiry into gambling will examine the effectiveness of protections against illegal offshore gambling websites.

Gambling promotions restrictions

- Gambling promotions are regulated by a number of separate frameworks.
- Rules relating to the scheduling of gambling promotions on television and radio are set out in co-regulatory codes of practice under the *Broadcasting Services Act 1992* (BSA).
- Rules relating to the scheduling of gambling promotions during online live streams of sporting events are set out in online content service provider rules made under the BSA.
- The content of gambling advertising is regulated by the platform neutral advertising self-regulatory framework administered by Ad Standards. The Government is not involved in these arrangements.
- The IGA prohibits the promotion of illegal online gambling services, e.g. online casino games. This covers broadcasting, online and print advertisements.
- The House of Representatives Standing Committee Inquiry into gambling will examine the effectiveness of current gambling advertising restrictions on limiting children's exposure to gambling products and services.

Micro-transactions in computer games

- Under the National Classification Scheme, video games are classified by the Classification Board (the Board) or the International Age Rating Coalition (IARC) classification tool.

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- If a computer game contains the ability to use real-world money to purchase any items, including loot boxes, consumer advice (content warnings) of 'In-game purchases' or 'in-game purchases (includes random items)' is applied as part of the game's classification.
- The IGA does not capture computer games as they are considered a game a skill and are generally not played for money or anything else of value.
- The House of Representatives Standing Committee Inquiry into gambling will examine the appropriateness of the definition of 'gambling service' in the IGA, and whether it should be amended to capture simulated gambling in computer games.

Key IssuesBetStop

ACMA and Big Village are completing a security assessment for the management of sensitive personal information in accordance with Government requirements. ACMA will inform the Minister for Communications when the system is compliant and is ready to operate. The Minister will proclaim the commencement date through a legislative instrument to be executed through the Federal Executive Council.

Wagering operators must promote BetStop, including on their websites and apps, by contact centre staff, and via marketing material to customers. ACMA will promote BetStop through social media, online, and in gambling venues, and has procured the services of Common Ventures to assist.

BetStop will be cost recovered by industry. ACMA forecast that \$40.3 million will be recovered between 2022-23 and 2026-27. This will cover the system build and on-going administration. The National Self-Exclusion Register (Cost Recovery Levy) Determination 2022 setting out the formula for calculating the levy amount was made by ACMA on 12 August 2022.

BackgroundBetStop (National Self-Exclusion Register)

Amendments to the IGA to establish BetStop was passed in December 2019. ACMA received \$5.72 million over the forward estimates in MYEFO 2018-19 for implementation and ongoing compliance and monitoring activities. The process undertaken by ACMA to procure the services of a third-party operator to build and run BetStop was an 18 month process.

ACMA / Common Ventures estimate that 320,000 Australian adults are classified as 'moderate risk' or 'problem gamblers' or 1.6 per cent of the population, according to the Problem Gambling Severity Index (PGSI). Common Ventures / ACMA identified this group as the target audience for the BetStop advertising campaign.

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Parliamentary Inquiry into online gambling

On 15 September the House Standing Committee on Social Policy and Legal Affairs launched an inquiry into online gambling. The Chair of the Committee is Ms Peta Murphy MP (Labor Member for Dunkley).

The Terms of Reference for the inquiry are:

- the effectiveness of existing consumer protections aimed at reducing online problem gambling;
- how to better target programs to address online problem gambling to reduce the potential exploitation of at-risk people, and protect individuals, families and communities;
- the effectiveness of current counselling and support services to address online problem gambling;
- the quality of and access to protective online gambling education programs;
- the impact of current regulatory and licensing regimes for online gambling on the effectiveness of harm minimisation and consumer protection efforts;
- the appropriateness of the definition of 'gambling service' in the IGA, and whether it should be amended to capture additional gambling-like activities such as simulated gambling in video games (e.g. 'loot boxes' and social casino games);
- the appropriateness of current gambling regulations in light of emerging technologies, payment options and products;
- the effectiveness of protections against illegal online gambling services, including casino style gambling such as online blackjack and slot machines;
- the effectiveness of current gambling advertising restrictions on limiting children's exposure to gambling products and services (e.g. promotion of betting odds during live sport broadcasts), including consideration of the impact of advertising through social media, sponsorship or branding from online licenced gambling operators; and
- any other related matters.

Use of credit cards

On 25 March 2021, the Parliamentary Joint Committee on Corporations and Financial Services began an inquiry into the regulation of the use of financial services such as credit cards and digital wallets for online gambling in Australia. The department provided evidence in relation to regulatory approaches to prohibit credit cards. The Final Report was released on 23 November 2021 and recommended a ban on credit card use for online gambling.

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Gambling advertising

In April 2022, Nielsen data commissioned by the Victorian Responsible Gambling Foundation showed there were an average of 948 gambling ads broadcast daily on free-to-air TV in Victoria in 2021. The data showed the gambling industry spent \$287.2 million on advertising in Australia in 2021, an increase of \$15.9 million from 2020.

According to a *Brisbane Times* article by Sam McClure: 'The AFL's 'engine': How Gambling money underpins footy', dated 12 March 2022:

- Gambling and gaming industries spent \$287 million on advertising in 2021.
- Of that amount, \$128 million went to metropolitan TV stations.
- Seven, the AFL's free-to-air broadcast partner, would have taken approximately \$47 million from gambling companies to advertise.

On 29 August 2022, media reported that the Independent MP Zoe Daniel supports more gambling advertising restrictions. Research by independent public policy think tank, The Australia Institute, shows that 71 per cent of Australians agree that gambling advertisements on television should be banned.

Micro-transactions in computer games

Computer game content is currently regulated under the *Classification (Publications, Films and Computer Games) Act 1995*. The Classification Board or the International Age Rating Coalition (IARC) classifies computer games and gives consumer advice (content warnings) for games with micro-transactions including loot boxes that can be purchased.

'Micro-transaction' refers to a model where players can purchase specific in-game items or enhancements (e.g. cosmetic items, player bonuses, additional levels).

'Loot boxes' in games offer players a chance to receive a certain item, such as equipment that can help them in the game, or a cosmetic item. There is no guarantee that the player will get what they want from the loot box. Some loot boxes can be purchased using game points or real-world money and can therefore be a type of micro-transaction.

ACMA has indicated that loot boxes do not meet the definition of gambling in the IGA as virtual items redeemed from loot boxes do not have any monetary or other value.

The department is considering opportunities to strengthen classification ratings and/or consumer advice around games with loot boxes and will be providing advice to the government shortly on potential options.

National Consumer Protection Framework (National Framework) for online wagering

The National Framework is intended to cover all forms of wagering using any telecommunication service. 7 of the 10 measures have been implemented. Consistent

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gambling messaging and staff training are to be implemented by industry by 30 March 2023. BetStop is subject to ACMA's completion of its security assessment.

The 10 consumer protection measures are:

1. Prohibition of lines of credit: prohibits the offering or provision of credit by licensed operators for wagering purposes, with the exception of on course bookmakers.
2. Payday lenders: discourages the use of small amount credit contracts (payday lending) for online wagering.
3. Customer verification: reduces the customer verification period to from 90 days to 14 days for online wagering across all jurisdictions.
4. Offering of inducements: prohibits all specified inducements in all jurisdictions.
5. Account closure: ensures that closing/cancelling an online wagering account is readily available, and accessible by all consumers.
6. Voluntary opt-out pre-commitment scheme: provides consumers with a tool to help them monitor and manage their gambling by pre-committing to limits. These limits would apply on an operator basis.
7. Activity statements: ensures consumers receive meaningful statements on their wagering activity with each licensed operator.

Still to be completed:

8. Consistent gambling messaging: provides for evidence-based, consistent gambling messaging. (Minister Rishworth / Department of Social Services)
9. Staff training: provides for the training of certain staff in the responsible service of gambling. (Minister Rishworth / Department of Social Services)
10. BetStop: designed to allow individuals experiencing gambling harm can exclude themselves from licensed services. (Minister Rowland / ACMA)

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Environment and Communications

Lead/Support contact: Pauline Sullivan / Andrew Irwin

SB22-000092

SUBJECT: Government Responses: Media Diversity Report and HoR Inquiry (Regional Newspapers)**Talking Points**

- The Australian Government supports a free, diverse, and sustainable media sector.
- A strong and vibrant news media sector is critical to the health of Australia's democracy. Australian media organisations play a crucial role in informing Australians about events and developments that are important to their daily lives and enable them to participate in our democratic processes.
- The Government is providing \$1.1 billion to the ABC and \$316.8 million to the SBS in 2022-23, to support their continued role as trusted sources of news and information for all Australians.
 - Both the ABC and SBS contribute to media diversity by providing tailored local news and current affairs to communities across Australia.
 - They will move to 5-year funding periods from 1 July 2023.
- The Government is also providing a \$29 million local news and community broadcasting transition package to help regional, local and community media providers. This includes:
 - A \$15 million Regional and Local Newspapers program to support eligible publishers absorb rising print costs.
 - \$12 million to maintain community broadcasting funding and give the sector the funding certainty it needs beyond next year.
- The Government is considering the recommendations made by the Senate inquiry into media diversity in Australia and the House of Representatives inquiry into regional newspapers.
- The Government's position is that a royal commission or judicial inquiry into media diversity is not the way forward for media policy.
- It is important to continue to monitor the status of media concentration to identify those areas, particularly in suburban and regional areas, that risk losing local news sources and becoming news deserts.
- The Government has committed to developing a News Media Assistance Program to secure the evidence base needed to inform longer term news media policy interventions and to develop measures to support public interest journalism and media diversity.

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Lead/Support contact: Pauline Sullivan / Andrew Irwin

SB22-000092

Key IssuesSenate Inquiry into Media Diversity

On 9 December 2021, the Senate Environment and Communications References Committee published the final report from its inquiry into media diversity in Australia.

A Government response was due to be tabled by 3 March 2022. The former Government did not table a response.

Inquiry into Australia's regional newspapers

On 23 March 2022, the House of Representatives Standing Committee on Communications and the Arts published the final report from its inquiry into Australia's regional newspapers ('the Future of Regional Newspapers in a Digital World').

A Government response is due by 4 November 2022, 6 months from the release of the Committee's report excluding the caretaker period.

Government support for media diversity and public interest journalism

On 13 May 2022, the Government announced a \$29 million local news and community broadcasting transition package to help regional, local and community media providers. This includes:

- a \$15 million Regional and Local Newspaper Publishers program to support eligible publishers to absorb rising print costs (see SB22-000095 for more information);
- \$2 million to fast-track an investment ready analysis for the replacement of the coal-fired boiler at Norske Skog's Boyer Mill;
- \$12 million to maintain community broadcasting funding and give the sector the funding certainty it needs beyond the next year (see SB22-000089 for more information);
- keeping community television stations Channel 31 Melbourne and Channel 44 Adelaide on air until there is an alternative use for the radiofrequency spectrum they use; and
- developing a News Media Assistance Program to secure the evidence base needed to inform news media policy intervention in Australia and formulate measures to support public interest journalism and media diversity (see SB22-000103 for more information).

The Government has also committed to provide the ABC and SBS with 5-year funding terms, restoring \$83.7 million in funding to the ABC, and reviewing options for delivering greater financial sustainability and certainty to the national broadcasters (see SB22-000088 and SB22-000090 for more information).

Environment and Communications

Lead/Support contact: Pauline Sullivan / Andrew Irwin

SB22-000092

BackgroundSenate Inquiry into Media Diversity – Recommendations

The report made two broad recommendations:

1. That the Government initiate a judicial inquiry, with the powers of a royal commission, to determine whether the existing system of media regulation is fit-for-purpose and to investigate the concentration of media ownership in Australia.
2. That it is the Parliament's responsibility to ensure that the nation's news media are sufficiently diverse, in ownership and in opinion, to maintain a vigorous democracy. In support of this goal, it is recommended that:
 - a. Australia's two public broadcasters, the ABC and SBS, be sustainably and adequately funded. The ABC's Enhanced News gathering funding should be renewed in its upcoming budget.
 - b. The Government commit to long-term and adequate funding of Australia's only independent newswire, Australian Associated Press.
 - c. The Government release its final proposals for reform that have been developed through the Media Reform Green Paper consultation process.
 - d. The Government establish an independent and permanent trust to assist emerging news ventures, especially in regional areas. The trust's responsibilities should include funding journalism traineeships.
 - e. The National Broadband Network remain in public ownership and be upgraded to a fit-for-purpose standard as originally intended, to provide crucial communications infrastructure for as broad a range of new media ventures as possible, especially those engaging in public interest journalism.
 - f. Concessional rates of taxation, modelled on the existing R&D Tax Incentive, be made available to new ventures investing in public interest journalism. The terms of reference for the judicial inquiry called for in Recommendation 1 should include consideration of how best to implement this tax measure.
 - g. The Government extend Deductible Gift Recipient status for appropriate ventures in public interest journalism.

In a dissenting report, Senator Bragg made the following recommendations:

1. There should be no inquiry into a private media organisation.
2. The Press Council should be reformed by its members to be more responsive and adopt stronger powers of self-regulation.
3. Any outlet which publishes consumer media should consider having an independent Ombudsman, appointed by the board of the organisation.

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In another dissenting report, Senator McMahon made the following recommendations:

1. Reject the proposed judicial inquiry, with Royal Commission powers, to determine whether the existing system of media regulation is fit-for-purpose and to investigate the concentration of media ownership in Australia.
2. The Government should continue to actively encourage and ensure media diversity in remote and regional Australia by providing similar incentives to those made available to other industries.
3. The Australian Communications and Media Authority (ACMA) should be given a stronger role of regulating the ABC and SBS.
4. ACMA should be given the ability to apply penalties to media organisations found breaching the code.
5. Internet and Social Media platforms such as Facebook, YouTube and Google should be prevented from censoring mainstream Australian media and news content.
6. ABC complaints handling process should be reformed to allow more accountability.

House of Representatives inquiry into Australia's regional newspapers – Recommendations

The report made 12 recommendations:

1. The Government undertake a comprehensive review of the viability of regional newspapers in Australia, reporting its findings to the Committee within two years.
2. The *Broadcasting Services Act 1992* be amended to enable the ACMA to consider the factors outlined in the 'News in Australia: diversity and localism' research paper in determining whether an unacceptable media diversity situation exists.
3. The Government consider the funding and development of a project to gather and analyse core longitudinal data on regional newspapers in Australia over a minimum 10-year period.
4. The Government consider legislative amendments which allow the sharing of industry data on regional newspaper providers between relevant Government agencies.
5. The Government create and maintain a national, publicly available register of regional news providers (both print and digital), using the US News Desert project by the University of North Carolina as a model.
6. The Department of Infrastructure, Transport, Regional Development and Communications work with the ABC and the SBS to facilitate partnerships with small regional publishers and broadcasters, modelled on the BBC Local News Partnerships Program.

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7. The Government review government advertising across all departments and agencies with a view to ensuring a minimum of 20 per cent of government print advertising is placed in regional newspapers.

This should be part of long-term advertising contracts that provide certainty of income for regional publications.

The Committee expects this measure to be cost neutral and able to be implemented within 12 months.

An independent process should be established to select newspaper outlets eligible to participate in the print advertising program.

8. The Government develop a targeted grants program aimed at small, independent newspapers based in regional and remote Australian communities.
9. The Government provides funding for research, programs and initiatives to assist local publishers, including regional newspapers to:
- Identify and implement alternative, sustainable business models, achieved through a diverse range of revenue streams that might include advertising, audience generated income and e-commerce;
 - Increase capabilities required to perform the governance, administrative and editorial functions of the news organisation; and
 - Implement effective technology to reach their target audience and monetise outputs.
10. As part of the review recommended at Recommendation 1, the Government also considers the viability of a tax rebate for regional businesses that support their local newspaper through a minimum advertising spend, and for regional newspapers that produce public interest journalism and employ local journalists.
11. The Department of Infrastructure, Transport, Regional Development and Communications and the ACMA work with relevant digital platforms and news providers to ensure appropriate transparency in voluntary commercial deals.
12. The *Competition and Consumer Act 2010* be amended to require that news media organisations must have revenue of \$75,000 for the most recent year and for at least 3 of the 5 most recent years to register for the News Media and Digital Platforms Bargaining Code.

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SB22-000093

SUBJECT: SBS Relocation Feasibility Study**Talking Points**

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts will lead the study in collaboration with the SBS.
- The department has allocated \$1.0 million (GST inclusive) for the project which will be drawn from existing resources.
- The results of the feasibility study are not a foregone conclusion and it would be pre-emptive to comment on the potential cost of relocating the SBS before the feasibility study is completed.
- The department is currently in the establishment phase of the project, and has engaged the Australian Government Solicitor as an external probity advisor to ensure all probity requirements are met.
- Details of the study scope, timeline and the expression of interest process are being settled and will be disclosed in due course.
- The study will include extensive consultation and will provide interested parties with a mechanism through which to put forward their views.
- The Australian Government Solicitor's office, as external probity advisor to the project, will ensure all relevant legislative and policy requirements are met and there is a transparent and robust process under which any interested party may lodge an expression of interest.
- Any decision to relocate the SBS will lie with the SBS Board.

Key Issues

- The department is in the early design stage of the project.
- This includes engaging an external probity advisor to ensure the highest standards of probity are met throughout the project.
- The project will also examine the feasibility of co-located community facilities for content creation, training or other community use.
- The announcement by the ABC to relocate approximately 300 employees to Parramatta by 2024 is the broadcaster's independent decision that is separate to the government's decision to commission an SBS relocation feasibility study.

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If asked: "how can Government commit to a competitive bidding process if any decision on relocation is a matter for the SBS Board and not for Government?"

- The results of the feasibility study are not a foregone conclusion.
- The department is currently in the establishment phase of the project, and has already engaged the Australian Government Solicitor as an external probity advisor to ensure all probity requirements are met.
- The feasibility study will be conducted in full partnership with SBS, and any decision on relocation is ultimately a matter for the SBS Board – taking into account the Board's role, duties and obligations under the *Special Broadcasting Service Act 1991* and the *Public Governance Performance and Accountability Act 2014*.

Background

- Since November 1993, SBS has been headquartered in Artarmon, on the lower North Shore of Sydney NSW. It maintains an office and broadcast facilities in Federation Square, Melbourne Vic, and an office at Parliament House, Canberra ACT. SBS leases space for sales teams in Brisbane, Adelaide and Perth. There are around 900 SBS staff working from Artarmon.
- During the election, the Australian Labor Party announced it would commission a feasibility study that will:
 - Examine the business case, benefits, and risks of relocating SBS facilities from Artarmon to Western Sydney.
 - Assess the benefits of providing a co-located multi-purpose space for content creation and public use.
 - Incorporate a competitive bidding process between local government areas to choose an optimal relocation site, in collaboration with the SBS.
- The SBS is governed by an independent board. The Board is responsible for ensuring the proper and efficient performance of the SBS's functions. The Minister has limited powers under the *Special Broadcasting Service Act 1991* to direct the SBS on operational matters.
- The ABC has publicly committed to having 75 per cent of its content makers outside of Ultimo by 2025 as part of its Five-Year Plan. The ABC has gone through a Request for Proposals process looking for sites in Parramatta, and has announced that it has signed a heads-of-agreement to lease 6–8 Parramatta Square. It is anticipated the process to develop the Parramatta workspace, confirm teams and roles to be based there, and relocate approximately 300 employees, will be complete by 2024.
- The feasibility study has attracted media attention, particularly from Willoughby Council's opposition to the relocation. A summary and copies of media clips are in **Attachments A1 to A4**. Fairfield Council wrote to the Minister on 8 August 2022 expressing interest in hosting SBS in Fairfield (**Attachment B**).

Contact: Adam Carlon**Cleared by First Assistant Secretary:** Pauline Sullivan**Phone:** (02) 6271 7922**Version Number:** 01**Date:** 27/10/2022

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Adam Carlon

SB22-000093

Financial Information as at 31 August 2022

The department has allocated \$1.0 million (GST inclusive) to conduct the study which will be drawn from existing resources.

The project currently has one full-time Project Director.

Attachments

- Attachment A1 – Parramatta pushes for SBS to relocate from north shore, The Daily Telegraph, 9 August 2022
- Attachment A2 - Sydney Councils in fierce battle over future home of SBS, The Sydney Morning Herald, 25 July 2022
- Attachment A3 - Willoughby Council to fight SBS relocation from north shore to western Sydney, The Daily Telegraph, 9 July 2022
- Attachment A4- Kylea Tink hits out at Albanese government over study to relocate SBS from Artarmon, The Daily Telegraph, 27 October 2022
- Attachment B – Letter from Fairfield Council
- Attachment C – Election Commitment – Build Back Stronger in Western Sydney with SBS

Willoughby Council to fight SBS relocation from north shore to western Sydney

Sydney Morning Herald, 7 July 2022

A mayor in Sydney's west has doubled down on calls for SBS to be shifted from its long term home in Artarmon to the western suburbs as a north shore council vows to fight the federal government over the proposed relocation.

Loss of jobs and impacts on the local economy are among concerns flagged by Willoughby Council in response to a federal government pledge to investigate shifting the multicultural broadcaster out of the region.

The government said a feasibility study would partly examine the "merits of addressing the inequality in infrastructure, skilled jobs and cultural investment in western Sydney by using the national multicultural broadcaster the SBS."

"Western Sydney is one of Australia's most diverse and fast-growing areas and SBS is Australia's most diverse multilingual, multiplatform media organisation," the government said.

"The SBS is a vibrant, diverse, efficient and innovative jewel in Australia's multicultural crown and Labor will examine the feasibility of situating it in the heart of a fast-growing corridor in multicultural Australia."

Willoughby Mayor Tanya Taylor said the move would have economic impacts for Artarmon including loss of jobs.

"We love having SBS in Willoughby and to lose it would be quite devastating in terms of the impact on the local economy," she said.

"SBS currently supports 900 staff at its headquarters and has been in Willoughby for over 25 years and is well serviced by ancillary services including media, IT, production, and communications which provide employment locally.

"The relocation will have a negative effect on the Artarmon industrial area and the City of Willoughby in general."

Ms Taylor also challenged the justification behind the proposed move, saying Willoughby was just as culturally diverse as other parts of Sydney – pointing to Census data released last week revealing 49.5 per cent of residents in the local government area were born overseas.

"We're called the city of diversity for a reason – we have a very multicultural community – and to have the multicultural channel in Willoughby fits with that purpose."

Canterbury-Bankstown Mayor Khal Asfour – who has been lobbying for SBS to be moved to a purpose built \$120 million media hub in Campsie – said there was "no reason" to keep the broadcaster on the north shore.

"Willoughby Council has had it good since 1992 and let's not forget SBS was put there because it needed to be located near the other networks such as Channel 9 and ABC and they've now moved out of the area," he said.

"There's no reason for it to be in Willoughby and if the Willoughby Council thinks they're diverse and multicultural but they should come over to Campsie to see what multicultural Australia really looks like.

"I'm very happy to invite the mayor and councillors to Campsie to have a look for themselves.

"It's high time the multicultural broadcaster of Australia had a home in multicultural Australia (and) it will also help Campsie into the future with jobs."

Parramatta Council is meanwhile hoping to entice the broadcast to move to Sydney's second CBD.

"Parramatta is a great location – we are accessible, we are the second biggest city in the greater Sydney region we have an incredibly diverse population," Parramatta Mayor Donna Davis said.

"We've got unprecedented public and private investment in Parramatta – this is where the business and government sector is choosing to locate to so SBS would want to be at the heart of where its happening."

Willoughby Council at its last council meeting unanimously supported writing to the federal government and the board of SBS to advocate against the relocation, as well as seeking a meeting to discuss the importance of retaining SBS headquarters at Artarmon.

The council will also ask Communications Minister Michelle Rowland for clarity on the terms of reference and the process for submissions in relation to the feasibility study.

Canterbury-Bankstown Mayor Khal Asfour will table a motion at his next council meeting to lobby the federal government to support relocating the TV station to Campsie.

North Sydney federal MP Kylea Tink has backed calls by Willoughby Council, saying SBS should remain on the north shore.

"It's not only an important employer locally but it also reflects an important part of the our community and the diversity that makes the north shore a great place to live," she said.

An SBS spokeswoman declined to comment on the broadcaster's position on the proposed relocation. In a statement she said: "as the national multicultural and Indigenous broadcaster, SBS is proud to tell stories of diverse communities from across Australia, and of our unique ability to share those perspectives with all Australians."

The Department of Communications said the Federal Government was committed to commissioning the feasibility study into the relocation broadcaster.

A spokesman said the study would examine the business case, benefits, and risks of relocating as well and would include a competitive bidding process between local government areas to choose a relocation site.

"More information about the timing of the feasibility study will be provided to relevant stakeholders in due course. Stakeholders and communities will be closely consulted to understand the potential impacts of any move," he said.

Sydney Councils in Fierce Battle over Future Home of SBS

Sydney Morning Herald, 25 July 2022

Several western Sydney councils are battling to become the new home of the Special Broadcasting Service, with Canterbury-Bankstown refreshing its push and Willoughby pleading for the broadcaster to stay put on the north shore.

The federal government has commissioned a feasibility study into whether SBS should move to western Sydney. If the report is favourable, the decision would be a matter for the SBS board.

At least four councils – Canterbury-Bankstown, Liverpool, Parramatta and Blacktown – are lobbying to become the broadcaster’s home. Canterbury-Bankstown mayor Khal Asfour has proposed to bolster the council’s bid to create “SBS Square” in Campsie – first pitched to the federal government in 2018 – to include more sites and commercial partners, including retail developer Vicinity.

“Right now, we as a council have a once-in-a-lifetime opportunity, to make a new home for SBS in our city,” Asfour will tell a council meeting on Tuesday, according to a written mayoral minute that also references the late television legend Bruce Gyngell and former prime minister Paul Keating.

“It’s time for SBS to once again evolve and relocate and plant its roots into a diverse, multicultural community which aligns with its charter and values.”

Blacktown mayor Tony Bleasdale said his municipality – now the most populous in Sydney with more than 400,000 residents and 188 nationalities – was the best pick to house the multicultural broadcaster.

“SBS should be based in the most diverse city in Australia,” he said. “[It] would be a perfect fit for Blacktown City, it really would.”

Bleasdale hoped for support from federal Communications Minister Michelle Rowland, whose seat of Greenway overlaps Blacktown City Council.

But Liverpool and Parramatta are also gunning to be SBS’s new home. Parramatta’s mayor Donna Davis said Sydney’s second CBD was a gateway to the rest of western Sydney and it “just makes sense” for major media outlets to have a presence there.

Liverpool mayor Ned Mannoun said relocating the broadcaster to his municipality would spark a new technology precinct that could help solve the city’s housing affordability crisis by creating good jobs in proximity to new housing. He said this should form part of the feasibility study.

SBS has been based in Artarmon, on the north shore, for 30 years. Willoughby City Council won't give it up without a fight, passing a motion in late June noting the relocation of SBS "will have a negative effect on the Artarmon industrial area and the City of Willoughby in general".

The council resolved to write to Rowland to seek clarity on the feasibility study and the process for making submissions, as well as to federal and state ministers and the SBS board of directors to lobby against relocation. It also noted the forthcoming metro line would improve transport connections around Artarmon and the lower north shore.

The latest census showed half of Willoughby City Council's 75,000 residents were born overseas, a very similar proportion to Canterbury-Bankstown, Liverpool and Blacktown.

Nine, the owner of this newspaper, moved its television operations from Willoughby to North Sydney in 2020.

An SBS spokesperson said the broadcaster would participate constructively in the feasibility study.

"The outcomes of this study will be carefully considered by the SBS board, which as the minister said recently, holds ultimate responsibility for any relocation," they said.

"Our priority will remain accessing the talent, tools and technologies we need to continue fulfilling our charter each and every day for our audiences who are in all corners of Australia."

Parramatta pushes for SBS to relocate from north shore

Daily Telegraph, 9 August 2022

Not content just to have one broadcaster's headquarters in Parramatta, the Lord Mayor has called for another network to relocate to the CBD.

Weeks after ABC announced it would relocate its headquarters to Parramatta, the Lord Mayor of Sydney's second city has called for multicultural network SBS to make the CBD its home as well.

Since it was revealed in June that [SBS would shift its head office](#) from Artarmon on the north shore, western Sydney councils have battled to entice the broadcaster to their diverse regions, including Campsie and Blacktown.

On Monday night, Parramatta Lord Mayor Donna Davis elevated the campaign for SBS to establish its headquarters in Parramatta – a “growing city and the geographical heart of Sydney with significant linguistic and cultural diversity”.

The council will write to federal politicians including Communications Minister Michelle Rowland, Arts Minister Tony Burke and Parramatta federal MP Andrew Charlton and call for further information on the feasibility study SBS was conducting into the possible relocation.

The study, which is yet to begin, would examine factors such as addressing the “inequality in infrastructure, skilled jobs and cultural investment in western Sydney” if SBS moved there.

An SBS spokeswoman said the network would participate in the government's feasibility study into a possible relocation of SBS's Artarmon headquarters.

“The outcomes of this study will be carefully considered by the SBS Board, which ... holds ultimate responsibility for any decision.

“Our priority will remain accessing the talent, tools and technologies we need to continue fulfilling our charter each and every day for our audiences who are in all corners of Australia.”

Ms Rowland, whose electorate mainly covers the Blacktown local government area, said the government would examine how a relocation could benefit the multicultural broadcaster and western Sydney.

“Western Sydney is one of Australia's most diverse and fast-growing areas and the national multicultural broadcaster, SBS, is Australia's most diverse multilingual, multiplatform media organisation,” she said.

“Over 25 years ago, Prime Minister Paul Keating opened the SBS building in Artarmon to help mainstream SBS by moving it closer to other TV networks, bringing radio and TV under the one roof.

“A quarter of a century later, other TV networks have relocated and SBS is a distinctive, dynamic and successful multiplatform digital broadcaster that stands on its own two feet.”

Business Western Sydney executive director David Borger welcomed the relocation of more than one broadcaster to the region.

“Two broadcasters would be better than one to expand Parramatta’s creative industry sector,” he said.

“We all agree that SBS should find a new home in western Sydney and there are some great candidate cities putting their hands up to be that home.

“Parramatta can be a strong candidate by leveraging the commitment of the ABC to move 300 TV, radio and news staff to Parramatta Square and its central location in Sydney.”

While western Sydney mayors have argued their multicultural communities are the best location for SBS, [Willoughby Council is fighting to retain the station](#) at Artarmon.

Last month, Willoughby Mayor Tanya Taylor said the relocation would have a negative effect on the Artarmon industrial area and wider council area.

“SBS currently supports 900 staff at its headquarters and has been in Willoughby for over 25 years and is well serviced by ancillary services including media, IT, production, and communications which provide employment locally,” she said.

Parramatta federal Labor MP Andrew Charlton said “Parramatta loves SBS and SBS will love Parramatta”.

“As one of the most diverse communities in Australia, Parramatta is a natural home for SBS,” he said.

“Parramatta has the perfect blend of talent, transport, location and diversity to support the future of SBS.

“I strongly support the potential move of SBS to western Sydney and am looking forward to the outcomes of the feasibility study into the relocation.”

ABC staff will relocate from Ultimo to 6-8 Parramatta Square in 2024.

In a statement it said the relocation to western Sydney was part of the commitment in its five-year plan to see 75 per cent of staff working outside its Ultimo head office by 2025.

ABC managing director David Anderson said moving to Parramatta would help it better engage with its audience.

“Establishing this new facility in Parramatta provides a rare opportunity to build something from the ground up,” he said.

“It will be a home for innovation and collaboration, designed and equipped to help us better serve Australians, now and into the future.”

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10:09am Thursday, October 27th, 2022

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Kylea Tink hits out at Albanese government over study to relocate SBS from Artarmon

Contentious plans to move SBS from the north shore to Sydney's western suburbs has sparked a war of words with claims the move is "political" and a waste of federal government funds.

**David Barwell**[Follow](#)

3 min read October 26, 2022 - 3:15PM North Shore Times

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Simon Baker appears in the season premiere of SBS' *Who Do You Think You Are?*

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North Sydney independent MP Kylea Tink has hit out against Anthony Albanese after he pledged his support to relocate the nation's multicultural broadcaster from the north shore to Sydney's western suburbs.

Budget papers released on Tuesday show the federal government will spend \$1 million on a feasibility study to relocate SBS from its long-term home in Artarmon to a new facility in the city's west.

The Prime Minister said the relocation of SBS would be a cultural investment in the fast growing and multicultural western Sydney community.

But Ms Tink said the closure of the Artarmon studios would cost the region 900 jobs and have a major impact for local businesses it supports.

"The Prime Minister has jumped the gun with this position," she said. "It's left us all questioning whether the government's commitment to a feasibility study was just a hollow promise as it appears to have been a foregone conclusion."



Kylea Tink has opposed relocating the studio.

“Artarmon has been home to SBS for over 30 years. Not only is it an important employer locally, but it also reflects a significant part of our community, representing the diversity that makes North Sydney a great place to live.

“SBS have a purpose built facility that they own and suits their needs and I don’t think there’s any justification for it to move.”



A photo of SBS identity Adam Liaw and communications Minister Michelle Rowland visiting the studio.

The \$1 million study will examine a business case for the relocation and establish a bidding process between local government areas to choose an “optimal site” for the new studios.

Ms Tink questioned whether the move was politically motivated as well as the final cost of relocating at a time when the budget was under considerable financial constraint.

“We saw the PM in the lead up to the election saying the days of pork barrelling are over and I would certainly hope the relocation to western Sydney isn’t just the next generation of pork barrelling,” she said.

“The hundreds of millions of dollars required to enable the move would deliver much better taxpayer value for money if directed towards increased production of Australian content,” she said.

Where do you think the SBS headquarters should be located?

Artarmon

Western Sydney

“It makes no sense to uproot a broadcaster purely to place it in another part of Sydney at huge expense. This would be a devastating loss for our community.

A Department of Communications spokeswoman did not respond to questions over the full cost of relocating the broadcaster.

In a statement, a spokeswoman said the feasibility study was being developed in collaboration with the SBS and was in the “early design stages”.

“The feasibility study will examine the business case, benefits, and risks of relocating, assess the benefits of providing a co-located multipurpose space for content creation and public use, and incorporate a competitive bidding process between local government areas to choose an optimal relocation site,” she said.



Kylea Tink, pictured during a recent visit to SBS Artarmon

“More information about the feasibility study, its timing and the mechanisms for engaging with stakeholders will be announced in due course.”

In western Sydney, the proposed relocation has already sparked a bidding war between councils with Canterbury-Bankstown and Parramatta hoping to attract the broadcaster to the local government areas.

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Back on the north shore and Willoughby Council is [campaigning against the move](#), writing to the federal government and the board of SBS to advocate for the studio to remain put.

Ms Tink rejected suggestions the north shore doesn't reflect Australia's cultural diversity – pointing to census figures that show 44 per cent of people in the federal electorate were born overseas and 35 per cent speak a language other than English at home.

“The reality is our community is very vibrant and diverse and if what's driving this is a perception that there's a lack of multiculturalism in our community that is completely unfair,” she said.

“I invite the Prime Minister and the Communications Minister to visit North Sydney and see for themselves the value our multicultural community delivers.”

Artarmon has been home to SBS since 1992 and is supported by ancillary services including media, IT, production, and communications which provide employment locally.

More Coverage

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[‘Teal’ campaigners seek Climate 200 funds in election lead-up](#)

Join the conversation (1 comments)



Office of the Mayor Frank Carbone



The Honourable Michelle Rowland MP
Minister for Communications
PO Box 8525
BLACKTOWN NSW 2148

Dear Minister,

EXPRESSION OF INTEREST – SBS RELOCATION TO WESTERN SYDNEY

Fairfield City Council would like to express its interest in the future relocation of SBS to Western Sydney. We understand a feasibility study has been commissioned and believe that there is no better location than the Fairfield local government area for SBS to call home.

Our wonderful City has a rich and diverse history. It has a highly diverse population with 54% of our residents born overseas spread across 124 nationalities, meanwhile never losing sight of our indigenous connection to the Cabrogal of the Darug Nation.

Fairfield City is known across Sydney and NSW as a cultural food destination. We boast authentic restaurants, cafes and food suppliers serving up food from all corners of the globe. From the streets of Cabramatta and Canley Vale with their focus on south-east Asian cuisine, to the centre of Fairfield with its Middle Eastern flavours, and everything in between including Serbian, Italian and South American fare. It's like travelling across the world while in your own backyard.

As a city we may be relatively small in stature but our achievements are significant. Fairfield took out the prestigious local government AR Bluett Memorial Award in 2018 for being the most progressive Council in NSW, and won the RH Dougherty Award for excellence in communications this year. Underpinning our success as a Council is our people and the values they share. The people of Fairfield are hard-working, dedicated, entrepreneurial and grateful for the opportunities to celebrate their culture in a harmonious and welcoming City that literally has 'Celebrating Diversity' as part of its name. These values are closely aligned with SBS's culture to embrace difference, be brave, be audience obsessed, fully engage and care for one another.

With that said, there is always more to do and to do it better. Having SBS as a partner to the City will be fantastic for our people and what they represent.

Council owns a number of significant landholdings located within the heart of its CBDs. These assets provide the scale and strategic platform necessary for your organisation to achieve its desired outcome through opportunistic redevelopment.

I am very keen to discuss this further with you so that together we can help find SBS a new home in one of the most culturally diverse cities in Australia.

I thank you for taking the time to consider our interest and look forward to hearing from you in due course. I can be contacted on 02 9725 0203.

A handwritten signature in black ink, appearing to read 'Frank Carbone', with a stylized flourish at the end.

FRANK CARBONE
MAYOR OF FAIRFIELD CITY

8 August 2022



Build Back Stronger in Western Sydney with SBS

An Albanese Labor Government will commission a feasibility study into the relocation of the Sydney-based headquarters and studios of the Special Broadcasting Service (SBS) from Artarmon to Western Sydney, alongside the provision of a multi-purpose space for content creation and public use.

To build the inclusive Australia of tomorrow, you need to start planning today.

Western Sydney is one of Australia's most diverse and fast-growing areas and that national multicultural broadcaster, the Special Broadcasting Service (SBS) is Australia's most diverse multilingual, multiplatform media organisation.

But there is an imbalance in infrastructure, skilled jobs and cultural investment in Western Sydney. Greater Western Sydney is home to more than one third of overseas-born residents and over 170 different ethnic ancestry groups, in what is a young and aspirational population. Despite being home to 30 per cent of the State's population, Western Sydney receives only a fraction of Commonwealth Arts program funding and the NSW Government's Arts budget.

Western Sydney is denied much of the taxpayer-funded cultural capital that the inner city enjoys. When the Sydney Opera House was commissioned in 1958, Greater Sydney's population was 1.8 million and had grown to 2.9 million when it opened in 1973. Western Sydney's population passed 1.8 million in 2011 and will pass 2.9 million by 2031.

When former Prime Minister Paul Keating opened the SBS building in Artarmon over 25 years ago, it was to help mainstream SBS by moving it closer to other TV networks, bringing radio and TV under the one roof. A quarter of a century later, other TV networks have relocated and SBS is a distinctive, dynamic and successful multiplatform digital broadcaster that stands on its own two feet.

Australia should be optimising and leveraging investment in our public institutions, like the SBS, to promote inclusive communities and strengthen public media.

Labor's plan

An Albanese Labor Government will commission a feasibility study into the relocation of the Sydney-based headquarters and studios of the Special Broadcasting Service (SBS) from Artarmon to Western Sydney, alongside the provision of a multi-purpose space for content creation and public use.

One Western Sydney Council has estimated that building new facilities for SBS in Western Sydney would create almost 400 construction jobs and generate \$85 million for the Sydney economy.

The SBS is a vibrant jewel in Australia's multicultural crown and Labor wants to explore the synergies in relocating this dynamic multiplatform digital broadcaster to the heart of a fast-growing multicultural corridor in Australia.

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The feasibility study will examine the merits of addressing the imbalance in infrastructure, skilled jobs and cultural investment in Western Sydney by leveraging the public's investment in the nation's multicultural broadcaster.

Feasibility Study

The feasibility study will:

1. examine the business case, benefits and risks of relocating the SBS Sydney studios from Artarmon to Western Sydney;
2. assess the benefits of the provision of multi-purpose space for content creation and public use; and
3. incorporate a competitive bidding process between local government areas for determining the optimal site of any relocation, in collaboration with SBS.

Various Western Sydney Councils are vying for SBS to relocate to their area, which is why Labor's feasibility study will explore the best options to assist the SBS in any future relocation decision.

A new multi-purpose space

Labor wants to build modern, well-planned infrastructure to stimulate growth and create jobs and training opportunities.

A fully functional media outlet based in Western Sydney could leverage the talent and diversity of the area by delivering administrative and multimedia jobs, as well as enhance the visibility of the SBS as a platform for migrant and ethnic communities in the heart of Western Sydney.

The population growth in Western Sydney, particularly residents from new and emerging cultures, brings many policy challenges for building inclusive communities.

A new community space would provide small not-for-profit ethnic organisations with affordable spaces for meetings and events and provide citizens and young people with opportunities to create and disseminate content that reflects their lives.

Authorised by P. Erickson, ALP, Canberra

Privacy Policy

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000094

SUBJECT: Indo-Pacific Broadcasting Strategy**Talking Points**

- The government is committed to delivering an Indo-Pacific Broadcasting Strategy to boost Australian content and to project Australian identity, values and interests in the region.
- Funding measures announced in the October Budget (2022-23):
 - Providing ABC with an additional **\$8 million per annum for the next 4 years** (\$32 million) to expand its regional transmission, content production and media capacity training in the Pacific.
 - Maintaining funding of **\$5.7 million for the 2022-23** financial year for Free TV to continue delivery of Australian television content to broadcasters in the Pacific (PacificAus TV Program).
- This funding will be provided as part of ABC's annual appropriation. An MOU between ABC, Department of Foreign Affairs and Trade (DFAT) and the department will set out key responsibilities and governance arrangements for the funding. Any further questions should be directed to DFAT.
- The Indo-Pacific Broadcasting Strategy will be informed through a review of:
 - The potential restoration of Australian shortwave radio broadcasting capacity in the Pacific,
 - Options to continue the PacificAus TV program, and
 - Options to maximise the impact of Australian taxpayer investment in the Pacific media context.
- Work is underway on planning this review. Relevant stakeholders will be consulted in due course.

Key Issues*Indo-Pacific Broadcasting Strategy*

- The Indo-Pacific Broadcasting Strategy was an election commitment and is part of the Government's Plan to Build a Stronger Pacific Family.
- The additional \$8 million per year provided to the ABC under the Indo-Pacific Broadcasting Strategy builds on the \$11 million per year the ABC already spends from its base operational funding budget on international services, including ABC Australia, Radio Australia, and digital platforms.

Contact: Adam Carlon**Cleared by First Assistant Secretary:** Pauline Sullivan**Phone:** (02) 6274 7922**Version Number:** 1**Date:** 26/10/2022

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000094

- ABC funding in the October 2022/23 Budget is as follows (GST exclusive):

	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Australian Broadcasting Corporation					
General Operational Activities, including:	915.8	935.5	976.4	980.7	3,808.3
<i>Enhanced News Gathering</i>	15.0	15.3	15.6		45.8
<i>Audio Description</i>	1.0	1.0	1.0		3.0
<i>Restoration of Indexation</i>	20.9	20.9	20.9	20.9	83.7
<i>Double J Feasibility Study</i>	0.5				0.5
<i>Indo-Pacific Broadcasting Strategy</i>	8.0	8.0	8.0	8.0	32.0
Transmission and Distribution Services	191.4	196.3	206.2	211.5	805.4
Total ABC Funding	1,107.2	1,131.8	1,182.5	1,192.2	4,613.7

Notes: Totals may not add due to rounding. Please refer to **SB22-000088** for more information on ABC funding.

- The ABC is proposing to spend the additional \$8 million per year to:
 - Expand ABC Radio Australia's FM footprint, adding up to seven additional FM transmitter locations to the 13 currently running across the Pacific and Timor Leste, and tailor the ABC Australia television service to suit Pacific and Asian time zones.
 - Create more content for audiences across the Indo-Pacific region including establishing a network of full-time local journalists and a pan-Pacific weekly video news program.
 - Enhance the capacity and development of media partners with training and activities covering basic professional development, for cadets through to leadership masterclasses, and in specialised subjects such as elections and emergency broadcasting.

PacificAus TV program

- The Amplifying Australia's Voice Program (known to participants as PacificAus TV) was announced in the 2018–19 Budget as a 3-year program (commencing on 13 November 2019).
- It was extended for one year in the 2022–23 Budget. During the election, as part of the Indo-Pacific Broadcasting Strategy, the Government made a commitment to maintain this funding in the October Budget.

Contact: Adam Carlon

Cleared by First Assistant Secretary: Pauline Sullivan

Phone: (02) 6274 7922

Version Number: 1

Date: 26/10/2022

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000094

- Funding is provided to Free TV Australia which purchases the content distribution rights from Australia's commercial television broadcasters and negotiates the content delivery to Pacific Partner Broadcasters (PPBs).
- The program's objectives include promoting Australia and Australia's values in the Pacific region, and in doing so, helps balance the increasing regional media presence of other nations in this region.
- In 2022, Free TV is making available over 40 different programs from 18 different suppliers (over 2,000 hours) of programming to its PPBs in 9 Pacific countries.
- The program evaluation will begin shortly and will be completed early in 2023. The department is working with DFAT to consult with stakeholders, including broadcasters in the Pacific. The outcomes of the evaluation will inform the Strategy.

Prime Minister commentary on ABC International

- In the Prime Minister's speech at the ABC's 90th anniversary celebration, he acknowledged the important role of the ABC in the region, noting that additional investment in the ABC's international activities is a prudent investment in Australia's security and national interest.

Australian shortwave broadcasting in the Pacific

- The ABC ceased shortwave transmission services in the Northern Territory and to international audiences from 31 January 2017. This was a decision of the ABC Board.
- In 2018, the Government reviewed Australian media services in the Asia Pacific. This review examined all media distribution platforms.
 - In relation to shortwave, the review concluded that although Australia is likely to have derived significant net benefits from its shortwave broadcasts to the Asia Pacific in the past, this does not necessarily mean that it would continue to derive those net benefits in the future if it resumed those broadcasts.
- As part of developing the Indo-Pacific Broadcasting Strategy, the question of shortwave services will be considered.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000095

SUBJECT: Regional and Local Newspaper Publishers Program**Talking Points**

- The Government is providing \$15 million to support news print publishers dealing with rising printing costs through the Regional and Local Newspaper Publishers Program. Funding is available under two streams:
 - Stream 1 - \$10 million funding for regional print publishers producing core news content;
 - Stream 2 providing \$5 million funding for independent suburban, First Nations and multicultural print publishers producing core news content.
- The grant opportunity opened on 1 August 2022 and was open for applications for 3 weeks, closing on 19 August 2022. The department received 222 applications.
- The opening of the grant opportunity was promoted via a ministerial media release, through the department's website and via direct contact with interested and potentially eligible stakeholders.
- The Minister for Communications approved the guidelines on 27 July 2022, with the Minister for Finance approving the guidelines on 30 July 2022. This approach is fully compliant with the Commonwealth Grants Rules and Guidelines 2017.
- The department was responsible for assessing applications. The decision maker was the First Assistant Secretary, Online Safety, Media and Online Safety Division. Recommendations on successful applicants were approved on 15 September 2022.
- On 28 September 2022, the Minister announced 208 successful recipients will receive funding under the program:
 - Stream 1 (\$10 million available) - 130 grants were awarded to eligible regional publishers.
 - Stream 2 (\$5 million available) – 45 grants were awarded to independent, suburban publishers under Stream 2A; 27 grants were awarded to multicultural publishers under Stream 2B; 3 grants were awarded to First Nations publishers under Stream 2C; and 3 grants were awarded to applicants under both Stream 1 and Stream 2A.
- The department is currently processing funding agreements and initial payments, which have started flowing to recipients. To date 38 grantees have received funding.
- It is expected that all funding agreements will be executed and first payments made to grantees by mid-November.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000095

Key Issues

Regional and local newspaper publishers remain exposed to external shocks, such as newsprint price increases which threaten the sustainability of local newspapers.

The objective of the RLNP is to support eligible print publishers to alleviate the increasing costs of print publishing, enabling them to continue to provide core news content to local communities across Australia.

BackgroundDemand driven approach

A demand-driven grants process (eligibility criteria only) was selected for the RLNP as it:

- was deemed the fastest way to deliver funding to grantees; and
- presented a less onerous application process for businesses, many of whom were small-to-medium entities or applying for Commonwealth funding for the first time.

Program guidelines

The program guidelines were developed in consultation with key stakeholders who were representative of the publishers who were being targeted by the funding opportunity. This includes regional, independent suburban, First Nations and multicultural publishers and peak bodies.

The following stakeholders were consulted:

- Australian Community Media (ACM)
- Country Press Australia (CPA)
- First Nations Media Australia
- Independent Multicultural Media Australia (IMMA)
- Public Interest Publishers Alliance (PIPA)
- The Weekly Times
- Seven

Eligibility Criteria

Core eligibility requirements were:

- a current ABN;
- registered for GST
- an eligible regional, independent suburban, First Nations, or multicultural print publisher; and
- produce core news content.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000095

Applicants were not eligible to apply for funding if they were:

- Insolvent;
- A foreign controlled Australian entity;
- Affiliated with a Foreign Government, political party, union, financial institution, Non-Government Organisations, or policy lobby group;
- An organisation included on the National Redress Scheme's website on the list of 'Institutions that have not joined or signified their intent to join the Scheme'.

Definitions

For the purposes of this grant opportunity, **core news content** is defined as:

- issues or events that are relevant in engaging Australians in public debate and in informing democratic decision making; or
- current issues or events of public significance for Australians at a local, regional or national level.

A **regional print publisher** is a publisher where:

- their primary operations are located in a regional area of Australia (as defined by the ABS' Remoteness Structure); and
- their core news content is targeted to readers and audiences in one or more regional areas.

An **independent suburban print publisher** is a publisher where:

- their primary operations are located in a Major City of Australia area (as defined by the ABS' Remoteness Structure); and
- their core news content is targeted to readers and audiences in one or more specified communities; and
- have an annual average turnover of less than \$30 million for the three years before application submission. This turnover is combined with any related bodies corporate.

A **multicultural print publisher** is a publisher where their core news content is targeted to readers and audiences in at least one multicultural community.

A **First Nations print publisher** is a publisher where their core news content is targeted to readers and audiences in at least one First Nations community.

Minister's role and approval of funding outcomes

The Minister for Communications delegated the approval of grants to the department as stated in Section 7.1 of the RLNP program guidelines. As the decision maker, the FAS OSMAP's role was to decide which grants to approve considering the availability of grant

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan / Adam Carlon

SB22-000095

funds for the purposes of the grant program. The decision-maker's decision was final in all matters. The decision maker made no changes to the funding recommendations put forward by the department's assessment team.

Funding Agreements

The department has commenced funding agreement negotiations with successful applicants. Funding agreements are being executed between grantees and the Commonwealth as soon as possible. The funding agreements contain a set of conditions to support the objective of the RLNP. Grantees are required, at a minimum, to maintain their levels of journalist and print staff, and printed mastheads during the grant activity period. If it is determined that a Grantee was unable to meet these requirements, action will be taken to reduce or withhold funding.

Unsuccessful applicants

14 applicants were found to be ineligible to receive funding. The majority of these applicants were assessed as ineligible as their publication did not meet the requirements of the criteria with respect to the production of core news. The balance of ineligible applicants had more fundamental issues including not being registered for GST and not having printed a publication within the 2021/22 FY as per the requirements of the program guidelines.

Financial Information as at 31 August 2022

The RLNP provides \$15 million funding in the 2022/23 financial year.

Program/Project Start Date:	1 August 2022					
Program/Project End Date:	30 June 2023					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	0	\$15	0		\$15
Less:						
Actual Expenditure YTD at 31 August 2022	0					
Total Committed Funds at 31 August 2022	0	0	0	0		0
Total Uncommitted Funds (balance)	0	0	\$15	0	0	\$15

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient

Contact: Adam Carlon

Cleared by First Assistant Secretary: Pauline Sullivan

Phone: (02) 6274 7922

Version Number: 01

Date: 26/10/2022

MEDIA RELEASE**A Better Future.**

**MICHELLE ROWLAND MP
SHADOW MINISTER FOR COMMUNICATIONS
MEMBER FOR GREENWAY**

LABOR WILL SUPPORT LOCAL NEWS, COMMUNITY BROADCASTING AND JOBS

Regional, local and community media are facing challenges and uncertainty because of Scott Morrison's failure to provide policy coherence or a stable set of support measures to help sustain the local media that millions of Australians rely on.

The Morrison Government has failed to implement properly a suite of measures to support public interest journalism, as recommended by multiple reviews and inquiries, including the Final Report of the Australian Competition and Consumer Commission Digital Platforms Inquiry.

Regional and local newspaper publishers remain exposed to external shocks, such as newsprint price increases which threaten to wipe out local newspaper titles for good.

Community broadcasters also face uncertainty under the Morrison Government, which has ignored their calls for stability and funding.

An Albanese Labor Government will deliver a \$29 million local news and community broadcasting transition package to help regional, local and community media providers from a decade of Liberal National mismanagement to a better future under Labor.

Labor will:

- Provide a \$15 million fund for eligible regional and local newspaper publishers to help absorb newsprint price increases.
- Provide \$2 million to fast-track an investment ready analysis for the replacement of the coal-fired boiler at Norske Skog's Boyer Mill.

- Provide \$12 million to maintain community broadcasting funding and give the sector the funding certainty it needs beyond the next year.
- Keep Community TV stations Channel 31 Melbourne and Channel 44 Adelaide on air until there is an alternative use for the radiofrequency spectrum they use.
- Develop a News Media Assistance Program to secure the evidence base needed to inform news media policy intervention in Australia and formulate measures to support public interest journalism and media diversity.

Labor will support local news, community media and jobs while working to formulate a principles-based, evidence-informed and sustainable framework of measures to support public interest journalism and media diversity in Australia – which has been sorely lacking under Scott Morrison.

Regional and local newspaper publishers

Labor will establish a \$15 million fund to assist eligible newspaper publishers absorb newsprint price increases, comprising:

- \$10 million for eligible regional newspaper publishers.
- \$5 million for eligible local newspaper publishers, including independent suburban, First Nations and multicultural newspaper publishers.

Labor raised the alarm on the newsprint crisis last month and extended bipartisan support for the formulation of a crisis response during the pre-election caretaker period.

If Scott Morrison had done his job properly by supporting public interest journalism with measures that were recommended well before COVID-19 and the war in Ukraine, the sector would have been on a more sustainable footing to absorb this price increase.

Labor will consult to finalise the guidelines and ensure an incoming Albanese Labor Government is ready to activate a response early in the new financial year.

Community broadcasting

Labor will provide \$12 million from 2023-24 to the Community Broadcasting Program to give

the sector the funding certainty it needs while working with the sector to identify a sustainable funding basis for the future.

After all community radio broadcasters have done for Australians – through bushfires, floods and the COVID pandemic – all they get from Scott Morrison is a great big question mark. Scott Morrison ignored the sector's calls for COVID crisis funding during the pandemic and has ignored their calls for sustainable funding going forwards.

Instead of granting the usual four-year top up funding, Scott Morrison inexplicably only gave the sector two years, which runs out next year. Community broadcasting relies on just over \$20 million annually to maintain existing services and supports, yet from 2023-24, government funding drops to around \$17 million over the forward estimates.

Labor's commitment will maintain community broadcasting funding so the sector can continue to support their communities with local news, emergency broadcasting and local content, including Australian music, as well as with post-COVID recovery and post-natural disaster initiatives.

Community television

Community television is a vibrant part of Australia's media which is why Labor has fought attempts by the Liberal National government to boot it off air.

Community TV adds to media diversity, local news and content, supports local businesses and community organisations and provides a much-needed training ground for the journalists, producers and the industry talent of the future.

Labor moved a successful motion in the Senate calling for Community TV to be kept on air and helped force the Government to extend the broadcast licences for three more years, which now expire in mid-2024.

Labor will keep Community TV stations Channel 31 Melbourne and Channel 44 Adelaide on air until there is an alternative use for the radiofrequency spectrum they occupy, to ensure efficient use of this finite, scarce and valuable resource.

News Media Assistance Program

Labor considers that government intervention to support public interest journalism should be done within a principles-based and evidence-informed framework, formulated and implemented with adherence to best practice. It is unacceptable that the Liberal National government has distributed tens of millions in grants without a clear plan.

Labor will develop a News Media Assistance Program to secure the evidence base needed to inform news media policy interventions and formulate measures to support public interest journalism and media diversity.

FRIDAY, 13 MAY 2022

MEDIA CONTACT: LABOR CAMPAIGN MEDIA (02) 9165 8212

Released under FOI Act by DITR/DCA

BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000096

SUBJECT: Online Safety Reform**Talking Points**

- The *Online Safety Act 2021* commenced on 23 January 2022.
- The Act strengthens protections against online harms, improves industry accountability, and provides extra powers to the eSafety Commissioner.
- The eSafety Commissioner is implementing the Act, including working with industry on codes development, and issuing notices under the Basic Online Safety Expectations.
 - Industry Codes were released for consultation on 1 September 2022. Codes are due to eSafety in November 2022.
 - Non-periodic notices for the Basic Online Safety Expectations were issued on 29 August 2022. Service providers had 28 days to respond.

Key Issues

- The *Online Safety Act 2021* is in force, with the eSafety Commissioner's focus now on operationalising new powers under the Act, including:
 - Removing cyberbullying, cyber abuse and non-consensually shared intimate images from the full range of online services – including games;
 - Responding quickly to material that is, or would be refused classification, no matter where it is hosted; and
 - Improving transparency and accountability of service providers.
- Since the Act commenced, the eSafety Commissioner has:
 - Released guidance materials for all its schemes;
 - Developed an internal review scheme;
 - Worked with industry on codes development; and
 - Set up reporting under the Basic Online Safety Expectations.
- Industry has a role to play in supporting the success of the Act, through co-regulation under new industry codes, and improving transparency around online safety.

How does Australia's regulatory approach compare internationally?

- Australia has had dedicated online safety legislation in place since 2015. In comparison, other countries are looking to introduce online safety legislation (including the UK and Ireland), or are yet to fully implement legislation (including the EU, and State-based legislation in the US (California)).
- Australia's online safety regulation is based on the position that industry has the primary responsibility to create safer spaces for their users. Government provides a 'safety net' if things go wrong online or companies fail to protect their users.

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000096

- While the Online Safety Act primarily considers harms directed towards individuals, the industry codes and Basic Online Safety Expectations represent a step towards a more 'systemic' or 'risk-based' approach. This is in line with proposed international regulation such as the UK Online Safety Bill.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is working with international counterparts to consider lessons learnt and best practice from the implementation of their proposed regulatory frameworks. We will consider international experiences in the context of our legislative review of the Online Safety Act and any advice to Government. As a smaller economy, we are closely observing what impacts flow to Australian and global users from regulation in larger international markets such as the EU and UK.

BackgroundThe eSafety Commissioner is working with industry to develop new industry codes

- The eSafety Commissioner is supporting industry to develop **industry codes** under the online content scheme (further detail at **Attachment A**).
 - **Industry associations** recently completed public consultation on draft codes to address the most seriously harmful and illegal online material – such as child sexual abuse material.
 - **Industry now has until 18 November 2022** to finalise the codes before asking the eSafety Commissioner to register them.
 - Work on a second set of codes covering class 2 material will commence in 2023.

Online Service Providers are reporting under the Basic Online Safety Expectations

- The Basic Online Safety Expectations (BOSE) Determination 2022 is a legislative instrument that was **registered on 23 January 2022**. It sets out minimum safety expectations for social media services, relevant electronic services and designated internet services (further detail at **Attachment B**).
- On **29 August 2022** the eSafety Commissioner **issued a first round of reporting notices** under the BOSE. Notices asked for reports on how seven high-risk service providers are tackling online child sexual exploitation material. The service providers required to report are:
 - Apple;
 - Meta (and WhatsApp);
 - Microsoft (and Skype);
 - Snap; and
 - Omegle.
- Providers face fines of up to \$555,000 if they don't report.

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000096

-
- eSafety announcement that it was asking for reports from high-risk service providers gained media attention, including from overseas publications.

eSafety is undertaking other implementation activities

- The eSafety Commissioner issued a **new Restricted Access System (RAS) Declaration** under the Online Content Scheme, which came into effect on 24 January 2022 (further detail at **Attachment C**).
- In parallel, eSafety is progressing a roadmap for mandatory **age verification**
 - eSafety is expected to provide an interim update **to the Minister** on this work later in 2022.

Attachments

- Attachment A – Industry Codes Development
- Attachment B – Implementation of the Basic Online Safety Expectations
- Attachment C – Background on Other eSafety Implementation Activities
- Attachment D – Background on the *Online Safety Act 2021*

Contact: Bridget Gannon**Cleared by First Assistant Secretary:** Pauline Sullivan**Phone:** (02) 6271 7079**Version Number:** 2**Date:** 06/10/2022

Attachment A

Industry Codes Development

Industry are progressing codes to address the most harmful and illegal material

- Industry released draft codes for consultation on 1 September 2022 for all eight industry sections covered by the online content scheme.
 - The first set of codes address the most seriously harmful and illegal online content, like child sexual abuse material and pro-terror content.
- Industry is now working to respond to consultation feedback before submitting codes for the eSafety Commissioner's formal consideration by **18 November 2022**.
- The **eSafety Commissioner will then decide** whether to register a code.
- If the eSafety Commissioner decides that the code **does contain appropriate community safeguards**, they may choose to impose an industry standard.
 - Before making a standard, the Commissioner is required to consult on a draft standard for a period of at least 30 days.

eSafety and industry have been working in good faith to develop codes

- An Industry Steering Group of six associations have worked constructively with eSafety to develop codes.
 - On **29 September 2021** the eSafety Commissioner released a position paper, outlining the preferred model for codes development. This position paper followed several meetings with industry organisations.
 - On **14 February 2022** industry provided the eSafety Commissioner with a first draft of codes covering the most seriously harmful content. eSafety provided feedback on each code.
 - On **11 April 2022**, the eSafety Commissioner issued formal notices requiring submission of codes by 9 September 2022.
 - **Between May and July 2022**, industry provided revised draft codes to eSafety and met several times to discuss its contents and provide further feedback.
- In **June 2022** the eSafety Commissioner provided industry with a nine-week extension to 18 November to provide eSafety with codes - allowing more time for industry to develop and consult on the codes.
 - The Commissioner has discretion to work with industry over whatever timeframe is deemed necessary to achieve an effective outcome.

Codes that address other online harms will follow in 2023

- Lower risk types of harmful content, such as less extreme types of Refused Classification material and online pornography will be addressed through a second set of codes.
- A second set of codes are expected to be **registered in mid-2023**.

The Minister has been briefed – but does not have a role

- The Minister has no role in the development of industry codes. **The eSafety Commissioner has briefed** the Minister with an update on codes on:
 - **8 July 2022;**
 - **23 August 2022; and**
 - **14 September 2022.**

The associations leading drafting of the codes represent the online industry

- A Steering Group of six industry associations has been set up to lead drafting of the industry codes, engage with individual companies and manage industry's public consultation on draft codes. The six industry associations are:
 - Communications Alliance;
 - Digital Industry Group Inc (DIGI);
 - Interactive Games and Entertainment Association (IGEA);
 - BSA The Software Alliance;
 - Australian Mobile Telecommunications Association; and the
 - Consumer Electronic Suppliers Association

Released under FOI Act by DITRDCA

Attachment B

Implementation of the Basic Online Safety Expectations

eSafety have asked high-risk service providers for reports under the BOSE

- On **29 August 2022** the eSafety Commissioner issued non-periodic reporting notices to:
 - **Meta** (and **WhatsApp**);
 - **Apple**;
 - **Microsoft** (and **Skype**);
 - **Snap**; and
 - **Omegle**
- The decision to ask for reports from these service providers was **a decision of eSafety**. eSafety briefed the Minister on this decision on 23 August 2022. We provided our views to the Minister's Office via email on 23 August 2022.
- eSafety gave the providers 28 days to respond to the notice, or face fines of up to \$555,000.

eSafety have chosen to target reporting around online child sexual exploitation material

- The first notices ask **seven service providers about the steps they are taking to detect and prevent online child sexual exploitation and abuse material (CSEA)**.
- eSafety has asked providers to share information about:
 - The extent to which they are using technical tools to detect, remove, and report known CSEA
 - The extent to which services are also using technology to detect new CSEA;
 - Steps taken to prevent and detect livestreamed CSEA, CSEA on end-to-end encrypted services and the detection of grooming; and
 - Availability of mechanisms for users to report CSEA material or activity.
- The notices' focus on CSEA was a **decision of eSafety**.

The BOSE sets out expectations that were the product of consultation

- The BOSE are set out in a legislative instrument made under the *Online Safety Act 2021*. The instrument sets out minimum safety expectations for social media services, designated internet services and relevant electronic services. The BOSE includes:
 - Core expectations already set out in the Online Safety Act;
 - A number of additional expectations to improve protections for users; and
 - Reasonable Steps to provide guidance to industry.
- The eSafety Commissioner has the power to order tech companies to report on how they are responding to these harms. Companies face fines of up to \$555,000 if they don't report.
- The BOSE was registered following a period of consultation; the BOSE instrument and explanatory statement were refined to be more precise, including to clarify that not all 'reasonable steps' to meet expectations will apply to all services.

Attachment C

Background on Other eSafety Implementation ActivitiesThe eSafety Commissioner has made a new Restricted Access System Declaration

- Australian hosted restricted material likely to be classified R18+ under the National Classification Code must be behind a Restricted Access System (RAS). Otherwise it may be subject to a removal notice.
- The eSafety Commissioner has established a new RAS instrument under the online content scheme, which commenced on 24 January 2022.
- The Act broadens the scope of services that are obliged to meet the requirements of a RAS.
- eSafety consulted on a RAS discussion paper from **16 August – 12 September 2021** and on a RAS declaration **from 25 October – 23 November 2021**.

eSafety has released its regulatory guidance

- eSafety has released guidance on:
 - its regulatory posture and priorities;
 - its compliance and enforcement policy
 - the cyberbullying scheme;
 - the image-based abuse scheme;
 - the adult cyber abuse scheme;
 - the online content scheme; and
 - eSafety's website blocking powers for abhorrent violent conduct material.
- eSafety has developed an internal review scheme and published this on its website.
- eSafety is currently consulting with industry on guidance for the Basic Online Safety Expectations.

In parallel, eSafety is progressing a roadmap for mandatory age verification

- On **1 June 2021**, the Government asked the eSafety Commissioner develop an implementation roadmap for a mandatory age verification (AV) regime relating to online pornography.
- This roadmap forms part of the Government's response to the House of Representatives Standing Committee on Social Policy and Legal Affairs' report, *'Protecting the age of innocence'*.
- From **9 August – 10 September 2021**, eSafety held a public call for evidence on Age Verification.
- In **September 2022**, the Minister agreed to grant eSafety an extension to deliver the Roadmap, citing that this is complex work that requires further assessment of technical capabilities. The Roadmap is now due in **March 2023**.
- **The Minister** has asked for **interim findings** to be provided to Government in **December 2022**.

Attachment D

Background on the *Online Safety Act 2021*The Online Safety Act commenced on 23 January 2022

- On **23 December 2020**, the former Minister announced an 8-week public consultation on proposed reforms to Australia's online safety arrangements.
- On **24 February 2021** the Bill was introduced in the House of Representatives and referred to Senate Committee.
- On **5 March** the Committee held a hearing on the Bill.
- On **12 March**, after the Committee's report was released, the former Government accepted and actioned both of the Committee's recommendations – That the explanatory memorandum be amended to clarify timing of the codes, and Parliament pass the Bill.
- On **16 March** the Bill was passed by the House.
- On **22 June** the Senate passed the Bill with amendments, including seven amendments moved by the Australian Labor Party.
- On **23 June** the House agreed to the Senate's amendments.
- On **23 July** the Bill received Royal Assent.
- On **23 January 2022** the new Act commenced.

The Act updated Australia's online safety framework

- The Act replaced the *Enhancing Online Safety Act 2015* and Schedules 5 and 7 of the *Broadcasting Services Act 1992*. The Act:
 - Legislated basic online safety expectations for digital platforms to establish a new benchmark for industry to keep Australians safe.
 - Established a new adult cyber abuse scheme. The scheme creates a pathway for Australians experiencing seriously harmful online abuse to have this material removed when platforms fail to act.
 - Strengthened the image-based abuse and child cyberbullying schemes by reducing the timeframe within which infringing material must be removed from the internet from 48 to 24 hours.
 - Enhanced information gathering powers for the eSafety Commissioner to unmask the identities behind anonymous online accounts used to bully, abuse or humiliate others.
 - Established a rapid website blocking power for the eSafety Commissioner to respond to online crisis events, such as the Christchurch terrorist attacks, by requiring internet service providers block access to sites depicting promoting inciting or instructing in abhorrent violent conduct.
 - Maintained the Online Content Scheme where industry must keep their users safe online through updated industry codes or standards and where the eSafety Commissioner is empowered to require the removal of the most harmful online content – no matter where it is hosted.

The Australian Labor Party was successful in amending the Bill

- The Australian Labor Party was successful in having seven amendments agreed to the Bill that was passed, which strengthened definitions in the Bill, and supports offered to the eSafety Commissioner. These amendments:
 - Clarified the definition of serious harm to a person's mental health;
 - Set parameters around the industry code development process when there is no industry body or association;
 - Outlined the steps the Commissioner must take before creating an industry standard;
 - Empowered the Commissioner to establish advisory committees to assist in the performance of the Commissioner's functions and enabled the Commissioner to seek assistance from the Consumer Consultative Forum established by the ACMA.
- The Bill was also amended, prior to debate in the Senate, by the former Government to increase accountability and transparency for the eSafety Commissioner.

Not all stakeholder concerns were addressed in the Act that was passed

- Some industry concerns about the Online Safety Act were not addressed by the former Government before its passage. For example, some stakeholders had:
 - Wanted longer than 24 hours to respond to notices where content is contentious or complex.
 - Sought to exclude encrypted private messaging and enterprise services within scope of the Act.
 - Requested a 'carve out' for sex workers and the adult industry.
 - Raised concern about the amount of discretion the Commissioner is afforded.

Budget Estimates - October 2022

Environment and Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000097

SUBJECT: Online Safety Current Measures**Talking Points**

- The eSafety Commissioner has new and strengthened powers under the Online Safety Act 2021 to support Australians online.
- The Government committed \$6 million to support the national rollout of digital and media literacy education products for primary and secondary school students.
- The Government has retained and confirmed \$31.6 million over five years from the March Budget for women's online safety to support the National Plan to End Violence Against Women and Children 2022-2032.

If Asked about future funding

- The majority of eSafety's funding is non-ongoing or terminating funding which starts to decline from 2023-24.
- The October 2022-23 Budget has focused on the delivery of the government's election commitments.
- Any decision about eSafety's future funding is a matter for Government.

Key Issues***The role of the eSafety Commissioner***

- The eSafety Commissioner is responsible for promoting online safety for Australians and administering complaints systems for online abuse, non-consensual sharing of intimate images and responding to offensive and illegal online content.

October 2022-23 Budget - Safe kids are eSmart kids election commitment

- The Government has committed **\$6.0 million** over three years for the Alannah and Madeline Foundation (AMF) to develop and deliver digital and media literacy education products for primary and secondary school students.

March 2022-23 Budget – National Plan to End Violence Against Women and Children

- The Government has retained **\$31.6 million** over five years for new online safety initiatives to support the *National Plan to End Violence Against Women and Children 2022-2032*, including:
 - **\$10 million** over five years for eSafety to administer a **community grants program** to support online safety education and projects focussed on women and children.
 - **\$16.6 million** over four years for eSafety for a **new support service** to assist victim-survivors of technology facilitated abuse.
 - **\$5.0 million** over five years for **communication activities** to further increase awareness of the support and resources available through the eSafety Commissioner.

Budget Estimates - October 2022

Environment and Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000097

- **\$4.5 million** to the department, and **\$0.5 million** for eSafety.

eSafety funding

- eSafety has **\$10.3 million in ongoing base funding** to deliver its statutory obligations under the *Online Safety Act 2021*. eSafety's total funding in 2022-23 is \$53.8 million.
- The majority of eSafety's funding comes from non-ongoing measures which start to terminate from 2023-24.
- Decisions on eSafety's long term funding are a matter for Government.
- Summary of eSafety funding in recent Budgets:
 - 2020-21 MYEFO \$10.0 million COVID-19 response measure.
 - 2020-21 Budget \$39.4 million online safety reform measure.
 - 2021-22 Budget \$24.7 million across five measures (national awareness campaign, investigations capability, image-based abuse detection technology, resources for children experiencing technology-facilitated abuse, and educational resources to prevent child sexual abuse).

Budget commitment information as at October 2022 (eSafety funding only)

Total Budgeted Expense (\$ millions)	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Office of the eSafety Commissioner						
<i>Departmental</i>	42.678	14.596	15.559	16.009	10.409	99.251
<i>Administered</i>	11.118	8.727	2.840	2.000	2.000	26.685
Next four years	53.796	23.323	18.399	18.009		113.527
Forward estimates	53.796	23.323	18.399	18.009	12.409	125.936
Total Expenses	53.796	23.323	18.399	18.009	12.409	125.936

Environment and Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000097

All current measures relating to the **Office of the eSafety Commissioner**¹ (figures reflect amounts at announcement)

Measure (\$ millions)	Decision taken	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Safe Kids are eSmart Kids (Attachment A) <i>Administered</i>	October 2022-23 Budget				0.000 0.000	1.883 1.883	2.078 2.078	2.039 2.039	0.000 0.000
National Plan to End Violence Against Women and Children (eSafety component) (Attachment B) <i>Departmental</i> <i>Capital</i> <i>Administered</i>	March 2022-23 Budget				5.100 2.960 0.140 2.000	5.600 3.600 0.000 2.000	6.600 4.600 0.000 2.000	7.700 5.700 0.000 2.000	2.100 0.100 0.000 2.000
National Online Safety Awareness Campaign (eSafety component) (Attachment C)² <i>Departmental</i> <i>Administered</i>	2021-22 Budget			0.747 0.347 0.400					
Women's Safety – Online Safety Measures (eSafety component) (Attachment D) <i>Departmental</i> <i>Capital</i>	2021-22 Budget			11.342 6.301 5.041	6.651 6.651				
Transitional Strategy to the next National Plan to End Violence Against Women and Children (eSafety component) (Attachment E)³ <i>Administered</i>	2021-22 Budget			0.588 0.588	0.904 0.904	0.707 0.707	0.840 0.840		

¹ Further information on these measures can be found in **Attachments A-K**.

² Measure included as part of the "Women's safety" item in the ACMA PBS.

³ Funding not in ACMA PBS as it is appropriated to DSS and provided to eSafety under an MOU for activities which are part of this measure. Figures taken from DSS costings agreement.

Environment and Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000097

Measure (\$ millions)	Decision taken	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
National Strategy to prevent child sexual abuse – Prevent online harms and promote safe online practices for children and young people (Attachment F)	2021-22 Budget			0.722	0.934	0.687	0.650		
<i>Departmental</i>				0.722	0.934	0.687	0.650		
Online Safety Reform Measure (Attachment G)	2020-21 Budget		0.400	17.596	21.453				
<i>Departmental</i>			0.400	17.228	21.453				
<i>Capital</i>				0.368					
COVID-19 Online Safety Response Measure⁴ (Attachment H)	2020-21 Budget		10.044						
<i>Departmental</i>			10.044						
Be Connected program (Attachment I)	2019-20 MYEFO & 2020-21 Budget ⁵		3.890	3.921	3.964	4.020			
<i>Administered</i>			3.890	3.921	3.964	4.020			
Online Safety Grants Program (Attachment J)	2019-20 Budget	2.518	2.478	2.480	2.481				
<i>Departmental</i>		0.268	0.228	0.230	0.231				
<i>Administered⁶</i>		2.250	2.250	2.250	2.250				
Fourth Action Plan (2019-22) to reduce violence against women and their children⁷ (Attachment K)	2019-20 Budget	1.400	1.308	1.325					
<i>Departmental</i>		1.277	1.185	1.202					
<i>Administered</i>		0.123	0.123	0.123					

⁴ This measure terminated in 2020-21 but is included for completeness

⁵ Funding was also provided in 2016-17 MYEFO – detail included in **Attachment C**. Note: Measure referred to as “Digital Skills for Older Australians” in 2020-21 Budget.

⁶ Available funding differs to this table because of the delayed passage of the 2019-20 Appropriation Bills. eSafety moved the 2019-20 funding allocation to 2021-22.

⁷ Also referred to as “Technology-facilitated abuse resources for women with disability and Aboriginal and Torres Strait Islander Women.” While not reflected in this table, funding is provided to continue this activity in 2022-23 through the Online Safety Reform Measure.

Budget Estimates October 2022

Environment and Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000097

Measure (\$ millions)	Decision taken	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Office of the eSafety Commissioner – additional funding Measure (Attachment L)⁸	2018-19 Budget	3.607	3.377	3.197					
<i>Departmental</i>		3.607	3.377	3.197					
Ongoing departmental funding measures	2014-15 MYEFO	10.309	10.309	10.309	10.309	10.309	10.309	10.309	10.309
<i>Departmental</i>		10.309	10.309	10.309	10.309	10.309	10.309	10.309	10.309

⁸ This measure includes funding for the eSafety Women program and the Certified Providers program. While not reflected in this table, funding is provided to continue these activities in 2022-23 through the Online Safety Reform Measure.

Environment and Communications

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SB22-000097

All current measures relating to the **Department of Infrastructure, Transport, Regional Development, Communications and the Arts**⁹ (figures reflect amounts at announcement)

Measure (\$ millions)	Decision taken	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
National Plan to End Violence Against Women and Children (Attachment B)	October 2022-23 Budget				0.900	0.900	0.900	0.900	0.900
<i>Departmental</i>					0.900	0.900	0.900	0.900	0.900
National Online Safety Awareness Campaign – DITRDC component (Attachment C)¹⁰	2021-22 Budget			4.433					
<i>Departmental</i>				0.423					
<i>Administered</i>				4.010					
Keeping our children safe online – DITRDC component (Attachment M)¹¹	2018-19 MYEFO	1.729	0.822	0.827	0.478				
<i>Departmental</i>		1.729							
<i>Administered</i>									

⁹ Further information on these measures can be found in [Attachments A-K](#).

¹⁰ Measure titled “Women’s safety” in the department’s PBS.

¹¹ The package also contained an eSafety component which terminated in 2019-20. More information is at [Attachment K](#).

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000097

Attachments**Attachment A:** Safe Kids are eSmart Kids (October 2022-23 Budget)**Attachment B:** New National Plan to End Violence Against Women and Children (March 2022-23 Budget)**Attachment C:** National Online Safety Awareness Campaign (2021-22 Budget)**Attachment D:** Women's Safety – Online Safety Measures (2021-22 Budget)**Attachment E:** Transitional Strategy to the New National Plan to End Violence Against Women and Children (2021-22 Budget)**Attachment F:** National Strategy to prevent and respond to child sexual abuse – Prevent online harms and promote safe online practices for children and young people (2021-22 Budget)**Attachment G:** Online Safety Reform measure (2020-21 Budget)**Attachment H:** COVID-19 Online Safety Response measure (2020-21 MYEFO)**Attachment I:** Be Connected program (2020-21 Budget)**Attachment J:** Online Safety Grants program (2019-20 Budget)**Attachment K:** Fourth Action Plan (2019-2022) to reduce violence against women and their children (2019-20 Budget)**Attachment L:** Office of the eSafety Commissioner Additional Funding measure (2018-19 Budget)**Attachment M:** Keeping our Children Safe Online package (2018-19 MYEFO)

SUBJECT: Online Safety Current Measures Attachments A-M

Note: All figures in attachment refer to amount at announcement

Attachment A**SAFE KIDS ARE EMSART KIDS (October 2022-23 Budget)**

- Administered funding of \$6.0 million over three years (2023-24 to 2025-26) for the Alannah and Madeline Foundation (AMF).
- This measure will allow the AMF to develop and deliver digital and media literacy education products for primary and secondary school students including:
 - Junior Digital Licence Plus for primary students aged five to nine years to focus on digital and media literacy skills;
 - Digital Licence Plus for students aged 10 to 14 years to focus on digital literacy skills;
 - Media Literacy Lab for secondary school students aged 12 to 16 years to focus on media literacy skills.
- This measure is an election commitment made by the Labor Government on 7 February 2022.
- The Department will absorb costs to administer the grant to AMF.

(\$ millions)	2022-23	2023-24	2024-25	2025-26	Total
Safe Kids are eSmart Kids	0.000	1.883	2.078	2.039	6.000
<i>Administered</i>	0.000	1.883	2.078	2.039	6.000

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Attachment B

NATIONAL PLAN TO END VIOLENCE AGAINST WOMEN AND CHILDREN 2022-23 (March 2022-23 Budget)

A combination of departmental and administered funding of **\$31.6 million** across 5 years (2022-23 to 2026-27). These measures target online harms which disproportionately impact women and children.

- These measures underpin the National Plan to End Violence Against Women and Children 2022-23, which aims to end violence against women in one generation.
- **\$10 million** for the Online Safety Community Grants Program to support community online safety education and projects for women and children.
- **\$16.6 million** for a technology-facilitated abuse support service to:
 - establish a team of experts to support victim-survivors of technology facilitated abuse who have been referred through counselling services (such as 1800RESPECT), drawing on the latest evidence base, strategies and techniques.
- **\$5.0 million** for women's safety communication activities, extending the National Online Safety Awareness Campaign.
 - **\$4.5 million** to the Department
 - **\$0.5 million** for eSafety

Funding allocated to eSafety

(\$ millions)	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Online Safety Community Grants program	2.000	2.000	2.000	2.000	2.000	10.000
<i>Administered</i>	2.000	2.000	2.000	2.000	2.000	10.000
Technology-Facilitated Abuse Technical Support for Victim-Survivors and Frontline Workers	3.000	3.500	4.500	5.600	0.000	16.600
<i>Departmental</i>	2.860	3.500	4.500	5.600	0.000	16.460
<i>Capital</i>	0.140	0.000	0.000	0.000	0.000	0.140
National Online Safety Awareness Campaign – Phase 2	0.100	0.100	0.100	0.100	0.100	0.500
<i>Departmental</i>	0.100	0.100	0.100	0.100	0.100	0.500

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Funding allocated to the Department

(\$ millions)	2022-23	2023-24	2024-25	2025-26	2026-27	Total
National Online Safety Awareness Campaign – Phase 2	0.900	0.900	0.900	0.900	0.900	4.500
<i>Departmental</i>	0.810	0.810	0.810	0.810	0.810	4.050
<i>Administered</i>	0.090	0.090	0.090	0.090	0.090	0.450

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Note: All figures in attachment refer to amount at announcement

Attachment C

NATIONAL ONLINE SAFETY AWARENESS CAMPAIGN (2021-22 Budget)

- A combination of departmental and administered funding of \$5.2 million in 2021-22 will inform Australians of:
 - new and strengthened schemes under the new Online Safety Act; and
 - eSafety's role in administering these schemes.
- This included funding for the Department to deliver an advertising stream targeting adults, and funding to eSafety for a PR stream targeting youth aged 13 to 18. This funding is reflected in the Portfolio Budget Statements under "Women's Safety" item.

Funding allocated to eSafety

(\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25	Total
eSafety PR stream		0.747				0.747
Departmental		0.347				
Administered		0.400				

Funding allocated to the Department

(\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Advertising stream		4.433				4.433
Departmental		0.423				
Administered		4.010				

Source: figures from costing agreement

Note: All figures in attachment refer to amount at announcement

Attachment D

WOMEN'S SAFETY – ONLINE SAFETY MEASURES (2021-22 Budget)

Departmental funding of **\$18 million** allocated to eSafety across 2 years (2021-22 to 2022-23). These measures target online harms which disproportionately impact women and children.

- These measures form part of the Women's Safety Package led by DSS, which seeks to improve women's safety and economic security in the immediate and short term through a cross-Government response.
- **\$15 million** to increase eSafety's investigations capacity by:
 - employing new staff for the Cyber Report Team;
 - shortening response times; and
 - providing capability to analyse reports and identify trends.
- **\$3 million** to develop new technologies to identify intimate images which have been shared without consent.
 - This pilot program will assist in the rapid removal of image-based abuse material, allowing eSafety to provide greater support to victims.
 - Currently, victims of this type of abuse are finding and reporting duplicate images to eSafety, which is distressing.

(\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Strengthening Cyber Report and Investigations		9.292	5.750			15.042
<i>Departmental Capital</i>		5.500 3.792	5.750			
Pilot Program to Protect Women Experiencing Image-Based Abuse		2.050	0.901			2.951
<i>Departmental Capital</i>		0.801 1.249	0.901			

Source: figures from costing agreement

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Attachment E

TRANSITIONAL STRATEGY TO THE NEW NATIONAL PLAN TO END VIOLENCE AGAINST WOMEN AND CHILDREN (2021-22 Budget)

We anticipate that DSS will provide **\$3 million** over 4 years (2021-22 to 2024-25) to eSafety to help children experiencing technology-facilitated abuse.

- This forms part of the DSS led Transitional Strategy to the New National Plan to End Violence against Women and Children.
- The measures respond to new and urgent priorities that need to be addressed before the end of the *National Plan to Reduce Violence against Women and their Children 2010-2022*.
- eSafety will develop and deliver training and resources on technology-facilitated abuse.
- Resources and training will be targeted at:
 - children and young people experiencing the abuse;
 - their parents, where those parents are also experiencing the abuse; and
 - frontline domestic and family violence workers; child welfare services; and teachers to help them identify early warning signs.
- This funding was appropriated to DSS in the Budget Papers and will be transferred to eSafety to deliver the activities.

(\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25	Total
Transitional Strategy to the New National Plan to Prevent Violence Against Women and their Children		0.588	0.904	0.707	0.840	3.039
<i>Administered</i>		0.588	0.904	0.707	0.840	3.039

Source: figures from costing agreement. Not in any budget documents.

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Attachment F

NATIONAL STRATEGY TO PREVENT AND RESPOND TO CHILD SEXUAL ABUSE – PREVENT ONLINE HARMS AND PROMOTE SAFE ONLINE PRACTICES FOR CHILDREN AND YOUNG PEOPLE (2021-22 Budget)

- Departmental funding of **\$3 million** allocated to eSafety over 4 years (2021-22 to 2024-25) to deliver new education resources on recognising and preventing harmful behaviours online. These resources will:
 - target parents, carers and families;
 - develop new and targeted content on issues specifically related to countering online child sexual abuse; and
 - provide accessible preventative education in non-traditional family settings such as foster care, extended family/kinship care, and out-of-home care.
- The National Strategy was launched by PM&C on 27 October 2021. There are 17 initiatives across Government.

(\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25	Total
National Strategy to Prevent Child Abuse		0.722	0.934	0.687	0.650	2.993
<i>Departmental</i>		0.722	0.934	0.687	0.650	0.293

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Attachment G

ONLINE SAFETY REFORM MEASURE (2020-21 Budget)

- The Government announced **\$39.4 million** from 2020-21 to 2022-23 for eSafety. This will allow eSafety to fulfil its existing functions, perform additional functions under new legislation and meet the increase in demand for resources.
- This provided eSafety with an additional **\$0.4 million** in 2020-21, **\$17.6 million** in 2021-22, and **\$21.5 million** in 2022-23.
- Total departmental funding of **\$32.1 million** in 2021-22 will provide eSafety with the resources necessary to fulfil its statutory responsibilities and the proposed expansion of its functions and activities. This will allow eSafety to:
 - maintain the 2020-21 departmental funding level of **\$26 million**, which represents the minimum level required to maintain its existing functions;
 - administer new online safety regulatory, policy and enforcement issues conferred through the passage of a new Online Safety Act; and
 - deliver current programs and leadership on online safety at levels consistent with current demand.

(\$ millions)	2019-20	2020-21	2021-22	2022-23
Online Safety Reform Measure		0.400	17.596	21.453
<i>Departmental</i>		0.400	17.228	21.453
<i>Capital</i>			0.368	

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Attachment H

COVID-19 ONLINE SAFETY RESPONSE MEASURE (2020-21 MYEFO)

- On 28 June 2020 the Government announced funding of **\$10 million** in 2020-21 to eSafety, to enable the eSafety to respond to increased demand during the COVID-19 pandemic.
- This funding has allowed eSafety to:
 - employ additional staff to investigate reports from the growing numbers of Australians experiencing image-based abuse and cyberbullying; and
 - develop additional resources to provide Australians with practical tips on how to stay safe online, manage household devices, manage children's exposure to COVID-19 news and misinformation, and address growing levels of technology-facilitated abuse.
- The COVID-19 pandemic contributed to an increase in demand for the services of eSafety in 2020.
 - There was a 35% increase in youth-based cyberbullying and a 130% increase in image-based abuse reports to eSafety, many of which were made by Australian children.
 - Public engagement with esafety.gov.au grew – the website received 5,792,488 page views – an increase of 36% from 2019. 237,169 items of content were downloaded through the year.
 - The 'COVID-19 Key Issues' webpage became the highest trafficked page on the website following the homepage.
 - There was an overwhelming demand for new content, webinars and online training packages to support schools, teachers, community organisations and frontline support workers during the pandemic.

(\$ millions)	2019-20	2020-21	2021-22	2022-23
COVID-19 Online Safety Response Measure		10.044		
<i>Departmental</i>		10.044		

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Attachment I

BE CONNECTED PROGRAM (2020-21 Budget)

- The Government's three-year extension to the Be Connected program until 2023-24 (\$11.9 million) will allow eSafety to continue operating the Be Connected portal and to develop new online training modules. The Program offers a range of resources to help older Australians improve their digital literacy, build confidence and engage safely online.
- As part of this program, **Be Connected Young Mentors** is an intergenerational mentoring program between high school-aged youth and older Australians providing older Australians the opportunity to learn from digitally-savvy young people, while equipping young people with valuable communication and leadership skills.
- The 2019-20 MYEFO included **\$9.3 million** to extend the Be Connected program (administered jointly by the Department of Social Services and eSafety) until 2020-21. This funding included **\$3.9 million** to eSafety in 2019-20 to extend the Be Connected program for 2020-21.

(\$ millions)	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Digital Literacy for Older Australians (Be Connected)	5.381	5.381	3.890	3.921	3.964	4.020
<i>Administered</i>						
1. 2016-17 MYEFO	5.381	5.381				
2. 2019-20 MYEFO - extension			3.890			
3. 2020-21 Budget - extension ¹				3.921	3.964	4.020

¹ Reported in the 2020-21 PBS as "Digital Skills for Older Australians"

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Note: All figures in attachment refer to amount at announcement

Attachment J

ONLINE SAFETY GRANTS PROGRAM (2019-20 Budget)

- The Online Safety Grants Program, announced in February 2019, provides **\$10 million** over four years (2019-20 to 2022-23).
- **\$2.25 million** in grant funding was available in 2020-21. The eSafety Commissioner announced the eight successful grant recipients on 2 October 2020.
- **\$4.5 million** in grant funding is available in 2021-22. Applications for the second round of grants funding opened on 27 April 2021 closed on 25 May 2021. The eSafety Commissioner announced the 15 successful grant recipients on 21 October 2021. Questions about successful applicants should be directed to the eSafety Commissioner.
- The Online Safety Grants Program enables non-government organisations (NGOs) that are registered not-for-profit charities to apply for grant funding to deliver projects that improve the online safety of Australian children. Grant opportunities are targeted at education initiatives, assistance for parents and community and frontline support groups, and the online safety needs of vulnerable communities.
- The funding available each year differs to the measure in the 2019-20 Budget, which had allocated \$2.25 million in grant funding each year, beginning 2019-20. This is due to the delayed passage of the 2019-20 Appropriation Bills. The eSafety Commissioner moved \$2.25 million from 2019-20 to 2021-22.
- The Minister for Communications does not have decision making authority for this program. Instead, decision making sits with staff supporting the eSafety Commissioner.
- Questions related to the administration of the grants program should be directed to the eSafety Commissioner.

(\$ millions)	2019-20	2020-21	2021-22	2022-23
Online Safety Grants Program	0.268	2.478	4.730	2.481
<i>Grant funding available (Administered)</i>		2.250	4.500	2.250
<i>Program administration (Departmental)</i>	0.268	0.228	0.230	0.231

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Attachment K

FOURTH ACTION PLAN (2019-2022) TO REDUCE VIOLENCE AGAINST WOMEN AND THEIR CHILDREN (2019-20 Budget)

- The **Fourth Action Plan of the National Plan to Reduce Violence Against Women and Their Children** provides **\$4 million** over three years (2019-20 to 2021-22) for eSafety to equip women with specific tools and support needed to protect themselves from technology-facilitated abuse. This includes:
 - \$2.5 million for Aboriginal and Torres Strait Islander women; and
 - \$1.5 million for women with intellectual disabilities
- The \$39.4 million announced in the 2021-21 Budget (see Attachment E) provides funding to continue these activities in 2022-23.
- The Women's Safety Package (see Attachment B) and Transitional Strategy to the New National Plan (Attachment C) are a continuation and next step of the work under the Fourth Action Plan.

(\$ millions)	2019-20	2020-21	2021-22	2022-23
Fourth Action Plan (2019-20) to reduce violence against women and their children	1.400	1.308	1.325	
<i>Departmental</i>	1.277	1.185	1.202	
<i>Administered</i>	0.123	0.123	0.123	

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Attachment L

OFFICE OF THE ESafety COMMISSIONER – ADDITIONAL FUNDING MEASURE (2018-19 Budget)

- Additional funding of **\$14.2 million** over four years (2018-19 to 2020-21) was provided to enable the eSafety Commissioner to continue work in the areas of image-based abuse and online safety for women.
 - **eSafety Women Program:** Additional funding of **\$1.2 million** enables the eSafety Commissioner to continue providing advice to frontline workers to help women experiencing online abuse, particularly in domestic violence cases.
 - **Certified Providers Program - online safety education: \$1.2 million** in funding for the eSafety Commissioner allows eSafety to continue training certified providers to deliver online safety education in schools. This funding continues the Government's support for appropriate training providers to deliver online safety education in schools.
 - **Enhanced remit – cyberbullying and cyber abuse:** An additional **\$1.7 million** in funding to enable the eSafety Commissioner to develop targeted resources for vulnerable Australians experiencing online abuse.
 - **Civil penalty regime for the non-consensual sharing of intimate images (also known as image-based abuse): \$4 million** in funding to support the eSafety Commissioner to manage complaints and enforce civil penalties against perpetrators and content hosts over four years.
 - **Strengthening IT infrastructure: \$6 million** to strengthen the eSafety Commissioner's IT infrastructure to safeguard sensitive material including child exploitation and intimate images.
- The \$39.4 million announced in the 2021-21 Budget (see Attachment E) provides funding to continue these activities in 2022-23.

(\$ millions)	2018-19	2019-20	2020-21	2021-22
Office of the eSafety Commissioner – additional funding	3.505	3.607	3.377	3.197
1. <i>Departmental - eSafety Women Program</i>	0.306	0.306	0.308	0.310
2. <i>Departmental - Certified Providers Program</i>	0.306	0.306	0.308	0.310
3. <i>Departmental - Enhanced remit – cyber bullying and cyber abuse</i>	0.452	0.452	0.405	0.407
4. <i>Departmental - Civil penalty regime</i>	0.800	1.001	1.006	1.013

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5. <i>Departmental - Strengthening IT infrastructure</i>	1.641	1.542	1.350	1.157
Capital funding	0.500			
6. <i>Capital – Civil penalty regime</i>	0.200			
7. <i>Capital – Strengthening IT infrastructure</i>	0.300			

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Attachment M

KEEPING OUR CHILDREN SAFE ONLINE PACKAGE (2018-19 MYEFO)

- In December 2018, the Government announced a **\$17 million** package to keep children safe online. This included:

Funding allocated eSafety

- **Early Years Online Safety Program – \$2.5 million** over two years from 2018-19 for the eSafety Commissioner to develop an Early Years Online Safety Program that provides targeted training, support and resources to improve online safety for children under five years of age.
 - While the Early Years Online Safety Program has not been extended in 2020-21, eSafety will continue to provide resources and support for this cohort. The resources developed will remain available for use by parents and educators.

(\$ millions)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Early Years Online Safety Package - Departmental	0.528	1.956				2.484

Funding allocated to the Department

- **Online Safety Research Program** – Departmental funding of **\$3.8 million over five years** to the run a National Online Safety Survey and other research beginning in the first half of 2020.

s47E(d) - certain operations of agencies

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s47E(d) - certain operations of agencies

- **Online Safety Charter** – Departmental funding of **\$1.2 million** over 2 years from 2018-19 for the development of the Online Safety Charter, a statement of expectations for social media services.
 - The Online Safety Charter was released in December 2019.
 - The charter was informed by consultation in early 2019, with the Department receiving 21 submissions.
- **National Online Safety Awareness Campaign** – Departmental funding of **\$9.4 million** was allocated for the 'Start the Chat' campaign, which ran from 15 March 2019 until 30 June 2019.
 - In total, the Department spent **\$8.99 million** on the campaign.
 - This campaign enhanced the awareness of online safety resources throughout Australia, and provided children, parents and teachers with the tools and information needed to address online safety issues and concerns.
 - The campaign was administered by the Department through a series of procurement processes, which were done through competitive tenders and existing whole-of-government procurement arrangements.

(\$ millions)	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Online Safety Research Program - Departmental	0.789	0.864	0.822	0.827	0.478	3.780

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Enhanced regulation for Online Safety (Online Safety Charter) - Departmental	0.352	0.865			1.217
National Online Safety Awareness Campaign	9.370				9.370
<i>Departmental</i>	0.410				0.410
<i>Administered</i>	8.960				8.960

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

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SB22-000098

SUBJECT: Social Media Inquiries**Talking Points**

- The House of Representatives Select Committee on Social Media and Online Safety (Committee) released its report on 15 March.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is leading coordination of the Government response.
- We are currently updating the draft response to reflect Budget outcomes. Timing for tabling a response will be a matter for Government.

Key Issues

- The Committee made 26 recommendations, and 7 more were made by Australian Labor Party members of the Committee (**Attachment A**).
- Key recommendations include:
 - Conducting a review of the use of algorithms in digital platforms;
 - Conducting a Digital Safety Review to consider online safety legislation impacting digital industry and the potential for a single regulatory framework;
 - Additional funding for the eSafety Commissioner;
 - Increasing awareness of the eSafety Commissioner's powers;
 - Mandating default privacy settings on social media platforms for under 18s; and
 - Reviewing social media companies' enforcement of their policies on online harms.
- ALP members also recommended:
 - Updating online safety legislation to address radicalisation and group hate speech;
 - Taking more action against misinformation and disinformation;
 - Improving eSafety's cooperation with law enforcement; and
 - Establishing a Council of Technology Regulators to improve coordination across Government.
- Work is underway that addresses, or partially addresses, key issues raised in the Inquiry's recommendations, including:
 - Continuing implementation of the Online Safety Act, including the eSafety Commissioner working with industry to develop the industry codes, and reporting under the Basic Online Safety Expectations (SB22-000096 refers);
 - The committee called for increased transparency in recommendation 15, and for eSafety to examine whether industry adequately enforce their terms of service and community standards in recommendation 11.

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SB22-000098

- The Government's commitment of \$6 million over three years for the Alannah and Madeline Foundation to develop and deliver digital and media literacy education products for primary and secondary school students (SB22-000097 refers);
 - The committee called for increased online safety education in schools in recommendation 22, and an educational campaign focusing on digital citizenship, civics and respectful online interaction in recommendation 4.
- Progressing the roadmap for mandatory age verification (SB22-000096 refers);
 - The committee called for mandatory default privacy and safety settings for users under 18 in recommendation 16.
- Recently announced Senate Economic and References Committee Inquiry into the *Influence of International digital platforms*, which includes in its terms of reference review of the use of algorithms.
 - The committee called for a review into the use of algorithms in recommendation 13.
- The recommendations cover complex issues which span a range of portfolios across Government, including:
 - Mental health impacts of social media:
 - Department of Health
 - National Mental Health Commission
 - Privacy, human rights, anti-discrimination, racial vilification, defamation and unlawful activity:
 - Attorney-General's Department
 - Australian Federal Police
 - Office of the Australian Information Commissioner

Background

- On 1 December 2021, the House Select Committee on Social Media and Online Safety was announced.
- The Committee released its report on 15 March 2022.
- The Committee received 107 submissions (including supplementary submissions) from individuals, organisations, and government bodies.
- The Committee held 11 public hearings with 55 witnesses.
- A Government response was due in October 2022 – 6 months after the final report was released, excluding the caretaker period.

The Department's contribution to the Inquiry:

- The Department provided a public submission and was called to appear before the Committee on two occasions (17 December 2021 (closed briefing) and 28 January 2022).

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- At the public hearing on 28 January 2022 key issues raised by the Committee included:
 - The number of concurrent Government inquiries and reform processes taking place for digital platforms;
 - Cross-Government coordination mechanisms related to online harms; and
 - The department's involvement with the Social Media (Anti-Trolling) Bill led by the Attorney-General's Department.
- The department received and responded to 5 questions on notice.
- The eSafety Commissioner appeared at a public hearing on 3 February. Key issues raised during the hearing include:
 - eSafety's concerns about possible unintended consequences of the Anti-Trolling Bill, in particular the risk of confusion about the Bill's purpose;
 - The public's confusion between cyber abuse and defamation, and the proportion of complaints to eSafety involving defamation;
 - The role of enforcement as a deterrent to perpetrators
 - eSafety's position is that 'official' enforcement is not appropriate in many cases because of context, e.g. child cyberbullies; and
 - Whether the additional powers granted to eSafety through the OSA would have helped to address the spike in online safety issues during COVID lockdown.

Attachments

- Attachment A: Recommendations of the Committee

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Committee Recommendations

Recommendation 1

1.25

The Committee recommends that the Australian Government propose the appointment of a House Standing Committee on Internet, Online Safety and Technological Matters, from the commencement of the next parliamentary term.

Recommendation 2

1.26

The Committee recommends that, subject to Recommendation 1, the Australian Government propose an inquiry into the role of social media in relation to democratic health and social cohesion, to be referred to the aforementioned committee or a related parliamentary committee.

Recommendation 3

2.145

The Committee recommends that the eSafety Commissioner undertakes research focusing on how broader cultural change can be achieved in online settings.

Recommendation 4

2.146

Subject to the findings in Recommendation 3, the Committee recommends that the Australian Government establishes an educational and awareness campaign targeted at all Australians, focusing on digital citizenship, civics and respectful online interaction.

Recommendation 5

2.147

The Committee recommends that the eSafety Commissioner examine the extent to which social media companies actively prevent:

- recidivism of bad actors,
- pile-ons or volumetric attacks, and
- harms across multiple platforms.

2.148

The eSafety Commissioner should then provide the Australian Government with options for a regulatory framework, including penalties for repeated failures.

Recommendation 6

2.154

The Committee recommends that the Office of the eSafety Commissioner be provided with adequate appropriations to establish and manage an online single point of entry service for victims of online abuse to report complaints and be directed to the most appropriate reporting venue, dependent on whether their complaints meet the requisite threshold, and

in consideration of a variety of audiences such as children, parents/carers, women, people from culturally and linguistically diverse backgrounds, and other relevant vulnerable groups.

Recommendation 7

2.160

The Committee recommends that the Australian Government refer to the proposed House Standing Committee on Internet, Online Safety and Technological Matters, or another committee with relevant focus and expertise, an inquiry into technology-facilitated abuse, with terms of reference including:

- The nature and prevalence of technology-facilitated abuse;
- Responses from digital platforms and online entities in addressing technology-facilitated abuse, including how platforms can increase the safety of their users; and
- How technology-facilitated abuse is regulated at law, including potential models for reform.

Recommendation 8

2.161

The Committee recommends that the Australian Government significantly increase funding to support victims of technology-facilitated abuse, through existing Australian Government-funded programs. This should include additional funding for specialised counselling and support services for victims; and be incorporated in the next National Action Plan to End Violence Against Women and Children 2022-2032.

Recommendation 9

3.185

The Committee recommends that future reviews of the operation of the *Online Safety Act 2021* take into consideration the implementation of the Safety by Design Principles on major digital platforms, including social media services and long-standing platforms which require retrospective application of the Safety by Design Principles.

Recommendation 10

3.197

The Committee recommends that the Department of Infrastructure, Transport, Regional Development and Communications, in conjunction with the eSafety Commissioner and the Department of Home Affairs, examine the need for potential regulation of end-to-end encryption technology in the context of harm prevention.

Recommendation 11

3.198

The Committee recommends that the eSafety Commissioner, as part of the drafting of new industry codes and implementation of the Basic Online Safety Expectations:

- Examine the extent to which social media services adequately enforce their terms of service and community standards policies, including the efficacy and

adequacy of actions against users who breach terms of service or community standards policies;

- Examine the potential of implementing a requirement for social media services to effectively enforce their terms of service and community standards policies (including clear penalties or repercussions for breaches) as part of legislative frameworks governing social media platforms, with penalties for non-compliance; and
- Examine whether volumetric attacks may be mitigated by requiring social media platforms to maintain policies that prevent this type of abuse and that require platforms to report to the eSafety Commissioner on their operation.

Recommendation 12

3.199

The Committee recommends that the eSafety Commissioner examine the extent to which social media companies actively apply different standards to victims of abuse depending on whether the victim is a public figure or requires a social media presence in the course of their employment, and provides options for a regulatory solution that could include additions to the Basic Online Safety Expectations.

Recommendation 13

3.204

The Committee recommends that the eSafety Commissioner, in conjunction with the Department of Infrastructure, Transport, Regional Development and Communications and the Department of Home Affairs and other technical experts as necessary, conduct a review of the use of algorithms in digital platforms, examining:

- How algorithms operate on a variety of digital platforms and services;
- The types of harm and scale of harm that can be caused as a result of algorithm use;
- The transparency levels of platforms' content algorithms;
- The form in which regulation should take (if any); and
- A roadmap for Australian Government entities to build skills, expertise and methods for the next generation of technological regulation in order to develop a blueprint for the regulation of Artificial Intelligence and algorithms in relation to user and online safety, including an assessment of current capacities and resources.

Recommendation 14

3.205

The Committee recommends that the eSafety Commissioner require social media and other digital platforms to report on the use of algorithms, detailing evidence of harm reduction tools and techniques to address online harm caused by algorithms. This could be achieved through the mechanisms provided by the Basic Online Safety Expectations framework and Safety By Design assessment tools, with the report being provided to the Australian Government to assist with further public policy formulation.

Recommendation 15

3.213

The Committee recommends that, subject to Recommendation 19, the proposed Digital Safety Review make recommendations to the Australian Government on potential proposals for mandating platform transparency.

Recommendation 16

3.218

The Committee recommends the implementation of a mandatory requirement for all digital services with a social networking component to set default privacy and safety settings at their highest form for all users under 18 (eighteen) years of age.

Recommendation 17

3.219

The Committee recommends the implementation of a mandatory requirement for all technology manufacturers and providers to ensure all digital devices sold contain optional parental control functionalities.

Recommendation 18

4.110

The Committee recommends that the Department of Infrastructure, Transport, Regional Development and Communications conduct a Digital Safety Review on the legislative framework and regulation in relation to the digital industry. The Digital Safety Review should commence no later than 18 months after the commencement of the *Online Safety Act 2021*, and provide its findings to Parliament within twelve (12) months.

Recommendation 19

4.111

The Committee recommends that, subject to Recommendation 18, the Digital Review examine the need and possible models for a single regulatory framework under the Online Safety Act, to simplify regulatory arrangements.

Recommendation 20

5.88

The Committee recommends that the Digital Review include in its terms of reference:

- The need to strengthen the Basic Online Safety Expectations to incorporate and formalise a statutory duty of care towards users;
- The scope and nature of such a duty of care framework, including potential models of implementation and operation;
- Potential methods of enforcement to ensure compliance, including penalties for non-compliance; and
- The incorporation of the best interests of the child principle as an enforceable obligation on social media and other digital platforms, including potential reporting mechanisms.

Recommendation 21

5.92

The Committee recommends that the eSafety Commissioner:

- Increase the reach of educational programs geared at young people regarding online harms, with a particular focus on reporting mechanisms and the nature of some online harms being a criminal offence;
- Formalise a consultation and engagement model with young people through the Australian Government's Youth Advisory Council in regards to educational themes and program delivery; and
- Report to the Parliament on the operation and outcomes of the program, including research identifying whether this has resulted in a reduction in online harm for young people.

Recommendation 22

5.99

The Committee recommends that the eSafety Commissioner work in consultation with the Department of Education, Skills and Employment to design and implement a national strategy on online safety education designed for early childhood, and primary school-aged children, and secondary school-aged young people, including:

- A proposed curriculum, informed by developmental stages and other relevant factors;
- Potential methods of rollout, including consultation and engagement with children, young people, child development and psychology experts, digital education experts and other specialists in online harm; and
- A roadmap provided to parents of these age groups detailing methods of addressing online harm.

Recommendation 23

5.100

The Committee recommends that the eSafety Commissioner design and administer an education and awareness campaign aimed at adults, particularly in relation to vulnerable groups such as women, migrant and refugee groups, and people with disabilities, with a focus on the eSafety Commissioner's powers to remove harmful content and the mechanisms through which people can report harmful content and online abuse.

Recommendation 24

5.101

The Committee recommends that the Australian Government work with states and territories to ensure that relevant law enforcement agencies are appropriately trained on how to support victims of online harm. This should include trauma-informed approaches as well as a comprehensive understanding of police powers and other relevant avenues, such as the relevant powers of the eSafety Commissioner.

Recommendation 25

5.102

The Committee recommends that the Australian Government review funding to the eSafety Commissioner within twelve (12) months to ensure that any of the Committee's recommendations that are agreed to by the Government and implemented by the Office of the eSafety Commissioner are adequately and appropriately funded for any increased resource requirements.

Recommendation 26

5.103

The Committee recommends that the Online Safety Youth Advisory Council, via the eSafety Commissioner, provide a response to this report and its recommendations within six (6) months of its establishment and full membership.

Released under FOI Act by DITH

Labor members' additional recommendations

- Labor Members request that social media platforms set public benchmarks for the performance of their fact checking and misinformation demotion processes in the context of the 2022 Federal Election.
- Labor Members recommend that the Minister for Communications, Urban Infrastructure, Cities and the Arts immediately release the ACMA's misinformation report and respond to the ACMA's recommendations.
- Labor members consider that Australia's online safety framework should be updated to enable action to be taken against group hate speech.
- Labor members of the Committee recommend that the Department of Home Affairs evaluate its practices with respect to notifying social media providers of terrorist violent and extremist content on their platforms, with a view to improving intelligence flows from the Department to social media providers.
Labor members of the Committee recommend that the government immediately release its formal assessment of the actions detailed in the final report of the Australian Taskforce to Combat Terrorist and Extreme Violent Material Online.
- Labor members recommend that eSafety immediately review its arrangements with state and territory police forces, to prevent further cases from "fall[ing] through the cracks" without receiving services from the responsible Commonwealth agency.
- Labor Members recommend that the Government consider the establishment of a Council of Technology Regulators, modelled on the Council of Financial Regulators, to coordinate and align technology policy making in Australia.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan/Bridget Gannon

SB22-000099

SUBJECT: AMF Grant Election Commitment**Talking Points**

- \$6.0 million will be provided to the Alannah and Madeline Foundation (AMF) through a direct grant to develop and deliver digital and media literacy education products that will be available to all Australian schools.
- This funding to AMF will allow every school in Australia to access free educational products to build their students' digital and media literacy.
- These products will ensure all Australian school children can develop the digital and media literacy skills they need to stay safe online.

Background

- AMF will deliver three products, including one new product (the Junior Digital Licence +) and two existing products (the Digital Licence + and the Media Literacy Lab). Breakdown of funding for each product is at **Attachment A**.
 - The **Junior Digital Licence +** will be developed in 2023-24 and will equip students **aged 5 to 9** with foundational digital and media literacy skills.
 - The **Digital Licence +** is an existing educational program for students **aged 10 to 14** years to learn how to meet the demands and challenges of the digital world through a gamified experience of content, stories and reflections.
 - The **Media Literacy Lab** is an existing learning tool for secondary students **aged 12-16** years to help develop and apply critical thinking skills to media and online civic engagement.
- Schools will maintain the choice to engage the online safety education provider that best meets their needs, however this commitment ensures that cost is not a barrier to schools providing this education.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts will absorb costs to administer the grant to AMF.

Key Issues

Why is the election commitment being delivered through a non-competitive grant? And why was AMF given funding over other providers of digital literacy education?

- The election commitment specified that the Australian Government would support the national rollout of products to be developed and delivered by AMF.
- Delivering a non-competitive grant to AMF is the best way to deliver the Government's election commitment.
- The department's role is to ensure the delivery of the commitment and achieve the best outcome for the Government's investment.

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SB22-000099

- Grants are widely used to achieve government policy objectives, involving payments to the non-government sector.
- AMF is a large and organisationally mature provider of digital literacy education products.
- Since AMF's eSmart Digital Licence product was established in 2015 it has reached more than 278,000 students in Australia and New Zealand.
- AMF has delivered products to 1 in 4 Australian schools with existing relationships with state, Catholic and independent education systems. This makes the AMF uniquely placed to deliver digital licence products widely and affordably.

How will this impact other providers of digital literacy products?

- We understand that there are a range of providers and products that schools engage to meet their unique needs.
- Schools can still choose to use alternative products.
- This election commitment ensures that every school in Australia will have access to digital literacy products – not just those who can afford them.

What evidence is there to support digital literacy education?

- Education is key to preventing online harms and realising the benefits of the digital environment.
- Within the Australian Curriculum, which is developed by the Australian Curriculum, Assessment and Reporting Authority (ACARA), there is a digital technologies component that seeks to support safe, ethical and respectful communications.
- There are seven general capabilities in the Australia Curriculum, including digital literacy.
- AMF's Digital Licence product is aligned with the Australian curriculum.
- ACARA, which is an independent statutory body, last reviewed the Australian Curriculum in 2020-2021. This updated curriculum was endorsed by all Education Ministers in April 2022 and is ready for implementation from 2023.
- In consultation with the eSafety Commissioner, ACARA made significant changes to the Digital Technologies subject to ensure that students learn to use a variety of digital platforms safely.

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SB22-000099

If pressed about the digital licences review

- On 9 February 2019, the former government announced a review of competency based e-learning products available on the Australian market.
- The report was not released and is now out of date. Sharing of its contents is a decision for Government.
- Since the report was completed, the Alannah and Madeline Foundation released its updated Digital Licence Plus product, partnering with international think tank DQ institute to align its content and assessment with the DQ Institute's Global Standards for digital literacy.

Were alternative options for delivery considered?

- The department provided advice to Government on how the election commitment could be implemented.
 - *If asked for when:* The department briefed the Minister with options for delivery on 4 August 2022.

How will value for money be achieved?

- Grant payments will be phased and contingent on AMF meeting performance milestones.
- Performance-based milestone payments will ensure expectations are met before funding is delivered.
- Milestones will be developed and committed to in the grant agreement.
- All products will include an integrated pre and post assessment to measure student outcomes.
- AMF will be required to report on every phase of delivery, in line with the *Commonwealth Grants Rules and Guidelines 2017* and the grant agreement to be developed.

Why was AMF not encouraged to apply for a grant under eSafety's Online Safety Grants Program?

- The Online Safety Grants Program is managed by eSafety and any organisation registered as a charity is eligible to apply.
- It is a decision for AMF as to whether it wanted to apply for a grant under round 3.
- Applications for round 3 of the grants program closed on 16 May 2022.
- AMF received a grant in round 2 of the program in 2020.

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SB22-000099

Why was eSafety not given the funding?

- AMF is an established digital licence provider with significant existing reach and is uniquely placed to reach all schools quickly and with low cost.
- eSafety would need to build significant capability to deliver digital licence products.

If asked about the number of schools this commitment will impact

- Every school in Australia (9581 total) will be provided access to AMF products if they chose to use them.
- According to the Australian Bureau of Statistics, as of 2021, there were:
 - 6256 primary schools
 - 1442 secondary schools
 - 1374 combined schools
 - 509 special schools.

If asked whether ongoing funding would be considered

- During the election, the now Government committed to providing \$6 million over three years for a defined rollout of specific products.
- Consideration of further funding is a matter for Government and would likely be informed by the outcomes of program evaluation.

Attachments

- Attachment A – Breakdown of funding

Attachment A

Breakdown of funding

- **\$6.0 million total funding over three years** (2023-24 to 2025-26) for AMF to design, deliver and evaluate all three products.

Underlying cash (\$ millions)	2022-23	2023-24	2024-25	2025-26	Total
	0.0	1.9	2.1	2.0	6.0

There are 3 elements to the \$6.0 million, which includes the following:

- **\$3.6 million over three years** (2023-24 to 2025-26) for the development, delivery and evaluation of the **Junior Digital Licence Plus** product.
 - \$1.35 million in 2023-24 for AMF to design and develop the product.
 - \$2.25 million over two years (2024-25 to 2025-26) for AMF to deliver and evaluate the product.

Junior Digital Licence Plus (\$ millions)	2022-23	2023-24	2024-25	2025-26	Total
	0.0	1.35	1.14	1.1	3.59

- **\$0.8 million over two years** (2024-25 to 2025-26) for the delivery and evaluation of the **Digital Licence Plus** product.
 - \$0.4 million over two years (2023-24 to 2024-25) for AMF to deliver and evaluate this product.
 - No funding will be provided in 2023-24 for the Digital Licence Plus product, as its delivery and evaluation will be funded in the final year of a grant arrangement with the Accenture Foundation.

Digital Licence Plus (\$ millions)	2022-23	2023-24	2024-25	2025-26	Total
	0.0	0.4	0.4	0.0	0.81

- **\$1.6 million over three years** (2023-24 to 2025-26) for evaluation of the **Media Literacy Lab** product.
 - \$1.6 million over three years (2023-24 to 2025-26) for AMF to deliver and evaluate the Media Literacy Lab product.

Media Literacy Lab (\$ millions)	2022-23	2023-24	2024-25	2025-26	Total
	0.0	0.53	0.53	0.54	1.6

- This proposal is offset within the Communications Portfolio from the cessation of the Australian 5G Innovation Initiative.
- The Department will absorb costs to administer the grant to AMF.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

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SB22-000100

SUBJECT: Disinformation and Misinformation**Talking Points**

- Disinformation and misinformation can cause harm in many ways in many areas. In recent times this has been observed with respect to eroding trust in democratic institutions, impacting social cohesion and undermining public health efforts.
- The Digital Industry Inc. (DIGI) *Australian Code of Practice on Disinformation and Misinformation* was adopted in February 2021. It has eight signatories.
- The Australian Communications and Media Authority (ACMA) delivered its report to the former Government in June 2021 (published March 2022) on the adequacy of digital platforms' disinformation and news quality measures.
- ACMA has recommended that it be provided with information gathering, record keeping, and code- and standard making powers to strengthen the current voluntary industry framework to combat online disinformation and misinformation.
- The Australian Government is considering ACMA's recommendations and the design of any potential regulatory powers as a priority to address this growing concern.
- It is envisaged that the code and standard making powers could be exercised by ACMA where industry efforts to combat disinformation and misinformation are inadequate and stronger action is required by digital platforms.
- The Government would publicly consult prior to the introduction of any new powers to combat online disinformation and misinformation.

If asked about the definition of Disinformation and Misinformation

There is no consistent definition of disinformation and misinformation.

Misinformation is generally considered to be sharing false or misleading content **without an intention** to cause harm. Disinformation also includes sharing false or misleading content but with a **clear intention** to cause harm.

ACMA has noted that the critical issue is not the terms used **but the scope** of the Australian Code of Practice on Disinformation and Misinformation (Code). ACMA considers the current scope to be narrow given that platform action is required only if there is likely to be a 'serious' and 'imminent' harm. This excludes a range of longer term or chronic harms, such as reductions in community cohesion and a lessening of trust in public institutions.

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Environment and Communications

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SB22-000100

Australian Code of Practice on Disinformation and Misinformation

In December 2019, the former Government responded to recommendations by the Australian Competition and Consumer Commission in its Digital Platforms Inquiry Final Report and agreed it would ask the major digital platforms to develop a voluntary code of conduct for disinformation and news quality. ACMA would have oversight of the codes and report to Government on the adequacy of platforms' measures and the broader impacts of disinformation.

In 2020 and early 2021, ACMA oversaw DIGI's development of the voluntary Code. DIGI launched the Code in February 2021.

Eight signatories have adopted the Code.

- **Adobe:** Producer of content creation software such as Photoshop.
- **Apple:** Owner of the Apple News aggregation service.
- **Google:** Owner of Google (search engine), Google Ads (the world's largest online advertisements platform), YouTube and Google News.
- **Meta:** Owner of Facebook, Facebook Messenger and Instagram. These platforms feature text, image and video content encouraging high levels of interaction.
- **Microsoft:** Owners of LinkedIn (professional social networking), Microsoft Start (news aggregator), Bing (search engine), and Microsoft Advertising.
- **Redbubble:** Online marketplace for artwork and independently created merchandise.
- **TikTok:** Short-video based platform.
- **Twitter:** Microblogging website with some image and video functionality as well.

We continue to encourage other digital platforms with a significant presence in Australia to sign up to the Code, including Snapchat and Reddit.

Minimum commitments under the Code

All signatories to the Code commit to implement measures to reduce the risk of harms that may arise from disinformation and misinformation on their platforms and to release an annual transparency report about their efforts under the Code.

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SB22-000100

Timeline for the development of the Code

The timeline for developing and implementing the *Australian Code of Practice on Disinformation and Misinformation* (Code) includes the following key activities:

- In July 2019, the Australian Competition and Consumer Commission (ACCC) released its Digital Platforms Inquiry Final Report. The Report recommended monitoring efforts of digital platforms to implement news credibility signalling and a code of practice to counter disinformation.
- In December 2019, the Government asked ACMA to oversee the development of a voluntary code on disinformation and news quality.
- In June 2020, ACMA released a position paper outlining its expectations for the voluntary code to be developed by digital platforms.
- On 22 February 2021, DIGI released the Code which had been developed on behalf of the Australian digital industry and in consultation with its members.
- On 22 May 2021, signatories nominated the commitments that they are adopting under the Code and published transparency reports about their work in relation to those commitments.
- On 29 June 2021, ACMA provided a report to Government on the adequacy of the platforms' measures and the broader impacts of misinformation.
- On 11 October 2021, DIGI announced a new mechanism to resolve complaints about possible breaches by signatories of their Code commitments. This was overdue as signatories to the Code had previously committed to do this within six months of the commencement of the Code.
- On 21 March 2022, the former Government released the ACMA report and accepted the recommendations.
- In May 2022, the Code signatories released the transparency reports for 2021.
- In June 2022, DIGI commenced a Code review. This was delayed from February 2022. As at 2 November this has not been released.

ACMA report on the Code

On 29 June 2021, ACMA provided the former Minister with its report on the adequacy of digital platforms' disinformation and news quality measures under the Code. The report made the following recommendations:

- **Recommendation 1:** The government should encourage DIGI to consider the findings in this report when reviewing the code in February 2022.

Contact: Andrew Irwin

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Version Number: 01

Date: 02/11/2022

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Environment and Communications

Lead/Support contact: Pauline Sullivan/Andrew Irwin

SB22-000100

- **Recommendation 2:** ACMA will continue to oversee the operation of the code and should report to government on its effectiveness no later than the end of the 2022-23 financial year. ACMA should also continue to undertake relevant research to inform government on the state of disinformation and misinformation in Australia.
- **Recommendation 3:** To incentivise greater transparency, ACMA should be provided with formal information-gathering powers (including powers to make record keeping rules) to oversee digital platforms, including the ability to request Australia-specific data on the effectiveness of measures to address disinformation and misinformation.
- **Recommendation 4:** The Government should provide the ACMA with reserve powers to register industry codes, enforce industry code compliance, and make standards relating to the activities of digital platforms' corporations. These powers would provide a mechanism for further intervention if code administration arrangements prove inadequate, or the voluntary industry code fails.
- **Recommendation 5:** In addition to existing monitoring capabilities, the government should consider establishing a Misinformation and Disinformation Action Group to support collaboration and information-sharing between digital platforms, government agencies, researchers and NGOs on issues relating to disinformation and misinformation.

The former Government released ACMA's report on 21 March 2022 and accepted all of its recommendations to strengthen the framework.

In its report, ACMA highlighted that the initial reporting by signatories in relation to their code commitments was inconsistent and lacked detail. The new information gathering powers proposed by ACMA would allow ACMA to better monitor the progress of the voluntary code and incentivise greater platform transparency and Australia-specific data. ACMA proposed new reserve code and standard making powers that it could use in the event that industry's voluntary efforts prove inadequate.

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Definitions of misinformation and disinformation

There is no clear or uniform definition of disinformation and misinformation internationally. The terms are defined in the voluntary Code as well as the European Union (EU) 2022 Strengthened Code of Practice on Disinformation (see below).

	Australian Code of Practice on Disinformation and Misinformation	EU 2022 Strengthened Code of Practice on Disinformation
Misinformation	"Digital content that is verifiably false or misleading or deceptive, propagated by users of digital platforms, and the dissemination of which is reasonably likely (but may not be clearly intended to) cause harm."	"False or misleading content shared without harmful intent though the effects can be still harmful."
Disinformation	Digital content that is verifiably false or misleading or deceptive that is propagated by inauthentic behaviours , including spam and deceptive, manipulative or bulk, aggressive behaviours, the dissemination of which is reasonably likely to cause harm.	"False or misleading content that is spread with an intention to deceive or secure economic or political gain and which may cause public harm."

The key distinction is the series of intention or behaviour.

ACMA noted in its June 2021 report that the critical issue is not the terms used but the scope of the Code. In particular, a threshold of both 'serious' and 'imminent' harm must be reached before action is required under the Code. The effect of this is to limit the scope of the Code by excluding a range of chronic harms that erode trust in public institutions.

2022 platform transparency reports

The Code requires all signatories to publish transparency reports annually on measures they are taking to implement the Code. On 30 May 2022, the second round of platform transparency reports under the Code were released. **s47C - deliberative processes**

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SB22-000100

DIGI review of the Code

DIGI is currently reviewing the Code and released a discussion paper on 6 June 2022 which proposed some changes to the Code. The proposals include clarifying definitions and the services intended to fall under the Code. DIGI has not proposed to expand the Code to capture private messaging services, a key concern raised by ACMA in its report. DIGI's public consultation on the Code review closed on 18 July 2022. As at 2 November, DIGI have not released any submissions.

ACMA made a submission to DIGI's review, its submission notes the scope of the review is relatively limited and encourages DIGI to use the review as an opportunity to determine whether the Code is meeting its original objectives. See **Attachment A** for a summary of ACMA's submission.


Disinformation in the electoral context

The Electoral Integrity Assurance Taskforce, led by the Australian Electoral Commission, works with digital platforms on election integrity issues (see Electoral Integrity Brief: SB22-000102).

Freedom of speech and combatting disinformation and misinformation

Several individuals and the Institute of Public Affairs have publicly raised concerns that ACMA's proposed powers will limit freedom of speech and expression. In Australia, there is no absolute right to freedom of speech and an expression of opinion carries with it responsibilities not to incite violence, defame individuals, or publicly offend a person on the basis of race (18C of the *Racial Discrimination Act 1975*).

The design of ACMA's powers will need to carefully balance the public interest in addressing harmful content with the rights to freedom of speech. s47C - deliberative processes



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SB22-000100

Department's role combatting disinformation and misinformation

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is responsible for providing policy advice to Government on combatting online disinformation and misinformation.

We consider international best practice and the latest research, and engage with online platforms, the DIGI, other government agencies and ACMA as we develop policy advice.

We met with parliamentarians from the European Parliament's Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation, on 20-21 September 2022 to discuss the EU approach to these issues.

Other departments and agencies' role in combatting disinformation and misinformation

- **AEC:** Election related matters. Coordinates the Electoral Integrity Assurance Taskforce. Engages directly with platforms to remove electoral disinformation and misinformation where applicable in the *Commonwealth Electoral Act 1918*.

s33 - national security

- **Education:** Countering foreign interference in the university sector. Managing programs to educate media literacy in schools.
- **Health:** Health and COVID-19 misinformation. Online narratives about the pandemic are closely monitored and shape the department's messaging.
- **Home Affairs:** Countering foreign interference and efforts to undermine social harmony.
- **PM&C:** Playing a coordinating role in other departments and agencies efforts.

Attachments

- Attachment A - ACMA submission to the DIGI code review

Contact: Andrew Irwin**Cleared by First Assistant Secretary:** Pauline Sullivan**Phone:** (02) 6274 1042**Version Number:** 01**Date:** 02/11/2022

Attachment A**ACMA submission to the DIGI code review**

DIGI launched the Australian Code of Practice on Disinformation and Misinformation (the Code) in February 2021, which commits DIGI to conduct a review of the Code after a year of operation. DIGI commenced a 6-week public consultation in June 2022, releasing a Discussion Paper for the purposes of the Code review. DIGI's submission proposed a number of changes to the Code such as the definition of harm and the treatment of certain services and content.

On 11 October 2022, ACMA publicly released its submission to DIGI's review which recommends that DIGI should use the review as an opportunity for a more comprehensive assessment of the Code and expand the scope to include Code governance and reporting. It also suggests that DIGI should consider recent international developments, including the 2022 EU Strengthened Code of Practice on Disinformation and the EU *Digital Services Act*.

ACMA's position on DIGI's proposed Code amendments are below:

- supports clarifying that accumulation of harm can create a persistent threat, however encourages the removal of the 'imminent' threshold to capture longer-term harms that can result from mis- and disinformation.
- supports signatories being required to annually re-assess and specify which products and services are covered under the Code, and encourages DIGI to move towards an opt-out approach to the current optional commitments.
- ACMA states professional news content should not be exempted from the Code, however if it is excluded it may be preferable for DIGI to limit the exemption to Australian media organisations that are subject to internal standards and regulatory instruments.
- supports news aggregation services being included within the scope of the Code.
- does not support DIGI's proposal to continue excluding private messaging services and recommends the Code be expanded to cover mis- and disinformation disseminated through large-scale group messaging.
- supports the proposal to clarify the definition of political advertising for the purposes of its exemption from the Code and notes that re-drafting this clause may be required to address how the exemption interacts with optional commitments, such as improving transparency around political advertising.
- supports the amendment to include a definition for 'sponsored content' in the Code however the definition should be expanded to include digital platforms, not only social media services.

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Environment and Communications

Lead/Support contact: Pauline Sullivan / Andrew Irwin

SB22-000101

SUBJECT: Bargaining Code**Talking Points**

- Since the Code commenced on 3 March 2021, Google and Meta have entered into 20 and 13 commercial agreements respectively. These agreements are with a broad range of news businesses covering a large number of publications.
- The deals between digital platforms and news businesses are subject to non-disclosure agreements. Consequently, the department does not have access to the content of these agreements and cannot assess their contribution to the sustainability of the news sector.
- Google and Meta also provide grant funding programs and training initiatives to news businesses.
- These deals, and other initiatives, have delivered substantial support to selected news businesses. However, the Code was not intended to address the full range of policy problems relevant to the provision of news and journalism.
- To address these issues, the Australian Government is developing the News Media Assistance Program to secure the evidence base needed to inform longer-term policy interventions to develop measures to support public interest journalism and media diversity.
- No platform has been designated to date. Under the Code, designation is a matter for the Treasurer. Questions about the Assistant Treasurer's role are a matter for Treasury.
- [As at 31 October] Treasury is currently finalising its review of the Code
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts, the Australian Communications and Media Authority (ACMA), and the Australian Competition and Consumer Commission (ACCC) are supporting Treasury's review.

Key Issues

- The Treasury is leading the Code review and authoring the final report.
- [As at 31 October] Treasury has advised that it intends to provide Ministers with its final report in the near future. The department has not seen Treasury's final report.
- The Treasurer has asked the Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services, to take responsibility for matters related to the Code.
- Questions about the Assistant Treasurer's role are a matter for Treasury.

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Lead/Support contact: Pauline Sullivan / Andrew Irwin

SB22-000101

s47C - deliberative processes

- Key issues identified through the review include:
 - A range of transparency issues and information gaps. These include a need for more information to inform key decisions under the Code, as well as information asymmetries between news businesses and digital platforms.
 - Concerns about the clarity and long-term effectiveness of the 'significant contribution' designation criterion.
 - Friction or disagreement over the content or application of the eligibility criteria for news businesses seeking to register under the Code, particularly the Content Test and Professional Standards Test.
 - The risk of anti-competitive consequences arising from the distribution of deals with digital platforms, particularly in relation to competition for journalists, audiences, advertising spend, and other competitive funding sources.

BackgroundReview

- On 28 February 2022, Treasury commenced a review of the operation of the Code, as required under § 52ZZS of the *Competition and Consumer Act 2010* (Act).
- The Terms of Reference for the review (**Attachment A**) state that the review will assess the extent to which the Code has delivered outcomes consistent with its policy objective and identify potential improvements.
- Treasury is conducting the review, in consultation with the department, ACMA, and the ACCC.
- The Act requires Treasury to provide the Treasurer and the Minister for Communications with a final report by 28 February 2023.
- The Treasurer must make the report public as soon as practicable after 28 days from receiving it.

Scope

- Section 52ZZS sets out requirements for the review, including that:
 - the Treasurer must initiate the review within one year of the Code commencing;
 - the review must be completed within 12 months of its commencement;
 - a written report must be provided to the Treasurer and Minister for Communications; and
 - the report must be made publicly available as soon as practicable after a period of 28 days from the day it is given to Ministers.
- The Terms of Reference exclude the Code's objectives from the scope of the review.

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- The Treasury's Consultation Paper, released in April 2022, clarifies that the decision about whether to designate a digital platform is a matter for the Treasurer and not within scope of the review. It is not stated in the Terms of Reference.

Consultation

- On 1 April 2022, Treasury released a consultation paper. Written submissions were due by 6 May 2022.
- [As at 31 October] Submissions have not been published by the Treasury. Any decision about whether or when to publish submissions is a matter for Treasury.
 - Some stakeholders have chosen to publish their own submissions independently. These include the Public Interest Journalism Initiative (PIJI) and Media, Entertainment and Arts Alliance (MEAA).
- Treasury has provided the Department with copies of 33 written submissions covering a broad range of stakeholders, including both news businesses and digital platforms.
- Treasury coordinated a range of roundtable and bilateral meetings with interested stakeholders. The department attended 3 of the roundtables and 5 bilateral meetings.
- The department has also separately met with some stakeholders where the Code has been raised as one of several items for discussion.

Other Department Roles

- The department has not been involved in drafting the report. The department has seen an early draft, but [as at 31 October] has not seen the final report.
- The department has worked closely with Treasury to analyse issues identified through the review, including through regular meetings and written input. However, the report will reflect Treasury's consideration of the issues.

Other Questions

- Treasury is conducting the review. Questions about the process or outcome are best directed to Treasury.

Designation process

- The Treasurer may designate a digital platform's services as subject to the Code, having consideration for whether:
 - there is a significant bargaining power imbalance between the group operating the platform and Australian news businesses; and
 - the platform has made a significant contribution to the sustainability of the news industry through commercial deals for the use of news content.

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- Prior to designating a digital platform, the Treasurer must provide the platform with at least 30 days' written notice of the intention to designate.
- [As at 31 October] the Treasurer has not designated any digital platform at this time.
- The decision about whether or not to designate a platform is a matter for the Treasurer.

Review Issues

- The designation of specific digital platforms is outside the scope of the review.
- A number of news businesses have raised concerns about the 'significant contribution' criterion. It is a matter for Treasury how this is considered through the review.

Status of commercial deals

- The ACCC has published a list of commercial deals between news businesses and digital platforms that have been publicly disclosed (**Attachment B**). It identifies:
 - 20 commercial deals between Google and news businesses; and
 - 13 commercial deals between Meta and news businesses.
- This is not the full extent of deals. Platforms and news businesses may have entered into deals which have not been publicly disclosed. For example, several additional news media businesses have content published on Google Showcase.
- These commercial deals cover a significant number of news sources and publications.
- For example, each of the deals with Australian Community Media, News Corp Australia and Country Press Australia are likely to cover dozens of publications, many in regional and remote areas.
- Commercial deals between platforms and news businesses are commercially sensitive for both parties, and are subject to confidentiality agreements.
- Many of the commercial deals include non-remunerative elements, such as training and support for upskilling journalists, or transitioning to digital publication methods.

Meta Australian News Fund

- Meta has established the Meta Australian News Fund, which will provide \$15 million in funding for Australian news businesses over three years.
- The fund is administered by the Walkley Foundation on Meta's behalf.
- The first round of funding was announced in March 2022 and awarded to 54 publishers, including:
 - Small and regional publishers, such as Wimmera Mallee News, South Burnett Times, Burdekin Local News and Coonabarabran Times.

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SB22-000101

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- Indigenous organisations, such as IndigenousX, the National Indigenous Times and First Nations Media Australia.
 - Various local and national publications, as well the Australian Associated Press.
 - On 7 September 2022, Meta opened applications for the second round of funding. It will provide two funding streams of \$2.5 million each:
 - a maximum of \$250,000 per successful applicant for innovative digital newsroom projects that support the sustainability of the business; and
 - a maximum of \$120,000 per successful applicant to create public interest journalism that encourages media diversity.

National broadcasters

- The national broadcasters are eligible for registration under the Code.
- Both the ABC and SBS have entered into commercial agreements with Google. The ABC has also entered into a commercial agreement with Meta.
- Meta has advised the SBS that it does not intend to enter into an agreement similar to the one with the ABC, but has suggested that the SBS would be eligible for funding under its Meta Australian News Fund which offers up to \$120,000 per successful applicant.
- On 3 December 2021, the ABC announced more than 50 new journalist roles in regional areas, which it attributed to its commercial deals with Google and Meta.

ACMA's role

- The legislation establishes several new roles and functions for the ACMA, including:
 - assessment of the eligibility of nominated news businesses and corporations seeking to be registered under the Code, and publication of registered news businesses;
 - appointment of a mediator where parties are unable to reach agreement by bargaining alone and request mediation of their dispute;
 - establishment and maintenance of a register of arbitrators, including the management of conflicts of interest; and
 - appointment of arbitrators to arbitral panels where parties are unable to agree on the composition of the panel.
- The ACMA received \$4.2 million in funding in the 2021-22 Budget to fulfil its functions under the Code from financial year 2020-21 through to 2022-23.
- As of 31 October 2022, the ACMA had published the registration of 356 news sources associated with 34 news business corporations.

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SB22-000101

Attachments

- Attachment A – Review Terms of Reference
- Attachment B – ACCC Table of Publicly Disclosed Deals

Contact: Andrew Irwin

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Version Number: 04

Date: 31/10/2022

Terms of Reference

Section 52ZZS of the *Competition and Consumer Act 2010* (the Act) requires a review of the operation of the News Media and Digital Platforms Mandatory Bargaining Code (the Code), as contained in Part IVBA of the Act, to commence within 12 months after the Code takes effect.

The Code aims to address bargaining power imbalances to ensure that digital platforms fairly remunerate news businesses for the content they generate, thereby helping to sustain public interest journalism in Australia.

The Code provides incentives for digital platforms and news businesses to reach commercial deals outside of the Code. If that is not possible, it provides a framework (following designation of a digital platform) for good faith negotiations and mediation between the parties. Where agreement cannot be reached, it sets out an arbitration process to determine remuneration payable by a digital platform.

The Code came into effect on 3 March 2021. During its period of operation, digital platforms have reached commercial agreements outside the Code with a range of large and small news businesses serving metropolitan and regional areas. The Australian Communications and Media Authority (ACMA) also registered a number of news businesses under Division 3 of the Code. To date, no digital platform has been designated under the Code.

The review will:

- assess the extent to which the Code, during its first year of operation, has delivered outcomes consistent with its policy objective; and
- identify potential improvements to the Code.

The review will not revisit the policy objectives of the Code.

Initially, and subject to the results of consultation, the review will assess the extent to which:

- commercial agreements between digital platforms and Australian news businesses;
- the designation provisions in Division 2 of the Code; and
- the registration provisions in Division 3 of the Code;

have delivered outcomes consistent with the policy objectives of the Code.

Process and timing

The review is to be undertaken by the Department of the Treasury, in consultation with the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC), the Australian Competition and Consumer Commission (ACCC) and the ACMA.

The review will consult news businesses (including small and regional businesses), digital platforms and other relevant stakeholders, including by inviting written submissions.

Following stakeholder consultation, the Treasury will prepare a report containing the review's findings and recommendations, in consultation with DITRDC, the ACCC and ACMA.

The report will be provided to the Treasurer and the Minister for Communications, Urban Infrastructure, Cities and the Arts in September 2022.

In accordance with section 52ZZS of the Act, the report will be published as soon as practicable after 28 days have passed after being provided to the Ministers.

Released under FOI Act by DITRDCA

Commercial deals

The ACCC has provided a list in the table below of commercial deals reached between each of Google and Meta and news businesses.²²

The information was compiled in the fourth quarter of 2021 from publicly available material and represents the ACCC's best understanding of deals reached at that time, noting the ACCC does not have a monitoring role in relation to these deals.

Google	Meta
Agenda Media	Australian Broadcasting Corporation
Australian Broadcasting Corporation	Australian Community Media
Australian Community Media	Country Press Australia
Australian Associated Press	Industry Super Holdings
Country Press Australia	Junkee Media
Independent Australia	Mamamia
Industry Super Holdings	News Corp
Junkee Media	Network Ten
News Corp	Nine Entertainment Co
Nine Entertainment Co	Private Media
Out Publications	Seven West Media
Private Media	Schwartz Media
Schwartz Media	Scott Trust
Scott Trust	Solstice Media
Seven West Media	
Special Broadcasting Service	
Solstice Media	
The Conversation	
Times News Group	
Verizon Media	

Source: Treasury – Review of the News Media and Digital Platforms Mandatory Bargaining Code Consultation Paper

Please Note: The list initially published by the ACCC included a deal between Meta and Mamamia, totalling 14 deals. The ACCC has since retracted that deal from the list.

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Lead/Support contact: Pauline Sullivan/Andrew Irwin

SB22-000102

SUBJECT: Electoral Integrity**Talking Points**2022 Federal Election

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is a member of the Electoral Integrity Assurance Taskforce (Taskforce) and the Electoral Integrity Board, which oversees and provides strategic direction to the Taskforce.
- The Taskforce operated at an increased service level for the 2022 Federal Election to support electoral integrity and respond to emerging threats.
- Taskforce agencies did not identify any foreign interference, or any other interference, that would have compromised the delivery of the 2022 Federal Election and undermined the confidence of the Australian people in the results of the election (see **Attachment A** for full statement from the Australian Electoral Commission (AEC)).
- In preparation for the 2022 Federal Election, AEC staff and Taskforce members engaged with Australian policy representatives from Meta, Google, Snap, Tencent, Tik Tok, Twitter, Microsoft and Reddit.
- Reflecting this engagement, a Working Arrangements agreement was adopted, establishing a framework for detailed operational arrangements between the AEC, Meta, Twitter, Google, Microsoft and TikTok.
- This agreement provided a framework for the AEC to refer electoral content in breach of relevant federal legislation or a platform's Terms of Service, to the platforms for review and/or removal.
- An enduring agreement between electoral bodies of Australia (that is, State and Territory bodies) and the online platforms is currently being finalised.

Department's role in the Electoral Integrity Assurance Taskforce

- The department provides advice to the Taskforce on the use of the existing powers of the eSafety Commissioner and the Australian Communications and Media Authority (ACMA) of relevance to an electoral incident.
- The department brings existing relationships with, and industry knowledge of, digital platforms and the broadcasting sector to the Taskforce to discuss electoral integrity issues and to understand processes platforms have in place to address disinformation.
- The Taskforce works together to detect and respond to disinformation during elections.

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BUDGET ESTIMATES 2022 - 2023

Environment and Communications

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SB22-000102

Key Issues

- Protecting the integrity of Australia's electoral processes is critical to maintaining public support and trust in Australia's democratic process.
 - Risks to electoral integrity arise through multiple threats, including cyber or physical security incidents, disinformation, misinformation, and perceived or actual foreign interference in electoral processes.
- The **department plays an important advisory role** on the Taskforce, contributing subject matter and industry knowledge in relation to communications portfolio responsibilities and facilitating engagement with digital and media platforms.
 - This includes matters relating to digital platforms, news media organisations, political advertising, dis/misinformation, and unsolicited communications.
 - The Department also represents and liaises with relevant portfolio agencies, including ACMA and the Office of the eSafety Commissioner, as required.
- Taskforce agencies operate within their existing remits and resources to support the operation of the Taskforce. Except for the AEC, Taskforce members are not involved in the conduct and delivery of elections, such as logistics operations or vote counting. Members are not in a position to directly impact election processes and results.
- Should a **major disinformation campaign** occur during an electoral period, the AEC would work closely with the Counter Foreign Interference Coordination Centre to coordinate an appropriate response to the incident, in consultation with the Taskforce.
- The Australian Government is committed to protecting Australians and our democratic values from the harmful spread of disinformation and misinformation online.
- In assessing the changing environment, Taskforce agencies continue to consider whether their existing remits and resources are sufficient to address disinformation.
- For example, within this portfolio, the Government is considering ACMA's recommendations to be provided with powers to combat disinformation and misinformation online [see **SB22-000100**].

BackgroundElectoral Integrity Assurance Taskforce

The Taskforce, first established in 2018, is comprised of Government agencies (see list below), working together to provide advice to the Electoral Commissioner on matters that may compromise the integrity of elections. The Taskforce provides a structured framework for sharing information on potential threats to electoral integrity such as disinformation campaigns, foreign interference and cyber intrusions.

The Taskforce has proven an effective model for facilitating collaboration and engagement across government to support the integrity of electoral processes.

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SB22-000102

The Taskforce was established for the five federal by-elections held on 'Super Saturday' 28 July 2018, and was reconvened for the 2019 federal election and the 2020 by-elections in the Divisions of Eden-Monaro and Groom. The Taskforce previously engaged with the New South Wales Electoral Commission for the 2021 state-wide local government elections, and the South Australian Electoral Commission for the March 2022 state election.

The Taskforce was established as an enduring body prior to the 2022 Federal Election. The **primary responsibilities of Taskforce members** include:

- Collecting, evaluating and disseminating information with other members on matters which may impact electoral integrity
- Referring any relevant emerging or current threats or activities through individual agency mechanisms, to identify any levers for additional investigation
- Assisting the AEC with coordinating and providing advice to Government, the public or other entities, and
- Developing operational response options for the AEC that could be used in the event of interference.

The Taskforce is chaired by the AEC and the Board is co-chaired by the AEC and the Department of Finance. The following agencies are **members of the Taskforce**:

- Department of Infrastructure, Transport, Regional Development, Communications and the Arts
- Department of the Prime Minister and Cabinet
- Department of Home Affairs (Counter Foreign Interference Coordinator)
- Attorney-General's Department (Foreign Influence Transparency Scheme)
- Australian Federal Police
- Australian Cyber Security Centre
- Office of National Intelligence and members of the National Intelligence Community.

Key documentation concerning the establishment of the Taskforce includes:

- Terms of Reference, Board endorsed February 2022 and publicly released on 29 July 2022
- Operating Model, Board endorsed 22 September 2021 (not released), and
- Incident Response Framework, Board endorsed 22 September 2021 (not released).

Attachment

- Attachment A - full statement from the Australian Electoral Commission

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Date: 28/09/2022

Attachment A**Taskforce advice provides assurance on 2022 federal election**

Released: 26 July 2022

The Board of the Electoral Integrity Assurance Taskforce (the Taskforce) has provided formal advice to the Australian Electoral Commissioner, Tom Rogers, following return of the writs for the 2022 federal election.

“The Board has advised Taskforce agencies did not identify any foreign interference, or any other interference, that compromised the delivery of the 2022 federal election and would undermine the confidence of the Australian people in the results of the election,” Mr Rogers said.

Protecting the integrity of Australia’s electoral processes is critical to maintaining public trust in Australia’s democracy. “The work of the Taskforce plays a vital role in protecting and preserving Australia’s electoral integrity and I am pleased to be able to share this advice with all Australians,” Mr Rogers said.

Editor’s notes:

For more information about the Taskforce, see: aec.gov.au/integrity-taskforce

Released under FOI Act by DPTD

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Pauline Sullivan / Andrew Irwin

SB22-000103

SUBJECT: News Media Assistance Program**Talking Points**

- The Australian Government supports a diverse and sustainable media sector.
- The Government recognises that quality news and public interest journalism play a vital role in the functioning of Australian society and democracy.
- The Government committed to develop the News Media Assistance Program to secure the evidence base needed to inform longer term news media policy interventions and formulate measures to support public interest journalism and media diversity.
- To fund the initial stages of this work, the Government has reallocated \$4 million in uncommitted funding from the Journalist Fund.
- This funding will support the initial development of a policy framework to ensure that future funding is focused on addressing the long-term challenges facing the sector.
- We will consult with news media businesses and other relevant stakeholders as part of the development process.

Key Issues

The News Media Assistance Program is currently in development. Initial funding of \$4 million in 2022-23 to support the initial stages of this work was announced as part of the October Budget.

The \$4 million allocated to the program in 2022-23 will be used to fund a small number of early initiatives that help build an evidence base on the state of the news media sector as it adjusts to a changing environment.

These early initiatives will inform development of a long-term policy framework to guide improved delivery and targeting of Government support for public interest journalism and the safeguarding of media diversity.

- Repurposing some funds from the Journalist Fund to support the initial development of the framework will assist in ensuring future interventions are appropriately targeted to where they can best address the long-term challenges facing the sector.
- A holistic approach is needed to tackle the complex problems which threaten the viability of the sector, including declining revenue and technology-driven structural change. While support to assist the sector through short term responses to exogenous shocks is important, government needs to focus on a sustainable, long-term approach for the sector.

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Lead/Support contact: Pauline Sullivan / Andrew Irwin

SB22-000103

The department is currently considering what data and information is needed to inform the design and project plan for the News Media Assistance Program. Key components of this work include:

- Collating insights from evaluations of previous regulatory, funding and other Government interventions, such as the News Media and Digital Platforms Mandatory Bargaining Code and historic grant programs.
- Assessing unactioned recommendations from previous reviews and inquiries conducted over the last decade, such as:
 - The House of Representatives Inquiry into the future of regional newspapers (2022)
 - The Senate Inquiry into Media Diversity (2021)
 - The Senate Inquiry into the Future of Public Interest Journalism (2018)
 - The Convergence Review (2012)
 - The independent inquiry into the media and media regulation led by Ray Finkelstein AO KC (2012) (Finkelstein inquiry)
- Working with the Australian Communication and Media Authority (ACMA) in relation to their 2020 Diversity and Localism News Measurement Framework.
- Reviewing currently available data and information sources and identifying critical gaps.

Decisions regarding the allocation of the \$4 million allocated to the News Media Assistance Program in 2022-23 will be informed by this work.

Background**News Media Assistance Program:**

The News Media Assistance Program was announced on 13 May 2022 as part of the Government's \$29 million local news and community broadcasting transition package to help regional, local and community media providers. This transition package includes:

- a \$15 million Regional and Local Newspaper Publishers program to support eligible publishers to absorb rising print costs (see SB22-000095 for more information);
- \$2 million to fast-track an investment ready analysis for the replacement of the coal-fired boiler at Norske Skog's Boyer Mill;
- \$12 million to maintain community broadcasting funding and give the sector the funding certainty it needs beyond the next year (see SB22-000089 for more information);

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- keeping community television stations Channel 31 Melbourne and Channel 44 Adelaide on air until there is an alternative use for the radiofrequency spectrum they use; and
- developing a News Media Assistance Program to secure the evidence base needed to inform news media policy intervention in Australia and formulate measures to support public interest journalism and media diversity.

ACMA Diversity and Localism Framework:

On 9 December 2020, ACMA released a paper 'News in Australia: diversity and localism', which outlined its thinking on how a future measurement framework for news media diversity and availability should be designed.

- The paper was informed by a literature review, qualitative research on consumer attitudes on diversity and localism in news, and international regulatory approaches to news diversity and localism.
- Both the paper and supporting documents are available on ACMA's website.

ACMA proposed the new measurement framework to reflect changes in the way that news is produced, disseminated and consumed.

- The framework included 8 indicators of diversity and localism – availability of sources, availability of journalists, number of owners, range of topics, range of viewpoints, local relevance, consumption and impact.
- These indicators were intended to support ACMA and the Government to baseline both the level of media diversity and the availability of local content in a flexible and future-proof manner.

However, ACMA's proposed approach is now dated and does not reflect the modern media environment.

The department is consulting with ACMA on this work.

Environment and Communications

Lead/Support contact: Pauline Sullivan / James Penprase

SB22-000104

SUBJECT: Anti-siphoning

Talking points

- The Australian Government is currently undertaking a review of the anti-siphoning scheme (the scheme) and the anti-siphoning list (the list).
- A commitment to review the scheme was made by the Government during the election campaign.
- The scheme operates to increase the likelihood that events of national importance and cultural significance will be televised to the Australian public free of charge. All events on the list are sporting events.
- A consultation paper was released on Tuesday, 11 October 2022 and an eight-week consultation period closes on Tuesday, 6 December 2022.
- The consultation process involves public submissions and engagement with stakeholders, including roundtables.
- Government consideration of potential changes to the scheme and list will be informed by the views and issues raised through the review.

Key Issues

The review of the scheme

On Tuesday, 11 October 2022, the Minister for Communications, the Hon Michelle Rowland MP, launched the review of the scheme. A consultation paper was also released.

The consultation paper outlined current arrangements and sought views from stakeholders on a range of issues, including:

- the objectives and operation of the scheme;
- composition of the list;
- the acquisition of media rights by streaming services and digital platforms; and
- the use and disposal of a right to televise an event on the list.

Submissions for the review close on Tuesday, 6 December 2022 (eight weeks from the commencement of the review). Non-confidential submissions will be published on the department's website approximately a fortnight after the closing date (timing allows for processing and for permissions to be finalised).

The consultation process includes stakeholder roundtables and stakeholder meetings.

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Next steps

The list expires on 1 April 2023. A new list will need to be made prior to this date if the scheme is to continue to operate, irrespective of changes that may be pursued following completion of the review. Decisions on the scheme or the list are a matter for Government.

Online streaming rights

The acquisition of the rights to sports events by online services is a key issue for the review. Although no events on the list have been exclusively acquired by online platforms, the provision of online coverage is increasing.

- In November 2020, Rugby Australia announced that Nine Entertainment Co. had acquired the broadcasting rights to Australian rugby union from the 2021 season. As part of the deal, Nine created Stan Sport to stream rugby union in Australia. Events on the list will be simulcast on Channel Nine.
- In February 2021, Netball Australia announced it had secured a five-year deal with Foxtel to stream Super Netball premiership and international matches involving the Australian national team on Kayo. The deal does not include events on the list.
- In February 2021, Amazon Prime secured a two-year exclusive agreement with Swimming Australia for the rights to stream several Australian swimming events live, including the Australian Swimming Trials for the Tokyo Olympic and Paralympic Games, and qualifying events for the 2022 FINA World Swimming Championships and Birmingham Commonwealth Games. These events are not on the list.
- The Seven Network has held exclusive rights for the last two Olympic Games, including streaming rights. This was the first time that a commercial television licensee obtained online rights for a sporting event (and just the right to simulcast its broadcast coverage).
- The new AFL rights deal for 2025 to 2031 (outlined below) includes streaming rights for Seven Network.

AFL rights deal

On 6 September 2022, the AFL announced its new media rights deal for 2025 to 2031. The deal with the Seven Network and Foxtel (including Kayo) is valued at \$4.5 billion over seven years, or \$642 million per year, an increase of 47 per cent on the \$437.5 million per year paid under the previous deal. The deal retains the number of games broadcast on free-to-air each season (minimum of three games, and up to five, per week).

Minister Rowland's statement on 24 August 2022 on the AFL's negotiations on future media rights encouraged the AFL and broadcasters not to reduce the availability of AFL matches on free-to-air television under the new deal (at [Attachment A](#)).

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SB22-000104

BackgroundThe scheme

The regulatory framework for the scheme is set out in the *Broadcasting Services Act 1992* (the Act). The scheme regulates the order in which the rights to listed events may be acquired, and prevents a subscription television broadcasting licensee from acquiring the rights to televise an event on the list until a free-to-air broadcaster has the right.

The scheme does not require free-to-air television broadcasters to:

- acquire the right to televise listed events; or
- televise the events for which they do acquire the rights.

The scheme does not apply to online content service providers, such as streaming services or digital platforms (e.g. Google, Twitter, Facebook). The scheme also does not prevent the on-selling of rights to subscription television broadcasters (i.e. Foxtel or Fetch TV), or streaming services, such as Kayo, Stan Sport, Amazon Prime and Optus Sport.

The list

The list - currently the *Broadcasting Services (Events) Notice (No. 1) 2010* - is a legislative instrument made by the Minister that specifies the events, or the events of a kind, the televising of which should, in the Minister's opinion, be available free to the public. The Minister may add or remove an event from the list at any time. The list is at **Attachment B**.

An event is automatically removed from the list if the rights are not purchased 26 weeks before the event is due to start. The scheme does not prevent subscription television broadcasters from acquiring the rights to an event that is no longer listed.

Previous amendments

The scheme and list were most recently amended in 2017 to:

- remove golf events, the English Football Association Challenge Cup final and a number of sporting events from the list;
- remove the restriction that prevented free-to-air broadcasters from televising events solely on their digital multichannels, rather than premiering or simulcasting the events on their main broadcast channel; and
- increase the time events were delisted from 12 to 26 weeks from the commencement of that event.

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Administration

The Australian Communications and Media Authority (ACMA) is responsible for enforcing compliance with the scheme. There are no notification obligations in the scheme, and the department understands ACMA would not expect to be notified if the rights to listed events changed hands.

Attachments:

- Attachment A - Minister Rowland's media release – Statement on AFL media rights negotiations
- Attachment B - Anti-siphoning list

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Attachment A

STATEMENT ON AFL MEDIA RIGHTS

Michelle Rowland MP, Minister for Communications

I note reports AFL media rights negotiations have entered their final stages.

The anti-siphoning scheme under the *Broadcasting Services Act 1992* enables the Minister to encourage the free availability of certain types of programs, including the AFL, by listing events which in the opinion of the Minister should be available free to the general public.

Free-to-air television is universally available and accessible, and it is an important source of information, education and entertainment for all Australians, regardless of their means or location.

The broadcasting of key sports competitions like the AFL Premiership helps to create shared experiences, foster a collective Australian identity, and contributes to grassroots community-based sports participation.

All Australians should have the chance to enjoy iconic sporting events live and free, rather than those events being behind paywalls. In the context of rising cost of living pressures, where too many citizens still don't have reliable broadband, access to stable and ubiquitous free-to-air television is important.

The Albanese Government is committed to reviewing the anti-siphoning scheme to give all Australians the chance to enjoy live and free events of national and cultural significance. The review will be conducted in a consultative manner. A discussion paper will be released in the coming weeks to provide all relevant stakeholders, including media and sports, with the opportunity to share their views. They will all be well-heard.

To that end, I encourage the AFL Commission and its broadcast and streaming partners to ensure there is no diminution in the availability of AFL matches on free-to-air television under the new deal.

24 AUGUST 2022

Rele

Attachment B

1 Name of Notice

This Notice is the *Broadcasting Services (Events) Notice (No. 1) 2010*.

4 Events or events of a kind the televising of which should be available free to the general public

The events specified in the Schedule are events, or events of a kind, the televising of which should, in my opinion, be available free to the general public.

Schedule**1 Olympic Games**

- (1) Each event held as part of the Summer Olympic Games, including the Opening Ceremony and the Closing Ceremony.
- (2) Each event held as part of the Winter Olympic Games, including the Opening Ceremony and the Closing Ceremony.

2 Commonwealth Games

Each event held as part of the Commonwealth Games, including the Opening Ceremony and the Closing Ceremony.

3 Horse racing

Each running of the Melbourne Cup organised by the Victoria Racing Club.

4 Australian rules football

Each match in the Australian Football League Premiership competition (including the Finals Series).

5 Rugby league football

- (1) Each match in the National Rugby League Premiership competition (including the Finals Series).
- (2) Each match in the National Rugby League State of Origin Series.
- (3) Each international rugby league test match that:
 - (a) involves the senior Australian representative team; and
 - (b) is played in Australia or New Zealand.
- (4) Each match of the Rugby League World Cup that:
 - (a) involves the senior Australian representative team; and
 - (b) is played in Australia, New Zealand or Papua New Guinea.

6 Rugby union football

- (1) Each international test match that:
 - (a) involves the senior Australian representative team selected by the Australian Rugby Union; and
 - (b) is played in Australia or New Zealand.
- (2) Each match of the Rugby World Cup tournament that involves the senior Australian representative team selected by the Australian Rugby Union.
- (3) The final of the Rugby World Cup tournament.

7 Cricket

- (1) Each test match that:
 - (a) involves the senior Australian representative team selected by Cricket Australia; and
 - (b) is played in Australia.
- (2) Each test match that:
 - (a) involves both:
 - (i) the senior Australian representative team selected by Cricket Australia; and
 - (ii) the senior English representative team; and
 - (b) is played in the United Kingdom.
- (3) Each one day cricket match that:

- (a) involves the senior Australian representative team selected by Cricket Australia; and
- (b) is played in Australia.
- (4) Each Twenty20 cricket match that:
 - (a) involves the senior Australian representative team selected by Cricket Australia; and
 - (b) is played in Australia.
- (5) Each match of the International Cricket Council One Day International World Cup that:
 - (a) involves the senior Australian representative team selected by Cricket Australia; and
 - (b) is played in Australia or New Zealand.
- (6) The final of the International Cricket Council One Day International World Cup if the final is played in Australia or New Zealand.
- (7) Each match of the International Cricket Council World Twenty20 tournament that:
 - (a) involves the senior Australian representative team selected by Cricket Australia; and
 - (b) is played in Australia or New Zealand.
- (8) The final of the International Cricket Council World Twenty20 tournament if the final is played in Australia or New Zealand.

8 Soccer

- (1) Each match of the Fédération Internationale de Football Association World Cup tournament that involves the senior Australian representative team selected by the Football Federation Australia.
- (2) The final of the Fédération Internationale de Football Association World Cup tournament.
- (3) Each match in the Fédération Internationale de Football Association World Cup Qualification tournament that:
 - (a) involves the senior Australian representative team selected by the Football Federation Australia; and
 - (b) is played in Australia.

9 Tennis

- (1) Each match in the Australian Open tennis tournament.
- (2) Each match in each tie of the International Tennis Federation Davis Cup World Group tennis tournament that:
 - (a) involves an Australian representative team; and
 - (b) is played in Australia.
- (3) The final of the International Tennis Federation Davis Cup World Group tennis tournament if the final involves an Australian representative team.

10 Netball

- (1) A semi-final of the Netball World Cup if the semi-final involves the senior Australian representative team selected by the All Australian Netball Association.
- (2) The final of the Netball World Cup if the final involves the senior Australian representative team selected by the All Australian Netball Association.

11 Motor sports

- (1) Each race in the Fédération Internationale de l'Automobile Formula One World Championship (Grand Prix) held in Australia.
- (2) Each race in the Fédération Internationale de Motocyclisme Moto-GP held in Australia.
- (3) Each Bathurst 1000 race in the V8 Supercars Championship Series.

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Environment and Communications

Lead/Support contact: Pauline Sullivan/James Penprase

SB22-000105

SUBJECT: Prominence**Talking points**

- During the election campaign the Government made a commitment to legislate a prominence framework to ensure Australian TV services can easily be found on connected TV platforms.
- The Government is progressing the development and implementation of this framework in a number of phases.
- In August 2022, the Minister for Communications, the Hon Michelle Rowland MP, asked the Future of Broadcasting Working Group to consider and provide input to support the initial design and scoping work for the prominence framework.
- In parallel, the department has engaged with operating system and set-top-box providers and streaming and gaming services.
- Feedback from this initial phase of work was received in early October and this will inform a subsequent phase of public consultation on a more refined proposal later this year.
- A decision by Government on a settled framework is expected in the first or second quarter of 2023.

Key Issues

Prominence refers to the relative visibility of apps to users on connected TV devices. The development of a framework to support the prominence of television apps will be complex and contested. s47C - deliberative processes

Development of the framework

On 10 August 2022, at the meeting of the Future of Broadcasting Working Group, the Minister for Communications tasked the members of the Group to provide input to support the initial design and scoping work for the prominence framework. SB22-000106 provides more information on the Working Group, including membership.

A background paper prepared by the department was circulated to members to guide this process of engagement. Comments were received by mid-October.

In parallel, the Minister asked the department to circulate the background paper to a number of additional stakeholders who are not members of the Working Group but are likely to have an interest in the development of a prominence framework. These parties

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Lead/Support contact: Pauline Sullivan/James Penprase

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were: Google, Apple, Amazon, Foxtel, Optus, Telstra, Fetch, Netflix, Amazon Prime Video, Disney+, Stan and the Interactive Games and Entertainment Association.

This input is being considered by Government and will inform the development of a more refined proposal for the framework. The Government has indicated that it expects to initiate a process of public consultation on this proposal later this year.

Background

International jurisdictions

A number of jurisdictions have implemented, or are considering, regulatory interventions to support the availability of broadcasting services and apps on smart televisions and other connected devices.

The UK will introduce a new prominence regime for on-demand television services. It will be a principles-based framework, affording Ofcom (the UK's communications regulator) significant discretion to develop, oversee and enforce the new framework. 'Designated TV platforms' will (indicatively) include smart TVs, pay TV operators and global TV platform providers (it is unclear who would make such a designation).

Relevant broadcasters will be required to supply their on-demand services to designated TV providers who would then be required to carry these on-demand services. TV providers are required to provide 'appropriate prominence' to on-demand services on terms that are "consistent with the sustainable delivery of PSB obligations, but which also do not place disproportionate restrictions on consumer choice or TV platforms' ability to innovate."

The department is continuing to engage with counterparts in the Department of Culture, Media and Sports as they develop their proposal.

Radio prominence

Commercial Radio and Audio (CRA) is advocating for a regulatory guarantee that radio is prominent in all new vehicles in Australia. Car radios are a key delivery method for commercial radio, and CRA contends that without prominence regulation vehicle manufacturers do not have an incentive to ensure that Australian radio stations are easily accessible through car dashboards. In CRA's view, this would prevent consumers from accessing Australian radio content and is a safety issue because radio plays an important communications role during natural disasters and other emergencies.

CRA has written to the Minister for Communications, the Hon Michelle Rowland MP, about this issue. CRA attached a draft an industry code that, if applied to vehicle manufacturers under the *Competition and Consumer Act 2010*, would require radio to be prominent in all new vehicles.

Environment And Communications

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SB22-000106

SUBJECT: Future of Television

Talking points

- The Future of Broadcasting Working Group was established in early 2022 to provide a forum for industry and Government to work through issues relating to broadcasting technologies and related television reforms.
- The Group is industry-led, and is chaired by the department at the request of industry. To the extent possible, is intended to be consensus-based. The Australian Communications and Media Authority (ACMA) and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts are not members of the Group, although the department provides secretariat and other support to the Group and is commissioning research relevant to the Group's work.
- The Working Group has met twice since its inception: 8 April and 10 August 2022. The Minister for Communications, the Hon Michelle Rowland MP, attended the latter of the two meetings.
- Industry participants have identified three initial work streams to be progressed through this forum; connected TV prominence; remote broadcasting and satellite television issues; and DVB-T2 transmission options.
- Decisions and outputs from the Working Group will not bind industry or Government, but they will be important inputs to future technology choices and consideration of media policy settings.

Key Issues

Spectrum and technology issues

The larger free-to-air television broadcasters are investing heavily in their BVOD streaming services and are making modest efficiency gains by upgrading services from MPEG-2 to MPEG-4 compression technology.

These broadcasters are also assessing the merits of an upgrade of the digital television transmission standard they use – transitioning from DVB-T to DVB-T2. In large part, the Working Group was established to explore these options. However, any such transition is likely a 5- to 10-year proposition and would give rise to costs and disruption:

- for consumers (in terms of upgrading sets and potential changes to antennas);
- for industry (in terms of sharing spectrum and the costs of new distribution and transmission arrangements); and
- for Government (particularly if broadcasters seek Government funding to support the transition, as per digital switchover and the first digital dividend).

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SB22-000106

Commercial Broadcasting Tax

Although not specifically part of the Working Group's remit, commercial television broadcasters are seeking the removal or substantial reduction of the Commercial Broadcasting Tax (CBT). Any future changes to CBT will be a matter for Government and will be progressed as part of the broader media reform agenda. Further detail is provided under SB22-000115.

Membership

The membership of the Group is determined by the Minister, but it is intended to be flexible. The initial membership was determined by the then Minister for Communications, Urban Infrastructure, Cities and the Arts and reflected the anticipated work program of the Group (with a focus on prominence). This comprises free-to-air broadcasters, transmission service providers, consumers groups and television set manufacturers. A full membership list is at **Attachment A**.

A number of parties have expressed an interest in participating in the Group, including indigenous broadcasters and telecommunications providers. This would be a matter for the Minister. However, it is expected that potential changes to membership and the use of sub-committees will be considered later this year.

Radio issues

The Working Group is, by design, focused on television issues and not radio. There are a range of issues that are relevant to the future of radio, including the role of AM and FM broadcasting and the future of digital radio. These matters will be considered by Government as part of its broader media reform program.

BackgroundObjective and remit

The objective of the Working Group, as set out in the Group's terms of reference, is to develop a holistic vision for the sustainable development and future of free-to-air television services; one that supports a vibrant and competitive local free-to-air television industry into the future.

As an industry-led forum, the remit of the Working Group is determined by the Group itself. The work program is intended to be flexible and dynamic, and its initial focus (particularly in 2022) is on prominence and remote broadcasting and satellite television issues.

Outputs and decision-making

Materials prepared by the Working Group, including any advice or recommendations, do not represent Government policy and are not binding on members or any sector of industry.

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SB22-000106

However, they are expected to be important inputs to policy development processes and of value to industry in considering future technology options and issues. To the extent feasible, the decisions of the Working Group will be consensus-based.

Role the department

Officials from the department and ACMA participate in the group as associate members. Associate members contribute to discussions and the development of Working Group materials, but do not have the voting and decision-making rights of full members. A departmental official chairs the meetings of the Group at the request of industry. The department is also providing secretariat and administrative support.

Duration of the Working Group

It is expected that the Working Group will be convened for the period from April 2022 to December 2023, although, subject to the agreement of the Minister for Communications, the Working Group may extend this duration.

Contributions by members

Working Group members contribute time and expertise to support the deliberations of the Working Group. Any financial or in-kind contributions from members are to be provided on a voluntary basis.

Research initiatives

The department and ACMA were funded through the 2021-22 Mid-Year Economic and Fiscal Outlook process to undertake a range of policy work along with technical, market and consumer research. This measure – Media Sector Reforms – was included in the 2021-22 Portfolio Additional Estimates Statements.

Table 1: Media Sector Reforms

Financial Impacts	2021-22 (\$M)	2022-23 (\$M)	2023-24 (\$M)	2024-25 (\$M)	4 year Total (\$M)
Department	2.146	1.557	1.367	0.000	5.070
ACMA	0.140	1.873	0.180	0.000	2.193
Total	2.286	3.430	1.547	0.000	7.263

For the department, this funding is supporting the development and provision of policy advice to Government in relation to media reforms. It is also being used to support:

- a consumer survey, to map the preferences, attitudes and expectations of Australian television audiences;
- a television fleet assessment, to examine the technical capability of Australia's existing television population; and

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SB22-000106

- a television market assessment, to examine the current and future market trends for televisions in Australia.

For ACMA, the work program consists of preparatory activities to ready ACMA to undertake channel replanning activities (if required) to support possible future government policy decisions regarding television services. There are four initiatives being advanced through this complementary technical research program:

- television receivers' technical performance capabilities and viewer antenna survey;
- exploring new channel planning methodologies and tools;
- investigating channel planning approaches; and
- television licence area plan (TLAP) template and licensing options.

Attachments

- Attachment A: Membership of the Future of Broadcasting Working Group

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ATTACHMENT A

WORKING GROUP MEMBERS

Organisation	Primary representative name and title
1. Australian Broadcasting Corporation (ABC)	Rebecca Matthews Acting Chief Digital & Information Officer
2. Australian Communications Consumer Action Network (ACCAN)	Wayne Hawkins Director of Inclusion
3. Australian Industry Group (Ai Group)	Louise McGrath Head of Industry Development and Policy
4. BAI Communications	Stephen Farrugia Chief Technology Officer
5. Consumer Electronics Suppliers Association (CESA)	Robert Wooley Technical Manager
6. Free TV Australia	Bridget Fair Chief Executive Officer
7. Hisense Group	Al Berta Technical Manager
8. Imparja Television	Alistair Feehan CEO
9. Nine Entertainment Company	Penny Hobart Executive Counsel
10. Paramount Australia & New Zealand (Network Ten)	James Boyce Head of Government and Regulatory Affairs
11. Samsung Electronics	Marc Dunn Director, Government and Policy
12. Seven West Media	Clare Gill Head of Regulatory and Government Affairs
13. Sony Group Corporation	David Harris Technical Support Manager
14. Southern Cross Austereo	Kelvin Dearness Transmission Manager Technology Services
15. Special Broadcasting Service (SBS)	Clare O'Neil Director of Corporate Affairs
16. TCL Electronics	Richard Falzon Product Manager – Australia and New Zealand
17. TX Australia	Tim Neall General Manager Operations
18. WIN Corporation	Stevan Djokic General Manager Television Operations

Note: only the primary representative for each organisation is shown.

BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Pauline Sullivan/James Penprase

SB22-000107

SUBJECT: Media reform**Talking points**

- The Australian Government has committed to modernising media regulations to ensure that Australia's regulatory framework is fit for the digital age.
- The objective for this reform program is to consistently regulate services that make available 'like' content with the flexibility to accommodate new and emerging technologies.
- Immediate priorities relate to the Government's election commitments to legislate a prominence framework and to review the anti-siphoning scheme and list.
- The scope and timing of broader reforms will be a matter for Government.
- However, the Minister for Communications, the Hon Michelle Rowland MP, has indicated that this reform program will also consider areas acknowledged as in need of attention, such as the provision of Australian content, the National Classification Scheme and advertising restrictions.
- On 13 September 2022, the Minister made the *Broadcasting Services ("Broadcasting Service" Definition – Exclusion) Determination 2022*, maintaining the existing regulatory treatment of online live-streamed services and providing industry with stability while broader regulatory reform is progressed.
- The Government has committed to working collaboratively with stakeholders as this work program is developed, including through the Future of Broadcasting Working Group.

Key issuesMedia reform agenda

On 17 August 2022, the Minister for Communications released a public consultation paper to inform the proposed remaking the *Broadcasting Services ("Broadcasting Service" Definition – Exclusion) Determination 2019* (the 2019 Determination). This paper included a foreword from the Minister which:

- noted that the objectives of media policy remain sound, but that the mechanisms to support them are not fit-for-purpose;
- sought views on the remaking of the 2019 Determination; and
- provided a commitment to systemic regulatory reform.

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SB22-000107

The foreword indicated that the goal of the broader reform program is to:

establish a regulatory framework that provides for consistent regulation of audiovisual and audio services that make available content like television and radio, and supports the achievement of key policy objectives with the flexibility to accommodate new and emerging technologies.

In addition to progressing its election commitments in relation to the anti-siphoning scheme and prominence (see below), the foreword indicated that the Government will engage further with industry in the coming months on the broader reform agenda, and the principles, priorities and process that could guide and shape this work.

One aspect of a media reform program will be to make sure there remains scope for a viable, sustainable television industry in Australia. Further information is provided under SB22-000106.

The 2022 Broadcasting Service Exclusion Determination

The *Broadcasting Services ("Broadcasting Service" Definition—Exclusion) Determination 2022* was made by the Minister for Communications on 13 September 2022 and registered on the Federal Register of Legislation (taking legal effect) on 14 September 2022.

The 2022 Determination effectively remade the 2019 Determination for a period of 5 years, maintaining the regulatory arrangements for online live-streamed services that have been in place for the past 22 years.

All submissions received through a preceding consultation process supported the making of the instrument (see background).

The 2022 Determination excludes live online streaming services – including online simulcasts, online radio stations and live streaming functions on social media platforms – from the definition of 'broadcasting service' under the *Broadcasting Services Act 1992*. This ensures these kinds of services are not subject to the rights and obligations that are otherwise imposed on broadcasting services.

The making of the 2022 Determination is intended to provide stability for industry while the Government considers and progresses broader regulatory reform.

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

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SB22-000107

Anti-siphoning review

During the election campaign the Government committed to reviewing the anti-siphoning scheme to ensure that Australians have the chance to watch, for free, events of national and cultural significance. The review was initiated on 11 October 2022 and the submission period is open until 6 December 2022. Further information is provided under SB22-000104.

Developing a prominence framework

During the election campaign the Government committed to legislating a prominence framework to ensure Australian TV services can easily be found on connected TV platforms. In August 2022, the Minister for Communications asked the Future of Broadcasting Working Group to consider and provide input to support the initial design and scoping work for the prominence framework. In parallel, the department has engaged with operating system and set-top-box providers and streaming and gaming services. Feedback from this initial phase of work was received in early October and will inform a subsequent phase of public consultation on a more refined proposal later this year. Further information is provided under SB22-000105.

Australian content regulation

A proposal to implement an Australian content investment obligation for Subscription Video on Demand services is being progressed through the development of a new National Cultural Policy. This program of work is being led by the Minister for the Arts, the Hon Tony Burke MP.

Advertising content restrictions

The Government has indicated that its broader media reform program will consider areas acknowledged as in need of attention, including advertising restrictions. The timing and process associated with the consideration of advertising restrictions will be a matter for Government.

BackgroundElection commitments

On 7 May 2022, the Government issued a media release titled 'Labor will support local TV and free sport in the streaming age' and committed to:

- Reviewing the anti-siphoning scheme and give Australians the chance to watch, for free, events of national and cultural significance.
- Legislating a prominence regime to ensure Australian TV services can easily be found on connected TV platforms.

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

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SB22-000107

Consultation process for the 2022 Broadcasting Service Exclusion Determination

The Minister for Communications released a consultation paper released on 18 August 2022 to inform consideration of the proposed remaking of the 2019 Determination. A total of 23 submissions were reviewed by the closing date of 8 September 2022.

All 23 submissions supported the remaking the Determination for a time-limited period, as proposed in the consultation paper.

Most submissions indicated that remaking the Determination for a period of 5 years or more would provide short term certainty for industry and consumers, while allowing the Government time to consult on broader regulatory reforms.

All stakeholders considered that the alternatives to remaking the Determination proposed in the consultation paper, including the options of allowing the Determination to expire and legislating new arrangements for online live-streamed services, were not viable at this time.

Previous reviews

A number of previous reviews have highlighted the fragmented and inconsistent nature of current regulatory arrangements. These include:

- The Australian Media and Communications Authority's (ACMA) 'Broken Concepts: The Australian communications legislative landscape' and 'Enduring Concepts—Communications and media in Australia' reports (2011);
- The Australian Law Reform Commission's 'Classification – Content Regulation and Convergent Media' report (2012);
- Convergence Review (2012);
- Australian Competition and Consumer Commission's (ACCC) Digital Platforms Inquiry (2019); and
- Review of Australian Classification Regulation (Stevens Review) (2020).

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BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Matt Brine/ Nicole Power

SB22-000108

SUBJECT: NBN Co equity and loan arrangements**Talking Points**

- NBN Co was provided with Australian Government equity funding of \$29.5 billion and a Commonwealth Loan facility of \$19.5 billion to support the initial network build. The Commonwealth Loan was fully drawn in July 2020.
- As announced in the Budget, the Government will make a further \$2.4 billion equity injection to allow NBN Co to undertake further upgrades.
- The company is in the process of refinancing the Commonwealth loan and has repaid \$14.000 billion with a total of \$5.500 billion outstanding as at 30 September 2022. The loan term matures on 30 June 2024.
- NBN Co has public credit ratings from credit rating agencies Moodys (A1) and Fitch (AA).
- The process of refinancing the Commonwealth Loan has seen NBN Co become a major issuer of bonds domestically and abroad, highlighting the confidence that private investors have in the business.
- NBN Co's inaugural green bond issuance of \$800 million in April 2022, was the largest AUD green bond offering by an Australian corporate and the largest single tranche Green, Social or Sustainability linked bond offering in the Australian market to date.
- NBN Co is one of the largest corporate borrowers for bank loans in Australia with committed facilities of \$11.250 billion as at 30 September 2022.
- Interest rates have increased globally. NBN Co has in place hedging programs to protect against fluctuations in interest rates and foreign exchange rates, for its foreign denominated debt, in an attempt to mitigate impacts on debt costs.
- NBN Co provides updated information about its debt portfolio on its website.

Key Issues

NBN Co's initial funding, included a \$29.5 billion equity contribution and a Government loan (on commercial terms) for \$19.5 billion. NBN Co also utilised \$2.0 billion in private debt that was required to support completion of the initial build.

In May 2020, NBN Co entered into \$6.1 billion worth of private debt with a number of Australian and international banks, to complement existing Commonwealth Government funding. Private debt was used to implement the company's Network Investment Plan, initially set out in its 2021 Corporate Plan.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

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SB22-000108

In June 2022, the Government provided NBN Co with \$480 million in grant funding towards an upgrade of the NBN fixed wireless network, as part of the Better Connectivity Plan.

The Government will provide an additional \$2.4 billion in equity funding to undertake further upgrades, with funds to be provided over four years.

NBN Co remains in the early stages of its operational phase where it will seek to balance an expansion in its services, including additional investment to upgrade its network, with acceptable levels of commercial returns.

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Background

Commonwealth equity to date and loan facility

The \$19.5 billion Commonwealth loan to NBN Co was established in December 2016 at a fixed interest rate of 3.96 per cent per annum. In August 2018, the Government agreed to extend the term of the loan by three years (to 30 June 2024) and to allow NBN Co to access private debt of up to \$2 billion. The Commonwealth loan fixed interest rate of 3.96 per cent was maintained and a revised loan agreement was entered into on 26 March 2019.

In response to its obligations under the Commonwealth loan agreement, NBN Co submitted its Initial Finance Plan in September 2020. The plan detailed the company's approach to refinancing the Commonwealth loan in full, as required by June 2024. The Finance Plan was approved by Government in November 2020, permitting NBN Co to borrow private debt consistent with the agreed Finance Plan, as updated from time to time.

In December 2020 NBN Co commenced principal repayment of the Commonwealth loan, with repayments funded by private debt.

Further details are in **Attachment A**.

NBN Co Private Debt

NBN Co has raised private debt via:

- the Australian Medium Term Note Market (AMTN) including green bond issuance;
- the United States, US144A bond market;

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Lead/Support contact: Matt Brine/ Nicole Power

SB22-000108

- smaller bond issuances through private placement, including in Norwegian Kroner and Japanese Yen;
- the negotiation of revolving and term bank facilities; and
- Australian Promissory Notes.

As at 30 September 2022, NBN Co's debt position was:

As at 30 September 2022	AUD Millions		
	Available	Utilised	Undrawn
Commonwealth loan	5,500	5,500	-
Bank debt facilities (excluding Overdraft facility)	11,250	7,210	4,040
AMTN	4,375	4,375	-
US144A Notes	5,347	5,347	-
Private Placements	1,562	1,562	-
Promissory Notes	1,023	1,023	-
Overdraft facility	250	40	210
Total Borrowings	29,307	25,057	4,250

Source: NBN Co's debt investor page, <https://www.nbnco.com.au/corporate-information/about-nbn-co/debt-investor-information>

Attachments

- Attachment A: Summary of NBN Co funding arrangements
- Attachment B: Extract Budget Paper No. 1 - Budget October 2022-23

Attachment A - NBN Co funding arrangements**Equity payments to NBN Co (to date)**

Financial Year	Incremental	Cumulative
2008-14	\$8,418 million	\$ 8,418 million
2014-15	\$4,767 million	\$13,185 million
2015-16	\$7,090 million	\$20,275 million
2016-17	\$7,190 million	\$27,465 million
2017-18	\$2,035 million	\$29,500 million

Commonwealth Loan drawdowns of Principal

Financial Year	Incremental	Cumulative
2017-18	\$5,531 million	\$5,531 million
2018-19	\$7,522 million	\$13,053 million
2019-20	\$6,405 million	\$19,458 million
2020-21	\$42 million	\$19,500 million

Interest Revenue to the Commonwealth (expense to NBN Co)

Financial Year	Incremental	Cumulative
2017-18	\$70 million	\$70 million
2018-19	\$351 million	\$421 million
2019-20	\$629 million	\$1,050 million
2020-21	\$690 million	\$1,740 million
2021-22	\$336 million	\$2,076 million

Commonwealth Loan Principal Repayments by NBN Co

Financial Year	Incremental	Cumulative
2020-21	\$6,300 million	\$6,300 million
2021-22	\$6,825 million	\$13,125 million
2022-23*	\$875 million	\$14,000 million

*As at 30 September 2022

Commonwealth Loan Balance to NBN Co

Financial Year	
2020-21	\$13,200 million
2021-22	\$6,375 million
2022-23*	\$5,500 million

*As at 30 September 2022

Table 3.5 Reconciliation of general government sector underlying and headline cash balance estimates

	Actual	Estimates				
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	Total(a) \$m
2022-23 October Budget underlying cash balance	-31,962	-36,851	-44,048	-51,347	-49,561	-181,807
plus Net cash flows from investments in financial assets for policy purposes(b)						
Student loans	-3,397	-3,810	-4,552	-5,012	-5,208	-18,582
NBN loan(c)	6,825	875	5,500	0	0	6,375
NBN investment	0	-328	-748	-1,016	-308	-2,400
Trade support loans	-119	-153	-183	-175	-148	-659
CEFC loans and investments	-951	-715	-570	-1,543	-2,924	-5,752
Northern Australia Infrastructure Facility	-455	-743	-1,016	-1,074	-961	-3,794
Australian Business Securitisation Fund	-9	-389	-250	-251	-251	-1,141
Structured Finance Support Fund	1,062	265	280	85	65	695
Drought and rural assistance loans	-1,398	-341	-194	-179	-136	-850
Official Development Assistance - Multilateral Replenishment	-127	-128	-132	-139	-193	-592
National Housing Finance and Investment Corporation	41	-2	-242	-455	301	-398
COVID-19 Support for Indonesia — loan	100	100	100	100	100	400
Financial Assistance to Papua New Guinea — loan	-614	72	72	72	72	288
Net other(d)	-2,298	-7,423	-4,744	-4,112	-4,476	-20,755
Total net cash flows from investments in financial assets for policy purposes	-1,340	-12,720	-6,679	-13,699	-14,066	-47,165
2022-23 October Budget headline cash balance	-33,302	-49,572	-50,727	-65,046	-63,627	-228,972

a) Total is equal to the sum of amounts from 2022-23 to 2025-26.

b) A positive number denotes a cash inflow, a negative number denotes a cash outflow.

c) This financial profile represents the actual repayments for 2021-22 and 2022-23. As loan agreement between the Government and NBN Co allows some flexibility in relation to the timing of the repayment, the remaining amount is included in 2023-24.

d) Net other includes amounts that have not been itemised for commercial in confidence reasons.

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Environment and Communications

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SB22-000109

SUBJECT: NBN Network Performance & Existing Upgrade Plans**Talking Points**

- NBN Co continually monitors network performance and puts in place changes designed to improve performance.
- Alongside this ongoing work, the company is undertaking a number of large-scale upgrades.
- The company's upgrade plans announced in 2020 remain on track to see 75 per cent of the fixed-line network able to access speeds of up to 1 gigabit per second (Gbps) by the end of 2023. This commitment also includes enhanced services for businesses and a commitment to co-invest in regional upgrades.
- As announced in the Budget, NBN Co will now undertake upgrades benefiting around a further 1.5 million premises, to make approximately 90 per cent of the fixed-line network gigabit capable.
- At 30 June 2022, 5.1 million premises in the fixed-line NBN footprint could access gigabit speed services.

Key IssuesNetwork performance

- NBN Co has a strong commitment to optimising the performance, capacity and resilience of its networks.
- The NBN was available 99.97 per cent of the time during August 2022.
- The Government expects NBN Co to swiftly resolve all network issues, in accordance with agreements with its commercial partners and regulations.

Network performance: fixed wireless and satellite

- In August 2022, 100 per cent of individual fixed wireless cells were operating above NBN Co's current fixed wireless design threshold (6 Mbps or more busy hour performance).
- Fixed wireless customers typically receive much higher speeds than NBN Co's design minimum. The latest ACCC Measuring Broadband Australia report shows fixed wireless end users on Fixed Wireless Plus plan experienced average download speeds of 38.8 Mbps during the busy hour period.

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Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000109

Existing upgrade plans

- NBN Co is implementing its \$4.5 billion Network Investment Plan, initially set out in its Corporate Plan 2021 (released on 23 September 2020). This investment includes:
 - \$3.5 billion to enable 6 million additional premises, or 75 per cent of fixed-line premises (or 68 per cent of the entire NBN) to be able to order ultrafast services of up to 1 Gbps by 2023.
 - \$700 million to enable 90 per cent of all businesses to access fibre-optic business grade services at no upfront cost and to establish 240 (now over 300) Business Fibre Zones with metro equivalent pricing.
 - A \$300 million fund to co-invest with local, state and federal governments to improve connectivity in rural and regional areas.

Fixed-Line Upgrades

- The existing NBN fixed-line upgrades include enhancements to the HFC, FTTN and FTTC networks.
- HFC: As of July 2022, the entire HFC network is capable of offering 1 Gbps speeds.
- FTTN: NBN Co has announced 1.7 million of the total 2 million FTTN premises eligible for FTTP upgrades, with the most recent tranche announced on 5 April 2022.
- On 22 March 2022, NBN Co announced that construction work was complete and the first 50,000 FTTN premises were able to order ultra-fast speeds on the NBN. To receive an upgrade, end-users will need to place an order with their broadband retailer for a broadband plan with 100 Mbps up to 1 Gbps speeds. Customers can register their details on NBN Co's website to receive updates and retailers will be contacting their customers.
- Overall by 30 June 2022, some 230,000 FTTN premises were able to order a broadband plan that would trigger a full-fibre upgrade. NBN Co is expecting approximately 600,000 FTTN premises will be eligible to order by 31 December 2022.
- NBN Co's selection criteria for the FTTN to FTTP upgrade program is based on areas where the company anticipates strong demand for higher speeds; where it can deploy with speed and agility; where it can provide maximum benefit to the most customers; and where its investment is most likely to spread and multiply economic activity across the nation. Areas for upgrade are listed on NBN Co's website, with suburbs identified in every state and territory.
- Depending on where the premises is located (urban, rural, remote) there is a 10-day timeframe between an end user placing the order and any construction works commencing for the lead-in. NBN Co expects to be able to then complete its construction within a further 19 to 24 business days. It is a matter for retailers what they charge their customers and the contract terms they wish to offer.

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SB22-000109

- To protect NBN Co's upfront investment in construction for the lead-in, the company has consulted with retailers through its Wholesale Broadband Agreement. NBN Co's charges to retailers only apply if there are excessive numbers of premises subsequently moving to lower speed plans.
- FTTC: On 3 June 2022, NBN Co announced the locations where the first 160,000 FTTC premises could order 250 Mbps or 1 Gbps services which will trigger an upgrade to full-fibre (most FTTC premises are already able to access 100 Mbps services). Overall by 30 June 2022, around 380,000 FTTC premises were able to upgrade. NBN Co expects to release further tranches so that 1 million FTTC premises will be able to order higher speed services by 31 December 2022. The initial FTTC tranche in June 2022 included locations in NSW, Victoria and South Australia, with subsequent tranches extending to New South Wales, the Australian Capital Territory, Victoria, South Australia, Queensland and Western Australia.

Business Fibre Zones

- NBN Co is offering ultra-fast connectivity to 90 per cent of all Australian business locations within the NBN Co network footprint at no upfront cost. This includes establishing over 300 Business Fibre Zones across the country, more than 120 of which are in regional Australia. The number of Business Fibre Zones has grown since NBN Co first announced its business fibre initiative due to co-investment by State governments. A list of Business Fibre Zones is available on NBN Co's website.
- Businesses in Business Fibre Zones are eligible to access Enterprise Ethernet, NBN Co's fastest wholesale product. Enterprise Ethernet provides options for prioritised bandwidth, 24/7 dedicated support through NBN Co's business operations centre, and symmetrical wholesale speeds up to 1 gigabit per second (1Gbps) suitable for data-intensive applications such as online collaboration and cloud-based tools.
- Businesses in Business Fibre Zones can also access NBN Co's CBD-equivalent wholesale pricing.

Regional Co-Investment Fund

- NBN Co created the Regional Co-Investment Fund which it is using to co-invest with federal, state and territory governments and local councils to deliver access to higher speed wholesale broadband services over the NBN to homes and businesses in regional and remote areas of Australia.
- The \$300 million Regional Co-investment Fund is moving more regional areas from fixed wireless or satellite to full-fibre, or from satellite to fixed wireless technology.
- NBN Co continues to work through expressions of interest from federal, state, territory and local government agencies for its co-investment fund. NBN Co has provided high-level estimates and detailed quotes for interested parties.

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SB22-000109

- In August 2021, NBN Co announced the first in-principle co-investment agreement with the Victorian State Government. Victoria committed \$73 million to establish the 'Victorian nbn State Program Fund' to be held in trust by NBN Co. Funds will be allocated to projects in key areas of the state. The first project announced for Victoria at that time was the creation of eleven new Business Fibre Zones.
- In March 2022, NBN Co announced that under the Victorian program fund around 40,000 eligible FTTN homes and businesses in 50 suburbs and towns across Victoria would be upgraded to enable full-fibre access. These premises have the same arrangements for ordering of higher speed services as are in place for NBN Co's broader FTTN to FTTP upgrades (that is, a minimum higher speed plan order of 100 Mbps). The announcement also included the creation of a further five new Business Fibre Zones in Loch Sport, Alfredton, Buninyong, Rockbank/Mt Cottrell and Tarneit.
- In October 2022, NBN Co and the Victorian Government announced the third and final stage of their co-investment agreement. Under this stage:
 - A further 60,000 premises in 67 suburbs and towns will be eligible to upgrade from FTTN to FTTP;
 - An additional 15 new Business Fibre Zones will be established, with a combined coverage area of 2,500 businesses;
 - Twenty new fixed wireless towers will be built, providing access to fixed wireless services to around 6,000 eligible premises across 39 suburbs and towns currently served by NBN satellite; and
 - Around 1,000 eligible NBN satellite premises across 3 towns will be upgraded to FTTP services (including one town funded through the Regional Connectivity Program).
- NBN Co is also using a proportion of its Regional Co-Investment Funds for co-investment during Rounds 1 and 2 of the Regional Connectivity Program and the North Queensland Telecommunications and Energy Improvement Grants. These grants are funding upgrades to NBN services in the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia.

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Environment and Communications

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SB22-000110

SUBJECT: NBN Pricing and SAU Variation**Talking Points**

- NBN Co's pricing arrangements are regulated by the ACCC, and further constrained by the competitive market in which the company operates.
- In July, NBN Co withdrew its proposal to vary its Special Access Undertaking (SAU) with the ACCC following the ACCC and retailers raising significant concerns. This decision was supported by the Government.
- NBN Co is developing a revised SAU variation proposal which is expected to be lodged shortly. The ACCC will decide whether to accept or reject the variation proposal. If the proposal is accepted, NBN Co will seek to implement the pricing changes from July 2023.
- The Government has provided clear guidance to all stakeholders on its expectations for the process to support the parties to work together to achieve an outcome that benefits all stakeholders.
- Prices for communication services have been improving relative to the rest of the economy.

Key IssuesSAU variation process

- In March 2022, NBN Co lodged a SAU variation proposal with the ACCC. The ACCC publicly released this proposal in May.
- The ACCC and industry raised significant concerns with NBN Co's proposal, including that it gave the company the opportunity to increase wholesale broadband prices on some products to increase by inflation plus 3 per cent plus each year.
- NBN Co wrote to the ACCC in July to withdraw its original SAU variation and has committed to developing a revised proposal.
- The Government supported NBN Co withdrawing its original SAU variation, as set out in letters from the Shareholder Ministers to NBN Co and from the Communications Minister to the ACCC.
- The Minister also wrote to retailers and other stakeholders on 10 August 2022 outlining the Government's position on the SAU.
- The Government continues to strongly support the SAU variation process on the basis that it provides the best pathway for delivering regulatory certainty.
- NBN Co has engaged with industry and consumer stakeholders in developing a revised proposal, including releasing a variation discussion paper on 12 August 2022 and engaging in an industry forum hosted by the ACCC on 18 and 19 August.

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Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000110

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- NBN Co will be seeking to submit its revised SAU proposal shortly.
 - The ACCC will then undertake a public consultation process and decide whether to accept or reject the proposal. The ACCC has six months to undertake this process, which can be extended, and so a decision is anticipated in the first half of 2023.

Wholesale Broadband Agreement and implementing varied SAU

- In the event that NBN Co's SAU variation proposal is accepted by the ACCC, the company will seek to implement the pricing changes through the next iteration of its Wholesale Broadband Agreement, which will be known as WBA5.
- On 31 August 2022, NBN Co announced the commencement of the WBA5 consultation process and the extension of its current Wholesale Broadband Agreement (WBA4) with some enhancements.
- NBN Co will seek to implement the pricing changes being proposed in the SAU through WBA5 by July 2023.
- NBN Co has issued a variation agreement in relation to the extended WBA4 offer.

If asked – How will NBN Co's revised proposal help consumers and industry?

- The content of the revised SAU is still to be determined as the process is ongoing and the ACCC will decide whether to accept or reject NBN Co's proposal.
- However, NBN Co has put forward a number of significant proposed modifications in the outline of its revised proposal contained in the discussion paper it released on 12 August. The company has made these modifications with the intent of promoting greater certainty for retailers and, in turn, more equitable access for consumers.
- While not all prices changed, NBN Co's revised proposal has provided a clear pathway for the removal of CVC on all residential TC4 products by 1 July 2026, including 50 Mbps and below products.
- Other proposed changes include:
 - baseline service level standards;
 - limitations on the drawdown of the Initial Cost Recovery Account (ICRA); and
 - stronger pricing controls.

If asked - How did the Government's position that it would not be selling NBN Co in the foreseeable future affect the decision to issue a revised proposal?

- The Government's support for NBN Co withdrawing its original proposal was informed by the concerns raised by the ACCC and industry, and hence that it was unlikely that NBN Co's original proposal would be accepted.
- Withdrawing the proposal and resetting the process provided NBN Co with an opportunity to respond to the concerns being raised.

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Lead/Support contact: Matthew Brine/Nicolle Power

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- The Government's policy position that NBN Co would remain in public hands for the foreseeable future has provided NBN Co with the opportunity to reassess how effectively the SAU variation balances the objectives of:
 - providing affordable and equitable access to the network;
 - promoting efficient investment in the network, and
 - allowing the company to be commercially sustainable.
 - NBN Co is currently revising its proposal to reflect these objectives.

If asked – Are the revised SAU arrangements going to compromise NBN Co's commercial sustainability?

- Both Shareholder Ministers have made clear the Government's requirement for a SAU variation that ensures NBN Co is commercially sustainable and achieves policy objectives.
- The financial impact of the proposed changes to NBN Co's pricing arrangement and other key changes being put forward by NBN Co have been assessed through the Corporate Plan review process.
- The SAU will provide NBN Co with the opportunity to earn commercial benchmark returns on capital expenditure included in its regulatory asset base by applying a Weighted Average Cost of Capital (WACC). This will be assessed by the ACCC with reference to other like companies.
- The ICRA was created as a mechanism to give NBN Co the opportunity to earn revenue in excess of its standard regulatory allowance in the future to compensate for under recovery in the build phase.
- The revised proposal is likely to limit NBN Co's ability to access the ICRA, reflecting the need for the SAU to provide better incentives for efficient investment and promote equitable access.
- However, the revised proposal will still ensure that NBN Co has the opportunity to be commercially sustainable on a forward-looking basis, including that it can achieve and maintain a standalone investment grade credit rating.

If asked - Is the Government planning to write down the value of the NBN as a result of the SAU process?

- There is no Government plan to write down the value of NBN Co and this is because the Government cannot arbitrarily write down the company's value.
- The value of the NBN can only be written down where NBN Co has assessed that this is required for its assets under Australian accounting standards. This assessment is made by NBN Co independently of the Government. This responsibility remains unchanged.

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- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts has a process in place to report the value of the Government's investment in NBN Co within the department's annual report.
- This process is audited by the Australian National Audit Office. The process will continue as it has in previous years.
- The department's 2021-22 annual report reported the equity value of NBN Co at \$19.7 billion (2020-21: \$18 billion). The next update to the equity valuation will be reported in the department's 2022-23 annual report.
- The valuation is updated annually based on a range of accounting assumptions, including updated financial projections and it is premature to speculate on the outcome of the process.
- Any reduction in the value of the equity investment is reported as 'other economic flow' in the operating statement and has no impact on the underlying cash balance, headline cash balance, net operating balance or fiscal balance (Resource Management Guide 117).
- The outcome of the SAU variation, including the approach to the ICRA, may impact NBN Co's revenue and its accounting valuation, but the precise impact is not known at this point. Regardless, this will have no impact on the Budget.

If asked – How affordable is Australian broadband pricing?

- The affordability of communications services is continuing to improve relative to the rest of the economy.
- In the twelve months to the June 2022 quarter, the Consumer Price Index rose 6.1 per cent while prices for communications goods and services were unchanged.
- NBN Co's September 2021 report by Accenture found that Australia is the sixth most affordable country for broadband out of the thirteen comparable nations, factoring in income per capita and relative purchasing power.
- It also found that Australian households spend 1.1 per cent of their income on the NBN on average, compared to 1.3 per cent on water and 1.6 per cent on electricity.

BackgroundNBN Special Access Undertaking (SAU)

- NBN Co's SAU with the ACCC is a key regulatory arrangement that sets default price and non-price access terms, as well as revenue constraints.
- The actual terms of access are set through NBN Co's Wholesale Broadband Agreements (WBA), which take precedence over the SAU in the regulatory hierarchy set out in the *Competition and Consumer Act 2010*. These WBAs are negotiated between NBN Co and retailers.

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SB22-000110

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- The SAU effectively acts as a regulatory safeguard to the WBAs.
 - The current SAU was accepted by the ACCC in 2013 and expires in 2040.
 - The SAU was intended to provide long term regulatory certainty. However, it only applies to FFTP, fixed-wireless and satellite services, and does not include access technologies in the Multi-Technology Mix.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000111

SUBJECT: NBN Shareholder Issues**Talking Points**

- The Australian Government does not set remuneration for NBN Co's executives or other employees, including incentives. NBN Co's remuneration and payment of incentives are a matter for the NBN Co Board, and are detailed in NBN Co's Annual Report.
- In 2021 the NBN Co Board reviewed the performance incentive framework for its staff. In doing so, the NBN Co Board considered the Commonwealth's Performance Bonus Guidelines for government entities issued in August 2021.
- The Board decided to remove eligibility for its short-term incentives (STI) program for the majority of staff, who have had a portion of their former target at-risk remuneration incorporated into their total fixed remuneration. The STI program is now only available to senior management.
- Shareholder Ministers have recently written to GBEs, including NBN Co, to ask that incentive frameworks be reviewed by the Company to ascertain if improvements can be made, including to transparency.
- To aid transparency while this work is underway, NBN Co has released a statement on its company website, providing more details about employee remuneration and changes made by the Company in 2020/21. This statement supplements the information published in NBN Co's 2022 Annual Report, tabled in Parliament on 27 September which focuses on remuneration arrangements for staff still eligible for short term incentive payments.
- NBN Co's full Corporate Plan was not finalised and published by 31 August this year to allow for the incorporation of the Government's election commitments.
- In order to continue to provide transparency around its operations prior to the finalisation of the full Corporate Plan, NBN Co published a Statement of Corporate Intent on 31 August.
- NBN Co's more detailed Corporate Plan is currently being finalised and will reflect implementation of upgrades and other initiatives announced in the Budget.
- Shareholder Ministers plan to issue a revised Statement of Expectations to NBN Co reflecting the Government's objectives for the company in the context of it remaining in public hands for the foreseeable future.
- The Government has indicated that it does not intend to privatise NBN Co in the foreseeable future.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000111

Key IssuesNBN Co Executive Remuneration

- NBN Co was established under the Corporations Act 2001 and is a Government Business Enterprise. Remuneration and incentives are determined by the NBN Co Board, and are aligned with market practice.
- In response to the Commonwealth Performance Bonus Guidelines issued in August 2021, the NBN Co Board undertook a review of the performance incentive framework for its staff.
- Under the new arrangements, reduced STI payments apply only to the most senior staff (Executive Committee Members and Executive General Managers) based on the achievement of performance targets set by the NBN Co Board.
- The performance targets include a range of measures including:
 - connected premises
 - customer service delivery
 - trust and reputation
 - transformation
 - financial sustainability.
- For other NBN Co employees that were previously subject to the STI framework, they had 64 per cent of their former maximum at-risk remuneration, incorporated into their total fixed remuneration which equates to 87 per cent of the former maximum target.
- In 2022 the number of employees eligible to participate in the NBN Co STI program has been reduced from around 3500 in 2021 to less than 50.
- As set out in NBN Co's annual report 2022, payments of at-risk pay (i.e. short term incentives or bonuses), were made to less than 50 employees at a cost to NBN Co of \$4.1 million.
- The CEO's current remuneration is comparable to CEOs of other large telecommunications carriers. The CEO's base salary in 2022 was \$2.112 million.

Approach to Corporate Plan Disclosures by NBN Co

- The level of disclosure of financial information in NBN Co's public Corporate Plan and Annual Report is consistent with other GBEs and other public companies.
- Consistent with the GBE Guidelines, the public Corporate Plan contains sufficient non-confidential information to inform how the company plans to meet its purpose. However, since NBN Co began borrowing private debt, it no longer includes financial or operational forecasts beyond 12 months, customer experience metrics, network usage metrics or an estimate of shareholder value. However, customer experience and network usage metrics are published on NBN Co's website.

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BUDGET ESTIMATES 2022 - 2023

Environment and Communications

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SB22-000111

- The Company continues to provide Shareholder Departments with regular reporting to assist the Ministers in their roles. It is also subject to external scrutiny from the ANAO and publishes relevant information in its Annual Report and Corporate Plan.
- The Company continues to be compliant with the PGPA Act. As per the NBN Companies Act, investment and financial targets are to be included in the Corporate Plan (either confidential or public version). Further, the PGPA Rule (Section 16E) allows for the exclusion of commercial sensitive information in public Corporate Plans.
- NBN Co is subject to external audit and scrutiny, including:
 - NBN Co's financial statements are audited independently by the ANAO.
 - As a corporation, its financial statements are also lodged with ASIC.
 - As NBN Co is a GBE, the ANAO can also conduct performance audits, which in the past have included the NBN Satellite Support (NSS) Scheme and NBN migration arrangements.
 - The ACCC also reviews the prudence of NBN Co's expenditure when determining NBN Co's compliance with its Special Access Undertaking (SAU).

Statement of Expectations

- The Government plans to issue a revised SoE that reflects that the company will remain in public hands for the foreseeable future.

Privatisation

- Privatisation is not under consideration by the Government and the Minister has stated it won't be for the foreseeable future. The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is not undertaking work on privatisation.

Remuneration

The 2021-22 Annual Report (page 83 onwards) includes the remuneration report for NBN Co and details on the payment of short term incentive bonuses.

NBN Co remuneration of Senior Executives (including base salary, STI award, superannuation and long service leave)

Page 99 of the 2021-22 Annual Report:

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000111

		Short-term benefits		Post-employment		Other benefits		Total
		Base salary and fees ¹ \$	STI award ² \$	Superannuation \$	Other Post Employment \$	STI award deferral ² \$	Long Service Leave ³ \$	Termination Benefits \$
Senior Executives deemed to be KMP as at 30 June 2022								
S Rue	2021	1,821,708	734,400	21,694	-	-	70,172	-
	2022	2,112,862	697,808	23,568	-	-	96,890	-
K Dyer	2021	986,489	225,000	21,694	-	75,000	72,615	-
	2022	1,113,265	203,593	23,568	-	476,575	44,589	-
W Irving	2021	932,304	207,000	21,694	-	69,000	3,608	-
	2022	1,080,745	187,306	23,568	-	-	9,485	-
P Knox	2021	849,217	193,500	21,694	-	64,500	7,204	-
	2022	995,577	175,090	23,568	-	-	12,861	-
J Parkin	2021	567,143	135,000	21,694	-	45,000	6,593	-
	2022	695,785	131,459	23,568	-	-	12,723	-
B Whitcomb	2021	927,608	211,500	21,694	-	70,500	45,840	-
	2022	1,055,932	191,378	23,568	-	-	57,571	-
Former Executives deemed to be KMP								
P Tyler ⁴	2021	155,424	-	3,616	-	-	(11,239)	608,933
	2022	-	-	-	-	-	-	-
Total	2021	6,239,893	1,706,400	133,780	-	324,000	194,793	608,933
	2022	7,054,166	1,586,634	141,408	-	476,575	234,119	-

Note the STI award deferral is no longer applicable to STI awards from FY22 onwards. Ms K Dyer's remuneration in FY22 includes a provision for a retention of employment agreement that is subject to future conditions being satisfied.

NBN Co remuneration of Non-Executive Directors (including superannuation)

All Non-Executive Directors of NBN Co are appointed by the Commonwealth of Australia through the Shareholder Ministers. Fees for Non-Executive Directors are set through the determinations of the Commonwealth Remuneration Tribunal (the Tribunal), an independent statutory body overseeing the remuneration of key Commonwealth offices. Statutory superannuation is paid in addition to the fees set by the Tribunal.

Non-Executive Director fees (excluding super) as directed by the Tribunal for FY22 and FY21:

Board position	2021-22 annual entitlement from 1 July 2021	2020-21 annual entitlement from 1 July 2020
Chair	\$226,930	\$226,930
Non-Executive Directors	\$113,520	\$113,520

total remuneration varies pro-rata due to appointment term.

BUDGET ESTIMATES 2022 - 2023**Environment and Communications****Lead/Support contact: Matthew Brine/Nicolle Power****SB22-000111***NBN Co workforce and salaries*

Previous year - employees as at 30 June 2021 (includes ongoing, non-ongoing, full-time and part-time)	4,951
Current year - employees as at 30 June 2022 (includes ongoing, non-ongoing, full-time and part-time) (pg 202 Annual Report)	4728
Total employee benefit expenses 30 June 2022	\$647,000,000

*Employee salaries (total) – page 130 of 2021-22 Annual Report***NBN Co Ltd Board membership as at September 2022 (appointments are for three year terms)**

<u>NAME</u>	<u>POSITION</u>	<u>DATE APPOINTED</u>
Mr Stephen RUE	Executive Director & Chief Executive Officer	09.09.21
Ms Kate MCKENZIE	Chair	01.01.22
Mr Drew CLARKE	Director	22.08.23
Ms Elisha PARKER	Director	08.12.21
Ms Nerida CAESAR	Director	01.01.22
Mr Michael MALONE	Director	20.04.22
Mr Andrew DIX	Director	07.04.21
Ms Nicole LOCKWOOD	Director	19.03.22
Ms Pam BAINS	Director	19.03.22

BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000112

SUBJECT: NBN Valuation**Talking Points**

- The fair value estimate of the investment in NBN Co Limited (NBN Co) published in the Department of Infrastructure, Transport, Regional Development, Communications and the Arts 2021-22 financial statements was **\$19.7 billion** for the period ending 30 June 2022 (2021: \$18.0 billion). The relevant disclosure note is at page 204 of the department's Annual Report.
- The valuation uses a discounted cashflow method, which looks at forward cash flows discounted to net present value. There are adjustments made on this valuation to comply with accounting standards that require assessments and judgements to accommodate a hypothetical market owner as at 30 June. These adjustments are set out in the note to the financial statements.
- The department obtains its own technical accounting advice on the valuation. NBN Co provides significant input to the valuation including the support of a valuation expert. The valuation is reviewed by the ANAO.
- This figure sits at the mid-range of the valuation range assessed to be between \$19.1 billion and \$20.7 billion.
- The valuation uses free cash flows that would be returned to a hypothetical market participant, and using their required rate of return on equity within the discount rate.
- Certain assumptions, such as the inclusion of future franking credits and carried forward tax losses, have been included based on taxation legislation in force as at 30 June 2022.
- The accounting equity position (or net asset position) published in NBN Co's 2021-22 financial statements was negative \$2.3 billion as at 30 June 2022 (2021: negative \$1.7 billion). This represents the total asset values less total liabilities and is negative value as a result of historical accounting losses. This historical assessment is not the same as the forward-looking assessment of the DCF methodology.
- The NBN has always involved a large upfront investment which incurs significant operating losses in the establishment years. We expect that this will be followed by a period of positive cash flow, then operating profits and eventually a long-term positive return to Government. The equity return to Government is currently forecast by NBN Co to be 3.5 per cent.

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000112

Key IssuesFY 22 process

The fair value assessment of NBN Co as at 30 June 2022 is based on modelling undertaken by Kroll on behalf of NBN Co. The department engaged EY to help critically review the valuation prepared by NBN Co.

The fair value assessment has been recognised and measured in accordance with the AASB 9 Financial Instruments and AASB 13 Fair Value Measurement accounting standards.

The ANAO has reviewed the valuation and provided an unqualified audit assessment. This figure fell within their valuation range based on the audit evidence. NBN Co is also supportive of the valuation process and the final figure adopted by the Department.

The discounted cash flow model incorporates cash flow forecasts underpinning NBN Co's Integrated Operating Plan 2022-26 (IOP23), extrapolated to 2040. From 2026 to 2030, the cash flow forecasts are based on detailed assumptions prepared by each business unit within NBN Co. Beyond 2030, the cash flow forecasts are based on high level assumptions prepared by NBN Co's management, which take into account the best available expectations regarding business structure and market conditions.

The department's adopted valuation includes the following key assumptions:

- a hypothetical market participant purchased all the equity in NBN Co as at 30 June 2022 in an arm's length transaction.
- the hypothetical market participant would provide an initial equity injection of \$6.1 billion, such that the level of debt held by NBN Co reflected an amount that could be supported by the company on a stand-alone basis (2021: Market participant assumed to be able to refinance all outstanding debt facilities at the valuation date).
- a debt drawdown of \$500 million into perpetuity within the terminal value calculation, to maintain a long-term Debt/EBITDA ratio of 7.0x (2021: \$1 billion terminal year debt drawdown, with a targeted Debt/EBITDA ratio of 7.0x).
- discount rate of 9.3 per cent (2021: 10.0 per cent).
- terminal growth rate of 2.5 per cent has been used to calculate the terminal value (2021: 2.5 per cent).

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

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SB22-000112

Changes since last Financial Year

The movement in valuation between last year (\$18 billion) and the estimate for this year of \$19.7 billion is due to a wide range of factors. Some of the specific contributing factors were:

- Cash flows incorporate the revenues and capital expenditure projected to result from extending NBN Co's existing fibre upgrade program to an additional 1.5 million premises. This was considered on the basis that NBN Co had been undertaking work on a potential upgrade as at 30 June and that a hypothetical buyer would be expected to undertake the upgrade as it provided a commercial return.
- Because the valuation is forecast to 2040, the model is sensitive to the discount rate. The discount rate reduced from 10.0 per cent to 9.3 per cent to reflect a lower gearing ratio of a hypothetical market buyer than recognised in the prior year.
- Inclusion of a value for historical tax losses and future franking credits. While the value ascribed is relatively small, it does have a positive impact in the later years.

The valuation model of NBN Co involves a large number of assumptions that require careful judgement. Consequently, it generates a range of \$19.1 billion to \$20.7 billion and the department has adopted a value at the mid-point of the range.

Tax losses

This year, the department has included value attributable to carried forward tax losses and future franking credits, which is a change from last year. The value attributed is based on the calculated present value of a future utilisation scenario and amounts to \$526 million. This amount has been included on the advice of EY tax advisers, who advised that carried forward tax losses and franking credits could reasonably be expected to be available to the hypothetical market participant.

NBN Co does not formally recognise any value associated with the carried forward tax losses in its financial statements. When it is closer to generating taxable profits, a tax asset will be able to be measured and recognised for the purposes of financial and taxation reporting.

If asked: How could the outcome of NBN Co's Special Access Undertaking (SAU) impact the administered equity value of NBN Co?

This year's valuation considered the impact of the proposed SAU that was submitted in March 2022 but in accordance with accounting advice, did not consider proposals outlined in NBN Co's consultation paper of 12 August on the basis that those proposals were not finalised at 30 June (i.e. the date at which the fair value assessment is made). In general, SAU pricing changes have little effect on the overall valuation, due to the long-term nature of the discounted cash flow model and the fact that NBN Co pricing changes can have differing revenue impacts over the short and long term.

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

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SB22-000112

If asked: Does this figure mean the Government has written down its initial equity investment of \$29.5 billion?

There is no intention to write down the value of the Australian Government equity investment in NBN Co. The valuation figure obtained represents a range of assumptions around NBN Co at one point in time and is likely to fluctuate as its operation and cash flows mature. NBN Co, estimates an enterprise rate of return of around 3.5 per cent.

While the valuation process is undertaken annually through a rigorous review, the overall expectation is that it will follow an upward trajectory as the company transitions away from the build phase to its full operational maturity.

The valuation would be expected to improve over time as EBITDA improves, and it becomes more certain and is subject to less discounting. More certainty regarding forecast revenues would also be likely to reduce some of the risk premium associated with forecasting NBN Co's revenues and costs.

If asked: How will the Government's new \$2.4 billion equity injection affect valuation of the company?

The additional investment will be funded through Government equity and will help support improved long-term cash flows for the company.

If asked: Why is NBN Co in a negative net assets (net liability) position as at 30 June 2022 in its Annual Report?

Since October 2017, NBN Co has financed the network build and its operating costs using a mix of public and private debt. As a result, NBN Co's total liabilities have grown more than the company's asset base, leading to negative net asset position.

The Government realises that the NBN required large upfront investments as the company incurred significant operating losses in the establishment years. It is expected that it will achieve a period of positive free cash flows, then operating profits and eventually a long-term positive return. As at 30 June 2022, NBN Co reported total revenue of \$5.1 billion and EBITDA of \$3.1 billion which reflects a \$1.75 billion improvement over the previous financial year.

Background

The department continues to adopt a discounted cash flow (DCF) model to determine a current valuation figure for the purposes of financial statement reporting for the investment in the NBN. The department engaged an independent expert, Ernst & Young (EY), to provide advice on the valuation model and the underpinning assumptions which were prepared by NBN Co and an external expert.

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Environment And Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000112

As highlighted on page 204 of the department's 2021-22 Annual Report (**Attachment A**) the valuation range for NBN Co has been estimated by the department to be between \$19.1 billion and \$20.7 billion. The department adopted the mid-point of this range (\$19.7 billion).

Financial Information

(in the Department's 2019-20, 2020-21 and 2021-22 annual reports)

	2019-20	2020-21	2021-22
Adopted Valuation	\$13.8 billion	\$18.0 billion	\$19.7 billion
Valuation Range	\$13.8 billion – \$15.8 billion	\$18.0 billion – \$20.0 billion	\$19.1 billion– \$20.7 billion
Discount Rate	10.49%	10.00%	9.30%
Terminal Growth Rate	2.5%	2.5%	2.5%
Target Debt to EBITDA ratio	5.0x	7.0x	7.0x*
Debt Drawdown	N/A	\$1.0 billion	\$500 million*
Net Assets (Total Equity)	+\$2.1 billion	-\$1.7 billion	-\$2.3 billion

* Note this was not explicitly disclosed in the department's 2021-22 annual report

Attachments

- Attachment A – Financial Statement notes to NBN Co Valuation

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Date: 20/09/2022

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NBN Co Limited (NBN Co)

The department has estimated the fair value of the investment in NBN Co using the discounted cash flow valuation method, with modelling input prepared by NBN Co and assistance from external experts. The department engaged an independent expert to provide advice on the valuation model and underpinning assumptions.

The discounted cash flow valuation calculates the equity value using the free cash flows forecast in NBN Co's Board endorsed Integrated Operating Plan 2023-26 (IOP23) extrapolated to 2040. The cash flow forecasts, were adjusted, where appropriate for assumptions relating to financing and other decisions that would be adopted by a hypothetical acquirer and included calculation of a terminal value. The forecast cash flows available to equity holders were discounted using an assumed required rate of return on equity of 9.3 per cent (2021:10.0 per cent). The discount rate reflects current market conditions as well as an assessment of the risks in the cash flow forecast underpinning the discounted cash flow calculation. The assumptions used in the valuation are based on circumstances that a hypothetical acquirer would consider in an acquisition of the equity in NBN Co as at 30 June 2022 in an arm's length transaction. These assumptions do not in any way reflect the structure, terms and conditions that could be required by the Australian Government in the event of an actual sale of NBN Co in the future.

No decisions have been made by the Government to sell all or part of the NBN. Any sale of NBN Co is prohibited by legislation until the mandatory pre-sale steps in the *National Broadband Network Companies Act 2011* have been completed in full. The assumptions adopted within the valuation do not seek to pre-empt the Australian Government's approach to a future sale of NBN Co.

The department has adopted a fair value estimate of \$19.7 billion (2021: \$18.0 billion), considering the sensitivity of the valuation to changes in key assumptions. Expert advice indicated the fair value was supported by cross-checks against valuation multiples of entities operating in similar industries.

Key financing assumptions

The valuation assumes a market participant acquirer would provide an equity injection on 30 June, such that the level of debt held by NBN Co reflected an amount which could be supported by the company on a standalone basis. The valuation model assumes that NBN Co's debt levels are reduced on 30 June (and replaced with equity) such that the debt level reflects the level that would be supportable based on NBN Co's assumed standalone credit rating at 30 June.

The financing assumptions underpinning the fair value are considered to be in line with the assumptions that a market participant would make if valuing the equity in NBN Co at 30 June.

Specific comment on tax losses and franking credits

The department has explicitly included value attributable to carried-forward tax losses and future franking credits in the 2021-22 valuation of NBN Co, unlike the previous year's valuation. The value attributed to carried-forward tax losses and franking credits is based on the calculated present value of a future utilisation scenario. The value of incremental future cash benefits from carried forward historic tax losses is discounted at a higher rate than the business cash flows, to reflect their relatively higher risk in being utilised. The imputation utilisation percentage assumed for franking credits is 50 per cent.

The allowability of carried-forward tax losses as well as the availability of franking credits were assessed by an external tax expert, who has confirmed that both can reasonably be expected to be available to a hypothetical market participant acquirer. While the assumptions used are subjective, the external tax and valuation experts have also provided confirmation that they are within a reasonable range.

The sensitivity to the key assumptions in the valuation is set out below:

Assumption	Selection	Sensitivity	Value (\$bn)	
			Low	High
Discount rate	9.30%	+/-0.5%	17.8	21.9
Forecast total revenue	Per valuation model	+/-5% in each year	15.7	23.8
Forecast operating expenditure	Per valuation model	+/-10% in each year	14.5	24.2
Forecast capital expenditure	Per valuation model	+/-2.5% of revenue in each year	18.0	21.4
Debt interest	Per valuation model	+/-0.5%	18.4	21.0
Terminal growth rate	2.50%	+/-0.5%	19.1	20.4

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000113

SUBJECT: NBN Election Commitment for New Investment in Fibre**Talking Points**

- The Government will provide a \$2.4 billion equity injection to NBN Co over four years from 2022-23 to deliver on its commitment to expand full fibre access to an additional 1.5 million premises nationally.
- Costs for lead in fibre connections to premises will be met by NBN Co from debt or free cash flow.
- There is no impact on the underlying cash balance. The \$2.4 billion in additional investment is an equity investment for budget accounting purposes and has been assessed by NBN Co as delivering a commercial rate of return.
- While there is no impact on the underlying cash balance, there will be an increase in the level of Commonwealth debt and public debt interest costs.
- NBN Co is well progressed with its implementation planning and intends to combine roll out of the additional upgrades with its existing upgrade program, including those being funded under co-investment arrangements with State Governments to deliver operational efficiencies.
- 90 per cent of fixed line premises are expected to be able to access close to gigabit speeds by the end of 2025.
- NBN Co was unable to fully fund the investment from its own resources as it is yet to generate free cash flows and already carrying a high level of debt.
- Upgrades outlined in the Budget will add to NBN Co's existing upgrade program for the Fibre to the Node Network. NBN Co has now announced the full footprint of 2 million premises eligible for its existing program of upgrades to gigabit speeds. Including new investment outlined in the Budget, the total number of premises eligible to upgrade will be around 3.5 million by the end of 2025.
- NBN Co is committed to ongoing provision of high-quality broadband services across the entire fixed line network and will continue to invest in its network in the years ahead to ensure the network meets the needs of end users.

Key IssuesNature of Upgrades

An upgrade to Fibre to the Premises will be available on-demand when a household seeks a higher speed broadband plan than would be currently available to them. NBN Co's on-demand approach consists of taking fibre further and deeper into the network through

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000113

the construction of a local fibre network which is an extension from the existing fibre infrastructure (at the node) but not initially all the way to the premises.

Once a sufficiently large area is constructed this way, households can then place an order for a higher speed service with their retail provider. A fibre lead-in to the premises is then constructed, finalising the connection.

Access to gigabit speeds for the additional 1.5 million Fibre to the Node premises will be provided on an on-demand basis in a continuation of the approach NBN Co recommended to guide fixed line upgrades in 2020. This approach reflects the fact that the core network is now built and fully operational and enables NBN Co to respond to increasing demand for speed and services as it emerges.

If raised- impact of the Multi Technology Mix on NBN availability and speeds.

Analysis that underpinned the previous Government's decision to implement a multi-technology-mix (MTM) has been well canvassed in the past, including in the 2013 NBN Strategic Review. The department is not in a position to speculate on speeds or roll out completion dates under a scenario that was ultimately not implemented by NBN Co.

Implementation Arrangements

Funding will be provided via an equity funding agreement with NBN Co which will be managed by the department.

Payments will be provided quarterly and will be linked to NBN Co's expected capital expenditure profile to the extent practicable.

Locations for Upgrade

Premises for the 1.5 million FTTN to P program will be selected by NBN Co through an optimisation process, which balances customer demand, revenue potential, capital and operating costs, build considerations (including build complexity), exchange availability and the mobilisation of delivery partners. These additional premises may be expansions of previously announced fibre upgrade locations.

The impact on regional Australia of the FTTN upgrade will be significant with more than 660,000 regional premises to be upgraded. NBN Co's preliminary planning assumptions consider up to 1 million premises outside the five largest capital cities may benefit from the commitment.

If raised: Will locations identified by the Government in its election commitments be upgraded?

We expect so. NBN Co is working on identifying the locations that will be included in the 1.5 million premises, and is considering the specific locations that were announced during the election.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000113

If raised: Why is the ACT so under represented in the FTTP upgrade program?

The cost of deploying fibre in the ACT is higher than other similarly populated areas of Australia, due to its relatively unique architecture with backyard aerial lead-ins and the reliance on existing utility infrastructure. The ACT also has a significant proportion of its footprint impacted by rock.

As part of the criteria for selecting areas for upgrade, the potential to achieve a commercial rate of return is considered. A higher cost of the construction impacts this calculation. NBN Co has announced a range of suburbs in the ACT that will be able to access upgrades to full fibre services on demand, including Banks, Campbell, Conder, Dickson, Gordon, Hume, Ainslie, Braddon, Charnwood and Macgregor.

In addition to upgrades benefiting primarily residential customers, NBN Co is offering ultra-fast connectivity to 90 per cent of all Australian business locations within the NBN Co network footprint at no upfront cost. There are seven Business Fibre Zones in the ACT – at Belconnen, Civic, Deakin, Gungahlin, Hume, Phillip and Tuggeranong.

Background

Financial Information: The information below is included in Budget Paper No 1, in Table 3.5 on page 95. The Public Debt Interest figures associated with this investment are not disaggregated.

\$m	2022–23	2023–24	2024–25	2025–26	2026–27
DITRDCA – equity injection	328.0	748.0	1,016.0	308.0	0.0

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000114

SUBJECT: NBN Election Commitment: Upgrade Fixed Wireless and Satellite**Talking Points**

- The Australian Government has provided \$480 million in grant funding to NBN Co towards an upgrade of the NBN fixed wireless network by the end of 2024.
- Under this program, 120,000 currently satellite-only premises will be moved to the NBN fixed wireless footprint.
- All premises in the expanded fixed wireless footprint will be able to access higher peak speeds and higher average busy hour speeds.
- The upgrade has also enabled NBN Co to provide increased data allowances and product inclusions on NBN Sky Muster satellite services.

Key Issues

- The Government has provided \$480 million in grant funding to NBN Co for an upgrade of the NBN fixed wireless network, as part of its Better Connectivity Plan. NBN Co will contribute \$270 million in addition to the annual \$200 million it currently invests in the fixed wireless.
- The upgrade will significantly improve the broadband services available to one million premises in regional and remote Australia and in peri-urban areas in the NBN fixed wireless and satellite footprints. The upgrade will particularly benefit the 50,000 businesses with active fixed wireless connections.
- Under the upgrade, NBN fixed wireless footprint coverage will be expanded by up to 50 per cent, enabling 120,000 additional premises to access fixed wireless services instead of Sky Muster satellite services.
- All premises in the new, expanded fixed wireless coverage footprint (around 750,000) will be able to access higher peak speed services of 100 Megabits per second (Mbps) download with peak upload speeds of up to 20 Mbps.
- NBN Co will also develop a product whereby around 85 per cent of these premises will be able to access a service with peak download speeds of 250 Mbps and peak upload speeds of up to 20 Mbps.
- The upgrade is designed to allow the fixed wireless network to achieve typical wholesale busy period download speeds of at least 50 Mbps (for plans of 50 Mbps or above), up from the current design standard of at least 6 Mbps.
- The upcoming movement of premises off the NBN Sky Muster satellites enabled NBN Co to launch early improvements to its satellite services from 1 July 2022.

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Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000114

- In July 2022, average monthly data allowances for standard Sky Muster plans increased to 55 Gigabytes (GB) (with a further increase to 90GB once the fixed wireless upgrade is completed) and an increase in Sky Muster Plus plan inclusions to allow unmetered data for Virtual Private Network (VPN) and video streaming for 16 hours a day (12am to 4pm). Under the previous product, these activities were metered regardless of the time of day, while all other activities were unmetered.
- The upgrades will also generally enhance NBN Sky Muster satellite service performance.
- NBN Co has commenced detailed planning for the upgrade. The rollout is expected to take around two and a half years, with completion expected by 31 December 2024.
- The Government is also exploring with NBN Co the feasibility of reducing congestion on the most congested satellite beams to see whether data allowances of at least 100GB per month can be facilitated.
- A decision on the feasibility of making a further increase to data allowances will likely be made later in the rollout of the fixed wireless and satellite upgrade.

If asked: What progress has there been on the rollout of the upgrades?

- From 1 July 2022, NBN Co increased average monthly data allowances for standard Sky Muster plans to 55 GB and increased Sky Muster Plus plan inclusions.
- NBN Co has commenced detailed planning for the upgrade. Consumers will be able to register online to receive updates on the upgrade from October 2022.

Background

Number of NBN fixed wireless and satellite premises as at 8 September 2022

Technology	Ready to connect	Active
Fixed wireless	647,690	390,242
Satellite	422,739	106,802
Total	1,070,429	497,044

Financial Information as at 21 September 2022

The Government provided the full \$480 million grant (\$528 million GST inclusive) to NBN Co on 28 June 2022.

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Environment and Communications

Lead/Support contact: Matthew Brine/Nicolle Power

SB22-000114

Grant funding information as at September 2022

Program/Project Start Date:	June 2022					
Program/Project End Date:	December 2024					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	480	0	0		480
Less:						
Actual Expenditure YTD at 31 August 2022	0	480				
Total Committed Funds at 31 August 2022	0	0	0	0		0
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Environment and Communications

Lead/Support contact: Matt Brine/Shanyn Sparreboom

SB22-000115

SUBJECT: Commercial Broadcasting Tax

Talking Points

- The Australian Government is providing a rebate of commercial broadcasting tax (CBT) to those broadcasters that received transitional support payments between 2017-18 and 2021-22.
- The rebate of \$9.5 million over two financial years maintains the status quo while the Government considers potential reforms to CBT in the context of proposed broader media reforms.
- The Australian Communications and Media Authority's (ACMA) review of CBT concluded that spectrum pricing arrangements should continue to apply to commercial broadcasting licences, as spectrum pricing reflects the value of the public resource and its benefit to commercial broadcasters.

Key Issues

- CBT is a spectrum tax imposed on transmitter licences associated with commercial broadcasting licences – both television and radio.
 - ACMA estimates that in 2022-23, all television and radio broadcasters will pay approximately \$44.2 million in CBT, after rebates are applied.
- The Government is providing a rebate of CBT of \$9.5 million over 2022-23 and 2023-24 to 19 eligible commercial broadcasters to maintain an equivalent level of assistance provided under the previous transitional support arrangements (see **Attachment A** for a list of recipients and rebate amounts).
 - The rebate is administratively simpler for both the Government and recipients than previous arrangements, and will allow for further policy design to occur while maintaining the status quo. Commercial broadcasters will continue to pay for the spectrum they use, while those broadcasters that previously received transitional support payments will receive support in the form of the rebate.
- ACMA's review of CBT in 2021 recommended that the tax be retained, but amended to improve its operation. However, the review did not consider the appropriate level of the tax, how the impact of the tax should be distributed between television and radio broadcasters, or how the tax should apply in regional and remote areas.

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- Free TV Australia has advocated for: the reduction or abolition of CBT, the permanent extension of support for regional broadcasters, and a rebate of the Consumer Price Index (CPI) component of the CBT until such time as an overall review of the level of the tax can be undertaken.
 - Free TV has also claimed that among comparable jurisdictions, Australia's effective spectrum price is significantly higher than average (\$1.57 per MHz per population compared to an average price excluding Australia of \$0.23). However, due to variations in licensing and taxation of broadcasting regimes internationally, this is not a simple comparison to make.

Background

Commercial Broadcasting (Tax) Act 2017 (CBT Act) and Commercial Broadcasting (Tax) (Individual Transmitter Amounts) Determination 2017 (CBT Determination)

- The CBT Act introduced a transmitter licence tax (CBT) for the use of broadcast spectrum that more accurately reflects the value of its use. On the introduction of CBT, broadcasting licence fees and datacasting charges were abolished.
- The tax is imposed on the transmitter licences held by the commercial broadcasters, with the amount of tax paid varying based on the type of broadcasting service (AM radio, FM radio or television), the population density of the area in which the transmitter is located, and the maximum power of the transmitter.
- Under the CBT Act and the CBT Determination, the amount of CBT payable is between a minimum and maximum capped amount, indexed according to the CPI.
 - While ACMA is proposing to no longer use annual CPI updates for certain apparatus licence taxes and instead regularly update taxes based on annual population updates, this is not the case for CBT.
- At the time that CBT was introduced, the tax was intended to operate until broader spectrum reforms were implemented, which were expected within five years.

Transitional Support Payments

- A transitional support package of \$4.764 million per year for five years starting in 2017 (payable each financial year beginning on 1 July) was introduced to ensure that individual broadcasters were no worse off as a consequence of the introduction of measures in the reform package.
- In 2021-22, the Government made the final transitional support payments (totalling \$4.764 million) to the 19 eligible broadcasters. An additional \$8000 payment was made to one broadcaster that had not previously provided the necessary information to enable payments to be made.

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CBT Rebate

- On 5 February 2022, the then-Minister for Communications, Urban Infrastructure, Cities and the Arts made the *Commercial Broadcasting (Tax) (Transmitter Licence Tax Rebate) Rules 2022* (CBT Rules). Under the CBT Rules, rebate recipients and rebate amounts are equivalent to the transitional support arrangements established in 2017. As with the transitional support payments, the rebate is not CPI-indexed.
- Rebates are applied as a deduction on individual transmitter licence taxes as they become payable so that at no time will a commercial broadcaster receive more in rebates than they have paid in tax. As the rebate applies at the time tax is imposed, no broadcaster will be financially disadvantaged by this approach.
- Between 14 February 2020 and 13 February 2021, the former Government provided a 100 per cent rebate on CBT to help sustain Australian media businesses through the COVID-19 pandemic.

ACMA Commercial Broadcasting Tax Review (CBT Review)

- On 22 June 2021, the ACMA's review on the CBT Act was tabled in both Houses of Parliament. ACMA recommended the tax be retained and amended from the current, per transmitter basis of calculation, to a \$/MHz/population pricing methodology, in order to improve simplicity and transparency.

Financial Information (correct as at the dates indicated)

Commercial Broadcasting Tax Revenue 2017-2021

	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	TOTAL \$m
Commercial Broadcasting Tax receipts (as reported in ACMA Annual Reports)	104.59*		37†	13.5†	157.79

* In 2018-2019, ACMA collected tax that was eligible to be assessed and collected in both the 2017-2018 and 2018-19 financial years.

† The provision of a one-off 100 per cent rebate of CBT during the COVID-19 pandemic, from February 2020 to February 2021, contributed to the reduced amount of CBT collected by the ACMA in 2019-20 and 2020-21, respectively. The rebate provided \$41 million in tax relief.

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Estimated Commercial Broadcasting Tax Revenue 2022-23*

Metro/Regional	TV/Radio	2022-23 CBT Estimate	Rebate	Net CBT Estimate
Metro	TV	\$30,856,881.19	\$0.00	\$30,856,881.19
Metro	Radio	\$819,088.55	\$0.00	\$819,088.55
Metro	Total	\$31,675,969.74	\$0.00	\$31,675,969.74
Regional	TV	\$16,596,036.41	\$4,678,000.00	\$11,918,036.41
Regional	Radio	\$667,640.69	\$86,000.00	\$581,640.69
Regional	Total	\$17,263,677.10	\$4,764,000.00	\$12,499,677.10
Total	TV	\$47,452,917.60	\$4,678,000.00	\$42,774,917.60
Total	Radio	\$1,486,729.24	\$86,000.00	\$1,400,729.24
Total	Total	\$48,939,646.84	\$4,764,000.00	\$44,175,646.84

* Estimates by ACMA as at 4 July 2022.

Commercial Broadcasting Tax support payments and rebates

	2017- 18 \$m	2018- 19 \$m	2019- 20 \$m	2020- 21 \$m	2021- 22 \$m	2022- 23 \$m	2023- 24 \$m	TOTAL \$m
Transitional support payments	4.76	4.76	4.76	4.76	4.76	0	0	23.8
Commercial broadcaster COVID-19 rebate	0	0	0	41.1*		0	0	41.1
Commercial broadcasting tax rules rebate	0	0	0	0	0	4.76	4.76	9.52

* The CBT COVID-19 rebate operated between 14 February 2020 and 13 February 2021

Attachments

- Attachment A - Commercial Broadcasting Tax Rebate – Recipients and Rebate Amounts

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Commercial Broadcasting Tax Rebate – Recipients and Rebate Amounts

Company	Rebate amount
Australian Capital Television Pty Ltd	1,398,000
Prime Television (Southern) Pty Limited	945,000
Network Investments Pty Ltd	819,000
WIN Television NSW Pty Limited	1,331,000
Star Broadcasting Network Pty Ltd	3,000
South Coast & Tablelands Broadcasting Pty Ltd	22,000
Blue Mountains Broadcasters Pty Limited	2,000
Tweed Radio & Broadcasting Co Pty Ltd	2,000
WIN Radio Pty Limited	22,000
Wollongong Broadcasters Pty Ltd	22,000
WIN Television Griffith Pty Ltd	16,000
WIN Television SA Pty Ltd	66,000
Rebel FM Stereo Pty Ltd	9,000
Midwest Radio Network Pty Ltd	4,000
Darwin Digital Television Pty Ltd	6,000
West Digital Television No.2 Pty Limited	19,000
West Digital Television Pty Ltd	47,000
Spencer Gulf Telecasters Pty Limited	16,000
Mildura Digital Television Pty Ltd	15,000

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Environment and Communications

Lead/Support contact: Matt Brine/ Shanyn Sparreboom

SB22-000116

SUBJECT: Public Safety Mobile Broadband**Talking Points**

- The Australian Government remains committed to supporting the delivery a Public Safety Mobile Broadband (PSMB) capability.
- There have been significant technological advancements, including the rollout of the 4G and 5G networks, since the Council of Australian Governments agreed a roadmap for the development of a national PSMB capability in December 2018.
 - Therefore, it was appropriate to consider and test the pathway to deliver a PSMB capability.
- An Independent Strategic Review (Review) into PSMB provided recommendations to Government on the most efficient and effective approach for implementing a PSMB capability for public safety agencies
 - The Review has conducted extensive targeted consultation with a diverse group of stakeholders, including state and territory governments, public safety agencies, telecommunication providers and equipment vendors and suppliers, to understand the challenges and inform its findings.
- The Government will now carefully consider the Review's findings and recommendations.

If asked about the Review's recommendations:

- The Review was conducted by an independent Reviewer, working with an independent secretariat. The report is currently with the Government.
- Broadly, the Review considered the experiences of jurisdictions and other countries and provided suggestions on how to take forward implementation of a PSMB capability.
- The Review concluded that the Commonwealth can and needs to play a central role in helping to establish a PSMB capability.
- Next steps are subject to the Government's consideration of the Review and its recommendations.

If asked whether the review will be made public:

- The Review's Report, including the key findings and recommendations, will be shared with states and territories to help support a coordinated pathway forward on PSMB. This also occurred for the Review's Interim Report.
- Releasing the Review's Report publicly is ultimately a decision for the Government.

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SB22-000116

If raised (spectrum):

- Spectrum is just one of many factors needed for the delivery of PSMB and is addressed in the Review. The Review found that a PSMB solution can be delivered without dedicated spectrum. The viability of accessing spectrum through commercial arrangements with the Mobile Network Operators should become the focus of a PSMB implementation.
- If required, dedicated spectrum remains available for a PSMB capability and for use by public safety agencies.

Key Issues*Focus of the Review*

- The Review has considered many issues, including capability, architecture and technology, to inform the options it has presented to Government on the most efficient and effective approach for implementing a PSMB capability for public safety agencies. It is important that these be considered in a broader telecommunications context.
 - The Review has considered the steps needed to provide interoperability between agencies and across jurisdictions.
 - The Review has also investigated international approaches to the delivery of public safety communications and considered these in an Australian context.
 - A key part of the Review has been to consider the role of the Government in progressing the PSMB program.
- An interim report was provided in July 2022, which outlined the progress of the Review and areas for further consideration to include in the final report. The interim report was shared with states and territories.

Post Review

- The Review presented its final Report to Government in late October 2022. The Government will now take time to consider the Review's findings and recommendations.
 - The Government will engage states and territories on the Review's findings over the coming months to identify a path forward for PSMB delivery. States and territories will remain central to delivering a PSMB capability.
- Releasing the Review's Report publicly is ultimately a decision for the Government.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts will continue to work collaboratively with other Commonwealth agencies, and the states and territories, to progress development of a national PSMB capability.

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Environment and Communications

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SB22-000116

Background

- The Review was commissioned in early 2022 by the former Government.
 - Mr Andrew Smith, formerly of Optus and NBN Co, was appointed to lead the Review. Mr Smith has over 30 years of experience in the telecommunications sector.
 - Mr Smith has been supported by a small independent secretariat team in the department to assist in the Review.
- The Government's involvement in PSMB has been led from National Emergency Management Agency (NEMA), within the Department of Home Affairs.

Spectrum

- Spectrum has been set-aside to support PSMB since 2012, specifically 2x5 MHz at 809 MHz-814 MHz/854 MHz-859 MHz (notionally Band 27). This spectrum is among the frequencies identified by the International Telecommunications Union (ITU) to be used for PSMB.
- The Review has considered the need for dedicated spectrum required to deliver a PSMB capability and the utility of Band 27, as well as other avenues to access spectrum, such as sharing arrangements with Mobile Network Operators.
- The frequency identified by states and territories as their preferred dedicated spectrum for PSMB, Band 26 in the 850/900 MHz band, has characteristics that also make it critical to the delivery of regional mobile broadband services and was auctioned in 2021.
 - The successful completion of the 850/900 MHz auction will enable the rollout of 5G services across Australia, in particular in regional Australia, and presents opportunities for innovation and economic growth.
- Successful delivery of PSMB requires a clear agreement on the capabilities the PSMB network should deliver and consideration of the architecture needed to support the capability, including network topology and technology specifications.

Why was the Review not publicly announced?

- Although the Review was not publicly announced, the Review undertook in-depth, targeted consultation with a broad range of stakeholders including state and territory governments, public safety agencies, network carriers, and equipment vendors and suppliers, to inform its findings.

Costs of the Review

- The cost of the Review, including the secretariat, has been shared between the department and NEMA, from each department's existing budgets.

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- Although the appointment of Mr Smith was not subject to the Government procurement obligations, steps were taken to achieve value for money through benchmarking remuneration against determinations made by the Remuneration Tribunal for similar positions.

Reviewer Remuneration

- Mr Smith's contract provided for remuneration of \$1,000 per day, plus Tier 2 travel allowance in accordance with the Remuneration Tribunal's *Remuneration Tribunal (Official Travel) Determination 2019*.
- The remuneration is consistent with that provided to part-time positions within the telecommunications policy space as determined by the Remuneration Tribunal based on the *Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2021*, including:
 - The Regional Telecommunications Independent Review Committee Chair (\$1,000 per day, Tier 2 travel), and
 - An ACMA Associate member (\$1,110 per day, Tier 1 travel).
- For part days, remuneration was \$200 per hour (excluding GST) up to a maximum of five hours per day.
- It was anticipated that Mr Smith would work on the Review four days per week until the final report was submitted to the Government (no later than 31 October 2022).
- Based on a four-day week, it is estimated that the total remuneration paid will be \$136,000, plus travel. Remuneration costs has been shared equally between the Department and National Emergency Management Australia, within the Department of Home Affairs.
- As at 31 August 2022, \$85,800 has been spent on Reviewer remuneration.

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Environment and Communications

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SB22-000117

SUBJECT: Telecommunications Resilience (incl STAND and CBNMS)**Talking Points**

- The Australian Government recognises the importance of telecommunications in supporting disaster response and recovery efforts, and is committed to strengthening the resilience and availability of these essential services during natural disasters as well as improving the capability of Australia's emergency warning system.
- The Government has been working to finalise measures funded under the **Strengthening Telecommunications Against Natural Disasters (STAND) package** to better prevent, mitigate and manage telecommunication disruptions caused by natural disasters.
- The Government is also considering a **Cell Broadcast National Messaging System (CBNMS)** which will enable the Australian Government, and State and Territory governments, to send timely and targeted messages to communities in relation to unfolding emergencies, disaster events, and other events of national significance.
- Resilience funding will be one stream of activity under the Government's **Better Connectivity Plan** announced in the 2022-23 Budget.
- It is important to remember that it is not possible for telecommunications to be completely resilient to every natural disaster, and so implementing a diverse range of solutions is the most effective way of protecting communications and safeguarding communities from major service disruptions during disaster events.

Key Issues**STAND Package implementation**

- The initiatives funded under the STAND package are nearing finalisation, with a number of key outcomes being achieved under STAND ahead of the 2022/23 high risk weather season. These outcomes, as at 26 September 2022, include:
 - upgrading battery backup power to a minimum of 12 hours at **461 mobile base stations** in regional and rural Australia to ensure mobile networks are more able to withstand power outages during natural disasters which impact the energy network;
 - the installation of backup satellite services at **1,037 evacuation centres and emergency service depots** across the country to provide emergency connectivity for communities and emergency services when land-based networks are damaged or offline;
 - **expanding the availability of temporary facilities** such as Road Muster trucks, cells on wheels, and portable satellite fly away kits which have been deployed to

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provide emergency coverage for disaster-impacted communities including during Cyclone Seroja, the June 2021 Victorian storms and the 2022 East Coast Floods; and

- **continuing to deliver a public communications program** aiming to improve the community's telecommunications preparedness in the event of an outage in a natural disaster. At least one Emergency Service Organisation in each jurisdiction has used the resources developed on their websites or through their social media channels.

Cell Broadcasting National Messaging System (CBNMS)

- CBNMS addresses the need to improve the targeting and timeliness of alerts and warning messages. CBNMS will deliver messages to mobile phones, locally, regionally and nationally, in near real time. It addresses some of the limitations of the current Emergency Alert system and provides longevity for Australia's emergency warning capability.
- It responds to the *Royal Commission into National Natural Disaster Arrangements*¹ finding that there is a need to improve information and warning systems and technology.
- Cell broadcast technology will bring Australia into line with other Five Eyes countries, and will be in accordance with international standards.
- State and Territory Emergency Service Organisations (ESOs) will have operating protocols and access to an interface enabling authorised officers to send messages within their jurisdictions, and to defined cross border areas. The Commonwealth has been consulting with the States & Territories on CBNMS use and co-design since June 2021.

Better Connectivity Plan – Resilience measures (lead: Lachlann Paterson/s47F – see SB22-000124)

- The Government has allocated funding in the 2022-23 Budget for communications resilience initiatives, comprising:
 - Two new rounds of the **Mobile Network Hardening Program** to upgrade the back-up power capacity, transmission diversity and physical security of regional mobile network infrastructure;
 - A new **Telecommunications Resilience Disaster and Innovation Program** to deploy solutions to improve the power resilience of telecommunications facilities in vulnerable communities and to develop innovative new resilience technologies; and
 - A new **Broadcasting Infrastructure Resilience Program** to improve the resilience of identified ABC AM broadcasting tower sites that relay critical emergency information in disaster-risk regional areas.

¹ Royal Commission into National Natural Disaster Arrangements. 2020. Paragraph 13.17, p. 287

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- For further details on the new measures announced in the 2022-23 Budget, refer to *SB22-000124: Better Connectivity Plan – Resilience*.

Background

STAND Mobile Network Hardening Program (MNHP) (lead: Lachlann Paterson) ^{s47F}

- Round 1 of the MNHP is providing up to **\$21.9 million** (GST excl.) in funding (over **two stages**) to the mobile network operators to deliver over **1,000** projects to improve the resilience of regional and remote mobile networks and related infrastructure against power outages and physical damage during natural disasters.
- Funded upgrades include:
 - the deployment of new portable and permanent power generators,
 - upgrades to battery systems to increase power capacity,
 - the addition of battery extension devices to enhance power capacity,
 - improvements to transmission resilience within mobile network 'clusters', and
 - the physical hardening of telecommunications sites against bushfire damage.

STAND Sky Muster Satellite Deployment Program (lead: Tristan Kathage)

- This Program is providing **\$7 million** in ad-hoc grant funding to NBN Co to install Sky Muster satellite services at evacuation centres and emergency service depots nominated by state and territory governments across the country.
- The grant agreement with NBN Co was executed in August 2021. Of the \$7 million in grant funding to NBN Co, as at 31 August 2022 \$3,942,239 has been provided to NBN Co with \$3,057,761 in payments remaining pending NBN Co's successful completion of project milestones.
- As at 26 September 2022, **1,066** locations have been nominated for a satellite service installation with **1,037** of these being completed (97 per cent) and 29 remaining. NBN Co has forecast that all remaining installations will be completed by November 2022.
- Of the 1,066 satellite services being installed under the Program:
 - **764** are 'standard' installations and **127** are 'large' installations. Both standard and large installations will provide community members with free access to community Wi-Fi via satellite during natural disasters. Standard installations can support up to 50 simultaneous users, whereas large installations can support up to 100 simultaneous users and have additional power resiliency.

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- **175** are 'Business Satellite Service' (BSS) installations. These services are only being installed at emergency service locations to enable emergency services to remain connected to their networks during outages. There is no community Wi-Fi component for BSS installations.
- Satellite services installed under the Program have already provided emergency connectivity during recent disasters including the 2022 East Coast Floods in Queensland and for the communities of Bemm River and Marlo in Victoria during flooding in April 2022, where telecommunications for these communities were otherwise offline.

STAND Temporary Infrastructure Deployment Program (lead: Tristan Kathage)

- This Program is providing a total of **\$9.33 million** in grant funding to assist telecommunications carriers in the purchase of temporary telecommunications facilities which can be rapidly deployed following natural disasters to provide coverage for disaster-impacted communities. Grant agreements are being managed by the Business Grants Hub.
- This program is split across two components, being:
 - Ad-hoc grant to NBN Co (\$1.7 million – completed): This funding was provided to enable NBN Co to purchase **five Road Muster trucks** and **12 satellite fly away kits**. These assets were in place by the end of 2020 and used during disasters including during Cyclone Seroja in WA, the June 2021 storms in Victoria, and the 2022 East Coast Floods in Northern NSW.
 - Competitive grants component (\$7.63 million – ongoing): Funding is being provided to cover up to 50 per cent of the costs of other temporary facilities such as cells on wheels. Grants were awarded to Telstra, TPG Telecom, Optus and NBN Co. Details of grants awarded under the competitive grants component are outlined in **Table 1** below.

Table 1: Grant status – Temporary Infrastructure Program as at 12 October 2022

Grantee	Total value of awarded grants ²	Expenditure to date	Temporary facilities funded	Amount funded	Amount delivered	Estimated delivery date ³
Telstra	\$752,500	\$248,325 (\$504,175 outstanding)	Fly Away Kits	6	0	01/2023
			Cell and Repeater Trailers	6	0	12/2022
TPG Telecom	\$1,901,325		Portable BTS units	7	0	18/11/2022

² Note that the amounts in this column reflect the Commonwealth's 50 per cent contribution to the projects. Grantees are covering the other 50 per cent of project costs (which are not reflected in Table 1).

³ As reported by grantees.

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		\$1,711,192 (\$190,133 outstanding)	Ultra-portable BTS units	5	1	31/10/2022
			Portable Generators	20	20	Completed
Optus	\$2,000,000	\$1,800,000 (\$200,000 outstanding)	Satellite Cells on Trailers	7	4	15/11/2022
			Cells on Wheels (COWs)	7	4	15/11/2022
NBN Co	\$2,980,000	\$2,922,640⁴	Multi-Technology Trailers	12	12	Completed
			Wireless Mast Trailers	2	2	Completed
			Network on Wheels Trailers	4	4	Completed
			Hybrid Power Cubes	40	40	Completed

- The competitive grants component was originally anticipated to be completed by 31 July 2022, however only NBN Co was able to complete its project by this deadline.
 - Telstra, TPG Telecom and Optus were unable to meet this deadline as they all reported international supply chain issues caused by COVID-19 and the Russian invasion of Ukraine had delayed the manufacturing, shipping and fabrication of the temporary facilities.
 - To provide sufficient time for these assets to be procured by the grantees, the department sought an extension of the Program to the 2022-23 Financial Year through a Movement of Funds of approx. \$894,308. This was approved by the Minister for Finance on 22 September 2022.
- Of the \$7.63 million allocated for the competitive grants component, as of 31 August 2022 \$6.68 million has been expended, \$894,308 in payments are outstanding and \$57,360 was unclaimed (see footnote 3).

STAND Public Information and Coordination Program (lead: Tristan Kathage)

- The department undertook market research into the community's preparedness for telecommunications outages in natural disasters. The research identified that people in metropolitan areas and travellers were the most vulnerable cohorts.
- Between December 2020 and June 2021, the department produced a series of animations on telecommunications preparedness. These resources were created and

⁴ Note that NBN Co did not claim the full grant amount in its entirety as part of its final payment as total project costs were lower than originally estimated. Approx. \$57,360 was unclaimed by NBN Co.

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utilised by Emergency Service Organisations, the telco industry and other interest stakeholders.

- In November 2021, the department produced and shared a full suite of easily shareable resources to stakeholders on telecommunications preparedness to its stakeholders. There was good utilisation of these resources by ESOs, the telco sector and other stakeholders. Resources included animations, social tiles, Gif files, factsheets and a postcard.
- In October 2022, the department produced five audience focused resource packs and shared these with its stakeholders. These packs were ESO, local council and tourist, CALD, First Nations and Deaf and Hard of Hearing specific packs

Cell Broadcasting National Messaging System (lead: Tristan Kathage)

- The Departments conducted an approach to market (Request for Tender 10023062) on 12 August 2021 to obtain tender quality prices for the implementation of the CBNMS.
- Tenderers have indicated design, build and testing timeframes of up to 12 months after contracts are signed.

s47E(d) - certain operations of agencies

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STAND: Financial Information as at 31 August 2022

- The total value of the STAND package as announced in 2020 was \$37.1 million. \$33.862 million of this was in administered funds, with the remaining \$3.427 million being departmental funds.⁵
- Of the administrative funding component, an additional \$4.37 million in administered funds was reallocated from the MBSP to the MNHP for the 2022-23 FY to bring the total administered component of STAND up to \$38.2 million.

Program Start Date:	1 July 2020-21					
Program End Date:	30 June 2022-23					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget (as originally announced in 2020)	18.504	15.348	-	-	-	33.862
- Movement of Funds from FY20-21	(5.418)	5.418	-	-	-	
- Movement of Funds from FY21-22	-	(3.057)	3.057	-	-	
- Reallocation from MBSP FY22-23	-	-	4.370	-	-	
Total administered funding as at 31 August 2022	13.086	17.709	7.427	0	0	38.222
Less:						
Actual Expenditure YTD at 31 August 2022	13.086	10.721				
Total Committed Funds at 31 August 2022	0	6.947	7.427			
Total Uncommitted Funds (balance)	0	0.039	0	0	0	0.039

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

⁵ Departmental funding is covering the STAND communications component, grants hub and contractor costs.

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SUBJECT: 5G Innovation Initiative

Talking Points

- The first round of the Initiative, which provided \$19.5 million in funding, is continuing, and is demonstrating the capabilities of 5G technology in a range of industries, including logistics, agriculture, emergency management and construction.
- Round 2 of the Initiative has been discontinued, implementing an election commitment of the Government to realise savings for other priorities.
- Applicants for Round 2 were advised in July that the funding for Round 2 had been discontinued.
- The commercial rollout of the 5G network in Australia is now well advanced, with 5G services available to 80 per cent of the Australian population.
- The Australian telecommunications industry, businesses and industries are the key drivers of 5G innovation and its potential for enhancing productivity.
- The Government is also committed to funding enhanced mobile connectivity under the Better Connectivity Plan, and investing in upgrades to the NBN network, including for the company to upgrade its fixed-wireless network to make better use of 5G technology.

[If raised] Funding and Impact on Western Sydney

- Western Sydney is benefiting from the Peri-Urban Mobile Program and the NBN expansion of full fibre access to an additional 1.5 million homes and businesses.
- There was no guarantee that projects in Western Sydney would have been funded through the Round 2 of the Initiative. That would have depended on applications received and their eligibility.

[If raised] Qube Holdings

- The grantee has chosen to discontinue the project. The department and the Business Grants Hub are working with the grantee to finalise administrative arrangements.

Key Issues

Call for reinstatement of the 5GII

- On 14 September 2022, Senator Sarah Henderson, Shadow Minister for Communications, made a speech to the 2022 Australian Communications Consumer Action Network (ACCAN), calling for the reinstatement of (Round 2 of) the Initiative.
- The Government has already allocated the \$22 million in savings from discontinuing the Initiative for other priorities.

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Australian 5G Innovation Initiative Round 1

- In September 2020, the previous government announced the establishment of the Australian 5GII which provided funding to support businesses and organizations to demonstrate the capabilities of 5G technology in a range of sectors.
- Applications opened on 19 February 2021 and closed on 31 March 2021. The successful applicants were announced on 22 August 2021. \$19.5 million was allocated to 19 projects (a list of these projects is set out in **Attachment A**).
- The majority of the final reports from the recipients of this funding are expected to be provided in the last quarter of 2022, depending on the dates on which the grant funding was finalised.

Qube Holdings

- Qube Holdings advised the Business Grants Hub on 29 July 2022 it has discontinued its Next-Gen Moorebank Logistics Park 5G Autonomous Cargo Vehicles project which was funded under Round One of the Initiative. There has not yet been a public announcement about this development. Further details about this issue are set out in the background below.

Australian 5G Innovation Initiative Round 2 - discontinuation

- In December 2021, the previous government announced additional funding of \$22 million for Round 2 of the Initiative, which included up to \$2 million to be set aside for projects in Western Sydney (aimed at supporting the development of Western Parkland City) and \$2 million in departmental funding.
- Applications for Round 2 closed on 11 April 2022, and initial assessments by the Business Grants Hub commenced shortly after that. There were 86 applicants who applied for funding under Round 2.
- On 19 May 2022, in the lead up to the 2022 federal election, the ALP committed to abolishing the Initiative with the savings of \$22 million being used to assist in funding other priorities of the Government. With the abolition of the Initiative, the funds have already been used for other priorities and are not available for use in 5G trial initiatives.
- On 18 July 2022, the Department wrote to Round 2 applicants via the Business Grants Hub advising them the Initiative had been discontinued.
- There was limited reaction from applicants, with several expressing disappointment with the decision, including noting the time and resources put in to developing their applications.
- Government grant funding is discretionary in nature and therefore any grants program may be subject to change or cancellation, particularly when there is a change of

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Government. Accordingly, there are no grounds for compensating applicants for having made an application under a program that is changed or cancelled.

Background*Qube Holdings*

- Qube Holdings advised the Business Grants Hub in 29 July 2022 that it has discontinued its Next-Gen Moorebank Logistics Park 5G Autonomous Cargo Vehicles project which was funded under Round One of the Initiative. There has not yet been a public announcement about this development.
- Qube Holdings decision is partly due to Qube Holdings having sold its interests in Moorebank Logistics Park (MLP) to LOGOS Consortium and decisions by the company to focus on other core business objectives.
- The company had intended to demonstrate s45 - material disclosed in confidence
[REDACTED]
- s45 - material disclosed in confidence
[REDACTED]
- Despite the early termination of the project, the company indicated it achieved a number of outcomes, s45 - material disclosed in confidence
[REDACTED].
- The Business Grants Hub is currently working with Qube to request a formal end of project report and will then seek a return of unused funding to the Commonwealth.

5G rollout in Australia

- Telstra's 5G network now covers 80 per cent of the Australian population.
- As at June 2021, Optus had switched on more than 1,200 5G sites covering over 830,000 households.
- As at December 2021, TPG Telecom's 5G network covered more than 85 percent of the population in Australia's ten largest cities.

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Financial Information as at 31 August 2022

Program/Project Start Date:	2021-22					
Program/Project End Date:	2022-23					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	15	5	0	0	20
Less:						
Actual Expenditure YTD at 31 August 2022	0	14.990	0			14.990
Total Committed Funds at 31 August 2022	0	14.990	4.551	0		19.541
Total Uncommitted Funds (balance)	0	0.010	0.449	0	0	0.459

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

Attachments**Attachment A:** List of Australian 5G Innovation Initiative Grant Recipients (Round 1)

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Attachment A - List of Australian 5G Innovation Initiative Grant Recipients (Round 1)

Recipient	Project description	Grant
AGSENSIO PTY LTD	5G Enhanced Mobile Broadband for Agricultural Applications with Zetifi This project will enable rigorous testing of innovative, ruggedised long-range 5G gateways in agricultural applications across various regional, rural and remote locations, and showcase the productivity benefits that high bandwidth, low latency connectivity can deliver to primary producers and the wider agriculture sector.	\$932,850
AQURA TECHNOLOGIES PTY LTD	Aqura 5G Underground Experience Initiative (A5UX) The Aqura 5G Underground Experience (A5UX) Initiative is focused on the creation of a private 5G LTE network technical architecture and commercial model to be delivered in an operating underground mine. The project will seek to test 5G as a viable underground network wireless broadband technology, validate a commercial business case to enable other underground operations to acquire the technology, and validate the 5G LTE underground network via a number of technology use cases.	\$1,931,254
AUSTRALIAN MEAT PROCESSOR CORPORATION LTD	Smart Food Safety Verification for Australian Meat Processing Exporters This project will implement a 5G-enabled technology platform to address improvements in the quality assurance process of meat production, addressing regulatory costs and eliminating human inspection errors. Specifically, the project will: <ul style="list-style-type: none"> • implement streaming of high definition video data from meat processing plants for use by On-Plant Vets (OPVs) and Food Safety Meat Assessors (FSMAs); and • augment human decision-making abilities based on video stream data, using edge computing as well as artificial intelligence-enabled machine vision analysis of meat production. 	\$412,000

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Recipient	Project description	Grant
BRIMBANK CITY COUNCIL	<p>Mobile 5G IoT Solution for Data Driven Road Asset Maintenance in Brimbank</p> <p>This project will demonstrate a mobile 5G-based Internet of Things (IoT) solution that:</p> <ul style="list-style-type: none"> • automates asset condition monitoring and auditing, reducing the cost of asset auditing by more than 50%; • reduces time (to within a week) to identify and document all of Brimbank's road and roadside assets requiring maintenance; and • provides timely information in real time to maintenance crews via an online map with locations of assets that require maintenance. 	\$1,181,258
CONIGITAL PTY LTD	<p>Remote operation of an autonomous vehicle</p> <p>This project will test 5G's capabilities in remotely controlling a vehicle, switching ownership between the driverless and remote-control systems and exchanging necessary data for vehicle-to-everything (V2X) communications. These tests will be compared to tests taken over existing infrastructure such as 4G.</p>	\$1,446,982
GIDARJIL DEVELOPMENT CORPORATION LIMITED	<p>Exploring Land & Sea Country Using 5G-enabled Drones and HD Video</p> <p>This project will demonstrate full high definition video streaming, remote participant interaction and remote participant control of drones via the internet. It will engage our Elders present and emerging in care for land and sea country by removing physical barriers that have previously made it difficult to attend remote locations. It will reduce risk, increase productivity and create employment opportunities in scientific data collection and caring for land and sea country by indigenous communities. It will combine traditional knowledge and story-telling with innovative technologies and methods. It will allow us to share our traditional, contemporary and future knowledge of land and sea country with the broader community.</p>	\$284,000

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Recipient	Project description	Grant
HMI TECHNOLOGIES PTY LTD	<p>Enhanced Mobility for Disabled and Elderly using Automated Vehicles</p> <p>This project will demonstrate 5G applications that enable safe, efficient and reliable operation of Automated Shuttle Vehicles (ASVs), in order to provide enhanced mobility for disabled and elderly passengers.</p> <p>ASVs can provide an effective solution to a key missing link in current public transport ecosystems – first and last kilometre travel. This project will demonstrate that high-speed, low-latency communications are essential to achieve the full potential of ASVs, comparing 4G and 5G operations to demonstrate 5G's superior performance.</p>	\$1,428,420
LIMINAL VR PTY LTD	<p>Interchange: VR and AI soft skills training streamed at low latencies</p> <p>Liminal will develop Interchange, a 5G-enabled virtual reality (VR) soft skills training program which will use artificial intelligence to generate real-time, animated responses by high fidelity virtual humans. Animated responses will be determined by real-time emotional analysis of verbal statements made by trainees, using IBM's Watson cloud-based cognitive computing system. Interchange will demonstrate the capabilities of commercially available 5G networks to a range of industries across Australia - made possible by innovation leaps driven by 5G, edge computing, AI and VR..</p>	\$793,736
MAXART PTY LTD	<p>Real-time streaming of construction site 3D scans over retail 5G networks</p> <p>This project involves the implementation, testing and trials of 5G-enabled software for real-time streaming of construction site digital twins between workers on site and their office colleagues, using retail 5G mobiles and networks. This technology will harness the potential of 5G technologies to improve how every worker in the construction industry visualises and communicates complex problems on construction sites, ultimately improving worker productivity and safety whilst creating new jobs.</p>	\$250,000

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Recipient	Project description	Grant
NOKIA SOLUTIONS AND NETWORKS AUSTRALIA PTY LTD	5G Connected Cobots (Collaborative Robots) This project aims to demonstrate how 5G can be used to offload both sensor data and intensive processing from the cobot to a powerful edge cloud compute platform capable of processing this data and based upon this, instruct the cobot how to interact with its surroundings including nearby humans in real-time. The project will explore the feasibility of this process and aims to develop key learnings applicable to 5G-based remote control of cobots and autonomous entities such as cars, robots, and drones.	\$923,613
NOKIA SOLUTIONS AND NETWORKS AUSTRALIA PTY LTD	South Australia National 5G Industrial Incubation Lab Nokia and the South Australian Government are proposing a 'National 5G Industrial Incubation Lab' to be established in Adelaide to deliver three key user cases covering: <ul style="list-style-type: none"> • Rail Safety in Rail corridor via camera and scene analytics using big data, • Airport situational awareness for securing public safety using HoloLens and video cameras, and • power over voltage management in a power network via distributed edge compute via 5G connectivity. These 5G user cases will be supported by partner eco systems from Adelaide Airport, South Australian Power Network and Department for Infrastructure and Transport. This includes utilisation of local expertise from The Australian Institute for Machine Learning (University of Adelaide).	\$1,913,013
OPTUS NETWORKS PTY LIMITED	Project Endeavour: Enhancing Electricity Grid Reliability & Safety with 5G Optus in partnership with Endeavour Energy, Unleash live and Amazon Web Services will trial the use of drones and vehicles equipped with 5G-connected ultra-high definition (UHD) cameras with computer vision to intelligently monitor Endeavour's critical electrical infrastructure. If successful, this technology has the potential to reduce the time to diagnose faults, increase safety and reduce carbon emission from vehicles and helicopters.	\$648,000

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Recipient	Project description	Grant
QUBE HOLDINGS LIMITED <u>(Note: please refer to information in background in relation to this project)</u>	Qube Next-Gen Moorebank Logistics Park 5G Autonomous Cargo Vehicles Qube is developing the Moorebank Logistics Park (MLP), an intermodal rail terminal. Central to the value proposition of MLP is the efficient movement of containers from Port Botany to onsite warehouses. This project will install 5G communications to link automated vehicles to the central fleet management and safety system with the low latency and high reliability of 5G used to create safe, reliable operations. The project will evaluate the performance and benefits of 5G and automated transport systems.	\$2,000,000
RHEINMETALL DEFENCE AUSTRALIA PTY LTD	5G Remote Controlled Firefighting Tank Rheinmetall are developing an autonomous/remote control 'Firefighting Tank' (called the Fire Tank) which is a purpose built firefighting vehicle capable of traversing extremely dangerous terrains to support rescue, path clearing and firefighting missions. This project will investigate using low-band 5G to support long-range remote control of these vehicles. The project is focused on investigating the feasibility of this technology and development of a drone based 5G range extension capability.	\$1,496,627
SPATIAL INFORMATION SYSTEMS RESEARCH LTD (Trading as FrontierSI)	5G Precise Positioning Testbed - Demonstrating economic benefits of 5G Precise positioning of consumer devices to within 10cm is now possible through 5G. However, users are unable to access this capability due to infrastructure and device interoperability barriers. A 5G Precise Positioning Testbed using the Optus network supported by global telecommunications and positioning leaders Ericsson and GMV, will demonstrate and measure economic benefits of four business applications using 3GPP in the agriculture and consumer sectors, and help inform future 5G investment decisions.	\$1,127,100

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Recipient	Project description	Grant
SWOOP AERO PTY LTD	5G-enabled UAV for lifesaving pathology supply and coastal monitoring This project will develop 5G-enabled telecommunications infrastructure to enable two key innovations: <ul style="list-style-type: none"> ultra-reliable Unmanned Aircraft Vehicle (UAV) command and control across remote and unserviceable locations, with 100% uptime for precise monitoring of location in supply chain, and temperature of cargo, during critical medical supply delivery; advancing upon this, real-time high definition/4K video streaming for low-latency machine-driven analysis enabling life-saving coastal monitoring. 	\$816,750
TPG TELECOM LIMITED	5G enabled livestock counting with real-time data validation This project aims to demonstrate how 5G networks can complement artificial intelligence-enabled image processing, computer vision and edge computing technologies to deliver benefits and efficiencies to the agricultural sector. The project will use 5G to enable multiple high quality 4K video streams to count sheep at a regional livestock exchange, automating the process and removing human error. A supporting 5G edge network will process the counting on site and relay the data in real time back to farmers on a tablet or mobile device.	\$1,455,000
TRANSDEV SYDNEY FERRIES PTY LTD	Transdev Sydney Ferries 5G Trials for CCTV and HelpPoint Transdev Sydney Ferries will install equipment on a subset of ferries that will use 5G to support applications including: <ul style="list-style-type: none"> help points (requiring high availability of 99.5%, and low latency); CCTV streaming (multiple streams to multiple locations); and CCTV offload (>300GB per day per vessel offload expected). This project will measure and compare performance metrics of ferries fitted with both 5G and non-5G technologies.	\$380,860

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Recipient	Project description	Grant
VAPAR INNOVATION PTY LTD	<p>Improving wastewater pipe inspections using Artificial Intelligence and 5G</p> <p>Thousands of kilometres of pipes are inspected every year in Australia and around the world to maintain the condition of sewer and stormwater networks. Today this process relies on visual observations of busy operators and defects are often missed. VAPAR has developed AI (Artificial Intelligence) to automatically detect defects in pipes. Thanks to low latency and massive machine-to-machine communication, 5G will now allow for this analysis to be done in real-time to assist operators to better identify defects. This technology will make condition assessment faster and cheaper, benefiting public infrastructure and the cost of water for all Australians.</p>	\$120,000

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SB22-000120

SUBJECT: First Nations Digital Inclusion**Talking Points**

- The Australian Government is committed to working in partnership with First Nations people and communities to address the significant and ongoing challenge of digital inclusion.
- The inclusion of Target 17 in the National Agreement on Closing the Gap – which commits parties to the goal of equal levels of digital inclusion by 2026 – reflects the importance of addressing the digital divide.
- Currently, the key activity identified under the Commonwealth Implementation Plan for Closing the Gap is the Indigenous Digital Inclusion Plan. It focuses on three key issues – affordability, access and digital ability.
- The First Nations Digital Advisory Group will provide strategic advice to the Minister for Communications on digital inclusion, including identifying existing initiatives that support improved digital inclusion for First Nations people and how these might be leveraged or expanded.
- The Advisory Group will work in partnership with First Nations people and will prioritise First Nations perspectives in developing its advice. Its advice will be guided by the priorities set out in the National Agreement and the Indigenous Digital Inclusion Plan.

Key Issues

- Achieving equal levels of digital inclusion has been identified by government and stakeholders as a significant and ongoing challenge for First Nations people. Compounded by other sources of disadvantage such as geography and income levels, digital exclusion impacts on the social, educational and economic opportunities available to First Nations people.
- While robust data remains scarce, available indicators all point towards substantial levels of inequality and a gap which is either static or increasing. The factors impacting on Indigenous digital inclusion vary between communities, particularly metropolitan and regional areas compared with rural and remote communities, and the overall situation is relatively poor.
- The National Agreement on Closing the Gap includes Outcome 17, which is focused on ensuring that Aboriginal and Torres Strait Islander people have access to information and services enabling participation in informed decision-making regarding their own lives. The target for measuring progress against this outcome is that by 2026, Aboriginal and Torres Strait Islander people have equal levels of digital inclusion (Target 17).

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- The establishment of the First Nations Digital Advisory Group will support the Australian Government's progress on Target 17. It will help ensure First Nations views and perspectives are prioritised and will be guided by the objectives and priorities set out in the National Agreement and the Indigenous Digital Inclusion Plan.
- The immediate focus of the Advisory Group's work will be remote communities, however, in the longer term, it will also consider digital inclusion issues in non-remote settings. As part of this work, it will help improve our understanding of the diversity within the First Nations community in terms of digital inclusion and how it can best be supported in different contexts.
- The advice from the Advisory Group will complement the Government's broader investments to improve connectivity for rural and regional Australia, including through its Better Connectivity Plan, which will provide over \$400 million in funding over the next five years.

If asked: What progress has there been on Indigenous Digital Inclusion Plan and why hasn't it been publicly released?

- The department is working with the National Indigenous Australians Agency (NIAA) on finalisation of the Indigenous Digital Inclusion Plan.
- The Plan was developed in consultation with First Nations organisations and communities, businesses and government agencies.
- Consultations on the Plan provided a useful framework for considering digital inclusion for First Nations people, and identifying priorities for future action.
- It is our understanding that NIAA will release the Plan by the end of the year.

If asked: What is the Government's plan to address the lack of data on First Nations people and digital inclusion?

- In establishing baseline data for Target 17, the Productivity Commission has drawn data on access Aboriginal and Torres Strait Islander people have to internet in the home from the 2014-15 National Aboriginal and Torres Strait Islander Social Survey.
- The Productivity Commission identified there is no comparable baseline data on home internet access to the internet for non-Indigenous people.
- More generally, the lack of data relating to First Nations digital inclusion has been identified as a significant challenge.
- The Australian Digital Inclusion Index (ADII) survey provided information on internet access levels for Indigenous and non-Indigenous Australians between 2014 and 2020.

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(note: the latest report did not include Indigenous data acknowledging the difficulty to accurately capture this in national survey approaches.

- As a result, RMIT University and Telstra have commenced a four year Mapping the Digital Gap research project with remote communities.
- The National Indigenous Australians Agency is also considering this issue as part of broader data development work under the National Agreement on Closing the Gap.

Background***National Agreement on Closing the Gap***

- The National Agreement for Closing the Gap commits parties to the goal that Aboriginal and Torres Strait Islander people have access to information and services enabling participation in informed decision-making regarding their own lives.
- Sitting under this outcome is the target that by 2026, Aboriginal and Torres Strait Islander people have equal levels of digital inclusion. The Minister for Communications has oversight of Target 17.
- The Productivity Commission noted that while the National Aboriginal and Torres Strait Islander Social Survey (2014-15) provides data on access to internet in the home for First Nations people, there is no comparable data on home access to the internet for non-First Nations people. As such, this means that estimating a trajectory to achieve parity is not currently possible under Target 17.

Indigenous Digital Inclusion Plan

- The Indigenous Digital Inclusion Plan (IDIP) was a recommendation of the 2018 Regional Telecommunications Review and is a key action under the Commonwealth Implementation Plan for Closing the Gap. Its development is being led by the National Indigenous Australians Agency (NIAA).
- It focuses on the three key elements of digital inclusion generally recognised as being critical to digital inclusion – affordability, access and digital ability – and is expected to be published shortly.
- The IDIP is based on the principles of co-design, and outlines pillars of actions based around existing, pipeline and priorities for further work. The IDIP seeks to improve access, affordability and digital ability for First Nations Australians.
- Additional, specific questions on the IDIP should be referred to the NIAA.

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Australian Digital Inclusion Index

- The Australian Digital Inclusion Index (2020) showed that First Nations people living in urban and regional areas had relatively low digital inclusion (55.1 points, which was 7.9 points below the national average in 2020).
- This score was based on three key elements of digital inclusion:
 - Affordability: In 2020, First Nations people recorded an Affordability score of 54.0. This was 6.9 points below the national average (60.9). The prevalence of mobile-only and prepaid service use (35.0 per cent compared to the national average of 19.9 per cent), which carries higher costs per gigabyte than fixed connections, contributed to poor levels of affordability amongst First Nations people.
 - Access: In 2020, First Nations people recorded an Access score of 68.5. This was 7.8 points below the national average (76.3). The Access gap between First Nations people and the national average is widening (from 5.2 points in 2018 to 7.3 points in 2019 to 7.8 points in 2020) with the increasing transition of fixed broadband users onto the National Broadband Network.
 - Digital Ability: In 2020, First Nations peoples recorded a digital ability score of 42.8. This was 9.2 points lower than the national average (52.0). First Nations people scored lower for all the components that make up this score. For basic skills, they scored 46.0 compared to the national average of 59.4.
- The latest ADII report published on 15 October 2021, did not update the data for First Nations people. Instead the ADII flagged that First Nations digital inclusion issues and data would be covered by a new project by RMIT University and Telstra called Mapping the Digital Gap.

Mapping the Digital Gap

- The Mapping the Digital Gap project will generate scores for digital inclusion for 10-12 remote communities from 2021 to 2024.
- The ADII report indicates the project will better enable First Nations-specific digital inclusion data to be collected than the nationally-based ADII. This is partly due to the project being able to unpack the challenges to affordability, access and digital ability at a more granular level by deploying a qualitative methodology and community focused approach.
- Over the four months to June 2022, the Mapping the Digital Gap team visited nine remote communities during five trips to north Queensland and Torres Strait, central Australia, east Arnhem Land and the Kimberley in WA. In collaboration with local research partner organisations and community co-researchers, the team has conducted 450 surveys and 115 interviews on digital inclusion and media use in these communities.

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SB22-000120

- Overall, the team has observed a broad range of barriers to digital inclusion from: limited access to reliable phone, mobile or internet services; slow download speeds due to high levels of congestion; high data costs with predominantly pre-paid services; gaps in digital literacy and awareness of scams, cyber-safety and use of online services.

Regional investment programs

- The Government has a number of regional communications programs that contribute to addressing digital inclusion in rural/regional Australia, but are not limited to First Nations communities.
- The Regional Connectivity Program (RCP) aims to improve connectivity in regional and remote Australia. The Australian Government is investing \$117.4 million in more than 130 placed-based telecommunications infrastructure projects through the RCP. This includes funding for 44 projects in Northern Australia, with many in remote First Nations communities such as Munkata, Napranum and Bidyadanga.
- The Australian Government is also investing \$380 million in the Mobile Black Spot Program which will improve mobile coverage and competition across Australia.
- More than 1,270 new base stations have been funded across Australia, with over 1,040 now complete and delivering real benefits to Australian communities. This includes funding for 216 base stations in the Northern Australia with many in remote First Nations communities such as Punmu, Parnngurr and Kalumburu.
- The Australian Government also continues to monitor and maintain a network of up to 229 community payphones, 301 Wi-Fi telephones and 24 Wi-Fi hubs in remote First Nations communities. These services provide public telephone and public Wi-Fi internet services in around 450 communities.
- For further information please see the following briefs: Regional Connectivity Program SB22-000127; Mobile Black Spot Program SB22-000122, SB22-000123; Better Connectivity Plan (Resilience) SB22-000124; Universal Service (Payphones) SB22-000138.

Financial Information as at 21 September 2022

The Australian Government will provide \$2.5 million over five years to support the establishment of a First Nations Digital Advisory Group. For a breakdown of funding information please see below, with an additional \$0.499m and \$0.505m allocated for financial years 2025-26 and 2026-27 (not captured by the table).

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Program/Project Start Date:	July 2022					
Program/Project End Date:	December 2024					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	0	0.463	0.533	0.500	2.5
Less:						
Actual Expenditure YTD at 31 August 2022						
Total Committed Funds at 31 August 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	0	0	0	0	0

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BUDGET ESTIMATES 2022 - 2023

Environment And Communications

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SB22-000121

SUBJECT: Boosting education opportunities for up to 30,000 families with no internet at home

Talking Points

- NBN Co will deliver the Government's commitment to boost education opportunities for up to 30,000 families with school aged students with no internet at home by offering 12 months of free NBN broadband.
- In the Budget, the Government has provided \$4.7 million of funding to support the initiative:
 - \$4.5 million to NBN Co via a grant in 2022-23 to support the delivery of free broadband services.
 - \$0.2 million over three years from 2022-23 to 2024-25 to administer the grant through the Business Grants Hub.
- Free services will be available across the entire NBN network, including in regional and remote areas.
- School students (K-12) will be nominated to receive services by schools, education bodies and community organisations. These organisations are best placed to identify students in need given their experience supporting digital inclusion and education outcomes. Nominations are expected to commence over the coming months.
- Free services are expected to gradually commence from the start of the 2023 school year, subject to timing of nominations by education bodies and community organisations.
- This is a targeted affordability trial while the Government considers longer-term solutions to ensure children's education is not disadvantaged by digital exclusion in 2023.

Key Issues

- COVID-19 lockdowns and home-schooling highlighted the disadvantage faced by students without fast, reliable home internet access.
- The last survey of connectivity by the Australian Bureau of Statistics in 2016-17, indicated that three per cent of Australian families with children under 15 had no home internet access.
- NBN Co and the department have been consulting with education bodies and community organisations on design and implementation of the initiative since July 2022.
- Education bodies and community organisations indicated their support of the initiative, and stressed the scheme needs to be simple for families, given this is a multifaceted cohort.

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SB22-000121

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- NBN Co will implement the program by partnering with retail service providers (RSPs) to deliver the services. RSPs will be compensated for their costs through:
 - rebates of NBN wholesale charges, and
 - subsidies to compensate them for their costs in delivering retail services.
 - The initiative will provide 50 megabits per second (Mbps) fixed-line services, Fixed-Wireless Plus and Sky Muster Plus services, depending on where the family lives, with large or unlimited data quotas.

If asked – Which students and families will be able to access free services?

- Families with school aged children (K-12) across all states and territories, from capital cities to regional and remote areas, will be able to receive a free service if they meet the eligibility criteria.
- Eligibility criteria comprise being nominated as in-need by schools, education bodies or community organisations, and not recently having had an active NBN service.
- Schools, education bodies and community organisations are well placed to understand the level of need in the community, and which students and their families would benefit from being offered a free service.
- Discussions are ongoing with education bodies and community organisations to formalise their participation in the program.
- On balance, implementing means-testing or linking eligibility to receipt of specific Centrelink benefits has been ruled out for this trial initiative. It could exclude families in genuine need of assistance and would necessitate a complicated application process, deterring participation and delaying the provision of services for this trial initiative.
- A small proportion of around 300,000 premises located in areas served by non-NBN fixed-line networks are not able to be provided with these services.

If asked - What integrity measures are in place to minimise the risk of the free broadband initiative being gamed?

- Nominations will be made by schools, education bodies and community organisations as they are best placed to identify students and families in need.
- These organisations will register nominations directly and securely with NBN Co. Participating RSPs receiving applications for free services will verify via NBN Co systems that applicants have a valid nomination before completing the NBN order. RSPs will not be able to claim rebates or subsidies for customers without a valid nomination.
- Addresses of nominated families will be checked by NBN Co to ensure they do not have an existing NBN service. NBN Co will also apply an exclusion period (for example,

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1-3 months) to deter cancellation of purchased NBN services in order to take advantage of the free initiative.

- Participating retail providers will use a secure NBN Co system to verify that families applying for a free service under the initiative have been genuinely nominated by a participating school or organisation as being in need.
- Quotas will ensure fair distribution of services between the states and territories and partnering community organisations.

If asked – does the initiative address other digital exclusion factors such as devices and digital capability?

- This initiative is targeted at providing free NBN broadband services for those that can't afford it. The nomination process will identify students and families who have, or can access, digital skills training and devices to use the internet.
- In most cases, children receive digital skills and devices through the school system, with digital technologies first being included in the national curriculum in 2015, and tens of thousands of laptops provided to students by state and territory education authorities. Some community organisations also have programs providing devices and training to digitally-excluded students.
- Aspects such as digital skills and access to devices will be part of Government's consideration of longer-term solutions to ensure children's education is not disadvantaged by digital exclusion.

If asked – Why has the Government only provided \$4.5 million to NBN Co?

- The grant reflects the social purpose and non-commercial nature of this initiative and is a modest contribution by Government to help bridge the digital divide.
- The \$4.5 million grant is being provided to assist NBN Co with the retail subsidies required to gain RSP participation. NBN Co will absorb all remaining costs beyond the grant amount.
- Digital inclusion is a complex issue. Response to the initiative from different regions and demographics will provide invaluable information informing the development of longer-term strategies, for example considering digital literacy, confidence, or device access.

If asked – Why should families facing affordability challenges be denied assistance because they have an existing NBN service?

- This is a target initiative to assist families that can't access the NBN due to affordability reasons. In some cases, the family may have prioritised other essential services over home broadband access.

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- The Government's consideration of longer-term solutions to ensure children's education is not disadvantaged by digital exclusion, amongst other things, will examine affordability more generally.
- Families facing affordability challenges paying for their existing broadband service may consider shopping around for a better deal, accessing one of the hardship support schemes offered by telcos, or seeing if they are eligible for Centrelink's telephone allowance.

If asked – What happens to families after the 12-month free period?

- The longer-term solutions to ensure children's education is not disadvantaged by digital exclusion will include a transition plan for families that receive the free services.
- NBN Co will also work with participating RSPs to prevent any experiences of potential 'bill shock' for families once the free 12-month period concludes.

If asked – What happens to families not located in NBN service areas?

- The initiative does not include around 300,000 premises (less than 3 per cent of premises nationwide) that are served exclusively by fixed-line networks other than NBN.
- These non-NBN areas are serviced by a large number of different networks and RSPs. Providing free services in these areas is not practicable at this time given this is a trial.
- This limitation does not affect premises covered by the NBN in addition to other networks.

Background

- On 18 November 2021 the Australian Labor Party committed to providing free broadband for up to 30,000 families with no internet at home for a year to boost education opportunities.
- The announcement indicated broadband services will be delivered by NBN Co providing a wholesale rebate to a designated retail service provider. However, NBN Co's non-discrimination obligations prevent providing exclusivity to one RSP.
- Since the election, the department and NBN Co has consulted widely on implementation of the initiative with a range of stakeholders including the Department of Social Services, Department of Education, all State and Territory education departments, The St Vincent de Paul Society, The Salvation Army and The Smith Family.
- If the initiative is taken up to the maximum extent and services are proportionately distributed across fixed-line, fixed-wireless and satellite areas

s45 - material disclosed in confidence

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Environment and Communications

Lead contact: Tristan Kathage

SB22-000210

SUBJECT: Optus Data Breach**Talking Points**

- The cyber security incidents experienced by Optus and Medibank Private serve as a warning to all governments, businesses and citizens to be vigilant about their cyber safety.
- The Australian Government takes seriously the protection of personal information, and has been working carefully through the Optus data breach.
- As part of the response, the Minister for Communications has put in place amended regulations to allow information to be exchanged to improve consumer protection.
 - The changes will enable telecommunications companies, the financial services sector and relevant Government agencies to work together more effectively, to implement enhanced monitoring and safeguards to protect customers affected by the breach.
 - These changes were the result of rapid coordination across the Australian Government, State and Territory governments, Optus and industry key players to ensure a workable outcome to allow for better coordination whilst safeguarding of customer information.
 - The changes were needed because there are strict prohibitions on telecommunications companies sharing data.
- I note that there are ongoing investigations concerning the Optus breach. The Department of Infrastructure, Transport, Regional Development, Communications and the Arts will therefore be limited in what it can say.

Key Issues

If asked: What did the Minister and the department do in response to the Data breach incident impacting Singtel Optus Pty Ltd (Optus)?

- In the days immediately following the data breach, the Minister and the department worked with relevant Government agencies, telcos and financial institutions industry to minimise the impact of the breach on consumers.
- The Minister's Office and department first became aware of the incident on 22 September 2022. (A timeline of key events in relation to the data breach incident and the Government's subsequent response is provided at **Attachment A.**)
- On 24 September 2022, the Minister for Communications met with other Ministers involved in the Government's response to consider options to respond to the data breach. This included consideration of how to facilitate the provision of information to government agencies and financial institutions and how the Government could legally mandate the provision of credit monitoring services.

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- The Minister and departmental senior executives also met with Optus officials in the days following the breach to discuss risks to consumers, Optus' response, credit monitoring services and comfort with cyber settings.
- On 25 September 2022 Optus wrote to the Minister for Home Affairs seeking assistance to allow it to share information with financial institutions and relevant government agencies.
- The department subsequently led the development of amendments to the *Telecommunications Regulations 2021* to allow Optus and other telecommunications companies to better coordinate with financial institutions, the Australian Government and States and Territories, to detect and mitigate the risks of further cyber security incidents, frauds, scams and other malicious activities.
- The regulations were made by the Governor-General on 10 October 2022, and came into force on 12 October 2022.

If asked: How do the regulatory changes support the response to the incident?

- The revised regulations enable telecommunications companies to share approved government identifier information (such as driver's licence, Medicare and passport numbers of affected customers) with regulated financial services entities to allow them to implement enhanced monitoring and safeguards for customers affected by the data breach.
- In addition, telecommunications companies will be able to share identifiers to assist Australian Government and State and Territory agencies, to detect and assist in preventing fraud.
- The regulations were made with a range of privacy protections in mind. In relation to disclosure to financial institutions, protections include:
 - Only specified information can be disclosed. Specified information includes Government Related Identifiers (such as Passport numbers). Personal information can be disclosed only if declared by the Minister.
 - A written request for disclosure must have been received by the telecommunications company from a financial institution, stating that the information is necessary and proportionate to respond to a cyber security incident or related fraud.
 - The disclosure must be necessary and proportionate to prevent or respond to the consequences of, a cyber security, fraud, scam or identity theft issue, or to take steps to address a malicious cyber activity.
 - Before disclosure is allowed, the telecommunications company must have received notification from the Australian Competition and Consumer Commission (ACCC) that the relevant financial institution has given the ACCC a commitment that appropriate handling and storage procedures are in place.

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- The disclosure must occur in a trusted and safe way.
- Entities that wish to receive the data must provide written commitments to the ACCC that they will comply with their obligations under the Privacy Act 1988, attest to Australian Prudential Regulatory Authority (APRA) that they meet the relevant information security standard, and confirm in writing that the information they are seeking is necessary and proportionate.
- Approved recipients must satisfy robust information security requirements and protocols for any transfer and storage of data.
- Information received must be destroyed once it is no longer required.
- Similar protections are in place for disclosure to Government agencies. These include requirements that the request is necessary and proportionate.
- Importantly, this is an interim measure. The amended regulations are tailored to responding to the Optus data breach and will sunset after 12 months. In this period, the Government will consider the need for longer term reform.

If asked: Why were the amended regulations necessary?

- There are strict prohibitions on telecommunications companies from disclosing subscriber information.
- Amendments to the regulations were needed to permit telecommunications companies to safely and securely disclosure information to financial institutions and government agencies.

If asked: Why weren't the amended regulations necessary for the Medibank breach?

- As Medibank is not a telecommunications company, it is not bound by the prohibitions in the Telecommunications Act 1997.

If asked: "Doesn't section 86E of the Crimes Act allow Optus to disclosure details of the affected people?"

- Section 86E of the Crimes Act 1914 allows certain government agencies to obtain relevant information from Optus for an 'integrity' purpose including preventing, detecting, investigating or dealing with financial fraud that may have a substantial effect on the Government.
- Section 86E does not allow disclosure to financial institutions.
- Section 86E may not be available for all government agencies that require the data to put in place consumer protections, and the new regulation removes any doubt.

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If asked "What is the Government doing in reaction to the breach, and to prevent this from happening again?"

- The Government's immediate priority is protecting the Australian's whose identities could have been compromised. This includes through informing document issuers and financial institutions of the compromised identities.
- Activities currently underway include:
 - The AFP is working with state and territory law enforcement, using specialist capabilities to monitor the dark web and other online forums, and will not hesitate to take action against those who are breaking the law.
 - The Australian Cyber Security Centre is supporting Optus with a cyber security incident response and assisting other Australian telecommunications providers to enhance their cyber security.
 - The Department of Home Affairs has been engaging with Optus in its role as telecommunications security regulator, and has established a Commonwealth Credential Protection Register to help stop compromised identities from being used fraudulently. The Register will prevent some compromised identity credentials from being verified through the Document Verification Service.
 - The Australian Transaction Reports and Analysis Centre (AUSTRAC) has issued revised advice to AUSTRAC regulated business, due to the heightened money laundering, terrorism financing and crime risks, following the Optus breach.
 - Services Australia has worked with Optus to receive full details of all affected customers with Services Australia credentials exposed, such as Medicare cards and/or Centrelink Concession Cards, and will use the information to place additional security measures on affected customer records and prevent future fraud.
 - The Office of the Australian Information Commissioner (OAIC), and Australian Communications and Media Authority (ACMA) have commenced co-ordinated investigations to consider the data breach in regard to
 - whether the Optus companies took reasonable steps to protect the personal information they held from misuse, interference, loss, unauthorised access, modification or disclosure, and whether the information collected and retained was necessary to carry out their business;
 - whether the Optus companies took reasonable steps to implement practices, procedures and systems to ensure compliance with the Australian Privacy principles (APPs), including enabling them to deal with related inquiries or complaints; and
 - Optus' obligations as a telecommunications service provider, including include obligations relating to the acquisition, authentication, retention, disposal and protection of personal information, and requirements to provide fraud mitigation protections

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- The Attorney-General has introduced legislation to significantly increase penalties for repeated or serious privacy breaches, and is advancing a review of the *Privacy Act 1988*.
- The Government also provides funding to IDCARE, a not-for-profit organisation providing identity support services to affected members of the community across Australia who have concerns about their identity or related cyber security matters.
- *Further questions on the above activities should be directed to the relevant portfolios.*

If asked “What is Optus doing in reaction to the breach, and to prevent this from happening again?”

- On 3 October, Optus announced it has appointed international professional services firm Deloitte to conduct an independent external review of the recent cyberattack, and its security systems, controls and processes.
- *Specific enquiries relating to Optus’ actions in response to this incident should be directed to Optus.*

Does the Optus hack highlight a gap in regulatory requirements for the telecommunication sector to protect consumer data?

- This breach is subject to an ongoing investigation by regulators, and that limits comments that we can make.
- In broad terms, entities in the telecommunications sector are subject to whole-of-economy requirements to protect data, such as those set out in the Privacy Act 1988.
- In addition to these whole-of-economy requirements there are a range of additional obligations specifically for the telecommunications sector set out in the Telecommunications Act. In many cases, the regulatory obligations exceed those in other sectors.
- There are long standing, regulatory obligations on telecommunications companies to protect subscriber information. These include obligations to only lawfully disclose subscriber information – this is why the regulations are needed to allow disclosure to financial institutions and Government agencies. The penalty for breach of these obligations is two years imprisonment.
- In addition to this prohibition, telecommunications companies are subject to a range of security obligations through the *Telecommunications Act 1997* (Tel Act). These include:
 - Telcos must do their best to prevent telecommunications networks and facilities from being used to commit offences or, for the purposes of security, from unauthorised interference or access.

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- Telcos must notify the Department of Home Affairs of changes to telecommunications services or telecommunications systems that are likely to have a material adverse effect on their capacity to comply with their obligation to prevent unauthorised interference or access.
- These obligations are conditions of a carrier's licence. Breaches of carrier licence conditions attract a civil penalty of \$10 million per contravention.
- In July of this year, two new obligations were put in place through instruments made under the Tel Act requiring carriers and carrier service providers to:
 - Provide cyber security reporting information to the Australian Signals Directorate.
 - Provide details of critical assets to the Department of Home Affairs.
- As flagged through the department's recent consultation on these security instruments, we feel that there is more work to do and are considering further improvements.

If asked "Why was Optus allowed to hold so much personal data?"

- OAIC and ACMA have commenced co-ordinated investigations to consider the data breach and one of the issues they are examining is whether the information collected and retained was necessary to carry out their business. Given the ongoing investigation we can't comment on this specific case.
- In broad terms, telecommunications companies hold data for a range of reasons.
 - Firstly, telecommunications companies might hold information for their own business purposes.
 - Additionally, there are obligations under the telecommunications regulatory framework that require telecommunications companies to hold and protect certain data, including personal information (See **Attachment B**)
 - Thirdly, there are a range of obligations that apply across sectors.
- From a telecommunications perspective there are reasons a telco might hold personal data. Telecommunications sector-specific obligations include:
 - *Telecommunications Service Provider (Customer Identity Authentication) Determination 2022*: Retention of certain information in high-risk cases such as SIM swaps, or transferring post-paid services to pre-paid services.¹
 - Mandatory Data Retention Regime: Telcos are subject to data retention requirements under Part 5-1A of the *Telecommunications (Interception and Access) Act 1979* (TIA Act).
 - *Questions about the Mandatory Data Retention Regime, or TIA Act should be addressed to the Attorney-General's Department.*

¹ Note that the *Telecommunications (Service Provider — Identity Checks for Prepaid Mobile Carriage Services) Determination 2017*, requires telcos for prepaid services to check ID, and retain a record of checking, but to not keep a copy of identification itself.

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- There are a range of data collection and retention requirements across the statute book, that do not have anything to do with Optus having been a telco. For example, Optus providing post-paid mobile plans makes it a credit provider and subject to consumer credit regulations. Provision of credit also enlivens certain requirements in the Privacy Act.
 - *Questions on consumer credit should be directed to the Treasury.*
 - *Questions on the Privacy Act 1988 should be directed to the Attorney-General's Department.*

If asked "Would the changes to privacy and ransomware laws proposed by Opposition Shadow Ministers have helped to protect consumers following the breach?"

- I'm not able to comment on the possible impact of alternative policies.
- The Senate resolutions provide that, "an officer of a department of the Commonwealth or of a State shall not be asked to give opinions on matters of policy".
- *See above for summary of existing obligations to protect data.*

Background

- The Minister for Communications and the department were made aware of the data breach on 22 September 2022 in line with the Optus public announcement.
- The exfiltrated data includes customers' names, dates of birth, phone numbers, email addresses and, for a subset of customers, addresses, driver licence, passport and Medicare numbers.
- This unprecedented data breach of Australian personally identifiable information could involve as many as 9.8 million customers.
 - It is believed that approximately 2.1 million customers had one form of identification exposed, with 900,000 of these identification numbers being from expired documents. The remaining seven million have had date of birth, email address and phone number taken.
- Two individuals have offered in online forums to sell data which they claim is the Optus stolen data. Disruptive activities have been led by relevant security and law enforcement agencies across Government. However, it remains possible that some of the data has already been sold on to other criminal vendors.
 - The ACSC (within the Australian Signals Directorate), the AFP, and industry partners continue to monitor online forums for further release or sale of the data.

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- As a result of this incident, some financial institutions sought the detailed names and dates of birth of victims, and advised Government that the provision of these additional details would enable them to increase the protection afforded to affected Optus customers through a range of preventative actions to reduce the harm. These enhanced protections include:
 - adding additional layers of protection on accounts with details which correspond to those of impacted Optus customers; and by
 - implementing additional requirements to any attempt to create a new account with such details.

Government response to the data breach

- In the days immediately following the incident, officials recommended the Government support the request from the financial institutions subject to being satisfied that access to the data is the only reasonable and necessary option available to improve the protection of their customers, and that the provision of personal data:
 - adheres to the Privacy Act;
 - ensures the use of the data is limited to the protection of the impacted customers; and
 - avoids the assumption of risk from commercial entities who are responsible for the protection of their customers.
- Following consideration of options, the Government decided to put in place regulations that would permit telecommunications companies to make appropriate disclosures to financial institutions and to government agencies:
 - In effect, the new regulation permits the disclosure of customer information by Optus to certain financial services entities and government institutions.
 - Telecommunications companies would not be in breach of the offence in section 276 of the Tel Act, if they were to make the disclosures in a circumstance covered by the new regulation.
- In tandem, officials also explored non-legislative steps to accompany the recommended issuing of a revised regulation under the Tel Act, namely to issue additional complementary guidance by the Office of the Australian Information Commissioner, and ensure conditions were imposed on receiving institutions by the Australian Competition and Consumer Commission (ACCC).

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- Officials considered which financial institutions should have access to data and were based on what was necessary to protect customers from fraudulent activity. Institutions were probed on whether they needed the data, had the capacity to act on the data, that access to the data was necessary to improve the protection of their customers, and the institution has appropriate systems in place ensure the security of the data.
 - This was done by the Department of the Treasury in consultation with the ACCC and APRA. Financial institutions receiving the data would need to commit in writing to the ACCC on the use and handling of the data.

Media release on the Coalition Opposition's proposed changes to privacy laws

- On 6 October 2022, Senator the Hon Sarah Henderson, Shadow Minister for Communications, the Hon Karen Andrews MP, Shadow Minister for Home Affairs and the Hon Angus Taylor MP, Shadow Treasurer released a joint media statement in response to the Government's media statement announcing the proposed amendments to the *Telecommunications Regulations 2021* to better protect Australians following the Optus data breach.
- The statement welcomed the Government's changes to the *Telecommunications Regulations 2021*, but expressed the Opposition's concerns that the Albanese Government has not moved quickly enough to implement a broader range of reforms deemed necessary to protect consumers. These include:
 - amendments to the *Privacy Act* including giving consumers greater powers to prevent the use or disclosure of their data, and increased penalties for breaches; and
 - ransomware laws to increase penalties for all forms of cyber extortion as set out in the Coalition's *Crimes Legislation Amendment (Ransomware Action Plan) Bill 2022*.
- The Shadow Ministers reiterated calls for the Government to bring forward the Coalition's Online Privacy Bill with any necessary amendments in the next sitting of Parliament as a matter of priority, and urgently progress the broader review of the Privacy Act.
- Under the previous Government, on 12 December 2019, the Attorney-General Department commenced a review of the Privacy Act 1988 to ensure privacy settings empower consumers, protect their data and best serve the Australian economy. The review was announced as part of the government's response to the ACCC's Digital Platforms Inquiry.
 - The review published an issues paper in October 2020 and a discussion paper in October 2021, both of which sought feedback from industry and the public on possible options for reform. However, the Review was not finalised before the change of Government in May 2022.

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- On 13 October 2022, speaking to the National Press Club in Canberra, the Attorney-General, the Hon Mark Dreyfus KC MP, noted that while the previous Government initiated a review, it was never progressed to completion. As a result, he committed to having the review completed this year, but said the Optus data breach highlighted the need for some reforms to happen sooner.

Media response

- In light of the significant media attention that the Optus Data Breach issues has attracted, whole-of-government talking points have been developed (See: Talking Points - Data Breach – Optus (Singtel Optus Pty Ltd) at Attachment C)

Attachments

- Attachment A: Optus Data Breach – Timeline of key events
- Attachment B: Telecommunications laws in place requiring telcos to hold data
- Attachment C: Talking Points – Data Breach – Optus (Singtel Optus Pty Ltd)

OFFICIAL**Attachment A: Optus Data Breach – Timeline of key events****SB22-000210**

DATES	KEY EVENTS
THURSDAY 22 SEPTEMBER	<p>Optus releases a media statement on its website at 2pm AEST notifying the public of cyberattack compromising customer information, advising:</p> <ul style="list-style-type: none"> • payment details and account passwords have not been compromised. • Optus services such as mobile, home internet and voice calls have not been affected. • the data may include the names, dates of birth, phone numbers and email addresses of as many as 9.8 million customers. For a sub-set, that it also includes their address, driver licence and passport number. <p>Optus further advises that it has commenced providing personal notifications to customers deemed to have 'heightened-risk'.</p> <p>ACSC notifies DITRDCA of incident. ACSC distributes Whole-of-Government Talking Points to address questions relating to their initial response to the incident.</p>
FRIDAY 23 SEPTEMBER	<p>DITRDCA commences work identifying mechanisms to put beyond doubt Optus' ability to disclose information to financial institutions and government agencies.</p> <ul style="list-style-type: none"> • Department discusses situation with Optus which notifies DITRDCA it has contacted the banks and asked them to monitor accounts (9.29am email from TK summarising discussion) • Minister Rowland's office first notified by DITRDCA (11:16 am email) • Discussions with ACMA about options for sharing information, including forbearance • Advice provided to the Minister Rowland's Office and Minister for Home Affairs Office re options for Optus to disclose information under the Tel Act
SATURDAY 24 SEPTEMBER	<p>Ministers meet at 2pm¹ to get an update on Optus situation. Request advice re best legal mechanism to allow Optus to share the data with financial institutions and how to legally mandate the provision of credit monitoring services. Also requested a risk assessment from ACCC and ACMA.</p> <p>Minister for Communications meets with Optus including staff from department and ACMA – 3pm. Covered risks to consumers, Optus responses, credit monitoring services, comfort with cyber settings</p>

¹ In emails this is referred to as a 3:00 meeting, but the meeting was shifted forward.

OFFICIAL**Attachment A: Optus Data Breach – Timeline of key events****SB22-000210****SUNDAY
25 SEPTEMBER**

Officials IDC convened to discuss options to require/allow Optus to share information with financial institutions (meeting convened 7pm)

Ministers meet to discuss Optus situation (8.15pm) and agree that Minister for Home Affairs and Minister for Communications will call Optus and test whether it can share information without a legal direction, and to share any legal advice if it does not this it can provide information without direction.

Minister for Home Affairs and Minister for Communications call Optus and ask for a clear articulation of legal issues and a request for assistance (9.15pm).

Phone call between Secretary of DITRDCA and Secretary of Home Affairs to discuss responses to the Optus data breach.

Optus writes to Government requesting assistance to enable it to share information with financial institutions.

IDC convened for 1pm to commence work on a paper for Ministers advising of options to enable Optus to share data with financial institutions.

Whole of Government Briefing note is circulated following discussions across agencies to develop initial response options to the data breach incident.

- Notes AGS advice about regulatory response options being considered under both the SOCI Act and the Tel Act.
- Notes departments agree that the course of action using section 292 of the Tel Act is an appropriate mechanism subject to safeguards to protect privacy.
- Notes additional considerations for Government in relation to the proposed data disclosure.

Phone call to Optus to advise them on proposed approach – Officers from the Minister's office and the Department participated. Minister's office staff member responds via email confirming they have no concerns with the proposed approach

**MONDAY
26 SEPTEMBER**

Executive Minute provided by Department to the Minister recommending she agree to the introduction of regs under s292 to allow Optus to provide information to specified entities to allow them to enhance consumer protections (11.00am)

Initial draft of regulation provided to Optus IDC members and Minister Rowland's Office (3pm) and Optus (4.30pm)

Optus IDC convenes at 11am.

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OFFICIAL**Attachment A: Optus Data Breach – Timeline of key events****SB22-000210****TUESDAY
27 SEPTEMBER**

An actor on the 'Breached' online forum is determined to have released a 10,000 sample data set of compromised information sourced from the incident and threatens to continue to release data over the next four days until a \$1m payment is paid.

- Later in the morning the actor apparently deleted their post and stated that they no longer wished to sell the data.

Revised draft of the regulation provided to Optus IDC and Optus (4.30pm).

DITRDCA and Treasury meet with ABA staff to discuss proposed regulation (6.15pm).

**WEDNESDAY
28 SEPTEMBER**

Executive Minute provided to Minister Rowland formally providing a draft regulation

Briefing and draft regulation materials shared with Optus IDC

Optus IDC meets at 10am and then again at 3.30pm

Minister Rowland meets with the Australian Banking Association about the proposed regulation (4.30pm)

Optus Taskforce delivers consolidated advice to Government on:

- options for Optus to share personal information with Commonwealth entities and the private sector to detect and mitigate the risks of cyber security incidents, fraud, scams and other malicious cyber activities; and
- the desirability to having a common approach to accessing data.

Taskforce establishes a Commonwealth Regulators Working Group, led by the OAIC, to discuss potential regulatory action arising from the data breach

**THURSDAY
29 SEPTEMBER**

Optus Taskforce meets at 10.30am and then 2pm.

Optus Taskforce establishes a subgroup (DITRDCA, Tsy, AGD, OAIC, APRA and ACCC) to work through the s292 regulation and in particular what information should be shared and whether a register should be established to record which financial institutions access the data.

Optus Taskforce develops fact sheet establishing an agreed whole-of-government source of public-facing information relating to the data breach, disseminated across agency websites.

**FRIDAY
30 SEPTEMBER**

Optus IDC meets at 10am. Optus Taskforce:

- oversees consolidation of legal advice to Government on amendments to the *Telecommunications Regulations 2021* to facilitate Optus sharing information with financial entities;
- establishes a Working Group, led by the Attorney General's Department (AGD), to explore legislative reform options in response to the breach

OFFICIAL

OFFICIAL**Attachment A: Optus Data Breach – Timeline of key events****SB22-000210**

	<ul style="list-style-type: none"> coordinates arrangements to allow information provided to the OAIC under the Notifiable Data Breach scheme to be shared with relevant Commonwealth entities. <p>Minute sent to Minister including the IDC advice on the regulation and updated draft regulation</p> <p>Draft reg provided to MO and Optus (2PM) and ABA via Tsy.</p> <p>Draft reg, supporting legal advice and policy briefing circulated to IDC members (5.30pm).</p>
SATURDAY 1 OCTOBER	Optus Taskforce meets at 11am. Optus Taskforce coordinates departmental input into a letter to Optus CEO from Attorney-General, MHA and Min for Comms to expedite data sharing arrangements with financial institutions and relevant Cth agencies.
SUNDAY 2 OCTOBER	A-G, Min for Comms and MHA met with Optus CEO and discussed the establishment of an Government-Optus working group.
MONDAY 3 OCTOBER	<p>Optus issues a media release at 11:30am AEST notifying the public of its appointment of Deloitte to conduct an independent external review of the recent cyberattack, and its security systems, controls and processes.</p> <p>Optus also provides an update to Government in which it confirms:</p> <ul style="list-style-type: none"> Approximately 1.2 million customers have had at least one number from a current and valid form of identification, and personal information, compromised. Optus has communicated with these customers and recommended that they take action to change their identification documents. In addition, approximately 900,000 customers have had numbers relating to expired IDs compromised, in addition to personal information. Optus continues to work with governments and agencies regarding what further steps, if any, those customers should take. Approximately 7.7 million customers had data containing details such as email addresses, dates of birth or phone numbers compromised.
TUESDAY 4 OCTOBER	<p>Optus taskforce meets 8.30am. Optus Taskforce ensures Secure Data Transfer Procedures are developed and distributed by ACSC to facilitate the transport of compromised Optus customer personal information from Optus to the Commonwealth or APRA regulated financial entities</p> <p>Executive Minute provided to Min for Comms and Treasurer attaching finalised policy approval letter (including advice about scope of the Minister's power to make additional entities eligible to receive information from Optus) and media release.</p>

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OFFICIAL**Attachment A: Optus Data Breach – Timeline of key events****SB22-000210****WEDNESDAY
5 OCTOBER**

Optus Taskforce meets at 2.30pm. Optus Taskforce:

- coordinates advice across Government to secure agreement to amend the *Telecommunications Regulations 2021* to better protect Australians following the Optus data breach.
- establishes the Optus-Australian Government Data Breach Working Group, led by AGD, to carry forward coordinated engagement with Optus (the Legislative Reform Working Group has been rolled into this working group).

First meeting of Legislative Reform Working Group – 4pm.

**THURSDAY
6 OCTOBER**

Optus taskforce – legislative reform working group meets at 10am.

Optus taskforce meets at 2.30pm.

Final version of proposed *Telecommunications Regulations 2021* amendments are provided to the Minister for Communications.

Minister and Treasurer announce the new regulations.

**FRIDAY
7 OCTOBER**

Minister agrees the *Telecommunications Regulations 2021* amendments. Legislative package supplied to ExCo.

First meeting of the Optus – Australian Government working group (1pm)

Optus Taskforce notes guidance, led by OAIC, for financial services entities receiving data from a carrier or carriage service provider under the *Telecommunications Regulations*.

DITRDCA attends the National Cyber Security Committee Operations Sub-Committee Meeting (NOSC) to provide an update to State and Territories cyber experts on the *Telecommunications Regulations 2021* changes.

**MONDAY
10 OCTOBER**

Governor General approves amendments to the *Telecommunications Regulations 2021*.

**TUESDAY
11 OCTOBER**

Telecommunications Regulations 2021 changes are officially registered on the Federal Register of Legislation.

OAIC commence investigation into the Optus companies over the recent data breach, to be co-ordinated with that of the ACMA (see below), to consider whether the Optus companies took reasonable steps to:













- protect the personal information they held from misuse, interference, loss, unauthorised access, modification or disclosure,

OFFICIAL**Attachment A: Optus Data Breach – Timeline of key events****SB22-000210**

	<p>and whether the information collected and retained was necessary to carry out their business; and</p> <ul style="list-style-type: none"> implement practices, procedures and systems to ensure compliance with the Australian Privacy principles (APPs), including enabling them to deal with related inquiries or complaints. <p>ACMA commences investigation into the data breach in regard to Optus' obligations as a telecommunications service provider.</p> <ul style="list-style-type: none"> These include obligations relating to the acquisition, authentication, retention, disposal and protection of personal information, and requirements to provide fraud mitigation protections.
WEDNESDAY 12 OCTOBER	<p><i>Telecommunications Regulations 2021</i> changes come into effect.</p> <p>Meeting of the Optus-Australian Government working group (10am)</p>
14 OCTOBER	Meeting of the Optus-Australian Government working group (9.15am)
18 OCTOBER	Meeting of the Optus Taskforce (11am)
21 OCTOBER	Meeting of the Optus-Australian Government working group (9.30am)
28 OCTOBER	Meeting of the Optus-Australian Government working group (9.30am)

OFFICIAL

Telecommunications laws in place requiring telecommunications companies to hold data – SB22-000210 Attachment B

Types of Information:	Are there any regulatory obligations for a service provider to:			
	Collect this information?	Retain this information?	Destroy this information?	Keep a compliance record?
<u>Customer Details</u> <ul style="list-style-type: none"> Name, DOB, address information* Information about the service/s which the customer has connected to their account <p><i>*or, if applicable, other information a telco used to identify a subscriber</i></p> <p><i>NB: There may be additional obligations to collect/retain this information in other legislation.</i></p>	 For identity verification purposes <u>(ACMA Pre-Paid Det 2017)</u>	 For the life of the account, and a further two years after the account has been closed <u>(TIA Act 1979)</u>	 However, subject to requirements to encrypt and protect this information from unauthorised interface/access.	 However, ACMA has a role in enforcing compliance with these obligations and can take enforcement action
<u>Personal ID Numbers*</u> <ul style="list-style-type: none"> Driver's Licence Numbers Passport Numbers Medicare Numbers <p><i>*any combination to satisfy 100 points of ID</i></p> <p><i>NB: There may be additional obligations to retain this information as a result of credit reporting legislation (e.g. Part IIIA Privacy Act 1988)</i></p>	 For identity verification purposes <u>(ACMA Pre-Paid Det 2017)</u>	 No requirement to retain this information in Tel or TIA Acts	 For identity verification purposes <u>(ACMA Pre-Paid Det 2017)</u>	 For at least one year in high-risk cases (e.g. SIM swaps, transferring post-paid to pre-paid services, transfers of service ownership) <u>(ACMA Customer Identity Authentication Determination 2022)</u>
<u>Communication metadata information</u> <ul style="list-style-type: none"> Details of sender and recipient Date/time/duration – e.g. call logs, message logs Type of communication – e.g. voice, SMS email, etc. Location information – e.g. cell towers, Wi-Fi, etc. 	 <u>(TIA Act 1979)</u>	 For two years <u>(TIA Act 1979)</u>	 However, there are requirements to encrypt and protect this information from unauthorised interface/access.	 However, ACMA has a role in enforcing compliance with these obligations and can take enforcement action.

IMPORTANT NOTE: The content in the table above is general information only and should not be relied upon as legal advice or relied on to determine a service provider's obligations under laws. Although reasonable efforts have been made to ensure that the content is complete and accurate, the Commonwealth of Australia accepts no responsibility for the accuracy or completeness of the contents or liability for any damage, loss or expense incurred directly or indirectly through the use of, the reliance on, the content.



TALKING POINTS

Subject	Data Breach – Optus (Singtel Optus Pty Ltd)	
Date	21 October 2022	Version: 17
Type	Whole of Government	
Media Officer: Mr Alex Carter	Media Ph: 0401 261 616	

ISSUE

Major data breach at Optus resulting in millions of Australians' details being leaked, and offered for sale.

TALKING POINTS – Key Messages

- The Australian Government understands the Optus data breach is very stressful for millions of Australians.
- We want them to know, this is a priority for the Government and we are working around the clock to make sure that people's identities and privacy are protected and to minimise the impact of this breach.
- The Government's position is clear—data breaches of this magnitude are unacceptable and Optus must take responsibility.
- Victims of this breach shouldn't be picking up the bill for replacing their government documents.
- The Australian Government is working closely with Optus to provide all the support possible to resolve this situation and protect those people who have been affected.
- Those affected should contact Optus in the first instance and remain vigilant and monitor personal accounts for any potential data breaches.
 - Those impacted should also consider whether they need to replace identity documents, such as their drivers licence and passport.
- The Government is looking at all possible solutions to protect and reissue victims' identity documents.

Government Response

- Agencies across Government have mobilised in response to this breach and are also working with our international partners such as the FBI.
- Amendments to the Telecommunications Regulations 2021 came into effect on 12 October 2022 to better protect Australians following the Optus data breach.
 - The amendments enable telecommunications companies to temporarily share identifier information (such as drivers' licence, Medicare and passport numbers of affected customers) with regulated financial services entities.



Australian Government
Department of Home Affairs

- The sharing of this information with regulated financial organisations will allow them to implement enhanced monitoring and safeguards for customers affected by the data breach.
 - The amendments also allow Optus to share identifiers to assist Commonwealth, and state and territory agencies, to detect and assist in preventing fraud.
 - The regulations have been carefully designed with strong privacy and security safeguards to ensure that only limited information can be made available for certain purposes.
 - The amount of information disclosed will depend on what is reasonable and proportionate to the needs of the financial institution or government agency and what is necessary to safeguard their existing and potentially new customers.
 - This will occur in a highly secure manner and on terms that will ensure the protection of the privacy of individuals.
- The Department of Home Affairs has established a Commonwealth Credential Protection Register.
 - As Optus provides data, issuing agencies will assess it and determine whether to add the credential to the Register.
 - This prevents credentials being verifiable online, for organisations that use the Document Verification Service.
 - This will inconvenience the rightful owners, until they get a new credential.
 - The inconvenience is outweighed by the need to prevent identity crime.
 - Affected individuals should consider using other credentials, or visit an organisation or government agency in person, where possible.
 - As at 14 October, the Register includes around 100,000 Australian Passports.
 - These passports can still be used for international travel.
- On Friday (7 Oct) the Australian Transaction Reports and Analysis Centre issued advice to AUSTRAC regulated business, due to the heightened money laundering, terrorism financing and crime risks following the Optus breach.
- We're also reviewing the *Privacy Act 1988* (Cth) with a view to strengthening privacy protections.
- National security agencies, AFP and the Office of the Australian Information Commissioner (OAIC) are working with Optus to respond to the cyber security event and provide ongoing technical advice.
- Operation Guardian, a joint partnership between the AFP, state police services, the private sector and industry, is designed to offer additional protection to the most at-risk customers from the Optus breach.
- This work includes the criminal investigation, and monitoring the dark web and other forums.



Australian Government
Department of Home Affairs

- On Thursday (06 Oct) a Sydney man was charged for allegedly attempting to misuse stolen Optus customer data in a text message blackmail scam.
- It is an offence to buy stolen credentials. Those who do face a penalty of up to 10 years' imprisonment.

ADVICE TO OPTUS CUSTOMERS

- All Australians and Australian organisations need to strengthen their cyber defences to help protect themselves against online threats.
- If you think you may be affected by the recent Optus data breach contact Optus Customer service on 133 937. [Optus Media Centre | Optus](#)
- You should also:
 - secure your devices and monitor your devices and accounts for unusual activity, and ensure they have the latest security updates.
 - enable multi-factor authentication for all accounts.
 - If you need assistance with taking these steps, please visit [cyber.gov.au](#)
- Be alert for scams referencing the Optus data breach. Learn how to protect yourself from scams by visiting [www.scamwatch.gov.au](#).
- If you are concerned that your identity has been compromised or you have been a victim of a scam, contact your bank immediately and call [IDCARE](#) on 1800 595 160.
- If your identity has been stolen, you can [apply for a Commonwealth Victims' Certificate](#)
- The following websites can help you protect yourself and stay informed:
 - [Identity theft | Moneysmart](#)
 - [Identity fraud | OAIC](#)
 - [cyber.gov.au](#)
- If you wish to make a privacy complaint, please contact [Optus](#). If you are unable to resolve your complaint with Optus, you may wish to lodge a complaint with the [Telecommunications Industry Ombudsman](#) and the [Office of the Australian Information Commissioner](#).
- If you are worried your government identity documents or accounts have been compromised, you will need to contact individual agencies.

Medicare cards

- Services Australia is continuing to work closely with Optus to identify what information has been exposed and how to help protect it.



Australian Government
Department of Home Affairs

- If your Medicare number has been exposed, Optus will contact you directly.
- Please be assured people can't access your Medicare details with just your Medicare card number.
- If you're concerned or you've been affected, visit [Services Australia's website](#) for more information about how to replace your Medicare card.
- The easiest way to replace your Medicare card is by using your Medicare online account through myGov.
- If your Medicare or Centrelink account has been compromised, you can call Services Australia's [Scams and Identity Theft Help Desk](#). They can help secure your accounts if they've been compromised.

Passports

- Passports are still safe to use for international travel. However, the government understands impacted Optus customers may be concerned about identity theft relating to their passports.
- Optus has agreed to reimburse the costs associated with replacing a passport due to the breach. Customers will need to pay for their replacement passport upfront and then seek a reimbursement from Optus.
- For more information, contact Optus customer service directly on 133 937.

GENERAL CYBER SECURITY ADVICE

- All Australians and Australian organisations need to strengthen their cyber defences to help protect themselves against online threats.
- The ACSC have produced a wide range of guidance and advice to ensure Australia remains the most secure place to connect online. These are available [cyber.gov.au](#).
- Simple steps to boost cyber security include:
 - Update your device and turn on automatic updates to ensure you always have the most up-to-date security protection.
 - Turn on multi-factor identification to increase the security of your accounts and make it harder for criminals to gain initial access to your device.
 - Turn on automatic backups to copy and store critical information.
 - Implement access controls to limit user access to only what is needed on devices.
 - Turn on ransomware protection measures.
 - Prepare a Cyber Emergency Checklist to reduce stress and recovery time.
 - Stay up to date on cyber security threats and trends with ACSC Alert Service.
 - Visit [cyber.gov.au](#) for more information.



Australian Government
Department of Home Affairs

GOVERNMENT ACTIONS

Australian Cyber Security Centre

- Optus is working closely with the ASD's Australian Cyber Security Centre (ACSC), the Office of the Australian Information Commissioner (OAIC), the Australian Federal Police (AFP), financial institutions and other government regulators.
- The Australian Signals Directorate's Australian Cyber Security Centre (ACSC) is supporting Optus with cyber security incident response and ongoing technical advice.
- ACSC is providing support to other Australian telecommunications providers to enhance their cyber security. The ACSC remains in regular contact with state and territory Chief Information Security Officers.

Office of the Australian Information Commissioner, and Australian Communications and Media Authority

- The OAIC today commenced [an investigation into the Optus companies](#) over the recent data breach.
- The OAIC's investigation will be co-ordinated with that of the Australian Communications and Media Authority (ACMA), [also announced today](#).
- The OAIC's investigation will focus on whether the Optus companies took reasonable steps to protect the personal information they held from misuse, interference, loss, unauthorised access, modification or disclosure, and whether the information collected and retained was necessary to carry out their business.
- The investigation will also consider whether the Optus companies took reasonable steps to implement practices, procedures and systems to ensure compliance with the Australian Privacy principles (APPs), including enabling them to deal with related inquiries or complaints.
- The ACMA will investigate the data breach in regard to Optus' obligations as a telecommunications service provider. These include obligations relating to the acquisition, authentication, retention, disposal and protection of personal information, and requirements to provide fraud mitigation protections.
- On 23 September, Optus formally notified the OAIC of the data breach, under the Notifiable Data Breaches scheme. The OAIC is working with Optus to ensure they are complying with the requirements of the scheme.
- The OAIC have provided advice on how Australians can respond to data breaches and protect themselves from further harm.

IDCARE

- The Government provides funding to IDCARE, a not-for-profit organisation providing identity support services. IDCARE offers support to affected members of the community across Australia who have concerns about their identity or related cyber security matters.



Australian Government
Department of Home Affairs

Australian Federal Police

- On Thursday, 6 October, a 19 year old Sydney man was charged for allegedly attempting to misuse stolen Optus customer data in a text message blackmail scam.
- The man was charged with two offences:
 - Using a telecommunication network with the intent to commit a serious offence, contrary to section 474.14 (2) of the *Criminal Code Act 1995* (Cth), where the serious offence is blackmail, contrary to section 249K of the *Crimes Act 1900* (NSW).
 - Dealing with identification information, contrary to section 192K of the Act 1900 (NSW).
- The Australian Federal Police (AFP) has launched Operation HURRICANE to investigate the criminal aspects of the breach.
- This matter has been referred to the AFP by Optus. The AFP is aware of reports alleging stolen Optus customer data and credentials is potentially being sold through a number of illicit forums.
- The AFP is using specialist capability to monitor the dark web and other online forums, and will not hesitate to take action against those who are breaking the law.
- It is an offence to buy stolen credentials. Those who do face a penalty of up to 10 years' imprisonment.

Operation Guardian

- Operation Guardian, is designed to offer additional protection to the most at-risk customers from the Optus breach.
- Operation GUARDIAN is focused on shielding affected customers, where they can be identified, and working with industry to enhance protections for members of the public.
- It will initially focus on providing additional support to more than 10,000 customers who had their identification credentials unlawfully released on-line: to
 - Identify these customers and alert industry to enable further protection for people
 - Monitor online forums, the internet and the dark web for other criminals trying to exploit the personal information released online
 - Engage with the financial service industry to detect criminal activity associated with the data breach
 - Analyse trends from ReportCyber to determine whether there are links between individuals who have been exploited
 - identify and disrupt cyber criminals.



Australian Government
Department of Home Affairs

Services Australia

- Services Australia wrote to Optus on September 27 asking for the full details of all affected customers with Services Australia credentials exposed, such as Medicare cards and/or Centrelink Concession Cards.
- Services Australia received the requested information from Optus in the early hours of Tuesday morning (4 October), and the agency is now undertaking analysis of the information provided to inform remediation actions.

Services Australia will use the information provided to place additional security measures on affected customer records, as required. It will also use the information to prevent future fraud.

AUSTRAC

- On Friday (7 Oct) the Australian Transaction Reports and Analysis Centre issued advice to AUSTRAC regulated business, due to the heightened money laundering, terrorism financing and crime risks, following the Optus breach.
 - AUSTRAC encourages reporting entities to consider implementing controls to respond to increased risk of identity theft, including when accepting new customers & monitoring for existing customers who may have had personal data compromised.
 - If a reporting entity suspects a customer or transaction may be relevant to the investigation of a crime, including where they reasonably suspect a person is not who they claim to be or is the victim of a crime (including fraudulent or stolen documents), it must [submit a suspicious matter report](#) to AUSTRAC.
 - Further details have been published at: [Optus data breach – working with our reporting entities | AUSTRAC](#)

Department of Home Affairs

- The Department of Home Affairs is working with Commonwealth, state and territory agencies to minimise the potential for exposed documents to be used fraudulently.
- The Department of Home Affairs has established a Commonwealth Credential Protection Register to help stop compromised identities from being used fraudulently.
- The Register will prevent compromised identity credentials from being verified through the Document Verification Service.
- The Document Verification Service is used by government agencies and businesses, such as banks, to verify an individual's identity online.



Australian Government
Department of Home Affairs

- This will prevent credentials that are included on the Register from being used fraudulently. Rightful owners will also not be able to use them online.
- New credentials issued following the data breach will work as normal.
- In the interim, impacted individuals should consider using alternative credentials or speak to service providers that ask for identification for other options, such as visiting the service in person to present the credential.
- As Optus provides data, issuing agencies will assess it and determine whether to add it to the Register. As at 14 October 2022, the Register includes around 100,000 Australian Passports.
- These passport can still be used for international travel.

THE SITUATION

- On 22 September 2022, Optus released a media statement advising it had identified a data breach involving the exfiltration of potentially millions of its current and former customers' personally identifiable information from its network.
 - Optus has advised that:
 - Payment details and account passwords have not been compromised.
 - Optus services such as mobile, home internet and voice calls have not been affected.
 - Optus advises that it has commenced providing personal notifications to customers deemed to have 'heightened-risk'.
- Optus had advised that the data may include the names, dates of birth, phone numbers and email addresses of as many as 9.8 million customers. For a sub-set, that it also includes their address, driver licence and passport number.
- On 27 September 2022, an actor on the 'Breached' online forum released a 10,000 sample data set and threatened to continue to release data over the next four days until a \$1m payment was paid. The actor has since deleted their post and claims to no longer wish to sell the data. It is possible that other actors took copies of the data.
- On 29 September 2022, Optus confirmed the exfiltration of 14,900 current Medicare card numbers and 22,000 expired Medicare card numbers. Optus advised they will shortly contact all affected customers.

If asked - Do we know who perpetrated this attack? Was it a state actor?

- Cyberattack investigations are complex and while the impact of a breach may be immediate, understanding what has occurred takes time.
- The initial priority is helping Optus remediate its networks and recover as quickly as possible, and notifying those immediately impacted.



Australian Government
Department of Home Affairs

- The Government will only make a public attribution when it is clear and in our national interest to do so.

If asked: What steps has the government taken under the critical infrastructure reforms?

- Optus is a designated critical infrastructure provider and has made a mandatory report under the *Security of Critical Infrastructure Act 2018*.
- The Department of Home Affairs regulates Optus under both the *Telecommunications Act 1997* and the *Security of Critical Infrastructure Act 2018*.

If asked - Was this a ransomware attack?

- There are no indications this was a ransomware attack.

If asked - What is the government doing to keep our data safe?

- The Government is taking an all vectors approach to cyber and data security.
- The Government's new Cyber Strategy will build whole-of-nation resilience against these types of attacks and ensure our networks and devices are protected against malicious actors.
 - The Department of Home Affairs is developing Australia's first National Data Security Action Plan, which will map the nations' data security settings and provide measures to strengthen consistency and resilience against data security threats.
 - The Digital Transformation Agency, with the Department of Home Affairs, the Australian Taxation Office and Services Australia, is working on expanding the use of secure digital identities so that companies can meet their customer identification requirements while collecting less personally identifiable information. This will reduce the damage inflicted by these types of incidents.
 - The Attorney-General's Department is reviewing the *Privacy Act 1988* (Cth) to ensure that Australia's privacy laws are fit-for-purpose in the digital age and that they accord with community expectations in light of the rise of digital platforms and other technological changes.
- The Australian Government works with industry to take action and address the possible consequences and harm relating to a serious data breach.
- Under the Notifiable Data Breaches scheme, entities regulated by the *Privacy Act 1988* (Cth) must notify affected individuals and the OAIC when a data breach is likely to result in serious harm to an individual whose personal information is involved.
- The Government provides funding to IDCARE, a not-for-profit organisation providing identity support services. IDCARE offers support to affected members of the community across Australia who have concerns about their identity or related cyber security matters.

If asked - Why is the ACSC scanning the Optus perimeter?

- ACSC has the capability to quickly build visibility of security vulnerabilities across all levels of government and provide vulnerability notifications to system owners.



Australian Government
Department of Home Affairs

- ACSC used this capability to support Optus ensuring the security of their extended network.

CLEARANCE:

Drafted by	Title	Time/Date drafted
Tracy Heffernan	Director, National Security and Crisis Communication, Home Affairs	1630, 21 /10/2022

Cleared by	Title	Time/Date cleared
Brendan Dowling	Deputy Cyber Security Coordinator, Dept of Home Affairs	1609, 21 /10/2022

Released under FOI Act by DTPDCA

BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Lachlann Paterson / s47F

SB22-000122

SUBJECT: Mobile Black Spot Program**Talking Points**

- The Australian Government has committed \$380 million (GST excl) since 2015 to the Mobile Black Spot Program (Program), which is expected to deliver 1275 new mobile base stations across Australia (program chronology at **Attachment A**).
- Including co-contributions, the Program has to date generated total investment of over \$875 million (GST incl) including co-contributions from the Commonwealth, the states and the mobile network operators (MNOs).
- As at 20 September 2022, 1044 base stations from rounds 1-5 (86 per cent) are now complete, giving local communities access to better mobile coverage (rollout status at **Attachment B**).
- Base stations funded under rounds 1-5 of the Program are currently scheduled to be completed by 30 June 2023. The rollout of Round 5A has now commenced.
- The next round of the Program (\$40 million GST excl) will give effect to the 54 individual mobile coverage commitments made by the Government during the election period, similar to the former Government's Priority Locations Round (SB22-000125 refers).
- The remaining Program funding (\$39.1 million GST excl) will be allocated to improving mobile coverage in peri-urban areas (SB22-000126 refers).
- Under the Government's Better Connectivity Plan, \$400 million has been committed to further improving mobile coverage on major highways and in underserved regional communities, and to delivering additional communications resilience measures.

Key Issues*Round 5A*

- On 23 July 2021 the former Government announced a \$20.5 million (GST incl) commitment to fund 67 new mobile base stations across Australia under Round 5A of the Program.
- These 67 base stations will deliver over 12,000 square kilometres of new and improved handheld coverage including to disaster prone areas and major transport corridors.
- Round 5A includes funding for a trial solution that will enable all mobile network operators to provide services in this region. This includes seven base stations from Thargomindah to Waihora in Queensland, including at East Thargo, Dynevor Downs, Bulloo, Paroo and Eulo.
- The rollout of Round 5A base stations has now commenced.

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Connecting Northern Australia

- The Government has also committed an additional \$68.5 million (GST excl) in dedicated funding to improve telecommunications infrastructure across Northern Australia, through supplementary funding of the Regional Connectivity Program, of which \$25.1 million is allocated towards mobile infrastructure projects.

If asked: How is funding awarded under the Program?

- Under the Program, funding is awarded using a competitive grants process where MNOs and infrastructure providers are asked to come forward with proposals.
- Applicants choose the locations where they apply for funding for new base stations and the Government can only consider proposals in an area if applicants apply in that area.
- Communities are encouraged to engage with their local council and the MNOs to make their mobile coverage issues known. Experience has shown that when local communities and councils engage with the MNOs it increases the likelihood of an application for funding being put forward.

If asked: Why are some (Round 1- 5) base stations delayed?

- More than 86 per cent of Rounds 1-5 base stations are now complete, including 95 per cent of Rounds 1-4 sites.
- Base station deployment is a complex process that typically takes 18-24 months to complete. In some cases, base stations may experience delays due to factors such as acquiring landowner agreement at a viable location, obtaining local government planning approvals, and the availability and access to supporting infrastructure including power and backhaul.
- Timing and delivery of a base station is subject to a number of external parties that are directly and indirectly involved in the deployment process. These parties include land owners, local communities, local councils, state government departments, power authorities, other MNOs, equipment manufacturers and infrastructure providers.
- Planning approvals and site acquisition in particular are subject to external processes that are typically outside of the direct control of the MNOs. In some instances, these external factors may either delay or prevent the base station from being built.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts works closely with the MNOs to manage more difficult sites.

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Extreme weather events (including bushfires and floods): Some delays have been experienced getting power to new sites as power companies prioritised the restoration of power in areas affected by severe weather events, including bushfires and floods. Severe weather events have also made site access difficult, delaying the construction of base stations in some cases.

- COVID-19: The COVID pandemic has also introduced complexities and delays in the deployment of the MNO's workforce due to state and territory border restrictions, and in sourcing equipment from international supply chains.
- COVID-19 continues to have an impact on deploying workforces, sourcing materials and connecting power, particularly in remote communities, leading to some site delays.
- The mobile carriers are working closely with the power companies, material suppliers, and relevant local, state and territory agencies to minimise delays.

If asked: What happens if a base station cannot be built?

- Funding recipients must formally advise the department why a site cannot be built, and where possible, propose a replacement site at an alternative location.
- Reasons for sites being unable to be built include difficulty in obtaining access to suitable land – including agreeing commercial terms with landowners (private, local and state government), difficulty obtaining local and state government planning approvals and having available access to supporting infrastructure such as power and backhaul.
- Only when all options have been exhausted, and sufficient evidence has been provided will a site be removed from the Program.
- In some cases, an alternative site can be built at another location.
- To date, 64 sites cannot be built, and 43 replacement sites have been agreed.

If asked: Has co-location been successful under the Program?

- The Program includes co-location provisions that enable other MNOs to co-locate at funded sites at incremental cost where it is technically and commercially feasible to do so, providing the benefits of increased competition and services to regional areas.
- It is important to note that co-location remains a commercial decision for the MNOs.
- As at September 2022, co-location is occurring or being planned at 108 sites funded under the Program. Additionally, 99 funded base stations have been co-located on NBN Co towers and 38 funded base stations co-located on other third-party facilities.
- These numbers are likely to change as the rollout continues and co-location on Round 5 and 5A sites is finalised. In some cases, co-location may not progress, in other cases alternative opportunities may arise.

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If asked: Will the tower sale announcements by Optus and Telstra affect sites funded under the Program?

- The announcements made by Optus and Telstra to sell off the passive assets of their mobile towers is a commercial decision of both companies as part of a restructure of their operations.
- These proposals do not relieve Optus or Telstra from their obligations to build, maintain and operate, and provide retail mobile services from all sites funded under the Program, and both companies have committed to meeting their ongoing contractual obligations.
- Telstra has also committed to invest \$75 million from its tower sale proceeds to further enhance connectivity in regional Australia, which is to be guided by recommendations from the 2021 Regional Telecommunications Review (SB22-000140 refers).

Attachments

- Attachment A – Chronology of the Mobile Black Spot Program
- Attachment B – Mobile Black Spot Program rollout status

Financial Information as at 31 August 2022

- Refer to Mobile Black Spot Program - Key Statistics brief **SB22-000123**

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Attachment A

Chronology of Mobile Black Spot Program

- In June 2015, the Australian Government announced \$110 million (GST inclusive) in funding for 499 new mobile base stations under Round 1. To date, 485 Round 1 base stations are complete and on air (99 per cent). A total of 10 base stations cannot be built due to unforeseen site acquisition, planning approval or technical issues.
- In December 2016, the Government announced \$57 million (GST inclusive) in funding for 266 new mobile base stations under Round 2. To date, 258 Round 2 base stations are complete and on air (98 per cent). A total of three base stations cannot be built due to unforeseen site acquisition, planning approval or technical issues.
- In April 2018, the Government announced \$45 million (GST inclusive) in funding for 102 new mobile base stations under the Priority Locations Round (Round 3). To date, 81 Round 3 base stations are complete (86 per cent). A total of eight base stations cannot be built due to unforeseen site acquisition, planning approval or technical issues.
- In March 2019, the Government announced \$28.3 million (GST inclusive) in funding for 180 new mobile base stations under Round 4. To date, 154 base stations are complete and on air (86 per cent).
- In March 2019, the Government announced an additional \$160 million for two new funding rounds (Rounds 5 and 6). This announcement increased the Government's total commitment to the MBSP from \$220 million (GST exclusive) over four rounds to \$380 million (GST exclusive).
- In April 2020, the Government announced \$36.8 million (GST inclusive) to fund 182 new base stations under Round 5. To date 66 sites have been completed and are on air (36 per cent).
- On 23 July 2021, the former Government announced the outcomes of Round 5A. The Government committed \$20.5 million (GST inclusive) to fund 67 new mobile base stations across Australia.
- \$80 million (GST excl) in uncommitted funding remains committed to the program, of which:
 - \$40 million has been committed to the next round that will give effect to improving mobile coverage at 54 locations announced by the Government during the May 2022 election period; and
 - the remaining funding has been allocated to further improving mobile coverage in peri-urban areas.

Attachment B

Mobile Black Spot Program – rollout status

Program totals by Round (Rounds 1-5A)

Round	Funded # sites	Removed # sites	Revised # sites	Completed # sites	% Completed
Round 1	499	10	489	485	99%
Round 2	266	3	263	258	98%
Round 3 (PLR)	102	8	94	81	86%
Round 4	180	0	180	154	86%
Round 5	182	0	182	68	37%
Round 5A	67	0	67	0	0%
Total	1296	21	1275	1046	82%

Program totals by Carrier (Rounds 1-5A)

Carrier	Funded # sites	Removed # sites	Revised # sites	Completed # sites	% Completed
Telstra	940	8	932	816	88%
TPG Telecom	75	11	64	60	94%
Optus	262	2	260	170	65%
FSG	19	0	19	0	0%
Total	1296	21	1275	1046	82%

Program totals by Round (Rounds 1-5)

Round	Funded # sites	Removed # sites	Revised # sites	Completed # sites	% Completed
Round 1	499	10	489	485	99%
Round 2	266	3	263	258	98%
Round 3 (PLR)	102	8	94	81	86%
Round 4	180	0	180	154	86%
Round 5	182	0	182	68	37%
Total	1229	21	1208	1046	87%

Program totals by Carrier (Rounds 1-5)

Carrier	Funded # sites	Removed # sites	Revised # sites	Completed # sites	% Completed
Telstra	894	8	886	816	92%
TPG Telecom	75	11	64	60	94%
Optus	258	2	256	170	66%
FSG	2	0	2	0	0%
Total	1229	21	1208	1046	87%

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Environment and Communications

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SB22-000123

SUBJECT: Mobile Black Spot Program – Key Statistics**Talking Points**

- **\$380 million** (GST excl) committed by the Government to the Program.
- More than **\$875 million in total investment** (GST incl) over Rounds 1-5A (including co-investment from the Commonwealth, states and the mobile industry).
- **1,296 base stations** have been allocated funding to date, including **67** under Round 5A, however 21 sites cannot proceed (i.e. are frustrated), leaving **1275** at present.
- **1,044** base stations activated as at **20 September 2022** (978 Rounds 1-4 base stations).
- **\$24.1 million** (GST incl) awarded to Telstra, Optus and TPG Telecom, under Stage 1 and 2 of the Mobile Network Hardening Program (MNHP), to improve network resilience to more than **1,000** base station sites across Australia – see **Attachment A**.
 - Stage 1 of the MNHP awarded **\$13.2 million** (GST incl) to support a minimum of 12 hours battery back-up to **467** Round 1 and 2 MBSP base stations. Upgrades have been completed at **461** of these sites, with the remaining six sites to be complete this year.
 - On **7 March 2022**, the Government announced **\$10.9 million** (GST incl) for Stage 2 of the MNHP to deliver **544** upgrades to improve the resilience of regional and remote mobile network infrastructure against outages during natural disasters.
 - Total MNHP expenditure as at 31 August 2022 is **\$12.6 million** (GST incl).

Key Issues**Program summary**

Round	Funded Base Stations	Funding \$m (GST excl.)
1	499	100
2	266	52
PLR (3)	102	41
4	180	26
5	182	34
5A	67	19.2 (11.4) ¹
6 (IMCR/PUMP)	-	80 ²
MNHP	-	14.4 ³
WiFi on Trains	-	2 ⁴
TOTAL	1,296⁵	380

¹ Uncommitted Round 5A funding allocated to the Peri-Urban Mobile Program.

² \$40 million allocated to improving mobile coverage at 54 locations announced by the Government during May 2022 election period with the remaining funding (\$39.1m) allocated to further improving mobile coverage in peri-urban areas.

³ Round 5 budget has been reduced by \$14.4 million and re-allocated to the (Mobile Network Hardening Program).

⁴ \$2 million is allocated to the Station WiFi and Mobile Coverage on Trains Initiative along the rail corridor between Sydney and the Central Coast through a National Partnership Payment to NSW Government appropriated through The Treasury.

⁵ 21 base stations unable to be built have been removed from the program, reducing total number of sites to 1,275.

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MBSP - Round 5A

- On 23 July 2021, the former Government announced an additional 67 base stations to be funded under Round 5A, at a total cost to the Commonwealth of \$20.5 million (GST incl):

Round 5A	Cwth Funding (GST excl.) \$m	Cwth Funding (GST incl.) \$m	Funded Base Stations
Optus	\$ 1.1	\$ 1.2	4
Telstra	\$ 10.5	\$ 11.5	48
FSG	\$ 7.1	\$ 7.8	15
TOTAL	\$ 18.7	\$ 20.5	67

MBSP - Base Station Rollout Status and Forecast - Rounds 1 to 5

	30-Jun-21	30-Jun-22	30-Jun-23	(Frustrated) removed from the Program	Total funded
Originally scheduled / funded	1229				1229
Telstra (Actual/Forecast)	766	810	886	8	894
TPG (Actual/Forecast)	60	60	64	11	75
Optus (Actual/Forecast)	112	164	256	2	258
FSG	0	0	2	-	2
Cumulative (Actual/Forecast)	938	1,034*	1,208**	21*	1229
Percentage of total funded	76%	84.1%	98.3%	1.7%	100%

* As at 30 June 2022, a total of 21 base stations could not be built and have been removed from the Program.

** Some base stations may be delayed beyond 30 June 2023, with a small number at risk of being removed from the Program.

MBSP - Mobile Network Coverage Metrics

KPI outcomes for 984 completed base stations (with Asset Completions) as at 30 June 2022

	KPI - Premises	Actual - Premises	KPI - Transport Routes (km)	Actual - Transport Routes (km)	KPI - New Handheld (sq km)	Actual - New Handheld (sq km)	KPI - New External Antenna (sq km)	Actual - New External Antenna (sq km)
Telstra (798)	60,184	66,433	4,730	5,365	121,540	144,145	183,402	198,271
Optus (126)	21,760	24,226	1,288	1,791	8,393	9,473	9,858	14,209
TPG (60)	20,269	23,525	1,451	1,836	9,206	12,633	10,098	41,105
TOTAL (984)	102,213	114,184	7,469	8,992	139,139	166,251	203,358	253,585

- Coverage delivered from completed base stations exceeds the total overall contracted coverage metrics for these sites under the program (e.g. new handheld coverage + 19%).

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- As at 30 June 2022, 984 completed base stations with approved Asset Completion Reports have exceeded the total overall contracted coverage metrics for each key performance indicator (KPI). These base stations have delivered:
 - over 166,250 square kilometres of new and upgraded handheld coverage;
 - 253,585 square kilometres of new external antenna coverage;
 - over 8,990 kilometres of new coverage to major transport routes; and
 - new handheld coverage to more than 114,000 premises.

MBSP co-location data

- As at September 2022, co-location is occurring or being planned at **108*** MBSP funded sites. Additionally, **99** MBSP funded base stations have been co-located on NBN Co towers and **38** MBSP funded base stations co-located on other third-party facilities.

Mobile Black Spot Program – Rounds 1-5A co-location data	Totals
Total number of MBSP towers built where another mobile network operator has co-located.	58*
Total number of MBSP funded sites where NBN Co has co-located.	11*
Total number of additional MBSP sites where a third party has expressed interest to co-locate, but co-location has not yet occurred. (Includes FSG Rounds 5 and 5A sites).	39*
Total number of additional MBSP funded sites which have been co-located on a third party tower/facility (excluding NBN Co facilities). E.g. council, BAI etc	38
Total number of MBSP base stations which have been co-located on a NBN Co tower <u>only</u> .	99

Financial Information as at **31 August 2022** but includes R6 Budget reprofiling (Figures are GST excl)

Program/Project Start Date:	2015-16						
Program/Project End Date:	2026-27						
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Appropriation Budget	15.731	62.866	50.001	28.520	8.007	7.816	172.941
Less:							
Actual Expenditure YTD at 31 August 2022	15.731	0.513					
Total Committed Funds at 31 August 2022	15.731	51.157	26.996	0	0	0	93.884
Total Uncommitted Funds (balance)	0	11.709	23.005	28.520	8.007	7.816	79.057

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient. Total Uncommitted Funds (MBSP Round 6) allocated to Improving Mobile Coverage – election commitment (\$40m) and Peri-Urban Mobile Coverage (\$39.1m) from 2022-23 to 2026-27.

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- MBSP FY2022-23 expenditure as at 31 August 2022 is **\$0.513 million** (*GST excl.*).
- Program expenditure comprises:
 - a one-off Mobilisation payment paid to each mobile carrier under each respective round;
 - milestone payments, including Asset Completion payments for individual base stations; and
 - a Final Payment of up to **\$28.8 million** (*GST excl.*), 10 per cent of total grant amounts across each round of the program, payable to the funding recipients on completion of their last base station funded under each round.

MBSP - Final Payment Breakdown (GST exclusive)

Carrier	Round 1	Round 2	PLR (Round 3)	Round 4	Round 5	Round 5A	TOTAL
Telstra	\$ 8,618,196	\$ 3,605,523	\$ 3,598,615	\$ 1,633,500	\$ 698,336	\$ 2,261,270	\$ 20,415,440
TPG Telecom	\$ 1,381,804	\$ 138,432	\$ 31,085	\$ -	\$ -	\$ -	\$ 1,551,321
Optus	\$ -	\$ 1,455,727	\$ 502,229	\$ 938,652	\$ 2,590,351	\$ 246,235	\$ 5,733,194
FSG	\$ -	\$ -	\$ -	\$ -	\$ 59,090	\$ 1,027,488	\$ 1,086,578
TOTAL	\$ 10,000,000	\$ 5,199,682	\$ 4,131,929	\$ 2,572,152	\$ 3,347,777	\$ 3,534,993	\$ 28,786,533

MBSP - Estimated Program Unders/Overs – Rounds 1 to 5

- Commonwealth funding is currently tracking under budget overall across Rounds 1-5 of the Program, as at 31 August 2022.⁶

Attachments

- Attachment A – Mobile Network Hardening Program – key statistics

⁶ The Commonwealth's total funding contribution is capped. Any overspends at the end of each Round of the program are the responsibility of the respective funding recipient. Funding underspends will either be retained within the program for further investment or returned to the Budget following end-of-program reconciliation and true-up processes.

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SB21-000539

Financial Information – Full program envelope (Figures in table below reflect impact on Budget profile, not underlying Cash).

	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Opening Appropriation	40.000	60.000	80.000	20.000	39.115	39.151	59.878	39.907	0	0	0	0	378.051*
Movements/decisions♦					-2.000 ^a	-10.000 ^b							-12.000
Movements/decisions	-17.000	17.000											0
Movements/decisions		-35.911	18.292	9.616	8.003								0
Movements/decisions			-40.780	44.599	-3.819								0
Movements/decisions				-50.866	25.000	25.866							0
Movements/decisions					-46.662	10.000	36.862**						0.200
Movements/decisions						-35.000		35.000					0
Movements/decisions**						-16.327	-38.887	55.214					0
Movements/decisions^							-42.122	15.126	26.996				0
Movements/decisions♦								-15.033 ^c					-15.033
Movements/decisions♦								-67.348 ^d	23.005	28.520	8.007	7.816	0
Current Appropriation	23.000	41.089	57.512	23.349	19.637	13.690	15.731	62.866	50.001	28.520	8.007	7.816	351.218

*A total of \$1.95m of Rounds 5 and 6 Budget has been allocated to the Department to administer these rounds of the Program.

♦^aFunding of \$2m allocated to NSW Central Coast Mobile and Wi-Fi trains project 2019-20. ^bFunding of \$10m allocated to the Mobile Network Hardening Program (Stage 1) 2020-21. ^cFunding of \$4.37m allocated to the Mobile Network Hardening Program (Stage 2) 2022-23. Funding of \$10.663m allocated to the Peri-Urban Mobile Program 2022-23. ^dRound 6 funding of \$40 million allocated to improving mobile coverage at 54 locations announced by the Government during May 2022 election period and \$39.057m allocated to further improving mobile coverage in peri-urban areas 2022-23 (new funding profile, includes some funding in 2022-23).

**MYEFO 2021-22 approved movement of funds, as per 2021-22 Portfolio Additional Estimates Statements – includes additional \$0.2m appropriation for Cherry Gardens.

^ MoF adjustment in 2022-23 (\$1.614m) for actual 2021-22 expenditure of \$15.731m.

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Mobile Black Spot Program Budget Profile (GST exclusive)

Oct-22	Expenditure							Budget					
MBSR ROUND	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	TOTAL
Round 1	\$23,000,000	\$29,912,334	\$26,161,682	\$ 5,367,431	\$ 2,238,702	\$ 3,381,965	\$ 211,643	\$ 4,165,056	\$ 5,561,187				\$ 100,000,000
Round 2	\$ -	\$11,176,417	\$22,826,621	\$ 6,202,344	\$ 3,699,728	\$ 374,458	\$ 1,232,311	\$ 705,689	\$ 5,779,249				\$ 51,996,817
Round 3	\$ -	\$ -	\$ 8,524,000	\$10,866,291	\$ 5,008,751	\$ 4,376,119	\$ 2,058,322	\$ 6,384,960	\$ 4,100,844				\$ 41,319,287
Round 4	\$ -	\$ -	\$ -	\$ 913,186	\$ 7,981,806	\$ 4,034,347	\$ 6,196,327	\$ 4,023,699	\$ 2,572,152				\$ 25,721,518
Round 5	\$ -	\$ -	\$ -	\$ -	\$ 349,168	\$ 1,164,609	\$ 6,031,979	\$ 22,643,225	\$ 3,288,810				\$ 33,477,790
Round 5A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,233,870	\$ 5,693,094				\$ 18,926,964
Round 6 (IMP)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000,000	\$15,000,000	\$17,000,000			\$ 40,000,000
Round 6 (PUMP)								\$ 3,709,000	\$ 8,005,000	\$11,520,000	\$ 8,007,000	\$ 7,816,000	\$ 39,057,000
West Coast TAS	\$ -	\$ -	\$ -	\$ -	\$ 359,000	\$ 359,000	\$ -	\$ -	\$ -				\$ 718,000
Total	\$23,000,000	\$41,088,751	\$57,512,303	\$23,349,253	\$19,637,155	\$13,690,498	\$15,730,581	\$ 62,865,499	\$50,000,335	\$28,520,000	\$ 8,007,000	\$ 7,816,000	\$351,217,376

- Funding of \$1.038 million has been re-allocated from Round 5 to Round 4 to fund an additional 8 base stations merit listed through the Round 4 assessment process, and Round 5 budget has been reduced by \$10 million in 2020-21 and re-allocated to the Mobile Network Hardening Program (Stage 1).
 - A total of \$1.95 million of Rounds 5 and 6 Budget has been allocated to the Department to administer these rounds of the Program.
 - Funding of \$2.0 million re-allocated from Round 2 to the Mobile Coverage and Wi-Fi at stations NSW Central Coast Trains Project.
 - Funding of \$4.37m re-allocated to the Mobile Network Hardening Program (Stage 2) and \$10.663m re-allocated to the Peri-Urban Mobile Program 2022-23.
 - Funding of \$40 million allocated to improving mobile coverage at 54 locations announced by the Government during May 2022 election period (Round 6 - IMCR) and \$39.057m allocated to further improving mobile coverage in peri-urban areas (Round 6 – PUMP) 2022-23.
- ❖ Rounds 1-5 base stations are currently scheduled to be complete by 30 June 2023. Funding for these rounds in 2023-24 is related to final payments and savings attributed to base stations removed from the program. Actual costs will be realised and final payments made once reconciliation and true-up processes are completed at the end of each round of the program.

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SB21-000539

Mobile Black Spot Program – Cost Distribution (Rounds 1 – 5A) (GST inclusive)

Number of Base Stations	499	266	102	180	182	67	1296
Contribution of Cost per Round	Round 1	Round 2	Round 3 (PLR)	Round 4	Round 5	Round 5A	TOTAL
Sum of Cost to Commonwealth	\$ 110,000,000	\$ 57,196,498	\$ 45,451,216	\$ 28,293,670	\$ 36,825,570	\$ 20,573,260	\$ 298,340,214
Sum of Applicant contribution	\$ 185,270,170	\$ 101,771,187	\$ 37,072,224	\$ 37,277,921	\$ 28,103,388	\$ 10,327,358	\$ 399,822,248
Sum of State contribution	\$ 87,721,899	\$ 53,479,126	\$ -	\$ 17,840,113	\$ 8,353,378	\$ 7,698,473	\$ 175,092,989
Sum of Third party contribution	\$ 1,702,500	\$ 475,000	\$ 40,000	\$ -	\$ 100,000	\$ 286,000	\$ 2,603,500
Sum of Total cost of base station	\$ 384,694,569	\$ 212,921,811	\$ 82,563,440	\$ 83,411,704	\$ 73,382,188	\$ 38,884,935	\$ 875,858,647
Percentage of Total Cost per Round	Round 1	Round 2	Round 3 (PLR)	Round 4	Round 5	Round 5A	TOTAL
Sum of Cost to Commonwealth	28.6%	26.9%	55.05%	33.9%	50.2%	52.9%	34.1%
Sum of Applicant contribution	48.2%	47.8%	44.90%	44.7%	38.3%	26.6%	45.6%
Sum of State contribution	22.8%	25.1%	0.00%	21.4%	11.4%	19.8%	20.0%
Sum of Third party contribution	0.4%	0.2%	0.05%	0.0%	0.1%	0.7%	0.3%
Sum of Total cost of base station	100%	100%	100%	100%	100%	100%	100%
Average Cost Contribution per Base Station	Round 1	Round 2	Round 3 (PLR)	Round 4	Round 5	Round 5A	TOTAL
Average of Cost to Commonwealth	\$ 220,441	\$ 215,024	\$ 445,600	\$ 157,187	\$ 202,338	\$ 307,064	\$ 230,201
Average of Applicant contribution	\$ 371,283	\$ 382,598	\$ 363,453	\$ 207,100	\$ 154,414	\$ 154,140	\$ 308,505
Average of State contribution	\$ 175,795	\$ 201,049	\$ -	\$ 99,112	\$ 45,898	\$ 114,903	\$ 135,103
Average of Third party contribution	\$ 3,412	\$ 1,786	\$ 392	\$ -	\$ 549	\$ 4,269	\$ 2,009
Average of Total cost of base station	\$ 770,931	\$ 800,458	\$ 809,445	\$ 463,398	\$ 403,199	\$ 580,372	\$ 675,817

Note: Figures are based on the Estimated Capital Costs, not actual costs, as per the relevant funding agreements between the Commonwealth and Funding Recipients under each round of the Program.

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SB21-000539

State Investment (Rounds 1 – 5A)

State	Funded Base Stations	Sum of State Contribution (GST Excl)	Sum of State contribution (GST Incl)
ACT	3	\$ -	\$ -
R5	3	\$ -	\$ -
NSW	320	\$ 32,031,010	\$ 35,234,111
1	144	\$ 22,157,683	\$ 24,373,451
2	39	\$ 7,539,327	\$ 8,293,260
3	28	\$ -	\$ -
4	54	\$ -	\$ -
5	25	\$ -	\$ -
5A	30	\$ 2,334,000	\$ 2,567,400
NT	42	\$ -	\$ -
1*	5	\$ -	\$ -
2	15	\$ -	\$ -
4	12	\$ -	\$ -
5	10	\$ -	\$ -
QLD	258	\$ 24,785,045	\$ 27,263,550
1	68	\$ 9,093,727	\$ 10,003,100
2	76	\$ 12,427,273	\$ 13,670,000
3	39	\$ -	\$ -
4	26	\$ 2,280,591	\$ 2,508,650
5	40	\$ 983,455	\$ 1,081,800
5A	9	\$ -	\$ -
SA	85	\$ 7,292,331	\$ 8,021,564
1	11	\$ -	\$ -
2	20	\$ 1,326,031	\$ 1,458,634
3	6	\$ -	\$ -
4	29	\$ 4,836,227	\$ 5,319,850
5	17	\$ 862,709	\$ 948,980
5A	2	\$ 267,364	\$ 294,100
TAS	60	\$ 800,454	\$ 880,499
1	31	\$ 318,181	\$ 349,999
2	6	\$ 318,182	\$ 350,000
3	9	\$ -	\$ -
4	1	\$ -	\$ -
5	11	\$ -	\$ -
5A	2	\$ 164,091	\$ 180,500
VIC	211	\$ 33,470,669	\$ 36,817,735
1	110	\$ 19,088,526	\$ 20,997,379
2	32	\$ 7,215,785	\$ 7,937,363
3	14	\$ -	\$ -
4	32	\$ 5,237,024	\$ 5,760,726
5	13	\$ 774,964	\$ 852,460
5A	10	\$ 1,154,370	\$ 1,269,807
WA	317	\$ 60,795,936	\$ 66,875,530
1	130	\$ 29,089,063	\$ 31,997,969
2	78	\$ 19,790,790	\$ 21,769,869
3	6	\$ -	\$ -
4	26	\$ 3,864,443	\$ 4,250,887
5	63	\$ 4,972,853	\$ 5,470,138
5A	14	\$ 3,078,787	\$ 3,386,666
Grand Total	1296	\$ 159,175,445	\$ 175,092,989

* Excludes NT Government contribution of \$1.76 million under separate Territory funded program.

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BUDGET ESTIMATES 2022 – 23

MOBILE NETWORK HARDENING PROGRAM – KEY STATISTICS

Attachment A

- On 1 December 2020, the former Government announced the **\$18 million** (GST excl) Mobile Network Hardening Program (MNHP), as part of the **\$37.1 million** Strengthening Telecommunications Against Natural Disasters (STAND) initiative.
- A total of \$12 million was allocated to Stage 1 of the MNHP, \$5.5 million to Stage 2, and \$0.5 million allocated to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to administer the program.
- Additional funding of \$4.4 million (GST excl), sourced from MBSP Round 5A unallocated funding, has been allocated to fund additional projects of merit under MNHP Stage 2.

Mobile Network Hardening – revised funding profile (October 2022) – (GST exclusive)

Oct-22	Expenditure			Budget	
MNHP Funding	2020-21*	2021-22**	Sub Total	2022-23^	TOTAL
MNHP Stage 1	\$ 8,386,076.00	\$ 3,096,969.59	\$ 11,483,045.59	\$ 497,062.59	\$ 11,980,108.18
MNHP Stage 2	\$ -	\$ -	\$ -	\$ 9,870,675.13	\$ 9,870,675.13
TOTAL	\$ 8,386,076.00	\$ 3,096,969.59	\$ 11,483,045.59	\$ 10,367,737.72	\$ 21,850,783.31

*2020-21 Expenditure of \$8.386m. **Includes \$3.514m Movement of Funds from 2020-21 to 2021-22.

^Includes reallocation of \$4.37 million in 2022-23 from unallocated MBSP 5A funding and \$5.5m Movement of Funds from 2021-22 to 2022-23.

MNHP – Stage 1

- Stage 1 of the MNHP is providing **\$12 million** (GST excl) in Australian Government funding to Telstra, Optus and TPG Telecom to extend battery back up at **467** base stations funded under Rounds 1 and 2 of the Mobile Black Spot Program, to a minimum of 12 hours.
- As at 20 September 2022, back-up power has been upgraded at **461** funded sites.
- Upgrades have been delayed due to severe weather events and COVID-19 border restrictions. It is expected remaining sites will be completed in 2022.
- Payments include a 70 per cent upfront mobilisation payment, and remaining 30 per cent payable on completion of upgrades at all funded sites.
- Expenditure for MNHP Stage 1 to date is **\$11.48 million** (GST excl) for mobilisation payments in 2020-21 (\$8.4 million) and \$3.1 million in 2021-22 for Telstra's final payment.
- There has been no expenditure to date in FY2022-23, however, Stage 1 final payments to Optus and TPG, totalling up to **\$490,121** (GST excl), are expected to be made following completion of their battery upgrades and up to **\$9.87 million** to grant recipients for Stage 2 funded projects.

BUDGET ESTIMATES 2022 – 23

MOBILE NETWORK HARDENING PROGRAM – KEY STATISTICS

Mobile Network Hardening Program – Stage 1 funding by carrier (GST exclusive)

MNHP Stage 1	Telstra	Optus	TPG Telecom	Total
Totals	\$ 10,346,373	\$ 430,337	\$ 1,203,398	\$ 11,980,108
Funded sites	341	62	64	467
Completed sites (31 Dec)	341	60	60	461

MNHP – Stage 2

- On **7 March 2022**, the former Government announced **\$9.87 million** (GST excl) under Stage 2 of the MNHP to deliver resilience upgrades to **544** base station sites across Australia, comprising:
 - the deployment of 220 new generators;
 - the upgrading of 47 battery systems to increase power capacity;
 - the addition of 212 battery extension devices to enhance existing capacity;
 - improving transmission resilience within 25 mobile network clusters (comprising multiple sites) comprising a total of 320 base stations; and
 - the physical hardening of 40 sites against bushfire damage.
- These hardening measures at high priority locations will help to prevent telecommunications outages during natural disasters.
- Under Stage 2, Government funding is available for up to 50 per cent of the capital costs of the upgrades with the rest to be provided by the grant recipient.

Background

Original MNHP funding profile* (GST exclusive)

Administered Costs	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	Total \$'000
Mobile Network Hardening Program - Stage 1 - MBSP base station backup power upgrades	9,000	3,000	-	-	-	12,000
Mobile Network Hardening Program - Stage 2 - Regional telecommunications network infrastructure resilience upgrades	2,900	2,580	-	-	-	5,480
Total	11,900	5,580	-	-	-	17,480

*Total funding committed to MNHP \$18.0 million; \$17.48 million (Administered), \$0.52 million (Departmental)

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / s47F

SB22-000124

SUBJECT: Better Connectivity Plan - Resilience**Talking Points**

- Australians expect that communications services will continue to operate uninterrupted to enable access to emergency support and information, contact with loved ones, and seek assistance during disaster events.
- The Australian Government is committed to improving the resilience of regional telecommunications networks, including mobile and broadcasting infrastructure, against the impacts of power outages and damage during natural disasters.
- The Government has allocated an indicative total of **\$100 million** (GST exclusive) over four years in the 2022-23 Budget for communications resilience initiatives, comprising:
 - Two new rounds of the **Mobile Network Hardening Program** to improve the resilience of mobile network resilience in regional areas;
 - A new **Telecommunications Resilience Disaster and Innovation Program** to deploy solutions to improve the power resilience of telecommunications facilities in vulnerable communities and to develop innovative new resilience technologies; and
 - A new **Broadcasting Resilience Program** to improve the resilience of identified ABC AM broadcasting tower sites that relay critical emergency information in disaster-risk regional areas.
- These measures form part of the Government's **Better Connectivity Plan for Regional and Rural Australia**.

Key Issues*Mobile Network Hardening Program (MNHP)*

- The two additional rounds of the MNHP will provide funding from 2022-23. Grant funding will be available to upgrade the resilience of mobile network infrastructure in regional areas to reduce the risk of outages.
- Funding will be awarded on a competitive basis to the Mobile Network Operators (MNOs) – Optus, Telstra and TPG Telecom – and Mobile Network Infrastructure Providers (MNIPs) for the capital costs of resilience upgrades.
- These two additional rounds will build on the outcomes of first round of the MNHP which provided **\$21.9 million** in funding for over 1000 resilience upgrades across Australia, including:
 - the deployment of permanent and portable generators;
 - enhancements to back-up battery systems;

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SB22-000124

- improvements to transmission resilience within mobile networks; and
- physical hardening measures to protect telecommunications infrastructure against bushfires.

Telecommunications Resilience Disaster and Innovation Program (TRDI)

- The TRDI will build on the Strengthening Telecommunications Against Natural Disasters (STAND) initiative through a new competitive grants process comprising two elements from 2022-23.
- The first element of the TRDI will develop and deploy solutions to improve the power resilience of telecommunications facilities, particularly for vulnerable communities (e.g. remote Indigenous communities).
- This includes, for example, the deployment of Hybrid Power Cubes, which combine energy generation and storage methods, to improve the resilience of fixed, mobile and satellite communications networks in remote communities by providing a higher degree of independence from the energy grid.
- The second element of the TRDI will support the development and deployment of innovative solutions from the market to address issues including:
 - the rapid emergency restoration of services;
 - the use of satellite for telecommunications resilience;
 - resilience of key telecommunications services (such as Triple Zero and EFTPOS); and
 - coordination and cooperation between telecommunications carriers and other key entities such as energy providers (see SB22-000117).

Broadcasting Resilience Program (BRP)

- The BRP will prioritise up to 66 broadcasting tower sites that provide ABC AM radio services in regional areas that are at risk from natural disasters and are a key transmission source of warnings and advice to the public during emergency events.
- These sites often also host other services including commercial television and commercial and community radio broadcasters, telecommunications operators, emergency services (including police and ambulance) and local councils.
- Funded improvements will include site hardening (e.g. ember protection measures, improved protection zones and replacement of flammable items), establishing standby power facilities and deploying state based mobile recovery units to quickly re-establish broadcasting services in the event of outages.
- The grant funding is available from 2022-23.

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SB22-000124

Financial Information as at 25 October 2022

All figures are GST exclusive.

Program/Project Start Date:	2022-23					
Program/Project End Date:	2025-26					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget – Total Administered ¹	0	9.9	44.9	35.0	10.2	100.0
Appropriation Budget – Mobile Network Hardening Program ²	0	2.4	11.3	6.1	10.2	30.0
Appropriation Budget – Telecommunications Resilience Disaster and Innovation Program ²	0	5.0	22.5	22.5	0	50.0
Appropriation Budget – Broadcasting Resilience Program ²	0	2.5	11.1	6.4	0	20.0
Less:						
Actual Expenditure YTD at 31 August 2022	0					
Total Committed ³ Funds at 31 August 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	9.9	44.9	35.0	10.2	100.0

Note:

1. The overall departmental funding for the Better Connectivity Plan is \$14.3 million over five years from 2022-23.
2. Figures are nominal only. The Minister has been given authority to move funding between program components depending on demand.
3. Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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SB22-000125

SUBJECT: Mobile Black Spot Program– Improving Mobile Coverage Round**Talking Points**

- The Australian Government has allocated **\$40 million (GST exclusive)** for the **Improving Mobile Coverage Round (IMCR)** of the **Mobile Black Spot Program** over three years from 2022-23.
- The IMCR will deliver improved mobile coverage and quality of service to **54 target locations across** Australia, including communities and several major road transport corridors, supporting better access to digital services and increased public safety.
- The IMCR will provide grant funding on a competitive basis to Mobile Network Operators (MNOs) and/or Mobile Network Infrastructure Providers (MNIPs) to deploy new mobile phone infrastructure that addresses connectivity issues at the target locations.
- All applications will be competitively assessed in accordance with the public Grant Opportunity Guidelines (Guidelines). The Government is currently consulting with key stakeholders on draft Guidelines to finalise the design of the IMCR.
- The approach to market is expected to commence in coming months.

Key Issues*Target Locations*

- During the 2022 Federal Election, the Government made commitments to address mobile connectivity issues at 56 target locations across Australia. The commitment included nominal funding amounts for each targeted area.
- Following the election, the Government advised that two locations (Killcare/Hardys Bay and Yarramalong) should not be included in the IMCR due to the nature of these commitments (see *If asked* responses below).
- A list of the 54 targeted locations under the IMCR is provided at **Attachment A**, with a brief summary of the department's analysis of connectivity issues at each location.

If asked: how were locations determined/costed before tender?

- The target locations under the IMCR and funding amounts were identified in consultation with relevant communities and the telecommunications industry.
- The individual commitments total **\$37.4 million** (\$2.6 million less than the \$40 million total commitment for the Round), with funding amounts for each location being indicative only.

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- This contingency provides flexibility in funding the most appropriate solution (including multiple solutions, as necessary) to address connectivity concerns at each location. Final funding amounts will be determined through the competitive assessment process to be undertaken by the department in accordance with the publicly available Grant Opportunity Guidelines for the IMCR.

If asked: *Why are Killcare / Hardys Bay, NSW not included on the current list of locations?*

- The Government has committed to provide funding for new sites at Killcare and Hardys Bay, if current funding initiatives are unsuccessful. (Council has approved a new Optus/Telstra mobile tower in Killcare but this is being appealed by a local resident in the NSW Land and Environment Court.)
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is closely monitoring funding at existing initiatives at these sites. Additional funding is not currently required.

s47B - Commonwealth-State relations

If asked: *Why is Yarramalong, NSW not included on the current list of locations?*

- Yarramalong is a resilience upgrade project that will be implemented through a separate grants process.

Program design

- The IMCR is based on the successful design of the Mobile Black Spot Program (MBSP) Priority Location Round (a similar targeted initiative), updated with lessons learned from subsequent MBSP rounds and the recent Peri-Urban Mobile Program.
- Eligible applicants will be invited to submit proposals that address identified connectivity issues in one or more of the target locations, which are separated into different solution categories based on the type of mobile coverage issues identified.
- Different assessment criteria will be used depending on the nature of the connectivity issues at each target location. These include the level of new coverage delivered by the solution, the level of improved service quality, how the solution anticipates future growth in service demand, and the cost to the Commonwealth.

Status and next steps

- In November 2022, the Government will release draft Guidelines for a two-week public consultation. Feedback from this consultation will be considered by the department to inform the design of the final Guidelines.

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- The Government will approach the market in coming months to invite proposals from MNOs and MNIPs that address the connectivity issues identified at the target locations.
- The department will competitively assess all eligible applications in accordance with the merit criteria in the Guidelines, and make funding recommendations to the Minister for Communications as the Decision Maker for the IMCR.
- Funding outcomes for the IMCR are expected to be announced in the first half of 2023.

If asked: Why is IMCR being funded through the MBSP?

- The Government supports the continuation of the existing MBSP program funding and is delivering its targeted mobile coverage commitment through the next round of the program.
- This is consistent with the Priority Locations Round (Round 3) of the program.
- However, the Government's Better Connectivity Plan (BCP) for Regional and Rural Australia acknowledges more investment is needed in regional communications and mobile coverage in particular.
- The 2022 Budget includes a further \$400 million to expand mobile coverage in rural, regional and remote Australia along major transport passages, improve coverage in regional communities, and increase communications network resilience.
- More broadly, the Government has committed over \$2.2 billion in funding over the next five years to improve regional communications (including the IMCR, \$656 million for BCP, \$39.1 million for PUMP, \$480 million for the NBN Fixed Wireless upgrade, and \$1.1 billion for NBN full fibre upgrades in regional areas).

Background*Media – Mobile coverage commitments*

- Funding commitments for the target locations were announced by the Minister for Communications, incumbent Members of Parliament and/or election candidates during the 2022 Federal Election.
- A summary of these announcements is at **Attachment B**.

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Environment and Communications

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SB22-000125

Financial Information as at 25 October 2022*Funding profile (GST exclusive)¹*

Program Start Date:	2022-23					
Program End Date:	2024-25					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget ² - Administered	0	0	8.0	15.0	17.0	40.0
Appropriation Budget ² - Departmental	0	0	0	0	0	0
Less:						
Actual Expenditure YTD at 31 August 2022	0					
Total Committed Funds at 31 August 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	0	8.0	15.0	17.0	40.0

Note:

1. Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient
2. The \$40 million IMCR is being implemented through the \$79.1 million allocation to Round 6 of MBSP. The remaining \$39.1 million portion of the Round 6 MBSP funding allocation has been committed to two additional rounds of the Peri-Urban Mobile Program (see SB22-000126).

Attachments

- Attachment A: List of target locations under the IMCR
- Attachment B: Summary of mobile coverage commitments

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Attachment A

List of 54 Target Locations and Mobile solution categories in the Improving Mobile Coverage round of the MBSP

Target Location	State	Specific areas with coverage issue (if known)	Indicative funding	Solution Category	Specified mobile coverage or quality of service issue/s
Wreck Bay Village	ACT (JBT)	Jervis Bay Territory, including Wreck Bay and surrounding cliffs, and HMAS Creswell	\$750,000	New Mobile Coverage	Issues appear to relate to poor or no mobile coverage.
Blaxlands Ridge	NSW		\$2.0 million*	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Bowen Mountain	NSW			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Maraylya	NSW			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Carwoola	NSW	Large sections of Carwoola identified as having poor or non-existent handheld coverage. This includes areas up to 3km north of Carwoola, and Captains Flat Rd.	\$2.5 million*	New Mobile Coverage	Issues appear to relate to poor or no mobile coverage.
Talbingo	NSW	Large areas of non-existent handheld coverage identified surrounding residents in Talbingo and Talbingo township.		New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Wee Jasper	NSW	Large sections of the Wee Jasper area identified as having poor or non-existent handheld coverage. This includes the area surrounding the Wee Jasper Public School and Goodradigbee River Bridge, Wee Jasper Creek, and other communities.		New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Dalmeny	NSW			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.

Target Location	State	Specific areas with coverage issue (if known)	Indicative funding	Solution Category	Specified mobile coverage or quality of service issue/s
Mystery Bay	NSW			Improving Mobile Coverage	Issues appear to relate to localised areas of poor mobile coverage and/or limited capacity.
Eleebana	NSW		\$2.25 million*	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Jewells and Redhead	NSW			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Lake Munmorah	NSW	Poor coverage in the local conservation areas		Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Budgewoi	NSW			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Jamberoo (greater area)	NSW	Some areas of poor to non-existent coverage identified in greater areas of Jamberoo, from the south west edge of the town of Jamberoo along Wyalla Rd.	\$3.0 million*	New Mobile Coverage	Issues appear to relate to poor or no mobile coverage.
Lili Pilli (2536)	NSW			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Worrigea	NSW			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Kangaroo Valley	NSW			Improving Mobile Coverage	Issues appear to relate to localised areas of poor mobile coverage and/or limited capacity.
Kings Highway	NSW	Coverage audit maps identifying areas of poor or no mobile coverage will be provided for this New Highway Coverage Target Location.	\$1.0 million	New Highway Coverage	Issues relate to stretches of highway with poor or no mobile coverage.

Target Location	State	Specific areas with coverage issue (if known)	Indicative funding	Solution Category	Specified mobile coverage or quality of service issue/s
Majors Creek	NSW	The Government's election commitment is for a small cell solution to improve mobile coverage in Majors Creek.	\$250,000	New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Mangrove Mountain	NSW	Poor handheld coverage identified at Upper Mangrove, spanning the area around Waratah Rd, Mangrove Creek (south and south west of Mangrove Mountain) and Central Mangrove. Poor handheld coverage identified at Mangrove Mountain in the sector west of George Downes Dr.	\$750,000	New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Matcham-Holgate	NSW		\$1.5 million*	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Wyoming	NSW	Poor to no mobile coverage identified specifically in the Henry Kendall Gardens and Adelene Village Retirement Villages		Improving Mobile Coverage	Issues appear to relate to localised areas of poor mobile coverage and/or limited capacity
Monaro Highway	NSW	Coverage audit maps identifying areas of poor or no mobile coverage will be provided for this New Highway Coverage Target Location.	\$1.0 million	New Highway Coverage	Issues relate to stretches of highway with poor or no mobile coverage.
Mount Tomah	NSW		\$1.3 million*	Improving Mobile Coverage	Issues appear to relate to localised areas of poor mobile coverage and/or limited capacity.
Yellow Rock (2777)	NSW			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Princes Highway: Batemans Bay to Eden	NSW	Coverage audit maps identifying areas of poor or no mobile coverage will be provided for this New Highway Coverage Target Location.	\$1.0 million	New Highway Coverage	Issues relate to stretches of highway with poor or no mobile coverage.

Target Location	State	Specific areas with coverage issue (if known)	Indicative funding	Solution Category	Specified mobile coverage or quality of service issue/s
Princes Highway: Ulladulla to Batemans Bay	NSW	Coverage audit maps identifying areas of poor or no mobile coverage will be provided for this New Highway Coverage Target Location.	\$2.5 million	New Highway Coverage	Issues relate to stretches of highway with poor or no mobile coverage.
Snowy Mountains Highway	NSW	Coverage audit maps identifying areas of poor or no mobile coverage will be provided for this New Highway Coverage Target Location.	\$1.0 million	New Highway Coverage	Issues relate to stretches of highway with poor or no mobile coverage.
East Douglas (Townsville Region)	QLD		\$500,000	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Emerald (south west)	QLD		\$750,000	Improving Mobile Coverage	Issues appear to relate to localised areas of poor mobile coverage and/or limited capacity.
Kuranda (West)	QLD	Patches of poor to non-existent handheld coverage identified in the west Kuranda region, west of Kuranda village—including districts of Myola, Dismal Creek, and Kowrowa	\$750,000	New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Upper Stone	QLD	Large areas of poor to non-existent handheld coverage identified in the Upper Stone area.	\$750,000	New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Cudlee Creek	SA		\$1.5 million*	Improving Mobile Coverage	Issues appear to relate to localised areas of poor mobile coverage and/or limited capacity.
Rapid Bay	SA			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Port Rickaby	SA		\$1.5 million*	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.

Target Location	State	Specific areas with coverage issue (if known)	Indicative funding	Solution Category	Specified mobile coverage or quality of service issue/s
Wool Bay	SA			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Alonnah (South Bruny Island)	TAS	Patches of poor to non-existent coverage identified at Alonnah, Bruny Island.	\$350,000	New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Grindelwald	TAS	Poor handheld quality of service identified in Grindelwald township. Poor quality of service identified in areas near Waldhorn Dr and Atkinsons Rd. Poor coverage and quality of service identified near residential tourist resort, Aspect Tamar Valley. Poor coverage and quality of service identified surrounding retirement villages and complexes in Grindelwald.	\$1.5 million*	Improving Mobile Coverage	Issues appear to relate to localised areas of poor mobile coverage and/or limited capacity.
West Tamar Highway (leading into Kelso)	TAS	Coverage audit maps identifying areas of poor or no mobile coverage will be provided for this New Highway Coverage Target Location.		New Highway Coverage	Issues relate to stretches of highway with poor or no mobile coverage.
Togari	TAS	Areas of poor to no coverage identified in Togari.	\$2.1 million*	New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Queenstown	TAS	Network congestions and periods of intermittent handheld coverage identified in Queenstown township during peak tourist season. Poor quality of service and/or poor handheld coverage also identified in areas of Queenstown, including areas near Lyell Highway. Poor coverage also identified surrounding premises near Lovett St in the south of Queenstown.		Improving Mobile Coverage	Issues appear to relate to localised areas of poor mobile coverage and/or limited capacity.
Sheffield	TAS	Poor to non-existent coverage identified in Sheffield township, and in wider areas	\$2.25 million*	New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.

Target Location	State	Specific areas with coverage issue (if known)	Indicative funding	Solution Category	Specified mobile coverage or quality of service issue/s
		surrounding the township in the Sheffield area, including hilly areas of Lizard Hill and near Kimberley's lookout.			
Ansons Bay	TAS	Areas of poor to non-existent coverage identified in Ansons Bay township areas along the coast of Ansons Bay and Shark Bay.		New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Tea Tree	TAS	Patches of poor to no coverage in Tea Tree.		New Mobile Coverage	Issues appear to relate to areas of poor or no mobile coverage.
Verona Sands	TAS		\$550,000	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Gisborne South	VIC		\$1.5 million*	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Woodend	VIC	Areas of handheld network congestion and periods of intermittent coverage or quality of service identified in Woodend. Complaints of poor quality of service identified in greater Woodend, including small areas surrounding premises near Ravenswood Park in greater Woodend; near residential premises south of Slay Creek; near the intersection between Donalds Rd and Ashbourne Rd, south of Woodend towncentre; near the corner of Donalds Rd and Harpers Rd; and surrounding properties near areas along the Campaspe River in western greater Woodend.		Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
St Leonards	VIC	Areas of poor indoor handheld reception signal strength or quality of service issues identified in St Leonards.	\$600,000	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or indoor coverage issues.

Target Location	State	Specific areas with coverage issue (if known)	Indicative funding	Solution Category	Specified mobile coverage or quality of service issue/s
Alkimos (North)	WA		\$500,000	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Breera (Brand Highway)	WA		\$750,000	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Forrest Highway (near Australind)	WA	Complaints of weak coverage signal identified along the Forrest Highway near Australind.	\$750,000	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Brigadoon	WA		\$1.75 million*	Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Herne Hill	WA			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.
Stoneville	WA			Improving Mobile Coverage	Issues appear to relate to mobile capacity and/or poor indoor coverage.

* Denotes a single funding commitment over multiple Target Locations. Unless otherwise specified, the Cap per Target Location is equal to the indicative total funding amount divided evenly between the Target Locations in the commitment.

List of funding 24 mobile coverage commitment announcements (for 56 locations)*

No.	Location/s	Electorate	State	Announcement Type	Announcement content
1	Mangrove Mountain Killcare / Hardys Bay*	Robertson	NSW	Media release – 19 March 2022 The Hon Anthony Albanese MP; Senator Deborah O'Neill (NSW); Gordon Reid, Labor Candidate for Robertson (now Member for Robertson)	\$750,000 to improve mobile coverage for “Mangrove Mountain Community” Government prepared to co-invest in ‘alternative solutions’ for Killcare and Hardys Bay if current tower deployment approvals aren’t secured
2	Princes Highway – Batemans Bay to Ulladulla Jamberoo Lilli Pilli Worrigee Kangaroo Valley	Gilmore	NSW	Media release – 6 April 2022 The Hon Michelle Rowland MP; Fiona Phillips MP, Member for Gilmore	“\$3.5 million to address mobile black spots along the Princes highway, particularly from Batemans Bay to Ulladulla”. <i>“A further \$3 million to improve mobile coverage in communities with severe coverage issues like Jamberoo, Lilli Pilli, Worrigee and Kangaroo Valley.”</i>
3	Princes Highway – Ulladulla to Eden Kings Highway Monaro Highway Snowy Mountains Highway	Eden-Monaro (Princes Highway—Ulladulla to Eden also includes Gilmore)	NSW	Media release – 6 April 2022 The Hon Kristy McBain MP, Member for Eden-Monaro	“3.5 Million to address some blackspots along the Princes Highway from Ulladulla to Eden; \$1 Million to improve coverage along the Kings; Highway \$1 Million to improve coverage along the Monaro Highway; \$1 Million to improve coverage along the Snowy Mountains Highway; Plus \$2.5 million for improved mobile coverage in Carwoola, Wee Jasper, Talbingo, Dalmeny and Mystery Bay and \$250,000 for a small cell in Majors Creek”

* Two locations (Killcare/Hardys Bay and Yarramalong) are not included in the IMCR

No.	Location/s	Electorate	State	Announcement Type	Announcement content
	Carwoola Wee Jasper Talbingo Dalmeny Mystery Bay Majors Creek				
4	Matcham-Holgate Wyoming Yarramalong*	Dobell	NSW	Media release – 19 April 2022 The Hon Emma McBride MP, Member for Dobell; The Hon Michelle Rowland MP	“Labor will invest \$1.5 million to improve mobile coverage in Matcham-Holgate and Wyoming” “Labor will also commit \$140,000 to upgrade the Yarramalong mobile tower to a 12-hour back-up battery and install an on-site diesel generator ”
5	Eleebana The Jewells and Redhead Lake Munmorah Budgewoi	Shortland	NSW	Media release – 19 April 2022 The Hon Pat Conroy MP, Member for Shortland; The Hon Michelle Rowland MP	Labor will invest \$2.25 million to improve mobile coverage in the areas of Eleebana, the Jewells and Redhead region, Lake Munmorah, and Budgewoi. This follows on from our work with Optus to install a new tower at Mount Hutton which Telstra and Vodafone and co-locating at”
6	St Leonards	Corangamite	VIC	Media Release – 21 April 2022 The Hon Michelle Rowland MP; Libby Coker MP, Member for Corangamite	“Labor will invest \$600,000 to improve mobile coverage in St Leonards which continues to suffer with unacceptably poor service and dropouts. Our investment will enable a broader range of tower sites to be considered, which is critical given the failures to secure a site over the past few years. A Labor Government will not give up on St Leonards like the Liberals did. Labor’s St Leonards commitment was made at public meeting on connectivity issues on the Bellarine, hosted in Portarlington by Corangamite MP Libby Coker (20 April). The meeting followed an on-line survey Ms Coker conducted earlier this year, identifying connectivity problems in several locations on the Bellarine, including St Leonards”.

* Two locations (Killcare/Hardys Bay and Yarramalong) are not included in the IMCR

No.	Location/s	Electorate	State	Announcement Type	Announcement content
7	Woodend Gisborne South	McEwen	VIC	Facebook Post – 21 April 2022 Rob Mitchell MP, Member for McEwen	"Great news delivered to Woodend and Gisborne South today with the announcement an Albanese Labor Government will provide \$1.5 million in essential funding to help fix mobile blackspots"
8	Sheffield Ansons Bay Tea Tree	Lyons	TAS	Media Release – 8 May 2022 Brian Mitchell MP, Member for Lyons; The Hon Michelle Rowland MP	"Labor will invest \$2.25 million to improve mobile coverage in the areas of Sheffield, Ansons Bay and Tea Tree"
9	Wreck Bay Village (Jervis Bay Territory)	Fenner	ACT (JBT)	Media Release – 10 May 2022 The Hon Dr Andrew Leigh MP, Member for Fenner; The Hon Michelle Rowland MP; The Hon Brendan O'Connor MP	"An Albanese Labor Government will invest \$750,000 to improve mobile coverage in the Jervis Bay Territory, including for the Indigenous community of Wreck Bay Village, ensuring residents and visitors can receive real-time emergency notifications. This investment will improve mobile coverage in the Wreck Bay Village, with potential to also benefit Australian Navy and other Australian Defence Force personnel operating from the HMAS Creswell base, who travel throughout the area".
10	Togari Queenstown	Braddon	TAS	News Article: The Advocate – 11 May 2022 The Hon Julie Collins MP, Member for Franklin; Chris Lynch, Labor Candidate for Braddon	"On Tuesday, Labor agricultural spokesperson Julie Collins announced it would be...promising \$2.1 million to improve mobile phone coverage at Togari and Queenstown... In addition, Labor has vowed to improve phone coverage at Togari and Queenstown, working alongside the Cradle Coast Authority... The Authority has worked hard to identify priorities and presented evidence highlighting just how little has been done to fix this problem"
11	Emerald	Flynn	QLD	News Article: Courier Mail – 16 May 2022 Matt Burnett, Labor Candidate for Flynn	"Labor will provide \$750,000 to upgrade mobile coverage in areas south-west of Emerald, and provide up to 29,000 small businesses and homes with better mobile and internet"
12	Grindelwald West Tamar Highway (leading into Kelso)	Bass	TAS	Facebook Post – 16 May 2022 Ross Hart, Labor Candidate for Bass	"Labor will invest \$1.5 million to improve mobile coverage in Grindelwald, and to improve coverage along the West Tamar highway leading into Kelso".

* Two locations (Killcare/Hardys Bay and Yarramalong) are not included in the IMCR

No.	Location/s	Electorate	State	Announcement Type	Announcement content
13	Forrest Highway (near Australind)	Forrest	WA	News Article: South Western Times – 19 May 2022 Bronwen English, Labor Candidate for Forrest	"Bronwen English announced Labor would invest \$750,000 to improve mobile coverage along the stretch of Forrest Highway near Australind."
14	Rapid Bay Cudlee Creek	Mayo	SA	Facebook Post – 17 May 2022 Marisa Bell, Labor Candidate for Mayo	"Today I announced an Albanese Labor Government will: Invest \$1.5 million to improve mobile coverage in Rapid Bay and Cudlee Creek"
15	Bruny Island Verona Sands	Franklin	TAS	Facebook Post – 17 May 2022 The Hon Julie Collins MP, Member for Franklin News Article: The Mercury – 20 May 2022 (with funding commitment details)	The Hon Julie Collins MP's Facebook post (17 May 2022) "An elected Albanese Labor Government will boost mobile coverage on Bruny Island and Verona Sands" The Mercury (20 May 2022) "What the Parties have pledged for state during the campaign: \$550,000 to improve mobile coverage at Verona Sands; \$350,000 to improve mobile voice coverage in Alonnah on Bruny Island".
16	Mount Tomah Yellow Rock	Macquarie	NSW	Media Release – 21 April 2022 The Hon Susan Templeman MP, Member for Macquarie; The Hon Michelle Rowland MP	"An Albanese Labor Government plans to invest \$1.3 million to improve mobile coverage in Mount Tomah and Yellow Rock... [Susan Templeman]: "Yellow Rock residents tell me where their new tower is located does not provide decent coverage to where most of their homes are... Mount Tomah had its mobile tower promised, then taken away, by the Liberals in recent years".
17	Bowen Mountain Blaxlands Ridge Maraylya	Macquarie	NSW	Joint Media Release – 21 April 2022 The Hon Susan Templeman MP, Member for Macquarie; The Hon Michelle Rowland MP	"An Albanese Labor Government plans to invest \$2 million to improve mobile coverage in Bowen Mountain, Blaxlands Ridge and Maraylya".

* Two locations (Killcare/Hardys Bay and Yarramalong) are not included in the IMCR

No.	Location/s	Electorate	State	Announcement Type	Announcement content
18	Kuranda West	Leichhardt	QLD	Announcement date unknown	N/A
19	Upper Stone	Kennedy	QLD	Announcement date unknown	N/A
20	East Douglas	Herbert	QLD	Announcement date unknown	N/A
21	Herne Hill Brigadoon Stoneville North	Hasluck	WA	Joint Media Release – Date unspecified The Hon Michelle Rowland MP; Senator the Hon Murray Watt (WA); Tania Lawrence MP, Labor Candidate for Hasluck (now Member for Hasluck)	“Labor will also commit \$1.75 million to improve mobile coverage in the areas of Herne Hill, Brigadoon and Stoneville North. Many people in these communities have had a frustrating battle with poor mobile coverage and need a government that pays attention to local needs.”
22	Breera (Brand Hwy)	Pearce	WA	Announcement date unknown	N/A
23	Alkimos North	Pearce	WA	Facebook Post – 20 May 2022 Tracey Roberts MP, Member for Pearce	“An Anthony Albanese Labor government will also invest \$500,000 to improve mobile phone coverage in North Alkimos. “No more phone drop outs, no more unreliable connection”.
24	Port Rickaby Wool Bay	Grey	SA	Announcement date unknown	N/A

* Two locations (Killcare/Hardys Bay and Yarramalong) are not included in the IMCR

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / s47F

SB22-000126

SUBJECT: Peri-Urban Mobile Program (PUMP)**Talking Points**

- The Australian Government has committed **\$39.1 million (GST exclusive)** in the 2022-23 Budget for **two additional rounds** of the **Peri-Urban Mobile Program (PUMP)**, to be implemented through the Mobile Black Spot Program (MBSP).
- Additional rounds of PUMP will address mobile reception and quality of service issues on the peri-urban fringes of Australia's major cities, including on the underserved fringes of large regional cities like Geelong, the Gold Coast, and Newcastle.
- **Round 1 of PUMP** is providing **\$25.7 million (GST exclusive)** in funding to Optus, Telstra and TPG Telecom for **66** mobile infrastructure solutions to improve mobile connectivity in **50** bushfire priority areas along the edges of Australia's major cities.
- This brings the total funding for PUMP to **\$64.8 million (GST exclusive)** to date.
- The peri-urban fringe is where the bush often directly interfaces with the suburbs, creating natural disaster risks for those who live and work in those areas.
- By improving coverage in these areas, communities will be able to receive vital information during emergencies, seek help if needed and stay in touch with loved ones.
- Improved mobile connectivity will also ensure that rapidly growing peri-urban communities across Australia are not held back or left behind.

Key Issues*Round 1 outcomes*

- Round 1 of PUMP is delivering **66** 4G and 5G mobile infrastructure solutions in **50** different locations in peri-urban areas of Australia's major cities. Key statistics for Round 1, including the full list of funded solutions and breakdowns by Grantee and State, are at **Attachment A**.
- At **16** of the 50 locations, two separate mobile carriers have been funded to deploy (co-locate) base stations on the same tower (**32** total solutions). This will improve both coverage and competition at these locations.
- PUMP grant funding was provided to the Mobile Network Operators through a competitive assessment process undertaken by the department.
- The department is currently finalising grant agreement negotiations with successful grantees, with the rollout of funded projects to commence shortly.
- All funded projects are scheduled to be completed by **30 June 2024**.

Round 1 timeline

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Version Number: 1

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- The former Government originally committed **\$15 million** (GST exclusive) for PUMP in the 2021-22 Budget as part of the Digital Economy Strategy.
- The department released draft Grant Opportunity Guidelines for public consultation in **July 2021**, informing the design of the final Guidelines.
- The approach to market opened between **14 December 2021** and **18 February 2022**.
- Following the close of the application period, the department competitively assessed all eligible applications against the assessment criteria in the public Grant Opportunity Guidelines.
- Following the evaluation of proposals, the department recommended 66 solutions to the former Minister for Communications as Decision Maker for the program on **30 March 2022**. The former Minister agreed to the department's recommendations without change on **31 March 2022**.
- On **21 April 2022**, the former Government announced the outcomes of Round 1 as part of the 2022 Federal Election (see *Background – Relevant Media*). Individual announcements for **47** of the 66 Round 1 solutions were also made by former Government MPs and election candidates over **late April** and **early May 2022**.
- Following the 2022 Federal Election, the Minister for Communications considered and endorsed the outcomes without change on **17 June 2022**. The Minister announced Victorian outcomes under Round 1 on **22 July 2022** (see *Background – Relevant Media*).
- The department is finalising grant agreement negotiations with successful grantees (i.e. funding has been committed but not yet contracted).

Additional Rounds

- The Government has committed **\$39.1 million (GST exclusive)** in the 2022-23 Budget for two additional rounds of PUMP (notionally **\$19.5 million** per round) over five years from 2022-23 to address demand for additional funding to improve peri-urban connectivity.
 - This will be delivered through unallocated MBSP funding.
- These rounds will address mobile coverage and reception issues in additional disaster-prone areas of the peri-urban fringe, including Geelong, Wollongong, Central Coast (NSW), Newcastle, Sunshine Coast, Gold Coast, Townsville, Cairns, Darwin, Toowoomba, Bendigo, Ballarat and Canberra.
- Details on the next round of PUMP will be available on the department's website as work on the round progresses.

Background*Relevant Media*

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- On **21 April 2022**, Round 1 outcomes, including three projects in the electorate of Longman, were announced by the former Prime Minister, the Hon Scott Morrison MP, the former Minister for Communications, the Hon Paul Fletcher MP, the former Minister for Regional Communications, Senator the Hon Bridget McKenzie, and the Federal Member for Longman, Terry Young MP (see **Attachment B**).
 - This announcement also committed a further **\$78.5 million** for additional rounds of PUMP with expanded eligibility criteria under the Connecting Regional Australia initiative.
- On **22 July 2022**, the Minister for Communications announced Victorian outcomes under Round 1 of PUMP with Victorian Government Minister for Innovation, Medical Research and the Digital Economy, the Hon Jaala Pulford MP, and Cassandra Fernando MP, the Federal Member for Holt (see **Attachment C**).
- The Shadow Minister for Communications, Senator the Hon Sarah Henderson, subsequently criticised the Government for duplicating the former Government's policy following pressure from Opposition MPs to honour the Round 1 commitments (see **Attachment D**).
 - The Minister's decision to endorse Round 1 outcomes was taken in **June 2022** on the advice of the department and preceded Senator Henderson's comments.
 - Senator Henderson also called on the Government to match the former Government's election pledge to commit funding for additional rounds of PUMP.

Round 1 Eligible locations

- PUMP targets areas along the peri-urban fringe, broadly defined as the corridor that borders the 'Major Urban' areas on the edge of Australia's major cities, focusing on bushfire prone locations within this corridor.
 - The Round 1 program guidelines identify the major cities for the purposes of the program as being Adelaide, Brisbane, Hobart, Melbourne, Perth and Sydney.
- In addition to the peri-urban corridor, eligibility extends to include a five-kilometre corridor either side of select major transport passages that exit peri-urban corridors (to a distance of 15 kilometres). This targets improved mobile coverage along the major exit routes of the peri-urban corridor.
- The definition was informed by feedback from the public consultation process for the Round 1 draft guidelines. Bushfire priority areas were identified using CSIRO bushfire threat mapping data.
- A map of eligible locations under Round 1 is available on the National Map.

Round 1 Assessment criteria

- All round 1 proposals were competitively assessed against the criteria in the program guidelines which include:

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- Level of improved coverage, including the number of premises within the coverage area and the range of new improved handheld coverage in square kilometres
- Design, delivery and cost, including the number of Mobile Network Operators confirmed to be participating in the Proposed Solution, and

Community support, including priority locations identified by an MP or written support provided by an Emergency Service Organisation, community group or other evidence of community support.

Round 1 - Opportunity for Federal Member of Parliament to identify priority coverage issues

- Prior to applications opening under Round 1, Members of Parliament that represent a Local Government Area eligible under PUMP were asked to identify three locations of priority within their electorate.
- Nominations were not sought from MPs whose electorates did not materially intersect the eligible area under PUMP (i.e. less than 10 square kilometres) or whose electorates were located at the end of the eligible road corridors.
- Identified priority locations were required to be in an eligible area under the program.
- The locations were provided to registered applicants to assist them to identify areas where poor coverage in the local community has been identified.
 - Applicants were not required to target these locations. However, proposals that targeted priority locations received weighting in the assessment process.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

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SB22-000126

Financial Information as at 25 October 2022*Funding Profile (GST exclusive)*

Program/Project Start Date:	2021-22					
Program/Project End Date:	2026-27					
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Appropriation Budget – PUMP Round 1 (Administered)	9.6	16.1 ¹	0.0	0.0	0.0	25.7
Appropriation Budget – PUMP Round 1 (Departmental)	0.4	0.0	0.0	0.0	0.0	0.4
Appropriation Budget – MBSP (PUMP Rounds 2 and 3)	3.7	8.0	11.5	8.0	7.8	39.1
Appropriation Budget – MBSP (PUMP Rounds 2 and 3) (Departmental)	0.0	0.0	0.0	0.0	0.0	0.0
Less:						
Actual Expenditure YTD at 30 June 2022	0					
Total Committed ² Funds at 30 June 2022	10.0	16.1 ¹	0	0	0	26.1
Total Uncommitted Funds (balance)	3.7	8.0	11.5	8.0	7.8	39.1

Note:

1. Includes \$8.6m in committed Round 1 funding from 2021-22 and 2022-23 which was subject to an approved Movement of Funds in September 2022
2. Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

Attachments**Attachment A:** PUMP Key Statistics**Attachment B:** The Hon Scott Morrison MP et al., 'Making life easier for Australians living in the outer suburbs', Media Release (21 April 2022)**Attachment C:** The Hon Michelle Rowland MP, 'Melbourne's fringe to benefit from better mobile connectivity', Media Release (22 July 2022)**Attachment D:** Senator the Hon Sarah Henderson MP, 'Labor must deliver full PUMP mobile connectivity program', Media Release (22 July 2022)**Contact:** s47F**Cleared by First Assistant Secretary:** Lachlann Paterson**Phone:** (02) 6271 s47F**Version Number:** 1**Date:** 26/10/2022

Attachment A

Peri-Urban Mobile Program: Key Statistics

Note: Funding amounts have been rounded to whole dollars.

PUMP Round 1 - List of funded solutions

Funding Recipient	State	Location	Co-location	MP priority	Commonwealth cost (GST incl.)
Telstra	NSW	Annangrove Currie Ave	No	Yes	\$312,200
TPG	WA	Banjup East A	Yes	No	\$612,260
Optus	WA	Banjup East B	Yes	Yes	\$497,390
Telstra	QLD	Bellmere	No	No	\$734,100
TPG	WA	Bennett Springs	No	No	\$612,260
Telstra	NSW	Bullaburra A	Yes	No	\$406,700
Optus	NSW	Bullaburra B	Yes	No	\$514,180
Optus	WA	Byford North	No	Yes	\$511,890
TPG	WA	Byford West A	Yes	Yes	\$612,260
Optus	WA	Byford West B	Yes	Yes	\$531,660
Telstra	QLD	Caboolture South A	Yes	Yes	\$395,700
Optus	QLD	Caboolture South B	Yes	Yes	\$514,180
Telstra	WA	Churchman Brook	No	No	\$387,550
TPG	VIC	Clyde South	No	Yes	\$357,340
TPG	VIC	Craigieburn Central	No	Yes	\$357,340
TPG	VIC	Craigieburn Newbury Park A	Yes	Yes	\$306,130
Optus	VIC	Craigieburn Newbury Park B	Yes	Yes	\$338,770
Telstra	QLD	Deebing Heights North	No	Yes	\$575,600
Telstra	VIC	Gisborne South East A	Yes	Yes	\$198,350
Optus	VIC	Gisborne South East B	Yes	Yes	\$395,540
Telstra	NSW	Hawesbury Heights	No	Yes	\$437,300
TPG	NSW	Hornsby Heights A	Yes	No	\$612,260
Optus	NSW	Hornsby Heights B	Yes	No	\$448,640
TPG	WA	Leda West A	Yes	No	\$612,260
Optus	WA	Leda West B	Yes	No	\$512,620
Telstra	QLD	Logan Village East	No	No	\$429,300

Funding Recipient	State	Location	Co-location	MP priority	Commonwealth cost (GST incl.)
Optus	QLD	Mackenzie North A	Yes	Yes	\$409,510
TPG	QLD	Mackenzie North B	Yes	Yes	\$528,270
TPG	VIC	Main Ridge	No	No	\$357,340
Telstra	VIC	Maryknoll	No	No	\$218,580
Telstra	VIC	Menzies Creek	No	No	\$200,530
TPG	VIC	Mernda Central	No	No	\$357,340
TPG	VIC	Merricks North	No	No	\$357,340
Optus	QLD	Molendinar North	No	Yes	\$452,650
Telstra	TAS	Molesworth	No	Yes	\$541,350
Optus	VIC	Mt Martha Esplanade A	Yes	Yes	\$307,140
TPG	VIC	Mt Martha Esplanade B	Yes	No	\$264,140
Telstra	VIC	Nar Nar Goon North	No	No	\$226,080
TPG	NSW	North Catherine Field	No	No	\$612,260
Telstra	SA	Norton Summit	No	No	\$395,750
TPG	NSW	Oakville Boundary Rd A	Yes	Yes	\$612,260
Optus	NSW	Oakville Boundary Rd B	Yes	Yes	\$409,800
Optus	QLD	Old Cleveland and Gateway	No	Yes	\$511,890
TPG	WA	Orelia	No	No	\$612,260
Optus	QLD	Oxenford North	No	No	\$480,070
TPG	VIC	Ravenhall A	Yes	No	\$306,130
Optus	VIC	Ravenhall B	Yes	No	\$327,340
TPG	VIC	Research East	No	No	\$357,340
TPG	QLD	Ripley South A	Yes	Yes	\$612,260
Optus	QLD	Ripley South B	Yes	Yes	\$453,720
TPG	QLD	Rosewood	No	No	\$612,260
TPG	VIC	Rye South A	Yes	No	\$264,140
Optus	VIC	Rye South B	Yes	No	\$339,010
Optus	NSW	Sandy Point Mini	No	Yes	\$416,250
TPG	SA	Seaford Rise	No	No	\$612,260

Funding Recipient	State	Location	Co-location	MP priority	Commonwealth cost (GST incl.)
Optus	WA	Seville Grove	No	No	\$516,510
TPG	VIC	Silvan	No	No	\$357,340
TPG	VIC	Sorrento North	No	No	\$357,340
TPG	VIC	St Andrew Beach	No	No	\$306,130
Telstra	WA	Swan	No	No	\$348,300
Optus	VIC	Tootgarook Reserve A	Yes	No	\$307,140
TPG	VIC	Tootgarook Reserve B	Yes	No	\$264,140
TPG	VIC	Tuerong	No	No	\$357,340
TPG	VIC	Werribee A	Yes	No	\$306,130
Optus	VIC	Werribee B	Yes	No	\$306,750
Telstra	SA	Yattalunga	No	Yes	\$423,350

PUMP Round 1 - Outcomes by Grantee

Funding Recipient	Commonwealth funding (GST excl.)	Commonwealth funding (GST incl.)	No. of funded solutions
Optus	\$8,638,773	\$9,502,650	22
Telstra	\$5,664,309	\$6,230,740	16
TPG	\$11,360,118	\$12,496,130	28
Total	\$25,663,200	\$28,229,520	66

PUMP Round 1 – Outcomes by State

State	Commonwealth funding (GST excl.)	Commonwealth funding (GST incl.)	No. of funded solutions
NSW	\$4,347,136	\$4,781,850	10
QLD	\$6,099,555	\$6,709,510	13
SA	\$1,301,236	\$1,431,360	3
TAS	\$492,136	\$541,350	1
VIC	\$7,634,755	\$8,398,230	27
WA	\$5,788,382	\$6,367,220	12
Total	\$25,663,200	\$28,229,520	66



The Hon. Scott Morrison MP
Prime Minister

The Hon. Paul Fletcher MP
Minister for Communications, Urban Infrastructure, Cities and the Arts

Senator the Hon. Bridget McKenzie
Minister for Regionalisation, Regional Communications and Regional Education
Minister for Emergency Management and National Recovery and Resilience

Mr Terry Young MP
Federal Member for Longman

JOINT MEDIA RELEASE

Thursday 21 April 2022

MAKING LIFE EASIER FOR AUSTRALIANS LIVING IN THE OUTER SUBURBS

The Morrison Government's economic plan is making life easier for Australians living on the urban fringes of major cities by providing \$28.2 million for 66 successful projects to address mobile phone blackspots across the country, including three projects in the electorate of Longman.

A further \$78.5 million will be provided for projects that address mobile phone and connectivity issues in outer urban and urban fringe areas, under the Connecting Regional Australia initiative.

Prime Minister Scott Morrison said the Coalition was committed to improving the lives of people living in outer urban areas.

"Supporting Australians living in our suburbs and particularly outer urban areas is a key part of our economic plan to create a stronger economy for a stronger future," the Prime Minister said.

"Our economic plan guarantees essential services, ensuring families have access to fast and reliable mobile services.

"Investing in digital infrastructure is all part of our plan to make Australia a top ten data and digital economy by 2030, helping to grow businesses and jobs, while also providing Australians with better access to essential services."

Member for Longman Terry Young said: "Today I am pleased to announce we are building three new mobile sites to improve coverage for people living in Bellmere and Caboolture South.

“This, along with the two new sites already under way at the Caboolture Pool and Caboolture River Rd, will well and truly resolve the mobile coverage issues experienced by people in these areas.”

The new mobile sites in Longman are:

- A new Telstra site at the corner of Old N Road and Bellmere Road.
- A new Telstra site and a new Optus site on Torrens Road in Caboolture South.

Minister for Communications Paul Fletcher said our 66 new mobile projects will improve mobile coverage where the bush meets the edges of the suburbs.

“Improving coverage on the urban fringe will help communities access vital information during emergencies, seek help if needed and stay in touch with loved ones,” Minister Fletcher said.

Minister for Regional Communications Bridget McKenzie said: “The 2021 Regional Telecommunications Review identified outer urban areas as having many of the same coverage and connectivity issues as our regional areas – our investment will contribute to the local economy through lifting productivity, capability and investment.”

The 66 successful projects were selected through a competitive assessment, with funding awarded based on the coverage outcomes provided by each solution, under a grants program that was first announced in the 2021-22 Budget as part of the Digital Economy Strategy.

Eligibility for future funding will be expanded beyond our major capital cities to include the urban fringe of other major urban areas including Geelong, Wollongong, Gosford, Newcastle, Sunshine Coast, Gold Coast, Townsville, Cairns, Darwin and Canberra.

The investments complement the Coalition’s highly successful Mobile Black Spot Program, which is improving mobile coverage and competition across regional and remote Australia by building more than 1,200 mobile base stations, with over 1,000 already built.

[ENDS]

Media Contacts:

Prime Minister’s office: Press Office, (02) 6277 7744

Minister Fletcher’s office: Erin Forster, 0448 207 414

Minister McKenzie’s office: Cath Heidrich, 0428 251 736

Member for Longman’s office: (07) 5432 3177

The Hon. Scott Morrison MP, Sydney

Press Office of the Hon. Scott Morrison MP, Prime Minister, Canberra



Melbourne's fringe to benefit from better mobile connectivity



The Australian and Victorian Governments will improve mobile connectivity for 20 locations across the fringes of Greater Melbourne through the Australian Government's Peri-Urban Mobile Program (PUMP).

PUMP provides funding to improve mobile connectivity in bushfire priority areas along the edges of Australia's major cities to improve connectivity and safety.

A joint \$16.2 million contribution from the Australian and Victorian Governments has been awarded to successful mobile network operators and infrastructure providers in Victoria including Werribee, Melton, Whittlesea, Craigieburn, Nillumbik Shire, the Macedon and Yarra Ranges, Cardinia, Casey and the Mornington Peninsula.

The improvements will ensure local communities have access to life-saving information during emergencies, improve connectivity when help is needed, and keep people in touch with loved ones.

This investment in upgrades will deliver better mobile services where they are needed most, helping businesses and residents in Melbourne's peri-urban areas to grow.

PUMP complements the highly successful Mobile Black Spot Program (MBSP), which improves mobile coverage across regional and remote Australia. To date, 1270 mobile base stations have been funded, including over 200 in Victoria.

Further information on PUMP, including a list of sites to receive a mobile base station, is available at www.infrastructure.gov.au/peri-urban-mobile-program.

Quotes attributable to Minister for Communications, the Hon Michelle Rowland MP:

"Reliable mobile service can be the difference between life and death during emergencies."

"The Australian Government is committed to improving emergency communications and mobile connectivity right across Australia, and welcome this united commitment with the Victorian Government."

Quotes attributable to Minister for Innovation, Medical Research and the Digital Economy, the Hon Jaala Pulford MP

"Partnerships like this are vital to those living and working in Melbourne's growing suburbs – mobile connectivity when people need it most is essential."

"As well as supporting people during emergencies this improved coverage will help local families by connecting them to community, education and work."

Quotes attributable to Member for Holt, Cassandra Fernando MP

"I'm proud the Albanese Labor Government is focused on delivering better communication infrastructure for our community."

FRIDAY, 22 JULY 2022

MEDIA RELEASE
Friday 22 July 2022

JOINT RELEASE WITH
The Hon Jaala Pulford MP
Minister for Innovation, Medical Research
and the Digital Economy Member for
Western Victoria

Cassandra Fernando
Member for Holt

Labor must deliver full PUMP mobile

Less than 24 hours after calling out Labor's failure to confirm the Peri-Urban Mobile Program (PUMP), once again Minister Rowland has deceptively cut and pasted Coalition policy and branded it as Labor's own.

It was only after touring the Casey electorate with Liberal MP Aaron Violi yesterday – where two PUMP sites are located in Silvan and Menzies Creek – that the Labor Government confirmed it would honour the Coalition's announcement to deliver PUMP funding for 66 mobile base stations across the country.

Federal Member for Longman, Terry Young, wrote to the minister seeking urgent advice as to delivery of PUMP projects in his electorate.

I congratulate Liberal and Nationals MPs and senators for being such strong advocates for this program. In May 2021, the Coalition Government announced the \$16.4 million PUMP program to support better mobile connectivity in areas where the bush meets the edges of the suburbs, creating bushfire risks for those living and working in those areas.

The 66 successful PUMP projects were selected through an independent and competitive assessment, with funding awarded based on the coverage outcomes provided by each solution.

A further \$78.5 million was committed by our government for projects that address mobile phone and connectivity issues in outer urban and urban fringe areas, under the Connecting Regional Australia initiative. Eligibility for this future funding was also expanded beyond the major capital cities, to include the urban fringe of other major urban areas including Geelong, Wollongong, Gosford, Newcastle, Sunshine Coast, Gold Coast, Townsville, Cairns, Darwin and Canberra.

Recent fires and other natural disasters including floods have shown the importance of reliable mobile services during extreme events. Delivering the projects through this Program will improve mobile connectivity in these areas, allowing communities to receive vital information during emergencies, seek help if needed and stay in touch with loved ones.

The government must confirm the timeframes for delivering each of the 66 PUMP projects, including when work will commence, and the estimated date for when each site will be switched on.

Labor must also match the \$78.5 million pledge by the Coalition to expand the PUMP program to outer urban and urban fringe areas.

While our government's Mobile Black Spot Program delivered more than 1000 of 1,270 mobile base stations across Australia, by contrast, Labor never delivered a single mobile tower in rural and regional Australia.

Labor has no credibility when it comes to delivering communications for rural and regional communities.

22 July 2022

Categories: [MEDIA RELEASES](#)

Tags: [Communications](#)



BUDGET ESTIMATES 2022 - 2023**Environment and Communications****Lead/Support contact: Lachlann Paterson/s47F****SB22-000127****SUBJECT: Regional Connectivity Program****Talking Points**

- As part of the October 2022 Budget, the Government announced \$200 million (GST excl) for two further rounds of the Regional Connectivity Program, to continue investing in place-based connectivity projects. This announcement is part of the Better Connectivity Plan for Regional and Rural Australia.
- The Australian Government's investments to improve connectivity in regional, rural and remote Australia include:
 - \$115.97 million under Round 1 of the Regional Connectivity Program.
 - \$137.2 million under Round 2 of the Regional Connectivity Program, including \$69.6 million to improve telecommunications infrastructure in Northern Australia through the Connecting Northern Australia initiative.
- Round 1 of the Regional Connectivity Program is delivering 130 'place-based' telecommunications infrastructure projects across regional, rural and remote Australia.
- There are 93 proposals coming out of Round 2, including 34 projects in Northern Australia funded under the Connecting Northern Australia initiative.

Key Issues*Election Commitment: Regional Connectivity program*

- Consistent with its election commitment, the Government announced \$200 million (GST excl) for two further rounds of the Regional Connectivity Program (RCP) under the Better Connectivity Plan for Regional and Rural Australia in the October 2022 Federal Budget.
- Telecommunications infrastructure projects eligible for funding under the RCP could include better mobile voice and data coverage, targeted fibre deployments, and improved microwave and fibre backhaul capacity to locations across regional and remote Australia.

RCP Round 1

- Round 1 of the RCP is delivering a total new investment of over \$232 million in fibre, fixed wireless, mobile and satellite infrastructure in regional and remote Australia.
- This includes \$115.97 million from the Australian Government, \$74.9 million from grantees, \$31.8 million from state and territory governments and \$5.9 million from other third parties, including the telecommunications industry, local governments,

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BUDGET ESTIMATES 2022 - 2023**Environment and Communications****Lead/Support contact: Lachlann Paterson/s47F****SB22-000127**

regional businesses, communities, and development organisations (see **Attachment A** for a financial table breakdown).

- Field Solutions Group (\$24.6 million), NBN Co (\$38.9 million) and Telstra (\$39.8 million) were the main recipients recommended for Commonwealth funding under Round 1 of the RCP. These applicants secured third party co-contributions.
- All 19 agreements have been executed with Round 1 grantees and as at 26 October 2022, 11 Round 1 RCP projects have been completed.

RCP Round 2

- The previous Government agreed to recommendations on outcomes for Round 2 of the RCP following a call for applications and assessment process undertaken by the Department. As a consequence, 93 proposals at a total Commonwealth contribution of \$137.2 million, including \$69.6 million of funding for 34 projects in Northern Australia funded under the Connecting Northern Australia initiative, were announced prior to the May 2022 election.
- Round 2 of the RCP is delivering total new investment of approximately \$226 million in fibre, fixed wireless, mobile and satellite infrastructure in regional and remote Australia.
- This includes \$137.2 million from the Australian Government, \$47.7 million from grantees, \$32.2 million from State and Territory Governments and \$8 million from other third parties including local governments, regional businesses and communities, and development organisations.
- Telstra (\$69 million) and NBN Co (\$37.9 million) were the main recipients recommended for Commonwealth funding under Round 2 of the RCP. (see **Attachment A** for a financial table breakdown).
- As at 26 October, 7 out of 15 Round 2 grant agreements have been executed.

Background***Regional Connectivity Program*****Round 1**

- On 16 April 2021, the then Government announced that 81 telecommunications infrastructure projects would receive \$90.3 million in funding under the Program, following a competitive assessment process.
- On 10 June 2021, the then Government announced funding for a further 51 Round 1 projects totalling \$27.1 million.

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- The department agreed to variations to the Commonwealth contribution for two NBN Co projects (RCP-R1-159 Augathella and RCP-R1-160 Morven) and the removal of a Telstra Project (RCP-R1-177 Barcoo), which increased the Commonwealth contribution from \$117.4 million to \$117.9 million. A Comscentre WA project (RCP-R1-175 Halls Creek) was also subsequently removed from Round 1 of the Program, which lowered the total Commonwealth contribution to Round 1 by \$1.93 million. This reduced the total Commonwealth contribution to Round 1 of the RCP from \$117.9 million to \$115.97 million.

If asked: Why did the Government re-announce projects in Roma, QLD and Canyonleigh, NSW?

The department announced the completed projects by release in March 2022: [First projects delivered under Regional Connectivity Program | Department of Infrastructure, Transport, Regional Development, Communications and the Arts](#)

On advice of the department that the projects had not been announced, the Minister's Office re-announced the completed projects in August 2022 to local media.

At the time, local MP David Littleproud criticised the Government for claiming credit for the projects, but did not raise the re-announcement.

Round 2

- Guidelines for Round 2 were not substantially modified from the Round 1 guidelines, but did include additional funding dedicated to projects in Northern Australia. The definition of Northern Australia was amended via an Addendum 4 published on GrantConnect on 19 January 2022, to align with the Northern Australia Infrastructure Facility's definition.
- Applications for the second round of the RCP opened on 2 December 2021 and closed on 10 February 2022.
- Following an assessment process undertaken by the department, the previous Government agreed to 93 proposals with recommended funding of \$137.2 million, including \$69.6 million of funding for 34 projects in Northern Australia funded under the Connecting Northern Australia initiative.
- The outcomes under Round 2 were agreed to by the previous Government and were communicated to applicants and publicly announced prior to and during the election.
- As the decision was made prior to the 2022 Federal Election, and the change of government, the department sought endorsement of the former ministers' original funding recommendations from the Hon Michelle Rowland MP, Minister for Communications. Endorsement was provided on 13 September 2022.

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If asked: When was the decision made to fund RCP Round 2 projects?

The Minister for Communications, the Hon Michelle Rowland MP, had previously confirmed the Government's intention to honour grants awarded under the Regional Connectivity Program (RCP), including Round 2. The Minister had also stated that formal announcements would be made in due course once proper procedures had been completed.

In relation to the formal process of endorsement of the funding for Round 2 of the RCP, the Minister provided endorsement on 13 September 2022

Previously Tabled Question on Notice

Previous RCP related QoNs are SQ21-001111, SQ21-001102, SQ21-001112, SQ21-000916 SQ21-000588, SQ21-000517, SQ22-000224 and PQ-20-000089

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson/s47F

SB22-000127

Financial Information as at 25 October 2022

Budget information as at 25 October: Regional Connectivity Program (reflects MoF approved on 22 September), and new Budget funding

Program/Project Start Date:	April 2021							
Program/Project End Date:	June 2027							
	2020-21 ²	2021-22 ²	2022-23 ^{1,2}	2023-24 ¹	2024-25	2025-26	2026-27	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Appropriation Budget – RCP Rounds 1 and 2 (Administered)	1.6	26.6	111.1	31.8	-	-	-	171.1
Appropriation Budget – RCP Rounds 3 and 4 (Administered)			4.2	52.2	72.4	41.6	29.6	200.0
Less:								
Actual Expenditure as at 30 September 2022	1.6	26.6	2.2					30.4
Total Committed Funds as at 30 September 2022			81.4	-	-	-	-	81.4
Total Uncommitted Funds (balance)			31.7	84.0	72.4	41.6	29.6	259.3

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

¹ Total uncommitted funds in 2022-23 and 2023-24 include the RCP Round 2 contracts that have not been executed.

² Amounts in 2020-21, 2021-22 and 2022-23 comprise of the RCP, Alternative Voice Service Trials (concluded in 2021-22) and Regional Tech Hub (to be separated out as a program in the October budget).

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BUDGET ESTIMATES 2022 - 2023**Environment and Communications**

Lead/Support contact: Lachlann Paterson/s47F

SB22-000127

Budget information as at 25 October 2022: Connecting Northern Australia Initiative

Program/Project Start Date:	April 2021					
Program/Project End Date:	June 2024					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget		0	44.5	22.0	0	66.5
Less:						
Actual Expenditure YTD at 30 September 2022		0	0			0
Total Committed Funds at 30 September 2022			1.2	0	0	1.2
Total Uncommitted Funds (balance)			43.3	22.0	0	65.3

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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BUDGET ESTIMATES 2022 - 2023**Environment and Communications**

Lead/Support contact: Lachlann Paterson/s47F

SB22-000127

Financial Information (full program envelope) – excluding Connecting Northern Australia

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
May 2019 Budget - Opening Appropriation	28.575	28.575							57.150
Movement of Funds – May 2020	-27.825	27.825							-
Movement of Funds – September 2020	-0.750	-0.250	1.000						-
<i>Additional funding in October 2020 Budget</i>		11.910	17.997						29.907
Movement of Funds – February 2021		-46.421	45.413	1.008					-
<i>Additional funding in May 2021 Budget</i>			17.286	64.797					82.083
Movement of Funds – August 2021		-19.038	19.038						-
Movement of Funds – February 2022			-16.700		16.700				-
Movement of Funds – October 2022			-60.432	45.336	15.096				-
<i>Additional funding in October 2022 Budget</i>				4.200	52.200	72.400	41.600	29.600	200.00
October 2022 Budget - Closing Appropriation				115.341	83.996	72.400	41.600	29.600	369.140

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Environment and Communications

Lead/Support contact: Lachlann Paterson/s47F

SB22-000127

Attachments:

Attachment A: Financial Breakdown by State and Territory

Contact: s47F

Cleared by First Assistant Secretary: Lachlann Paterson

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Version Number: 2

Date: 26/10/2022

Attachment A – Financial Breakdown by State and Territory (as at 30 September 2022)

- Funding by State/Territory RCP Round 1**

<i>State/Territory</i>	<i>Round 1 Cth Funding Allocation (Inc. GST)</i>	<i>No. of projects</i>
TAS	\$7.9 million	6
NSW	\$13.8 million	19
QLD	\$30.4 million	25
VIC	\$28.6 million	32
WA	\$22.5 million	38
SA	\$7.6 million	5
NT + External Territory	\$7.1 million	6
ACT	Nil	0

- Funding by State/Territory RCP Round 2**

<i>State/Territory</i>	<i>Round 2 Cth Funding Allocation (Inc. GST)</i>	<i>No. of projects</i>
TAS	\$8 million	4
NSW	\$9 million	14
QLD	\$43.6 million	21
VIC	\$14.8 million	15
WA	\$37.9 million	18
SA	\$9.8 million	11
NT + External Territory	\$14.1 million	10
ACT	Nil	0

Environment and Communications

Lead/Support contact: Lachlann Paterson / Kathleen Silleri

SB22-000128

SUBJECT: Regional Tech Hub

Talking Points

- The October Budget has provided an additional \$6 million in funding over three-years to ensure the ongoing operation of the Regional Tech Hub (RTH).
- A competitive tender process will be undertaken to obtain the best value-for-money.
- The RTH provides independent and factual information to help people in rural and regional Australia find the best telecommunications option to get and stay connected.
- The Hub includes a website, online helpdesk, phone support line and social media access through Facebook and Twitter.
- The National Farmers Federation (NFF) has operated the Hub since December 2020.
- The current contract is a three-year arrangement for up to \$3 million.
- *If raised:* This involves contract extensions based on the NFF's contract performance.

Key Issues

- The Government has committed to expand and extend the RTH for three years from 2023/24.
- A competitive tender process will be run to select an operator for the RTH beyond June 2023, when the current contract ends.
- As part of this expansion, the RTH is expected to recruit additional staff to support improved access to technical assistance, an enhanced website, as well as more developed outreach and communications services for users. The RTH will also collect user experience data to directly assist it to evolve and improve in line with customer needs and experiences.
- The department continues to work with the NFF to ensure that the RTH is meeting the needs of regional Australians and there is a continued focus on increasing the capabilities of the RTH as it moves into its third year of operations.

Background

- The RTH was announced as part of the Government's response to the Regional Telecommunications Review 2018 and was funded through the Regional Connectivity Program.
- The NFF was selected via a competitive procurement process in 2020 to operate the RTH. The original contract was for one-year, with two separate extension options of up to one year each, subject to performance.

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Version Number: 1

Date: 26/10/2022

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / Kathleen Silleri

SB22-000128

- The department has exercised both of these extension options and the contract end date is 30 June 2023.
- The Government committed to extending the RTH as part of its election commitments.
- From December 2020 to August 2022, the RTH has received a total of 66,216 user visits and the Hub's helpdesk has fielded 2,382 separate user enquiries. As of 31 August 2022, 1,937 of these enquiries had been resolved.

Financial Information as at 31 August 2022

Program/Project Start Date:	December 2020					
Program/Project End Date:	June 2023					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	1	1	1			3
Less:						
Actual Expenditure YTD at 31 August 2022	0.6	1	0.25			
Total Committed Funds at 31 August 2022			1.2	0		3
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Budget information as at 25 October 2022

Program/Project Start Date:	July 2023					
Program/Project End Date:	June 2026					
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Appropriation Budget (Administered)	0	2	2	2	0	6
Appropriation Budget (Departmental)	0	0	0	0		0
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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Phone: (03) 9097 8305

Version Number: 1

Date: 26/10/2022

BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Lachlann Paterson / s47F

SB22-000129

SUBJECT: On Farm Connectivity Program**Talking Points**

- The Australian Government has committed \$30 million to the On Farm Connectivity Program over the next three years.
- The program will enable farmers to extend connectivity in their fields and take advantage of connected machinery and sensor technology.
- This program is part of the Government's Better Connectivity Plan for Regional and Rural Australia.
- Improving connectivity will enable Australian agricultural businesses to use digital technologies to increase productivity and efficiency; and to improve safety for farmers at work.
- Grant funding will be provided to telecommunication service providers for on-farm connectivity solutions and will be administered by the Grants Hub.
- Connectivity solutions could include external antennas, repeaters and boosters, wi-fi solutions and LoraWan gateways.
- Funding will be available from early 2023.

Key Issues

- The program complements some state-run programs, such as the NSW Government's Farms of the Future program. In designing the program, the department will consult with the States to reduce the risk of duplicating funding.
- The program will operate with the expectation that some level of connectivity is already present or proposed on-farm, with a focus on providing improved connectivity on the farm rather than last-mile connectivity to the household (i.e beyond the farm house), which is already available via the NBN or other network operators.
- The program progressively builds on existing coverage, including that provided through the Regional Connectivity Program (RCP) and the Mobile Black Spot Program (MBSP).
- A discussion paper will be released to seek comments from interested parties on the proposed design of the program.
- Some early, informal consultation has been undertaken with state and territory governments, the National Farmers' Federation, and other government departments.

Contact: s47F

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Version Number: 1

Date: 26/10/2022

BUDGET ESTIMATES 2022 - 2023

Environment And Communications

Lead/Support contact: Lachlann Paterson / s47F

SB22-000129

Background

- The On Farm Connectivity Program (OFCP) is an election commitment forming part of the Australian Government's Better Connectivity Plan.
- The OFCP will benefit agricultural business, communities and individuals in rural and regional farming areas along with telecommunications and digital infrastructure providers.
- The program responds to the *2021 Regional Telecommunications Review: A Step Change in Demand*, which highlighted that good digital connectivity is essential for the economic growth and sustainability of many industries in Australia, including agribusiness.
- The Grants Hub will receive \$5.8 million over three years to implement the program.

Financial Information as at 26 October 2022

Program/Project Start Date:	2022-23			
Program/Project End Date:	30 June 2025			
	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	\$5.1	\$12.5	\$12.4	\$30.0
Less:				
Actual Expenditure YTD at 31 August 2022	0			
Total Committed Funds at 31 August 2022	0	0	0	0
Total Uncommitted Funds (balance)	\$5.1	\$12.5	\$12.4	\$30.0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient

There is also \$5.8 million in funding for the program to be delivered through the Business Grants Hub

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BUDGET ESTIMATES 2022 – 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson/s47F

SB22-000130

SUBJECT: Shortland Terrestrial Television Transmission**Talking Points**

- Following an election commitment, in the October 2022 Budget, the Government has committed \$2.5 million (ex GST) over three years to investigate the cause of television reception issues in the Shortland electorate and to fund new television transmission infrastructure to improve reception.
- The funding is split into two portions, with the Australian Communications and Media Authority (ACMA) receiving \$0.5 million to conduct an initial field study to determine the causes of the reception issues and then report on solutions by mid-2023.
- To implement the ACMA-recommended solutions, the department is receiving \$2 million for a grant opportunity, \$10,000 for technical advice, and \$57,000 for Grants Hub administration.
- The grant opportunity will be used to upgrade transmission infrastructure if required to enable viewers to receive the range of commercial, ABC and SBS free-to-air television services otherwise available in the area.
- The Government is committed to viewers having access to free-to-air television regardless of where they live, including via Viewer Access Satellite Television (VAST).
- This is a further measure to resolve ongoing reception issues in the Hunter region since digital switchover. In the past towers have been funded at Port Stephens, Bulahdelah and Crookwell NSW (**Attachment A** refers).

Key Issues

- An ACMA field study will quantify the extent of the reception issues, identify the causes and propose solutions.
- The ACMA field study is expected to be completed by mid-2023.
- The department and ACMA will work with the regional television broadcasters to deliver any new transmission infrastructure, with design and construction likely to take a minimum of two years.
- The transmission upgrades could improve reception both within and outside the Shortland electorate.
- Investment to improve terrestrial television in specific areas is not uncommon. Similar initiatives have been funded at Port Stephens, Bulahdelah, and Crookwell NSW.

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SB22-000130

Background*Reception issues*

Since the switchover to digital television, some residents in the Shortland electorate (lower Hunter) have reported issues with accessing reliable free-to-air television. A 2017 electorate survey conducted by the Member for Shortland, the Hon Pat Conroy MP, indicated that the areas affected by television reception difficulties are within the Central Coast and Lake Macquarie local government areas, in particular Belmont, Belmont South, Caves Beach and Charlestown.

The extent to which commercial broadcasters cover their licence area is a commercial decision. In limited circumstances there may be a case for the Government to intervene to provide ad-hoc funding to enhance a terrestrial television transmission site where transmission is problematic. For example, this could be where larger geographic areas, which would otherwise be covered by terrestrial transmitters, cannot get reception due to local terrain issues or interference.

Potential causes

Ongoing television reception issues in certain locations in the Hunter regions have been reported since the switchover to digital television. A condition known as 'atmospheric ducting' causes interference to television. Ducting occurs when atmospheric conditions allow the signal from a distant transmitter to travel longer distances than is expected, and interfere with reception from a local transmitter operating on the same frequency. This issue has been apparent in the Hunter region where the main Newcastle transmitters share the same frequencies as Wollongong. The phenomenon is most prevalent during summer.

Alternatively, the poor reception could be caused by lack of coverage due to terrain, inaccurate antenna installation and receiver tuning, or interference. There are a number of transmitter sites in the area, making antenna pointing and television tuning quite complex. The ACMA field study and subsequent report will shed light on the causes and propose solutions specific to the reception issues.

The ACMA has information on its website to help viewers in the Greater Newcastle region with TV receptions, including instructions for manually tuning TVs in Belmont, Caves Beach and Charlestown (<https://www.acma.gov.au/tv-reception-greater-newcastle>). The website also has a downloadable fact sheet available (see **Attachment B**).

Grant opportunity

Resolving coverage issues is a difficult and costly exercise for regional commercial broadcasters. They face high infrastructure costs to provide coverage across large geographical footprints as well as network affiliation fees which account for up to 40-50 per cent of regional broadcasters' gross advertising revenue (which is also declining).

Without Government assistance the regional commercial television broadcasters are unlikely to invest in new terrestrial transmission sites. The assistance for new television transmissions would be most likely by way of a closed/non-competitive grant to RBA Holdings Pty Ltd, a special purpose entity jointly owned by the regional commercial television broadcasters.

BUDGET ESTIMATES 2022 – 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson/s47F

SB22-000130

October 2022 budget Figures are GST exclusive.

Program/Project Start Date:	October 2022					
Program/Project End Date:	30 June 2025					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget – DITRDCA Administered	0	0	0	1.4	0.6	2
Appropriation Budget – DITRDCA Departmental expenses	0	0	0.1	0	0	0.1
Appropriation Budget – ACMA Departmental	0	0	0.3	0.1	0	0.4
Appropriation Budget – ACMA Departmental capital expenses	0	0	0.1	0	0	0.1
Less:						
Actual Expenditure YTD at 31 August 2022	0	0	0	0	0	0
Total Committed Funds at 31 August 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	0	0.4	1.5	0.6	2.5

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

Attachments**Attachment A:** Previous broadcasting infrastructure funding programs**Attachment B:** ACMA fact sheet

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BUDGET ESTIMATES 2022 - 2023

Environment and Communications

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SB22-000131

SUBJECT: Australia Post Delivery Performance & Basic Postage Rate**Talking Points**Australia Post Delivery Performance

- Australia Post is required to meet eight performance standards relating to post offices, collection points, letter delivery frequency and letter delivery speed set out in the Australian Postal Corporation (Performance Standards) Regulations 2019.
- For the 2021-22 financial year, Australia Post failed to meet two performance standards:
 - it delivered 93.5 per cent of letters on time, below the required 94 per cent; and
 - was unable to fully measure, and did not meet, the delivery frequency standard.
- Australia Post has advised the Australian Government that ongoing COVID-19 impacts on its workforce and air freight capacity constraints affected its performance for the year, as well as the time it took to return to five-day a week delivery frequency following the cessation on 30 June 2021 of Temporary Regulatory Relief.
- Australia Post has advised that its performance improved in the second half of the financial year and it is now meeting all performance standards.
- Notwithstanding that Australia Post is now meeting all standards, it is required to prepare a Service Improvement Plan before 1 March the following year in accordance with section 28E of the *Australian Postal Corporation Act 1989* (the Act). The Service Improvement Plan was tabled on 28 October 2022.
- The department monitors Australia Post's performance through quarterly reporting.

Post Office closures

- Australia Post is required to meet minimum accessibility performance standards regarding the number of post offices and their proximity to residences. Australia Post exceeds these standards.
- Decisions to close individual post offices can be made for a variety of reasons, including:
 - a lease expiring for a particular premise and either not being renewed, or the renewal being offered at an uncommercial rate;
 - licensees handing back the license to run a post office;
 - reductions in demand in particular locations; and

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Environment and Communications

Lead/Support contact: Lachlann Paterson/Daniel Caruso

SB22-000131

- a building becoming too old, too damaged, or otherwise inappropriate to fulfil its functions as a post office.
- Australia Post has advised that while no final decisions have been made, there are a small number of primarily metropolitan post offices that are being considered for closure (less than 1 per cent of post offices).
- Australia Post also advised that all staff will be re-deployed to nearby post offices.

Basic Postage Rate

- On 11 August 2022, Australia Post submitted a notification to the Australian Competition and Consumer Commission (ACCC) seeking increases to some stamp prices:
 - the cost to send a regular letter would increase from \$1.10 to \$1.20;
 - the cost to send a priority letter would increase from \$1.60 to \$1.65; and
 - increases at the same rate (9.1 per cent) for ordinary large letters up to 250 grams.
- The costs of concession and Christmas greeting stamps will remain unchanged, at 60 cents and 65 cents respectively.
- The ACCC is reviewing Australia Post's proposed increases, and undertook a public consultation process from 25 August to 23 September 2022.
- Following the ACCC process, the Minister for Communications may disapprove the increase.
- The increase is proposed to take effect in January 2023, and would be the first increase since January 2020 (\$1.00 to \$1.10).

Key IssuesAustralia Post Delivery Performance

The Auditor-General reports each financial year on the extent to which Australia Post has met its performance standards. If the Auditor-General finds that Post did not meet a performance standard, Australia Post is required to prepare a Service Improvement Plan (SIP) in accordance with section 28E of the Act.

The SIP must be provided to the Minister on or before 1 March 2023, who must cause it to be tabled in both Houses of Parliament within 15 sitting days of receipt. The SIP was tabled by the Minister for Communications on 28 October 2022. The SIP outlines:

- external factors that caused Australia Post to not meet its performance standards;
- that Australia Post is now meeting all performance standards; and

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SB22-000131

- actions taken by Australia Post to improve its performance, including working with air transport service providers to optimise uplift of letters on flights; recruiting additional staff; sourcing more road transport to support services into jurisdictions most impacted by air capacity constraints; and establishing temporary processing sites.

The Chair of Australia Post wrote to then Shareholder Ministers on 15 November 2021, advising that Australia Post had failed to meet the on-time letters delivery standard for Quarter 1 and was unable to measure the delivery frequency standard due to data limitations. Australia Post advised Shareholder Ministers that between July 2021 and March 2022, in partnership with its workforce, it was redesigning and transitioning 131 letter delivery sites to be more efficient. Each site would take up to 18 weeks to transition. Australia Post provided monthly updates to Shareholder Ministers on progress.

Shareholder Ministers were similarly advised on 22 February 2022 for Quarter 2. Secretaries of Shareholder Departments were updated on 27 May 2022 that for Quarter 3 Australia Post met or exceeded the majority of its prescribed performance standards.

On 25 August 2022 Australia Post advised Shareholder Ministers that all standards were met in Quarter 4 (95.9 per cent).

The only previous time that Australia Post failed to meet all of the performance standards for a financial year was in 1999-2000.

Post Office closures

On 2 September 2022, The Courier Mail, Daily Telegraph and Nine News reported that Australia Post planned to close as many as 30 post offices areas across the country.

The article includes Australia Post's media statement that "while no final decisions have been made, there are a small number of primarily metropolitan post offices with very low and declining foot traffic, expiring leases or building damage that are currently under review".

The Australian Postal Corporation (Performance Standards) Regulations 2019, made under the Act, requires Australia Post to have a minimum of 4,000 retail outlets with at least 2,500 in rural and remote areas. The Performance Standards also require Australia Post to ensure that at least 90 per cent of residences in metropolitan areas are located within 2.5 kilometres of a retail outlet, and in rural areas at least 85 per cent of residences must be located within 7.5 kilometres of a retail outlet.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

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SB22-000131

BackgroundAustralia Post Delivery Performance

The Australian Postal Corporation (Performance Standards) Regulations 2019 set the standards Australia Post is required to meet. Australia Post's performance against the Regulations for 2021-22 is set out in the table below.

CSO Performance Standard	Standard	Actual Performance
Street posting boxes	10,000	14,982
Post offices (in total)	4,000	4,310
Rural and remote post offices	2,500	2,513
In metro areas, residences to be within 2.5kms of an outlet (%)	90.0	93.7
In non-metro areas, residences are within 7.5kms of an outlet (%)	85.0	88.8
Letters delivered on time (%)	94.0	93.5 - Not met
Delivery points serviced each business day (%)	98.0	*Not met
Delivery points serviced at least 2 days per week (%)	99.7	99.99

*Australia Post has not provided its performance for 2021-22 against this target. Its Annual Report states that on 30 June 2022, its performance was 98.33 per cent. Australia Post advised that delivery frequency statistics from the first three quarters were not available due to data limitations.

Basic Postage Rate (BPR)

An increase in the BPR, or an increase in the cost of priority letters to more than 150 per cent of the BPR, is subject to ACCC review under Part VIIA of the *Competition and Consumer Act 2010*. The ACCC assesses the efficiency of Australia Post's operations and the proposed rate of return to ensure it is not taking advantage of its letters monopoly. The ACCC may object to the increase if the revenue earned from the increase would exceed the efficient cost of providing the letter service plus a reasonable rate of return.

Following the ACCC process, the Minister for Communications may decide to refuse the increase under section 33 of the Act. In considering an increase, the Minister shall have regard to Australia Post's obligations under the Act, changes in the Consumer Price Index (CPI) and any other matters.

The ACCC has identified that CPI increased 8.5 per cent between the last change to the BPR in January 2020 and June 2022. The price increase proposed for the BPR is approximately 9 per cent.

Australia Post has advised that since the last BPR increase in January 2020, the number of delivery addresses have increased by around 400,000, the annual volume of domestic letters has decline by around 280 million, and operational costs have increase.

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Australia Post has identified that less than 3 per cent of standard letters are sent by consumers. Australia Post estimates that this price increase will have an impact of \$1.50 per year for the average householder. Even with the increases, stamp prices in Australia will still be lower than most OECD countries, including New Zealand, Germany, Sweden and the UK.

The ACCC has rarely objected to Australia Post's notification for proposed price increases. It last did so in 2009.

Previous stamp price increases include:

- 2014 – increased by 10 cents to 70 cents
- 2016 – increased by 30 cents to \$1
- 2020 – increased by 10 cents to \$1.10

BUDGET ESTIMATES 2022 – 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / Daniel Caruso

SB22-000132

SUBJECT: Australia Post Performance and Remuneration**Talking Points***Remuneration*

- Australia Post operates in a competitive commercial environment, with remuneration arrangements (including 'at risk' and other incentive payments) set by the Board as the accountable authority.
- Australia Post's remuneration policies and disclosures are outlined in its Annual Report, including that its policies align with Australian Public Service Commission's *Performance Bonus Guidance*.
- The Government expects the Board to exercise restraint with regard to performance pay, balanced with delivering on Australia Post's commercial strategy through the attraction and retention of high-calibre staff and leaders.
- To provide greater transparency and rigour around remuneration decisions, Shareholder Ministers wrote to the Chair of Australia Post on 27 October 2022 to ask the Board to provide additional information about the application of the Performance Bonus Guidance and the basis for the Board's decisions on remuneration.

Performance

- Australia Post's 2021-22 results were driven by strong first-half parcels revenue, while in the second half eCommerce volume growth slowed and the underlying decline in letters volume continued:
 - Group revenue was \$8.97 billion, up 8.5 per cent on last year, due to strong growth in parcels, particularly during COVID 19 lockdowns.
 - Group profit before tax was \$55.3 million, down 45.1 per cent from \$100.7 million in 2020-2021
 - Parcels and Services revenue was up \$711.5 million, or 11.0 per cent, to \$7.2 billion.
 - Letter losses increased 24.3 per cent to \$255.7 million, as volumes fell by 3.7 per cent on last year (adjusted to exclude Census and Federal Election related volumes). Letter volumes have declined 66 per cent since peak in 2008.
 - Operational costs increased 9.2 per cent on last year, driven by additional costs associated with the pandemic, including higher costs for airfreight.

Key Issues

On 26 August 2022, Australia Post announced its 2021-22 reporting full year group revenue for 2021-22.

BUDGET ESTIMATES 2022 – 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / Daniel Caruso

SB22-000132

Complaints

The Postal Industry Ombudsman (PIO) received 4481 complaints in 2021-22, an increase of 23 per cent year-on-year (YOY), with delivery issues and delayed parcels as the main complaints. The PIO attributes the rise in complaints to the significant growth in parcel volumes due to COVID widespread lockdowns in the second quarter and floods in 2022.

Australia Post Dividend

Australia Post's dividend is calculated as 65 per cent of the full-year adjusted group profit after tax, with this ratio agreed between Shareholder Ministers and the Board in 2017.

Dividend declared for 2021-22 was \$32.1 million. **Dividend paid** in 2021-22 was \$36.3 million.

CEO Remuneration

In February 2017, the Australian Government placed the pay of Australia Post's CEO under the oversight of the Remuneration Tribunal (Tribunal), which has set the CEO's base salary at \$1.46 million per annum with an additional agreed performance-based at-risk variable remuneration component of up to 100 per cent of the base salary. The Board has the discretion to vary the CEO's remuneration from 10 per cent below to 5 per cent above the base salary determined by the Tribunal, however, may not exceed the base rate within the first 12 months of an appointment.

In 2021-22, Mr Paul Graham's total remuneration was \$2.09 million, which comprised a fixed annual remuneration of \$1.15 million, an at-risk variable remuneration payment of \$885,022 and \$48,266 in other benefits and allowances, including superannuation and long-service leave entitlements.

Senior Executive Remuneration

The total remuneration for eight current senior executives, including the CEO, and three former senior executives in 2021-22 was \$11.59 million, which is lower than the 2020-21 total of \$12.61 million. The three former executives include:

- Australia Post agreeing to a termination payment of \$1,000,000 for Christine Holgate ceasing employment as Group CEO and managing director of Australia Post with effect from 2 November 2020. Australia Post also agreed to pay \$100,000 of Ms Holgate's legal costs pertaining to mediation activities, which did not form part of her remuneration.
- A \$382,574 termination payment to Mr Ingo Bohlken, and
- A \$394,610 termination payment for Mr John Cox.

In 2021-22, Australia Post's current senior executives – that is Executive General Managers working directly to the CEO – received base salaries ranging between \$381,110 and \$905,930.

BUDGET ESTIMATES 2022 – 2023

Environment and Communications

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SB22-000132

At-risk variable remuneration

Australia Post's Remuneration Report provisions at-risk variable remuneration payments of up to \$70.6 million (compared to \$79.0 million in 2020-21). This includes \$4.851 million in at-risk variable remuneration to the CEO and senior executive team.

Typically, 25 per cent of the CEO's and senior executives' at-risk variable remuneration is deferred each year, to be paid in September the following year contingent on sustained performance of the business, and at the Board's discretion. The Board has approved the release of deferred variable remuneration from 2020-21 to eligible participants. There is no deferral in the 2021-22 variable remuneration plan.

On 13 August 2021, the Australian Public Service Commission released *Performance Bonus Guidance: Principles governing performance bonus use in Commonwealth entities and companies*. Australia Post is expected to follow the principles outlined in the guidance from 2021-22 onwards, as will other Australian Government entities and companies.

Shareholder Ministers have requested from Australia Post additional advice to that contained in its Annual Report, including:

- the rationale for remuneration policy decisions;
- where it has not already done so, commission external, independent benchmarking analysis of Australia Post's remuneration, including whether bonuses are linked to appropriate targets to incentivise performance; and
- identify opportunities to improve transparency in Australia Post's public reporting.

This information is expected around mid to late November 2022.

Other payments

Mr Rod Barnes received a \$300,000 'other long-term benefit' payment in 2021-22 as part of a long-term retention program for Mr Barnes.

Australia Post Workforce

Australia Post's extended workforce was more than 64,900. Direct workforce was 36,374. During 2021-22, Australia Post negotiated five new Enterprise Agreements for more than 30,000 Award team members. The agreements delivered a guaranteed three per cent pay rise for each of the next three years.

BUDGET ESTIMATES 2022 – 2023

Environment and Communications

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SB22-000132

Table A – Financial performance

	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue (\$m)	\$6,877.0	\$6,989.8	\$7,499.2	\$8,273.7	\$8,973.9
Expenditure (\$m)	\$6,757.6	\$6,950.3	\$7,447.5	\$8,174.4	\$8,918.7
Capital expenditure (\$m)	\$310.2	\$423.9	\$316.1	\$450.0	\$427.2
Profit before tax (\$m)	\$125.7	\$41.1	\$53.6	\$100.7	\$55.3
Profit after tax (\$m)	\$134.2	\$40.6	\$42.9	\$69.6	\$49.5
Dividends declared (\$m)	\$83.1	\$25.4	\$27.9	\$44.3	\$32.1
Dividends paid (\$m)	\$78.5	\$42.2	\$21.0	\$46.2	\$36.3
Staff (excl. casuals and ext. contractors)	34,870	35,101	34,998	34,734	36,374

Attachment

Attachment A: 2022 08 26 Media Release - FY22 Results

Media Release

26 August 2022

Australia Post delivers record revenue, while growing letters losses weigh on FY22 results

Performance for the full year to 30 June 2022:

- Group revenue \$8.97 billion, up 8.5 per cent from FY21
- Group profit before tax \$55.3 million, down 45.1 per cent from \$100.7 million in FY21
- Letters revenue \$1.8b, down 0.6% on last year (or down 4% excluding Census and Federal Election)
- Letters losses increased to \$255.7 million, up 24.3 per cent from FY21
- Parcels and Services revenue \$7.2 billion, up 11.0 per cent on last year
- Estimated cost of delivering Community Service Obligations: \$348.5 million
- Invested \$427 million including new parcels facilities, fleet and technology

Australia Post today announced full year Group revenue of \$8.97 billion, up 8.5 per cent from FY21, which was driven by strong first-half parcels revenue, while in the second half eCommerce returned to pre-COVID-19 volumes and the underlying decline in letters volume continued.

Full year Group profit before tax of \$55.3 million, including letters losses of \$255.7 million, was supported by sales of surplus assets and revaluations, as well as favourable bond rate movements. After a strong first-half profit, the second half incurred a loss of \$144.5 million, which is considerably higher than in previous years.

Elevated volume-related costs and COVID-19 related workforce impacts saw operational costs increase by 9.2 per cent on last year, some of which is expected to remain in FY23.

More than \$1 billion has been invested by Australia Post over three years to better service customers, with \$427 million invested in new parcels facilities, fleet and technology in FY22.

Australia Post invested an additional \$17.1 million into the Licensed Post Office Network, bringing the total paid to Licensees in FY22 to \$536.6 million, supporting the important role of Post Offices in communities across Australia.

In FY22, Australia Post paid a total of \$661 million in taxes and other government charges.

Parcels and Services

Following record first-half parcels revenue driven by lockdowns in NSW and Victoria, parcels growth moderated in the second half. Parcels and Services revenue for the full year was up \$711.5 million, or 11.0 per cent, to \$7.2 billion. This strong revenue result was achieved in a highly competitive market, with low barriers to entry and new entrants seeking to take market share.

While we continued to deliver for customers and the community, there were significant cost increases, specifically related to COVID-19 restrictions and labour shortages that impacted the ability to turn this increased revenue into profit.

StarTrack, our road express and predominantly B2B premium service, delivered strong results with a disciplined focus on costs and an increase in volumes.

Letters

Underlying letters volumes, excluding those related to Census and Federal Election, were down 4.0 per cent on last year. With falling letter volumes and an ever-increasing number of delivery points to service, losses in this

business are expected to continue into the future, and at an accelerated rate. The typical household today receives only one letter every two days, with 97 per cent of letters sent by business or government agencies. The increasing adoption of digital communications will continue to reduce volumes.

Yesterday a draft notification was provided to the Australian Competition and Consumer Commission (ACCC) proposing to increase the Basic Postage Rate (BPR) from \$1.10 to \$1.20, effective January 2023. The proposed increase would be the first since January 2020, and will help Australia Post continue to provide essential mail services for all Australians. This proposed change will not affect the \$0.60 concession rate or the \$0.65 Christmas and seasonal greetings rate.

Enterprise Agreements

During the year, market-leading enterprise agreements were secured for more than 30,000 Award-level team members. In addition, Australia Post will pass on the higher of three per cent or CPI for the first two years of those agreements, announcing a 6.1 per cent increase in July this year in line with CPI.

While we are pleased to provide the wage increase for our team members, this places further pressure on our cost base and underscores the need for discipline in all costs as well as productivity improvements.

Operations

Australia Post has continued to address rising costs through realising \$207.3 million in business and operational efficiencies. Group expenses increased 9.2 per cent driven by additional costs associated with the pandemic, as well as limited domestic and global air transport capacity, which resulted in higher costs for airfreight services.

Group Chief Executive Officer and Managing Director Paul Graham said that, despite the growing headwinds, this was a solid result.

"I am immensely proud of how our people have met the challenges of a global pandemic and still delivered essential services to all Australians," Mr Graham said.

"Not only did our team work tirelessly to keep themselves and their communities safe, but this was achieved in an environment of evolving restrictions. I'm pleased we were able to deliver a record number of parcels and expand our range of services, connecting all Australians during this difficult time.

"While it's clear more Australians are buying goods online following the pandemic, we don't expect to see the same level of eCommerce growth. This has been demonstrated in our second-half results and, going forward, we anticipate growth to be moderate.

"Despite the significant financial headwinds, we are focusing on business efficiencies, while continuing to invest in our network and technology, to better meet the needs of our customers.

During FY22, Australia Post returned dividends to the Australian Government totalling \$36.3 million.

Outlook

As foreshadowed in the first half FY22 announcement, it is expected the significant growth in eCommerce experienced in early 2022 will keep moderating, while ongoing structural decline will see letter losses accelerate. Australia Post will continue to drive productivity gains to reduce costs, and invest for the long term, however it is expected there will be Group losses in FY23.

Australia Post's 2022 Annual Report is expected to be tabled in Federal Parliament in October 2022.

ENDS.

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BUDGET ESTIMATES 2022 – 2023

Environment and Communications

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SB22-000133

SUBJECT: Australia Post Board Governance and Inquiries**Talking Points***Australia Post Investigation 2020 and the Bell Inquiry*

- Concerns expressed by Ms Holgate that the appointment of the former Prime Minister, the Hon Scott Morrison MP as the Minister for Finance raised fresh questions over the independent inquiry into the purchase of Cartier watches are best directed to the Bell Inquiry.
 - The Department has no insights into the Bell Inquiry's work. The Department will cooperate with the Inquiry as needed.
 - The Department is not aware of whether or not Ms Holgate has asked the Government to look into the investigation.
 - *If pressed:* It will be a matter for the Bell Inquiry as to whether it examines the matters raised by Ms Holgate.
- On 22 October 2020, the then Australia Post Shareholder Ministers instructed the then Secretaries of the Shareholder Departments to investigate the awarding of four Cartier watches to Australia Post executives and related matters.
- The investigation was undertaken at arms-length to Shareholder Ministers.
- The investigation report made 12 findings, including that the purchase of the watches was inconsistent with the obligation imposed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) relating to the proper use and management of public resources, and public expectations.
- The final report was provided to the then Shareholder Ministers on 20 November 2020.
 - The report was published on 22 January 2021, following consideration by the former Government.
 - The public version does not include any personal or commercially sensitive information. The findings were not altered or changed.

Senate Inquiry

- On 26 May 2021, following the release of the Senate Inquiry *Australia Post* report, a spokesperson for the then Prime Minister said the government had "no intention of responding to a politicised report". On the same day, the Hon Paul Fletcher MP stated that the [then] government's response to the Senate Committee has been reflected in the dissenting report.
 - The recommendations from the Senate Inquiry *Australia Post* report are a matter for Government.

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Environment and Communications

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SB22-000133

Board Appointments

- On 15 September 2022, the Governor-General appointed Ms Robyn Clubb AM as a non-executive Director to the Australia Post Board, for a period of three years.
- Ms Clubb was identified through an executive search undertaken by Department of Finance to identify potential board members for all Government Business Enterprises.
- Ms Clubb brings over twenty years' experience in the financial services industry and non-executive audit and risk experience to the Board, as well as strong regional experience working with regional focused businesses.
- There is currently one vacancy on the Board. The Australian Government is considering options to fill the vacancy.
- Mr Lucio Di Bartolomeo's term as Chairperson expires on 21 November. The Government is considering options.
 - Under section 81 of the *Australian Postal Corporation Act 1989*, the Deputy Chairperson acts as the Chairperson if the role is vacant.

Ms Holgate's position at Toll Global Express

- Ms Holgate's position at Toll Global Express, and her knowledge of Australia Post's operations as former CEO, is a commercial matter for Australia Post.

Key Issues

On 26 August 2022, the Prime Minister the Hon Anthony Albanese MP and the Attorney-General, the Hon Mark Dreyfus QC MP, announced an inquiry into the appointment of the former Prime Minister, the Hon Scott Morrison MP in administering multiple departments (Finance, Health, Industry, Science, Energy and Resources) from March 2020 to May 2021.

The former Prime Minister was the joint Finance Minister when the investigation and Senate inquiry into the awarding of four Cartier watches to Australia Post executives took place. On 6 September 2022, Ms Christine Holgate was reported as expressing concerns that the former Prime Minister's appointment to the finance portfolio raised fresh questions over the 'independent' inquiry into the Cartier watches controversy.

2020-21 Secretaries' Investigation

The Investigation was an administrative inquiry, undertaken by Maddocks law firm and supported by Shareholder Departments, and participation of individuals was voluntary. Ms Holgate participated in the investigation. Individuals interviewed were given the opportunity to review sections of the report that related to information they provided and had the opportunity to respond.

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SB22-000133

Following the Investigation, the Australia Post Board reviewed and updated its internal governance arrangements and financial controls, and on 8 November 2021 provided assurance to Shareholder Ministers that internal procedures are fit for purpose and meet public expectations.

Mediation – Australia Post and Ms Christine Holgate

On 2 November 2020, Ms Holgate resigned from her role as Australia Post's Managing Director and Group CEO (CEO). The Department became aware of Ms Holgate's resignation on 2 November 2020.

Ms Holgate's appointment and employment are a matter for the Australia Post Board. Australia Post paid \$1.1 million to Ms Holgate, including \$100,000 in legal costs, following mediation on 23 July 2021. On 3 August 2021, Australia Post and Ms Holgate executed a confidential Settlement Deed. Shareholder Departments and the then Ministers' Offices were notified by Australia Post's Corporate Secretary of the execution of the Settlement Deed on 3 August 2021, having been earlier advised in general terms of the mediation outcome and that the Settlement Deed was being finalised. The settlement was announced on 4 August 2021.

The Government was not a party to this employment contract and did not participate in the mediation.

Background*Senate Inquiry*

On 25 February 2021, the Senate referred an inquiry into Australia Post to the Environment and Communications Committee. The inquiry looked into matters around the resignation of the former CEO, Ms Holgate, the Boston Consulting Group (BCG) review into Australia Post and future service delivery arrangements. The Committee released its report on 26 May 2021 with 25 recommendations. Liberal and National Senators released a dissenting report with 24 recommendations. Senator Pauline Hanson made additional comments with three recommendations.

The majority report made recommendations including:

- suggestions around the governance and oversight of Australia Post;
- the then Prime Minister apologise to the former CEO of Australia Post;
- the Chair of Australia Post, Mr Lucio Di Bartolomeo, resign;
- the Board of Australia Post be restructured;

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- the BCG Report be released; and the Government expressly rule out the privatisation of Australia Post and its subsidiaries.

Board Appointments

Under the Government Business Enterprise Guidelines, there is an expectation that the Chair will regularly review the Board's skills and capabilities and report to Shareholder Ministers. On 22 June 2022, Australia Post provided to Shareholder Ministers its Annual Board Plan 2022-23. The Plan assists the Government in considering Board appointments to ensure an appropriate skills mix on the Board.

The Australian *Postal Corporation Act 1989* (the Act) sets out specific requirements for appointments to the Australia Post Board. Under section 73 of the Act, appointments to the Australia Post Board are made by the Governor-General on the nomination of the Minister for Communications. In nominating a person, the Minister:

- must have regard to the need to ensure that the directors collectively possess an appropriate balance of expertise;
- must consult with the Chairperson, prior to the appointment of a director; and
- after consultation with representatives of industrial organisations, must be satisfied that the Board has someone who has an appropriate understanding of the interests of employees.

Under section 81 of the Act, the Deputy Chairperson shall act as the Chairperson when the office of Chairperson is vacant. There are no powers under the Act for the Minister to appoint an acting Chairperson.

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SB22-000134

SUBJECT: Telecommunications Scams**Talking Points**

- On 12 July 2022, the Australian Communications and Media Authority (ACMA) registered a revised industry code, developed by Communications Alliance. The code requires all telecommunications providers to identify, trace and block SMS scams.
- The revised code builds on the previous code, which requires all telcos to identify, trace and block scam phone calls. More than 660 million scam calls were blocked between December 2020 (when this code was registered) and June 2022.
- On 1 April 2022, the ACMA made a service provider determination which requires an additional authorisation process to prevent malicious actors, such as scammers, from gaining access to a device and the information on it during sensitive transactions.
- In August 2022, Circles Australia Pty Limited (Circles Life) paid a penalty of **\$199,800** after breaching ACMA rules aimed at protecting consumers from mobile number porting fraud. It is also offering just over **\$100,000** in recompense payments to impacted consumers to acknowledge the effects of such fraud on individuals.
- The Australian Government is implementing its election commitment to establish a National Anti-Scam Centre (Scam Centre) to combat scams which continue to impact Australian consumers and businesses. Treasury has carriage of this work.

Key Issues

- Treasury is working to establish the Scam Centre including the powers and functions it will have.
- The findings and outcome of the Australian Competition and Consumer Commission (ACCC) Digital Platforms Inquiry may impact on future scams work, including how to best approach online scams (such as fake web sites, social media scams and scams via over-the-top services).

BackgroundExtent of scam losses

- The ACCC estimates that Australians lost a record amount of more than \$2 billion to scams in 2021.
- Investment scams were the highest loss category (\$701 million) in 2021, followed by payment redirection scams (\$227 million), and romance scams (\$142 million).

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Reducing Scams Code – 2020 and updated in 2022

- In December 2020, ACMA registered the Reducing Scam Calls Code.
- Under the Code, telecommunications providers must: publish information to assist their customers to proactively manage and report scam calls; trace reported scam calls; share this information with other telcos; report identified scam calls to authorities; and block calls from recognised scammers.
- In July 2022, a revised Reducing Scam Calls and Short Messages Code was registered by the ACMA.

Mobile porting verification standard

- ACMA was formally directed by the previous Minister to make an industry standard mandating stronger identity verification processes before mobile numbers can be transferred between providers.
- This was to stop scammers hijacking peoples' mobile phone numbers in order to steal money from their accounts.
- The industry standard commenced on 30 April 2020 and has resulted in a 95% reduction in reported scams of this type.

Telecommunications Service Provider (Customer Identity Authentication) Determination 2022

- ACMA made the Determination on 1 April 2022.
- The determination:
 - requires a multi-factor authorisation process for sensitive transactions
 - affords the ACMA a broad range of immediately available enforcement powers should there be industry non-compliance, including the use of behavioural remedies such as enforceable undertakings and remedial directions, as well as the possibility of pecuniary penalties.

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Summary of actions against scams and reported outcomes:

Date	Key action	Impact
April 2020	New rules to prevent mobile porting fraud – multi-factor ID	95% reduction in reported scams of this type
July 2020	Consumer awareness/scam alerts (NB ongoing) & Establish mechanisms to obtain data (ACCC, ACSC, AFCX)	Widespread reach on social media, incl. to CALD and senior Australians
Dec 2020	New rules on telcos to ID, trace and block scam calls	660M scams blocked to June 2022 & 50-70% reduction in complaints to the ACCC and ACMA in 2022 on last year's reports
April 2022	New rules to prevent SIM swap fraud – multi-factor ID	Not yet available.
July 2022	New rules on telcos to ID, trace and block scam SMS	Not yet available

ACCC's Digital Platforms Services Inquiry

In February 2020, the former Government directed the ACCC to conduct a five-year inquiry (the Digital Platform Services Inquiry (DPSI)) into markets for the supply of digital platform services, with an interim report due to the Treasurer every six months. The DPSI was directed to cover internet search engine services, social media services, online private messaging services, digital content aggregation platform services, media referral services and electronic marketplace services. The direction also covers digital advertising services supplied by digital platform service providers and the data practices of both digital platform service providers and data brokers.

The ACCC is to provide the Treasurer with an interim report every six months, with a final report to be provided by 31 March 2025. So far, interim reports have addressed competition and consumer issues associated with the following:

- September 2020: online private messaging services.
- March 2021: distribution of mobile apps to users of smartphones and other mobile devices, focusing on the Apple App Store and Google Play Store.
- September 2021: web browsers and general search services, and the effectiveness of choice screens in facilitating competition and improving consumer choice.
- March 2022: general online retail marketplaces.
- September 2022: competition, choice, consumer harms and dispute resolution. The ACCC is expected to make recommendations about regulation of scams on digital platforms.

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SB22-000135

SUBJECT: National Relay Service (NRS)**Talking Points**

- Quality of service delivery is being maintained, with the provider consistently meeting service levels.
- Processes, such as pre-emptive work from home arrangements, have remained in place to manage the risk of COVID-induced staffing shortages. This has not resulted in any negative impact to service delivery.
- Registration continues to run smoothly with 5593 registered users as of 31 July 2022.

Key Issues*NRS – Registration and user satisfaction*

- The NRS has required user registration since May 2021.
- As of 31 July, there were 5593 registered users with around 2300 unique callers per month, with approximately 650 users making 10 or more calls per month.
- Registration helps to ensure the sustainability of the NRS by only allowing genuine users to access the service. It also enables the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to communicate directly with users about the NRS and make sure that the service continues to meet the specific needs of the community.
- Users registering must confirm that they need to use the NRS to make and receive standard telephone calls.
- Any caller needing to reach a registered user of the service will be able to do so.
- Users of the service can make calls to emergency services through the NRS without registering or logging in.
- When a non-registered user tries to make a call, they are directed to the NRS Helpdesk which will assist the user through the registration process so they can make calls. This is usually a relatively prompt process.
- A user feedback process has been conducted and confirmed a high level of overall satisfaction by users of the service. Nearly 80 per cent of users agreed that they were satisfied with the service when completing the 2022 survey. Another survey is currently in the planning stage with the Department planning to run semi-annual surveys.
- The department and Concentrix use these surveys to identify and improve the services offered by the NRS, and several changes have been implemented to improve the user experience.

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SB22-000135

s47E(d) - certain operations of agencies

Background

The Government spends \$22 million a year to deliver the NRS. The service is presently delivered by Concentrix Services Pty Ltd. The current contract with Concentrix commenced on 7 June 2019 and was set to end on 30 September 2022. Following an independent review of contractor performance in January 2022, the department decided in August 2022 to exercise the two-year extension option within the contract with Concentrix. This extends the contractual arrangements to 30 September 2024.

Concentrix is delivering the following Service Access Channels:

Service Access Options	NRS USER				
	Uses Text	Uses Speech	Uses AUSLAN	Can make Emergency calls on	
				000	106
NRS Chat (formerly Internet Relay)	R			R	
SMS Relay	R			R	
Voice Relay (formerly Speak and Listen)		R		R	
NRS Captions (formerly Captioned Relay)	R	R		R	

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Video Relay			R	R	
Text and Listen	R			R	
TTY Type and Read	R			R	R
TTY Speak and Read	R	R		R	R
TTY Type and Listen	R			R	R

The Concentrix service options are the same as the service options traditionally included in the NRS, with the addition of a SMS Text and Listen option.

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SB22-000136

SUBJECT: auDA - Domain Name Registration (incl First Nations Referendum and Direct Registration)**Talking Points***One Nation domain registrations*

- Pauline Hanson's One Nation party has attempted to register domain names relevant to the upcoming First Nations referendum. We understand the names applied for included terms such as 'Uluru Statement', which might be mistaken as representing a pro-referendum group.
- auDA has advised that where the names requested fail to substantially match the applicant's commercial or trading name auDA can reject them, and this has occurred in some cases. This is standard procedure for auDA.
- It is possible that One Nation may find ways to comply with auDA's eligibility requirements and succeed in acquiring such domain names. auDA has dispute resolution processes that interested parties can use to challenge any contentious registration.
- The Minister does not have the power to direct auDA to act against its licensing policies. auDA is however expected to operate in accordance with its Terms of Endorsement. This includes managing the .au domain consistent with community expectations.

Direct Registration / .au direct

- In March 2022, auDA launched a new domain name product, '.au direct', previously known as direct registration, which permits shorter website names and has fewer eligibility requirements compared with .com.au names. Applicants must demonstrate a verifiable Australian presence to register a name.
- auDA has been planning the launch of .au direct for several years, mirroring similar initiatives in countries such as New Zealand and the United Kingdom.
- To give existing domain name holders the first option to acquire an equivalent .au direct name, auDA provided a six-month Priority Allocation phase for them. This phase ended on 20 September 2022. From 4 October, .au domain names have been available on a first-come first-served basis. If there are competing claims to a domain name, a dispute resolution process can be entered into.
- The Australian Small Business and Family Enterprise Ombudsman, Bruce Billson, asked auDA to extend the Priority Allocation deadline to better publicise the change, but auDA declined, noting that uptake of .au direct has been faster than anticipated.
- The Australian Government endorses auDA, but auDA is responsible for developing domain name policies, in consultation with a wide range of stakeholders, and is very

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experienced in dealing with these issues. The department remains strictly neutral with regard to .au direct.

Key Issues

auDA operates under Terms of Endorsement, which were last updated by the Minister for Communications in November 2021, following a review by the department.

One Nation domain registrations

The ABC reported that One Nation has been attempting to get around auDA's licensing provisions by registering businesses with names reflecting the domains applied for (e.g. 'Voice to Parliament'), but which are only shell companies.

(ABC News, 10 August 2022: [Pauline Hanson's One Nation may lose website names registered ahead of Indigenous Voice referendum campaign - ABC News](#))

The department is in touch with the Australian Electoral Commission. The AEC can advise auDA where in their view a domain name is being inappropriately used for political purposes.

.au direct

.au direct, which has also been known as 'direct registration', is a new class of domain name, which enables users to licence names such as 'example.au.' This will lead to shorter, more mobile-friendly website names. Unlike .com.au names, which usually require an ABN or ACN, eligibility for .au direct names will be based simply on the applicant having a verifiable Australian presence – including being a citizen or permanent resident, or being an organisation registered in Australia.

auDA first raised the idea of introducing direct registration in 2015, and conducted several rounds of public consultation in the lead up to the launch on 24 March 2022. The Government was aware of auDA's plans, but did not actively participate in their development. Following this consultation and prior to the launch of direct registration, auDA made the decision to run the Priority Allocation phase for 6 months. auDA claims this timeframe was popular with stakeholders, in part to lend a degree of urgency to uptake of the new domain.

Since launch, eligible applicants have registered over 600,000 .au direct domain names. By comparison, .net.au numbers around 220,000 names.

Where there are conflicting claims to a name, a dispute resolution process is available. Details of the process can be found on the auDA website (www.auda.org.au).

Bruce Billson, the Australian Small Business and Family Enterprise Ombudsman (ASBFEO), has argued that there was a significant lack of awareness amongst small business owners about the new domain name, and that losing it could dilute a company's brand. auDA has

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assured the Ombudsman that it is closely monitoring the situation and that in its view six months was an appropriate reservation period for equivalent names.

Government agencies involved:

Agency	Concern
ASBFEO	The Ombudsman reported that very few small businesses his office had spoken to knew about .au, and even fewer realised that they might be at risk of losing their company/brand name in the new .au domain if they failed to claim it during the Priority Allocation phase. The prospect of having to pay a cybersquatter an inflated price for a company/brand name is a real one.
ACSC	The Centre issued a low-level alert about the potential misallocation and misuse of .au names on 8 August 2022. It warned of scammers being able to acquire legitimate-sounding names for fraudulent purposes, and asked anyone affected to report such incidents.
AFP	The AFP has made no public statements about .au.
AEC	The AEC has made no public statement about .au as yet, but it has in the past been concerned about the misuse of domain names related to public figures, which .au could facilitate. When it starts planning arrangements for the upcoming referendum it may take more of an interest in this issue.
ACCC	The ACCC has privately expressed concerns that auDA may not have given sufficient notice to businesses of the move to .au, and the opportunity for scammers to exploit .au was an issue. The ACCC has been consulting directly with auDA about its concerns.
IP Australia	IP Australia featured .au's Priority Allocation on social media (though it considered 6 months to be quite short). Its main focus has been on the possible registration of trademarks containing '.au', which would be treated on their own merits.

Richard Windeyer of the department wrote to auDA in September to request more information about the .au direct process. In its response auDA made the following points:

- Starting in February 2022, auDA conducted a \$2.5 million national public awareness campaign in relation to .au direct, running across TV, radio, outdoor and digital channels.
- Media briefings lead to coverage in outlets including the Guardian and the ABC.
- auDA and commercial registrars have collectively sent millions of emails to domain name holders informing them of the approach of .au direct.
- Liaison activities included face-to-face meetings with peak business bodies, CPA Australia, the Australian Cyber Security Centre, political parties and the AEC.

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- Six months from launch, .au direct comprises 16 per cent of all registered domains; by comparison, the same initiative took 8 years for the UK and New Zealand to achieve 14 per cent and 20 per cent respectively.

The department will continue to monitor developments in this space.

Background

auDA receives no funding from Government, instead charging licensing fees for domain names. auDA was first endorsed by the Government in 2000, and by ICANN (the Internet Corporation for Assigned Names and Numbers) in 2001. It manages the Australian portion of the internet's Domain Name System (DNS).

auDA currently licenses 4.1 million .au domain names (3.1 million of which use .com.au). auDA has over 3,000 members.

Revenue: All active parties in the domain name sector are commercial entities. auDA administers .au policy; Afilias Australia (now known as Identity Digital) operates the central registry; and retailers such as GoDaddy on-sell names to users. Some countries have more State control over their domains, but Australia has always preferred a multi-stakeholder model, with auDA as a not-for-profit body. Advice from the ACCC indicates that it is not concerned about any lack of competition in the sector, and recent reviews have not highlighted prices as an issue for users.

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SB22-000138

SUBJECT: Universal Service (including payphones and position on reform)**Talking Points**

- There are arrangements in place to provide premises across Australia with access to broadband as well as telephone and payphone services.
- NBN Co is the default provider of broadband services nationally and its network supports voice services in NBN Co's fixed line and fixed wireless footprints (that is, the vast majority of fixed voice services). This is locked in by the statutory infrastructure provider (SIP) laws that took effect on 1 July 2020.
- The Universal Service Obligation (USO) remains to ensure voice services continue to be available from Telstra, including where they cannot be supported by the NBN, particularly in NBN Co's satellite footprint.
- The Telstra Restructure Act passed in late 2021 includes amendments to ensure Telstra (via ServeCo) continues to deliver the USO and other consumer safeguards.
- There is longstanding interest in USO reform. It was raised in the 2021 Regional Telecommunications Review and in an interim report by the Productivity Commission
- It is clear that many consumers prefer mobile solutions for voice and are making much greater use of broadband, but equally the Department notes that regional consumers have concerns about robust and proven alternatives.
- The USO contract with Telstra ends in 2032, and there is need for a longer-term solution, noting Telstra itself has raised issues about its ageing regional networks.
- USO reform is a matter the Government needs to consider in more detail. Pending agreement on reform, Telstra needs to continue to deliver on its contractual commitments.
- Licence conditions were placed on Telstra in December 2021 so Telstra provides more granular and frequent information about USO delivery.
- Payphone rules were remade earlier this year because they were due to sunset. While Telstra has made operational changes, including free Wi-Fi from some payphones and free-calling, there are questions about the ongoing relevance and use of payphones.
- *If asked if we have held reform discussions with Telstra:* The Department of Infrastructure, Transport, Regional Development, Communications and the Arts continues to monitor industry developments as they relate to voice services. Telstra has not put forward a formal proposal to the current Government.

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SB22-000138

Key Issues

- There have long been calls to modernise the USO, including the 2015, 2018 and 2021 Regional Telecommunications Reviews. The Productivity Commission in 2017 suggested significant changes to the USO, and a recent interim report by the Productivity Commission proposed competitive tendering, rather than allocating funding through the USO contract and other regional communications funding programs/grants.
- There have been suggestions that USO funding, including for payphones, would better be directed to regional mobile services. The Australian Government has made a very substantial election commitment focus on regional communications, including mobile coverage. Any change and possible savings would also depend on successful renegotiation of the 20-year contract with Telstra and therefore depend on Telstra's views.

Background

- Under the USO, Telstra must make voice services and payphones reasonably accessible. Telstra meets this by supplying voice services on the NBN fixed-line network, and generally operating its own infrastructure outside it (primarily copper lines).
- Access to broadband relies primarily on NBN Co as the national provider of wholesale broadband, underpinned by the SIP regime.
- The statutory USO is backed up by a contract (running to 30 June 2032), largely concerned with paying Telstra to deliver USO voice services. Telstra annually receives \$230 million for voice services and \$40 million for payphones. The contract also requires Telstra to maintain its copper network to support voice services outside NBN Co's fixed-line footprint.
- Based on confidential data provided by Telstra in May 2022, Telstra has around 370,000 services outside the fixed NBN footprint, including:
 - 232,000 voice only copper services
 - 125,000 copper voice and ADSL services
 - 15,000 services on terrestrial wireless (HCRC and wireless local loop)
 - 850 services on satellite, and
 - 100 services on fibre.
- Following the 2017 Productivity Commission inquiry into the USO, the department looked at the costs involved in 2018 and 2020. While there are potentially more cost-effective technologies, there are countervailing costs, and solutions need to be proven.
- In December 2018 the previous Government announced it would not make changes to the USO until robust and proven alternatives were found and that it would work with industry and consumers on better ways to deliver voice and broadband services in the long term.

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- The Government needs to further consider USO reform. It is open to Telstra to put forward a formal USO reform proposal. In the meantime, the department continues to consider relevant information from industry including on relevant developments like low earth orbit satellites (leosats).
- Telstra and OneWeb signed a memorandum of understanding in March 2022 and in September 2022, announced they were undertaking trials of OneWeb services in Australia, with potential to finalise a commercial agreement.
- It will take time for the results of any trials by Telstra and OneWeb to become clearer, including any implications for USO reform. Equally, there are a range of competing providers, such as SpaceX and Amazon, that are also investing in launching and commercialising leosats, and there are other platforms that can support voice services.

RTIRC and recommendations for USO reform

- The 2021 RTIRC reported to the previous Government on 13 December 2021.
- It recommended USO reform should be a priority given issues raised by Telstra about ageing technology used in some cases to deliver services. It suggested a technology agnostic approach be considered, providing it could exceed the existing reliability standards of the current solution.
- The former Government tabled its response on 30 March 2022. This included a commitment to further consider USO reform. This Government has made significant election commitments relating to regional communications. These commitments focus on improving telecommunications services in regional areas and other issues identified by the 2021 RTIRC.

TUSOPA Clause 5.1 review

- A review of USO delivery under the contract with Telstra was deferred by the previous Government. It is now due to start by July 2023.
- This reflected a view that significant work had already been done on the costs of using alternative platforms and a further review was unlikely to provide new information but would involve considerable cost.

Carrier licence conditions

- New licence conditions were placed on Telstra in December 2021. Telstra is required to report on the performance of voice services outside the NBN fixed line footprint – primarily services in regional and remote areas.

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- Reporting includes service availability, connection timeframes, faults and outages, repair timeframes, appointment timeframes, complaints, and customer contact handling, generally every quarter at the local exchange level.
- This makes Telstra's USO performance much clearer to everyone and provides an evidence base for deciding if further substantive intervention is warranted.
- The department's analysis suggests that performance is generally sound, and areas of relatively poor performance are followed up with Telstra.

Payphones

- While many consumers prefer mobile phones, payphones still play a role, particularly for vulnerable members of the community and in locations without mobile coverage.
- In August 2021, Telstra made national calls from payphones free of charge to consumers. Prior to free calling, the number of payphones and volume of calls made from public payphones had been in steady decline over a number of years.
 - Calls from payphones fell from 39.8 million calls in 2011–12 to 6.9 million calls in 2020–21.
 - Telstra has publicly indicated around 19 million calls were made in the 12 months since it introduced free-calling.
- Payphone provisioning rules were consulted on and remade with minor changes in April 2022, as they were otherwise due to sunset.
- In August 2022, Telstra made Wi-Fi free from around 3000 payphones nationally (out of around 14,700 payphones in total). Telstra also indicated it would install battery backup to 1000 payphones in disaster prone areas, and an aspirational goal to enable free Wi-Fi from further payphones.
- These changes may improve accessibility and digital inclusion for some in the community. However, given the \$40 million annually paid to Telstra, the long-term role of payphones still needs to be monitored and assessed critically.

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Environment and Communications

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SB22-000139

SUBJECT: Statutory Infrastructure Provider (SIP) Implementation
(including QoS, SRBs and Bill)**Talking Points**

- The SIP regime provides premises across Australia with access to baseline broadband services. For most premises, the SIP regime also supports access to voice services.
- Under the SIP laws, there are a total of 24 SIPs. NBN Co is the default SIP for Australia but 23 other carriers are SIPs where they are servicing developments.
- The Australian Communications and Media Authority (ACMA) maintains a public register which includes all SIPs and their service areas.
- The Australian Government has consulted on draft legislation that would make a number of changes to the SIP laws and other aspects of the telecommunications regime, including:
 - bringing private networks in new developments into the SIP regime;
 - clarifying when new SIPs replace NBN Co when they contract to service an area;
 - confirming that SIPs can be required to pay compensation;
 - clarifying the Telecommunications Industry Ombudsman can handle SIP complaints;
 - providing stricter notification rules for the exit of SIPs from a service area; and
 - empowering ACMA to require developers to remediate deficient pit and pipe work.
- *If needed:* Telstra has obligations to provide voice services, including in NBN Co's satellite footprint, under the existing Universal Service Obligation.
- *If needed:* It is up to SIPs to meet the statutory connection, supply and minimum speed requirements under the SIP regime, and comply with any subordinate legislation. We are not aware of high levels of complaints about SIPs. NBN Co still needs to deal with some issues relating to complex premises and co-existence. ACMA is responsible for compliance and enforcement matters.
- *If needed:* The Department of Infrastructure, Transport, Regional Development, Communications and the Arts consulted on standards, rules and benchmarks for SIPs in early 2021. These did not move forward due to ACCC processes and NBN Co's negotiation of WBA4. (Such measures were also raised in the report of the 2021 Regional Telecommunications Review.) Better service delivery is clearly an issue of importance to industry and consumers, but any proposed standards need to be carefully considered, given the cost implications for industry and flow-on implications for consumers.
- *If needed:* The Minister has sought views on amending the statutory regime to confirm that SIPs may be required to pay compensation, but that is ultimately a matter for the Parliament, and additional consultation would be needed on the detail.

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Lead/Support contact: Lachlann Paterson/Philip Mason

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Key Issues

The SIP regime provides certainty to communities across Australia that they can access broadband services.

Legislation is being proposed to fine tune the operation of the regime.

While standards, rules and benchmarks for SIPs were proposed by the previous Government, they were not finalised. It is important that time is taken to get them right. Issues about service levels are also being considered as part of ACCC's consideration of a revised NBN Co special access undertaking (SAU).

Questions on prior consultation by ACMA on the pass-through of NBN Co rebates to retail customers are best directed to ACMA.

Background*SIP Bill*

The Government has consulted on legislation to fine tune aspects of the SIP regime. Consultation closed on 30 September. We have received around a dozen submissions. The Government anticipates introducing the legislation into the Parliament by the end of the year.

Among the more significant changes is a change to bring carriage service providers (CSPs) into the SIP regime where they are servicing a new development. This responds to concerns raised with the Government about who should be the SIP, particularly in retirement villages, which CSPs have been able to service without becoming carriers.¹

The Bill would also remove an exemption from SIP requirements where a SIP is providing declared services under the Part XIC access regime on the basis it does not meet the original intention of the provision and undermines the SIP regime. The original intention was SIP requirements would be taken to have been fulfilled through the supply of declared services, s45 - material disclosed in confidence

The Bill would also make clear that SIPs can be required to pay compensation to customers if they contravene a standard or rule made by the Minister. This would ensure a more accountable framework.

¹ Typically because the residences in the villages are occupied under licences, not titles, meaning they do not qualify as 'distinct places' needing to be serviced by carriers. In the case of MDUs, the CSPs are typically operating private networks because they are beyond the 'network boundary point' of carrier networks.

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Another change would allow the TIO to handle complaints relating to SIP connections. This would ensure it can consider the full range of complaints.

Further changes would make SIPs other than NBN Co responsible for developments they have contracted as soon as a building is occupied. Currently, if there is a delay between premises being occupied and the network being deployed, NBN Co remains responsible, which could mean it would need to engage in inefficient building to service the premises.

The Bill would set timeframes for notification by SIPs when they exit an area, and give the ACMA powers to specify the format of notices. The timeframes should provide NBN Co, as the default SIP, with more time (ideally 90 days) to make arrangements to service the area.

The Bill will also improve the ACMA's ability to enforce pit and pipe rules under Part 20A of the Telecommunications Act, giving it the power to require developers to remediate deficient work. The Bill also creates powers for the ACMA to publish information that identifies providers when reporting on consumer or SIP-related issues.

Standards, rules and benchmarks for SIPs

SIPs must connect premises in their service areas and supply wholesale services that enable retail providers to supply broadband services to consumers, with peak download speeds of at least 25 Mbps and peak upload speeds of at least 5 Mbps. On fixed-line and fixed wireless networks, the wholesale services SIPs supply must also enable retail providers to supply voice services. There is an additional target that NBN Co supports 50/10 Mbps speeds to 90% or more of its fixed line network.

Beyond these broad requirements under the Act, the Minister has powers to make standards, rules and benchmarks for SIPs. The Department consulted on proposed standards, rules and benchmarks from 29 January – 15 March 2021. These covered connection, repair and appointment timeframes, broadband speeds, transparency about rebates, remediation and record-keeping. While most submissions (other than NBN Co's) were supportive of arrangements to set baseline requirements, a range of views were expressed on design issues and detailed implementation matters.

Getting safeguards for consumers in place as soon as possible needs to be balanced against getting the requirements right in a continuously evolving marketplace, the costs, and providing industry and the ACMA with a reasonable time for implementation. Other relevant factors include ACCC discussions on NBN Co's Special Access Undertaking (SAU).

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Wholesale service standards were raised in the report of the 2021 Regional Telecommunications Review (p. 38). The Committee considered SIP standards previously consulted on should be progressed, and that service standards for other services (such as mobile and ADSL) be further considered. Network standards are also a key feature of the Private Members Bill introduced in the last Parliament by Helen Haines, Member for Indi.

NBN Co's ability to meet SIP connection and speed requirements

It is up to SIPs to meet the requirements under the SIP regime, including any subordinate legislation. NBN Co still needs to deal with residual issues relating to complex premises and co-existence. Queries about NBN Co's compliance are best directed to the company. The Department understands that the ACMA has engaged with NBN Co and other SIPs on various compliance issues, but matters of detail are best raised with the ACMA, noting its enforcement and compliance role.

In relation to speed issues, depending on the circumstances, there may be in-home or other factors that impact the broadband speeds consumers receive, and which are outside the control of the SIP. Any such factors need to be taken into account.

To the extent there are practical operational constraints on a provider meeting requirements (like complex premises and co-existence), these may be seen as reasonable considerations when it comes to assessing compliance, and if necessary, dealt with under subordinate legislation.

Retirement or lifestyle villages

The department has received a limited number of queries (<5) in relation to retirement or lifestyle villages operating private networks (e.g. Palm Lakes Village, Ballina, NSW). Statutory changes are being proposed. Stakeholders were provided with an opportunity to comment on bringing private networks in new developments into the SIP regime through the exposure draft of the Telecommunications Legislation Amendment (Statutory Infrastructure Providers and Other Measures) Bill 2022.

In all cases, before moving into retirement or lifestyle villages, consumers should make enquiries about what telecommunications and broadband services are available and on what basis. The ACCC or state/territory fair trading bodies can investigate under Australian Consumer Law if there are concerns about false or misleading representations.

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SIP complaint handling

We are not aware of high levels of complaints about SIPs, although issues have arisen with NBN Co (noting the size of its operations) and RedTrain (see below). The department has engaged with ACMA, the ACCC and the TIO on SIP complaint handling. If consumers are experiencing issues with services provided over a SIP network, these should be raised with their retailer in the first instance, or otherwise the TIO. The TIO has well established processes to share information and advise the ACMA if it has concerns regarding systemic issues. We understand the TIO can seek information and assistance from SIPs. The Minister has sought views on amending the law to make clear the TIO's ability to effectively work with SIPs and retailers in the event of complaints involving SIPs.

RedTrain complaints

Approximately 50 people living in estates in parts of outer suburban Melbourne serviced by RedTrain contacted the Department or previous Minister in 2020 and 2021 to express concerns about their service speeds and reliability, including in the context of COVID-19 lockdowns. The previous Minister wrote to RedTrain in August 2020 to seek its perspective. RedTrain advised of steps it was taking to boost network capacity in parts of its network. There were a small number of further issues, but the department has not seen RedTrain related complaints for around 12 months.

Ministerial rules on 'reasonable requests'

SIPs have standing requirements to connect premises and supply wholesale services to carriage service providers (CSPs) on reasonable request. Following public consultation undertaken in late 2020, the *Telecommunications (Statutory Infrastructure Providers—Circumstances for Exceptions to Connection and Supply Obligations) Determination 2021* commenced on 28 May 2021. While SIPs are expected to approach requests with a view to facilitating connection and supply, this instrument provides guidance to industry and consumers on limited circumstances where SIPs are not required to connect premises and/or supply services to CSPs, such as because of legal impediments, practical matters like absence of power or safety issues.

The instrument was reviewed by the Senate Standing Committee for the Scrutiny of Delegated Legislation (Committee). The Committee recommended that it be amended to cease three years after commencement. In light of the Committee's concerns, the instrument was subsequently amended so it will be repealed at the start of 28 May 2024. The department will need to review the instrument and seek stakeholder views before then.

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SIP designation

In addition to NBN Co, 18 SIPs have been designated by the Minister. These 18 SIPs are responsible for around 1770 development areas (covering approximately 400,000 premises) where they had built networks since 2005. These designations implement a key aspect of the regime, namely that the carrier that controls the main fixed network in an area should be the SIP. Ongoing work seeks to ensure all areas are appropriately designated as needed and boundaries are as accurate as possible. Beyond NBN Co and the 18 SIPs that have been designated, there are a further five SIPs that have contracted to service a development and nominated service areas (in total, there are 24 SIPs including NBN Co).

In 2022, we have also been advising the Minister on amending designations to reflect new areas or adjustments to existing areas for LBN Co, Lynham Networks, OptiComm and TransACT. The ACMA is also in discussions with SIPs on amending the format for providing mapping information.

The Minister made a mechanical change to the SIP designations to reflect Telstra's proposed restructure. This will only take effect when the restructure occurs. Further changes will be required to reflect the transfer of Telstra Velocity assets to Uniti later in 2022.

ACMA enforcement options

The SIP regime in Part 19 is subject to the generic enforcement provisions in the *Telecommunications Act 1997*. ACMA has a range of enforcement options including issuing formal warnings or infringement notices (Parts 31A and 31B), accepting enforceable undertakings, giving a direction (s69) or seeking civil penalties in the Federal Court (Part 31).

ACMA has listed a number of SIP provisions in the *Telecommunications (Listed Infringement Notice Provisions) Declaration 2022*, which means ACMA can issue infringement notices for breaches (\$13,220 in the case of body corporates – 60 penalty units x \$222). In the compliance and enforcement policy published on ACMA's website, it indicates that where it is 'of the view that a regulatory breach has occurred, [it] will take regulatory action commensurate with the seriousness of the breach and the level of harm. [It] will generally use the minimum power or intervention necessary to achieve the desired result, which, in many cases, is compliance with the relevant obligation.' (www.acma.gov.au/compliance-and-enforcement-policy)

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Lead/Support contact: Lachlann Paterson / Philip Mason

SB22-000140

SUBJECT: 2021 Regional Telecommunications Independent Review Committee (RTIRC) Report and previous Government Response**Talking Points**

- Regional Telecommunications Reviews take place every three years and are important to identifying areas needing attention.
- In essence, the 2021 Review recommended further investment in regional telecommunications and digital literacy, as well as some regulatory changes.
- The Government has considered the Review's work in developing its programs and the Government programs are highly relevant to the Review's recommendations.
- The Government's Better Connectivity Plan covers key issues identified by the Review, including investment in mobile, the NBN, place-based solutions, resilience, on-farm solutions, Indigenous Australians and consumer support.

Key Issues*What is the status of the response tabled in March by the previous Government?*

- That is the response of the then Government. It is part of the historical record and fulfils the legislative requirements. The new Government is progressing its own plan for regional telecommunications consistent with the themes raised in the Review.

Will the Government implement the response tabled by the previous Government?

- The Government has its own Better Connectivity Plan that it is implementing, focusing on investment in mobile, the NBN, place-based solutions, resilience, on-farm solutions, Indigenous Australians and consumer support.

Will the Government respond to the 2021 RTIRC?

- The Government's own Better Connectivity Plan addresses the key issues identified in the Review. *If pressed:* The department continues to consider matters raised by the Review as a valuable input into ongoing work on policy and regulatory issues.

Why isn't the Government committing as much as the previous Government?

- The Government has committed over \$1.1 billion to regional communications, including a \$480 million grant to NBN Co to enhance its fixed wireless technology, over \$600 million for mobile, place-based, resilience and on-farm programs, as well as expanding NBN Co's fibre footprint.
- The funding allocated has regard to the needs of the community.

Hasn't the Government just copied the previous Government's response?

- There are similarities between the two approaches, but this should not be surprising. There are clear priorities in regional communications, like better mobile, broadband,

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SB22-000140

resilience, and customer support, and there is a need for funding to address them, while not being wasteful.

Background

Previous Government response: Just as Regional Telecommunications Reviews take place under law, the law requires Government to respond to recommendations within 6 months of reporting. The previous Government provided \$811.8 million in funding in response in the March 2022 Budget and tabled its response in Parliament the following day. Our view is this met the legal requirement to respond. However, given the election, it is the previous Government's response and cannot be considered binding on the new Government.

2021 Regional Telecommunications Review: The Review Committee provided its report to previous Government on 13 December 2021. The report was tabled in Parliament on 14 February 2022 by Senator the Hon Bridget McKenzie and was subsequently published. Minister Rowland welcomed the report when it was tabled.

s47C - deliberative processes

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Environment and Communications

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SB22-000141

SUBJECT: Alternative Voice Services Trials**Talking Points**

- The Alternative Voice Services Trials (AVST) program was designed to identify new ways to deliver voice services, including by different providers, assess their effectiveness and raise consumer awareness of these solutions.
- The AVST ended on 30 June 2022. Six grants were awarded, to Concerotel, NBN Co, Optus, Pivotel, Telstra and Zetifi, with additional service providers involved in some trials.
- The Department has published three progress reports on its website. The results are now being further assessed.
- Generally, triallists were positive about the performance of their trial services, though lessons were learnt about service quality, delivery, set-up and customer support.
- The AVST would be one input amongst many to any broader reform of the USO, which would depend on proven, reliable, robust solutions being available and ultimately is a matter for the Government.

Key Issues*Program expenditure*

- Overall, we expended \$1,378,998.90 (ex GST).
- Grantees' funding was tied to the number of triallists they recruited, so the figure reflects the fact that some grantees weren't able to recruit as many triallists as forecast.
- Overall, about 540 triallists were recruited against a target of 880. This seems to reflect a range of factors, including less interest than expected despite reported concerns about existing services, the types of solutions, the impacts of COVID lockdowns and scam concerns.

Service quality

- The monthly reports from grantees, and our monthly surveys of triallists, indicated that triallists were generally positive about their services.
- There were service quality issues in some instances, but many issues were due to service set up (e.g. the volume of the ring tone, the timing before going to voicemail) and customer support. Some changes to equipment or software were also needed.
- There were a few repairs required or issues with equipment that affected service. Where these occurred grantees have typically addressed the problems.

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Lead/Support contact: Lachlann Paterson/Philip Mason

SB22-000141

Future of regional services

- The AVST is just one small input to the policy development process. The results generally show that the technologies work, but geostationary satellite calls were affected by bad weather and latency in some instances and customer service is very important.
- There have been calls for reform of the USO given changes in consumer expectations and needs (e.g. by last year's Regional Telecoms Review). In this context, we are interested in better ways to deliver services in rural and remote Australia.
- Technological developments are important, including NBN Co's fixed wireless upgrade, the emergence of leosats and greater use of, and improvements in, mobile services.
- We will consider these issues in a careful way. Any reform would require proper, reliable, robust solutions to be available and ultimately is a matter for Government.

AVST criticisms by RTIRC

- The 2021 Regional Telecommunications Review (p.33) criticised the AVST on the basis that the technologies were not innovative and that not enough triallists currently receiving voice services over radio platforms (HCRC) were recruited.
- Most of the constituent technologies involved were already in market, but they were used in new ways and the trials also tested different providers.
- For example, NBN Co and Telstra trialled voice products over Sky Muster and 4G, respectively, that they do not currently have commercially available.
- While we would have liked the trials to be fully subscribed and a broader range of technologies, the number of triallists was sufficient to produce useful information.
- We were dependent on the solutions that came forward. No leosat providers, for example, applied for funding. Equally we were dependent on community members coming forward to achieve the recruitment targets forecast.

RTIRC's call for funding for innovative technologies

- The Budget includes significant new funding for regional communications.
- The program guidelines are being developed. However, we envisage that applicants for funding could forward innovative technologies if they wish.

Background

The 2019 Budget allocated \$2 million to the AVST. The Department consulted on program design in 2019 and issued guidelines in 2020. Grants were awarded to six grantees – Concerotel, NBN Co, Optus, Pivotel, Telstra and Zetifi. Details of the trials and grants are at **Attachment A**. Expenditure was lower than forecast because some grantees did not meet their targets for recruiting triallists.

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Australian Private Networks, Field Solutions Group, Pivotal and Telstra were involved in NBN Co's project as retail service providers, in Pivotal's case, through its associate MultiWave. Concerotel's project involved the retail providers Indian Ocean Territories Telecommunications and Norfolk Island Data Services.

An independent survey company, Lonergan Research Pty Ltd (Lonergan), conducted surveys of trialists every month. Lonergan was paid \$80,000 (GST inclusive).

A stakeholder reference group was established to help keep the Government informed of community views; provide a sounding board for ideas; to help raise awareness of the trials; and help share information about their progress. The group was not involved in the assessment of applications.

Its members were: Kristy Sparrow of BIRRR; Kathy Rankin of the NSW Famers and NFF; Jo Stewart-Rattray of the National Rural Women's Coalition and Andrew Williams of ACCAN. Mr Williams replaced Una Lawrence on the group in August 2022 after she retired. The members were originally nominated by the RRRCC.

The group has had nine meetings and last met on 9 September 2022. The group remains in place while we finalise our assessment of the program, but as the program has ended, the group is winding down.

Financial Information as at 31 August 2022

Program/Project Start Date:	January 2021					
Program/Project End Date:	30 June 2022					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget (after internal rephasing)	1	1	0	0		2.0
Less:						
Actual Expenditure YTD at 31 August 2022	1	0.4				
Total Committed Funds at 31 August 2022	1	1.0	0	0		2
Total Uncommitted Funds (balance)	0.0	0.6	0	0	0	0.6

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

Note: All funds remaining have been moved to the broader Regional Connectivity Program.

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Attachment

- Attachment A – AVST details on trial table

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Attachment A

Details on the trials (all figures GST inclusive) at 1 September 2022

<i>Provider</i>	<i>Solution</i>	<i>Locality</i>	<i>Target</i>	<i>Recruited (and % of target)*</i>	<i>Expended Funds to 31/08/2022</i>	<i>Total \$ per service average</i>
Concerotel	VOIP calling using mobiles with satellite backhaul	Cocos (Keeling) Islands, Norfolk Island	200	138 69%	\$120,120	\$870.43
NBN Co	Voice calling on existing and new low band fixed wireless and satellite platforms.	All states and territories except the ACT.	260	195 75%	\$608,307.01	\$3,119.52
Optus	Voice by direct-to-home satellite (5) and via 4G (5) and Wi-Fi small cells (5).	NSW, QLD, SA	15	15 100%	\$219,897.70	\$14,659.85
Pivotel	VoIP services delivered to mobile handsets using Sky Muster	Mainland, NSW, Qld, NT focus	60	51 85%	\$76,392.79	\$1,497.90
Telstra	4G Fixed Wireless voice product with antennas installed as required. Small trial (5) of new satellite equipment.	All states and territories except the ACT and SA	295	104 35% (99 4G and 5 satellite)	\$185,479.50	\$1,783.46
Zetifi	Mobile extension technology using mobile networks or Sky Muster for backhaul	Rural NSW and VIC	50	50 100%	\$306,702	\$6,134.04
Totals			880	553 recruited	\$1,516,898.90	\$2,743.04 (average cost of each service)

* The number of trialists recruited also fell during the trials – e.g. people moved, passed away, lost interest.

Attachment A

Provider	Solution	Locality	Target	Recruited	Total Funding	Estimated \$ per service	Expended Funds	Total \$ per service average	Difference between total and expended funds	Difference between estimated \$ per service and \$ per service
Concerotel	VOIP calling using mobiles with satellite backhaul	Cocos (Keeling) Islands, Norfolk Island	200	138 69%	\$154,000	\$770 (target triallist amount) \$1,115.94 (recruited triallists)	\$120,120	\$870.43	\$33,880	\$-100.43 (target) \$245.51 (recruited)
NBN Co	Voice calling on existing and new low band fixed wireless and satellite platforms.	All states and territories except the ACT.	260	195 75%	\$930,153.40	\$3,577.51 (target) \$4,770.02 (recruited)	\$608,307.01	\$3,119.52	\$321,846.39	\$457.99 (target) \$1,650.50 (recruited)
Optus	Voice by direct-to-home satellite (5) and via 4G (5) and Wi-Fi small cells (5).	NSW, QLD, SA	15	15 100%	\$219,897.70	\$14,659.85	\$219,897.70	\$14,659.85	\$0	\$0
Pivotal	VoIP services delivered to mobile handsets using Sky Muster	Mainland, NSW, Qld, NT focus	60	51 85%	\$88,138.60	\$1,468.98 (target) \$1,728.21 (recruited)	\$76,392.79	\$1,497.90	\$11,745.81	\$28.92 (target) \$230.31 (recruited)
Telstra	4G Fixed Wireless voice product with antennas installed as required. Small trial (5) of new satellite equipment.	All states and territories except the ACT and SA	295	104 (99 4G and 5 satellite) 35%	\$490,171	\$1,661.60 (target) \$4,853.18 (recruited)	\$185,479.50	\$1,783.46	\$304,691.50	\$121.86 (target) \$3069.72 (recruited)

Provider	Solution	Locality	Target	Recruited	Total Funding	Estimated \$ per service	Expended Funds	Total \$ per service average	Difference between total and expended funds	Difference between estimated \$ per service and \$ per service
Zetifi	Mobile extension technology using mobile networks or Sky Muster for backhaul	Rural NSW and VIC	50	50 100%	\$316,250	\$6,325	\$306,702	\$6,134.04	\$9,548	\$217.96
Totals			880	553 recruited	\$2,198,610.70	\$2,498.42 (target average estimate) \$3,975.79 (recruited average estimate)	\$1,516,898.90	\$2,743.04 (average cost of each service)	\$681,711.80	\$-244.62 (target) \$1,232.75 (recruited)

Released under FOIA

Environment And Communications

Lead/Support contact: Lachlann Paterson/ Philip Mason

SB22-000142

SUBJECT: National Audit of Mobile Coverage

Talking Points

- The Australian Government has allocated up to \$20 million for an independent audit of mobile coverage in the budget in line with its election commitment.
- The audit will help assess the accuracy of carrier coverage maps and identify mobile coverage black spots to better target investment.
- A competitive tender process is proposed to identify a partner able to place mobile signal measurement devices on Australia Post's vehicles, to provide mobile coverage data.
- We are working with Australia Post on the design of the procurement so it can start as soon as possible.
- We expect the audit to start by mid 2023 with the first data available in late 2023.

Key Issues

Why does this need \$20 million? Why can't you use something like Ookla for much less?

- \$20m is the cost the Government budgeted for in its election platform and the budget we have. The actual cost will depend on a competitive procurement process.
- A range of solutions are conceivable but their acceptability depends on whether they meet the Government's objectives, which will be reflected in the tender process.

Does the Government's commitment to use Australia Post limit your options?

- The Government sees benefit in 'leveraging public (Australia Post's) assets for public good'. We think an effective procurement process can be run on that basis.

s47E(d) - certain operations of agencies

Will the audit data be made public?

- This will be explored as part of the tender process.

s47E(d) - certain operations of agencies

Is Australia Post able to participate in the audit under its Act?

- The department considers that this role is consistent with the *Australian Postal Corporation Act 1989*.

Environment And Communications

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SB22-000142

s47E(a) - tests, examinations or audits

What is the purpose of the audit?

- The data will help check the accuracy of predictive coverage maps published by carriers, and help identify coverage black spots to help target investment in mobile coverage.
- It could also encourage carriers to improve the accuracy of their maps, and assist with planning of other projects (e.g. the use of IoT).

Background

There have been long-standing concerns about the accuracy of carriers' predictive mobile coverage maps relative to actual service availability on the ground. The 2021 Regional Telecommunications Review found that network coverage information provided by mobile network operators relates poorly to consumers' 'real world' experience of mobile coverage.

s47E(d) - certain operations of agencies

During the 2022 election, the new Government indicated it would undertake a national audit, 'through an innovative partnership to place mobile signal measurement devices on Australia Post's transport assets' and allocated \$20m.

Prior to the Budget, the department has had preliminary discussions with Australia Post on the audit. s47E(d) - certain operations of agencies

Ranlytics has already been working with Australia Post on mobile monitoring and it has approached the department and Minister's Office. Mark Gregory of RMIT has also worked with Ranlytics and flagged some issues. Other auditing providers include Here, M2Catalyst, OpenSignal, Ookla and SamKnows. States and territories are interested in sharing coverage data with the Commonwealth, and potentially contributing funding.

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Environment And Communications

Lead/Support contact: Lachlann Paterson/ Philip Mason

SB22-000142

Minister Rowland held a press conference about the audit in Launceston on 1 November 2022 (**Attachment C**)

Financial Information as Budget 2022-23 (25 October 2022)

National Mobile audit agreed resourcing

National Mobile Audit Start Date:	1 November 2022					
National Mobile Audit End Date:	30 June 2027					
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Appropriation Budget (Administered)	5.1	11.2	1.2	1.2	1.2	20.0
Appropriation Budget (Departmental)*	0	0	0	0	0	0
Total Uncommitted Funds (balance)	5.1	11.2	1.2	1.2	1.2	20.0

*No Departmental or ASL have been allocated.

The annual breakdown is not included in the PBS.

Attachments

- Attachment A: Anthony Albanese (Opposition Leader), excerpt from speech to National Farmers Federation Conference, 5 April 2022
- Attachment B: Minister Rowland, excerpt from radio interview with Chris O'Keefe, 2GB, Sydney, 23 September 2022
- Attachment C: Minister Rowland, media release, 1 November 2022

Tuesday, 5th April 2022

Building a Better Future for Rural and Regional Australia - (excerpt)

NFF 2022 National Conference - Sustaining the Nation

And today I am announcing our Better Connectivity for Rural and Regional Australia Plan.

This is a comprehensive, targeted plan that will ensure better mobile coverage on roads, on farms, and across regional communities - and better broadband too.

We'll commence an independent national audit of mobile coverage to identify mobile blackspots and the places most in need of coverage upgrades.

This will be delivered through an innovative partnership to place mobile signal measurement devices on Australia Post's transport assets — a great example of leveraging our public assets for public good.

Labor will expand multi-carrier mobile coverage in regional homes and businesses, as well as along roads and highways — because we know people in rural Australia often travel long distances and need to be connected for both convenience and safety.

We will also invest in place-based connectivity programs for the regions, including better mobile voice and data coverage, and targeted fibre upgrades in rural communities.

And importantly, we will be expanding connectivity for farmers and enabling better wireless extensions on the field.

Released u.

**The Hon Michelle Rowland MP**

Minister for Communications

Member for Greenway

TRANSCRIPT**Excerpt of TRANSCRIPT**

RADIO INTERVIEW

2GB SYDNEY, DRIVE

TUESDAY, 11 OCTOBER 2022

***SUBJECTS:** Mobile Black Spots, Mobile Requirements in Planning, Optus Cybersecurity Incident.*

CHRIS O'KEEFE, HOST: Now, as we've been speaking about all week, Sydney's mobile phone reception leaves a lot to be desired. We've had phone calls from Schofields, the Ponds, Kellyville, Quakers Hill, Little Bay, Narrabeen, the Hawkesbury, on and on and on. The people of 2GB have been calling in saying that their mobile phone reception continues to drop out and it is very unreliable. Now I know Michelle Rowland. She is the new Federal Minister for Communications. She's also the Member for Greenway, around the Blacktown area, so she knows these suburbs and this issue well and she's kind enough to join us on the programme this afternoon. G'day, Michelle.

MICHELLE ROWLAND, MINISTER FOR COMMUNICATIONS: Hi there, Chris.

O'KEEFE: Minister, firstly, you're in government now. What do you plan to do to fix this?

ROWLAND: Firstly, just to note in your intro, the comments that your listeners are making correlates precisely with the latest complaints figures released by the Telecommunications Industry Ombudsman; we've had mobile complaints increased to around 40 per cent of all complaints, and it's a massive increase on last year. And I think this is driven by a couple of factors.

First, as you said, I represent an area around northwest Sydney, a huge growth area, and just to simplify the laws of physics, the more people you have moving into an area, the less capacity you have on existing mobile infrastructure assets. But in answer to your question, there are two key things we're doing and it highlights two things that really surprised me when I came into the portfolio. First, the lack of collaboration between the telco providers and planning authorities like councils. And second, the lack of measurement about what kind of mobile coverage is out there.

So we're doing two things in response to that, Chris. We have in place a reinvigorated collaboration exercise, if you would call it that, between the local government authorities and the telcos to bring them together in this forum, to say that this is not good enough, we need to streamline this. We know we need to balance the interests of communities, but one of the interests of communities is to have mobile coverage.

And the second is we took an election commitment to the Australian people for an independent coverage audit right across Australia. And what we're doing is we're leveraging off existing assets. So Australia Post vehicles that go to every part of Australia, we are putting tracking devices on these so that we get a true independent coverage map for the first time. And with those two things in place, I think we are going to be able to see a good difference. But in the meantime, I want to reassure your listeners that this is a top priority. And I know that not only as Minister, but as a local member.

*****edited extract*****

O'KEEFE: So under the Labor government right now, what's going to change if all you're going to do is just continue to talk with them?

ROWLAND: It's not just talking, Chris, it is this is ensuring that we have an understanding from the telcos of their expectations. We have an independent coverage audit and we know that the Telecommunications Industry Ombudsman continues to receive these high numbers of complaints. And we are not going to just let those complaints sit there -

O'KEEFE: Why don't you legislate?

ROWLAND: We are taking action -

O'KEEFE: Or an enforceable code of conduct or something like that?

ROWLAND: That's a really good point. And there are two issues that go to that. The first is that it is actually when telcos actually measure coverage, they're doing this essentially on a hypothetical basis, so essentially measured in a lab and not measured in the real world. So the first thing we need to do is to get that coverage audit done. And the second is ensuring that not only do we have this understanding between the telcos and the councils and set protocols in place, as a result of the work that we've been doing in barely over 100 days. We've got these protocols in place, that are actually met then we can balance those community needs against the telcos actually taking action and making sure that they've got adequate coverage.

*****edited extract*****

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The Hon Michelle Rowland MP
Minister for Communications

MEDIA RELEASE

Albanese Government delivers on commitment to audit mobile coverage

The Albanese Government will undertake an independent audit of mobile coverage to better identify black spots and guide investment priorities from 2023.

The 2022-23 Federal Budget confirmed \$20 million funding which delivers on a key component of the *Better Connectivity for Regional and Rural Australia Plan*.

The 2021 Regional Telecommunications Review noted community concerns about mobile providers' predictive coverage maps and suggested an audit could be helpful in validating them.

A key component of the audit will be conducted in collaboration with Australia Post to leverage off its transport and delivery assets. A competitive tender process will be used to identify a partner company to place mobile signal measurement devices on delivery vans and trucks and to get the best value for taxpayers' money.

This will gather the best information possible about mobile coverage, capacity issues and gaps to guide and better inform future investment priorities and policies.

The audit forms part of the Albanese Government's broader *Better Connectivity Plan for Regional and Rural Australia*, which also commits \$400 million to expand regional mobile coverage and improve the resilience of communications systems, especially in areas with elevated natural disaster risks.

For more information on the *Better Connectivity Plan for Regional and Rural Australia* visit infrastructure.gov.au/bcp

Quotes attributable to Minister for Communications, the Hon Michelle Rowland MP:

"Many Australians know that mobile coverage maps don't always reflect the reality. That's why the Albanese Government is delivering on its commitment to undertake an independent audit of mobile coverage."

"The results will help industry and Government make more impactful investment decisions, and ensure coverage maps being published by mobile carriers are accurate and up-to-date."

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / Philip Mason

SB22-000143

SUBJECT: \$400m Regional Mobile Election Commitment**Talking Points**

- The Budget includes \$400 million to improve mobile connectivity and resilience in rural and regional Australia.
- The funding will bring broad benefits to the wider community in terms of enhanced connectivity which supports economic and social activity and public safety.
- The funding will aim to maximise the choice of service providers.
- The department has been working on the design of the program and will shortly commence consultations with stakeholders.
- The Government will contemplate a wide range of delivery models with the objective of services operating on an ongoing basis well into the future.

Key Issues

How much is the Government directing to regional mobile coverage, noting its \$400m election commitment?

- The Better Connectivity Plan for Regional and Rural Australia (BCPRRA) provides \$400m to improve mobile connectivity and resilience in rural and regional Australia. As the Portfolio Budget Statement (p.75-6) indicates this will fund further rounds of the Mobile Black Spot Program. It will also support telecommunications resilience, including preparing mobile base stations for natural disasters. There is significant overlap between the two streams.
- *If pressed:* Notionally \$300 million as been allocated to mobile coverage and \$100 million resilience, but as there is significant overlap between the two streams the distinction is somewhat artificial.
- This package will provide significant benefits for regional communities in terms of expanding mobile coverage and greater reliability of coverage, including for communities vulnerable to natural disasters.
- Under the Plan there will be flexibility to redirect administered funds between streams where required according to community need.

Why does the note on p.76 of the PBS say it is allocated to MBSP yet there is a separate MBSP line?

- There is good community recognition of MBSP and it makes sense to leverage that awareness.
- The two items, however, make it clear there is new money for mobile coverage under the BCPRRA, as per the election commitment, and ongoing money under MBSP.

Contact: Philip Mason**Cleared by First Assistant Secretary:** Lachlann Paterson**Phone:** (02) 6271 1579**Version Number:** 1**Date:** 26/10/2022

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / Philip Mason

SB22-000143

How does the department propose to progress the multi-carrier component?

- The department is aware that multi-carrier mobile coverage raises new issues and there is a need to ensure program parameters are right, while ensuring value for money.
- We have done a range of research in this area and will obtain further advice as needed.
- The House of Representative Standing Committee on Communications and the Arts is also conducting an inquiry into multi-carrier coverage (refer **Attachment A**). The Committee has sought submissions by 10 November 2022.

When will the mobile program commence? Will it need to wait for the mobile audit?

- Noting the design work required we expect it will be launched around mid 2023.
- Early mobile audit data can be sought for specific programs, or separate auditing undertaken if required.
- Other mobile programs such as the Improving Mobile Coverage Round and Peri-Urban Mobile Program will commence earlier.

Will the priority be multi-carrier coverage on roads or coverage in underserved communities?

- Program design is still being developed and will be informed by significant stakeholder and industry engagement. However, the relative benefit of coverage in one area versus another would generally be considered in allocating funding.

Background

While a top priority of regional communities is to have mobile coverage, they often want access to all providers operating in Australia so they can take advantage of competing products and prices at home and when travelling, and so visitors to their communities can use their providers. The issue is longstanding but was again reported by the 2021 Regional Telecommunications Review, which recommended shared access models be considered.

Multi-carrier approaches

There are a variety of approaches to providing multi-carrier coverage, including passive sharing of sites and towers and even backhaul, as well as active sharing of the radio access network (MORAN) and spectrum (MOCN), or the core/complete network (CN). There is also roaming which is service-based. Some approaches have been used or trialled in Australia, notably co-location and some sharing of radio access network equipment. Recently Telstra and TPG have announced a proposed MOCN arrangement (see below). Applicants could be allowed to propose their preferred sharing model and be assessed against the criteria in the guidelines, but this is to be decided.

Implementation advice will inform the multi-carrier approach taken and will help identify a suitable approach for Australian conditions taking into consideration overseas experience, liaison with telecommunications providers, and analysis of different models.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / Philip Mason

SB22-000143

Australasian examples of network sharing

Telstra and TPG: On 21 February 2022 announced a ten-year regional MOCN commercial agreement. Under the deal TPG will gain access to around 3,700 of Telstra's mobile network assets, increasing TPG's current 4G coverage from around 96 per cent to 98.8 per cent of the population. Telstra will gain access to TPG's spectrum across 4G and 5G, which will allow it to grow its network, increase capacity and continue to provide the country's largest network. The ACCC published its preliminary views on the agreement for comment on 1 October, with submissions due by 14 October with a view to providing its final decision by 2 December 2022.

NSW: On 28 April 2022 the NSW Government announced it would work with Optus, Telstra, TPG Telecom, BAI Communications, Field Solutions Group (FSG), Infrastructure Logic, NEC and Pivotal Mobile to explore open access models. On 28 September NSW announced \$50m for pilots ahead of a further \$250m network rollout. Proposals are due by 14 November.

NZ: The Regional Connectivity Group (RCG) is an independent entity established by the NZ Government in 2017 to build infrastructure for Vodafone, Spark and 2degrees. The RCG uses MOCN sharing. The operators pay a monthly fee to RCG on a wholesale basis based on the amount of capacity they need at each site. NZ\$225 million is funding almost 600 cell sites by December 2023. At 13 April 2022 RCG had over 325 sites on air, covering 27,650 households and businesses across NZ, 68 tourist spots and 742km of highways.

ACCC tower inquiry

The previous Minister directed the ACCC to conduct a public inquiry into tower access. The ACCC must examine: access fees for towers and associated infrastructure in regional, rural, remote and peri-urban Australia, and the underlying costs; and the feasibility of temporary mobile roaming during natural disasters and emergencies. The ACCC must widely consult. Initial submissions were published on 11 October. This inquiry is due to report to Government by June 2023 but early work could help to inform the multi-carrier approach.

Productivity Commission (PC) interim report on the data and digital dividend

As part of its 5 Year Productivity Inquiry the PC has released an interim report on Australia's data and digital dividend. It notes the importance of mobile services. The PC canvasses tendering for communications solutions on an area-by-area basis. The final report is expected in early 2023.

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / Philip Mason

SB22-000143

Financial Information as Budget 2022-23 (25 October 2022)

Better Connectivity Plan for Regional and Rural Australia and new regional mobile coverage

Start Date:	1 November 2022					
End Date:	30 June 2027					
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	Total \$m
Better Connectivity Plan Regional Mobile Expansion - Administered	5.1*	67.2*	75.00*	74.7*	78.00*	300*
Better Connectivity Plan - Administered	29.428	190.018	198.018	129.718	108.818*	656*

*Annual breakdown, out years and total not published in the PBS.

Attachments**Attachment A:** Terms of Reference, House of Reps Inquiry into multi-carrier mobile coverage

Attachment A

House of Representatives Standing Committee on Communications and the Arts, Inquiry into co-investment in multi-carrier regional mobile infrastructure

Terms of Reference

The Committee will:

1. Report on the costs, feasibility and public benefits associated with the deployment of
 - a. infrastructure which supports a single mobile carrier, and
 - b. the various models for infrastructure which supports multiple mobile carriers;
2. Report on community views on single carrier vs multi-carrier outcomes; and
3. Report on examples of successful multi-carrier outcomes and their applicability in the Australian context.

According to the Minister, matters relating to national security are out of scope for this Committee.

Released under FOI Act

Released under FOI Act by DITRDCA

BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact:

Lachlann Paterson / Kathleen Silleri / Philip Mason

SB22-000144

SUBJECT: Quality of Service and Consumer Safeguards**Talking Points***Consumer Safeguards*

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is working with the Minister on a range of the telecommunications consumer safeguards issues and preparing advice accordingly.
- We speak regularly with industry, consumer advocates and regulators and think we have a good understanding of the different views on consumer issues.
- Recently, the Australian Government consulted on the 'SIP Bill' (*Telecommunications Legislation Amendment (Statutory Infrastructure Providers and Other Measures) Bill 2022*) which:
 - refines the operation of the statutory infrastructure provider (SIP) regime
 - strengthens the ACMA's powers to regulate the installation of pit and pipe in new developments; and
 - enables ACMA to publish data on individual provider performance.
- *If raised - the Consumer Data Right (CDR) for telecommunications*: Questions about the CDR should be directed to the Treasury.
- *If raised – outcomes from Part C of the Consumer Safeguards Review*: The release of any documents prepared for the former Government is a matter for the Minister.

Quality of Service – complaints data

- Complaints to the Telecommunications Industry Ombudsman (TIO) dropped by 33.4 per cent in 2021-22 (from 119,400 in 2020-21 to 79,534 in 2021-22).
- Complaints to the TIO about mobile services fell 19.3 per cent (from 39,094 in 2020-21 to 31,556 in 2021-22) though increased as a proportion of total complaints (from 32.7 per cent to 39.7 per cent).
- Complaints about mobile coverage increased by 6.1 per cent (244 complaints). The Government and telcos are making significant investments to improve mobile coverage.
- Complaints made directly to telcos have fallen by 6.9 per cent (from 1,089,607 in 2020-21 to 1,014,144 in 2021-22). ACMA collects and reports on this data.
- It is also worth remembering complaints tend to be a small proportion of total services.
- Various reports nevertheless canvass areas for possible improvement – for example, the TIO report *Investigating complaints about essential mobile services* identified issues some consumers experience with mis-selling and automatic payment methods.

Quality of service – reliability

- The Minister is considering next steps regarding SIP standards, rules and benchmarks.
- A relevant factor is the work NBN Co is doing with the ACCC on a revised Special Access Undertaking, which NBN Co has indicated will include a service quality framework.

Key Issues

Recent views / advocacy by key stakeholders

- Cynthia Gerbert, Telecommunications Industry Ombudsman (speech to the ACCC National Consumer Congress in June 2022): reiterated recommendations the TIO made in Part C of the former Government's Consumer Safeguards Review, and noted that Part C did not progress beyond consultation. Ms Gerbert advocated for:
 - establishment of a Carriage Service Provider (CSP)/retailer registration scheme, including to ensure providers can meet minimum requirements;
 - use of direct regulation (not industry codes) for consumer safeguards, including because government should regulate the minimum standards;
 - strengthening the ACMA by providing more tools, resources and funding, including allowing ACMA to name telcos in its public reporting.
- Delia Rickard, ACCC Deputy Chair (ACCAN Conference September 2022): highlighted recommendations the ACCC made in Part C of the former Government's Consumer Safeguards Review, including: establishing a CSP registration scheme, and greater use of direct regulation / directly enforceable rules.
- ACCAN released a policy position The Future of Broadband in July 2022 and held an accompanying stakeholder forum. ACCAN's 23 recommendations include calls for Government: to enact minimum wholesale and retail service performance and reliability standards for broadband services; establish a wholesale and retail reporting framework in relation to consumer service metrics; and implement measures to overcome affordability challenges (including subsidies and expansion of public Wi-Fi).
- The 2021 Regional Telecommunications Review recommended that the Government develop and enforce minimum wholesale and retail service, performance and reliability standards appropriate for each service type (fixed and landline, mobile, fixed wireless, satellites). The Review also recommended urgent reform to the Universal Service Obligation / Universal Service Guarantee. See also SB22-000140.

Background

Consumer Safeguards Review (CSR)

The CSR was announced in 2018 and was conducted by the department in three parts:

- Part A – consumer redress and complaints handling. Report released 15 November 2018.
- Part B – service reliability. Report released 17 December 2019.
- Part C – informed choice and fair treatment. Consultations were undertaken in 2020. No outcomes were released.

- Unacted reform proposals from the Review (particularly Part C) include:
 - **Streamlining/improving rule-making processes:** including the ACMA being more directive/instructive around industry code-making by setting clear expectations regarding the problem to be resolved, timing, process, and consultation.
 - **Ensuring rules are mandatory and directly enforceable:** making industry codes mandatory and directly enforceable and/or moving rules to 'direct regulation' (e.g. an ACMA industry standard).
 - **A registration scheme for CSPs/retailers:** i.e. to better control who is in the industry (by excluding providers that create unacceptable harm or risk).
 - **Penalty reform:** ensuring penalties are sufficient to incentivise compliance, including possibly adopting options available for breaches of the Australian Consumer Law e.g. penalties linked to the benefit obtained, or annual turnover.
 - **Reform to the substance of key wholesale/retail consumer protections:** to ensure they are fit-for-purpose, noting possible existing gaps and 'enforceability' issues resulting from rules being unclear/opaque/imprecise.
 - **Improve information available to consumers:** including to enable informed/better choices, and drive competition/improvement regarding consumer experience – e.g. improving the ACMA's data publication powers.

TIO report "Investigating complaints about essential mobile services"

- On 20 July 2022 the TIO released a report highlighting the key drivers behind complaints about mobile services.
- The TIO's report identified four key problems driving mobile complaints:
 - Mis-selling mobile services leads to poor outcomes for consumers: including consumers buying services without understanding what they are agreeing to.
 - Information about mobile service reliability is not always provided: including availability of coverage at a consumer's address or information about outages.
 - Customer self-service is not accessible to all consumers: including issues for some consumers, e.g. those with low literacy or technical knowledge.
 - Automatic payment methods can result in loss of service or disadvantage: including issues regarding visibility of charges, consumers not being offered financial hardship assistance, and consumers experiencing loss of service or unexpected charges.
- See 'regional communications' briefs for information on Government investments in mobile infrastructure, and SB22-000142 regarding the nation mobile coverage audit.

Attachments

- Attachment A – Consumer Safeguards Review (CSR)
- Attachment B – Complaints Data
- Attachment C – Minister Rowland media release (limited circulation) re TIO Annual Report 2021-22

Consumer Safeguards Review (CSR)

The Consumer Safeguards Review was announced by the former Government in 2018 and conducted by the department in three parts, with input from the Minister.

Part A - consumer redress and complaints handling

- Considered whether consumers can access an effective complaints handling and redress scheme that provides transparency and accountability of telco providers for their complaints handling performance.
- The final report identified reforms to strengthen the TIO scheme, support ACMA as an active and empowered regulator, and improve data reporting and publication.
- The TIO implemented reforms that strengthened the accessibility, effectiveness and fairness of the TIO scheme and TIO/ACMA engagement. For example:
 - Board level governance/impartiality – the TIO amended its Constitution in Nov 2019 removing the right of the two largest providers to nominate for two of the three industry Director seats on the TIO Board (Recs 1.4 and 1.5).
 - Engagement with the ACMA – the TIO enhanced its relationship with the ACMA (Rec 1.12). An updated TIO/ACMA MoU was released in April 2020, providing a clear framework for information-sharing and collaboration, including on compliance, emerging and systemic issues.
 - ACMA data publication – the SIP Bill would action recommendations relating to enhanced analysis and reporting of complaints data by ACMA (Recs 4.6 and 4.7).

2022 Independent Review of the TIO

- The TIO Scheme has been subject to various recent reviews and reforms (including reforming its ToRs, with new ToRs commencing in Jan 2022).
- The TIO Scheme is required to be independent reviewed every five years under the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (TCPSS Act).
- The first review was undertaken in 2017. The TIO appointed Queen Margaret University (QMU) in Scotland to conduct the 2022 review. QMU provided a report to the TIO in August 2022. The TIO is required to publish the report on its website and provide a copy of the report to the Minister.
- The timing for publishing the report and providing a copy to the Minister is not prescribed in the TCPSS Act, however, the TIO must release a statement responding to recommendations within six months of receiving the report, s133A(8) of the TCPSS Act.

Part B – service reliability

- Investigated reliability of telecommunications services, including reasonable timeframes for connections, fault repairs and appointments.
- Part B implementation is largely dependent on the SIP regime, which came into effect from 1 July 2020. The proposed approach is to have baseline performance standards for NBN Co and similar wholesale network operators (which face limited fixed line competition), and greater flexibility for retailers (which face more competitive pressure) to provide transparent remedies.

- Work is ongoing regarding the SIP framework (including SIP Bill reforms and SIP Standards Rules and Benchmarks). The NBN SAU is an additional relevant factor that will impact reliability and what rules are appropriate. (see SB21-000358 for further information on SIP).
- Other regulatory change will be considered in due course, such as arrangements for legacy safeguards including the Customer Service Guarantee, Network Reliability Framework (NRF) and Priority Assistance. Noting relevant issues were raised in the 2021 Regional Telecommunications Review.
- While these processes continue, existing instruments for the Universal Service Obligation and Customer Service Guarantee have been rolled over.

Part C – informed choice and fair treatment

- Considered whether consumers are able to make informed choices and are treated fairly by their provider in areas such as customer service, contracts, billing, credit/debt management and switching providers.
- While no outcomes were released by the former Government, significant work was undertaken by the Department (including in collaboration with the ACMA, the TIO and ACCAN) and briefings and outcomes documents were prepared.

Released under FOI Act by DPB/DA

Complaints Data

TIO Data

- The 2021-22 TIO Annual Report (released 21 September 2022) showed that complaints to the TIO fell by 33.4 per cent in 2021-22 (from 119,400 in 2020-21 to 79,534 in 2021-22).
 - ACMA reports that there were 44,322,261 services in operation (SIOs) in 2021-22 (up from 43,521,587 in 2020-21 or 1.8 per cent).
 - On this basis, there were 18 complaints to the TIO per 10,000 SIOs or 0.0018 complaints for every service.
- Complaints about mobile services fell by 19.3 per cent in 2021-22 (from 39,094 in 2020-21 to 31,556 in 2021-22) though increased as a proportion of total complaints, from 32.7 per cent (2020-21) to 39.7 per cent (2021-22).
- Complaints about poor mobile coverage increased slightly. The way in which the TIO reported on this issue leaves scope for misinterpretation/over-exaggeration.
 - Complaints relating to 'mobile services' and 'poor mobile coverage' increased by 6.3 per cent - from 3,197 in 2020-21 to 3,398 in 2021-22 (up by only 201 complaints). The 6.3 per cent figure was highlighted in the TIO's media release.
 - Note that complaints about 'poor mobile coverage' overall increased by 6.1 per cent - from 4031 in 2020-21 to 4,275 in 2021-22 (up by only 244 complaints).
 - The difference in the two measures is that some mobile services are captured under the category of 'multiple services' because they are bundled with other services.
- Complaints about Telstra fell 43.7 per cent in 2021-22, and Southern Phone fell 47 per cent.
- Primary issues driving consumer complaints to the TIO in 2021-22 were:
 - For mobile: 'no or delayed action by provider' (14,620 complaints); and 'service and equipment fees' (9672 complaints);
 - For internet services: 'no or delayed action by provider' (11,620 complaints); 'service and equipment fees' (7874).
 - For landline service: 'no or delayed action by provider' (3186); 'no phone or internet service' (1956); and 'service and equipment fees' (1242).

Australian Communications and Media Authority (ACMA) data

- ACMA publishes internal dispute resolution data from CSPs with 30,000 SIOs or more – that is, data about complaints made directly to those providers by their customers.
- In 2021-22, overall complaints to providers dropped by 6.9 per cent (from 1,089,607 in 2020-21 to 1,014,144 in 2021-22).
- This equates to a fall from 63 complaints per 10,000 SIOs in 2020-21 to 58 complaints per 10,000 SIOs in 2021-22.
- Weighted average days to resolve complaints fell from 12.2 days in 2020-21 to 7.4 days in 2021-22.

Communications Alliance (CA) - Telecommunications Complaints in Context (CiC) Report

- CA uses complaints data from the TIO to report on the number of consumer complaints received about each of the participating providers as a proportion of their SIOs.
- 'Participating providers' are the top 10 recipients of TIO complaints from the previous financial year.
- The latest April – June 2022 CiC report showed a drop in the number of TIO complaints per 10,000 SIOs (among participating providers) compared to Jan – Mar 2022 (i.e. from 4.8 complaints per 10,000 SIOs to 3.9 complaints per 10,000 SIOs).

Released under FOI Act by DITRDCA

Minister Rowland media release (limited circulation) re TIO Annual Report 2021-22**TIO report affirms Albanese Government's Better Connectivity Plan**

The Albanese Government has reiterated its commitment to ensuring that mobile coverage across Australia improves following the release of the Telecommunications Industry Ombudsman's (TIO) Annual Report today.

The report shows that while the total number of complaints received by the TIO decreased considerably, complaints about mobile services increased as a proportion of total complaints – up from 32.7 per cent in 2020-21 to 39.7 per cent in 2021-22.

This is because while complaints about other services dropped, poor mobile coverage complaints increased 6.3 per cent over the reporting period. Complaints about mobile coverage featured most strongly in data from Queensland, South Australia, Tasmania and Western Australia.

The results reinforce the need for the mobile network operators to do more to improve mobile coverage, to deal with customer complaints more effectively, and to ensure that their public coverage maps are realistic and accurate. The Albanese Government's *Better Connectivity Plan* will also play its part in meeting strong consumer interest in reliable mobile services across the country – particularly in regional, rural and remote areas.

The Plan includes \$400 million in funding to boost mobile coverage on regional roads, and improved mobile coverage in rural and remote communities that are currently underserved. The Government has also committed \$200 million towards place-based connectivity projects for regional and rural areas.

The Government will extend the Regional Tech Hub, a platform serving as a trusted source of free and independent advice for regional Australians on technology, and has committed to an independent audit of mobile coverage to better identify black spots and guide investment priorities.

The Albanese Government is also giving the industry continuity and certainty through continuing the roll-out of projects through programs like the Mobile Black Spot Program and Regional Connectivity Program, which are addressing coverage gaps and digital connectivity nationwide.

Quotes attributable to the Minister for Communications, the Hon Michelle Rowland MP:

"In 2022, access to reliable mobile coverage isn't a luxury – it's essential for Australians to remain connected and for businesses to serve their customers."

"These figures confirm the job of improving coverage across Australia is not complete. I support the TIO's call for the telcos to renew their efforts to improve coverage and to deal with customer complaints before they are escalated to the TIO."

"Our Better Connectivity Plan is a priority for the Albanese Government. Our Plan will make serious inroads to improving mobile coverage, not just through the delivery of local projects, but also through the independent national audit of mobile coverage to allow the Government, telcos, and industry to make high-impact investment decisions."

"I'll keep working with local communities, telcos, and industry to understand coverage barriers having detrimental impacts on Australians to find practical solutions that improve their quality of life."

WEDNESDAY 20 SEPTEMBER 2022

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BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson/Philip Mason

SB22-000145

SUBJECT: New Developments (including delays and no fixed lines)**Talking Points**

- People occupying new homes or businesses rightly expect to be able to access modern telecommunications. This should be arranged by developers.
- Arrangements for new developments are set out in the *Telecommunications in New Developments* (TIND) policy and associated legislation.
- There are still sometimes delays in providing telecoms, often caused by developers not following the right process. We follow these up when raised with us.
- To help improve compliance, the Australian Government has consulted on additional enforcement powers for the Australian Communications and Media Authority (ACMA) and expects to introduce this legislation shortly.
- We continue to liaise with state and territory planning agencies and other stakeholders to improve awareness amongst small developers and owner/builders.

Key Issues*Legislation*

- The Government has proposed legislative changes to requirements in the *Telecommunications Act 1997* for developers to install 'fibre-ready facilities' (i.e., pit and pipe). Those arrangements have been in place since 2011, but there is still a small amount of non-compliance, largely from owner/builders or small developers.
- Currently, ACMA can only enforce the obligations by taking court action, which may be disproportionate where small developers or owner/builders are concerned. The proposed changes will allow ACMA to issue 'remedial notices' to require developers to remediate defective pit and pipe, or install it if they have failed to do so.
- Consultation on the draft legislation ended on 30 September 2022. The Government expects to introduce the legislation by the end of the year.

Concerns about delays

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts places a high priority on getting people in new developments connected when they need services.
- We closely monitor NBN Co's delivery, including delays in individual developments experiencing delays. NBN Co's on-time delivery percentage is typically in the high 90s.

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Lead/Support contact: Lachlann Paterson/Philip Mason

SB22-000145

- If there are concerns, people can email us at: new.developments@communications.gov.au. We follow up issues and try to get them fixed as soon as possible. Often delays are due to developers not doing the right thing, like not installing pit and pipe, and this can be more challenging.
- Thus, the changes to the law and awareness raising are important.

Complaints about not being able to access fixed-line

- The department receives a small number of complaints from people who would prefer to be connected to fixed-line, but are in NBN Co's fixed wireless or satellite footprints.
- The choice of technology in an area is a commercial decision for NBN Co. We look at these issues when they are raised with us and seek feedback from NBN Co where there seems to be a potential problem (e.g., in a new development close to fixed line but getting fixed wireless or satellite).

Review of exemptions from pit and pipe requirements

- The department undertook a review of exemptions from the legislation, with consultation on a discussion paper from 7 December 2021 to 18 February 2022. The review was needed as one exemption was due to sunset in April 2022 and the Senate Committee for the Scrutiny of Delegated Legislation has asked that we consider moving some exemptions into the statute.
- We received 15 submissions. On the basis of these submissions, the previous Minister re-made one instrument, with minimal changes, in March 2022.
- We expect to finalise consideration of the other instrument shortly.
- Our starting position is that the matters contained in the two instruments remain relevant and should continue, but there may be scope for refinement.

Competitive neutrality complaint

- The Australian Government Competitive Neutrality Complaints Office (AGCNCO) received a complaint in 2020 that NBN Co is not complying with competitive neutrality policy. *Communications Day* named the complainant on 12 August 2021 as OptiComm and stated that a focus of the complaint was NBN Co's activities in the new developments market. The department has provided information to the AGCNCO as requested.

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Environment and Communications

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SB22-000145

s47C - deliberative processes

Background

The *Telecommunications in New Developments* (TIND) policy supplements laws requiring developers to install pit and pipe. It provides a framework so people moving into new developments have ready access to telecommunications infrastructure. It does this by setting out the responsibilities of developers, carriers and consumers.

Developers are responsible for organising telecommunications in their developments. Developers can choose who they wish to provide infrastructure. NBN Co is the default provider for Australia and other carriers are the statutory infrastructure providers for developments they have been contracted to serve. Carriers are entitled to charge for the infrastructure they provide to developers.

The policy sets out caps on NBN Co's developer charges and also sets out caps on all carriers' end-user charges in new developments. NBN Co has flexibility to reduce its charges below the caps, as do other providers. NBN Co can now recover end-user contributions from parties like landlords, developers or government agencies.

Long-standing competition law and competitive neutrality rules address concerns about anti-competitive conduct by NBN Co. NBN Co must also keep records and report on charging practices, overbuilding and competitive neutrality compliance.

NBN Co has submitted reports on these issues since October 2020. The information in the reports is commercial in confidence. s47C - deliberative processes

Legislation

Part 20A of the *Telecommunications Act 1997* requires developers to arrange for pit and pipe infrastructure to be installed in proximity to a building lot or unit before that lot or unit is sold or leased. The pit and pipe must be functional – for example, it should not be blocked with earth or concrete.

The legislation does not require developers to arrange for telecommunications networks to be connected. This expectation is set out in the TIND policy.

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Schedule 2 to the Telecommunications Legislation (Statutory Infrastructure Providers and Other Measures) Bill proposes powers for the ACMA to issue remedial notices to developers who contravene civil penalty provisions in Part 20A (such as not installing pit and pipe, or not installing functional facilities). Developers who are issued with a notice could be required to remediate their work and take steps to avoid future contraventions.

Two Ministerial instruments have been made providing exemptions from the Part 20A requirements. One deals with a range of issues, such as the re-use of existing pit and pipe, and was re-made in March 2022. The Senate Standing Committee for the Scrutiny of Delegated Legislation has queried why the matters cannot be placed in statute.

The other Ministerial instrument provides exemptions for rural developments outside NBN Co's fixed-line footprint where it is unlikely fixed-line will be used to service the premises in the foreseeable future. The Department has been reviewing the second instrument with a view to refining its operation.

SIPs

There are currently 24 statutory infrastructure providers (SIPs), although three of these (LBN Co, OPENetworks and OptiComm) are carriers owned by Uniti, which also owns the Velocity Networks for which Telstra is currently the SIP. About 1770 SIP areas have been designated by the Minister and over 500 areas have been nominated to the ACMA.

The Communications Company, which provides telecommunications services to about 20 Palm Lakes Retirement Villages, and Taipan Networkx are in the process of being designated as SIPs for a small number of developments.

Uniti is the largest SIP after NBN Co with about 180,000 services in operation and contracts to deploy to about 300,000 premises. There are some smaller providers like Interphone and Redtrain (owned by CNT Corp) which are still seeking new estates. There are some very small providers such as Advatel, CipherTel, CommSol Holdings, Real World Networks and Fibre Access Management, all with fewer than 1,000 addressable premises. These providers may no longer be actively seeking further business in new developments.

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BUDGET ESTIMATES 2022 - 2023

Environment and Communications

Lead/Support contact: Lachlann Paterson / s47F

SB22-000216

SUBJECT: Better Connectivity Plan for Regional and Rural Australia**Talking Points**

- The Australian Government's **\$656 million Better Connectivity Plan (BCP) for Regional and Rural Australia** will invest in mobile coverage, place-based solutions, resilience, on-farm solutions, Indigenous Australians and consumer support. Specific measures include:
 - **\$400 million** to boost **multi-carrier mobile coverage** on regional roads; improve **mobile coverage** in under-served rural and remote communities; and increase **communications resilience**;
 - **\$200 million** for additional rounds of the **Regional Connectivity Program (RCP)**;
 - **\$30 million** for **on-farm connectivity** so farmers can take advantage of connected machinery and sensor technology;
 - **\$20 million independent audit of mobile coverage**; and
 - **\$6 million** to boost funding for the **Regional Tech Hub** to better support consumers.
- The Government has also allocated **\$40 million** in existing Mobile Black Spot Program (MBSP) funding to a dedicated **Improving Mobile Coverage Round (IMCR)** of the MBSP, and **\$39.1 million** for additional rounds of the **Peri-Urban Mobile Program**.
- Through the BCP, PUMP and the IMCR, the Government is committing **\$757.7 million** in the Budget for new regional communications initiatives.
- This is in addition to the **\$480 million grant provided to NBN Co** to enhance its fixed wireless technology and an estimated **\$1.1 billion** in equity to provide 660,000 regional homes and businesses access to **full-fibre broadband** by late 2025.
- In total, the Government is investing over **\$2.2 billion** in regional communications over the next five years.

Key Issues

- The BCP's specific measures are:
 - \$400 million over five years from 2022-23 to boost **multi-carrier mobile coverage** on regional roads (see SB22-000143), improve **mobile coverage** in under-served rural and remote communities, and increase the **resilience of communications services and public safety communications facilities** (see SB22-000124);
 - \$200 million over five years from 2022-23 for two further rounds of the **RCP** for place-based telecommunications projects (see SB22-000127);

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SB22-000216

- \$30 million over 3 years from 2022-23 to improve on-farm connectivity through the **On-Farm Connectivity Program**. This program will enable farmers to extend connectivity in their fields and take advantage of connected machinery and sensor technology (see SB22-000129);
- \$20 million over 5 years from 2022-23 for an **independent mobile coverage audit** to identify black spots and help target investment (SB22-000142); and
- \$6 million over 3 years from 2023-24 to expand the **Regional Tech Hub**. This service helps people who live and work in regional, rural, and remote parts of Australia to realise the benefits of being digitally connected, acting as a trusted intermediary and source of free and independent advice (see SB22-000128).

BCP - Departmental funding

- There is \$14.27 million allocated in departmental funding, including:
 - approximately \$9.89 million for staffing costs for the mobile coverage, resilience and RCP components of the Plan;
 - \$2.2 million for a grants management system;
 - \$1.87 million for technical, legal and probity consultancy advice, as well as economic and commercial implementation advice surrounding aspects of the mobile coverage measure implementation (noting the requirement for multi-carrier coverage could be delivered by different approaches); and
 - \$0.31 million for the Business Grants Hub to deliver broadcasting resilience.
- A further \$5.8 million in departmental goes to the Business Grants Hub to deliver the \$30m On-Farm Connectivity Program.

Complementary initiatives

- In addition to the \$400 million of new BCP funding to improve mobile coverage, the Government will implement \$79.1 million in new mobile coverage rounds, comprising:
 - \$40 million over 3 years from 2022-23 to deliver a dedicated **Improving Mobile Coverage Round** (IMCR) of the Mobile Black Spot Program, which will target 54 identified locations where major mobile coverage issues exist (see SB22-000125); and
 - \$39.1 million over five years from 2022-23 for two new rounds of the **Peri-Urban Mobile Program** (PUMP) to improve mobile reception in peri-urban areas that are prone to natural disasters, including additional peri-urban fringe areas such as Geelong, Wollongong, Central Coast (NSW), Newcastle, Sunshine Coast, Gold Coast,

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SB22-000216

Townsville, Cairns, Darwin, Toowoomba, Bendigo, Ballarat and Canberra (see SB22-000126)

- \$2.5 million has been committed to establish the First Nations Digital Advisory Group to support the implementation of Target 17 of the National Agreement on Closing the Gap.

Background

The Australian Government announced the BCP during election as the *Better Connectivity for Rural and Regional Australian Plan* (see **Attachment A**). A comparison of the BCP and the previous government's Connecting Regional Australia Initiative is provided at **Attachment B**.

The 2022-23 Budget confirmed the Government's measures under the BCP. The department is developing draft guidelines for consultation for the various programs and will go out for public consultation on the design of programs in the coming months.

Attachments

Attachment A: Budget Media Release

Attachment B: Comparison of the BCP to the Connecting Regional Australia Initiative

Contact: s47F

Cleared by First Assistant Secretary: Lachlann Paterson

Phone: (02) 6271 s47F

Version Number: 01

Date: 26/10/2022



The Hon Michelle Rowland MP

Minister for Communications

Member for Greenway

ALBANESE GOVERNMENT TO BETTER CONNECT, INFORM AND EMPOWER AUSTRALIANS

Australian families, businesses and communities will be better connected than ever before with the Albanese Government delivering its first Communications Budget.

This Budget delivers on our election commitments and is part of our plan to build a better future for all Australians.

Investment to deliver a better NBN

The **Boost Fibre and Fast Track the NBN Repair Job** provides NBN Co with a \$2.4 billion equity injection over 4 years to expand fibre and enable access to speeds of up to 1 Gigabit per second to nearly 10 million homes and businesses by late 2025.

This investment will expand full-fibre access to a further 1.5 million premises including over 660,000 premises in regional Australia.

As a targeted affordability initiative, up to **30,000 families with no internet at home will be provided a free NBN service for 12 months** so their children can receive the education they need and deserve.

Support for Rural, Regional, Remote and First Nations communities

The Albanese Government is committed to increasing connectivity, bridging the digital divide, improving mobile coverage and supporting communities during natural disasters. The *Better Connectivity Plan for Regional and Rural Australia* will see more than \$1.1 billion delivered to rural and regional communities, including:

- \$400m to expand regional mobile coverage and improve the resilience of communications systems;
- \$200 million for two further rounds of the *Regional Connectivity Program*, to improve connectivity in regional, rural and First Nations communities;
- \$30 million over three years to accelerate Australia's agricultural sector through the *On Farm Connectivity Program*, to extend connectivity for farmers and their machinery, and grow Australia's agribusiness;
- \$20 million for an independent national audit of mobile coverage to establish an evidence baseline to guide and better target future priorities; and
- a further \$6 million over three years to extend the Regional Tech Hub to support better consumer awareness, connectivity literacy and trouble-shooting.

This also includes the \$480 million already delivered to upgrade the NBN Fixed Wireless network. This will upgrade 120,000 satellite premises to Fixed Wireless, and boost the Fixed Wireless network with speeds up to 100 Mbps for the entire footprint, and up to 250 Mbps for 85% of Fixed Wireless premises. This also delivers important benefits to NBN satellite services by relieving satellite capacity.

The Albanese Government will also deliver \$39.1 million to expand the **Peri-Urban Mobile Program (PUMP)**, helping communities on the peri-urban fringe stay connected and access vital information during natural disasters and emergencies. Complementing the *Better Connectivity Plan for Regional and Rural Australia*, new areas will now be eligible, including growing regional communities around Geelong, Wollongong, NSW Central Coast -, Newcastle, Sunshine Coast, Gold Coast, Townsville, Cairns, Darwin, Toowoomba, Ballarat, Bendigo and Canberra.

The Albanese Government will deliver a **dedicated round of the Mobile Black Spot Program**, the **Improving Mobile Coverage Round (IMCR)**, with 54 targeted locations where industry has not been able to deliver the investments that Australia needs.

The **First Nations Communications and Digital Inclusion** measure will invest \$2.5 million over 5 years to establish a First Nations digital advisory group, providing collaborative advice in genuine partnership with First Nations representatives to the Minister for Communications.

Better funded national broadcasters

The Albanese Government will deliver **5-year funding terms for Australia's national broadcasters commencing 1 July 2023**.

Moving the ABC and SBS beyond 3-year funding terms will better safeguard the independence of the national broadcasters, as well as support long-term strategic planning and innovation in high-quality content provision and service delivery, across Australia.

The Government will also **return indexation to the ABC**, providing \$83.7 million to the ABC to reinstate funding cut by the previous Government from 2019-22.

The Albanese Government will fund a feasibility study into the expansion of Double J on radio, which will consider options to help great Aussie artists on Double J reach more ears, particularly in regional areas.

Supporting local news, community broadcasting and jobs

The Government is delivering on its commitment to support local news, community broadcasting and jobs. This includes:

- 208 newspaper publishers across the country received a lifeline with the \$15 million **Regional and Local Newspaper Publishers Program (RLNP)**;
- Australia's community broadcasting sector will receive an additional \$4 million per year of ongoing funding for the **Community Broadcasting Program** from 2023-24. This takes annual funding for the program to over \$20 million per year; and
- The Government has also committed \$4 million towards the development of the **News Media Assistance Program (News MAP)** to inform longer term news media policy interventions.

Modernising Spectrum Management

The Albanese Government is supporting the Australian Communications and Media Authority (ACMA) to deliver two new systems that will enable it to continue to manage spectrum efficiently. This \$27.7 million investment over 5 years will support the delivery of:

- A new spectrum management system, to manage more than 160,000 licences held across Australia; and
- An ongoing auction capability, to auction high-value spectrum licences and secure the best outcomes for the Australian economy.

Keeping Australian children safe from harm

The Albanese Government will invest \$6 million to make **online learning tools freely available to schools and keep children safe online.**

A suite of eLearning tools will be delivered by the Alannah and Madeline Foundation including eSmart **Digital Licences for primary and high school students** and an eSmart **Media Literacy Lab** for secondary school students aged 12 to 16 to help support the development of critical thinking skills and online civic engagement.

TUESDAY, 25 OCTOBER 2022

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Attachment B – Comparison of the Communications package to the Connecting Regional Australia Initiative

Portfolio Budget Statement - Communications Package*		
Program Name		\$ million
Better Connectivity Plan (BCP)	Better Mobile and Broadband Connectivity and Resilience. Streams: • Mobile Black Spots Program and Communications Resilience Program • Regional Connectivity Program	614.3 <i>(Includes 14.3 in departmental funding)</i>
	On-Farm Connectivity Program <i>Includes \$5.8 million of departmental funding</i>	35.8
	Independent Audit of Mobile Coverage	20
	Regional Tech Hub Extension	6
	Total value of BCP package	676.1
Other	Improving Mobile Coverage Commitment – implemented through MBSP (Existing MBSP funding in March 2022 Budget)	40
	Peri-Urban Mobile Program additional rounds	39.1
	Total Value of MBSP funded measures	79.1
	First Nations Communications and Digital Abilities (departmental)	2.5
Total regional comms funding in Portfolio Budget Statement – October 2022		757.7
Saving March 2022 budget to October 2022 budget		133.2

Previous government's - Connecting Regional Australia Initiative*	
Commitment	\$ million
Open Access Mobile Expansion – An estimated 8000kms of new open access mobile coverage, including on major transport routes and to adjacent residences, businesses and tourist hotspots.	418
Targeted initiatives – Targeted and place-based solutions for communities with identified needs and builds on the exiting Regional Connectivity and Mobile Black Spot programs.	196.4
Resilience – To boost the resilience of telecommunications infrastructure, including resilience to natural disasters in vulnerable locations.	106
Improving Indigenous connectivity (unannounced) – To improve connectivity in Indigenous communities, in recognition of its role as a key enabling technology and its significance in achieving the Closing the Gap Target 17.	30
Affordability – Government will consider options to improve affordability, including zero-rating data charges for government websites and smaller targeted grants to service providers and community organisations.	30
Emerging technology trials – Of new technology which has not yet been deployed commercially.	5
Regional Tech Hub – to expand and continue the Regional Tech Hub	5
Other policy and regulatory work including audits of mobile coverage and to implement the initiative (including departmental costs)	21.4
Total value (over 5 years)	811.8
Existing uncommitted MBSP funding in March 2022 budget	79.1
Total March 2022 budget funding - CRAI and uncommitted MBSP funding	890.9

*Both packages include departmental and administered components.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Stephanie Bourke

SB22-000218

SUBJECT: Regional Based Staff**Talking Points**

- Close to 200 (10 per cent) departmental staff are located outside of Canberra in either capital cities or regional towns and cities; this includes 27 staff located in Orange, 30 staff in Brisbane, 11 on Norfolk Island, 10 in Darwin and four in Hobart.
- The department continually reviews its regional footprint to leverage the expertise, skills and diversity outside of Canberra.

Key Issues

- Most employees are located in Canberra (89.3 per cent or 1671 employees) (Table 1).
- 201 employees (excluding Indian Ocean Territories Administration) are located outside of Canberra.
 - 133 employees are based in other capital cities (Table 1)
 - 64 employees are based in 15 different regional locations (Table 2)
 - four employees are located overseas (Table 3)

Background

- Headcount figures include ongoing and non-ongoing employees and excludes inoperative staff, casual employees, and locally engaged staff (currently three full time equivalent staff).
- All figures are provided as at 30 September 2022.

Contact: Stephanie Bourke**Cleared by First Assistant Secretary:** Ruth Wall**Phone:** s47F**Version Number:** 01**Date:** 18/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Stephanie Bourke

SB22-000218

Table 1: Headcount by Cities as at 30 September 2022

Location	No. of Employees	Division
Adelaide	4	Domestic Aviation & Reform (1), Office for the Arts (1), People, Governance, Parl & Comm (1), Significant Project Invest Delivery Office (1)
Brisbane	30	Cities (5), Comms Services & Consumer (1), Domestic Aviation & Reform (3), Finance & IT (1), Infrastructure Investment (1), Intern Aviation Tech & Serv (1), Office for the Arts (1), People, Governance, Parl & Comm (11), Regional Development & Local Government (1), Road and Vehicle Safety (1), Significant Project Invest Delivery Office (3), Surface Transport Policy (1)
Canberra	1,671	All Divisions
Darwin	10	Cities (7), Creative Economy (2), Office for the Arts (1)
Hobart	4	Regional Development & Local Government (4)
Melbourne	29	Comms Services & Consumer (16), Creative Economy (4), Infrastructure Investment (1), Legal (3), Office for the Arts (1), People, Governance, Parl & Comm (1), Regional Development & Local Government (1), Road and Vehicle Safety (1), Surface Transport Policy (1)
Perth	18	Cities (1), Creative Economy (1), Data Analytics and Policy (1), Domestic Aviation & Reform (2), Territories (13)
Sydney	38	Creative Economy (12), Data Analytics and Policy (3), Domestic Aviation & Reform (1), Finance & IT (1), Legal (3), Office for the Arts (1), Online Safety, Media & Platforms (15), People, Governance, Parl & Comm (1), Road and Vehicle Safety (1)
Total	1,804	

Contact: Stephanie Bourke

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Stephanie Bourke

SB22-000218

Table 2: Headcount by Regions as at 30 September 2022

Location	No. of Employees	Division
Alice Springs	1	Domestic Aviation & Reform
Bendigo	1	Regional Development & Local Government
Cairns	3	Cities (2), People, Governance, Parl & Comm (1)
Dubbo	1	Major Transport Infra Projects
Jervis Bay	4	Territories
Moree	2	Major Transport Infra Projects
Newcastle	4	Communications Infrastructure (1), Regional Development & Local Government (3)
Norfolk Island	11	Territories
Orange	27	Infrastructure Investment (1), Regional Development & Local Government (26).
Port Augusta	1	Office for the Arts
Toowoomba	3	Major Transport Infrastructure Projects
Townsville	3	Cities (2), Domestic Aviation & Reform (1)
Tweed Heads	1	Domestic Aviation & Reform
Wodonga	1	Major Transport Infra Projects
Wollongong	1	Major Transport Infra Projects
Total	64	

Table 3: Headcount by Overseas as at 30 September 2022

Location	No. of Employees	Return Date	Division
Jakarta, INDONESIA	1	30/06/2023	Intern Aviation Tech & Services
Montreal, CANADA	2	1/1/2022; 24/8/2024	International, Technology & Services
Paris, France	1	22/10/2023	Legal
Total	4		

Note: Paris, France, is not an official posting. It is a remote working arrangement.

Contact: Stephanie Bourke

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Version Number: 01

Date: 18/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Ben Vincent

SB22-000174

SUBJECT: COVID Aviation Support Measures**Talking Points**

- COVID-19 was the largest shock in aviation history.
- In response, over \$5.6 billion was provided for a range of temporary aviation support measures, with \$3.55 billion ultimately expended.
- For many initiatives, program funding envelopes were calculated on a 'maximum cost' basis, and then paid out on a shortfall subsidy basis – with commercial revenue offsetting the ultimate cost of the measures and resulting in unspent funds.
 - This ensured tax-payer support tapered off as commercial activity increased.
- The COVID-19 aviation support measures were designed to maintain essential air connectivity and supply lines, and preserve critical aviation capacity, through the pandemic.
- With domestic passenger levels now near pre-COVID-19 levels, and the sector working hard to meet the increased demand for travel – these temporary measures have now largely wound up (with the exception of the Regional Airports Security Screening Infrastructure (RASI) program, which is scheduled to conclude on 30 June 2023).
- After the enormous challenges of COVID-19, the Australian Government has committed to deliver a new Aviation White Paper to set the scene for the next generation of growth and development across Australia's aviation sector as it continues to recover and rebuild (refer to SB22-000183).

Background

- COVID-19 was the largest shock in aviation history. Passenger numbers fell by 97 per cent as domestic and international borders were closed off, jeopardising supply lines and the movement of essential workers.
- In response, over \$5.6 billion was provided for a range of aviation support measures over the course of the COVID-19 pandemic. For many initiatives, program funding envelopes were calculated on a 'maximum cost' basis, and then paid out on a shortfall subsidy basis – with commercial revenue offsetting the ultimate cost of the measures and resulting in unspent funds. As at 31 August 2022, \$3.55 billion has been expended.
- A list of COVID-19 Aviation Support measures is included at Table 1.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Ben Vincent

SB22-000174

Table 1: COVID-19 Aviation Support Measures

Program	Description	\$m (actual expenditure as at 31 August 2022)
Regional Airports Screening Infrastructure (RASI)	Provides operating and capital support to eligible regional airports towards the costs of meeting enhanced security screening requirements. Concludes 30 June 2023.	\$53.9
Regional Airline Network Support (RANS)	Shortfall subsidies to underwrite the cost of regional routes. Concluded 30 June 2022.	\$229.4
International Freight Assistance Mechanism (IFAM)	Temporary measure to help restore critical global supply chains which have been impacted by COVID-19, and administered by AusTrade. Concluded 30 June 2022	TBC #
International Airports Security Costs Rebate (IASCR)	Shortfall subsidies to help international airports maintain security obligations for international flights. Concluded 31 March 2021	\$26.2
International Aviation Support (IAS)	Support Australian international passenger airlines maintain core workforce capability. Concluded 31 March 2022	\$304.6
Tourism Aviation Network Support (TANS)	Offered a 50 per cent reduction on over 800,000 economy airfares, and also underwrote additional flights on identified routes to build travel demand. Concluded 28 February 2022	s47 - commercially viable
Retaining Domestic Aviation Capability (RDAC)	Assisted airlines maintain core sovereign domestic aviation capabilities, through the retention of essential aviation sector skills and knowledge. Concluded 31 December 2021	\$89.7
50% Waiver of Airservices Fees	Eligible aircraft operators benefited from a 50% waiver of Airservices Australia fees. Concluded 31 December 2021.	\$117.1
Domestic Airports Security Costs Support (DASCS)	Grants covered the costs of mandated security screening at domestic airports. Concluded 31 December 2021.	\$143.6
Aviation Services Accreditation Support (ASAS)	Grants to re-train and re-accredit essential ancillary staff (eg. ground-handlers). Concluded 31 December 2021	\$52.9
Domestic Airline Network Support (DANS)	Provided shortfall subsidies to underwrite a minimum level of flights along top 50 domestic air routes. Concluded 31 December 2021	s47 - commercially viable
International Aviation Network (IAN)	Procurement and coordination of scheduled flights to assist Australians return home. Transferred to DFAT 2020.	\$109.4
Australian Airline Financial Relief Package (AAFRP)	Provided grants to assist the domestic airline industry respond to COVID. Concluded 31 December 2020.	\$641.7
Regional Airlines Funding Assistance (RAFA)	Last resort funding for regional airlines. Concluded 31 December 2020.	\$70.6

* This table excludes approximately \$1.1 billion in items of COVID-19 aviation support expenses associated with CASA/Airservices additional funding and Repatriation Flights

IFAM is administered by AUSTRALIA, final expenditure amount to be confirmed

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Ben Vincent

SB22-000175

SUBJECT: Regional Airline Network Support (RANS)**Talking Points**

- The domestic aviation industry has now largely recovered from the impacts of COVID and border closures:
 - 4.7 million passengers flew domestically in July 2022;
 - this was more than any other month since the pandemic first impacted the aviation industry in early 2020;
 - through June, domestic passenger figures reached as high as 97 per cent of pre-COVID levels.
 - In June 2022, there were 2.02 million domestic passenger movements through regional airports, compared to 1.48 million in June 2021 and 1.98 million in pre-COVID June 2019.
- With Government support concluded, airlines have been considering their networks and adjusting operations in response to market conditions.
 - The regional aviation market was dynamic pre-COVID, with airlines commencing and ceasing routes each year.
- Since the Regional Airlines Network Support (RANS) program concluded on 30 June 2022, several airlines have commenced new regional services in anticipation of further growth.
 - New entrant, Bonza, has announced it expects to service 17 destinations.
- Where routes that were supported under the RANS program have ceased, it is because airlines have taken commercial decisions based on demand.
- State and territory governments were primarily responsible for intra state air transport before the pandemic, and some States offer support for specified intra-state routes.

Key Issues

- A number of routes that were supported under the RANS program have ceased. These include Sydney to Taree and Sydney-Grafton-Lismore. For these locations, other transport options are available such as flights operating from the location to another major city; another airport located within 1-2 hours' drive; or an alternative mode of transport, either road or rail.
- In a number of instances, another airline was already servicing the route (such as Adelaide to Kangaroo Island and Sydney to Ballina) or where an airline has ceased services on a route another airline has stepped in to the route (Sydney to Bathurst).
- Fly Pelican commenced operating a Sydney to Bathurst route from September 2022. This was a route previously operated by Rex who withdrew mid-year.
- New airline, Bonza, was expected to launch in July 2022, although this has been delayed and they are now expected to launch later in 2022.

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Ben Vincent****SB22-000175**

- A number of RPT services have historically been supported by state government subsidies, such as operators in Far North Queensland and Western Australia, where passenger demand is insufficient for the routes they service to remain commercially viable.

Background

- The Australian Government provides a range of support for regional aviation, recognising its importance to regional and remote communities.
- The RANS program supported a minimum network of flights to more than 110 regional and remote locations, despite state border closures and other travel restrictions, as part of over \$5.6 billion in COVID-19 support to the aviation sector.
- The Regional Airline Network Support (RANS) program operated between 28 March 2020 and 30 June 2022 and assisted domestic commercial airlines operating Regular Public Transport (RPT) services to regional locations to maintain a basic level of connectivity (generally two weekly return flights) across their network of regional routes during the COVID-19 crisis.
- The RANS program was a shortfall subsidy, with costs reduced by any commercial revenues such that payments ceased once a route and network returned to pre-COVID levels of operation.
- The RANS program was extended six times before its conclusion on 30 June 2022. These extensions often coincided with the introduction or refinement of tapers to reduce support as passenger demand returned.
- Between 28 March 2020 and 30 June 2022, \$229.3 million was paid to 15 airlines through the RANS program.
- The Australian Government continues to support safety and access works at regional and remote airports through the Regional Airports Program (RAP) and Remote Airstrip Upgrade (RAU) program.
- Additionally, the Remote Air Services Subsidy (RASS) scheme, also supports regular air services to around 270 remote communities, including many Indigenous communities. The flights carry passengers and goods such as educational materials, medicines, fresh foods, mail and other urgent supplies to communities in remote and isolated areas of Australia.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support Contact: Ben Vincent

SB22-000176

SUBJECT: Regional Aviation Programs**Talking Points**

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts funds a range of programs to specifically support regional aviation, in recognition of aviation's importance to regional and remote communities.
- The **Regional Airports Program (RAP)** and **Remote Airstrip Upgrade (RAU) Program** are administered by the Business Grants Hub and support safety and accessibility upgrades at regional and remote airports and aerodromes – funding essential works such as the resurfacing of runways to ensure air operators can land safely, or the installation of fencing to prevent animal access.
 - On 4 August 2022, 55 remote aerodromes across remote Australia were awarded \$14.9 million in grant funding under Round 9 of the RAU. Of these successful grantees, 11 were First Nations applicants. Future rounds are a matter for Government, with almost all program funds fully committed and the program currently scheduled to end on 30 June 2024.
 - RAP Round 3, with up to \$29 million in matched grants available for eligible regional airports, closed on 17 May 2022. Applications are currently under consideration, **s47C - deliberative processes** Future rounds are a matter for Government. The program ends on 30 June 2025.
- The **Remote Air Services Subsidy (RASS) Scheme** is an ongoing program that subsidises weekly air transport services for the carriage of passengers and goods to around 270 remote communities across Australia, including many First Nations communities. RASS has a program budget of \$15.5 million in 2022-23.
- The **Airservices Australia Enroute Charges Payment Scheme** is an ongoing program that allows air operators servicing remote locations to claim a reimbursement for a proportion of enroute navigation charges levied by Airservices Australia. The Scheme has an annual appropriation of \$2 million.
- Under the ongoing **Remote Aerodrome Inspection (RAI) Program**, the Department funds annual technical and safety inspections for a range of identified aerodromes in remote Indigenous communities. \$0.4 million in Departmental funds is committed to the RAI for 2022-23.
- The Australian Government has committed to delivering an **Aviation White Paper** to set the scene for the next generation of growth and development across the aviation sector – this will include consideration of regional aviation policy settings.

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Rural And Regional Affairs And Transport

Lead/Support Contact: Ben Vincent

SB22-000176

Key Issues

[If raised] – when will Round 3 of the Regional Airports Program be announced? Is the Government taking savings from the program?

- Applications for RAP Round 3 closed on 17 May 2022, and are currently under consideration – outcomes are expected to be announced shortly.
- As can be seen in the Budget papers, no savings have been taken from the program.
- Airport upgrade applications can be technically complex, and take time to work through.
 - RAP Round 2 outcomes were announced seven months after applications closed (applications closed 15 December 2020, with the outcomes announced by the then Deputy Prime Minister, the Hon Barnaby Joyce MP on 28 July 2021)
 - RAP Round 1 outcomes were announced six months after applications closed (applications closed 12 December 2019 and were announced in June 2020 by the then Deputy Prime Minister, the Hon Michael McCormack MP).

[If raised] – will there be future rounds of the RAP and RAU?

- Historically, the RAP and RAU programs have never had an ongoing appropriation.
- Future rounds will be a decision for Government.
- The Department has engaged Pricewaterhouse Cooper's Indigenous Consulting (PIC), at a cost of up to \$0.5 million (GST inclusive) to conduct an evaluation of Australian Government support for safety and access at remote airstrips with a focus on the RAU program to inform future policy consideration.
- Regional aviation will be further considered through the Aviation White Paper.

[If asked] – have RAP and RAU projects been delayed by COVID-19 and weather events?

- Since 2020, COVID-19 and weather-related delays have been affecting RAP and RAU project milestones. Contributing factors include labour market and equipment and material supply chain constraints and frequent extreme weather events and heavy rainfall.
- A Movement of Funds (MoF) has been approved by the Minister for Finance to reprofile RAP funding of \$25.9 million from 2021-22 to 2022-23, as well as RAU funding of \$9.8 million to accommodate COVID-19 and weather-related projects delays.
- The Business Grants Hub in the Department of Industry, Science and Resources liaises directly with grantees to manage requests for additional funding or scope changes on behalf of the Department.

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Rural And Regional Affairs And Transport

Lead/Support Contact: Ben Vincent

SB22-000176

BackgroundAustralian Government's role in regional aviation

- The Australian Government, through the Civil Aviation Safety Authority (CASA), is responsible for the national regulation of aviation safety, as well as the regulation of aviation security, managed by the Department of Home Affairs. Beyond safety and security regulatory settings, the Government does not licence inter-state air services, and intra-state air services are generally the responsibility of the states and territories.
- Outside the 21 Federally leased airports, the management of regional and remote airports rests with their mostly local government or private operators.
- However, Government delivery of programs across health, education and support for Indigenous Australians in regional and remote areas often relies on air services, giving the Government an interest in serviceable aerodromes and ensuring minimum connectivity where air services are not commercially viable. Regional and remote aviation infrastructure is often co-funded between the tiers of government reflecting mutual strategic interest. Some jurisdictions provide support for strategic intra-state routes through regulation or incentives. Within this strategic context, the Australian Government funds a range of targeted regional aviation programs.
- See SB22-000174, *Regional Aviation Security* for information on regional security costs.

Regional Aviation Programs

- The RASS, the Airservices Australia Enroute Charges Payment Scheme and the RAI program are ongoing programs. The RAP and RAU program have no funding for further rounds.
- The RAP and the RAU grant programs are administered by the Business Grants Hub in the Department of Industry, Science and Resources on behalf of the department.

RAU Round 9 outcomes and process

- Round 9 of the RAU was open for applications from 3 February to 17 March 2022. Round 9 was heavily oversubscribed, with 98 applications seeking a total of \$54.6 million.
- In Round 9, applicants could seek between \$5,000 and \$3 million in grant funding, with applicants needing to contribute 50 per cent of the eligible costs except:
 - Where the applicant and a third party both contribute, the grant amount will be up to 33.3 percent; or
 - Indigenous owned and/or operated aerodromes could apply for full funding.

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- Eligible applications were assessed on a competitive basis against the assessment criteria set out in the program guidelines – these criteria included:
 - Demonstrated need for the project;
 - Capacity, capability and resources to deliver the project; and
 - Impact/benefit of grant funding on the project.
- On 4 August 2022, Senator the Hon Anthony Chisholm, Assistant Minister for Regional Development, announced that 55 aerodromes across remote Australia were awarded \$14.9 million in grant funding under Round 9, of these, 11 were First Nations applicants.
- The Business Grants Hub is working with successful applicants on their grant agreements and projects. Unsuccessful applicants are provided with feedback by the Grants Hub, which they can use to improve future applications.

Financial Information as at 31 August 2022*Regional Aviation Access Program (comprising the RAU, RASS and RAI)*

Program/Project Start Date:	RASS commenced in 1982; RAU commenced in 2011; RAI commenced in 1992-1993					
Program/Project End Date:	Remote Airstrip Upgrade Program end date 2023-24 The RASS Scheme and RAI Program are ongoing.					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25	TOTAL \$m
Appropriation Budget (ex GST)	19	20.2	35.3	18.7	16.1	109.3
RAU	6	5.1	19.8	3.0		33.9
RASS	13.0	15.1	15.5	15.7	16.1	75.4
Less:						
Actual Expenditure YTD at 31 August 2022	18.7	19.4	1.6			
RAU	5.6	5.1	0.5			
RASS	13.1	14.3	1.1			
Total Committed Funds at 31 August 2022	18.7	19.4	11.6	9.2	1.4	48.4
RAU	5.6	5.1	6.9			13.4
RASS	13.1	14.3	18.5	9.2	1.4	35.3
Total Uncommitted Funds (balance)*	0	0.8	15.1	9.5	15.9	41.3
RAU	-	-	12.4	3.0	-	15.4
RASS	0	0.8	2.8	6.5	15.9	26.0

Notes:

- The RAI is administered is funded with Departmental funds. A total of \$0.4 million in Departmental funds is committed to the RAI for 2022-23.
- RASS services are ongoing and RASS contracts are re-tendered every 2-3 years. This is shown above as uncommitted funding but new RASS contracts are expected to take up the full allocation under the program. Due to rounding figures do not all add up.

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- A Movement of Funds has been approved through the Budget process. The funding profile reflects the Movement of Funds, with expenditure as at 31 August 2022.

Regional Airports Program

Program/Project Start Date:	2019-20					
Program/Project End Date:	2024-25					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget (ex GST)	13.9	12.6	53.5	10.0	10.0	100.0
Less:						
Actual Expenditure YTD at 31 August 2022	13.9	12.6	5.1			31.6
Total Committed Funds at 31 August 2022	0	0	39.9	1.5	-	41.4
Total Uncommitted Funds (balance)	0	0	8.5	8.5	10.0	27.0

Notes:

- Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.
- A Movement of Funds has been approved through the Budget process. The funding profile reflects the Movement of Funds, with expenditure as at 31 August 2022.

Airservices Australia Enroute Charges Payment Scheme

Program/Project End Date:	Funding for the program is ongoing					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	2.0	2.0	2.0	2.0	2.0	10
Less:						
Actual Expenditure YTD At 31 August 2022	0.0	0.0	0.0			
Total Committed Funds at 31 August 2022	0.0	0.0	0.0	0.0	0.0	0.0
Total Uncommitted Funds (balance)	2.0	2.0	2.0	2.0	2.0	10.0

Note: The scheme did not operate over 2020-21 or 2021-22 due to the range of other assistance the Government provided to the aviation industry during the COVID-19 pandemic.

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Rural and Regional Affairs and Transport

Lead/Support contact: Ben Vincent

SB22-000177

SUBJECT: Regional Aviation Security**Talking Points**

- The Department of Home Affairs regulates aviation transport security, including setting requirements for airport security screening equipment and processes.
- The first priority is, and will always be, to keep Australians safe and secure.
- During the COVID-19 pandemic, substantial support was provided to support the aviation industry with the costs of security screening while air travel was so heavily impacted by border closures.
- The \$94.5 million Regional Airports Screening Infrastructure (RASI) program, established in 2020, is in place until 30 June 2023, and continues to provide support to eligible regional airports for:
 - the costs of the minimum necessary capital works to accommodate enhanced security screening requirements; and
 - provide a contribution towards initial operational costs. Grant funded costs cannot be passed on to airlines.
- The Aviation White Paper will set the Australian Government's long-term vision for aviation – and focus on priorities including better mechanisms for consultation on and management of issues like changing security requirements.

Key Issues

s47C - deliberative processes

s33 - national security

Rural and Regional Affairs and Transport

Lead/Support contact: Ben Vincent

SB22-000177

s33 - national security

Background

Security screening requirements and commercial norms in the market

- Airports conduct security screening in accordance with the Aviation Transport Security Regulations 2005, and screening is required at around 58 airports across Australia for aircraft with 40 seats or more.
- Security screening costs are generally incurred by airports and typically charged to airlines on a per passenger basis as part of a cost recovery model. These costs are then factored into ticket prices.
- Per passenger screening costs can be higher at smaller regional airports, where costs are not able to be spread across a large passenger base.

Review of Australia's Aviation and Maritime Security Regulatory Settings

- The Government is reviewing its approach to aviation and maritime transport security with a view to reducing unnecessary costs and red tape for industry. This is being led by the Department of Home Affairs.
- Ms Kerri Hartland led an independent review, including engagement with industry representatives, and provided recommendations for targeted deregulatory initiatives.
- The review aimed to identify regulatory reform priorities for the aviation and maritime transport sectors and identify opportunities to increase flexibility for industry to implement innovative business models and meet security requirements in different, scalable ways, reducing compliance burden while maintaining transport security safeguards.
- **s47E(d) - certain operations of agencies**

Support for screening costs for airports

- The following programs were implemented to support airports with the costs of security screening. These measures include:
 - **\$50.1 million** through the Regional Airport Security Screening Fund (RASSF) that is assisting regional airports to purchase or upgrade their security screening equipment, administered by the Department of Home Affairs.

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Lead/Support contact: Ben Vincent

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- This Department of Infrastructure, Transport, Regional Development, Communications and the Arts has administered the following programs:
 - **\$94.5 million** through the Regional Airports Screening Infrastructure (RASI) grants program to assist regional airports with the minimum necessary capital and initial operating costs of complying with enhanced security screening requirements.
 - Up to **\$64 million** through the International Airport Security Charges Rebate (IASCR) program that assisted international airports with the costs associated with mandatory security screening requirements. This COVID program has ceased.
 - Up to **\$155.5 million** through the Domestic Airports Security Costs Support (DASCS) program, which assisted eligible domestic airports to maintain regulated security screening obligations. This COVID program has ceased.

Regional Airports Screening Infrastructure (RASI) program

- The \$94.5 million Regional Airports Screening Infrastructure (RASI) program aims to reduce the cost burden regional airports face in complying with regulated security screening requirements. RASI commenced on 22 July 2020 and is scheduled to conclude by 30 June 2023, **s33 - national security**
- In the 2022-23 March Budget, an additional \$28.5 million was provided to the RASI program as a further contribution to supporting operating costs of security screening. This additional amount was provided as an Estimates adjustment, taking total program funding to \$94.5 million; and offered to existing grantees in accordance with the guidelines. **s33 - national security**
- RASI funds the minimum necessary capital works costs to accommodate enhanced security screening equipment funded under RASSF, administered by the Department of Home Affairs, and support for initial operating costs.
- While regional airports receive the funding, it is ultimately regional communities that benefit as costs supported by grant funding cannot be passed on to airlines and, by extension, passengers.
- **s33 - national security**

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Lead/Support contact: Ben Vincent

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s33 - national security

- At the March 2022 Estimates hearing, the department took on notice a question from then Senator Rex Patrick seeking information on the RASI grants provided to Whyalla and Port Lincoln (**QoN response at Attachment B**).

s33 - national security

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Rural and Regional Affairs and Transport

Lead/Support contact: Ben Vincent

SB22-000177

Financial Information as at 31 August 2022**RASI budget information**

	2020–21 (\$m)	2021–22 (\$m)	2022–23 (\$m)	2023–24 (\$m)	2024–25 (\$m)
Program funding (at 2022-23 Budget)	23.4	45.0	26.1	0.0	0.0
Less:					
Actual expenditure as at 31 August 2022	23.4	26.9	-5.1	0.0	0.0
Movement of funds October 2022		-18.0	+18.0		
Total balance of funds at 31 August 2022	0	18.4	49.2	0.0	0.0

Note 1: Negative actual YTD expenditure figure at 31 August of -\$5.1m is due to accruals from 2021-22 not all reversed yet due to lags in airports submitting claims information.

Attachments

- s33 - national security
- Attachment B – Question on Notice – CAPEX numbers for Whyalla and Port Lincoln

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s33 - national security

FOUO-03

s33 - national security

FOI b3 - D3

FOI b3 - D3

Rural And Regional Affairs And Transport**QUESTION ON NOTICE****Budget Estimates 2022 - 2023****Infrastructure, Transport, Regional Development and Communications****Committee Question Number: 35****Departmental Question Number: SQ22-000365****Division/Agency Name: Domestic Aviation and Reform Division****Hansard Reference: Spoken, Page No.31 (04 April 2022)****Topic: CAPEX numbers for Whyalla and Port Lincoln****Senator Rex Patrick asked:**

Senator PATRICK: In the case of Whyalla and Port Lincoln, I presume they both received a capital grant of some sort. I imagine Whyalla's was more because they had to change the entire airport, whereas Port Lincoln was better suited for security equipment.

Mr Vincent: I believe so. I would have to check on that detail to confirm, though. I have got a OPEX numbers in front of me. I just have to confirm the CAPEX numbers.

Senator PATRICK: If you could provide me with the CAPEX numbers and the operating cost breakdown for those two grants you gave me, I would appreciate that

Answer:

Under the Australian Government's Regional Aviation Security Infrastructure (RASI) Program, the Corporation of the City of Whyalla (Whyalla Airport) received a capital works grant of \$4,276,956 for works at Whyalla airport. Operating cost support of \$1,885,233.00 has also been awarded under the program.

There was no application for a capital works grant from the District Council of Lower Eyre Peninsula (Port Lincoln Airport) under the RASI program. Operating cost support of \$1,100,024.00 has been awarded under the program.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000178

SUBJECT: Demand Management at Sydney Airport**Talking Points***Ministerial Direction – Northern Winter 2022*

- With international aviation recovering at a much slower pace than the domestic market, the recent Direction made by the Minister on 27 August 2022, provides relief to airlines operating to international markets, including full relief from ‘use it or lose it’ requirements for flights to closed markets.

Review of Demand Management Arrangements

- The Department of Infrastructure, Transport, Regional Development and Communications commissioned an independent review into demand management at Sydney Airport (the Harris Review). This was released on 18 June 2021, recommending a number of potential options for reform.
- The Australian Government remains committed to maintaining the movement cap of 80 aircraft movements per hour to minimise the impact of aircraft noise on the surrounding community, as well as retaining the curfew and noise sharing arrangement arrangements at Sydney Airport.
- The Government is considering potential options to make aircraft movements at Sydney Airport more efficient and is engaging with stakeholders to ensure the regulatory framework meets the current and future needs of the community, airport, airlines, as well as the broader aviation sector.
- The department has engaged with key stakeholders through a series of technical working groups to discuss and refine the potential options for reforms to the legislation that governs demand management at Sydney Airport.

Key IssuesCOVID-19 response – Ministerial Directions

- Since the beginning of the pandemic, international and domestic airlines operating at Sydney Airport have been afforded slot use relief at varying and reducing levels through a series of Ministerial Directions issued to the Sydney Airport Slot Manager.
- The relief allowed airlines to retain historical precedence to slots to provide certainty of future slot allocations without having to operate commercially unviable flights.
- With the international aviation market recovering at a slower pace compared to the domestic market, the most recent Ministerial Direction made on 27 August 2022:
 - reinstates the nominal 80/20 ‘use it or lose it’ requirement for domestic markets.

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Lead/Support contact: Jason Dymowski

SB22-000178

- puts in place a 70/30 'use it or lose it' requirement for international markets, and waives the requirement for closed international markets.
- prioritises the allocation of current international capacity to international flights to ensure the capacity is protected for when demand returns.

Productivity Commission Inquiry and Harris Review

- The department commissioned an independent review (the Harris Review) in response to the 2019 Productivity Commission (PC) inquiry into the Economic Regulation of Airports, and the sunseting schedule for the Sydney Airport demand management legislative instruments.
 - The Harris Review made 17 recommendations to the then Government relating to the implementation of the movement cap, encouraging competition in the market, the use of slots for regional flights, the governance of slot management, and structural reforms for the strategic remaking of the legislation.
- Between August 2021 and February 2022, the department held 25 technical working group meetings with key industry stakeholders to discuss the recommendations of the Harris Review, and refine the potential reform options.
- The department contracted Deloitte Touche Tohmatsu (Deloitte) to undertake comprehensive modelling and impact analysis of potential options.
 - The contract was extended in March 2022 from \$848,927.20 to \$1,011,194.80 to facilitate an audit of slot usage and domestic airline behaviours at Sydney Airport.
- The Government is considering the potential reform options to ensure the regulatory framework meets the current and future needs of the community, airport, airlines, and the broader aviation sector.
 - The potential reform options aim to unlock un-utilised capacity at Sydney Airport to improve efficiency and competition, improve regional access arrangements, reduce delays after significant disruptions and to enhance compliance, governance and administration arrangements.
 - The potential reform options will have no effect on the curfew at Sydney Airport nor the movement cap of 80 aircraft movements per hour.

Barriers to competition and compliance issues

- Prior to and during the COVID-19 pandemic, Sydney Airport and Regional Express made representations to the Department suggesting certain airlines were engaging in anti-competitive slot behaviours (e.g. slot hoarding) and claimed Ministerial Directions, designed to provide slot use relief due to the pandemic, were exacerbating these issues.

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Lead/Support contact: Jason Dymowski

SB22-000178

- An independent audit was commissioned in March 2022 to identify trends in slot usage and domestic airline behaviours.
 - The audit found patterns of systematic cancellations in the Northern Summer 2019 and Northern Winter 2021 scheduling seasons and a higher cancellation rate on city pairs that had higher frequencies.
 - The audit also found that airlines were continuing to over file on slot requests during the time where COVID-19 travel restrictions were limiting consumer demand.
 - Despite finding trends in behaviours which do not appear to align with the intent of the demand management, the audit did not identify instances of legislative non-compliance.
 - The potential reforms to the Sydney Airport demand management include proposals to broaden the types of slot misuse offences to better align with international guidelines and establish a routine audit function.
- REX also continues to raise issues with slots being re-allocated to Virgin Australia, China Eastern and Jetstar after Tigerair ceased operations on 5 August 2020.
 - These three airlines were at the top of the waitlist at that time and these slots were allocated to them in accordance with the *Sydney Airport Slot Management Scheme 2013* (the Scheme).
 - Operators may apply for slots at any time in a scheduling season after initial coordination. If a slot is not available the Slot Manager will offer an alternate slot to the operator and place the operator on a waitlist for the original slot. If the slot is available and meets the requirements, the Slot Manager will offer the slot to the operator.
 - REX has suggested these slots should have been quarantined and allocated to domestic carriers for new domestic operations.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000179

SUBJECT: Aviation Sector – recovery and data**Talking Points**

- Domestic passenger levels are near or exceeding pre-COVID-19 levels.
- International flights are also steadily returning and will be close to 70 per cent of pre-COVID-19 levels by the end of October 2022.
- Australia's two largest airports, Sydney and Melbourne, processed a combined 4.9 million passengers in June 2022, 22.1 per below numbers in June 2019 but 3.7 times their throughput in June 2021.
- The industry is working hard to meet the increased demand to travel. Airports and airlines have been deploying resources to manage the strong demand; working with the travelling public to make the experience as smooth possible on the ground and in the air. Safety remains the number one priority for the industry.
- In the last six months, the major airlines have observed rates of staff COVID-19 cases consistent with the general population. COVID-19 cases, combined with general sickness have impacted pilots and crew, ground handling and airport customer service.
- The airlines are hiring more staff for standby availability to mitigate these absences going forward.
- Some airlines have responded to increasing fuel costs and operational challenges by reducing capacity, but expect to return to pre-COVID levels in early 2023.

[If raised] – Delays and Cancellations

- On Time Performance (OTP) of domestic airlines in August 2022 averaged 68.5 per cent for arrivals and 68.8 per cent for departures, with a cancellation rate of 3.2 per cent.
- These figures are significantly worse than the long-term average performance of 81.9 per cent for arrivals, 83.1 per cent for departures and 2.1 per cent for cancellations.
- On time performance was impacted by weather related events, congestion and COVID-19 and flu-related staffing shortages.
- For specific airline OTP numbers, please refer to Key Issues.

[If raised] – Rising domestic airfares

- In September 2022, BITRE's real (CPI adjusted) Best Discount Fare index was the highest recorded since 2007. This represents a 57.1 per cent increase from September 2019.
- A combination of high jet fuel prices, increased demand and reduced capacity to deal with staff absences have resulted in a 56 per cent rise between April and August 2022.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000179

- This trend could continue upwards into October as overall passenger capacity is reduced in response to ongoing workforce challenges.
- ACCC (Sept 2022) have stated rising domestic airfares are being driven by growing demand for domestic travel, high jet fuel prices and reduced passenger capacity. The cheapest discount airfares hit their highest point in 20 months in August 2022. They increased by 56 per cent after falling to an 11-year low in April 2022. Business airfares rose by 17 per cent between June and August, also ending an extended period of relatively cheap tickets.” (Source: ACCC Airline Monitoring Report 7 Sept 2022)

Key Issues

The Australian Government committed more than \$5.6 billion to support the aviation industry throughout the COVID-19 crisis. From this commitment and as at 30 June 2022, the major Australian domestic airlines have received over \$1.6 billion in aviation-related COVID-19 pandemic support (**Attachment A**).

Airline August On Time Departures and Cancellation Performance (BITRE) is as follows:

AIRLINE	ON TIME DEPARTURES (DEPARTED WITHIN 15 MINS FROM SCHEDULED DEPARTURE TIME)	CANCELLATIONS (CANCELLED WITHIN 7 DAYS OF DEPARTURE)
ALL QANTAS FLIGHTS	63.3%	4.4%
• QANTAS	61.8%	4.7%
• QANTASLINK	71.2%	3.2%
• JETSTAR	56.9%	5.4%
ALL VIRGIN FLIGHTS	69.5%	2.5%
• VIRGIN AUSTRALIA	69.4%	2.2%
• VIRGIN AUSTRALIA REGIONAL AIRLINES	64.9%	6.9%
ALL REX FLIGHTS	82.2%	0.8%

Background

The Bureau of Infrastructure, Transport and Regional Economics (BITRE) regularly publishes data on industry status and performance. This includes monthly ticket price indexes and On Time Performance figures.

Attachment

- Attachment A – COVID-19 assistance for major airlines (at 30 June 2022)

Contact: Jason Dymowski

Cleared by First Assistant Secretary: Julia Pickworth

Phone: (02) 6274 6684

Version Number: 01

Date: 01/10/2022

Attachment A

COVID-19 assistance provided to 3 major airlines (\$m) Total as at 30 June 2022	Qantas Group, incl. Jetstar	Virgin Australia	Rex
Aviation Services			
Domestic Aviation Network Support Program (DANS)	199.0	328.9	0.9
International Aviation Network (IANS)	103.7	5.7	–
Facilitated Repatriation Flights	5.6	–	–
Aviation Subsidies			
Regional Air Network Assistance Package	54.2	22.2	134.5
• <i>Regional Airlines Funding Assistance (RAFA)</i>	–	–	53.9
• <i>Regional Airline Network Support (RANS)</i>	54.2	22.2	80.6
Airline Relief Package (AAFRP)	229.8	99.4	5.1
• <i>Domestic Aviation Security Charges Rebate</i>	112.0	47.3	1.9
• <i>Waiver of Airservices Australia Charges</i>	96.9	43.9	2.5
• <i>Waiver of Fuel Excise - Airline Reimbursement</i>	21.0	8.2	0.7
Domestic Airports Security Costs Support (DASCS)	4.8	–	–
International Aviation Support (IAS)	261.8	42.8	–
Tourism Aviation Network Support (TANS)	56.9	27.0	5.5
Retaining Domestic Aviation Capability (RDAC)	55.4	27.1	6.4
TOTAL (\$m)	971.3	553.0	152.4

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000180

SUBJECT: Qantas**Talking Points**Activity

- For the 2022 Financial Year (FY) the Qantas Group (Qantas) has carried more than 21.2 million passengers, 16.7 million domestic and three million international. Over the same period more than \$9.8 billion in revenue was earned (**Attachment A**).
- As of 24 June 2022, Qantas Domestic is operating at 102 per cent of the FY2019 levels while International is operating at 71 per cent FY2019 levels (**Attachment B**).

[If asked] How are Qantas International services recovering?

- As COVID passenger restrictions have been eased around the world, airlines are commencing new or recommencing previously suspended routes.
- Following the easing of restrictions on Australians travelling overseas from November 2021, Qantas has commenced operating eight new destinations. On 18 August 2022, Qantas announced that this includes several South Pacific Island countries which are transitioning to reopening markets such as Tonga and Samoa (**Attachment C**).

[If asked] How is the proposed Qantas and Alliance Airlines merger progressing?

- On 18 August, the ACCC released a Statement of Issues outlining several concerns around substantial lessening of competition should the proposed merger proceed. Due to the commercial sensitivities and ongoing nature of the investigation, we are unable to comment.

[If asked] How has Qantas been performing given recent staffing issues at major airports?

- 65.3 per cent of Qantas group flights arrived on time in August 2022 and 4.2 per cent of scheduled flights were cancelled. On time performance and cancellation for each Qantas Group airline can be found in the Background.
- Qantas has stated bad weather in July, higher employee sickness levels and the tight labour market are the primary reasons for the poor on time performance seen in the Qantas network.
- Staffing shortages have been driven by the combined impact of COVID-19 and seasonal flu cases, with May 2022 having the highest number of COVID and flu cases on record.
- Qantas has been experiencing a shortage of skilled workers across different departments. This shortage includes pilots, aircraft maintenance engineers, cabin crew and ground handlers.

Contact: Jason Dymowski**Cleared by First Assistant Secretary:** Julia Pickworth**Phone:** (02) 6274 6684**Version Number:** 01**Date:** 01/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000180

[If asked] Has Qantas' decision to outsource ground handling operations contributed to airport delays?

- Qantas' decision to outsource 2,000 ground staff was a commercial decision and has been considered by the Federal Court of Australia to be illegal. Qantas stands by their ground handling services outsourcing and has sought leave to appeal to the High Court of Australia.
- As these matters are either before the courts, or before the Fair Work Commission, it would not be appropriate for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to comment further.
- In September, Qantas was facing additional shortages through Protected Industrial Action from third party provider Dnata which handles Qantas' international baggage handling in Australia. The planned strike action was averted after increased pay rates were agreed.

[If asked] What is the status of the ACCC's investigation into Qantas Flight Credits?

- The ACCC is currently looking into consumers' experiences using Qantas flight credits.
- Due to the commercial sensitivities and ongoing nature of the investigation, we are unable to comment.

[If asked] about the ABC Four Corners report on Qantas?

- The department has been in discussions with the Civil Aviation Safety Authority (CASA), the agency that is responsible for aviation safety in Australia. CASA has expressed their confidence in Qantas' safety record and its safety management systems.
- More broadly, airlines are continuing to recover from the effects of the pandemic and adjusting their operations to meet strong demand and consumer expectations.

Key Issues

Industrial Action

- Qantas is facing industrial actions from their Aircraft Maintenance Engineers (AMEs). The discussions between the Transport Workers Union (TWU) and Australian Licensed Aircraft Engineers' Association (ALAEA) focus on pay rates and increases and current work conditions.
- Planned strike action on 12 September by Qantas' international ground handlers, employed by Dnata, has been averted as Dnata has agreed to a 17 per cent pay rise deal over a four-year period.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000180

Background

- As at **30 June 2022**, Qantas received approximately \$971.3 million of support from the following Government programs:

Program	Value
Australian Airlines Financial Relief Package	Total: \$229.9 million including : Fuel excise rebate: \$21 million Domestic security rebate: \$112 million Airservices fee waivers: \$96.9 million
International Aviation Network Support (IANS)	\$103.7 million
Domestic Aviation Network Support (DANS)	\$199.0 million
Regional Airline Network Support (RANS)	\$54.2 million
Tourism and Aviation Network Support (TANS)	\$56.9 million
International Aviation Support (IAS)	\$261.8 million
Retaining Domestic Airline Capacity (RDAC)	\$55.4 million
Facilitated Repatriation Flights	\$5.6 million
Domestic Airports Security Costs Supports	\$4.8 million

- Qantas Group OTP and Cancellations breakdown for **August 2022**:

Airline	On Time Departures (Departed within 15 mins from scheduled departure time)	Cancellations (Cancelled within 7 days of departure)
Qantas	61.80%	4.70%
Qantaslink	71.20%	3.20%
Jetstar	56.90%	5.40%
Qantas Group	63.30%	4.43%

Attachments

- Attachment A – Qantas Group media release 25 August 2022
- Attachment B – Qantas Group Market Update – June 2022
- Attachment C – Qantas adds Tonga as a new holiday destination to its Pacific Island Network

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Date: 01/10/2022

ASX/Media Release

QANTAS GROUP POSTS THIRD MAJOR LOSS FROM PANDEMIC, STRONG RECOVERY UNDERWAY

- Underlying Loss Before Tax: \$(1.86) billion.
- Statutory Loss Before Tax: \$(1.19) billion.
- Underlying EBITDA: \$281 million following a \$526 million EBITDA performance in 2H.
- Positive statutory operating cash flow: \$2.67 billion.
- Recovery plan on track for completion, with \$1 billion in savings in FY23.
- Net debt declined to \$3.94 billion, below target range.
- Investment of more than \$400 million in customer loyalty and experience; new lounges and new routes.
- On-market share buy-back of up to \$400 million announced.
- Significant improvement in operational performance; key measures expected to be largely back to pre-COVID standards in September this year.
- Significant improvement in Staff Travel benefits for employees.

25 August 2022: The Qantas Group has posted its third consecutive Statutory Loss Before Tax of more than \$1 billion, reflecting the Delta and Omicron impacts as well as upfront costs from restarting the airline as lockdowns finally ended.

For the full 2022 financial year, the Group experienced an Underlying Loss Before Tax of \$(1.86) billion and a Statutory Loss Before Tax of \$(1.19) billion. The difference between these two measures largely reflects the \$686 million net gain on sale of surplus land, which helped reduce COVID-related debt.

While the first three quarters of the year were defined by border closures and waves of uncertainty caused by COVID variants, the fourth quarter saw the highest sustained levels of travel demand since the start of the pandemic. Overall, the Group's flying levels for the year averaged at 33 per cent of pre-pandemic levels but finished at 68 per cent.

Group Domestic operations were profitable at the Underlying EBIT level in 4Q22, while Qantas Freight posted another record annual performance and Qantas Loyalty accelerated its earnings growth to double digits in the second half.

The reopening of borders saw a huge increase in forward travel demand, which when combined with the Group's recovery plan, has resulted in a significant improvement to the balance sheet. Net debt has fallen from a high of more than \$6.4 billion to \$3.9 billion at the end of FY22, putting it below the optimal target range of \$4.2 billion to \$5.2 billion.

With the existential crisis posed by the pandemic now over, the Group is focused on responding to current operational challenges. Key customer measures for Qantas including contact centre wait times, cancellation rates and mishandled bag rates are trending back towards pre-COVID standards during August 2022.

There has been a significant improvement in on-time performance, which lifted from 52 per cent in July to 66 per cent for August (to date). This is expected to reach 75 per cent in September and around 80 per cent in October 2022, pending external factors such as extreme weather.

CEO COMMENTS

Qantas Group CEO Alan Joyce said: "This result takes the Statutory Loss Before Tax impact of COVID on the Qantas Group to nearly \$7 billion and our total revenue losses to \$25 billion. These figures are staggering and getting through to the other side has obviously been tough.

"The past year has been challenging for everyone. We had to ramp down almost all flying once Delta hit and stay that way for several months before ramping back up through multiple Omicron waves as we all learned to live with COVID in the community.

"We always knew travel demand would recover strongly but the speed and scale of that recovery has been exceptional. Our teams have done an amazing job through the restart and our customers have been extremely patient as the whole industry has dealt with sick leave and labour shortages in the past few months.

"Safety remains number one, but our service isn't at the level expected of the national carrier. There is a lot of work happening to bring us back to our best, including hiring more people, rolling out new technology and reducing domestic flying so we have more sick leave cover.

"We saw a big improvement in baggage handling and cancellations in August, which we expect will return to pre-COVID standards next month. On time performance also improved significantly and should be close to our usual high standard in September.

"We're even more confident in the future than we were six months ago, so today we're announcing more investment in our people and our customers, including a major boost to staff travel benefits, new routes and new lounges. We're also announcing the first capital return for shareholders since they provided us \$1.4 billion at the start of the pandemic to support our Recovery Plan."

GROUP DOMESTIC

After several stop/start rebounds across FY22, domestic travel demand made a sustained recovery in the fourth quarter. Total domestic flying averaged 63 per cent of pre-COVID levels for the year and reached 103 per cent by 30 June.

This drove Group Domestic to positive Underlying EBIT for the fourth quarter, but long periods of low activity combined with restart costs resulted in a full year Underlying EBIT loss of (\$1.1) billion.

Across Qantas and Jetstar, revenue intakes from leisure bookings in the fourth quarter were approximately 125 per cent of pre-COVID levels, with the Group's dual brand strategy putting it in a unique position to meet demand from both the budget and premium parts of the market. The rebound in leisure saw the Group add more than 20 new domestic routes during the year.

Revenue intakes from business purpose travel in the fourth quarter were around 90 per cent of pre-COVID levels.

With a cost base significantly below its competitors, Jetstar's commitment to low fares saw 47 per cent of its customers pay less than \$100 for their domestic flight and 87 per cent paid less than \$200 – a larger proportion than before the pandemic.

GROUP INTERNATIONAL AND FREIGHT

Heavy losses by the Group's international passenger business were again significantly offset by a record performance of Qantas Freight, which benefited from high yields due to a continued shortage of cargo space globally but also from the ongoing shift to e-commerce domestically.

Overall, the Qantas International and Freight division recorded an Underlying EBIT loss of \$(238) million and Underlying EBITDA profit of \$448 million.

While the reopening of Australia's border in November 2021 finally saw international passenger travel return, the rebound was initially slowed by the Omicron variant and the delayed opening of key markets such as New Zealand and Indonesia.

The Group's international capacity averaged just 17 per cent of pre-COVID levels for the year but rose to 49 per cent by 30 June. The Group has now resumed flying to 19 ports and announced eight new destinations, including Rome, Seoul and Delhi.

Jetstar suffered significant financial losses in New Zealand, Singapore and Japan due to continued border restrictions plus restart costs as flying gradually returned.

Globally, airlines are constrained by aircraft and labour availability in returning to pre-COVID capacity levels despite high levels of demand. While this situation is temporary it is driving strong yields across the Group's international flying, which are offsetting the significant rise in the cost of jet fuel.

QANTAS LOYALTY

Loyalty achieved a significant increase in revenue, up 36 per cent to \$1.33 billion. Underlying EBIT rose by 7 per cent across the year and increased by double digits in the second half as consumer patterns changed out of lockdowns. The division has performed strongly throughout the pandemic by focusing on its value to members and, by extension, its program partners.

A decision to lower the number of points required for hotel and holiday redemptions in February 2022 helped drive a 40 per cent increase in bookings in 4Q22.

Acquiring a majority stake in online travel business TripADeal in May 2022 opened up new ways for members to earn and redeem points, and also offered a significant growth opportunity. TripADeal's sales rose 70 per cent in the first month following the acquisition compared with the month prior and with the same period in 2019. Over 150 million points have already been redeemed and 120 million points earned by Frequent Flyers on TripADeal packages.

During the year, agreements were renewed with all five major financial services partners as well as Woolworths. New partnerships were launched with Accor, Optus and Zip. Qantas Business Money was launched and will expand further in FY23.

Frequent Flyer members grew to 14.1 million during FY22, reflecting a total increase of around 1 million since the start of the pandemic.

FINANCIAL FRAMEWORK

Strong revenue intakes, plus the sale of surplus land, helped the Group to lower its net debt to \$3.94 billion, taking it below the optimal target range of \$4.2–\$5.2 billion. Total liquidity at 30 June 2022 was \$4.6 billion including \$3.3 billion cash.

A further \$270 million in cost benefits were realised in FY22, bringing the total achieved under the Group's COVID recovery plan to \$920 million since FY20. The annualised benefit of \$1 billion is on track from FY23 onwards.

Qantas was one of only six airlines to retain an investment grade credit rating through the pandemic and, during the year, had its outlook upgraded to 'stable' by Moody's.

The Board has approved an on-market share buyback of up to \$400 million as the benefits of the recovery materialise. This is the first return to shareholders since 2019 and follows \$1.4 billion of equity raised at the start of the pandemic.

INVESTING IN OUR CUSTOMERS

In addition to investment in operational performance, the Group is delivering the following improvements to customer experience:

- Introduction of a new route – Auckland to New York – from June 2023, using the 787 Dreamliner. This will be timed to offer convenient connections to Qantas' flights between Australia and New Zealand.
- Major improvements to several lounges starting progressively from late this year:
 - Creation of a Business Lounge in Adelaide (in addition to the existing Qantas Club) and full renovation of the Chairmans Lounge.
 - Complete upgrade of Qantas' Auckland lounge.
 - Port Hedland and Rockhampton lounges to be upgraded and expanded.
- As [recently announced](#):
 - A \$50 voucher offered to all Frequent Flyers towards their next Qantas flight.
 - Extension of the increase in Classic Reward redemption seats by up to 50 per cent for a further 12 months.
 - Complimentary extension of Frequent Flyer status (Silver through to Platinum One) for a further 12 months.

These improvements represent an investment of more than \$400 million.

(See [separate release](#) for more detail on lounges and Auckland-New York.)

INVESTING IN OUR EMPLOYEES

The Group is delivering a record amount of training with more than 1,500 people joining the organisation and around 1,000 internal appointments made since April 2022. A new flight training centre in Sydney is scheduled to open by the end of calendar 2023 and a new cabin crew training centre has been officially opened in Mascot today.

The Staff Travel scheme will be made more generous, with better access for family members and an expansion of the already significant fare discounts on standby travel.

The Group expects to spend approximately \$50 million on pay increases for EBA-covered employees as agreements are finalised in FY23, taking the average non-executive salary at Qantas to more than \$100,000. This is in addition to approximately \$200 million being set aside for a \$5,000 recovery boost payment and 1,000 share rights for more than 17,000 people.

FLEET

All Qantas and Jetstar aircraft based in Australia and New Zealand have returned to flying, with the exception of some Airbus A380s. Five A380s with updated interiors have now returned to service with the remaining five to follow by December 2023 once mid-life maintenance is completed.

In July, Jetstar took delivery of its first Airbus A321LR, which is 15 per cent more fuel efficient than its existing A320s. This is the first of almost 300 next-generation narrow-body aircraft [arriving across the Group](#) in the next 10 years, which will improve emissions, noise, customer experience and route economics.

Work associated with the entry into service for the Airbus A220 and A321XLR for Qantas Domestic, and the A350 for Qantas International, is underway.

Qantas International is due to receive its three remaining Boeing 787-900s by the end of FY23. Qantas Freight will receive [two converted A330s](#) in the second half of calendar 2023 and [six A321F freighters](#) from

early calendar 2024 onwards to replace five 737-400Fs and help meet demand from a permanent increase in e-commerce from key customers, including Australia Post.

OUTLOOK¹

The Group has entered FY23 with its balance sheet repair process effectively complete, strong levels of travel demand and a clear path to improving its COVID-related operational challenges. Based on current forecasts, key settings and assumptions for FY23 include²:

- Recovery plan to be completed in FY23, delivering \$1 billion in annual cost reduction. Parallel focus on offsetting CPI from FY19 to FY23 through additional cost and revenue initiatives.
- Fuel cost for FY23 expected to be \$5.0 billion, driven by a ~60 per cent increase in fuel prices compared to FY19.
- RASK performance expected to fully recover increased fuel prices across the Group as well as temporary unit cost increase associated with addressing operational challenges.
- Group Domestic capacity reduced by a further ~10 percentage points³ in response to higher fuel costs and operational challenges. Some capacity may be restored once operational resilience improves.
 - 1H23 – 95 per cent of pre-COVID levels
 - 2H23 – 106 per cent of pre-COVID levels
- Group International capacity to increase as more A380s and 787-900s enter service and overseas borders continue to reopen.
 - 1H23 – 65 per cent of pre-COVID levels
 - 2H23 – 84 per cent of pre-COVID levels
- Qantas Loyalty Underlying EBIT to increase to \$425-450 million for FY23.
- Strong yields in Qantas Freight expected to moderate but remain above pre-COVID levels.
- Underlying depreciation and amortisation for FY23 expected to be \$1.8b.

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Authorised for release by Qantas' Board of Directors

¹ Please refer to slides 32 to 35 in the Qantas Group's Investor Presentation for more detail and assumptions on FY23 Outlook.

² These outlook statements are predicated on the Group's current assessment of the profile of key external factors that will impact the Group's financial performance, including economic conditions, supply chain profile and public health settings.

³ Compared with assumptions given in 24 June 2022 Market Update.

ASX/Media Release

QANTAS GROUP MARKET UPDATE – JUNE 2022

- Travel demand remains strong across all categories, driving further improvement in net debt levels to around \$4.0 billion by end FY22.
- Additional resources for school holiday peak in place.
- \$5,000 recovery boost for 19,000 employees announced.
- Domestic capacity reductions to help recover higher fuel prices; no change to International.
- Expectation of Underlying EBITDA for 2H22 of \$450–550 million unchanged.
- Change to Group Executive Committee.

24 June 2022: Continued strong travel demand across domestic and international has driven further reductions in the Qantas Group's net debt to well below pre-COVID levels.

After peaking at more than \$6.4 billion at the height of the pandemic, net debt is expected to fall to around \$4.0 billion by 30 June 2022. This is an improvement of around \$1.5 billion in the past six months.

The Group has updated its net debt target range – a key part of its financial framework – to be between \$4.2 billion and \$5.2 billion.

While the Group still forecasts a significant full year Underlying EBIT loss for FY22 that includes the worst of the Delta and Omicron impacts as well as restart costs, the business remains on track for 2H22 Underlying EBITDA of between \$450 million to \$550 million. The Group is also on track to return to Underlying profit in FY23.

July peak preparations

The Qantas Group sincerely thanks customers for their patience and understanding while the airline works through what has been a challenging restart for the industry globally.

The Group is working with industry partners to improve the travel experience during the upcoming school holiday peak. While a tight labour market and COVID-related impacts persist, there will be a 15 per cent increase in ground handling staff compared with the Easter holidays and airports are increasing their security screening resources.

Since April, Qantas and Jetstar have recruited more than 1,000 operational team members and hundreds of additional contact centre staff have slashed average call wait times. Qantas will have 20 per cent more team members on standby to minimise any impact of sick leave.

Qantas has made schedule adjustments to better spread peak times and will have two widebody aircraft on reserve to assist, if required. The airline is rolling out new check-in and baggage kiosks, starting in Sydney, to speed up customers' journeys.

Recovery boost for employees

Up to 19,000 EBA-covered employees across the Qantas Group will be offered a \$5,000 boost as the national carrier shares the benefits of its recovery.



The payment will be made to employees once a new enterprise agreement covering them is finalised. Nine agreements covering some 4,000 employees have been finalised already and will be paid shortly. Consistent with previous discretionary payments, eligibility conditions will apply.

This follows a two-year wage freeze and comes on top of two per cent annual pay increases that are currently being negotiated across the Group.

The cost of the recovery boost to the Group is estimated at around \$87 million in FY22.

[\(See separate release for more information.\)](#)

Adjusting capacity in response to fuel prices

The Qantas Group is adjusting its domestic capacity levels for much of FY23 to assist with the recovery of sustained high fuel prices.

For July and August, an additional 5 percentage points of capacity will be removed on top of the 10 per cent announced in May. This total 15 per cent cut will also be applied to September. A cut of 10 percentage points will be applied to schedules from October through to the end of March 2023.

This brings the Group's planned domestic flying down to 106 of pre-COVID levels for the second quarter of FY23 and 110 per cent for the third quarter.

These reductions, combined with robust international and domestic travel demand, are expected to help the Group substantially recover the elevated cost of fuel indicated by forward oil prices. They will also assist with the near-term resourcing pressures currently being felt across aviation and the broader economy.

The customer impacts from these schedule changes are expected to be minimal, with capacity being removed mostly from high frequency routes. Those affected will be contacted directly with alternatives as close as possible to their original timing, usually within 1-2 hours. Many of these adjustments have already been made with the remainder to flow through in coming days.

There are no changes to the Group's international capacity plans, with flying steadily increasing from around 50 per cent of pre-COVID levels currently to around 70 per cent by the end of the first quarter of FY23 to help meet demand. This growth will continue as additional A380s are returned to service, with total Group international capacity reaching 90 per cent of pre-COVID levels by the fourth quarter of FY23.

Qantas has today announced plans to start direct flights from Perth to Jakarta and Perth to Johannesburg in November 2022. This brings the total number of new destinations the national carrier has added since Australia's borders reopened late last year to eight. [\(See separate release.\)](#)

Change to Group Executive Committee

Jetstar CEO Gareth Evans has made the decision to step down from his current role in December 2022.

After 23 years at Qantas, including time as Chief Financial Officer, CEO of Qantas International and, since 2017, CEO of Jetstar, Gareth has decided this is the right moment to move on. Gareth will remain with the Group into next year to work on key projects before leaving during 2023.

An internal recruitment process for the Jetstar CEO role is underway, with a handover of several months expected.

Qantas Group CEO Alan Joyce said: "Gareth has been a superb leader and member of the senior executive team for many years. He's given an incredible amount to the organisation in several key roles, from his time as CFO through major restructuring and most recently as Jetstar CEO as we navigated COVID. When he leaves next year it will be with our sincere thanks and best wishes.



“We spend a lot of time developing our internal talent pipelines for succession opportunities like this and we’ll be appointing a new Chief Executive for Jetstar soon.”

GROUP CAPACITY SUMMARY

(Expressed in Available Seat Kilometres, compared with pre-COVID levels)

ASKs vs FY19 (%)	1Q23	2Q23	1H23
Group Domestic	99%	106%	102%
Group International	63%	80%	71%
Total Group	77%	90%	83%

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Authorised for release by the Qantas Board of Directors.

Released under FOI Act by DITRDCA



Media Releases

QANTAS ADDS TONGA AS A NEW HOLIDAY DESTINATION TO ITS PACIFIC ISLANDS NETWORK

Nuku'alofa

Published on 18th August 2022

Qantas is expanding its South Pacific presence with the addition of Tonga to its network, offering a new tropical destination for Australian travellers to explore.

Following the recent reopening of Tonga's borders, Qantas will fly weekly between Sydney and Nuku'alofa's Fua'amotu Airport. The four and a half hour flights will be the only direct services between Australia and Tonga.

Qantas has been operating services since December 2020, supported by the Australian Government's Pacific Flights Program. These flights have maintained critical passenger and freight links while international borders were closed. From today, passengers can book a flight directly on qantas.com with services operating every Thursday to Tonga.

The inclusion of Tonga to the international network follows the recent commitment of weekly services to Samoa as Qantas grows its presence in the South Pacific Islands off the back of strong holiday travel demand.

Qantas will initially operate one flight a week with a A330 aircraft between Tonga and Sydney alongside the Samoa service.

Flights to Tonga are on sale at [Qantas.com](https://qantas.com) starting from \$866 return. Qantas Frequent Flyers can earn and redeem Qantas Points on Tonga flights as well as earn status credits.

Quotes from a Qantas spokesperson

"Since the opening of Australia's border, we have seen strong demand across our Qantas operated South Pacific services. In fact, Fiji is 50 per cent higher than pre-COVID demand, Noumea is 13 per cent higher and flights to Samoa are performing ahead of expectations.

"These flights will help Australian-based South Pacific Islanders visit family and friends back home, as well as providing travel hungry Australians a choice of Pacific neighbours to explore.

"We anticipate the Tonga services will be well-supported by both Tongan nationals and Australians and are excited to help strengthen family and community connections as well as boost tourism opportunities to this beautiful Pacific Island kingdom."

International flights are subject to government and regulatory approval.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Jason Dymowski

SB22-000181

SUBJECT: Virgin Australia**Talking Points**Activity

- In the 2021-22 Financial Year, Virgin Australia reported an underlying loss of \$386.7 million. Total revenue was stated at \$2.2 billion however increased expenses resulted in a net loss after tax of \$565.5 million.
- Virgin Australia are scheduled to operate 22 percent of their pre COVID international passenger flights by October 2022.

[If asked] *has Virgin been affected by staffing issues like other operators and airports?*

- On 1 December 2021, all previously stood down Virgin Australia staff returned to work.
- High illness rates and staffing shortages have led to an increase in flight delays and cancellations.

[If asked] *have any recent industrial actions impacted on Virgin operations?*

- In September 2022, Aircraft Maintenance Engineers (AMEs) from Virgin's Regional Aviation branch voted for strike action with over 75 per cent voting in favour of action. The discussions between the Transport Workers Union (TWU) and Australian Licensed Aircraft Engineers' Association (ALAEA) focus on pay rates and increases and current work conditions.
- If this action proceeds it will predominantly impact on regional Western Australian and fly in fly out services offered by the airline.

Background

- Virgin is not publicly listed on the ASX as it is owned by private equity firm Bain Capital. As such, it is not required to publicly present financial performance figures (or hold shareholder presentations) as the other ASX listed Australian airlines (Qantas and Rex) do.
- Virgin Australia's anticipated return to the ASX will stay on hold until financial markets stabilise and is not expected to occur until 2024.
- On time performance – August (BITRE):

	On Time Departures (Departed within 15 mins from scheduled departure time)	Cancellations (Cancelled within 7 days of departure)
Virgin Australia	69.7%	2.2%
Virgin Australia Regional Airlines	64.9%	6.9%

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Jason Dymowski

SB22-000181

- As at **30 June 2022**, Virgin Australia received approximately \$553.1 million of support from the following Government programs:

Program	Value
Australian Airlines Financial Relief Package	Total: \$99.4 million including: - Fuel excise rebate: \$8.2 million - Domestic security rebate: \$47.3 million - Airservices fee waivers: \$43.9 million
International Aviation Network Support (IANS)	\$5.7 million
Domestic Aviation Network Support (DANS)	\$328.9 million
Regional Airline Network Support (RANS)	\$22.2 million
Tourism and Aviation Network Support (TANS)	\$27.0 million
International Aviation Support (IAS)	\$42.8 million
Retaining Domestic Airline Capacity (RDAC)	\$27.1 million

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Date: 12/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000182

SUBJECT: Aviation Jobs/Skills**Talking Points**

- Aviation was one of the first, and continues to be one of the major Australian industries adversely affected by COVID-19.
- The Australian Government recognises that the impacts of COVID-19 on the economy have been variable and uneven. Similarly, for some of the worst hit industries, like aviation, recovery has been unpredictable, volatile, and non-linear.
- Following the first COVID-19 Omicron wave peak earlier in 2022, and with domestic and international borders open, the aviation industry experienced a significant surge in demand in April, particularly around the Easter school holidays. Airlines responded rapidly to bring aircraft back online, schedule more flights and bring staffing levels and training up to match.
- However, with domestic passenger numbers around pre-COVID levels, and international demand picking up swiftly the systems and staffing began to struggle. Ongoing staff shortages due to the dual impacts of people having left the aviation industry during the uncertainty of the pandemic, and increased absenteeism due to COVID-19 and seasonal illness, have seen many flights delayed and cancelled in recent months, peaking in July 2022.
- By August 2021, mid-pandemic, 28.2 per cent, or nearly one in three people employed in air and space transport, according to Australian Bureau of Statistics figures, had either left the aviation industry, or been retrenched. The recent surge in flight demand has seen staffing numbers exceed pre-COVID levels, however, the aviation industry continues to report an overall shortage of workers across a range of key occupations.
- Ground handling staff, such as baggage handlers, check-in and security screening are in short supply, with many people hesitant to either return to or join an industry which has been seen as unstable employment during the pandemic.
- Shortages of licenced aviation maintenance engineers are also apparent, particularly in regional areas, and are predicted to escalate.
- While the impacts of COVID-19 are still being felt in the industry, the support programs which underpinned the industry during the pandemic have now ceased.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000182

[If asked] about what is being done to preserve and retain skills within the aviation industry and attract new workers to occupations where there are shortages?

- Prior to the Jobs and Skills Summit on 1-2 September, the Minister held an Aviation Roundtable with representatives from all facets of the industry to understand workforce impacts as aviation activity increases.
- Key points from this discussion were fed into the preparations for the Summit, and now the outcomes and agreements of the Summit will be used to inform government policy on skills shortages broadly, as well as aviation shortages (see Attachment A for publicly available roundtable outcomes).
- Some key actions agreed out of the Summit include:
 - Giving the Fair Work Commission the capacity to proactively help workers and businesses reach agreements that benefit them.
 - Working together to reform the framework for VET qualifications and micro-credentials to ensure they are most relevant to labour market needs. Micro-credentials, including work-based learning will be placed in a proper framework and be able to be 'stacked' into full VET qualifications.
 - Reviewing skilled migration settings to strengthen the pipeline of skilled labour in Australia.
- In relation to aviation, the Government has committed to developing an Aviation White Paper, which will address a number of key issues for the aviation industry, including existing and looming skills shortages in roles such as aircraft maintenance engineers, ground handlers and pilots. (SB22-000183 – Aviation White Paper refers)

[If asked] about skilled migration occupation lists - including aeroplane pilots and aircraft maintenance engineers

- The Department of Home Affairs oversees Australia's skilled migration program, including, among other visa subclasses, the Temporary Skill Shortage (subclass 482) visa program. Questions about skilled migration are best directed to them.

[If asked] about ongoing industrial relations disputes between Qantas and workers under various enterprise agreements, or the Federal Court ruling about the retrenchment of ground handlers

- As these matters are either before the courts, or before the Fair Work Commission, it would not be appropriate for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to comment.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000182

Key IssuesJobs numbers

- Prior to the COVID-19 pandemic, the department estimates that aviation supported between 90,000 and 120,000 jobs in aviation-related or supporting roles (depending on what roles are included), as well as enabling travel, freight movement, and tourism. Of this workforce, recent analysis undertaken for the department estimated 52 per cent people work across airlines, airports, ground handling and engineering roles, the other 48 per cent are estimated to work in supporting roles, including airport security, retail, food and beverage, car rentals and more.
- In February 2020, according to detailed labour force data from the Australian Bureau of Statistics, air and space transport employment totalled 51,800 people, down from a peak of 63,000 in August 2019.
- By August 2021, mid-pandemic, that number had reduced to 37,200. By May 2022, according to the latest ABS figures, that number had recovered to 52,200, an increase of 40.3 per cent, and slightly above the February 2020 pre-COVID figure. Demand for aviation workers has increased significantly in recent months.
- The air and space transport figures represent the total number of employed persons, including both full time and part time, across the ANZSIC industry sub-division code. These figures are lower than the Department's estimate of jobs supported by the aviation sector, as our understanding is it excludes some workers involved in airport operations, aircraft maintenance, repair and manufacturing, indirect aviation-related jobs such as airport-based retail and car rental, domestic and international air freight forwarding, aerial surveying services and transport of passengers by aircraft solely for sightseeing purposes.
- The number of Aircraft Maintenance Engineers (ANZSCO 3231) in Australia tends to fluctuate somewhat over time in line with peaks and troughs in demand in the aviation industry. Data from the last 20 years shows an average number of 11,800, with significant peaks and troughs throughout the period.
- Since the start of the pandemic, when there were 13,200 engineers in November 2019, numbers dropped to a low of 6,100 in May 2020, peaked at 14,600 in November 2020 before dropping to 9400 in November 2021, returning to 11,500 in May 2022.
 - These recent fluctuations are indicative of the stop/start conditions experienced in the aviation industry during the pandemic, and demonstrate the volatility of job security for aircraft maintenance engineers.
 - The figures bear out anecdotal reports from various sectors of the aviation industry that there are not enough engineers available to service current and predicted demand, and that recruitment and retention are problematic.

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Rural and Regional Affairs and Transport

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SB22-000182

Skills and capability

- Many roles, in particular highly skilled or specialised roles, must meet mandatory currency, training, and certification requirements.
- Workers returning to the aviation sector have a range of training needs depending on, for example, their job and length of time away from the sector. Those new to the sector face even greater training and accreditation needs and expenses.
- The department is currently engaged in discussions with the Department of Employment and Workplace Relations and the Civil Aviation Safety Authority (CASA) relating to the following issues:
 - Streamlining and reforming licensing pathways and the range of potential issues associated with the relationship between CASA and the Vocational Education and Training (VET) framework under the Australian Skills Quality Authority (ASQA)
 - the potential overlap between the requirement by CASA (as safety regulator) and ASQA (as the regulator of VET providers) for aviation training providers operating as Registered Training Organisations (RTOs) to meet various standards
 - the misalignment of some VET qualifications to CASA licensing requirements, meaning the course content of some VET qualifications do not always support the relevant CASA licensing outcome
 - the general tension in the relationship between the “knowledge-based” CASA regulatory framework and the “competency-based” VET framework
- Industry has also raised the following issues with the department:
 - Whether the increased VET loan limits appropriately reflect the cost of delivering training. This includes a post implementation assessment of whether the increased loan limits have resulted in increased course costs.
 - A push from the industry to expand the number and type of eligible training providers at which students are able to access VET loans. Currently this is limited to ASQA accredited RTOs and tertiary providers.
- The department will also engage with the Department of Home Affairs on skilled migration as a potential avenue to address skills shortages in the aviation industry.

The impact of the Omicron wave and renewed demand for flights

- The Omicron variant wave, which started late 2021, affected consumer confidence and demand at a time when the industry was only beginning to recover, seeing a downturn in early 2022 which put further pressure on airline revenues and plans to resume international flights.
- As the economy improved and the first Omicron wave passed, demand for domestic air travel increased rapidly and dramatically to beyond pre-COVID levels by mid-2022.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000182

- The need to scale up services to meet renewed demand generated more employment opportunities within the industry.
- Services continue to be disrupted due to ongoing absenteeism from COVID-19 and seasonal illnesses, along with reduced numbers of workers willing to stay in or be recruited into aviation jobs.

Attachments:

- Attachment A - Jobs and Skills Summit 2022 – Aviation Roundtable Key Outcomes

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Jobs and Skills Summit 2022 – Aviation Roundtable Key Outcomes

On 23 August 2022, the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP, convened a roundtable discussion with stakeholders from across the aviation sector, preceding the September 2022 Jobs and Skills Summit.

Key themes from the discussion included:

The need to address the critical shortage of Engineers specifically and the role they play across the economy in Aviation.

Expediate ASIC clearance for employees who are returning to the aviation industry.

Workers returning to the industry are finding it is taking several weeks before they can recommence employment due to delays in ASIC processing. Security clearance for ASIC is also holding up employment at our airports for new entrants. The example was given of it taking 10 weeks for new employees at security screening to receive ASIC and the employee.

Marketing and initiatives to attract people into our workplaces:

- The impact of the COVID-19 pandemic has shaken confidence in the industry;
- Job security, pay, conditions and safety are key factors for workers;
- The aviation sector operates as an eco-system and needs a stable pipe-line of talent - Australia's commercial aviation industry has traditionally drawn new trainee pilots and engineers from the General Aviation Industry and the Australian Defence Force, which presents opportunities for fulfilling careers that span the broader sector;
- A critical mass of trainers and instructors is needed in order to support a stable pipe-line of talent;
- The sector competes for talent with other parts of the economy (including, for instance, mining (engineers) and banking (IT professionals); and
- A number of employers have their own training systems in place, and the sector has been running jobs' fairs to promote aviation opportunities

Opportunities to better align the accreditation and training system with industry need should be explored:

- Noting aviation is a heavily regulated industry, fast-tracking recognition of prior learning (RPL) and accreditations would assist the industry;
- It was reported there has been a shift in the cost of training from employers to the individual over time; and
- Better use of training data would assist in identifying opportunities to maximise the impact of government financial assistance.

Investment in regional livability, including incentives for people to move to regional and remote Australia to address critical shortage of workers.

Changes to migration settings and incentives for returning workers – a faster and more streamlined visa application process, a review of the skilled migration priority lists for occupations such as aircraft engineers, and tax incentives for returning workers.

Training investment, subsidies or grants to assist the aviation sector rebuild post-COVID, reduce the training lag between recruitment and 'job readiness' and to remove barriers for new entrants. This could also include greater investment in professional development for pilots, incentives to encourage pilots to remain in the training sector, and investment in training infrastructure.

Reform of education funding and VET loan scheme to allow access to VET loans through smaller, more specialised and localised training providers, to encourage more students to stay in regional areas and gain qualifications in a shorter timeframe. This could also include better support for apprentices (including exploring apprenticeship initiatives in other sectors that could be considered in the aviation industry).

Improving employment conditions and workplace culture, including minimum standards for job security, pay, flexible working arrangements, as well as relevant regulations (e.g. CASA regulations governing fatigue management and licensing).

Take advantage of opportunities associated with a net-zero transition and the digital economy such as the development of a local sustainable aviation fuel industry. There are new skills and training requirements emerging across all sectors which would benefit from a more sustained coordinated approach through Jobs and Skills Australia.

Include new provisions in government tenders, such as:

- that industry needs to collaborate, consortia encouraged.
- requirement for inclusion of minimum number of apprenticeships.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000183

SUBJECT: Aviation White Paper**Talking Points**

- The Aviation White Paper will set the Australian Government's long-term vision for aviation, guide continued recovery of the sector, identify opportunities for sustainability and engagement with the community.

What it will cover?

- As per the election commitment, the White Paper will address the four areas specifically mentioned in the commitment, namely:
 - the economic reforms needed to improve productivity across the sector, including skills shortages;
 - how to maximise the aviation sector's contribution to achieving net zero carbon emissions, including through sustainable aviation fuel and emerging technologies;
 - how to support and regenerate Australia's General Aviation sector; and
 - better mechanisms for consultation on and management of issues like aircraft noise, airport development planning and changing security requirements.

Progress to date

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is currently engaging across government to develop the White Paper's terms of reference and timeline, noting the final terms of reference are subject to Ministerial agreement.
- It is anticipated next steps will include an initial scenario planning project (procurement underway) in the lead up to a Green Paper in 2023, with the White Paper to be released in 2024.
- The Government welcomes the views and participation of industry and community stakeholders as the White Paper is developed.

Key Issues

[If raised] – *how will the White Paper build on extensive stakeholder consultations to-date?*

Industry engagement for the White Paper will build on what we've heard from industry in recent years. Stakeholder consultations offer valuable insights into the sector as it continues to evolve and are a critical input for considering the direction of the aviation sector over the next 20 years.

[If raised] – *what topics will be addressed through the Aviation White Paper?*

The White Paper will consider a broad range of challenges and opportunities for the sector, including the four priority areas identified by the Minister (outlined above). Detailed project planning is underway to inform the final scope of the White Paper.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000183

Background

Recent aviation policy consultations undertaken by Government or Parliament.

- Senate RRAT Inquiry into Australia's general aviation industry (2020-2022)
- Senate RRAT Inquiry into the future of Australia's aviation sector, in the context of COVID-19 and conditions post pandemic (2020-2022)
- Future of Aviation Reference Panel (2020-2021)
- Future of Australia's Aviation Sector Issues Paper (2020)
- Productivity Commission Inquiry into Economic Regulation of Airports (2018-2019)
- Senate RRAT Inquiry into the operation, regulation and funding of air route service delivery to rural, regional and remote communities (2017-2019)

Financial Information as at 25 October 2022

The department has been provided \$7 million of funding over two years (\$3.1m in 2022-23, \$3.9m in 2023-24) to deliver the Aviation White Paper, as part of the 2022-23 Budget.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000184

SUBJECT: Rex**Talking Points**

- For the 2021-22 Financial Year, the Rex Group (Rex) experienced a post-tax loss of \$46 million. In the same period, Rex earned \$319 million in revenue.
- In July 2022, Rex regional services were over 100 per cent pre-COVID values in passenger numbers, revenue and load factors despite a 5 per cent reduction of scheduled services (**Attachment A**).

[If asked] Rex announced withdrawal from several routes between Albury to Melbourne and Sydney to Canberra as well as services to Cooma, Bathurst, Lismore, Grafton, Ballina and Kangaroo Island. What is the current network status and reasoning for changes?

- Since the conclusion of the RANS program, a small number of airlines have ceased services that were previously supported under the program. These include Sydney to Taree and Sydney-Grafton-Lismore. For these locations, other transport options are available such as flights operating from the location to another major city; another airport located within 1-2 hours' drive; or an alternative mode of transport, either road or rail.
- In a number of instances, another airline was already servicing the route (such as Adelaide to Kangaroo Island and Sydney to Ballina) or where an airline has ceased services on a route another airline has stepped in to the route (Sydney to Bathurst). (see below)
- Fly Pelican have announced they will commence operating the Sydney to Bathurst route from early September 2022. This was a route previously operated by Rex who withdrew mid-year.

[If asked] have any recent industrial actions impacted on Rex operations?

- Rex has not announced any recent significant industrial actions taken by its staff.
- In June 2022, the Australian Federation of Air Pilots announced Rex pilots would take industrial action in relation to pay disputes including back-pay over COVID. No major announcements on continuation or cessation have been made since the action started.

[If asked] about Rex's allegations of anti-competitive behaviour in the domestic market

- In August, Rex announced it was pursuing legal remedies to address concerns of anti-competitive behaviour by Qantas. The ACCC has commented that it continues to monitor the actions of both airlines.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Jason Dymowski

SB22-000184

Background

- On time performance – **July (2022 Annual Investor Presentations):**

	On Time Departures (Departed within 15 mins from scheduled departure time)	Cancellations (Cancelled within 7 days of departure)
Rex (Domestic)	77.6%	0.5%
Rex (Regional)	69.5%	2.3%

- On time performance – **August (BITRE):**

	On Time Departures (Departed within 15 mins from scheduled departure time)	Cancellations (Cancelled within 7 days of departure)
Rex (Group)	82.2%	0.8%

- As at **30 June 2022**, Rex received approximately \$152.4 million of support from the following Government programs:

Program	Value
Australian Airlines Financial Relief Package	Total: \$5.1 million including: Fuel excise rebate: \$0.7 million Domestic security rebate: \$1.9 million Airservices fee waivers: \$2.5 million
International Aviation Network Support	N/A
Domestic Aviation Network Support (DANS)	\$0.9 million
Regional Airline Network Support (RANS)	\$80.6 million
Tourism and Aviation Network Support (TANS)	\$5.5 million
International Aviation Support (IAS)	N/A
Retaining Domestic Airline Capacity (RDAC)	\$6.4 million
Regional Airlines Funding Assistance (RAFA)	\$53.9 million

Attachment

- Attachment A – Rex media release - FY22 Full Year Results

Contact: Jason Dymowski**Cleared by First Assistant Secretary:** Julia Pickworth**Phone:** (02) 6274 6684**Version Number:** 01**Date:** 05/10/2022



24 AUGUST 2022

MEDIA RELEASE**REX ANNOUNCES FY22 FULL YEAR RESULTS**

Rex today announced a full year after-tax loss of A\$46M on a turnover of A\$319M for FY22.

Commenting on the results, Rex Executive Chairman Lim Kim Hai said, "The lingering impact of COVID-19 meant that passenger services did not start to recover until February 2022. Prior to that, both the Domestic Jet Operations and Regional Saab Operations were either suspended or greatly reduced."

"Considering that COVID devastated practically three quarters of the FY and the war in Ukraine starting in February causing crude oil prices to skyrocket by over 70% during the Financial Year peaking at a near record high of A\$174 per barrel in June 2022 as well as other supply shocks on the international economy, I am mildly pleased that our performance is not much worse than it is."

"The operational statistics for the new Financial Year have been very encouraging and indicate that we have turned the corner. In July, the Domestic Jet Operations load factor was at an all-time high of 86% whilst the Regional Saab Operations saw higher passenger numbers, revenue and load factors compared to pre-COVID figures despite 5% less flying."

"These pleasing outcomes are the result of partnerships with Corporates and Travel agencies that were entered into at the end of the prior FY. We have already seen 35% of the committed monthly amounts for the partnerships in the first two months and we have every reason to believe that the performance will get stronger in the coming months."

"I note also that fuel prices have retreated to A\$130 per barrel in the most recent week."

"We are continuing to see very strong bookings in August with the past week showing a 50% increase over the same period in July last month. Barring further external shocks, I am confident that the Group will return to good profitability in FY23."

Rex is Australia's largest independent regional and domestic airline operating a fleet of 61 Saab 340 and six Boeing 737-800NG aircraft to 58 destinations throughout all states in Australia. In addition to the airline Rex, the Rex Group comprises wholly owned subsidiaries Pel-Air Aviation (air freight, aeromedical and charter operator), the Australian Airline Pilot Academy with campuses in Wagga Wagga and Ballarat, and propeller maintenance organisation, Australian Aerospace Propeller Maintenance.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Phil McClure

SB22-000185

SUBJECT: Brisbane Airport, including Noise Issues and Post Implementation Review**Talking Points**

- The Australian Government recognises the need to balance the impacts of noise on communities near airports with a strong aviation industry that can meet demand for movement of passengers, tourists, workers and high-value, time-sensitive freight.
- Airservices Australia is undertaking a Post-Implementation Review (PIR) of new runway operations at Brisbane Airport. Questions on the PIR and the Trax International (Trax) Final Report should be directed to Airservices (report summary at **Attachment A**).
- The Government will establish a permanent, independent community consultation body to provide ongoing support to better manage aircraft noise around Brisbane Airport.
 - The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is working closely with industry and community stakeholders on the potential structure.
 - The final arrangements are to be agreed with the Government, with the body expected to commence once the PIR concludes.
- The Government will also deliver a new Aviation White Paper, which will consider better mechanisms for consultation on issues like aircraft noise (refer to **SB22-000183**).

[If asked] - *will the Government introduce a curfew and movement cap?*

- As the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government has stated publicly post the election, the Government does not support a curfew or movement caps at Brisbane Airport.
- Extensive work is ongoing to improve aircraft noise outcomes for Brisbane communities through the Airservices' PIR, which is expected to conclude in November.
- The PIR Final Report is expected to identify feasible measures to reduce the impact of aircraft noise on communities and timeframes for their implementation, including opportunities for further community engagement.

[If asked] - *does the department agree with Brisbane Airport and Virgin that caps and curfews could cost the community \$1 billion a year and push ticket prices out of reach?*

- While the Government's policy does not support movement caps or a curfew, the department has undertaken high-level analysis on the potential impacts of a curfew on the economy. This work, however, has not been to the level of detail to comment specifically on the cost to the community figure determined by Brisbane Airport and Virgin.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Phil McClure

SB22-000185

- Based on current growth forecasts, with the proposed curfew and movement cap in place, the department's high-level analysis undertaken by Ernst & Young indicated that average daily demand for flights could exceed the capacity of the airport by as early as 2026.
- As such, the proposed restrictions would likely constrain economic growth and employment opportunities, disrupt tourism and regional connectivity, reduce choice for passengers, put pressure on ticket prices as demand exceeds supply, and ultimately bring forward the need for a new airport in the Brisbane region.

[If asked] - what will happen with the recommendations from Trax International? Will the recommendations be implemented? How long will it take?

- Airservices has adopted all of the recommendations in Trax's Final Report.
- The Final Trax Report indicates possible timeframes for both shorter-term (2022 and 2023) and longer-term (from 2024) improvements to airspace operations. Aviation safety remains the highest priority in the implementation of any changes.
- Airservices' final PIR report, expected in November, will provide further details on the implementation of Trax's recommendations.
- Further questions should be directed to Airservices.

Key Issues

[If asked] - will the Government amend the Airservices Act to eliminate 'regulatory capture' by the aviation industry and protect areas from the effects of aircraft operations?

- The Government has committed to deliver an Aviation White Paper to set the scene for the future growth and development of the aviation sector. This will include consideration of better mechanisms for consultation on aircraft noise issues.
- The *Airservices Act 1995* requires Airservices to regard the safety of aircraft as paramount, while also ensuring the environment is protected from the effects of the operations and use of aircraft as far as practicable. No amendments to the Airservices Act that could compromise safety outcomes will be considered.

[If asked] - document released under FOI on 18 February at **Attachment B**: what assessment did the department undertake on Brisbane Airport's noise comparison report in 2018, which compared noise impacts of the final airspace design for the new runway with that modelled in the Environmental Impact Statement (EIS)/Major Development Plan (MDP)?

- The department and the then Minister maintained high level oversight of development of the new parallel runway project through annual reports from Brisbane Airport Corporation certifying its compliance with the approval conditions.

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SB22-000185

- In 2018, the department advised Brisbane Airport Corporation and Airservices that it agreed with Brisbane Airport Corporation's conclusion that the noise impact of the final airspace design for the new runway was not materially different from the impact detailed in the EIS/MDP.
 - This advice was based on the information available at that time as provided by Brisbane Airport Corporation.
- However, the department does not have a direct regulatory role in approving or managing airspace operations, nor does the department have internal technical airspace design or noise modelling expertise.
- Questions on referral requirements under the *Environment Protection and Biodiversity Conservation Act 1999* should be directed to the Department of Climate Change, Energy, the Environment and Water.

[If asked] - what was the department's role in approving airspace changes for the new runway?

- Approvals for changes to airspace, including flight paths, are the responsibility of the Civil Aviation Safety Authority (CASA) under the *Airspace Act 2007*. CASA approved the Airspace Change Proposal for Brisbane Airport on 31 October 2018.
 - Questions on the airspace approval for Brisbane Airport should be directed to CASA.
- As part of the approval process for the New Parallel Runway major development plan (MDP) in 2007 under the *Airports Act 1996*, the department provided advice to the then Minister for Infrastructure and Transport on the MDP. The advice included input from Airservices and CASA in relation to aviation safety and airspace operations.

[If asked] - will the department undertake water tank testing in the Samford Valley and Brookfield regions as recommended by the Forum? Will the results be publicly released?

- There is no evidence globally of aircraft emissions contaminating water supplies at the height aircraft overfly the Samford Valley, Brookfield and Upper Brookfield regions.
- With no baseline data to undertake a comparison of water quality in the regions prior to airspace changes in 2020, it would not be possible to isolate a cause of pollution. Any measurements are expected to be affected by background levels due to other polluting sources emitting near ground-level.
- On 29 March, the then Minister decided not to take any further action on this issue.

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BUDGET ESTIMATES 2022 - 2023

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SB22-000185

Update on noise improvement measures

- The trial extending simultaneous opposite direction parallel runway operations (SODPROPS) active operating hours by two hours to 8am on weekends commenced on 24 February 2022.
 - Airservices data showed a total of five hours of SODPROPS could be used between 6am and 8am on the 13 weekends during the first three months of the trial. 51 flights directed over the bay during that time. Poor weather conditions limited further use of SODPROPS.
 - On 7 May, a further extension of SODPROPS was added on Saturday evenings from 8pm to 10pm. Data on SODPROPS operations during these hours will be reported in future data updates.
- The trial removing intersection departures for aircraft on the new parallel runway towards residential communities also commenced on 24 February 2022
 - Airservices data showed that average maximum single event noise levels during the first three months of the trial were largely unchanged from noise levels recorded pre-trial.
- Airservices has completed analysis of procedures that require jet aircraft to remain on an agreed flight path until they reach 10,000 feet, which showed that 95 per cent of aircraft adhered to the procedures, subject to weather and safety considerations.
 - Airservices will publish a noise abatement procedure to confirm the need for aircraft to stay on the agreed path to 10-12,000 feet to increase compliance to 100 per cent, subject to safety and weather.
- Airservices and BAC submitted a safety case to CASA on 29 April 2022 requesting an increase in the tailwind limit from 5 knots to 7 knots. CASA is considering the request.

Background

- See timeline at **Attachment C** detailing the development, delivery and review processes involved with the New Parallel Runway.
- Since the opening of the New Parallel Runway and implementation of new flight paths for Brisbane Airport, the Minister, Airservices and Brisbane Airport Corporation have received a high volume of aircraft noise complaints from residents under new flight paths.

Potential impacts of a curfew and movement caps

- Media reporting in early September publicised analysis by Brisbane Airport that movement restrictions could cost the local Brisbane economy up to \$1 billion per year and 9000 jobs. In addition, Virgin publicly stated that restrictions could increase ticket prices and push them 'out of reach' financially for many people.

Contact: Phil McClure**Cleared by First Assistant Secretary:** Julia Pickworth**Phone:** (02) 6274 6289**Version Number:** 01**Date:** 18/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Phil McClure

SB22-000185

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- The department commissioned advice from Ernst & Young in June 2022 on the potential economic impacts of hypothetical operating restrictions of a 10.00pm to 6.00am curfew and 45 flights per hour movement cap, as proposed in the Brisbane Airport Curfew and Demand Management Bill 2022. The key findings of the high-level analysis were restrictions would lead to:
 - reduced economic growth and employment opportunities driven by the airport,
 - the average daily demand for flights exceeding the airport's capacity by 2026,
 - increased freight transport costs, impacting on high-value, time-sensitive goods, and
 - increases to the cost of ticket prices due to reduced access to air services.

Airservices Australia Post Implementation Review

- The Airservices PIR on Brisbane airspace changes commenced on 30 July 2021. Airservices conducts PIRs into flight path and associated airspace changes to assess the effectiveness of the changes, including when a new runway commences operations.
- PIRs include a review of safety, operations, industry efficiency, environmental effects (including comparing noise forecasts against actual noise generation) and community information.
- The outcomes of PIRs are used by Airservices to inform future change considerations, decision-making, and the continuous improvement of its processes. They are also used to identify potential improvements to operations and community noise outcomes.

Brisbane Airport PIR Advisory Forum

- The former Government announced the establishment of the independent Brisbane Airport PIR Advisory Forum on 24 September 2021. The Forum provides an independent view on the feedback and input from a community perspective to Airservices through the PIR.
- The Forum is required to report quarterly to the Minister on its activities and progress on achievement of deliverables. Three quarterly reports have been submitted, the latest as at 30 June 2022.

Community Aviation Alliance Australia

- On 23 February 2022, a number of community groups (including the Brisbane Flight Path Community Alliance) around Australia officially launched the Community Aviation Alliance Australia. The group is calling for:
 1. Capacity caps and curfews for all major Australian airports through section 195 of the *Airports Act 1996*, and compensation for sound-proofing and loss of property values through the *Aircraft Noise Levy Act 1995*.

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Lead/Support contact: Phil McClure

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2. An equal voice for affected communities in aviation policymaking through a community-driven forum such as a replacement of the current community airport consultation groups.
3. Establish an independent body, appointed by parliament, to provide scrutiny of aviation decision-making and complaint handling.

New Parallel Runway Project Approval

- The New Parallel Runway was approved on 18 September 2007, subject to a number of conditions. The NPR opened on 12 July 2020. As a requirement of the approval, BAC submitted annual reports certifying its compliance with the approval conditions.

Attachments

- Attachment A – Summary of key recommendations of Trax International's Final Report
- Attachment B – Document released under FOI on 18 February 2022 – Letter from Airservices Australia to then-Department of Environment and Energy – Brisbane Airport's New Parallel Runway EPBC Act referral requirements
- Attachment C - New Parallel Runway and legislative responsibilities

Contact: Phil McClure**Cleared by First Assistant Secretary:** Julia Pickworth**Phone:** (02) 6274 6289**Version Number:** 01**Date:** 18/10/2022

ATTACHMENT A

Summary of Trax International's Final ReportOverview

Trax International's Independent Review was conducted in two phases between February and July 2022. The Interim Report released in April detailed 49 potential improvement opportunities identified in the first phase. These opportunities related to flight paths, Air Traffic Control (ATC) procedures, supporting technology, and approaches to governance and stakeholder engagement. The Interim Report emphasised that some opportunities may not be feasible, and that others required decisions on trade-offs between opportunities.

The Final Report sets out the findings of the second phase, which analysed the feasibility, benefits, impacts and dependencies of the potential improvements. The Report consolidates the viable opportunities into four 'work packages' that could improve Brisbane airspace operations and limit the impacts of aircraft noise, arranged by theme and with implementation timeframes.

Recommendations

Package One: strong, transparent and representative governance

Timelines: development and implementation in Q3-Q4 2022

Recommendation 1.1	Establish a Programme Oversight, Management and Assurance function that coordinates the development and assessment of options for change proposals to the NPR flight path design.
Recommendation 1.2	Implement a joined-up Communications Plan for the aviation organisations that are responsible for developing options to communicate effectively with community stakeholders.
Recommendation 1.3	Define the engagement process that will be followed to gather meaningful inputs from community and aviation stakeholders to help shape the change proposals.
Recommendation 1.4	Produce a long-term Noise Action Plan that clearly lays out how the change proposals and other measures not related to flight path design will contribute to limiting and where possible reducing noise over the short, medium and long-term as traffic levels grow.

Package Two: maximise flights over the water

Timelines: development and implementation in 2023

Recommendation 2.1	Develop and implement an ATC Operating Plan to extend the use of SODPROPS.
Recommendation 2.2	Reduce the workload and complexity for Brisbane ATC associated with extending the use SODPROPS.
Recommendation 2.3	Modify specific SODPROPS flight paths and ATC procedures, where required, to maximise the potential improvements associated with recommendations 2.1 and 2.2.

Package Three: reduce the frequency and concentration of flights over communities

Timelines: development during 2023 and implementation in 2024

Recommendation 3.1	Develop and assess options for change proposals to reduce the frequency and concentration of flights over communities, and where they are feasible, engage with all affected stakeholders on the impacts and trade-offs.
--------------------	--

Proposals to modify the existing flight paths over communities in the city and outer suburbs should follow a transparent and coherent process to evaluate the impacts of different options and conduct meaningful engagement with all affected stakeholders about the trade-offs if change proposals to deliver improvements create new noise impacts or other negative outcomes. The options may build on a combination of the following suggestions arising from analysis and/or include different options identified by Airservices and other stakeholders:

- a) Options to redesign the two departure routes over the city from the new runway to the north so the flight paths are offset from the extended runway centreline and follow a different track over the ground to that overflown by inbound traffic on final approach to the new runway.
- b) Options to redesign the two departure routes over the city from the new runway so they diverge and the flight paths each follow different tracks over the ground.
- c) Options to redesign the two departure routes over the city from the existing runway used after 10pm so the flight paths follow a different track over the ground to that overflown by the new runway departure routes used in the daytime.
- d) Options to introduce an ATC procedure to vector outbound flights using the two departure routes over the city from the new runway when a specific altitude has been reached (e.g. 4000ft) that would disperse the tracks over the ground because aircraft with higher climb rates would reach the specified altitude quicker and turn sooner.

- e) Options to redesign the three departure routes over the city from the existing runway to the south so they follow different tracks over the ground and potentially save track mileage, by turning sooner and/or tighter.
- f) Options to redesign two of the arrival routes over the city to the new runway from the north so the flight paths converge further to the west and the tracks over the ground are different to those overflown by outbound traffic heading north.
- g) Options to re-evaluate three of the standard compass headings that non-jet departures are instructed to follow after take-off (subject to the impacts on operational capacity) so that the tracks over the ground may be dispersed or repositioned over water.
- h) The development of a baseline option that describes the actual impacts created by the existing NPR flight paths over the city and outer suburbs in terms that are directly comparable to the options for any proposed modifications.

Package Four: optimise the performance of the wider Brisbane airspace system

Timelines: development during 2023 and 2024, implementation from 2025

Recommendation 4.1	Develop and assess options for change proposals to introduce noise sharing through runway alternation using segregated and semi-mixed runway modes with an updated flight path design that deviates from compass operations, and if feasible engage with all affected stakeholders.
Recommendation 4.2	Develop and assess options for change proposals to introduce multiple arrival routes over the city that can be alternated to a planned schedule to deliver respite, and if feasible engage with all affected stakeholders.



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s47F

Assistant Secretary
 Policy and Reform Branch
 Department of Environment and Energy
 GPO Box 767, Canberra ACT 2601

Dear s47F

**Brisbane Airport's New Parallel Runway Project
 Environment Protection & Biodiversity Conservation Act 1999 (EPBC Act) – referral
 requirements**

I am writing to update the Department of Environment and Energy (DoEE) on the satisfaction of referral requirements for the airspace aspects of the New Parallel Runway (NPR) project at Brisbane Airport, as contained in Referral 2005/2144.

Background

Following Airservices referral of airspace aspects to the Commonwealth Environment Minister on 27 May 2005, the Minister provided advice on 12 September 2007 in relation to two issues, namely:

- the review of potential safety impacts within the Obstacle Limitation Surface (OLS); and
- taking into account options to mitigate noise impacts outlined in the draft Environmental Impact Statement and Major Development Plan (EIS/MDP) and supplement, and validation of the uncertainties inherent in the forecasts when conducting the safety case and environmental assessment of the proposal, prior to operation of the New Parallel Runway.

I can confirm that the issues above have been duly considered by Airservices in the finalised airspace design for Brisbane Airport (to be implemented upon opening of the NPR in mid-2020) and the resultant Airspace Change Proposal (ACP) to the Civil Aviation Safety Authority (CASA), which was submitted to CASA on 16 July 2018.

Finalisation of airspace design

In preparing the ACP, Airservices and Brisbane Airport Corporation Pty Ltd (BAC) have been working closely together to finalise the airspace design consistent with both the advice provided by the Environment Minister (as noted above) and the statement from the then-Minister for Transport and Regional Services, The Hon. Mark Vaile, MP (18 September 2007) who indicated in his covering letter for the approval of the Major Development Plan (MDP) for the NPR that *"the introduction of new technologies could affect the Safety Case...and that the Safety Case is to reflect the latest available technology, traffic density and aeronautical procedures to be used on commissioning the runway system."*

Once the airspace design had been updated to reflect the latest technology, traffic mix and aeronautical procedures, BAC undertook a detailed comparison of noise footprints presented in the EIS/MDP with noise contours for the latest design. Airservices has reviewed BAC's report titled *Brisbane New Parallel Runway Airspace Design: Noise Footprint Comparison to the 2007 Environmental Impact Statement and Major Development Plan (May 2018)* (Comparison Report).

Following a comprehensive and detailed review of the Comparison Report, including endorsement of the noise modelling assumptions listed in Attachment 1, I am pleased to confirm Airservices agrees with BAC's conclusions that the airspace design corresponds closely to the noise modelling presented in the EIS/MDP and there is no material difference from the noise impacts developed for the EIS/MDP.

Similarly, Airservices endorses the findings of the Comparison Report.

Consultation with DIRDC

Given the extensive ongoing involvement of the Department of Infrastructure, Regional Development and Cities (DIRDC) in the NPR (as the responsible department under the *Airports Act 1996*), a copy of the Comparison Report was provided to DIRDC.

DIRDC General Manager, Airports Branch, s47F has confirmed to BAC that:

- the Department recognises the significant amount of work and comprehensive assessment undertaken by BAC to develop the Comparison Report; and
- on the basis of the information provided in the report together with extensive discussions, the Department agrees with BAC's conclusion the noise impact of the new airspace design is not materially different from the impact as detailed in the EIS/MDP.

Siting of new noise monitoring terminals

The MDP approval included several conditions relevant to Airservices, including new noise monitoring terminals to address parallel runway operations. Airservices has undertaken an extensive review of suitable sites for new noise monitors, which will be in place at least one year prior to operations commencing on the new parallel runway.

Community Awareness Program

Airservices continues to work collaboratively with BAC on the community information program that has been conducted in Brisbane over the past several years.

A condition of approval on the draft Major Development Plan for the new parallel runway was for a community awareness program is to commence at least one year prior to operations commencing on the NPR, that includes, as a minimum, information on the airport operating plan as approved by CASA, 70 decibel noise contour (N70) data and flight path information all to a similar level of detail in Volume D of the draft MDP.

Airservices recently submitted the Airspace Change Proposal (ACP) to CASA. Upon approval, detailed information on the final airspace design will be provided to the community, noting the flight paths are not materially different to the proposal in the approved EIS/MDP in 2007. This information campaign will commence more than one year in advance of commencement of NPR operations.

In summary, Airservices is of the view that the finalised airspace design is consistent with – and satisfies the requirements of the advice provided by the Environment Minister under the EPBC Act (Referral 2005/2144).

For information, BAC has provided other project related updates to DoEE representative,
s47F

I trust that this information is of assistance.

Yours sincerely

s47F

Executive General Manager

9 August 2018

Attachment 1: Airservices review of noise modelling assumptions for BAC's revised environmental assessment report.

cc: s47F - General Manager Airports Branch, Department of Infrastructure, Regional Development
and Cities
s47F Head of Airport Development, Strategic Planning and Development, Brisbane Airport Corporation

Attachment 1 – Airservices review of noise modelling assumptions for BAC's report titled *Brisbane New Parallel Runway Airspace Design: Noise Footprint Comparison to the 2007 Environmental Impact Statement and Major Development Plan, May 2018*

Airservices review of the noise modelling assumptions for BAC's revised environmental assessment report for Brisbane Airport's New Parallel Runway Project has included the following activities:

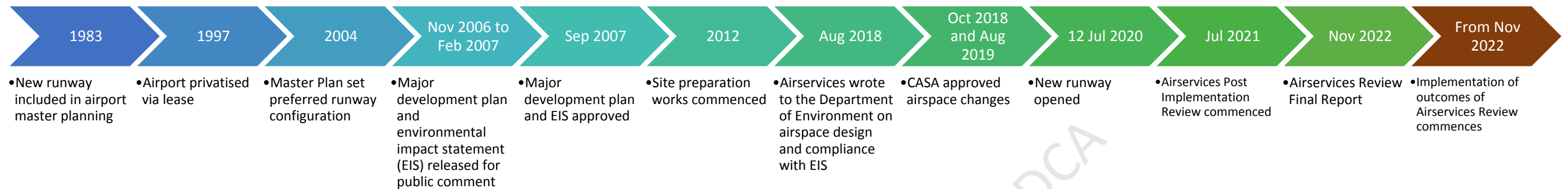
Detailed review of INM noise model, similar to ANEF endorsement, including:

- Review of modelled runway end points and intersection departures for correctness.
- Review of modelled tracks. Review of backbone tracks and track spread aligns with NPR Airspace Design and current radar data for before NPR scenarios.
- Review of modelled tracks for arrival vectoring concepts.
- Review of meteorological conditions used in the model for correctness.
- Review of Aircraft Types used in the model including use of agreed corrections applied to next generation aircraft types.
- Review of departure/arrival profiles including user defined profiles for RNP procedures.
- Review of flight operations files to ensure operational numbers agree with forecast numbers in assumptions documents.
- Review of flight operations files to ensure runway and track allocations agree with assumptions documents.
- Full run of INM model to ensure it runs without errors.
- Independent run of INM model and generation of N70 contours for before and after NPR (weekday-winter-day) scenarios for comparison purposes.

Additional review work includes:

- Review of consultant's assumption documentation and development of an Airservices/BAC co-signed modelling assumption document.
- Development of analysis concepts for evaluating populations within noise contours.

Brisbane Airport's New Parallel Runway



LEGISLATIVE CONTEXT (WHICH AGENCY IS RESPONSIBLE FOR WHAT)

Minister and/or agency	Responsibilities
Minister for Transport Department of Infrastructure, Transport, Regional Development, Communications and the Arts	<i>Airports Act 1996</i> <ul style="list-style-type: none"> Decisions on proposed developments that trigger a requirement for a major development plan (MDPs) at leased federal airports. Compliance with conditions on approved MDPs. Building activities that are part of an approved MDP still require the appropriate approvals from the Airport Building Controller under the Airports (Building Control) Regulations 1996. The Minister for Transport must consider advice from the Minister for the Environment on the MDP in relation to protection of the environment under section 160 of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act). Where the Environment Minister determines that advice on an MDP is required, EPBC Act advice is provided under the Airports Act as an 'accredited process'. <ul style="list-style-type: none"> The Minister for the Environment no longer has an approval role for MDPs. In 2007 under legislation in force at the time, the MDP for Brisbane's New Parallel Runway was separately assessed and approved as an 'Environmental Impact Statement' by the Minister for the Environment under the EPBC Act.
<i>Minister for the Environment</i> Department of Climate Change, Energy, the Environment and Water	<i>Environment Protection and Biodiversity Conservation Act 1999</i> <ul style="list-style-type: none"> Advice on proposed actions referred under the EPBC Act (see above), including major development plans and aviation airspace management plans. Compliance with the EPBC Act.
Civil Aviation Safety Authority Independent regulator	<i>Airspace Act 2007</i> <ul style="list-style-type: none"> CASA is responsible for the administration of Australian airspace. This includes establishment, amendment or disestablishment of: <ul style="list-style-type: none"> Airspace classes Air routes Prohibited, restricted and danger areas Under the Airspace Regulations 2007, CASA is solely responsible for: <ul style="list-style-type: none"> Making determinations of airspace and controlled aerodromes Designation of prohibited, restricted or danger areas Designation of air routes and airways.
Airservices Australia Service provider	<ul style="list-style-type: none"> Airservices Australia, as a CASA-certified design organisation, is responsible for designing and verifying airspace and flight procedures under the Civil Aviation Safety Regulations 1998. Airspace and procedures must be validated by CASA.
Brisbane Airport Corporation Private entity	<ul style="list-style-type: none"> Airport operation and development, including compliance with the <i>Airports Act 1996</i> and associated regulations.

Rural And Regional Affairs And Transport (Senate)

Lead/Support contact: Jason Dymowski

SB22-000208

SUBJECT: Jet Zero Council**Talking Points**Commitment

- In July 2022, the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government announced the intention to establish a group similar to the Jet Zero Council in the UK, or the Council for Sustainable Aviation Fuels in Canada.
- The establishment of this type of group is another example of advancing action to cut emissions and achieve net zero by 2050.

What is the point of a council?

- The council will be a discussion forum and advisory body with input from industry and other stakeholders feeding into subsequent policy discussions.
- This council will bring Government and industry together to consider the ways that Sustainable Aviation Fuels (SAF) can contribute to reaching net zero in Australia. (refer to **SB22-000209** for more information)

Has industry commented on the council?

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts has received positive feedback from a broad range of stakeholders keen to contribute in future discussions.
- The department also looks forward to these discussions.

[If asked] - about the council's possible other functions/targets/goals:

- The UK's Jet Zero council is advancing efforts to:
 - achieve a jet fuel blend containing a minimum 10 per cent SAF across the UK by 2030;
 - deliver a zero-emission transatlantic flight within a generation; and
 - drive new technologies and innovation to cut aviation emissions.

[If asked] - about the council's potential composition:

- The department is continuing to gauge interest through engagement across Australian Government, State and Territory Governments and industry to inform the design of the council.
- The department welcomes the enthusiasm of stakeholders on Sustainable Aviation Fuels and the Jet Zero-like council.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport (Senate)

Lead/Support contact: Jason Dymowski

SB22-000208

Background

- The UK's Jet Zero Council (JZC) was formed in June 2020. The Council's composition ranges from various government Secretaries and officials to CEO's whose industries are linked to a SAF industry or zero emissions (ZE) market.
- The Canadian Council for Sustainable Aviation Fuel's (C-CSAF's) was launched in February 2022, and its main objective is to accelerate the commercial production and usage of low-carbon fuels and SAF by developing the relevant infrastructure and supply chains in Canada. Key membership comprises of 60 airlines and other aviation stakeholders in Canada.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport (Senate)

Lead/Support contact: Jason Dymowski

SB22-000209

SUBJECT: Sustainable Aviation Fuel**Talking Points**Commitment

- The Australian Government has committed to achieving net zero emissions by 2050.
- In 2016, domestic aviation accounted for approximately 1.9 per cent of Australia's total emissions.
- The aviation industry is a hard-to-abate sector. Despite this, there are several options and mechanisms that may be considered to support the industry to adopt lower emission technologies.
- In July 2022, the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government, announced the intention to establish an Australian group like the Jet Zero Council in the UK, or the Council for Sustainable Aviation Fuels in Canada to promote and encourage the uptake of Sustainable Aviation Fuel (SAF) (refer to **SB22-000208** for more information).

What is Sustainable Aviation Fuel (SAF)?

- SAF is jet fuel that is produced from renewable feedstocks and can reduce carbon emissions by up to 80 per cent over the lifecycle of the fuel.
- Feedstock sources can include agricultural and carbon-based municipal waste, such as food scraps and used cooking oil.
- SAF is a drop-in fuel that can be used in engines and infrastructure designed for traditional jet fuel and has been approved for blending with traditional jet fuel at up to 50 per cent.
- SAF can be produced as a biofuel from biomass and synthetically from renewable energy and hydrolysed water.

Industry Views

- Qantas, Jetstar, Virgin and Air New Zealand have publicly committed to achieving net-zero emissions by 2050. Qantas and Air New Zealand have identified SAF as central to achieving this goal.
- Rex Airlines has not publicly expressed interest in SAF. It has signed a strategic partnership with Dovetail Electric Aviation to investigate the conversion of conventional turbine aircraft to electric propulsion systems.

Industry Initiatives

- In June 2022, Qantas Group and Airbus announced US\$200 million investment towards the establishment of a domestic SAF industry in Australia (**Attachment A**).

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport (Senate)

Lead/Support contact: Jason Dymowski

SB22-000209

- Qantas announced it is purchasing SAF in London, San Francisco and Los Angeles for flights to Australia. The agreements will supply a total of nearly 50 million litres of SAF for use until 2025.
- Oceania Biofuels are planning to build a plant in Gladstone Queensland capable of producing over 350 million litres of SAF per year. Construction is expected to begin in 2023 and the plant will be fully operational by 2025. The plant is expected to create around 60 direct jobs and indirectly support an estimated 500 jobs during construction and operation.
- bp is currently looking to convert its Kwinana refinery near Fremantle in Western Australia to produce SAF and renewable diesel. This is part of a bp's broader plans to develop the Kwinana site into an integrated energy hub (**Attachment B**).

[If asked] - What about other forms of propulsion?

- SAF is acting as a short to medium-term bridging technology between current fuels and zero carbon emissions technologies and will provide further development time for zero emissions propulsion systems to be scaled.
- Existing zero emissions technologies, such as electric propulsion, are more suitable short haul/regional flights due to the limited range and shorter flight time restrictions.
- Research and development is underway to scale hydrogen and other propulsion systems, however it will be some time before these are commercially available.

[If asked] - What is CORSIA?

- The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is the global market-based measure that requires international airlines of participating countries to monitor, report, verify and offset growth in carbon emissions above an agreed baseline. It aims to achieve carbon neutral growth from 2020, and Australia, supported by our international airlines, has been a strong proponent of the scheme since its inception.
- The CORSIA is part of the International Civil Aviation Organization's 'basket of measures' to address and reduce carbon emissions, including encouraging fleet and operational efficiency, as well as the uptake of SAF.
- CORSIA recognises the importance of SAF by including in its design a reduction in an international airline's emission offset requirements for their use of eligible SAF.

Key Issues

- At present, Australia does not possess commercial scale capabilities to produce SAF.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport (Senate)

Lead/Support contact: Jason Dymowski

SB22-000209

Attachments

- Attachment A - Qantas and Airbus joint investment to kickstart Australian biofuels industry
- Attachment B - bp welcomes federal funding for green hydrogen hub at Kwinana, WA

Contact: Jason Dymowski**Cleared by First Assistant Secretary:** Julia Pickworth**Phone:** (02) 6274 6684**Version Number:** 01**Date:** 11/10/2022

Media Releases

QANTAS AND AIRBUS JOINT INVESTMENT TO KICKSTART AUSTRALIAN BIOFUELS INDUSTRY

Published on 19th June 2022

The Qantas Group and Airbus will invest up to US\$200 million to accelerate the establishment of a sustainable aviation fuel (SAF) industry in Australia, in a landmark agreement.

The Australian Sustainable Aviation Fuel Partnership was signed by Qantas Group CEO Alan Joyce and Airbus CEO Guillaume Faury in Doha today, ahead of the IATA AGM.

Due to the lack of a local commercial-scale SAF industry, Australia is currently exporting millions of tonnes of feedstock every year, such as canola and animal tallow to be made into SAF in other countries.

The Qantas Group, which has committed to using 10 per cent SAF in its overall fuel mix by 2030, is sourcing SAF overseas. This includes [15 per cent](#) of its fuel use out of London currently and [20 million litres each year](#) for flights from Los Angeles and San Francisco to Australia from 2025.

Sustainable fuels cut greenhouse gas emissions by around 80 per cent compared to traditional kerosene and are the most significant tool airlines currently have to reduce their impact on the environment – particularly given they can be used in today's engines with no modifications.

The Qantas and Airbus partnership will invest in locally developed and produced SAF and feedstock initiatives. Projects will have to be commercially viable and meet a strict set of criteria around environmental sustainability.

Airbus and Qantas agreed to work together on the sustainability initiative as part of the airline's recently announced orders, including the A350-1000 to operate Project Sunrise non-stop flights from Australia to New York and London and the selection of the A220 and A321XLR under the Qantas Group's Project Winton' domestic fleet renewal, as well as lower emission aircraft for its subsidiary Jetstar.

The new fleet will offer a significant reduction in fuel consumption and carbon emissions of up to 25 per cent from day one and are all already certified for operation using 50 per cent SAF.

The partnership is initially for five years with options to extend the duration. Qantas' financial contribution to the Australian Sustainable Aviation Fuel Partnership includes AU\$50 million previously committed to research and development of SAF in Australia.

Pratt & Whitney, whose GTF engines were recently selected by Qantas for their new A220 and A320neo family aircraft, is also contributing to the venture. The company supports greater use of cleaner, alternative fuels including SAF, while continually advancing the efficiency of aircraft propulsion technology.

Qantas has started a process of talking to its major corporate customers about their interest in accessing SAF offsets for their organisation's flying. This input is shaping the design of a program that could also be extended to individuals in an expansion of the existing offsetting program Qantas already has in place. This new program is expected to launch later this calendar year.

CEO COMMENTARY

Qantas Group CEO Alan Joyce said the investment would accelerate the development of SAF in Australia, creating value for shareholders of both companies while also creating jobs and reducing the nation's dependence on imported fossil fuels.

"The use of SAF is increasing globally as governments and industry work together to find ways to decarbonise the aviation sector. Without swift action, Australia is at risk of being left behind," Mr Joyce said.

"With this investment, Qantas and Airbus are putting our money where our mouth is and betting on the innovation and ingenuity of Australian industry.

"Aviation is an irreplaceable industry, especially for a country the size of Australia, and one that's located so far away from so much of the world. Future generations are relying on us to get this right so they too can benefit from air travel.

"This investment will help kickstart a local biofuels industry in Australia and hopefully encourage additional investment from governments and other business and build more momentum for the industry as a whole.

"It makes a lot of sense for us to put equity into an industry that we will be the biggest customer of. We're calling on other companies and producers to come forward with their biofuel projects. In many cases, this funding will be the difference between some of these projects getting off the ground.

"The aviation industry also needs the right policy settings in place to ensure the price of SAF comes down over time so that the cost of air travel doesn't rise. We've had some encouraging discussions with the incoming Australian Government given their strong focus on emissions reduction and look forward to that progressing."

Airbus CEO Guillaume Faury said: "Ensuring a sustainable future for our industry has become the priority for Airbus and we are taking up this challenge with partners across the world and from across all sectors.

"The increased use of sustainable aviation fuels will be a key driver to achieve net zero emissions by 2050. But we can't do this without viable industrial systems to produce and commercialise these energy sources at affordable rates and near to key hubs around the world.

"This is especially true for a country like Australia, which is geographically distant and highly reliant on aviation to remain connected both domestically and internationally."

"The Australian Sustainable Aviation Fuel Partnership reflects the new level of partnership between Airbus and the Qantas Group and our firmly shared commitment to act as catalysts of change to ensure a bright future for our industry."

The Qantas Group's commitment to sustainability:

- In 2019, Qantas was the second airline in the world to commit to net zero emissions by 2050.
- The [Qantas Group Climate Action Plan](#), released in March 2022, commits the airline group to an interim target of 25 per cent emissions reduction and 10 per cent SAF use in the fuel mix by 2030 and 60 per cent SAF use by 2050.
- As part of its fleet replacement program announced in May, the Qantas Group confirmed purchase rights to 94 A321XLR and A220 aircraft, which will reduce emissions by at least 15 per cent if running on traditional fossil fuels.
- The Qantas Group's landmark Project Sunrise program, which will use A350s to travel non-stop initially between Sydney and London and Sydney and New York, will be carbon neutral from day one.
- Qantas' Fly Carbon Neutral program is one of the largest airline offsetting program in the world, with a focus on high integrity projects in Australia and overseas. More than 10 per cent of passengers elected to "tick the box" to offset flights. Offsetting is a key tool in Qantas' decarbonisation efforts, particularly while alternative aircraft fuel technology is still many years away.
- The Qantas [Green Tier](#), launched earlier this year, allows the airline's 14 million Frequent Flyers to access rewards for being more sustainable when they travel and at home.

Airbus climate action plan:

- Key pillars of the manufacturer's climate action plan focus on fleet replacement with new fuel-efficient aircraft, the increased use of sustainable aviation fuels, optimised air traffic management and ultimately the delivery of zero-emission aircraft by 2035.

- The Airbus aircraft selected by Qantas already deliver a reduction in fuel consumption of between up to 25 per cent compared with previous generation aircraft.
- All current Airbus commercial aircraft are already certified to fly with up to 50 per cent SAF.
- Since 2008, Airbus has acted as an important catalyst in the certification process, demonstration flights, partnerships, and policy advocacy of SAF.
- In 2021 the manufacturer performed its first test flight using 100 per cent SAF.
- Airbus targets approval for the 100 per cent use of SAF on all its current commercial aircraft by 2030.
- Airbus is also investing in the development of zero emission aircraft that will be powered by hydrogen with first delivery targeted in 2035.
- Other studies include the potential use of synthetic fuels that will combine carbon feedstocks with renewable hydrogen.
- Airbus is fully committed to playing a leading role in the decarbonisation of the aviation sector and industry goals to achieve carbon-neutrality by 2050.

More information here: <https://www.qantas.com/au/en/qantas-group/acting-responsibly/our-planet/sustainable-aviation-fuel/saf-partner-program.html>

Released under FOI Act by L



press release

TUESDAY 19 APRIL 2022

BP WELCOMES FEDERAL FUNDING FOR GREEN HYDROGEN HUB AT KWINANA, WESTERN AUSTRALIA

bp welcomes today's announcement by the Australian Government for up to (AUD) \$70 million of funding for a green hydrogen hub at bp's Kwinana site in Western Australia.

The hydrogen hub, which is being developed in partnership with Macquarie Group, brings together a unique combination of existing infrastructure, concentrated industrial demand, and strong connections to one of Australia's largest industrial hubs.

The hub will include installation of an electrolyser of at least 75 MW, hydrogen storage, compression and truck loading facilities, and upgrades to bp's existing on-site hydrogen pipeline. The hydrogen produced will support domestic and export demand including hydrogen supply for bp's renewable fuels production, ammonia, metals and minerals processing, on-site gas blending and hydrogen for heavy duty transport.

Frédéric Baudry, president, bp Australia and SVP fuels & low carbon solutions, Asia Pacific, said: "We are delighted by this announcement and would like to thank and acknowledge the Federal and Western Australian Governments for their strong support of our plans to develop Kwinana and help activate a regional hydrogen industry."

"bp's Kwinana hydrogen hub is further demonstration of our progress to becoming a net zero company and helping the world get there too. We believe hydrogen will play a central role in the decarbonisation of Australia's hard-to-abate sectors – particularly heavy industry, mining and transport – and we have the experience, expertise and commercial partnerships to make that happen."

bp will soon release the outcomes of a feasibility study into the production of green hydrogen at the site, which it has been undertaking in partnership with Macquarie Group and with funding from the Western Australian Government.

The project is part of bp's broader plans to develop its Kwinana site as an integrated energy hub that produces and distributes fuel for the future. bp is underway with plans to develop a renewable fuels plant at the site, producing sustainable aviation fuel and renewable diesel.

– ENDS –

About bp

bp has set an ambition to become a net zero company by 2050 or sooner, and to help the world get to net zero. Our team in Australia is working hard on our low carbon goals via alternative energy solutions, technology and as a gas producer.

bp has been operating in Australia for more than 100 years. bp is one of Australia's leading premium fuel retailers with around 1,400 branded retail fuel sites across the country, of which approximately 350 are company-owned, and more than 1,000 are owned and operated by our independent business partners.

bp is engaged in the exploration and production of oil, natural gas and liquefied natural gas and the marketing of petroleum and lubricant products in Australia.

bp is also a member of the Australian Hydrogen Council and the Global Hydrogen Council.

Find out more about [bp in Australia](#).

Further information

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Phil McClure

SB22-000211

SUBJECT: Melbourne Airport third runway**Talking Points**

- Melbourne Airport is proposing a third runway which will run north-south to meet forecast demand of domestic and international passengers.
 - Prior to COVID-19, the Airport's two-cross-runway system was regularly reaching capacity during peak periods.
 - Without further aviation infrastructure, the Airport will be unable to cater for the forecast doubling of domestic and internal passengers using the airport by 2042.
- A four-runway "hashtag" (#) configuration (that is, two sets of parallel runways criss-crossing each) has been contemplated for long-term operations at Melbourne Airport since the early 1960s.

Assessment process and steps under the *Airports Act*:

- The proposed north-south third runway will be subject to assessment on its own merits against the requirements as set out in the *Airports Act 1996* (the Act).
 - There are two key assessment steps: the first is consideration of the Master Plan; the second is consideration of a Major Development Plan.
 - Both steps require Ministerial approval.
- 1) Master Plan:
- Under the Act, the Airport must first ensure the Master Plan in force for the airport reflects the north-south direction for the third runway (rather than the east-west direction included in the 2018 Master Plan and currently in force).
 - The Airport submitted a draft Master Plan on 1 September for Ministerial approval.
 - The draft Master Plan 2022 is currently being considered by the Minister. **[TO BE UPDATED IF MINISTER HAS MADE A DECISION BEFORE ESTIMATES.]**
 - Importantly, approval of the draft Master Plan does not constitute automatic approval of a future third runway Major Development Plan.
- 2) Major Development Plan:
- The Act requires the Airport to develop a Major Development Plan for the runway but it can't be submitted until the draft Master Plan is approved (i.e. the Major Development Plan is yet to be submitted for Ministerial consideration).
 - The Major Development Plan will include the assessment of environmental impacts as required under the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act), including aircraft noise impacts.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Phil McClure

SB22-000211

- It will more specifically address environmental impacts, including noise impacts. It will also detail flight path modelling to inform the community of the impacts of operations.
- Upon receipt of the Major Development Plan, it will be assessed by:
 - the Department of Infrastructure, Transport, Regional Development, Communications and the Arts;
 - the Civil Aviation Safety Authority (CASA);
 - Airservices Australia;
 - the Department of Climate Change, Energy, the Environment and Water; and
 - other Commonwealth agencies.
- It will also be referred to the Minister for the Environment for her advice as per the requirements of the EPBC Act.
- Should a Major Development Plan for the third runway be approved, a detailed flight path design will be undertaken which will include close consultation with the community.

[If pressed on studies on aircraft noise or health risk done by parties other than the airport or federal agencies, or the World Health Organisation's Environmental Noise Guidelines 2018 for Europe]

- The Australian Government understands the community's expectations regarding aircraft noise and health impacts and notes their calls for an "independent review" of the third runway.
 - It is important to note that many government agencies are involved in the assessment of airport Master Plans and Major Development Plans, and there is a significant amount of expertise engaged within government to test the arguments put forward by Melbourne Airport.
 - The Minister expects the Plan for the third runway to articulate clearly the effects on the community and what the airport will do to mitigate impacts, although we do recognise that some level of aircraft noise is inevitable in a major city, particularly for communities located close to an airport.

[If pressed about a curfew for Melbourne Airport]

- Curfews have a significant economic impact on the economy through supply chain inefficiencies, which impact business, constrain supply and likely increase prices for the travelling public. Melbourne Airport is a national, state and regional gateway and provides significant direct and indirect employment.
- The Australian Government supports the operation of Melbourne Airport without a curfew and also notes the Victorian Government's policy to protect the airport's 24-hour, curfew free operations.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Phil McClure

SB22-000211

Key IssuesSupport and opposition in the community:

- There is both support and opposition to the third runway in the community.
 - In general, Hume City Council, in which the airport is situated, is supportive of the third runway as it sees benefits as an employment source for its community.
 - Brimbank City Council, immediately to the south of the airport, does not support the third runway, particularly as the Keilor area stands to be one of the areas to be newly overflowed as a result of the new operations.
 - The Victorian Government's position is that Melbourne Airport is a vital link for the state, and its operations (including curfew-free status) must be protected and future growth catered for.

Master Plan:

- Before the Minister can consider the third runway Major Development Plan, Melbourne Airport must first ensure the current Master Plan in force for the airport reflects the north-south direction for the third runway, rather than the east-west direction included in the 2018 Master Plan. The 2018 Master Plan is currently in force.
- Melbourne Airport submitted its draft Master Plan to the Minister on 1 September 2022.
 - A rigorous assessment of the draft Master Plan against the requirements of the Airports Act 1996 (the Act) has been undertaken by the department and a number of Government agencies to inform the department's recommendation to the Minister on whether to approve or refuse to approve the document.
 - It is not appropriate to pre-empt the decision of the Minister by discussing the department's advice. Under the Act, the Minister must make a decision on the draft Master Plan by Wednesday 16 November 2022, otherwise it is deemed approved.

Concurrent public consultation on Master Plan and Major Development Plan...

- Melbourne Airport made the decision to exhibit the preliminary draft versions of the Master Plan and third runway Major Development Plan at the same time.
 - This is a decision of the airport, and there is nothing in the Act that prevents concurrent exhibition periods.

...but separate Ministerial consideration

- However, the Minister will consider the draft Master Plan and draft third runway Major Development Plan separately and on their individual merits against the respective requirements of the Act.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Phil McClure

SB22-000211

Assessment of aircraft noise:

- Under the Airports Act, the main regime for assessing aircraft noise for developments on leased federal airports is:
 1. the publication of an Australian Noise Exposure Forecast chart;
 2. demonstrating consistency with the Australian Standard AS2015:2000 Acoustics—aircraft noise intrusion—building siting and construction; and
 3. the implementation of the National Airports Safeguarding Framework.
- Curfews have a significant economic impact as airports are gateways to the nation, states and regions for trade, freight, tourism and the travelling public. Curfews introduce reduced activity and supply chain inefficiencies, which impact business, constrain supply and likely increase prices for the travelling public.
- Curfews also place a restriction on the overall capacity of airports, which in turn leads to the need for additional airports to be built to meet increased capacity – transferring noise to more communities.

Background

- Melbourne Airport had previously proposed to construct an east-west oriented third runway to meet predicted passenger growth; however, in November 2019, it announced its intention to build a north-south third runway instead.
- In its 20-year planning horizon, the Master Plan 2018 envisaged an east-west third runway configuration, meaning the third runway would be inconsistent with this Master Plan. Therefore, Melbourne Airport also developed a new Master Plan to account for the north-south third runway.
- Following the announcement of the north-south third runway, Melbourne Airport undertook extensive modelling, assessment and development of approval documentation, as well as community engagement prior to the public exhibition period.
- The airport submitted an exposure draft Major Development Plan for the third runway and an exposure draft Master Plan to the department in December 2020.
- The department and associated agencies, including the CASA, Airservices Australia and the then Department of Agriculture, Water and the Environment, reviewed the substantial documents and provided comments back to the airport in April 2021. The comments focussed on where issues may have needed more detail or re-drafting to better address the requirements under the Act.
- Melbourne Airport submitted the draft Master Plan to the Minister on 1 September 2022. Upon receipt, we once again sought the views of these agencies for their review of the draft Master Plan to inform our assessment of this document and our advice to the Minister for her consideration.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Phil McClure

SB22-000212

SUBJECT: Aviation Security**Talking Points**

- We agree the level of disruption to passengers being caused due to failures in security screening processes is unacceptably high.
- Unfortunately, as with many industries, airports and security screening contractors are facing resourcing challenges in the post-COVID environment, with a less experienced security workforce operating at the major airports.
- The Department of Home Affairs, which is primarily responsible for airport security, is working closely with the airports involved to improve processes.
- While the incidents create disruptions and are causing delays to some services, the safety and security of the travelling public remains the greatest priority and the patience and understanding of passengers is appreciated.

Key Issues

- There have been more frequent disruptions to services in the post-COVID recovery period. This is leading to customer dissatisfaction with airport screening processes and airlines, exacerbated by more frequent flight cancellations and delays.
- A large number of experienced security screening staff left the sector over the course of the pandemic. It is taking time for the airports and their security contractors to recruit and train replacement officers.
- Compliance with regulatory security requirements, including the screening of passengers and baggage at airports, is primarily a matter for Home Affairs, which has mechanisms in place to investigate breaches and take action as appropriate.

Background

- There have been security failures at major airports that have resulted in the need to evacuate the sterile area of the terminals and disembark passengers from flights prior to take-off for re-screening, which is causing delays to services.
- In particular, there were three separate and unrelated security incidents that occurred on the same day (11 October 2022) at Melbourne, Adelaide and Gold Coast airports.
- The Cyber and Infrastructure Security Centre at the Department of Home Affairs has responsibility for monitoring security breaches in airport screening processes and undertaking investigations when incidents occur.

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2022-23 Budget Senate Estimates – October 2022

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku

SB22-000187

SUBJECT: Aviation Agencies**Talking Points***CASA, Airservices, and ATSB funding*

- It is important that Australia's aviation safety regulator, the Civil Aviation Safety Authority (CASA), the air navigation service provider, Airservices Australia (Airservices), and the transport safety investigator, Australian Transport Safety Bureau (ATSB), continue operations as Australia emerges from the COVID-19 crisis.
- Despite the fall in passenger movements, the aviation safety task has not diminished as people and goods still need to be moved, and passengers and aircrew still need to be kept safe.
 - For CASA, this includes ongoing safety regulation and inspection of aircraft (including those that have been grounded), regulation and inspections of airports, licensing of pilots and engineers, and the oversight of maintenance and training organisations.
 - For Airservices, this includes the ongoing provision of air navigation services to ensure the safe operation of aircraft in-flight and continued support of aviation rescue and firefighting services.
 - For ATSB, this includes investigations of aviation safety incidents that lead to the greatest public benefit through the prevention of serious injuries and deaths.
- Funding has been provided over the past two years to offset the loss of revenue due to the impacts of COVID-19
 - CASA has been provided \$208 million to the end of June 2023. In addition, it has been provided with \$32.3 million in 2023-24 while the aviation fuel excise, a key activity-based revenue, has been impacted by border closures and depressed aviation activity. [See table 1 for more detail].
 - Airservices, which is normally fully industry funded, has been provided with \$1.98 billion to the end of June 2023. [See table 1 for more detail].
 - The October 2022 Budget retains the March 2022 Budget measure to provide a \$495 million Government equity investment to Airservices by the end of 2022.

Reducing the impact of COVID-19 on industry

- Airservices charges were waived from 1 February 2020 to 31 December 2020 in full for all domestic operations.
- Noting the positive signs of growth for industry in early 2021, a 50 per cent waiver rate for domestic regular public transport and aeromedical services was also implemented from 1 January 2021 to 31 December 2021.
- CASA has also implemented a range of exemptions to provide relief and support to the aviation sector throughout the pandemic.

Contact: Naa Opoku**Cleared by First Assistant Secretary:** Richard Wood**Phone:** (02) 6274 6609**Version Number:** 01**Date:** 11/10/2022

2022-23 Budget Senate Estimates – October 2022

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku

SB22-000187

Registration of Remotely-piloted aircraft systems (drones)

- Annual registration for drones being used for commercial purposes was introduced in July 2021.
- Similar requirements for drones used for recreation are regulated to commence in July 2023.
- The details of recreational drone registration remain under Government consideration, and will be announced in due course.

Annual VH aircraft registration

- The potential introduction of annual VH aircraft registration is being considered by Government, and any proposal would be subject to consultation with stakeholders.

Key Issues

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts continues to work closely with both CASA and Airservices on the sustainability of their funding arrangements, especially given the continuing impacts of COVID-19 on domestic aviation industry activity – the main source of revenue for both organisations.
 - CASA receives funding from the aviation fuel excise.
 - Airservices receives revenue through various charges levied on aircraft operators that engage its services in Australia's airspace. These charges are regulated by the Australian Competition and Consumer Commission.
- The ATSB is also facing budgetary challenges largely as a result of shortfalls in rail investigation resources.
 - ATSB Rail investigations are generally funded through State and Territory funding arrangements.
- The Minister will soon issue new Statements of Expectations for CASA, Airservices and ATSB.

[If asked] *What funding has been allocated to Airservices OneSKY project and has the project been delayed?*

- OneSKY, an Airservices and Defence partnership to replace Australia's ageing and separate civil and military air traffic control systems with a single national system, is forecast to cost Airservices \$2.02 billion.
- The OneSKY project is expected to be completed within budget, noting there will some additional out-of-budget costs to Airservices for extended program management and to support existing services until the project is finalised.

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2022-23 Budget Senate Estimates – October 2022

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku

SB22-000187

-
- Airservices has advised that delays to the program have been incurred due to resourcing and logistical challenges that were exacerbated by COVID-19 restrictions.
 - In response, Airservices and Defence have intensified reporting, oversight and contractual measures to seek to minimise these impacts as far as practical.

[If asked] Brisbane Airport Post Implementation Review (PIR)

- Airservices will be finalising its Post-Implementation Review of Brisbane airspace changes over the next few months, including holding further community consultation sessions in September / October, which the Department is also likely to attend.
- (please refer to SB22-000185 on noise concerns around Brisbane Airport)

[If asked] ATSB Commissioner Gary Prosser's reappointment

- Mr Gary Prosser was first appointed as part-time Commissioner of the ATSB on 1 October 2019 until 30 September 2022.
- Subsequently, on 12 September 2022, the Age newspaper printed an article raising a potential conflict of interest between Mr Prosser's role as ATSB Commissioner and his directorship of Neptune Holdco (the parent company of Poseidon Sea Pilots which is under ATSB investigation for two incidents).

s47C - deliberative processes

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2022-23 Budget Senate Estimates – October 2022

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku

SB22-000187

Table 1: Government support provided to CASA and Airservices in response to COVID-19 (\$ million)

CASA	2019-20	2020-21	2021-22	2022-23	Total to date	2023-24
Australian Airline Financial Relief Package (AAFRP)*	\$15.0	\$15.0				
Aviation Recovery Package**		\$72.9				
Additional payments in 20-21 Budget			\$33.4	\$34.0		\$32.3
Additional Estimates 21-22			\$20.0			
Additional payments in 22-23 Budget				\$17.7		
TOTAL COVID-19 SUPPORT (CASA)					\$208.0	

Airservices	2019-20	2020-21	2021-22	Total
Australian Airline Financial Relief Package (AAFRP)*	\$250.0	\$150.0		\$400.0
Aviation Recovery Package**		\$431.8		\$431.8
Additional Airservices waiver at 50% for RPT and aeromedical***		\$71.4	\$45.7	\$117.1
Additional payments in 20-21 Budget		\$550.0		\$550.0
Additional payments in 22-23 Budget			\$495.0	\$495.0
TOTAL COVID-19 SUPPORT (Airservices)				\$1,993.9

* Funds provided to both CASA and Airservices for waived fees and foregone revenue.

** Aviation Recovery Package is not a term previously used in public but was the name given to the continued Government support for Australia's aviation industry announced on 7 June 2020.

*** This represents the amount paid to Airservices as reimbursement for fees foregone. Total available funding under the measure was \$161.8 million over 2020-21 and 2021-22, reducing in December 2021 to \$117.1 million following a decision by the Department of Finance.

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Date: 11/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku/Benedict Lyons

SB22-000188

SUBJECT: Emerging Aviation Technologies Policy**Talking Points**

- Drones and emerging aviation technologies are a rapidly growing industry (estimated to support 5500 jobs and increase GDP by \$14.5 billion over the next 20 years).
- We want to maximise these benefits while balancing against community concerns.
- To support growth in this sector, the Australian Government is looking at ways to standardise drone rules nationally. We are working closely with industry to ensure these emerging aviation technologies can integrate safely with traditional aircraft.
- There are three primary consultative forums for progressing these initiatives:
 - the National Emerging Aviation Technologies Consultative Committee, with representatives from across traditional aviation and emerging aviation organisations
 - the State and Territory Working Group, with representatives from each state and territory government
 - the Commonwealth Interdepartmental Committee.
- The Government is also maintaining \$35.7 million towards Drone Management Programs allocated in the 2021-22 Budget.
 - The \$32.6 million Emerging Aviation Technology Partnerships program will encourage the development and deployment of emerging aviation technologies to address community needs.
 - \$3.1 million is to develop the first stages of the Drone Rule Management System and National Drone Detection Network to address safety, security, privacy and airspace risks.

Key Issues

The National Emerging Aviation Technologies Policy Statement outlines 14 initiatives, 3 of which received funding through the 2021-22 Budget (addressed below). A summary of the remaining 11 initiatives are outlined at **Attachment A**.

Emerging Aviation Technology Partnerships Program

Round One of the \$32.6 million Emerging Aviation Technology Partnerships Program opened on 20 December 2021 and closed on 31 March 2022. Projects are anticipated to commence in the latter half of 2022.

The program will support strategic partnerships with industry, using emerging aviation technology to address community needs, particularly in regional Australia.

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Lead/Support contact: Naa Opoku/Benedict Lyons

SB22-000188

It will also contribute to the digital transformation of Australian businesses, increased business efficiency, and reduced carbon emissions through adoption of new technology and to improve a range of economic and social outcomes for regional communities.

National Drone Detection Network

The department is leading work to develop detailed system and operational requirements for a National Drone Detection Network which will facilitate the detection of drones to protect assets, activities and events in airspace and on the ground.

The department has developed the draft technical requirements for the National Drone Detection Network, which will consist of a modular and scalable network of drone detection sensors linked to a central database, which can filter and provide appropriate data to a wide range of users.

Drone Rule Management System

A Drone Rule Management System is being developed to coordinate, implement and manage rules that govern the use of drones across Commonwealth, state, territory and local governments.

It will consist of both a legislative framework for nationally consistent rulemaking and an IT platform to coordinate and communicate rules to drone operators and the general public. This will include rules related to security, noise, privacy, environmental impacts and cultural sites.

Between November 2021 and April 2022, the department engaged an external provider (PwC) to develop technical requirements to operationalise the platform.

*Other Issues**Drone noise approvals*

From 1 July 2022, remotely piloted aircraft must have a noise approval under the *Air Navigation (Aircraft Noise) Regulations 2018*, unless the drone:

- is 250 grams or less
- is flown under CASA's standard operating conditions
- is flown for fun or recreation
- is used for agricultural, environmental, fire-fighting, medical, emergency or policing operations.

Contact: Naa Opoku**Cleared by First Assistant Secretary:** Richard Wood**Phone:** (02) 6274 6609**Version Number:** 1 **Date:** 11/10/2022

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Lead/Support contact: Naa Opoku/Benedict Lyons

SB22-000188

As at 31 August 2022, the department received 181 noise applications, of which 85 were exempt from noise approvals, 90 were automated approvals and 6 required a full assessment.

Where significant noise complaints are received, the department will work closely with the operator to mitigate noise impacts. If necessary, the department will impose conditions on their approval to ensure noise impacts are mitigated effectively.

The Chair of the Standing Committee for the Scrutiny of Delegated Legislation (the committee) has introduced a motion to disallow the Air Navigation (Aircraft Noise) Amendment (2021 Measures No. 1) Regulations 2021 (the Regulations).

The motion is intended to allow more time for the committee's questions about the Regulations to be addressed as the disallowance period for the Regulations was about to expire. The committee has raised some minor outstanding concerns about the use of automated approvals under the Regulations.

Wing Aviation Pty Ltd

The department approved Wing Aviation Pty Ltd (Wing) to operate in the ACT (most recent approval dated 15 March 2022) and Queensland (23 June 2022). The operations have a range of merchants supplying various products to customers.

As a condition of approval, Wing is required to report the noise complaints it receives to the department. Wing has reported 44 complaints in 2021 and 3 complaints in 2022 (as at 31 August 2022).

The department has also received 2 noise complaints in both 2021 and 2022 directly from the community relating to Wing operations.

Swoop Aero

On 30 November 2021, the department approved Swoop Aero (Swoop) to operate in Goondiwindi, Queensland. The operation will trial using drones to deliver medical supplies from Goondiwindi to residents in surrounding areas, overcoming distance as a barrier to accessing critical medical supplies. As a condition of approval, Swoop is required to report the noise complaints it receives to the department. Swoop has not reported any complaints in 2022.

The department has not received any noise complaints about Swoop operations from the community.

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Lead/Support contact: Naa Opoku/Benedict Lyons

SB22-000188

Note: The department also records complaints received by the local government or the Australian Government directly related to drone operations.

[If asked about Advanced Air Mobility]

Australia is seen as an attractive place to invest in Advanced Air Mobility (AAM), a new concept of aerial transport using electric vertical take-off and landing vehicles for short-haul trips.

On 9 December 2021, the department entered into a Memorandum of Understanding with CASA, Airservices and the Victorian government to coordinate regulatory and industry support for AAM. The department is open to agreeing MoUs with other states and territory governments where it would support emerging aviation technologies.

The department is also working with CASA to design regulatory policies to support the AAM industry's operations and its use of appropriate infrastructure.

Contact: Naa Opoku**Cleared by First Assistant Secretary:** Richard Wood**Phone:** (02) 6274 6609**Version Number:** 1 **Date:** 11/10/2022

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Lead/Support contact: Naa Opoku/Benedict Lyons

SB22-000188

Financial Information as at 31 August 2022

The National Emerging Aviation Technologies Policy Statement outlined \$35.7 million funding in the 2021-22 Budget for three key initiatives:

- Emerging Aviation Technology Partnerships (\$32.6m)
- Drones Rules Management System (\$1.6m) and
- National Drones Detection Network (\$1.5m).

The Portfolio Budget Statement has \$32.6m in administered funding under “Emerging Aviation Technologies Programs” (see table below). An additional \$0.4 million in capital funds and \$2.7 million in departmental funding brings the total to \$35.7m.

Program/Project Start Date:	July 2021					
Program/Project End Date:	June 2023					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	1.5	12.1	19.0	0	32.6
Less:						
Actual Expenditure YTD at 31 August 2022	0	1.5	0	0	0	1.5
Total Committed Funds at 31 August 2022	0	1.5	0	0	0	1.5
Total Uncommitted Funds (balance)	0	0	12.1	19.0	0	31.1

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient

Attachments

- Attachment A - Other NEAT Initiatives

Contact: Naa Opoku

Cleared by First Assistant Secretary: Richard Wood

Phone: (02) 6274 6609

Version Number: 1 Date: 11/10/2022

Attachment A

Other NEAT Initiatives

Other initiatives outlined in the NEAT Policy Statement underway are listed and described below:

- Infrastructure Planning framework
- Noise framework
- Uncrewed Traffic Management Action Plan
- Privacy guidance
- Security measures
- Develop a coordinated approach to enforcement
- Drone Information Hub
- Best-practice procurement guidance
- Spectrum
- Flight Information Management System (Airservices lead)
- Aviation Safety Regulatory Roadmap (CASA lead)
- Australia's Future Airspace Framework (CASA lead)

Infrastructure Planning Framework

- The department is engaging across all levels of government to develop nationally consistent guidance for planning authorities and to assist drone operators navigate the required regulatory approvals and requirements in a consistent and seamless manner.
- The Infrastructure Planning Framework will assist states and territories make informed planning decisions regarding drone delivery and Advanced Air Mobility (AAM) services in their community.

Noise framework

- *The Air Navigation (Aircraft Noise) Amendment (2021 Measures No. 1) Regulations 2021* were amended on 9 December 2021 to introduce a risk-based approach for noise approvals, where most drone operators can self-assess and receive an automated approval.
- The noise framework took effect from 1 April 2022. The department observed a grace period to allow drone operators to become familiar with the new noise framework until 1 July 2022.
- Processes for seeking approval under the regulations, including guidance material, are on the department's website.
- The department has begun conceptual work on a long-term drone noise framework, which will consider issues such as the cumulative noise impact from multiple drones operating in a given area.

Uncrewed Traffic Management Action Plan

- The department is continuing to lead and coordinate the ongoing development of the Uncrewed Traffic Management (UTM) ecosystem. The UTM Action Plan outlines the governance arrangements, whole-of-government policy objectives, agency responsibilities and an execution pathway for the UTM ecosystem.
- The department will continue to work closely with CASA and Airservices, to develop the proposed approach over the next three months and aim to consult with industry on the draft plan in late 2022 and early 2023.
- The department engages industry representatives on policy objectives through the NEAT Consultative Committee, and the UTM Working Group.

Privacy guidance

- The department is working across government and with states and territories to develop a privacy code of practice for recreational and commercial drone operators.
- Noting that privacy laws differ between jurisdictions, the intent of the code of practice is to improve national consistency in privacy considerations regarding drones.

Security measures

- The Government is responding to security risks inherent in emerging aviation technologies in an appropriate and proportional way by progressing deterrence and intervention initiatives.
- Existing initiatives include drone surveillance at airports, commercial drone registration, mobile applications to inform operators where drones can and cannot fly, and work to ensure access to counter drone capabilities by law enforcement.
- These measures will be complemented by the National Drone Detection Network, Drone Rule Management System, CASA registration and Remote ID once developed.

Develop a coordinated approach to enforcement

- The department has consulted closely with state and territory authorities to understand how respective legal and regulatory environments support enforcement activities.
- The department will work closely with CASA to develop processes for efficient, fit-for-purpose and less burdensome enforcement of CASA regulations.

Drone information hub

- In recognition of the growing use drone operation for recreational and commercial purposes, the department is developing a standalone website, drones.gov.au, to provide drone users with a digital gateway that provides information on Government drone policy and initiatives.
- The first iteration of [Drones.gov.au](https://drones.gov.au) is anticipated to launch by 30 September 2022, providing coordinated information for both drone users and the broader community. Work on a second phase, is anticipated to commence in October 2022, for completion in June 2023.

Best-practice procurement guidance

- The department plans to develop guidance for government agencies to encourage the consideration of emerging aviation technologies for aviation-related procurements.

Spectrum

- The department is working closely with portfolio agencies the Australian Communications and Media Authority (ACMA) and CASA, and industry to develop a coordinated perspective of future spectrum needs for drone and AAM operators.
- Information gained from these engagements will inform Government processes relating to spectrum policy, planning and allocation processes for emerging aviation technologies, and how these relate to aviation safety and broader air traffic management activities.

Flight Information Management System (Airservices lead)

- The Flight Information Management System will allow for the sharing of critical flight information between air traffic control, traditional aircraft, and emerging technologies such as drones. Prototyping work is currently underway, led by Airservices. Questions on FIMS should be directed to Airservices.

Aviation Safety Regulatory Roadmap (CASA lead)

- CASA released the Remotely Piloted Aircraft Systems (RPAS) and AAM Strategic Regulatory Roadmap in June 2022 to clarify Australia's future approach to aviation safety regulation and safety oversight for emerging aviation technologies. Questions on the Roadmap should be directed to CASA.

Australia's Future Airspace Framework (CASA lead)

- Australia's Future Airspace Framework (AFAF), under development by CASA, will progress rules-based equitable access to relevant airspace or areas of operation for all forms of aviation, including but not limited to emerging technologies. This initiative commenced with the department's release of a National Strategic Airspace Policy Issues Paper in May 2021 and is now

being taken forward by CASA which is responsible under the *Airspace Act 2007*. Questions on the status of the AFAF should be directed to CASA.

Released under FOI Act by DITRDCA

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: David Jansen

SB22-000189

SUBJECT: Western Sydney Airport Airspace and Flight Paths - Design**Talking Points**

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is leading the flight path design for Western Sydney International Airport, working closely with Airservices Australia and the Civil Aviation Safety Authority (CASA).
- Airspace design is complex and will take several years to complete. The detailed work to design the flight paths started in 2017 and will be finalised by 2026 to support the commencement of operations on opening of the airport.
- The preliminary airspace and flight path design was referred to the then Environment Minister by the then Minister for Communications, Urban Infrastructure, Cities and the Arts in December 2021.
- This is an important step in enabling the further development and assessment of flight paths to identify environmental impacts which will then be subject to public consultation. *See SB22-000190 for further detail on Environmental Assessment*
- Airservices Australia and CASA are also part of the referral process in regards to the specific decisions and actions relevant to those agencies.
- The flight paths are being designed by a team of experts, guided by the 12 airspace design principles in the Airport Plan that were informed by and reflect community and industry feedback following the environmental impact statement process from 2015.
- The 12 design principles seek to maximise safety, efficiency and capacity, while minimising impacts on the community and the environment.
- There are four phases to the flight path design – planning, preliminary design and environmental assessment, detailed design, and implementation. The department is currently in the preliminary design and environmental assessment phase.
- While COVID-19 has impacted our ability to consult with the community and the aviation sector, the Department is continuing to engage with stakeholders with a focus on seeking technical feedback on the design.
- The department held three Forum on Western Sydney Airport (FoWSA) meetings in 2021 (two in-person and one virtual), and two in-person meetings so far in 2022, sharing information and seeking feedback from government, industry and community representatives.
- The department commenced a series of ‘pop-up’ events at locations throughout Western Sydney in October 2022. Further engagement activities with the community are being planned ahead of the release of an Environmental Impact Statement (EIS).

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BUDGET ESTIMATES 2022 - 2023

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Lead/Support contact: David Jansen

SB22-000189

- The draft EIS is expected to be released for public exhibition in mid-2023. The community will be able to provide feedback on the preliminary airspace design during this period.
- The business case for the airport was based on curfew-free operations, as is the case at other Australian airports, such as Melbourne, Brisbane and Perth.
- The Australian Government and NSW Government have agreed that new residential development around the airport will not be permitted where the Australian Noise Exposure Forecast (ANEF) level exceeds 20. This is the most stringent ANEF control in the country.

If pressed on the delay to releasing the airspace design to the community

- The environmental assessment is a crucial piece of contextual information that will assist the community understand and provide informed feedback on the flight paths.
- Airspace design is complex and highly technical and requires a careful and thorough process to get it right, to ensure that it balances competing needs from the community, industry and users of the Sydney Basin airspace, while maintaining safety as the priority.

If pressed on listening to community concerns and feedback

- Significant changes were made to the approach for airspace design as a result of the feedback received from the community on the draft 2015 environmental impact statement.
- The department continues to support the operation of FoWSA, which includes representation from the community, local councils, aviation stakeholders, NSW Government, local industry groups, along with elected members from local and Federal government (from both sides of politics).
- FoWSA's core role is to facilitate two-way communication between government and the community, and serve as a forum to share information and discuss the progress of the airport development.
- We are also undertaking a program of community consultation activities in the lead-up to the release of the EIS, including a number of pop-up events throughout Western Sydney that commenced in October 2022.

If pressed on initial flight paths released during 2015 EIS

- An indicative airspace design was included in the 2015 draft EIS to assist consideration of the airport development.
- The feedback received from the community from that indicative airspace design has informed current airspace design work.

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SB22-000189

- The preliminary flight paths that are currently being developed represent a clean-sheet-of-paper design that will reflect feedback from the 2015 EIS process and address the flight path design principles set out in the Airport Plan.

Key IssuesProgress on airspace design

- The preliminary flight paths have been referred to the then Minister for the Environment who advised that an EIS is required. The department is on track to release the draft EIS to the community in mid-2023.
- Early timings projected the department would consult with the community on the preliminary airspace design in 2021. COVID-19 and the complexity of the airspace design, namely managing competing needs of stakeholders (including negotiating access to airspace near RAAF Williamstown and Richmond) has contributed to the length of time taken to produce a thorough preliminary airspace design.
- On 9 December 2021, the then Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP, announced that community consultation on the preliminary flight paths would occur in mid-2023. The current government has made no further public commitments in relation to this timing.

Community engagement

- In 2020 and 2021, there was some disruption to community engagement activities, including FoWSA meetings due to COVID-19.
- Three FoWSA meetings were held in 2021, and two FoWSA meetings have been held to date in 2022 (March and October).
- Community engagement activities planned for the remainder of 2022 will seek to identify key community concerns and values in relation to flight paths, understand communication preferences, and support the community to provide feedback on the preliminary airspace design when it is released.
- WSA Co continues to operate the Experience Centre on the airport site, which is open to all members of the public.

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Noise impacts

- Development of the preliminary design has involved consideration of options to minimise the noise impacts of night-time operations. Head-to-head operations (reciprocal runway operations), where planes take off and land at the same south-west end of the runway during night-time hours, is an important preferred option that is being considered.
 - This would minimise night-time noise impacts in built-up residential areas, as activity would be over the less developed area to the south-west of the airport site.
- Land use planning will take into account the airport's expected long-term noise footprint and ensure the Western Sydney community is protected into the future.
- The Government will also develop noise abatement measures as part of the airspace design, and a property acquisition and noise insulation policy will also be developed as part of the environmental assessment process.

BackgroundAirspace and flight path design process

- The Government is responsible for delivering the airspace and flight path design for single runway operations at Western Sydney Airport prior to the commencement of operations.
- The airspace and flight path design process is currently in the preliminary design and environmental assessment phase. The Department has engaged with the aviation industry to seek technical feedback on the design and is recommencing engagement with the community.
- The airspace and flight path design process will take account of the 12 Future Airspace Design Principles in the Airport Plan, including:
 - safety is non-negotiable
 - overflights of residential areas and noise sensitive facilities will be avoided to the maximum extent possible
 - aircraft arrivals will not converge through a single merge point over any single residential area
 - consideration will be given to the impacts of aircraft operations on natural and visually sensitive areas such as the Greater Blue Mountains World Heritage Area
 - head-to-head operations (reciprocal runway operations) to and from the south-west, when safe to do so, is an important preferred option for managing aircraft noise at night
 - changes to noise sharing arrangements at Kingsford Smith Airport will be avoided.
- The four phases of the airspace and flight path design process are:
 - Planning (approx. 2017 to 2019) – development of high-level airspace concepts

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- Preliminary design and environmental assessment (approx. 2020 to 2024) – development of a mature airspace design to be assessed in accordance with advice from the Environment Minister
- Detailed design (approx. 2024 to 2025) – validation and refinement of the detailed design
- Implementation (approx. 2025 to 2026) – approval of the final airspace design by CASA prior to the commencement of airport operations in late 2026.
- An aviation Expert Steering Group (ESG) has been established to oversee the airspace and flight path design for Western Sydney Airport, in accordance with the Airport Plan conditions. The ESG is chaired by the department and includes representatives from Airservices Australia, CASA, WSA Co, Sydney Airport Corporation, and the FoWSA Chair, Ms Lee de Winton.

Residential development restrictions

- On 8 October 2021, the NSW Department of Planning and Environment released a discussion paper for consultation on the role of Luddenham Village in the future aerotropolis and more specifically, the agribusiness precinct. The NSW Department of Planning and Environment are currently reviewing submissions.
 - The Luddenham Progress Association has raised concerns with WSA Co's position regarding future residential development in the Luddenham Village. Planning decisions outside the airport boundary are a matter for the NSW Government.
- In May 2018, the Hon Paul Fletcher MP, then Minister for Urban Infrastructure and Cities, and the Hon Anthony Roberts MP, then NSW Minister for Planning, jointly announced that new residences would be prevented from being developed near Western Sydney International where the Australian Noise Exposure Forecast (ANEF) level exceeds 20.
- These development restrictions are contained in the Western Sydney Aerotropolis Plan and the State Environmental Planning Policy (Western Sydney Aerotropolis 2020) developed by the NSW Department of Planning, Industry and Environment.
- ANEF charts are land use planning tools to describe the potential noise impacts of airport operations. They are calculated under the Australian Standard AS2021 and represent the average noise exposure from a hypothetical average day's air traffic movements.
- An ANEF model is based on noise exposure over an average day and takes into account estimated aircraft movements (number of movements, time of day), aircraft type (engine power, rate of climb and noise level), local topography and weather.
- An ANEF will be prepared for the airport for long-term parallel runway operations to safeguard future planning for noise exposure.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: David Jansen

SB22-000189

Financial Information as at 31 August 2022

Airspace Design (excluding Environmental Assessment)

Program/Project Start Date:	2017					
Program/Project End Date:	December 2026					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget*	4.8	3.2	1.7	1.7	.7	12.2
Less:						
Actual Expenditure YTD at 31 August 2022	0.8	0.6	0.08			1.5
Total Committed Funds at 31 August 2022	1.1	1.0	0.6	0		2.7
Total Uncommitted Funds (balance)	3.7	1.6	1.1	0	0	6.4

*This amount is part of the \$264.6m from 2017-18 for Commonwealth Preparatory Activities and is not identified as a separate line item in the Portfolio Budget Statement.

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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Date: 06/10/2022

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000190

SUBJECT: Western Sydney Airport Airspace and Flight Paths – Environmental Assessment**Talking Points**

- The Australian Government has committed funding of \$264.6m from 2017-18 for the Commonwealth Preparatory Activities (CPA) required to support the delivery of a new Western Sydney International (WSI) Airport, based on conditions set out in the Airport Plan.
 - A component of the CPA funding is for Airspace Design totalling \$15.9m, which includes funding to undertake an environmental assessment of the preliminary flight paths.
- The Government is preparing a draft Environmental Impact Statement (EIS) on the WSI flight paths, as part of the Preliminary Design and Environmental Assessment phase of the flight path design process (see SB22-00189 for further information).
 - The draft EIS is being prepared in accordance with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) Guidelines for the WSI flight paths and is scheduled for public exhibition in mid-2023.
- WSP Australia Pty Ltd (WSP) have been contracted \$8.6m to undertake the EIS through two work streams:
 - Stream 1 – Environment Assessment Documentation; and
 - Stream 2 – Stakeholder Consultation and Communications Package.
- Key milestones for the EIS include:
 - October 2022: pre-exhibition engagement activities for public consultation to inform the early drafting of EIS on matters of significance to the community.
 - Mid-2023: Public exhibition of the draft EIS for community consultation and feedback.
 - End-2024: Publication of the final EIS.
- During the public exhibition period in mid-2023, there will be the opportunity to submit feedback to the Australia Government via a formal submissions process. A public submissions report will be released in 2024 as part of the final EIS.
- The Government is also developing a policy on methods for mitigating noise impacts from aircraft overflight noise. The draft policy will be available for public consultation as part of the draft EIS during the public exhibition period in mid-2023.
- A total of four milestone payments have been made to WSP to date totalling \$1.4m, as of 31 August 2022 (all figures GST exclusive).

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000190

[If asked] what community consultation has been undertaken to date?

- Initial feedback was received from the community during the process for the 2015 draft EIS. The feedback received from the community has informed the current drafting of a new EIS.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts has held three Forum on Western Sydney Airport (FoWSA) meetings in 2021 (two in-person and one virtual) and one meeting in March 2022 (in-person), sharing information and seeking feedback from government, industry and community representatives. The next FoWSA meeting is scheduled for late 2022.
 - FoWSA's core role is to facilitate two-way communication between government and the community, and serve as a forum to share information and discuss the progress of the airport development.
- The department is continuing to engage with stakeholders with a focus on seeking technical feedback on the design.

[If asked] when will the airspace design be released to the community?

- The Hon Paul Fletcher MP, then Minister for Communications, Urban Infrastructure, Cities and the Arts announced on 9 December 2021 that the preliminary airspace design would be released to the community for feedback by mid-2023, as part of the environmental assessment.
 - For more information refer to SB22-00189 on the WSI Airport Airspace and Flight Paths - Design.

Key Issues

- The EPBC Act Guidelines requires pre-exhibition engagement to identify key matters of significance to the community, for example, Indigenous and European heritage, visual amenity (eg the 'Three Sisters' in the Blue Mountains) and the natural environment. These issues are then specifically addressed in the draft EIS in addition to the matters set out in the Guidelines.
- WSP, in consultation with the department, has prepared a comprehensive Engagement Plan for the WSI flight paths EIS that reflects international best practice and lessons learnt from similar developments. The Minister approved the Engagement Plan on 28 September 2022 and pre-exhibition community engagement activities commenced on 11 October.
- There is limited contingency in the forward schedule to develop WSI's flight paths in time for the airport's opening in December 2026. Any delays in the development of the draft EIS will reduce this contingency and increase the risk of the flight paths not being ready by contracted timeframes.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000190

BackgroundWSI Airport Airspace and Flights Paths Environmental Assessment

- The Government is responsible for developing the preliminary flight paths for WSI Airport, including an environmental assessment process undertaken in accordance with the EPBC Act.
- The airspace and flight path design process is currently in the preliminary design and environmental assessment phase. The four phases of the airspace and flight path design process are:
 - Planning (approx. 2017 to 2019) – development of high-level airspace concepts
 - Preliminary design and environmental assessment (approx. 2020 to 2024) – development of a mature airspace design that has been assessed in accordance with advice from the Environment Minister
 - Detailed design (approx. 2024 to 2025) – validation and refinement of the detailed design
 - Implementation (approx. 2025 to 2026) – approval of the final airspace design by Civil Aviation Safety Authority prior to the commencement of airport operations in late 2026.

Community engagement to date - see **SB22-00189** for further information

Policy on methods for mitigating noise impacts from aircraft overflight noise

- To inform the development of a policy on methods for mitigating noise impacts from aircraft overflight noise, the Department has engaged WSP to prepare a noise amelioration scoping study (NASS) as part of Stream 1. The report is anticipated to be completed in February 2023.
- The draft policy will be available for public consultation as part of the draft EIS during the public exhibition period in mid-2023.

Engagement of WSP Australia Pty Ltd

- The department engaged WSP following a two-stage competitive tender process undertaken in 2020 and 2021.
- Following the conclusion of the competitive tender process the Government entered into an agreement with WSP on 21 February 2022, for a total value of \$8.6m (GST exclusive amounts):
 - Stream 1 - Environment Assessment Documentation (\$6.3m)
 - WSP to undertake an environmental assessment of the aviation airspace management arrangements, produce a detailed description of the proposed airspace design architecture, and associated activities.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000190

-
- Stream 2 – Stakeholder Consultation and Communications Package (\$1.7m)
 - WSP to develop, deliver and execute a detailed Stakeholder Consultation and Communications Plan. Based on best practice methods for communicating complex technical information, the Stakeholder Consultation and Communications Plan will ensure the community is effectively engaged and participates in the consultation associated with an environmental assessment for the airspace and flight path design for the Airport.
 - On 11 July 2022 the Government extended the contract with WSP by entering into a Work Order agreement with WSP for \$0.6m (GST exclusive) to prepare the NASS.
 - Total payments made to WSP is \$1,313,300.59, as at 31 August 2022 (GST exclusive amounts):
 - Stream 1 - \$1,260,290.13 for Milestone 1.
 - Stream 2 - \$39,030.46 for Milestone 1 and 2.
 - NASS - \$13,350.00 for Milestone 1.

Stream 3 - Online Interactive Flight Path and Aircraft Noise Communications Tool

- The department have engaged To70, a specialist aviation consultancy, to develop, host and maintain an Online Interactive Flight Path and Aircraft Noise Communications Tool (Noise Tool) that will enable members of the public and stakeholders to access information about the indicative flight paths and potential noise impacts.
- The Noise Tool will be an important component of the community engagement on the flight paths. It will allow through a search to obtain details of indicative flightpaths in proximity of that location to understand the potential noise impacts corresponding to those flight paths.
- A competitive tender process was undertaken to source the supplier, with a contract signed with To70 on 23 September 2022 for \$679,908.00 (GST exclusive).

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000190

Financial Information as at 31 August 2022

Environmental Assessment (excluding Airspace Design expenditure SB22-00189 refers)

Program/Project Start Date:	July 2021					
Program/Project End Date:	June 2025					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget*	4.8	3.2	1.7	1.7	0.7	12.2
Less:						
Actual Expenditure YTD at 31 August 2022	0	1.4	0.01			
Total Committed Funds at 31 August 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	0	0	0	0	0

- This forms part of the broader Commonwealth Preparatory Activities measure which provided \$264.6m in total from 2017-18

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

GST Exclusive amounts.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000191

SUBJECT: Western Sydney Airport – Biodiversity Offsets**Talking Points**

- The Australian Government is required to offset the environmental impacts associated with the construction of the Western Sydney International (Nancy-Bird Walton) Airport (the Airport), by investing in environmental 'offsets' for the threatened and endangered ecosystems and species found on the airport site.
- The method for achieving these offsets is outlined in Biodiversity Offset Delivery Plan (the Plan) approved by the former Australian Government Department of the Environment and Energy in August 2018.
- To date, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts has spent \$150m on a range of initiatives set out in the Plan, including:
 - the restoration and conservation of Department of Defence land at Orchard Hills (see **SB22-000192** for more information on Orchard Hills);
 - offsets obtained through the NSW Biodiversity Offset Scheme; and
 - contributing funds to a native seed production program and propagation trials based on seeds collected from the Airport site.
- The department has recently approached the NSW credit market to secure its last remaining offset obligations for the Airport (see **Attachment A** for detail on outstanding offsets).
- The Airport Plan requires the department to report to the Environment department every 12 months on its implementation of biodiversity offset activities and publish these reports on its website.
 - The department's latest report on the implementation of the Western Sydney Airport Biodiversity Offset Delivery Plan is available at:
www.westernsydneyairport.gov.au
 - The department is in the process of finalising its 2020-21 report on the implementation of the BODP which will be made publicly available shortly.
- The implementation is also independently audited every 18 months.

Key Issues

- There have been a number of reviews and inquiries in relation to the NSW Biodiversity Offset Scheme, partly in response to media scrutiny of credits purchased by ecologists and landholders that have been accused of using insider knowledge to gain a competitive advantage in the credit market.

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Lead/Support contact: David Jansen

SB22-000191

- The department referred its purchases of biodiversity offset credits for the Western Sydney Airport made in 2018/19 to an independent expert for review – the review was completed and closed out in June 2022.
 - No findings of malpractice were identified and all recommendations were actioned.
- The NSW Parliament is also investigating the Integrity of the NSW Biodiversity Offsets Scheme.
 - Biodiversity credits sold to the department were discussed in hearings held 9 December 2021.
 - The purchase of biodiversity offset credits by Transport for New South Wales (separate to the Western Sydney Airport project) has been referred to the New South Wales Independent Commission Against Corruption for investigation. The Department had no role in these purchases.
- The Australian National Audit Office has identified a potential performance audit “Management of biodiversity offset obligations by government business enterprises” in its draft Annual Audit Work Program for 2022-23.
 - Notwithstanding the reference to Government Business Enterprises in the title of the proposed audit, the published scope would include the department’s delivery of offsets for WSI.
- On 30 August 2022, the Audit Office of NSW released its findings from an audit on whether the Department of Planning and Environment and the Biodiversity Conservation Trust have effectively designed and implemented the NSW Biodiversity Offsets Scheme to compensate for the loss of biodiversity due to development. The audit identified a number of problems mostly related to an inability to close deals because of either a lack of underlying supply or just simple market deficiencies.
- The NSW Biodiversity Offsets Scheme is recognised as suitable mechanism for offsetting biodiversity impacts at the Commonwealth level through a bilateral agreement with NSW.
- Securing offsets through the scheme is recognised as a suitable mechanism for offsetting WSI under the BODP (which was approved by the Commonwealth Department of the Environment and Energy).

Background

- Central components of the BODP include:
 - Restoration and management of 978 hectares of native vegetation, including Cumberland Plain Woodland, at the Defence Establishment Orchard Hills (see **SB22-000192** for more information).

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SB22-000191

- Purchase of biodiversity credits through the NSW Biodiversity Offsets Scheme (see **Attachment B** for a map showing locations of offset sites relative to the airport site).
- A range of other compensatory measures, including contributing funds to Greening Australia's native seed production program, and propagation trials from seeds collected from the Airport Site by Mt Annan Botanic Gardens.
- The Department must, as required by conditions of the Airport Plan:
 - report on the implementation of the BODP to the Environment Department every 12 months until all biodiversity offsets under the BODP have been secured or implemented;
 - publish these BODP implementation reports on its website; and
 - ensure that an independent audit of its implementation of the approved BODP is conducted at periodic intervals and submitted to the Environment Department.
- The findings and observations from these audits allow the Department to ensure that it is continuing to meet its obligations under the Airport Plan and adjust its approach as necessary.

Financial Information as at 31 August 2022

Program/Project Start Date:	2017-18					
Program/Project End Date:	ongoing					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget*	0	35	39.4	0		74.4
Less:						
Actual Expenditure YTD at 31 August 2022	s47D - financial or property interests of the Commonwealth					
Total Committed Funds at 31 August 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	34.2	39.4	0	0	73.6

- These funds form only one part of the Commonwealth Preparatory Activities Measure which provides \$264.6 million in total from 2017-18 and are not separately identified in the Portfolio Budget Statement.

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient

Attachments

- Attachment A - Outstanding credits for the implementation of the BODP
- Attachment B - BODP Offset Areas

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Date: 20/09/2022

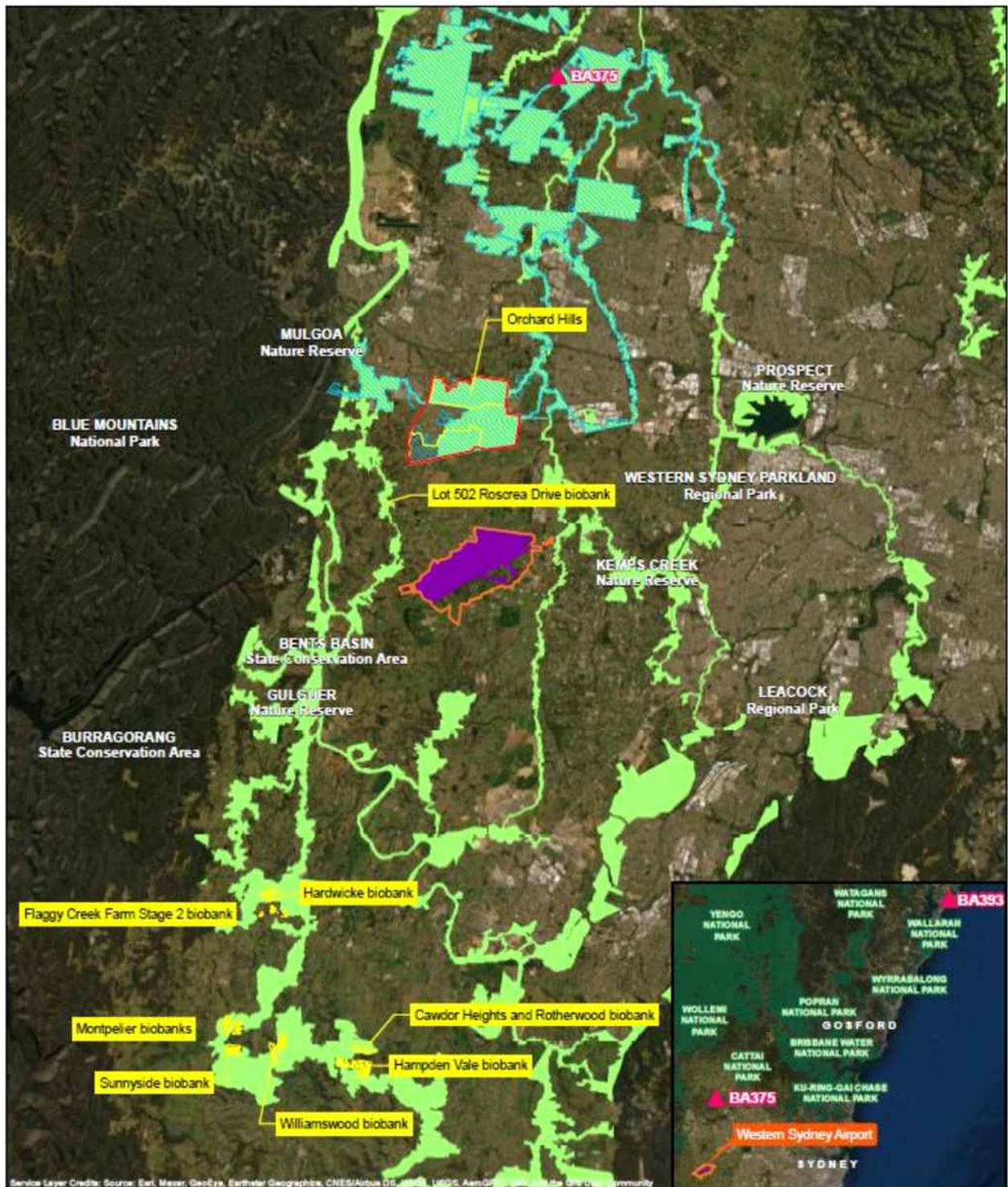
Attachment A

Outstanding credits for the implementation of the BODP

Credit Type	Credits Required	Outstanding credits
River Flat Eucalypt Forrest (HN526) ecosystem credits	2,661	s47D - financial or property interests of the Commonwealth
Dillwynia Tenuifolia species credits	540	
Freshwater wetland (HN630) ecosystem credits	545	
Pimelea Spicata species credits	53	
Southern Myotis species credits	1617	

* These credits were previously thought to be completely offset however based on recommendations made by an Independent Auditor, a 20 per cent discount rate has been applied to credits generated on Commonwealth Heritage listed areas of the Orchard Hills offset site. Based on this discount rate the Department no longer meets its offset obligations for River Flat Eucalypt Forrest and Dillwynia tenuifolia.

An accounting error picked up in the current reporting period has seen the outstanding credits required to offset the airport increase from 212 to 400.



LEGEND

- | | |
|---------------------------------------|--|
| Airport site | Defence Establishment Orchard Hills |
| Stage 1 construction impact zone | Offset areas secured in 2020 |
| Cumberland Conservation Corridor | 2020 BODP implementation period offset sites |
| Priority conservation lands (BIO Map) | |

Paper Size A4
0 2 4 8
Kilometres
Map Projection: Transverse Mercator
Horizontal Datum: GDA 1994
Grid: GDA 1994 MGA Zone 56



Department of Infrastructure, Transport,
Regional Development and Communications
2020 BODP Implementation Report

Job Number 21-26204-11
Revision A
Date 08 Oct 2021

BODP implementation offset areas

Figure 3

Level 15, 153 Castlereagh Street Sydney NSW 2000 T 61 2 9239 7100 F 61 2 9239 7199 E sydney@ghd.com.au W www.ghd.com.au
© 2021. Whilst every care has been taken to prepare this map, GHD (and WSU, OCH, NSW Department of Lands, ESR) make no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and cannot accept liability and responsibility of any kind (whether in contract, tort or otherwise) for any expenses, losses, damages and/or costs (including indirect or consequential damage) which are or may be incurred by any party as a result of the map being inaccurate, incomplete or unsuitable in any way and for any reason.
Data source: Aerial Imagery - ESR 2021, Offset sites - GHD 2017, Cumberland Plain Conservation - DSH 2018, Airport layout data - WSU 2016, General topo - NSW LPI DTDB 2015 & 2012. Created by jpprik Created by jpprik

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000192

SUBJECT: Western Sydney Airport - Biodiversity - Orchard Hills**Talking Points**

- As part of the Biodiversity Offset Delivery Plan for the Western Sydney International (Nancy-Bird Walton) Airport the Australian Government has committed to long-term, fully funded restoration and improvement of the Defence Establishment Orchard Hills site to reflect the native characteristics of the area.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts has funded Department of Defence \$70 million over 20 years to deliver the biodiversity offsets at Orchard Hills.
- Orchard Hills is the last, large remnant of Cumberland Plain Woodland and the prescribed restoration activities will result in significant improvements over and above the heritage protections that were already in place for the site.
- Defence engaged specialist consultants to develop the Orchard Hills Offset Plan which includes detailed environmental management actions, monitoring, reporting, and auditing requirements.
- Defence has also engaged a specialist contractor – Local Land Services (NSW) – following a competitive tender process to take over management of the site and implement the detailed requirements of the Plan.

If asked: Have existing management actions due to the Australian Government's heritage listing of the Orchard Hills site been considered in assessing the environmental gain that will be generated at the site?

- Yes – existing management actions only sought to preserve and maintain the site, whereas the Offset Plan will result in significant improvements in ecological values at Orchard Hills, which is currently heavily degraded in some areas.

If asked: What has happened to date?

- The funding spent to date has been used to develop the Offset Plan and to deliver preliminary works including targeted weed eradication, rehabilitation of the northern buffer watercourse by replacing weeds with endemic Cumberland Plain species tube stock grown from seeds collected onsite, together with pest and over abundant native fauna control activities.

If asked: What kind of environmental management actions will be undertaken in future?

- The Orchard Hills Offset Plan targets measurable improvements against four objectives and describes nine categories of activity targeting including ecological fire management, fauna reintroduction and decontamination. The Plan will be published on the Department's website shortly.

Contact: David Jansen

Cleared by First Assistant Secretary: Richard Wood

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Version Number: 02

Date: 1110/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000192

Key Issues

- Inclusion of Orchard Hills within the Biodiversity Offset Delivery Plan (BODP) for Western Sydney International airport was approved by the then Department of the Environment and Energy in 2018.
- Defence's obligations for the site are set out in a 20-year Memorandum of Understanding (MOU) between the two departments, signed in September 2018.
- The 978-hectare offset area is comprised of a mixture of regrowth vegetation, heavily degraded former farmlands and a rifle range.
 - The baseline ecological report for the offset area identified around 450 hectares of the 978-hectare offset area to be in low condition.
- Defence's offset plan will restore up to 450 hectares of degraded areas back into Cumberland Plain Woodland.
 - The offset program will restore the natural attributes of these areas, as well as deliver improvement actions to remnant vegetation that would not be required under normal protections and management.
- The Memorandum of Understanding contains commitments by Defence to permanently conserve the offset area, so that long term benefits are retained.
- Under the BODP, the department is required to publish implementation reports annually and to have the program independently audited every 18 months.
 - The last audit report – for the period ending Jan 2021 is available on the department's website.
 - The report for the period ending August 2021 will be made available on the department's website shortly.

Background

- Defence Establishment Orchard Hills is located in Western Sydney and is managed for Defence capability purposes (training, use and safe storage of explosives).
- Orchard Hills has similar flora to the Western Sydney Airport site, in particular Cumberland Plain Woodland. The potential to use the Orchard Hills site to deliver biodiversity offsets was first raised during work on the Environmental Impact Statement for the Western Sydney Airport in 2015-16.
- In the latter half of 2017, the Department of Infrastructure began discussions with the Department of Defence about using the site to generate offsets.
- The Infrastructure Department completed desktop research with consultants GHD in late 2017 to determine the potential offset credits that improvements to the Orchard Hills site could deliver for Western Sydney Airport.

Contact: David Jansen**Cleared by First Assistant Secretary:** Richard Wood**Phone:** (02) 6274 7082**Version Number:** 02**Date:** 1110/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: David Jansen

SB22-000192

- Following more detailed discussions with the Defence Department, the department also sought the Environment Department's advice and views on the proposal from early 2018.
- From this point, the use of the Orchard Hills site was featured in the development of the BODP.
- The proposed use of the Orchard Hills site was raised at the fourth Biodiversity Expert Group (BEG) meeting on 9 February 2018. The Department understands that while most members of the BEG did not object to the inclusion of Orchard Hills in the BODP, some members of the group who were not fully satisfied with using Orchard Hills as an offset site.
- Comments made by the BEG about the importance of 'in perpetuity' conservation of Orchard Hills are addressed by the provision of the Orchard Hills Offset Plan and the MoU. In particular, the MOU agrees the offset area will be maintained in perpetuity to retain the long-term benefits of ecological improvements achieved.

Attachments

- Attachment A - May 2021 Questions on Notice and Responses – Senator Watt, Orchard Hills Environmental Management
- Attachment B - February 2021 Guardian article *'Development should stop': serious flaws in offsets plan for new western Sydney airport*.

Contact: David Jansen**Cleared by First Assistant Secretary:** Richard Wood**Phone:** (02) 6274 7082**Version Number:** 02**Date:** 1110/2022

Rural & Regional Affairs and Transport Legislation Committee**ANSWERS TO QUESTIONS ON NOTICE**

Budget Estimates 2021 - 2022

Infrastructure, Transport, Regional Development and Communications**Committee Question Number: 162****Departmental Question Number: SQ21-000412****Program: 2.3 Air Transport****Division/Agency: International Technology and Services****Topic: Orchard Hills Biodiversity Offset Site****Proof Hansard Page: 61-62 (25 May 2021)****Senator Murray Watt asked:****Senator WATT:** ... Has the management of the offset at Orchard Hills commenced?**Ms Dacey:** I will have to take it on notice. I don't have that level of detail.**Senator WATT:** No-one here knows?**Ms Dacey:** Perhaps Mr Wood will be able to give you a bit more detail.**Mr R Wood:** Yes. The department has a memorandum of understanding in place with the Department of Defence, which is delivering the biodiversity offsets. There is a 10-year process through which the Department of Defence and its contractors will improve the quality of biodiversity for the Cumberland Plain Woodland and associated offsets at the Orchard Hills site over the next decade.**Senator WATT:** What are they actually doing? Is it planting trees?**Mr R Wood:** It is a variety of activities. Our consultants, GHD, provide advisory services across it. We also have an auditor who provides an audit of those services so we can have some assurance that there is the appropriate provision of those biodiversity improvements. That is a transparent process. There will be an annual report. The one for 2019-20 will be published, or a summary at least, in around August. It is just being finalised at the moment.**Senator WATT:** So your department has engaged the Department of Defence to deliver this?**Mr R Wood:** So the Department of Defence is the owner and manager of the Orchard Hills arrangement. We have an MOU with the Department of Defence. Essentially, this is the Commonwealth contracting within itself, so it is not a procurement of land as such. But they are undertaking that activity on behalf of the Commonwealth, which we are funding.**Senator WATT:** Do you know whether Defence has engaged any other contractors or assistants to help deliver this?**Mr R Wood:** I think they will have. Perhaps we can get a full listing of that on notice.**Senator WATT:** If you could, thanks. I would be interested to know the cost of both your department engaging Defence, if there has been any sort of transfer of funds, and the cost of Defence then engaging anyone else to actually do the work.**Mr R Wood:** Yes. Certainly we can provide full details on notice.**Senator WATT:** My understanding is that Defence was already doing some level of management of biodiversity at the site. What additional management is now occurring as a result of this contract?**Mr R Wood:** That is the purpose of the works that are being undertaken—to improve the quality of the land at Orchard Hills. The reason we have an ongoing report and audit of that activity is to ensure that it is providing an appropriate level of environmental outcome. If for any reason the level of biodiversity increase is not what was expected and does not provide the benefit that is required under the biodiversity offset plan, there is a process where that could be increased. In the worst case, you could buy additional offsets. More likely would be a change in management process.**Senator WATT:** Could you come back on notice with a bit more detail about what is actually being done—**Mr R Wood:** Yes.**Senator WATT:** to improve biodiversity?**Mr R Wood:** Certainly by the next estimates the annual report on that activity will be available as well.**Senator WATT:** On notice, could you provide all departmental correspondence regarding inputs to the offsets guide for Orchard Hills?**Mr R Wood:** Yes. We will look into that.**Senator WATT:** Thanks...

Answer:

Do you know whether Defence has engaged any other contractors or assistants to help deliver this?

Defence engaged GHD to develop the Orchard Hills Offset Plan (the Offset Plan) which includes details of environmental management actions, monitoring, reporting, and auditing requirements. Defence will engage a specialist contractor following a tender process that closed on 17 June 2021 to take over management of offset actions and implement the detailed requirements of the Offset Plan.

I would be interested to know the cost of both your department engaging Defence, if there has been any sort of transfer of funds, and the cost of Defence then engaging anyone else to actually do the work.

The Department has paid Department of Defence \$70 million to deliver the biodiversity offsets at Orchard Hills. A total of \$1.27 million has been spent or committed from Financial Year (FY) 2018-19 to 2020-21. As Defence's procurement process to engage a specialist contractor to implement the Offset Plan is still underway, the expected cost is not publically available at this time. Further questions about the costs of the specialist contractor are a matter for Defence.

What additional management is now occurring as a result of this contract?

Could you come back on notice with a bit more detail about what is actually being done?

The funding that has been spent to date has been used developing the Offset Plan and for the delivery of works from FY 2018-19 to 2020-21. The delivery of preparatory works included targeted weed eradication measures, mapping of tree hollows and establishment of photo monitoring points.

On notice, could you provide all departmental correspondence regarding inputs to the offsets guide for Orchard Hills?

There is a significant number of emails and correspondence between the Department of Defence, the Department of Agriculture, Water and Environment and our specialist biodiversity contractor in relation to the development of the Offset Plan. It would be a considerable diversion of resources to coordinate a response to this question in its entirety. The Offset Plan will be made publically available by Defence once it has been finalised and approved.

We can advise that the Orchard Hills Offset Plan is based on an initial ecological survey of the Orchard Hills offset area that describes the base biodiversity values of the offset area and the quantum of direct offsets associated with the offset area's conservation and management.

There is also a Biodiversity Offset Delivery Plan (BODP) prepared by the Department in accordance with the Western Sydney Airport Plan. A copy of the BODP can be found here:

<https://www.westernsydneyairport.gov.au/environment-heritage/environment/biodiversity-offset-delivery-plan>

The BODP, which was approved by the Department of Agriculture, Water and the Environment, sets out all the biodiversity offset obligations arising from the construction of the Western Sydney Airport. There is a requirement to report annually to the Department of Agriculture, Water and the Environment on the implementation of the BODP.

Along with reporting on biodiversity offsets obtained elsewhere, this reporting will identify the planned and measurable ecological improvements to the quality of habitat for the affected threatened biota at the Orchard Hills offset site as a result of the actions undertaken by the Department of Defence under the Offset Plan. To this end and, as required under the MoU, the Department of Defence will need to report to the Department on an annual basis on the progress of its implementation of the Offset Plan.

'Development should stop': serious flaws in offsets plan for new western Sydney airport

Mulgoa resident and conservationist Lisa Harrold who has been campaigning for better conservation outcomes for the people of western Sydney for more than 30 years. Photograph: Carly Earl/The Guardian

The site chosen to offset the massive Badgerys Creek project was already earmarked for protection. Experts accuse the government of 'double-dipping'

by [Lisa Cox](#)

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Wed 17 Feb 2021 03.30 AEDT

There are serious flaws in the environmental offsets being used to compensate for the new western [Sydney](#) airport now under construction in Badgerys Creek, a Guardian Australia investigation has found.

All up, 1,780ha of bushland will be razed to make way for the new travel hub - an area bigger than the Adelaide CBD.

In theory, offsets allow developers to compensate for the damage they cause in one area by undertaking work to deliver an equivalent or greater environmental benefit in another.

But the site chosen by the federal government to offset the airport is an example of what's known by experts as "double-dipping" - it had already been earmarked for permanent environmental protection. There will be no new conservation reserves created in western Sydney to compensate for the damage caused by the massive new development.

Work was supposed to start at the offset site in early 2020, but a long-term contractor to manage the land has still not been found, even though the area for stage one of the airport has already been cleared.

There is also no plan to protect the chosen site "in perpetuity" - which is a requirement under federal offsets policy.

A controversial development

The site and timing of a second Sydney airport has challenged federal governments for decades and was fought by residents, conservationists and even, at times, [New South Wales](#) governments.

Stage one of the project, which includes a runway, freight operations and facilities designed to support the movement of some 10 million passengers a year, has required the permanent removal of 1,150ha of bush and grassland, almost a third of which is made up of native trees and grasses, including 141ha of critically endangered Cumberland Plain woodland.



The western Sydney airport site. Photograph: Carly Earl/The Guardian

When the former environment minister Josh Frydenberg approved stage one in 2016, it was clear a sizeable environmental offsets package would be required to compensate for the environmental damage the project would cause - including the destruction of habitat for the vulnerable grey-headed flying fox and the critically endangered swift parrot.

Frydenberg said the government would put aside up to \$180m for the package.

But he and the federal environment department noted at the time that Cumberland Plain woodland was now so scarce and fragmented in its native western Sydney that it would be challenging to secure the volume of direct offsets required under the Environment Protection and Biodiversity Conservation (EPBC) Act to compensate for the massive new development.

Once extensive across western Sydney, only about 6% of the woodland - which is dominated by grey box eucalypts, forest red gums and a grassy understorey - remains.

“There is also considerable competition for available offsets containing EPBC-listed Cumberland Plain woodlands from other developments in western Sydney,” Frydenberg wrote at the time.

In fact, instead of acquiring land or creating new conservation reserves for western Sydney, the developer of the airport - the federal department of infrastructure - did something else.

It chose a site that the government already owned and that had already been earmarked for permanent protection 20 years ago.

This practice, known as double-dipping, has become an increasing problem in areas of urban sprawl, where endangered plants and animals are being squeezed out to make way for housing and infrastructure to support a rapidly growing population. In short, governments are using bushland that is already earmarked for protection and/or in public hands as offsets in order to greenlight more development.



Cumberland Plain woodland seen from The Northern Road, Luddenham, near the Western Sydney airport development site. Photograph: Carly Earl/The Guardian

Lisa Harrold, the president of the local Mulgoa Valley Landcare Group, says the practice needs to stop.

“Where it becomes impossible to find the offset, because there’s not much bush of that particular type left, then the development actually should stop,” she tells Guardian Australia.

“That’s what saves the vegetation community. It’s just going to go extinct unless you really stand up now and go: no more. Let’s have a little bit of respect for what’s left.”

Expert advice ignored

On 12 May 2017, a group of biodiversity experts convened by the government to advise on the best way to environmentally compensate for the new airport development gathered at the Penrith Panthers Leagues Club.

The group - known as the biodiversity expert group (BEG) - included academics, members of community conservation organisations, and representatives from western Sydney councils, Local Land Services and the local Aboriginal Land Council.

Also in the room were bureaucrats from the infrastructure department’s western Sydney unit and from what was then the NSW office of environment and heritage (OEH), as well as a consultant from GHD, the firm hired by infrastructure to deliver the biodiversity offsets plan.

Harrold was one of the members.

She grew up in the western Sydney region and became active in conservation 30 years ago after watching the development of new suburbs near Penrith.

“I started to question whether a developer could clear the whole lot. Is it not possible to leave some for the wildlife?” she says.

Harrold hoped the group’s input would lead to an offsets plan that redressed the damage the airport, and decades of other development, caused for the wildlife and habitats of western Sydney.

What they ended up with was “bitterly disappointing”.



Mulgoa resident and conservationist Lisa Harrold who has been campaigning for better conservation outcomes for the people of western Sydney for more than 30 years. Photograph: The Guardian

Confidential minutes from the meetings, and emails sent by group members, leaked to Guardian Australia, show months of discussions about potential offset sites were shelved at the 11th hour by infrastructure in favour of a new plan to use a site known as Defence Establishment Orchard Hills as the main offset for the airport.

The 1,740ha securely fenced block, in the suburb of Orchard Hills, is owned by the department of defence, which uses it to store explosives and run training exercises.

It is also one of the largest remnants of endangered bushland in western Sydney, with 1,370ha listed on the commonwealth heritage register for its natural values - specifically that it is almost entirely vegetated with critically endangered Cumberland Plain woodland and Sydney Coastal River Flat forest.

In 2007, the incumbent environment minister, Malcolm Turnbull, and the future minister, Peter Garrett, had already made pre-election announcements promising to add the 1,370ha of heritage-listed bushland at

the site to Australia's reserve system and to protect and manage it permanently.

"Regifting, it's a horrible thing," Harrold says.

"They gifted it once in 2007 by promising it would be conserved in perpetuity and managed and they've gifted it again in 2018 as an offset for the airport."

Offsets no longer a last resort

Under national environmental policy, developers are expected to exhaust all options to either avoid or mitigate any environmental impact on nationally significant threatened species and habitats.

But offsets - meant to be the last resort - have become a more common option.

Developers are required to meet 90% of their offset requirements through what are known as "direct offsets", which are actions such as land acquisition, protection or restoration that provide a measurable benefit to the affected species or ecological community.

Offsets are supposed to meet several other requirements, including that they demonstrate conservation gains proportionate to the scale of the damage caused by the development; that they are additional to any existing conservation work or obligations; and that they compensate for the full duration of the impact of the development.



Mulgoa Rise housing estate. Photograph: Carly Earl/The Guardian

In the case of the airport, the impact on the environment would be forever.

The airport's original environmental impact statement, along with minutes from the first three meetings of the biodiversity expert group in 2017, show the infrastructure department had planned to secure the majority of its offsets by purchasing offset credits through the NSW government's biodiversity stewardship scheme.

Under the scheme, landholders place their properties under an agreement that conserves the land permanently and they receive ongoing payments for managing the threatened habitat and species on the site.

Developers pay for this protection and management by purchasing "credits" on an open market.

The early meetings discussed potential offset sites, some of which already had credits available for purchase on the NSW register.

At meeting three, held at the Penrith Civic Centre on 9 November 2017, group members received a map of potential sites.

Michael Gregory, one of the officials from the western Sydney unit - which is the same unit responsible for the controversial [Leppington triangle land](#)

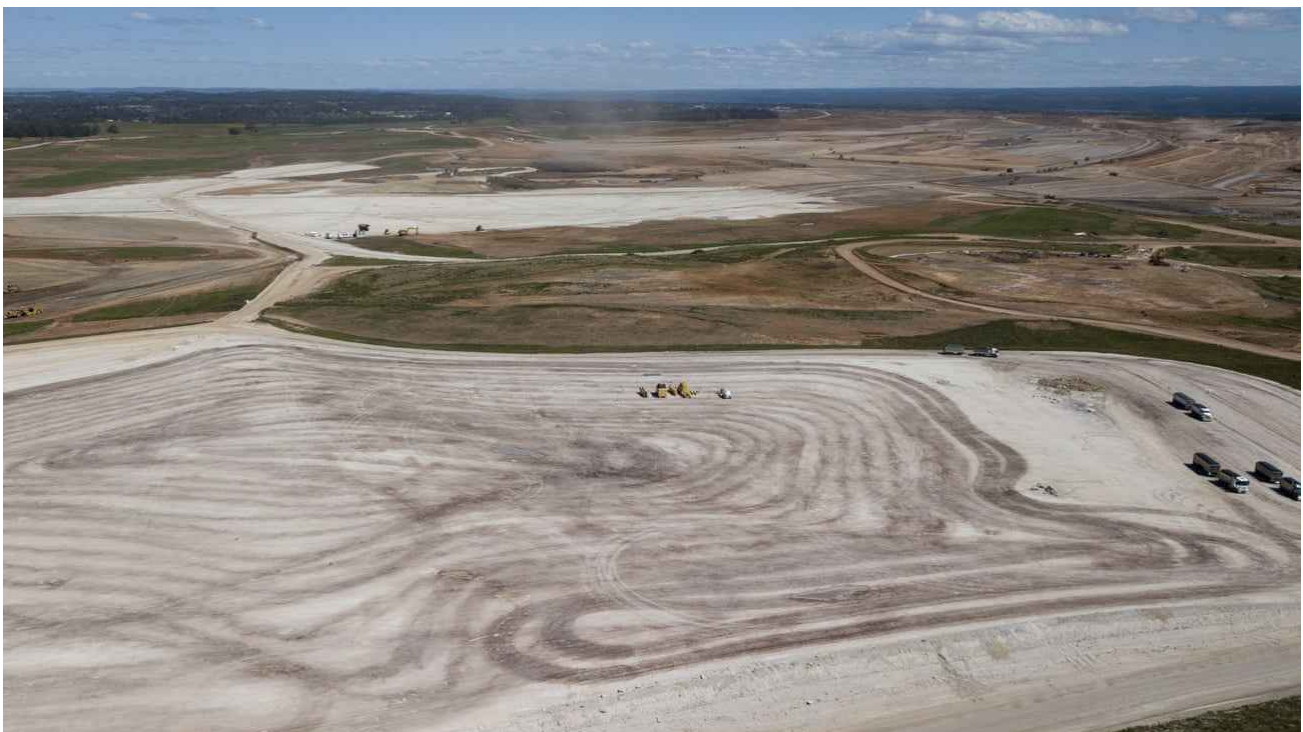
purchase - spoke of the department's "commitment to achieving good conservation outcomes".

BEG members were also workshopping their own proposals that could contribute to the 10% of offset projects that would complement the direct offsets, including education and research programs, seed collection and propagation, a Wires conservation centre, an Indigenous ranger project, and a rewilding project at nearby **Shanes Park**.

The department emailed a spreadsheet for each member to provide feedback on all of the offset proposals.

Things changed at the second last meeting, on 9 February 2018. The chair of the meeting, Garth Taylor from infrastructure's western Sydney unit, gave an overview of Defence Establishment Orchard Hills, "a new potential offset site that has arisen since the November meeting".

According to meeting minutes, Taylor said the site was "ideally situated" because of its proximity to the airport land, and it was located within the Cumberland conservation corridor, a project led by conservationists that identifies high-value sites and aims to protect, restore and connect them in a way that allows wildlife to move through the habitat.



An aerial view of the construction work at the Western Sydney airport at Badgerys Creek in Sydney. Photograph: Mick Tsikas/AAP

Crucially, he noted, there was not yet a permanent conservation covenant on the site.

Harrold raised her hand and said she thought the land was already conserved.

In 2007, she had run as an independent in the marginal federal seat of Lindsay on a single issue campaign: to preserve some of the last endangered vegetation in western Sydney.

She and other community members, including Wayne Olling, a fellow member of the expert group, successfully lobbied both the Labor and Liberal parties to protect the site.

Turnbull and Garrett's election promise

Turnbull and Garrett made their announcements promising the permanent conservation of the Orchard Hills land within three days of each other in November 2007.

Federally, the site had been recommended for conservation as far back 2001, when the Howard-era environment minister Robert Hill commissioned a review that noted even then that intense agricultural and urban development had put the Cumberland Plain under enormous strain.

Thirteen years on, no government has ever delivered on the promise. When Guardian Australia contacted Turnbull and Garrett, neither could remember having made such a commitment.

At the February 2018 meeting, Harrold and Olling both objected to infrastructure's plan to claim management of bushland on the site as an offset.

"To my mind, at the end of the day it was conserved back in 2007 by that agreement and they're just basically double-dipping," Harrold says.

Roger Lembit, an ecologist who has done vegetation surveys of western Sydney for governments dating back to the 1980s, says the site had been identified as an area of conservation significance in a floodplain management plan he contributed to in the 1990s.



A general view of signage at the Badgerys Creek airport site in Sydney. Photograph: Brook Mitchell/Getty Images

He says it was “depressing to see these sorts of areas still being traded off”.

“It should just be a conservation reserve of its own right,” he says.

“Its value is immense, and it should automatically be protected in some sort of conservation ownership. And it shouldn’t be available to be used as an offset.”

No plan for permanent protection

There was another problem with the proposal.

Land that is banked under the NSW biodiversity stewardship scheme for offsetting has a covenant put over it to ensure it is managed for that purpose in perpetuity.

The available documentation does not suggest any such guarantee is in place at Orchard Hills.

At the fifth and final meeting on 8 March 2018, officials outlined that the offset plan for Orchard Hills would be managed under a 20-year memorandum of understanding (MOU) between the department of infrastructure and the department of defence.

The offset would be a series of management actions at the site, described in the final biodiversity offset delivery plan as an “intensive improvement program” that would meet at least 90% of the offset requirement for Cumberland Plain woodland and a substantial percentage of the offset requirement for some other species.

Under the MOU, which commenced in 2018, infrastructure would pay defence for work such as tree and shrub replanting, the permanent removal of feral pests, intensive weeding, remediation of contaminated sites, fencing and the reintroduction of locally extinct fauna such as bettongs and bandicoots.

The offset would not apply to the full 1,370ha of heritage-listed bushland, but rather to about 900ha split into two areas: a northern and southern parcel, leaving an untouched area in the middle.

Paul Rymer, a senior lecturer in the Hawkesbury Institute for the Environment at Western Sydney University, was also a member of the BEG.



Dr Paul Rymer is a senior lecturer in plant ecological genetics at the University of Western Sydney.
Photograph: Carly Earl/The Guardian

He tells Guardian Australia some of the actions infrastructure proposed for the site would be “very much needed” but he wanted to understand what would happen when the MOU expired in 2038.

“What is the future management beyond the 20-year period? There’s no additional funding, and there’s no clarity over what the future management would be,” he says.

“I tried to push quite hard to have that clarity, because I was concerned that the site might be of high quality for a period of time and then, after the 20-year period expired, there was uncertainty.

“But they were pretty hard and fast in terms of saying that the MOU was only for 20 years, and I couldn’t get any clarity over what would happen after the 20 years.”

Rymer was not alone in his concern.

Emails seen by Guardian Australia show NSW government officials feared the 20-year time limit on the work did not meet the environmental conditions under which the airport was approved or the requirement under national policy that offsets be secure for the life of the impact of a development.

They also questioned what the tens of millions of dollars in offset funds would be used for, given there was already existing environmental management at the site by defence under requirements set out by the heritage listing.

Megan Evans, a researcher in environmental policy at the University of New South Wales in Canberra, says there were serious questions as to whether management of land that was already commonwealth heritage-listed met the requirement that offsets provide an additional environmental benefit that would not have otherwise occurred.

“Furthermore, an MOU between two federal government departments is not legally enforceable, and doesn’t inspire confidence that the land will be permanently protected,” she says.

FOI 23-063



Dr Paul Rymer holding on to the Geebung plant at the Castlereagh nature reserve, a successful reserve that has preserved the original flora. Photograph: Carly Earl/The Guardian

“A conservation covenant should be used to secure the land on title in perpetuity - as is required of non-government proponents when they must deliver offsets.

“It’s a bit of a double standard, and one that the western Sydney community could be rightly suspicious of. A gentleman’s agreement isn’t a rigorous approach for biodiversity conservation.”

Defence advertised a tender for a contractor to manage the Orchard Hills work at the end of 2019, with work to commence in early 2020.

In answers to questions on notice from a Senate committee in December, defence said a contractor still hadn’t been hired and it could not outline the expected cost.

The final airport offsets package also included a \$10m contribution to a Greening Australia seed propagation program and the purchase of some biodiversity offset credits, which the government paid \$69.2m for in 2019 over an area covering about 296ha.

A ‘serious breach’

Tim Beshara is the manager of policy and strategy for the Wilderness Society.

He worked directly on Cumberland Plain woodland restoration for almost a decade, and helped write the official guidelines for Cumberland Plain restoration. He is also a former staffer for the Greens and Liberal party.

Beshara says the federal government’s offset at Orchard Hills is “a serious breach of integrity”.

“It’s plainly problematic that the commonwealth is the developer, assessor, approver and receiver of the offsets here, but that’s just where the concerns begin.”

The government has also failed to fulfil existing “crystal-clear legal obligations” to protect and manage the site to date, he says.

Under national laws, sites that are on the commonwealth heritage register are required to have a plan of management for their heritage values,

meaning defence is already expected to carry out conservation work on the Orchard Hills land.

Under the EPBC Act, governments must also implement recovery plans to manage and halt the decline of threatened species and habitats on land that they own.

The Cumberland Plain woodland has been identified by the federal government as requiring a recovery plan since 2009.

Twelve years on that plan is still outstanding, it's development shelved in part because the federal and state governments are working on a new strategic assessment for western Sydney that will involve more urban development and a new Cumberland Plain conservation plan.

“The core failure has been the succession of unfulfilled black-letter law obligations on the commonwealth to take steps to protect Cumberland Plain woodland, that if they had been fulfilled, this offsetting charade could have never got off the ground,” Beshara says.

Guardian Australia put specific questions to the infrastructure department, defence, the environment department and the environment minister, Sussan Ley.

Questions included whether a permanent conservation covenant would be put over the site, what would happen to the site after the 20-year MOU expired, who in government first proposed the Orchard Hills land as an offset, what the total cost of the offset would be, whether a site with existing conservation obligations provided an additional environmental benefit, and a request to see the MOU.

We received a joint written response from the infrastructure department - the developer - and the environment department - the regulator.

It said the environment department was satisfied that the MOU and the offset plan “are enduring, enforceable and auditable”.

A government spokesperson said the MOU “provides for an offset plan to be developed, funded and implemented for the Orchard Hills site to provide measurable ecological improvements” and for “the site be conserved and maintained following completion of the improvements, so as to retain long-

term benefits of the quality improvements delivered following implementation of the offset plan”.

“Development of MOUs are standard practice for formalising obligations between commonwealth departments. Infrastructure and defence are working together to implement the MOU, and will continue to do so,” the spokesperson said.

The spokesperson added that defence, while still in the process of finding a contractor for the work at the Orchard Hills site, had commenced some work including weed eradication, research into weed management, mapping of tree hollows and establishment of photo monitoring points, and baseline mammal surveys.

“Defence has advised that no money from the offset funding will be used to fund any works other than offset works,” the spokesperson said.

A defence spokesperson said “defence is committed to managing the biodiversity values of the site long-term” and was required to maintain the site after the MOU expired.

But asked if a permanent conservation covenant was going to be put over the site, the spokesperson said: “No.”

“The area must be managed to achieve the offset objectives,” they said.

Life under the flight path

Shortly after the final offsets plan was completed, the team that was the western Sydney unit was disbanded and a new team assembled in the department.

Rymer says the group wasn’t given the opportunity to comment on the final offsets plan and their input was written up as a chapter. Communication with the infrastructure department to try to track the progress of the offsets has been difficult ever since.

“With Orchard Hills coming in late in the discussion and being able to tick off 70% of the offset with the knowledge that there was limited offset credits available for them, they took the easiest option to push that forward,” he says.

“Probably not with the best outcomes for western Sydney as a whole.”



Dr Paul Rymer at the Castlereagh nature reserve, Berkshire Park, New South Wales. Photograph: Carly Earl/The Guardian

Harrold says she sometimes wonders whether all of the new developments in western Sydney will one day just join up.

She doesn't believe residents of western Sydney have entirely comprehended what changes the airport will ultimately bring to their lives.

“Until those planes start to fly low over people's roofs 24 hours a day, until we start to absorb the heat impacts of 11sq km of hard tarmac, I think people really haven't got their heads around what this will bring to their ability to, you know, have quiet enjoyment in their residences at night and things like that,” she says.

Harrold put her hand up to be on the expert group because she thought she had enough experience on the ground in the Cumberland Plain to achieve something positive for conservation in the region.

“I went into it thinking I could make a difference and I've come away from it going: What was that all about?” she says.

FOI 23-063

“We suggested this, we recommended that. Nothing. We didn’t get anything out of it.”

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku

SB22-000213

SUBJECT: Disability access across airports**Talking Points**

- Every person deserves to be treated with dignity and respect and to be given the services and support they need.
- There are ongoing accessibility challenges in relation to airports and aircraft, and I have been disappointed to hear of recent difficulties being experienced by people with disability when accessing aviation services.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts convened a meeting of the Aviation Access Forum (AAF) on 10 October, at which representatives of travelers with disability, airlines and airports met to discuss how these issues could be addressed.
- I understand that the airlines have undertaken to improve the services they provide to travelers with disability, and will work with disability advocacy groups to improve their processes.
- As part of this work the Forum is establishing a working group to be chaired by the Disability Discrimination Commissioner, Dr Ben Gauntlett, through which improvements to the travelling experience for those with disability can be progressed.
- This work will be complemented by the ongoing work to reform the Disability Standards for Accessible Public Transport, which will further remove discrimination for people with disabilities in accessing public transport, including aviation services.
- **[IF ASKED – Regarding airport security screening]** Questions relating to airport security processes are a matter for the Minister for Home Affairs.

Key Issues

- There have been recent media reports as well as direct representations to the department outlining the experiences faced by travellers with disability when seeking to travel by air.
- It is often unclear whether responsibility for these matters lies with airline operators, airport operators or third-party ground handling staff.
- The Australian Government is responsible for the Disability Standards for Accessible Public Transport 2002 (Transport Standards) that require public transport operators and providers to ensure their services are accessible and remove discrimination for people with disability.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku

SB22-000213

-
- The Transport Standards have requirements for aircraft and airports that receive regular passenger flights, including for accessible booking and check-in, boarding, toilets and baggage.

Background

The issues, which have been raised through the media and directly by members of the Forum, can be broadly classified as:

- Airport Mobility
 - Includes availability of mobility devices, inconsistency of assistance and incidents during assistance
- Security Screening
 - Includes treatment by security staff and inconsistency of assistance

Note: Portfolio responsibility for airport security lies with the Minister for Home Affairs
- Access to Aircraft
 - Includes availability of assistance, loading/storage of mobility devices and damage to mobility devices

The AAF is a consultative forum comprising Australian Government agencies, the disability community and airline and airport operators about disability access issues in Australian aviation. The AAF is chaired by a departmental Assistant Secretary, with secretariat services also provided by the department.

Attachments

- Attachment A - Media Coverage Summary

Contact: Naa Opoku**Cleared by First Assistant Secretary:** Richard Wood**Phone:** (02) 6274 6589**Version Number:** 01**Date:** 14/10/2022

ATTACHMENT A – Media summary

Date	Publisher	Article summary	Article link	Issues involved	Reported concern
16-May-22	Sydney Morning Herald	Security refused use of the body scanner, passenger was to be patted down. Security guard walked away from vision impaired passenger.	Graeme Innes fights to change how disabled people are treated when they fly (smh.com.au)	<ul style="list-style-type: none"> • Passenger with Vision impairment • Adelaide Airport • Security Screening staff • Complaint lodged with the Human Rights Commission 	Treatment by security personnel
16-May-22	ABC news	(i) Vision impaired passenger poorly treated by airport security, (ii) Passenger with Autism and PTSD not allowed to use the body scanner, was asked to have physical pat-down. Months later passenger passed same security, had to use apology email from first incident for alternative security scan.	Airports and airlines on notice after people with disability speak out about humiliating treatment - ABC News	(i) <ul style="list-style-type: none"> • Passenger with Vision impairment • Adelaide Airport • Security Screening staff (ii) <ul style="list-style-type: none"> • Passenger with Autism and PTSD • Perth Airport • Security Screening staff 	Security consistency and standards of behaviour
02-Jun-22	Sydney Morning Herald	Paralympian not allowed on flight with wheelchair.	Paralympian Karni Liddell blocked from boarding Jetstar flight with wheelchair (smh.com.au)	<ul style="list-style-type: none"> • Wheelchair reliant passenger • Jetstar staff • Brisbane Airport 	Loading, storage and unloading of mobility/assistance devices
08-Jul-22	The Guardian Australia	Passengers with reduced mobility waiting for assistance in the air bridge were told there were no wheelchairs immediately available.	‘This was indignity’: passenger with disability left without wheelchair at Sydney airport Disability The Guardian	<ul style="list-style-type: none"> • Passenger with spinal injury • Thai Airways • Sydney Airport 	Availability of wheelchairs Availability of assistance

ATTACHMENT A – Media summary

22-Jul-22	7NEWS	Passenger waited at gate for hours for personal wheelchair to be disembarked from aircraft.	Qantas leaves angry Melbourne wheelchair user stranded at airport gate 7NEWS	<ul style="list-style-type: none"> • Wheelchair reliant passenger • Qantas Airways • Melbourne Airport 	Loading, storage and unloading of mobility/assistance devices
05-Aug-22	The Guardian Australia	Airline refused to help passenger transfer from custom electric wheelchair into an “aisle chair”.	Passenger kept from boarding after Jetstar’s refusal to assist with wheelchair makes discrimination complaint Human rights The Guardian	<ul style="list-style-type: none"> • Wheelchair reliant passenger • Jetstar staff • Sydney Airport • Complaint lodged with the Human Rights Commission 	Availability of assistance
26-Aug-22	Traveller.com.au	A passenger who was told she couldn't board flight in a wheelchair due to windy weather.	'Too windy': Disabled woman not allowed to board Jetstar flight (traveller.com.au)	<ul style="list-style-type: none"> • Wheelchair reliant passenger • Jetstar • Melbourne Airport 	Environmental factors (Wind etc)
11-Sep-22	News.com.au	Two elderly non-english speaking ‘priority care’ customers in wheelchairs were left stranded in Bangkok when airline cancelled flight back to Australia. Airline removed both passengers from wheelchairs and left them in the terminal.	Jetstar abandons elderly couple as Alan Joyce gets pay rise news.com.au — Australia’s leading news site	<ul style="list-style-type: none"> • Two wheelchair-assisted passengers • Jetstar staff • Bangkok Airport 	Availability of assistance

ATTACHMENT A – Media summary

05-Oct-22	SBS	A passenger's wheelchair was damaged with the airline reportedly initially refusing to cover the cost of the "minor" repairs.	Zoe's wheelchair was damaged on a flight. Qantas initially refused to repair it SBS News	<ul style="list-style-type: none"> • Wheelchair-assisted passenger • Qantas Airways • Sydney to Canberra flight 	Damage to mobility equipment during loading and storage
14-Oct-22	Daily Mail Australia	Staff unavailable to assist domestic transfer out of Sydney.	Qantas passenger who is disabled forced to miss two flights and wait six hours to return to Brisbane Daily Mail Online	<ul style="list-style-type: none"> • Wheelchair reliant passenger • Qantas Airways staff • Sydney Airport 	Availability of assistance Consistency of assistance
14-Oct-22	Daily Mail Australia	Model 'thrown' from their wheelchair and left with a concussion	Model Akii Ngo gets concussion after Jetstar worker accidentally knocks her out of her wheelchair Daily Mail Online	<ul style="list-style-type: none"> • Wheelchair reliant passenger • Jetstar staff • Adelaide Airport 	Incidents during assistance

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku

SB22-000217

SUBJECT: OneSKY**Talking Points**

- The One Sky Program has been designed to deliver benefits to airspace users by maximising the use of available airspace volumes through a single air traffic management system. The program will optimise of Australia's airspace for civil and military aviation encompassing improved access to available airspace, better fuel planning, utilisation of preferred routes and optimal flight levels.
- The program has been subject to some slippage, in part due to COVID-19 pandemic and ensuing travel restrictions which have resulted in disruptions to global supply chains and reduced access to specialist technical staff, which introduced a delay to Civil Military Air Traffic Management System (CMATS) delivery. Existing air traffic control systems will remain operational until the new system is deployed.
- In the last quarter of 2022, Airservices, Defence and Thales Australia will settle an updated single common schedule for the delivery of CMATS. Airservices and Defence continue to work closely with Thales to improve performance and prevent further delays to CMATS by delaying milestone payments and intensifying project oversight and governance.
- **[If asked - What funding has been allocated to Airservices OneSKY project and has the project been delayed?]**
 - The OneSKY project is expected to be completed within budget, noting there will some additional out-of-budget costs to Airservices for extended program management and to support existing services until the project is finalised.
 - Airservices has advised that delays to the program have been incurred due to resourcing and logistical challenges that were exacerbated by COVID-19 restrictions.
 - In response, Airservices and Defence have intensified reporting, oversight and contractual measures to seek to minimise these impacts as far as practical.
- **[If asked – regarding further details on OneSKY program]** Questions on program details should be referred to Airservices Australia as the lead program agency.
- **[If asked – regarding Defence areas of the program]** Questions relating to AIR 5431 Phase 3 should be directed to the Department of Defence.

Key Issues

- The Civil Military Air Traffic Management System (CMATS) currently has a projected delay of 18 to 24 months. Governance and reporting measures have been strengthened to enable identification and treatment of emerging risks and issues.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Naa Opoku

SB22-000217

Background

- The OneSKY Program is the most complex transformation of air traffic management in Australian aviation history. CMATS is the major component of the program that will replace the current independent civil and military systems that are both approaching the end of their working lives.
- The new system will accommodate growth in air traffic, facilitate advancements in aviation technology, reduce complexity for controllers and pilots, bolster air traffic service resilience, and enhance national security.
- CMATS will replace the existing separate air traffic management systems of both Airservices and Defence.
- Airservices and Thales signed contracts to acquire and support the CMATS project in February 2018.
- Airservices is the lead agency for the acquisition of CMATS, which is being delivered by Thales Australia, a subsidiary of Thales, a major French aerospace and defence multi-national.
- AIR 5431 Phase 3 is the Defence-related component of CMATS, and is being delivered through an On-Supply Agreement between Airservices and Defence.

Financial Information as at 31 August 2022

- CMATS has a current total contracted price of \$1.2 billion. The total OneSKY Program remains within the \$2.07 billion allocated budget.
- The program is expected to be completed within its overall budget, though contingency funding is likely to be exhausted.
- OneSKY, with the exemption of the component related to Defence, is financed by Airservices' ordinary revenue streams and debt. Airservices revenue has been supplemented by Government appropriation during the pandemic.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Paula Stagg

SB22-000193

SUBJECT: Land and Maritime Supply Chain Issues**Talking Points**

- Australian supply chains continue to face compounding disruptions from a shortage of skilled workers, high container shipping costs and ongoing impacts from COVID-19 and a severe flu season.
- The Australian Government is working closely with industry, state and territory governments, and international partners to keep freight moving.

If raised: AdBlue or Diesel Exhaust Fluid (DEF)

- On 15 September, the Government announced a package of measures to support the resilience of the DEF market in Australia.
- Questions on this package should be directed to the Department of Climate Change, Energy, the Environment and Water.

Key Issues

- Australian supply chains have faced a range of significant disruptions over the past two years. The Government is actively engaged on these issues to ensure supply chains remain resilient and deliver for Australians.
 - The Prime Minister held a Jobs and Skills Summit in September 2022.
 - The Bureau of Infrastructure and Transport Research Economics in the Department of Infrastructure, Transport, Regional Development, Communications and the Arts is currently conducting a Road and Rail Supply Chain Resilience Review, which is expected to be complete by the end of 2022.
- The Government is also planning and preparing for possible future disruptions, such as potential disease incursions, including Foot and Mouth Disease or Lumpy Skin Disease, which have the potential to impact supply chains.

Transport Sector Skills Shortage

- Detailed questions on these arrangements should be directed toward the Department of Agriculture, Fisheries and Forestry.
- Australia's transport sector is experiencing a critical shortage of skilled workers, with sector-wide vacancies reaching their highest level in at the last 12 years.
- Specific occupations experiencing acute skills shortages include truck drivers, train drivers and aircraft maintenance engineers.
- These shortages are primarily driven by economy-wide factors, including tight labour markets, increased freight demand, and reduced migration during the COVID-19 pandemic.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Paula Stagg

SB22-000193

Maritime and Shipping Issues

- Shipping is a global market and demand has outstripped supply since mid-2020, particularly in the container market, with higher freight rates and delays both in Australia and globally.
- Global container freight rates continue to fluctuate but have been trending downwards since peaking in mid to late 2021. Global container shipping schedule reliability remains low but has improved from a historic low of around 30 per cent in January 2022 to around 40 per cent in July 2022.
- The Government has committed to enhance Australia's maritime capabilities by establishing a strategic fleet of up to 12 vessels that will be Australian flagged and crewed, and can be called upon by the Government in times of national crisis.

AdBlue, or Diesel Exhaust Fluids (DEF)

- With the impending closure of Incitec Pivot's Gibson Island manufacturing facility at the end of this year, the Minister for Climate Change and Energy announced on 15 September 2022 a \$49.5 million package of measures to support the resilience of the AdBlue market in Australia including:
 - a government controlled strategic stockpile of 7500 tonnes of Technical Grade Urea (TGU) providing an additional five weeks of supply beyond industry stock levels in case of a supply shortage
 - a competitive grants program to support sovereign capability and manufacturing projects that will look to produce TGU domestically
 - collection of voluntary data provided by industry to provide market awareness of TGU and diesel exhaust fluid domestic stocks.

BackgroundAdBlue, or Diesel Exhaust Fluids (DEF)

- There were major global and domestic shortages of technical grade urea (TGU), the key component of DEF, in late 2021-early 2022.
- In November 2021, Incitec Pivot announced that its Gibson Island facility will no longer manufacture TGU from end December 2022. Apart from the Gibson Island facility, the Australian DEF supply market is comprised of manufacturers who source TGU from overseas suppliers and blend the TGU with deionised water to make DEF.
- As at September 2022, Australia is well-supplied on DEF and there are no forecast shortages. However, the closure of Incitec Pivot's Gibson Island urea production facility in December will increase Australia's vulnerability to disruptions in the international market in the short to medium term.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Paula Stagg

SB22-000193

Impacts of COVID-19 and winter flu season

- While Australia has come through the latest wave of COVID-19 infections, the Transport sector broadly continues to suffer from ongoing impacts of COVID-19 and a severe flu season over winter.
- The isolation period for people with COVID-19 has been reduced from 7 days to 5 days.

Potential future supply chain disruptions

- The Government is actively working with state and territory governments and a range of industries to prepare for future disruptive events: for example, possible disease incursions of Food and Mouth Disease and Lumpy Skin disease.
 - The department has participated in simulated discussions which have been used to canvas preparedness across all governments and key industries which would be impacted, including the Transport sector (primarily road transport).

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Rural and Regional Affairs and Transport

Lead/Support contact: Paula Stagg/s47F

SB22-000194

SUBJECT: Heavy Vehicle Safety and Productivity**Key Points**

- The Australian Government is committed to supporting the heavy vehicle industry.
- The Government leads or supports delivery of policies and projects that contribute to the industry's productivity, as well as its safe, sustainable and efficient operation.
- The Government has made an \$80 million election commitment dedicated to heavy vehicle rest areas nationally [*refer to Infrastructure Investment Division (IID) for details*].
- At the 5 August 2022 Infrastructure and Transport Ministers' Meeting (ITMM), Ministers agreed to progress a set of legislative and non-legislative reforms to the Heavy Vehicle National Law (HVNL) to improve heavy vehicle productivity and safety, recommended by Mr Ken Kanofski.
- The Government has committed \$5.6 million for Round 7 of the Heavy Vehicle Safety Initiative (HVSII), taking total funding committed to approximately \$33.6 million.

Key IssuesHVNL Review update

- Implementing the reforms agreed at the 5 August 2022 ITMM will deliver a simpler law that supports greater productivity and safety for the heavy vehicle industry.
- Key reforms include:
 - removing 90 per cent of road access permits over the next five years by implementing a national system to automate access approvals;
 - simplifying fatigue rules and increasing flexibility for operators;
 - refocusing enforcement from administrative errors to systematic breaches; and
 - specific offences for off-road parties who influence heavy vehicle safety.
- A public version of the report is available on the ITMM website.
- Ministers settled governance and responsibilities for implementing reforms at the September 2022 ITMM.
- Industry is broadly supportive of the reforms and will continue to be engaged through their implementation.

Other Australian Government initiatives to improve heavy vehicle safety and productivity

- Applications for Round 7 of the HVSII opened on 26 November 2021 and closed 14 February 2022.
- Successful projects under Round 7 include a project encouraging safer driver behaviour through telematics and a project to deliver high quality, innovative and holistic training to attract new drivers into the heavy vehicle industry.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000194

- The 2021-22 Budget included \$12.1 million over three years to the NHVR to deliver stage 2 of the **Strategic Local Government Asset Assessment** Project (SLGAAP), bringing total funding for this program to \$20.1 million.
- SLGAAP assists local government road managers to undertake capacity assessments of bridges and culverts on key routes to help better understand safe operating limits of road infrastructure and provide heavy vehicle access where it is safe.

[If asked about establishing a tribunal to set road transport sector pay and conditions]:

- The Employment and Workplace Relations portfolio has responsibility for workplace conditions.
- From the 1-2 September 2022 Jobs and Skills Summit, an area for further work is to “consider allowing **the Fair Work Commission to set fair minimum standards to ensure the Road Transport Industry is safe, sustainable and viable**”.
 - The Government will consult stakeholders on their call for an independent body to set fair minimum standards to ensure the industry is safe, sustainable, and viable.

BackgroundHVNL Review

- The National Transport Commission (NTC) commenced the review in late 2018. It was a back to basics review of the HVNL from first principles.
- In early 2022, stakeholders expressed concern with the NTC’s leadership of this work. In February 2022, Ministers appointed independent advisor Mr Ken Kanofski to lead further stakeholder consultation.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Paula Stagg/s47F

SB22-000194

Financial Information as at 31 August 2022**Table 1: HVSI Financial Information**

Program Start Date:	2016-17					
Program End Date:	n/a (Ongoing)					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	5.5	5.5	5.6	4.2	4.2	25.0
Less:						
Actual Expenditure YTD at 31 August 2022	5.5	5.5				
Total Committed Funds at 31 August 2022	5.5	5.6	5.6	-	-	16.6
Total Uncommitted Funds (balance)	0	0	0	4.2	4.2	8.4

Note: All figures rounded from three decimal places. Figures may not add correctly due to rounding.

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

Table 2: SLGAAP Financial Information

Program Start Date:	2019-20					
Program End Date:	2023-24					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	4.0	4.0	4.0	4.0	-	16.1
Less:						
Actual Expenditure YTD at 31 August 2022	4.0	4.0				
Total Committed Funds at 31 August 2022	4.0	4.0	4.0	4.0	-	16.1
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Note: All figures rounded from three decimal places. Figures may not add correctly due to rounding.

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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Version Number: 1

Date: 26/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Paula Stagg

SB22-000195

SUBJECT: Disability Transport Standards**Talking Points**

- The Australian Government recognises the importance of safe, accessible public transport to allow all Australians to participate fully in the community.
- The Disability Standards for Accessible Public Transport 2002 (Transport Standards) aim to remove discrimination against people with disability from public transport services.
- The Australian Government is continuing to work with state and territory governments and the public transport industry to understand barriers to meeting compliance deadlines.
- A reform process to address shortcomings in the Transport Standards identified by people with disability and the public transport industry is currently underway.
- I am aware of recent experiences shared by people with disability regarding accessibility issues at airports and on aircraft.
 - This was discussed by the Aviation Access Forum at its meeting on 10 October and it was agreed to establish a working group to explore the issues. The Forum includes representatives from the disability advocacy organisations, the aviation industry and government.
 - If someone believes they have been discriminated against, they can lodge a complaint with the Australian Human Rights Commission.

Key Issues

- Previous reviews of the Disability Standards for Accessible Public Transport 2002 (Transport Standards) have found they may not be meeting the needs of people with disability or providing sufficient flexibility to operators and providers.
- Transport Ministers agreed to reform the Transport Standards in August 2019 to ensure they remain fit for purpose and meet the current needs of Australian society.
 - Final recommendations on the reforms will be provided for consideration at the Infrastructure and Transport Ministers Meeting in mid-2023.
- The Transport Standards require the majority of public transport networks and associated infrastructure (apart from trains and trams) to be fully accessible by the end of 2022.
 - Previous reviews of the Transport Standards and recent media have noted that this compliance deadline is unlikely to be met in most jurisdictions.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Paula Stagg

SB22-000195

- Obligations under the Transport Standards apply to aircraft and all airports, including requirements for accessible check-in, boarding and baggage.
 - Recent media coverage has highlighted a number of accessibility concerns relating to aviation services, such as staff training, which will be addressed through the current reform process. Most of these issues, however, are not covered by the current reform process.
 - There will be opportunities to identify areas of future reform through the upcoming 2022 statutory review of the Transport Standards.
- Complaints of disability discrimination may be lodged with the Australian Human Rights Commission. The Commission has the power to investigate and attempt to conciliate complaints of disability discrimination.
 - If conciliation is unsuccessful, in certain circumstances legal proceedings may be commenced regarding the complaint in the Federal Court of Australia or the Federal Circuit and Family Court of Australia.

Background

The reform process is split into two stages. Transport Ministers agreed options for 16 reform areas in Stage 1 on 11 February 2022. Public consultation on a further 54 reforms in Stage 2 has recently concluded and will be considered by Ministers in mid-2023.

A summary of recent media coverage of aviation accessibility issues is included at **Attachment A**.

Attachments

- Attachment A – Media Summary

Attachment A

- Traveller, 26 August 2022 – On August 18, a woman who uses a wheelchair was told that due to windy conditions, Jetstar were unable to operate their wheelchair lift and she therefore would be unable to board the flight with her fellow travelers to the Gold Coast. She was later rebooked onto an alternative Qantas flight to Brisbane with access to an aerobridge for boarding and a taxi service to the Gold Coast from Brisbane airport.
- Guardian Australia, 8 July 2022 – In early June, a man with severe spinal cord damage and nerve pain had to wait for over an hour on an aerobridge at Sydney airport before receiving wheelchair assistance. Neither the airport, airline (Thai Airways), or ground handling contractor accepted responsibility for the delay.
- Sydney Morning Herald, 2 June 2022 – On 1 June 2022, Paralympian Karni Liddell was informed by ground staff at Brisbane airport that she could not take her wheelchair on her Jetstar flight as it contained a lithium-ion battery. Ms Liddell says she had a dangerous goods certificate issued by both Qantas and Jetstar, but was told she had to give five days' notice and fill in additional documentation to transport her wheelchair on the flight. Rechargeable lithium batteries are considered to be dangerous goods due to their volatility in high temperatures and flammable nature.
- ABC News, 15 May 2022 – On 13 May 2022, former Disability Discrimination Commissioner Graeme Innes was at Adelaide Airport and alleges he was refused access to the body scanner at security screening. Mr Innes was instead asked to use a walk-through X-ray scanner, with his guide dog put through separately. It is alleged a security guard then told Mr Innes he needed to be patted down despite not triggering the security alarm (the dog triggered the alarm). The guard turned their back on Mr Innes when he was speaking to them (not realising Mr Innes was with a colleague who could see the guard's behaviour).
 - Mr Innes announced he would be lodging a complaint 'under the DDA and the Disability Transport Standards against the **Federal Department of Transport, Virgin Airlines, Adelaide Airport** and the company which provides security clearance services at that airport'.
 - Mr Innes indicated to the Department he has two objectives with the complaint. One is to address the specific issue he experienced, but he also wants to use it as the starting point for tackling broader issues of discrimination in airports.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Johnson

SB22-000196

SUBJECT: Maritime COVID-19**Talking Points**Maritime Response Group

- Between February 2020 and June 2022, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts convened a 'Maritime Response' teleconference with Australian Government agencies, state and territory government agencies, unions, ports, and industry bodies to facilitate information sharing and discuss issues arising within the maritime industry as a result of the COVID-19 pandemic.
- Key issues discussed included impacts of 'working with COVID,' seafarer vaccination, maritime crew changes, border closures, quarantine and other public health requirements on the maritime industry.

Shipping costs and supply chain disruptions

- Shipping is a global market and demand has outstripped supply since mid-2020, particularly in the container market, with higher freight rates and delays both in Australia and globally when compared to pre-pandemic levels.
- In Australia, shipping supply chain disruptions have been driven by a combination of factors such as higher demand for imported containerised goods, international terminal closures due to COVID-19 outbreaks, landside container congestion, industrial disputes, and adverse weather events.
- Given Australia accounts for 1-2 per cent of global container trade, the Australian Government has limited ability to influence the supply of containers and freight rates.
- Despite disruptions, Australian ports have handled the same or higher volume of sea freight since the beginning of the COVID-19 pandemic.

Cruise restart

- From 17 April 2022 the Australian Government lifted the Biosecurity Determination which prohibited cruising in Australian waters.
- Cruising is required to comply with state health orders and Australian Government customs and border control measures.
- State governments have established the east coast cruise protocols in consultation with the cruise industry to manage the health risks relating to COVID-19.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Johnson

SB22-000196

Background

- Australia is reliant on maritime trade. Approximately 99 per cent of Australia's trade by tonnage and around 80 per cent by value is moved by ship.
- Global container freight rates remain higher than pre-pandemic levels but appear to have peaked and are trending downwards from historic highs.
 - Data from *Freightos* shows the cost to ship a 40-foot container from China to the US West Coast is down more than 70 per cent from mid-January 2022.
 - *Freightos* data also shows that shipping a 40-foot container from Asia to Europe is down more than 40 per cent compared with January 2022.
 - Freight rates to and from Australia have followed a similar downward trend.
- Global container shipping schedule reliability remains low but has improved from a historic low of around 30 per cent in January 2022 to around 40 per cent in July 2022.
- Some Australian shippers have reported difficulty sourcing appropriate containers for their products due to a continuing imbalance in available container types.
- The department continues to work closely with Australian Government agencies, state and territory governments, unions, ports and the maritime industry to keep freight moving efficiently during the pandemic.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Johnson

SB22-000197

SUBJECT: Strategic Fleet Taskforce**Talking Points**

- Rebuilding Australia's shipping capabilities is a priority for the Australian Government.
- None of the vessels our nation relies upon to deliver essential supplies such as liquid fuels, industrial inputs and containerised goods are registered in this country or crewed by Australians.
- The Government is committed to strengthening Australia's economic sovereignty and national security by establishing a strategic fleet of up to 12 Australian-flagged and crewed vessels.
- As a first step, the Government has appointed a Taskforce to provide advice and guide decision-making on establishing the fleet. Members of the Taskforce include:
 - Mr John Mullen (Chair) and
 - Ms Angela Gillham, Mr Paddy Crumlin, Dr Sarah Ryan, Major-General Jason Walk.
- The Terms of Reference are available on the Department of Infrastructure, Transport, Regional Development, Communications and the Arts website.
- The Terms of Reference specify that the Taskforce provide initial advice by the end of the year with a final report due by the end of June 2023.
- It is expected that vessels in the strategic fleet will be privately-owned and operate on a commercial basis but be available for requisition in times of national crisis, such as natural disaster or conflict.
- The strategic fleet will provide important training opportunities and employment pathways for Australia's seafaring workforce, helping ensure trained and qualified people are available to secure the operations of our shipping and ports for the future.

Key Issues

- The five members appointed fulfil the Government's commitment of representation from across the shipping industry to deliver the strategic fleet.
- The Government's announcement said the fleet would likely include tankers, bulk cargo, container and roll-on roll-off vessels.
- The Taskforce will provide advice on how to best enforce existing coastal shipping laws and any legislative or regulatory reforms required to reinvigorate Australian shipping.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Johnson

SB22-000197

Background

- Australia is the world's fifth largest user of shipping, predominantly for export of commodities such as iron ore, coal, and liquified natural gas (LNG).
- In 2021, there were 26,400 arrivals into Australia by 6170 unique foreign vessels.
- In terms of major cargo vessels, Australia has:
 - four vessels that carry LNG internationally from Western Australia to Japan
 - 11 vessels in the major coastal trading fleet that carry domestic cargo between Australian ports, of which 8 operate exclusively between Tasmania and Victoria.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Mike Makin

SB22-000198

SUBJECT: Road User Charging Reform**Talking Points**

- Australian Government fuel excise revenue is expected to decline in future, due to improving fuel efficiency of the vehicle fleet and the increased take up of vehicles that don't consume fuel. Fuel excise revenue is an important source of road funding.
- This anticipated decline in fuel excise revenue has led to calls—from a range of organisations—to introduce distance-based road user charging as a fairer and more sustainable way to fund our roads.
- The Government is aware of this issue. As part of developing the National Electric Vehicle Strategy (NEVS), the Government has committed to consider ways to address the policy implications of declining fuel excise revenue resulting from the uptake of electric vehicles.
 - The NEVS consultation is being led by the Department of Climate Change, Energy, Environment and Water.
 - In the NEVS consultation paper, the Government has indicated it wants to hear proposals for driving demand for electric vehicles while also providing a revenue source to help fund road infrastructure. [Question 18 on p14 of the NEVS consultation paper]
- One area that stakeholders may wish to focus on is heavy vehicles, where Australia already has a system for setting nationally consistent charges to recover the cost of road use.
 - Electric trucks and buses are not able to contribute equally to their use of roads under that existing system, when they don't pay any fuel excise.
- When it comes to light vehicles, some states have already legislated a distance-based road user charge for electric cars. The Victorian legislation is subject to a High Court challenge (the *Vanderstock* case), so we will need to await the outcome of that for clarity around constitutional powers to set such charges.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts has been progressing some relevant work in recent years.
 - The National Heavy Vehicle Charging Pilot is testing with road freight operators better ways of charging for road use than the current system based on fuel consumption and registration fees. Some electric trucks and buses will be included in the Pilot.
 - We are currently updating our estimates of the potential impact of electric vehicle uptake on road-related revenue for all governments.

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Rural and Regional Affairs and Transport

Lead/Support contact: Mike Makin

SB22-000198

The following organisations have called for (or support) the introduction of road user charging in Australia:

- NRMA
- Australian Automobile Association
- Infrastructure Partnerships Australia
- The Federal Chamber of Automotive Industries
- Victorian Transport Association
- NatRoad
- Australian Logistics Council
- NSW Freight Transport Advisory Council
- Infrastructure Australia
- Productivity Commission
- Electric Vehicle Council

National Heavy Vehicle Charging Pilot

- The Government has allocated \$9.8 million over five years to 2023 for on-road trials testing direct road use charging options for heavy vehicles, based on distance driven and the weight of the vehicle.
- Two smaller scale trials are already complete. These trials tested the feasibility of telematics to determine distance travelled; and a co-designed mock invoice comparing current charges to a potential future direct road user charging approach. The first small scale trial has been evaluated and its recommendations have been incorporated into the next trial phases.
- The next trial phases are running this year, testing the feasibility of manual distance measuring devices called hubodometers along with a pre-paid mock permit system. A tender process is currently underway for the use of telematics devices with a range of different charging models and a third-party invoicing system, allowing participants to compare potential charges with the current PAYGO system. Up to 100 heavy vehicle operators and 2000 vehicles and expected to participate.
- Investigating different ways to collect heavy vehicles charges will build the evidence base for future government decisions around moving to a more sustainable charging framework.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Madsen / Mike Makin

SB22-000199

SUBJECT: Connected and Automated Vehicles**Talking Points**

- Connected and automated vehicles are expected to deliver significant benefits for Australians, such as improved transport safety, accessibility, productivity and sustainability.
- Australia's road rules require a driver to be in control of a vehicle at all times. Allowing a vehicle to operate autonomously is therefore currently illegal on public roads in Australia. Some limited exceptions are made to enable trials of automated vehicles (AVs) in carefully planned situations.
- Features such as adaptive cruise control and lane keep assistance/lane departure warning that are available in newer vehicles are classified as Advanced Driver Assistance Systems (ADAS). When these features are engaged, the driver is still considered to be driving the vehicle and must constantly supervise and remain attentive, with their hands on the steering wheel. Vehicles with these features are not classified as automated vehicles.
- In March 2022, a model 3 Tesla utilising ADAS technologies collided with a person trying to get onto a tram, causing critical injuries. On-road vehicle use and driver behaviour remains a state and territory responsibility.
- Current state-based regulation is not fit for regulating AVs as it focuses on a human driver as being responsible for the vehicle at all times. In an automated vehicle the Automated Driving System (ADS) will perform the driving task, either at dedicated times or always, depending on the vehicle's automation level.
- Internationally, a number of countries are introducing arrangements for AV deployment. For example, Germany has already passed legislation to support level 4 automated vehicles in pre-defined operational domains, where human intervention is not required but can be made. Commercially available vehicles with level 3 automated features are now operating on-road in Germany and Japan. The Japanese government is preparing to introduce a new law to allow level 4 automated vehicles which would come into effect in 2023.
- The Australian Government is working with states and territories through the Infrastructure and Transport Ministers' Meeting to develop a comprehensive framework that ensures automated vehicles are safe when supplied to market, and can safely and legally operate on our roads, commencing by 2026.

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Rural and Regional Affairs and Transport

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SB22-000199

Key IssuesTesla and ongoing safety concerns in Australia

- Australian Road Rules, as implemented by the states and territories, do not currently permit the operation of highly or fully automated vehicles, except where automated vehicle trials are operated as agreed and supported by state and territory road agencies.
- Tesla's Autopilot is a suite of ADAS features, rather than a highly or fully automated driving system. Current Tesla 'Autopilot' features require active driver supervision.
- The Government regulates vehicle design to set nationally consistent standards at first supply, including for vehicle technology, while the states and territories regulate on-road vehicle use and behaviour.
- States and territory agencies are responsible for investigating serious accidents of vehicles using Australian roads.
- The Government recognises that a national approach is important to the safe and successful deployment of automated vehicles in Australia.
- Transport Ministers from all jurisdictions are working on the development of an appropriate regulatory framework to ensure that automated vehicles can operate safely and legally on public roads when they are commercially available.

What is being done in terms of driver training to address driver assistance technologies?

- Austroads' Registration and Licensing Task Force has a project underway on *Incorporating advanced driver assistance systems into driver licensing, education and training practices* (Ref: SRL6287).
- The project's aim is to improve the knowledge and skills required by drivers to safely operate vehicles equipped with ADAS. Outputs from the project will include a research report and guidelines for incorporating ADAS into practical driver licence testing.

What is the government doing to support the uptake of new vehicle technologies?*Office of Future Transport Technology (OFTT)*

- The OFTT provides national leadership to support the deployment of future land transport technologies, including connected and automated vehicles and cooperative intelligent transport systems (C-ITS). C-ITS allows connected vehicles to communicate with each other, roadside infrastructure and other wireless services to improve road safety.
- A key focus of the OFTT is the development of the automated vehicle safety law and regulator.

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Lead/Support contact: Andrew Madsen / Mike Makin

SB22-000199

- The OFTT has undertaken work with Queensland, NSW and Austroads on C-ITS deployment models that found national consistency in implementation is essential to achieve the level of interoperability required to realise its full benefits.
- The OFTT contributed \$100,000 towards the cost of the security credentialing element of Queensland's C-ITS trial in Ipswich.

Developing Australian Design Rules (ADR)

- The Government is developing a draft Australian Design Rule (ADR) for automated vehicles when first supplied to the Australian market.
- The draft ADR 90/01 contains the Statement of Compliance and the safety requirements applicable to vehicles with Automated Driving Systems and underwent consultation mid-last year and is being revised.
- International progress on vehicle standards development continues to be monitored via participation in United Nations working parties, covering standards that underpin automated vehicle safety such as cybersecurity and software updates.

Integrating smart transport technologies in infrastructure investment

- The Government makes significant investments in land transport infrastructure across Australia through its Infrastructure Investment Program, including supporting the integration of smart technologies. For example:
 - the Kwinana Freeway (WA), where technology allows the Main Roads' Network Operations Centre to manage traffic on the freeway in real time as required.
 - the Bruce Highway (QLD) – Managed Motorways Stage 2 – Gateway Motorway to Caloundra Road Interchange Project, which will deliver signalling, signage, detection and monitoring to enable real-time traffic management, communication and data capture. Construction on the \$105 million project (80 per cent funded by the Australian Government) is expected to be completed in early 2024.

What is happening with updating the National Policy Framework for Land Transport Technology and developing the next Action Plan?

- Action Plan implementation is a joint effort between the Australian Government, states and territories, the NTC and Austroads. Progress against key priorities is reported annually – the 2021 progress update is available on the Department's website – www.infrastructure.gov.au/OFTT
- The current Action Plan is coming to the end of its life and the Policy Framework is now 6 years old. In light of advances in technology, the current policy agenda of the Australian Government, and the ITMM decisions in relation to the AVSL, it is timely to revisit these documents.

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SB22-000199

- This work is being progressed through the multi-jurisdictional National Land Transport Technology Action Plan Working Group, for consideration by ITMM before the end of next year (to enable a new Action Plan to commence in 2024).

BackgroundTesla and ongoing safety concerns in USA and other countries

- In June 2022 the US National Highway Traffic Safety Administration (NHTSA) released figures for the number of car crashes involving vehicles equipped with level 2 ADAS between July 2021 and May 2022. Out of 392 accidents reported, 273 (approximately 70 per cent) involved Tesla vehicles. However, these numbers cannot be taken at face value as more analysis is required before drawing conclusions as there are several reasons why Tesla may be proportionally highly-represented.
- In August 2021, the NHTSA opened a Preliminary Evaluation into the performance of Tesla's Autopilot after eleven incidents of Tesla vehicles crashing into parked first-responder vehicles while Autopilot was engaged. After becoming aware of more crashes while Autopilot was activated, in June 2022 the NHTSA upgraded its investigation to an Engineering Analysis, a more intensive investigation required before a recall can be ordered. An estimated 830,000 Tesla vehicles may be affected.
- In late 2021, Tesla also rolled out a beta software update in the USA which allows for potential rapid expansion of its controversial Full Self-Driving (FSD) capability, and ADS suite of technologies. FSD has also been launched in Canada in February 2022. Tesla continues to issue FSD updates to selected vehicles, however no date has been set for FSD rollout in Australia.
- A US regulator, the National Transportation Safety Board (NTSB), has been critical of Tesla's FSD and use of related terms. The NTSB Chair stated Tesla has '*misled numerous people to misuse and abuse technology...it should first address basic safety issues*'.
- In October 2021 Tesla filed a recall for 12,000 vehicles with the US Government National Highway Traffic Safety Administration, to fix an FSD software update that could lead to false collision warnings resulting in unnecessary automated emergency braking. Tesla has cancelled or reverted the software update on the affected vehicles, and has not identified any related crashes or injuries.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Mike Makin

SB22-000200

SUBJECT: Fuel Tax Credits and Road User Charge**Talking Points**Fuel Tax Credits

- The halving of fuel excise ('fuel tax') from 30 March until 28 September was legislated as part of the March 2022 Budget. It was an across-the-board measure introduced by the previous government to provide some relief to general cost of living pressures.
- Heavy vehicle operators are only eligible for Fuel Tax Credits when they pay more in fuel tax than the Road User Charge. The temporary fuel tax reduction meant heavy vehicle users were not eligible for Fuel Tax Credits for fuel purchased in this six-month period.
- Some heavy vehicle operators rely on Fuel Tax Credits when quoting freight fees, to offset other business costs and other tax liabilities.
- The Australian Taxation Office is aware the temporary loss of Fuel Tax Credits may have caused cash flow difficulties for some heavy vehicle operators. Where a net tax payment is due, the ATO can work with affected businesses on payment arrangements.
- The fuel tax returned to its previous rate, plus indexation, on 29 September. Heavy vehicle operators are again be able to claim back Fuel Tax Credits (18.8 cents per litre).
- Questions around fuel tax and the temporary cut should be directed to the Treasury.

Road User Charge

- On 13 September 2022, Minister Catherine King announced the heavy vehicle Road User Charge has increased from 26.4 cents per litre to 27.2 cents per litre, effective 29 September.
- This decision is in line with the April decision of Infrastructure and Transport Ministers (ITMM) to increase charges by 2.75 per cent, and follows extensive public consultation.
 - Heavy vehicle registration charges have also risen by 2.75 per cent, in all the eastern states and territories.
- All governments and industry support the principle that heavy vehicle operators should contribute towards the costs of roads.
- The 2.75 per cent increase, as recommended by the National Transport Commission, strikes a balance between addressing the cost recovery gap and being a manageable increase for industry.
- On 14 September 2022, the National Transport Commission published a consultation paper on heavy vehicle charges to apply from 2023-24 onwards.
 - The paper includes three options for moving charges back towards cost recovery levels. One option is to increase charges by 10 per cent each year for three

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Rural and Regional Affairs and Transport

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SB22-000200

consecutive years. Even under this option, the NTC estimates the cost recovery gap would remain more than \$10 billion a year.

- Public consultation will be undertaken until Wednesday 12 October. Submissions received will help inform an NTC decision paper.

Key Issues

Some of the concerns and claims from industry are mentioned in the news article at **Attachment A**.

Fuel Tax Credits

If asked: What has the government done in response to concerns from industry about the temporary loss of Fuel Tax Credits?

- The Department, and the office of Minister Catherine King, sought to firstly understand the implications for road freight operators of the temporary loss of Fuel Tax Credits. We had a number of lengthy and informative phone and email exchanges with various industry peak bodies in April and May—principally the South Australian Road Transport Association and the Australian Trucking Association. The road freight sector is diverse, and the potential implications varied depending on things like contractual arrangements and bargaining power.
- The Department then worked closely with the Treasury and the Australian Tax Office in April through to September to monitor the situation. The ATO was able to provide confidential aggregated data on the extent of the impact on business cash flow and tax liabilities. Advice was provided to Ministers, so they had evidence on which to consider the need for a response to the issues being raised.

If asked: Has the temporary loss of Fuel Tax Credits caused widespread problems for the heavy vehicle industry?

- Because the ATO data relates to tax collection, and the ATO is bound by law to treat that information very carefully, this Department cannot share any of it with the Committee.
- This question would best be taken up with the Treasury and the Australian Tax Office, through the Senate Economics Committee.
- For any business having difficulty making tax payments, there are options available to manage those payments. We understand the ATO is working with businesses on a case by case basis.

Heavy Vehicle Charges for 2022-23

- Heavy vehicles over 4.5 tonnes pay a Road User Charge and annual registration fees, which together are intended to recover the heavy vehicle share of road costs.

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Lead/Support contact: Mike Makin

SB22-000200

- The Commonwealth has increased its heavy vehicle Road User Charge (RUC) to 27.2 cents per litre, in line with the consensus decision of Infrastructure and Transport Ministers.
 - Despite the Australian Government being in caretaker mode when ITMM voted on charges in April, Minister King is honouring the group's decision.
- The 0.8 cents per litre increase took effect from 29 September 2022, when the temporary fuel tax cut ended.

BackgroundTemporary fuel tax cut and loss of Fuel Tax Credits

- Every litre of fuel sold in Australia is subject to Commonwealth fuel excise (aka fuel tax).
- Where fuel is used as a business input, the business can claim back the full amount of fuel tax via the Fuel Tax Credits (FTC) scheme.
- Operators of heavy vehicles travelling on public roads can only claim a partial Fuel Tax Credit. Their Fuel Tax Credit is reduced by the Road User Charge (RUC), intended to **recover** the heavy vehicle share of road expenditure.
- The March 2022 Federal Budget measure to halve fuel tax for six months had an impact on the effective RUC rate that heavy vehicles paid. As Table 1 shows, while the Fuel Tax Credit for heavy vehicles used on public roads reduced to zero, the temporary reduction in fuel tax provided a net benefit for heavy vehicle operators of 4.3 cents per litre.

Table 1: How the RUC is collected as part of the Fuel Tax Credit scheme

	Prior to 30/3/22	Six months 30/3/22 to 28/9/22	From 29/9/22 onwards
Fuel tax paid at bowser	44.2c/L	22.1c/L	46.0c/L
less RUC	(26.4c/L)	(26.4c/L)	(27.2c/L)
= Fuel Tax Credit	17.8c/L	0.0 (can't be negative)	18.8c/L
Effective fuel tax/RUC paid	26.4c/L	22.1c/L	27.2c/L

Road User Charge

- In 2021, the National Transport Commission (NTC) undertook a thorough consultation with industry and government stakeholders as part of its review into the setting of heavy vehicle charges under the current PAYGO system.
- At that time, a majority of submissions from heavy vehicle industry groups supported an annual increase to charges of around two-to-three per cent, and called for those increases to be locked in for three years.

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- A subsequent public consultation by the NTC, in February-March 2022, sought views on a specific proposed increase in the RUC rate to 27.2 cents per litre. Five written submissions were received in response:
 - Three of the submissions (from the Australian Trucking Association, the National Road Transport Association and the Australian Small Business and Family Enterprise Ombudsman) did not support any increase to charges. The other two submissions (from the Australian Livestock and Rural Transporters Association and Gas Energy Australia) supported a 2.5 per cent increase rather than the proposed 2.75 per cent increase.
- In April 2022, Infrastructure and Transport Ministers voted (out of session) to increase heavy vehicle charges by 2.75% for 2022-23. While this group decision is not legally binding, states and territories have since implemented increases to heavy vehicle registration fees as follows:

	ITMM vote on 2.75 per cent increase	2022-23 heavy vehicle charge increase (%)	Implementation date
NSW	Agree	2.75	1 August 2022
VIC	Agree	2.75	1 July 2022
QLD	Agree	2.75	1 July 2022
SA	Agree	2.75	1 July 2022
TAS	Agree	2.75	1 August 2022
WA*	Abstain	2.50	1 July 2022
NT*	Abstain	1.50	1 October 2022
ACT	Agree	2.75	August 2022

*WA and NT do not participate in the ITMM charge setting process but instead take the ITMM decision into account when setting their own charges. WA and NT expenditure is still included in the national cost base.

COVID impact on business conditions

- The following statistics are provided to give a sense of the overall health of the road transport sector since the beginning of the COVID-19 pandemic.
 - Gross Value Added (GVA) by the road transport sector (which is a measure of economic activity) has increased each quarter over the last 18 months, and is now significantly above pre-pandemic levels.
 - The GVA increase for the June 2022 quarter alone was 4.9 per cent.
 - The June 2022 ABS release of *Business Conditions and Sentiments* showed that, in the Transport, Postal and Warehousing sector, 86 per cent of businesses' revenue and number of employees remained the same or increased.

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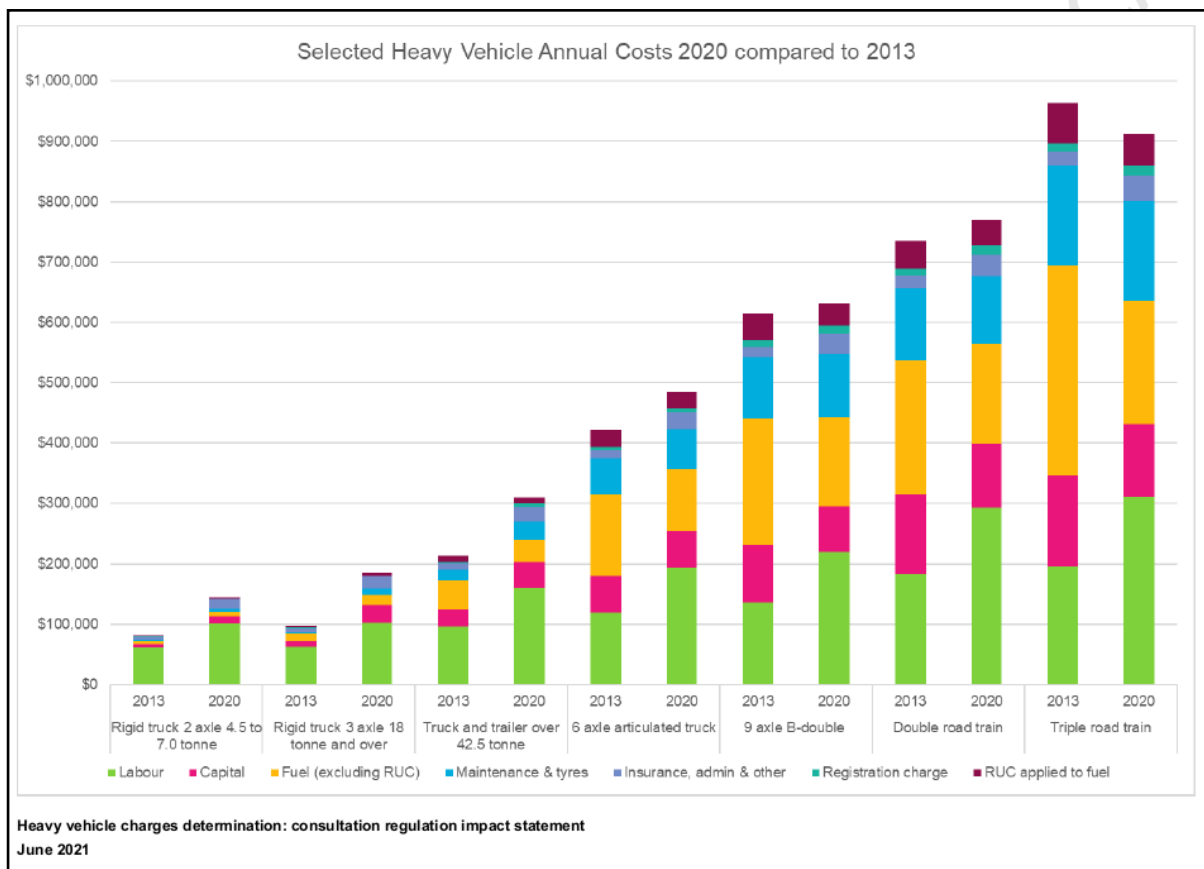
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Lead/Support contact: Mike Makin

SB22-000200

- The Bureau of Infrastructure and Transport Research Economics (BITRE) estimates that the COVID-19 pandemic has had little impact on the national total of tonne kilometres of freight carried. BITRE believes it is unlikely COVID-19 will impact the long-term growth of road freight, and forecasts steady growth in tonne kilometres of freight carried over the coming decades.
- Nonetheless, operating costs for most road transport businesses are increasing, consistent with long term trends, as shown in the chart below.



Attachments:

- Attachment A: 'Truckies facing ruin over diesel tax credit', The Australian, 22 June 2022

Contact: Mike Makin

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Version Number: 02

Date: 06/10/2022

Truckies facing ruin over diesel tax credit

By **MAX MADDISON**, JOURNALIST

8:32PM JUNE 22, 2022 •  6 COMMENTS

Infrastructure Minister Catherine King is refusing to say if Labor will provide help to the struggling trucking sector, despite calls to reinstate the diesel fuel tax credit or risk losing more than half of the industry's operators

South Australian Road Transport Association executive officer Steve Shearer warned the decision by the Morrison government to cull the 17.8 cent tax credit as part of the federal budget could have catastrophic consequences if not reintroduced ahead of the July 1 deadline.

Before the March budget, trucker drivers received a tax credit of 17.8c/litre: the difference between the 44.2c/litre fuel excise and the government's 26.2c/litre road-user charge.

But the decision to halve the fuel excise meant truckers drivers now only receive a 4.3c/litre reduction in their diesel bills, meaning they will only receive a quarter of what they were expecting.

With truck drivers due to pay their quarterly business activity statement tax obligations by September 30, many operators are facing a massive financial shortfall. Mr Shearer said three-quarters of operators had been unable to recoup the difference, and the SARTA survey indicated 57 per cent of respondents said they could be faced with bankruptcy.

Despite the pressing deadline, Ms King declined to say whether a lifeline would be offered to operators, instead saying the government was "engaging closely" with the industry in a bid to find a solution, but warned any solution would not happen in a "few short weeks".

"While the fuel tax credits are legislated to automatically return to businesses as usual when the excise returns in September, we recognise this arrangement is having a real impact on the industry, especially smaller operators and owner-drivers," Ms King told The Australian.

Ms King lashed out at the previous Coalition government for not being “honest and upfront” about how changes to the fuel excise would impact owner-drivers and transport companies.

The problem has been compounded by soaring fuel prices, with diesel and unleaded 91 fuel prices soaring from around \$1.40 per/litre in June last year to just over \$2/litre for petrol and \$2.15/litre for diesel.

Fuel prices have risen above the point when the fuel excise was halved.

Australian Food & Grocery Council chief executive Tanya Barden said the problem of rising fuel prices was being felt across the supply chain. In May, some of AGFC’s members saw packing costs rise by up to 20 per cent; fuel costs had risen by 10 to 15 per cent and “continue to rise”.

“We know that packaging manufacturers are now applying energy surcharges to the price of packaging and there will be more rises to come. Input costs are not stabilising for food and grocery manufacturers and we haven’t seen the peak,” Ms Barden said.

MAX MADDISON, JOURNALIST

Max Maddison is a federal politics reporter based in the Canberra press gallery. He began working as a journalist for The Australian in 2019, which has included time covering NSW politics at Macquarie Street. H... [Read more](#)

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Katrina Cristofani

SB22-000201

SUBJECT: Reducing transport emissions**Talking Points**

- Excluding Covid-19 impacts, transport is the second largest source of greenhouse gas emissions in Australia (see: National Greenhouse Gas Inventory). The Australian Government is committed to reducing emissions in Australia's transport sector to support the 43 per cent reduction by 2030, and net zero by 2050 commitments.
- Key measures to reduce road transport emissions are being progressed under the National Electric Vehicle Strategy, which will coordinate and manage the transition to low and zero emissions vehicle technologies.
- If the Government decides to implement a fuel efficiency standard, additional detailed consultation on the design features will be carried out to support a standard suitable for Australian conditions.
- A real-world testing program, administered by the Australian Automobile Association (AAA), will be established to help Australians drive fuel savings through informed choice.
- Improved noxious emissions standards will require manufacturers to supply cleaner internal combustion engines – for both light and heavy vehicles. As vehicle manufacturers are expected to comply with stricter noxious, greenhouse gas (GHG) and safety standards concurrently in other, larger markets, mandating Euro 6/VI in Australia will also improve our access to safer and more fuel-efficient vehicles, as well as reducing noxious emissions.
- In maritime, the Government is actively engaged in international negotiations at the International Maritime Organization to reduce GHG emissions from ships. The Government is also working with the US, Japan and India through the Quad Shipping Taskforce, and as one of the 24 signatories to the Clydebank Declaration launched at COP26 in November 2021, to establish practical green shipping corridors.
- To ensure the aviation sector's contribution to the emissions reductions task, the Government has committed to an Aviation White Paper to set the scene for the future growth and development of the sector and will also engage internationally through the ICAO.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is developing options to implement the net zero unit.

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Rural and Regional Affairs and Transport

Lead/Support contact: Katrina Cristofani

SB22-000201

Key Issues

- Australia is one of the few developed countries without a fuel efficiency standard. Fuel efficiency standards have been adopted by the European Union, United Kingdom, United States, Canada, Mexico, China, Japan, India South Korea, Saudi Arabia and New Zealand.
- EV sales in Australia are significantly behind our international peers. A number of countries or jurisdictions have announced plans to phase out the sale of petrol and diesel powered vehicles. See **SB22-000207** for more on fuel efficiency standards.
- Consumers had reported concerns with the accuracy of fuel economy labels. The Real World Testing of Vehicle Efficiency program will complement the information currently available on the Australian Government's Green Vehicle Guide website and provide consumers with accurate information about the vehicles they drive, and by extension, their running costs and emissions.
- Australia is well behind other developed economies in adopting best practice noxious emissions standards for light and heavy vehicles. Euro 6/VI vehicles are generally more fuel efficient than equivalent Euro 5/V vehicles and are often fitted with the latest safety technologies.
- Australia continues to actively participate in International Civil Aviation Organization (ICAO) consideration of environmental initiatives that reduce aviation emissions and the environmental impact of aviation operations.
- Australia has been a proponent and supporter of the ICAO established Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) since its inception in 2016 and is supporting the ICAO plan for the establishment of a Long Term Aspirational Goal (LTAG) of net zero carbon emissions by 2050 for international aviation.

BackgroundAviation White Paper

- The paper will consider all aspects of the sector, but will have a priority focus on how to maximise the sector's contribution to achieving net zero carbon emissions.
- One area of focus for the White Paper is how to maximise the aviation sector's contribution to achieving net zero carbon emissions, including through sustainable aviation fuel and emerging technologies.
- On 14 July 2022, the Minister announced intent to establish a group along the lines of the Jet Zero Council seen in the UK or the Council for Sustainable Aviation Fuels in Canada. This step is another example of the commitment to advance net zero emissions across the economy, as well as leading action to reduce emissions here and abroad.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Katrina Cristofani

SB22-000201

Green Shipping

- Australia supports the work of the International Maritime Organization (IMO) to adopt a goal of net zero GHG emissions by 2050 for international shipping.
- The IMO is the United Nations specialised agency for setting international standards for ship safety, security and marine environment pollution prevention.
- In June 2021, Australia supported the IMO to adopt mandatory global ship energy efficiency measures from 1 January 2023 to reduce the carbon intensity of international shipping by 40 per cent below 2008 levels by 2030.
- The IMO is currently developing a Revised GHG Strategy for adoption in 2023, with more ambitious emissions reduction targets.
- Australia is actively engaging with international partners through the Quad Shipping Taskforce, Clydebank Declaration and Low Emissions Maritime Technology Initiative with Singapore to establish green shipping corridors and accelerate the green maritime transition.
- Early establishment of green shipping corridors will provide a tangible mechanism for Australia to share in the decarbonisation benefits, while promoting Australian innovation and jobs in commercialising new maritime technologies.

Reducing Road Transport Emissions

- The Department of Climate Change, Energy, the Environment and Water will lead consultation on Australia's first National Electric Vehicle Strategy.
- The Government is not considering a ban on petrol and diesel vehicles. The Government considers that Australian consumers first want to see the opportunity and capability of EVs, and technology and vehicle model options need to further increase before such a policy is considered.
- There is broad support for a fuel efficiency standard to reduce CO₂ emissions, but differing views on how and when they should be implemented.
 - The Electric Vehicle Council and environment groups want a strong standard implemented, aligned with other developed countries as soon as possible and a phase out of internal combustion engines in the early to mid-2030s.
 - Vehicle manufacturers and the Australian Automobile Association advise a standard that is too stringent will increase vehicle prices and limit consumer choice (particularly utes and larger SUVs).
 - Vehicle manufacturers have proposed mandating the current voluntary standards, which is regarded by most other stakeholders as inadequate.

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SB22-000201

Real World Testing of Vehicle Efficiency

- The \$14 million funding provided over four years will enable the AAA to test the on-road emissions and fuel consumption of the most popular new vehicles, and provide consumers with better information about their emissions and fuel consumption.
- The program will use an on-road 'real world' test methodology to supplement the regulatory information available to consumers which is sourced from the laboratory tests required by Australian Design Rules before vehicles are supplied to the Australian market. The Government's Green Vehicle Guide website uses the laboratory test results as the source data.
- The real-world test data will supplement the Green Vehicle Guide website by providing information from the on-road test regime, which may assist consumers to better estimate the costs to run a vehicle they may purchase.

Noxious Emissions*Euro VI (heavy vehicles)*

- The Government has decided to adopt Euro VI noxious emission standards for heavy vehicles from 2024-25.
- Adopting Euro VI from 2024-25 will avoid \$7.4 billion in health costs and \$1.5 billion in fuel costs by 2050. Once implementation costs are included, Euro VI would deliver a net economic benefit of \$6.4 billion by 2050.
- A draft Australian Design Rule is being circulated to heavy vehicle industry stakeholders before being finalised.
- Trucking operators want higher mass and width limits before Euro VI is adopted for heavy vehicles (due to the additional weight and space required by the emission systems). State/territory cooperation is required.
 - Infrastructure and transport ministers agreed in February 2022 to increase vehicle width limits when the Australian Design Rules are updated.
 - Agreement to increase vehicle mass limits will also need to be sought through infrastructure and transport ministers

Euro 6d/Fuel quality standards (light vehicles)

- The Government has decided to consult on further improvements to fuel quality standards to enable the adoption of Euro 6d noxious emission standards for light vehicles (Euro 6d) in quarter 4 of 2022. The Department of Climate Change, Energy, the Environment and Water leads on fuel quality standards.

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- The Government has brought forward reductions to the sulfur limit in petrol from 2027 to 2024. The Government is also co-investing up to \$250 million with our two refineries to upgrade infrastructure so they can produce petrol that meets the lower sulfur limit by 2024.
 - This change will help support the introduction of Euro 6d.
- There is broad support for the introduction of Euro 6d, however light vehicle manufacturers advise further improvements to fuel quality standards (separate and additional to the implementation of ultra-low sulfur petrol) are needed before Euro 6d can be adopted for light vehicles. Current fuel quality may cause operability issues for petrol vehicles.

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Rural and Regional Affairs and Transport

Lead/Support contact: Catherine Gladman

SB22-000202

SUBJECT: Domestic Commercial Vessel Review**Talking Points**

- The Independent Review of Domestic Commercial Vessel Safety Legislation and Costs and Charging Arrangements (Review) commenced in January 2022.
- On 8 August 2022, the Independent Review Panel released a draft Interim Safety Report for public comment. The Panel has asked for feedback by 30 November 2022.
- The draft Report sets out the Panel's findings on the extent to which the National Law framework for domestic commercial vessels (National Law) is currently fit for purpose and the challenges in the existing arrangements, and makes recommendations for reform.
- The key finding in the draft Report is that safety outcomes have improved as a result of the National Law, but there is room to reduce complexity, enhance flexibility, improve compliance powers and minimise burden on industry.
- The second phase of the review is in its initial stages and will consider efficient costs and future funding options for the National System for domestic commercial vessels.
- Wide consultation will be undertaken by the Independent Review Panel to inform recommendations for appropriate funding and charging arrangements. Industry stakeholders will be afforded opportunity to participate and have their say.
- Timing for delivery of the final report set by the previous Government was the end of 2022.
- The Panel members are discussing revised timeframes needed to complete the Review with the Minister, noting the need for careful consideration of the costs and charging issues and next steps which have historically been sensitive with industry stakeholders.
- Additional time to onboard a replacement for Mr Michael Carmody, who has stood down from the Panel for personal reasons, will ensure a full Panel, with the appropriate mix of skills and experience, can engage with stakeholders on these sensitive issues.

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Rural and Regional Affairs and Transport

Lead/Support contact: Catherine Gladman

SB22-000202

Key Issues*New Panel Member Appointment*

- In June 2022, the lead panel member, Mr Michael Carmody, resigned due to personal reasons.
- As the former Federal Commissioner for Taxation, Mr Carmody brought skills, experience and expertise in evaluation of regulatory delivery costs, charging and cost recovery. This was complimentary to the industry and regulatory expertise of the remaining panel members.
- The Minister is considering the appointment of a candidate to replace Mr Carmody so that the Independent Review Panel continues to comprise a mix of safety, regulatory, financial and industry expertise.
- Reviewers are not representative of any one business or sector, and are expected to impartially consider the broad range of issues impacting domestic commercial vessel operators across the fleet.
- Appointments to the Independent Review Panel are non-statutory appointments and would be agreed between the Minister and Prime Minister.

Review Timeframes

- Under the terms of reference, a final report to Government was expected by the end of 2022.

s47C - deliberative processes

Funding for AMSA

- Additional funding of \$12.6 million for 2022-23 has been provided to the Australian Maritime Safety Authority (AMSA) to ensure it can continue to deliver domestic commercial vessel safety services until 30 June 2023.
 - This was to allow for completion of the Review including pending recommendations on costs and charging arrangements.
- Funding for the National System beyond 30 June 2023 is a decision for Government.
- [if required] Additional time will be required beyond 30 June 2023 for consideration of the policy or legislative recommendations from the Review by Government, and implementation of recommendations accepted by Government.

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Lead/Support contact: Catherine Gladman

SB22-000202

Opportunity for stakeholder participation and feedback

- The draft Interim Safety Report was informed by broad stakeholder consultation with government and industry.
- A Consultation Aid was released on the Department of Infrastructure, Transport, Regional Development, Communications and the Arts website (3 February 2022) and emailed directly to 90 stakeholders who had registered interest in the Review. AMSA, on behalf of the department, also notified members of its Maritime Agencies Forum, National Safety Committee, Regional Safety Committee and Shipping Consultative Forum of the consultation (approximately 260+ stakeholders).
- The Independent Review Panel received feedback through 23 one-on-one meetings and consultation workshops, and 43 submissions. Virtual meetings were preferred over face to face meetings due to the COVID 19 environment.
- For further consultation, the Panel will undertake targeted and public meetings to increase opportunities for participation by regional and industry subsector stakeholders.

If asked about removing grandfathering arrangement and the potential for this to force some operators out of business

- The Panel notes the potential impact on some operators and has recommended that grandfathering arrangements that are a safety risk be phased out over seven years according to a risk-based program.
- The Panel has also identified the need for Government financial assistance to impacted operators.
- This is a draft recommendation subject to further public comment and consideration by the Independent Review Panel.

If asked about other specific recommendations in the Draft Interim Safety Report

- The draft recommendations in the Draft Interim Safety Report are subject to further public comment and consideration by the Independent Review Panel.
- As the Review is being undertaken by an Independent Review Panel it is not appropriate for the Minister or the Department to comment on draft findings and recommendations at this stage.

Background*Key dates*

- On 17 June 2020, the Senate Rural and Regional Affairs and Transport Legislation Committee tabled the report of its inquiry into the performance of AMSA.

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- The Government's response was tabled in the Senate on 20 May 2021. The Government supported all recommendations from the report.
- Recommendation 4 proposed that the Australian Government commission an independent review of the National Law and associated Marine Orders to ensure they are fit-for-purpose.
- The then Deputy Prime Minister announced the Review on 3 December 2021.

Other committees

- On 1 October 2020, the Productivity Commission released the report of its inquiry into National Transport Regulatory Reform.
 - The report highlighted potential safety deficiencies of grandfathered vessels, and recommended that maritime incident reporting and public disclosure be improved.
- On 15 December 2020, the Senate Standing Committee on Rural and Regional Affairs and Transport tabled the report of its inquiry into the Policy, Regulatory, Taxation, Administrative and Funding Priorities for Australian Shipping.
 - The Committee recommended that the Australian government expand the jurisdiction of the Australian Transport Safety Bureau to include incidents on domestic commercial vessels and that the government commission an independent review of the National Law.
 - The Committee also recommended amending the Navigation Act to ensure the Navigation Act provides the default standards for Australian commercial ships.

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Catherine Gladman****SB22-000203****SUBJECT: STP Budget Measures****Talking Points**

- The Australian Government has committed \$4.3 million over two years from 2022-23 to expand supply chain mapping capability.
 - The CSIRO supply chain mapping tool TraNSIT (Transport Network Strategic Investment Tool) will model Australia's critical supply chains, assist in the development of resiliency measures and increase capacity to model the impacts of changes to critical supply chains.
- The Government has committed \$180.1 million over five years from 2021-22 to improve level crossing safety in regional Australia.
 - The program will install safety protections such as boom gates, additional lighting and signals in regional areas, as well as fund research and trials of level crossing technologies and improve data and risk assessments.
 - A national campaign to raise awareness about level crossing safety will also be delivered.
- Funding of \$14 million over four years from 2022-23 will be provided to the Australian Automobile Association (AAA) to test the real-world emissions of a range of popular light vehicles. The program will provide consumers with more information to support the choice of a fuel-efficient car.
 - AAA is the peak organisation for Australia's motoring clubs, with experience in commissioning research and undertaking analysis of issues affecting transport systems, including on vehicle emissions.
- Additional funding of \$12.6 million for 2022-23 has been provided to Australian Maritime Safety Authority (AMSA) to ensure it can continue to deliver Domestic Commercial Vessel Safety services.
 - This funding is for one year while the Independent Review for the National System for Domestic Commercial Vessel Safety and Costs and Charging Arrangements (the Review) is underway.
- Funding of \$13.6 million over four years from 2022-23 has been provided to continue the Office of Future Transport Technology (OFTT) within the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

Key Issues

- The importance of resilient supply chains has been highlighted by the COVID-19 pandemic, and by recent challenges to the supply of goods vital to the operation of the Australian economy such as Diesel Emissions Fluid (AdBlue), Personal Protective Equipment (PPE), pharmaceuticals, and water treatment chemicals.

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- There are more than 23,000 level crossings in Australia, with the majority of public road level crossings in regional areas. Crashes at level crossings disproportionately impact regional communities and are traumatic for the whole community. Funding level crossing safety protections across the nation will help mitigate the risk of level crossing accidents.
- The Real World Testing of Vehicle Efficiency program will enable consumers to make more informed decisions about purchasing a new car based on real world information. It will complement the information currently available on the Australian Government's Green Vehicle Guide website and help consumers to choose the vehicle that best suits their needs by providing information about the on-road emissions performance of vehicles.
- The additional funding to the Australian Maritime Safety Authority (AMSA) will ensure that it is able to continue to deliver Domestic Commercial Vessel Safety services while the Review is underway. AMSA is separately funded to deliver its other functions which include protection of the marine environment, combatting ship sourced pollution, search and rescue and provision of navigation infrastructure.
- The extension of funding for the OFTT will enable it to continue to lead a nationally consistent regulatory approach to the safe and legal operation of automated vehicles on roads across Australia, supporting improved road safety and productivity through the adoption of automated vehicles and cooperative intelligent transport system technologies.

Background**Supply Chain Mapping**

The Government has committed \$4.3 million over two years to expand the CSIRO supply chain mapping tool TraNSIT (Transport Network Strategic Investment Tool) to take account of resilience. The funding will allow CSIRO to:

- Model Australia's critical supply chains (e.g. AdBlue, PPE, pharmaceuticals, and water treatment chemicals);
- Develop resiliency measures for all modelled commodities; and
- Deliver a scenario planning capacity to model potential impacts of changes to critical supply chains.

This work will complement the Supply Chain Benchmarking Dashboard which has been developed collaboratively between the Department and CSIRO. The Dashboard was launched in October 2021, and now contains information on 150 separate commodities.

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Catherine Gladman****SB22-000203**Level Crossing Safety

The Government has committed \$180.1 million over five years to establish the Regional Australia Level Crossing Safety Program (Program). The Program will improve level crossing safety in regional Australia by providing:

- \$160 million for lower-cost level crossing safety protections in regional areas such as installation of boom gates, additional lighting and signals, with projects to be funded according to the 80/20 Commonwealth/State funding formula;
- \$6.5 million for a national campaign to raise awareness about level crossing safety;
- \$5.0 million for research and trials of lower cost level crossing technologies and measures; and
- \$2.0 million for improvements to data and risk assessment at level crossings.

\$6.6 million is provided for departmental costs to establish and deliver the Program, including system upgrades.

Real World Testing of Vehicle Efficiency

The \$14 million funding will enable the AAA to test the on-road emissions and fuel consumption of the most popular new vehicles, and provide consumers with better information about their emissions and fuel consumption.

The program will use an on-road 'real world' test methodology to complement the regulatory information available to consumers which is sourced from the laboratory tests required by Australian Design Rules before vehicles are supplied to the Australian market. Consumers had reported concerns with the accuracy of fuel economy labels, as real world fuel consumption is affected by a range of factors controlled in a laboratory test.

Additional Funding for AMSA for Domestic Commercial Vessel Safety

Funding for the delivery of National System services by AMSA expires on 30 June 2022. An additional \$12.6 million in National System funding for AMSA will ensure services will be funded until 30 June 2023. This will allow for completion of the Independent review of the National System for Domestic Commercial Vessel Safety and Costs and Charging arrangements.

Funding to continue the Office of Future Transport Technology (OFFT)

This funding enables OFFT to continue to provide national leadership and coordination on use of technologies to improve road safety and productivity outcomes, including the adoption of automated vehicles and cooperative intelligent transport system technologies. The Government is working with states and territories to deliver a new Automated Vehicle Safety

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Law (AVSL) through Commonwealth legislation, with supporting complementary law changes across the states and territories. Infrastructure and Transport Ministers have agreed the new AVSL and regulator will be established by 2026.

STP Budget Measures – Funding Profile

Measure						
Year	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
		\$m	\$m	\$m	\$m	\$m
<i>Expansion of the CSIRO Transport network Strategic Investment Tool (TranSIT)</i>		2.164	2.177	-	-	4.341
<i>Regional Australia Level Crossing Safety Program</i>	1.8.	48.3	45.2	42.1	42.7	180.1
<i>Real World Testing of Vehicle Efficiency</i>		3.5	3.5	3.5	3.5	14.0
<i>AMSA</i>		12.6	-	-	-	12.6
<i>Office of the Future Transport Technology (OFFT)</i>		3.4	3.4	3.4	3.4	13.6

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Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Madsen/Katrina Cristofani

SB22-000207

SUBJECT: Fuel Efficiency Standards**Talking Points**

- The Australian Government has initiated consultation on fuel efficiency standards as part of the National Electric Vehicle Strategy (NEVS), alongside other key measures designed to reduce road transport emissions, and manage Australia's transition to low and zero emissions transport technologies.
- Consultation on the NEVS closes on 31 October. Submissions on the NEVS can be made at: <https://consult.industry.gov.au/national-electric-vehicle-strategy>.
- If the Government decides to proceed with fuel efficiency standards, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts will publish a further consultation paper seeking stakeholder input on detailed design features for a fuel efficiency standard in Australia.
- We are seeking the views of all stakeholders on whether fuel efficiency standards should be implemented in Australia, and if so, how such standards could operate.
- In other countries, fuel efficiency standards have been used to increase the range and number of electric vehicles (EVs) available to consumers. They work by setting an **average** efficiency target, measured in grams of CO₂ per kilometre, for the vehicles sold by each manufacturer.
- This allows manufacturers to meet emission targets with a range of vehicle technologies including EV, hybrid and more efficient internal combustion engine vehicles.
- Fuel efficiency standards **do not** affect the vehicles already on the roads. They **only** apply to new vehicles.
- Fuel efficiency standards **do not** prevent any particular vehicle from being sold in the markets where they apply and the NEVS consultation paper says fuel efficiency standards would preserve access to the range of vehicles people need for work and leisure.
- Australia is one of the few developed countries without fuel efficiency standards, which have been adopted by the European Union, United Kingdom, United States, Canada, Mexico, China, Japan, India South Korea, Saudi Arabia and New Zealand.
- If the Government decides to implement a fuel efficiency standard, additional detailed consultation will be carried out to support the design of a best practice option for Australian conditions.

If asked: Do the proposed standards include a carbon tax?

- Any proposed fuel efficiency standard will not include a carbon tax.

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SB22-000207

- In other countries with fuel efficiency standards, manufacturers that do not comply may be subject to financial penalties. The purpose of these penalties is to encourage compliance, not raise revenue.

Key Issues

- According to the Australia's Emissions Projections 2021: excluding COVID-19's impact, transport is Australia's second largest source of national greenhouse gas emissions. The Australian Government is committed to reducing emissions in Australia's transport sector to support the 43 per cent reduction by 2030, and net zero by 2050 commitments.
- On 19 August 2022, the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP, and the Minister for Climate Change and Energy, the Hon Chris Bowen MP announced that the government will consult on a light vehicle fuel efficiency standard for Australia as part of the NEVS.
- On 28 September 2022, Ministers King and Bowen released the NEVS consultation paper.
- The consultation is being led by the Department of Climate Change, Energy, the Environment and Water (DCCEEW). This includes initial questions about whether the government should implement a fuel efficiency standard and what design features the government should look at more closely.
- Electric Vehicle (EV) sales in Australia are significantly behind our international peers. In 2021, EVs were just under 2 per cent of new light vehicle sales in Australia, compared with 9 per cent globally. In the United States and Canada, new EVs had a market share over 5 per cent and in the EU, EV sales were 17 per cent of all vehicles sold. A number of countries or jurisdictions have also announced plans to phase out the sale of petrol and diesel powered vehicles.

BackgroundFuel efficiency standards

- Fuel efficiency standards set an **average** efficiency target, typically measured in grams of CO2 per kilometre, for vehicles sold by each manufacturer. Allowances are made for heavier or larger vehicles, to ensure consumers continue to access the vehicles they love, including the utes, 4WDs and sports cars.
- In other countries, fuel efficiency standards reduce emissions while providing vehicle manufacturers flexibility on how to meet the emissions targets, for example through supplying a combination of EV, hybrid and more efficient internal combustion engine vehicles.

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- This maintains vehicle choice for consumers and minimises the impact of standards on vehicle prices. A well designed fuel efficiency standard is likely to increase vehicle choice by bringing a greater number and range of EVs to the Australian market.

Light vehicle emissions intensity emissions

- The National Transport Commission found that in 2018 Australia's average CO2 intensity for new passenger vehicles was 169.8g CO2/km, compared to 120g CO2/km in Europe and 114.6g CO2/km in Japan, and 146 g CO2/km in the United States in 2017. These figures are all normalised to NEDC testing.

National EV Strategy

- DCCEE leads the consultation on Australia's first National Electric Vehicle Strategy. Questions about the consultation process should be referred to DCCEE.
- A wide range of possible matters could be raised in response to the NEVS many of which are the responsibility of other Departments;
 - **Fuel efficiency standards** are a matter for DITRDCA
 - **Driving the Nation Fund** is a matter for DCCEE
 - **EV grid integration** is a matter for DCCEE
 - **National Construction Code** and ensuring apartment buildings are EV charger ready are a matter for the Department of Industry, Science and Resources (DISR)
 - **EV related skills, training and education** are a matter for the Department of Employment and Workforce Relations
 - Liquid fuel security and AdBlue supply chain issues are matters for DCCEE
 - Euro 6 (light vehicles) and Euro VI (heavy vehicles) noxious emission standards are a matter for DITRDCA
 - **Fuel quality standards** are a matter for DCCEE
 - **Electric car discount** is a matter for the Department of the Treasury
 - **Commonwealth fleet target** is a matter for the Department of Finance.
 - Australian made battery plan is a matter for DISR
 - Real world emissions testing is a matter for DITRDCA.
- The Government is not considering a ban on petrol and diesel vehicles. The Government considers that Australian consumers first want to see the opportunity and capability of EVs, and technology and vehicle model options need to further increase before such a policy is considered.

¹ <https://www.ntc.gov.au/sites/default/files/assets/files/Carbon-dioxide-emissions-intensity-for-new-Australian-light-vehicles-2019.pdf>

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- There is broad support for a fuel efficiency standard to reduce CO₂ emissions, but differing views on how and when they should be implemented;
 - The Electric Vehicle Council and environment groups want a strong standard implemented, aligned with other developed countries as soon as possible and a phase out of internal combustion engines in the early to mid-2030s.
 - Vehicle manufacturers and the Australian Automobile Association advise a standard that is too stringent will increase vehicle prices and limit consumer choice (particularly utes and larger SUVs).
 - Vehicle manufacturers have proposed mandating the current voluntary standards, which is regarded by most other stakeholders as inadequate.
 - Previous proposals for a fuel efficiency standard have been framed as a 'carbon tax on cars'.

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Rural and Regional Affairs and Transport

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SB22-000220

SUBJECT: New Climate Change Unit in the Department

Talking Points

- Our portfolio will play a significant role in supporting the Australian Government to reach its emissions reductions targets and achieve net zero.
- This includes reducing emissions in the infrastructure and transport sectors, increasing resilience of our infrastructure, and supporting regions in the transition from fossil fuels and responding to natural disasters.
- We are establishing a Net Zero Unit in the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The unit will be led by a senior SES officer, who will report directly to the Secretary.
- It will engage with other government agencies, portfolio stakeholders and climate experts. It will also prepare and collate papers to ensure our policy areas have the latest research.
- Divisions within the department will continue to lead their emissions reduction and climate adaption initiatives, supported by the Net Zero Unit. These Divisions, such as surface transport, aviation, infrastructure investment, regional adaptation and strategic policy, have established relationships with portfolio stakeholders and a comprehensive understanding of the sectors being affected by climate change.
- Where necessary, we are also expanding our existing teams to advance the Government's climate change initiatives, such as establishing a team to consult on adopting a mandatory fuel efficiency standard for Australia as part of the Government's National Electric Vehicle Strategy.

Key Issues

Staffing of the Unit.

- The Unit is currently being established, with the resourcing to be confirmed. While that process is being finalised, a significant amount of work is underway across the department's divisions to support and advance the Government's climate change initiatives.
- Recruitment is underway for the Unit's staff, including for a highly experienced head of the Unit.
- The number of positions won't be finalised until the recruitment process has concluded.

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SB22-000220

Background

- On 20 June 2022, Minister King announced “my department has already begun work on establishing a unit to work across government – and, importantly, with industry partners – to identify how best the government can work with the transport sector to play our part in achieving net zero.

Mitigating emissions in the transport sector

- The Government has committed to a 43 per cent emissions reduction target by 2030 and net zero by 2050. Emissions from the transport sector comprise 19 per cent of national greenhouse gas emissions.
 - Since 2005 (baseline for Australia’s emissions target), transport emissions have increased by 10 per cent. This is through until 2021, which includes the impacts of COVID disruptions.
 - Road transport is the dominant source of transport related emissions (about 85 per cent).
- The department is playing a leading role in the decarbonisation of Australia’s passenger and freight transport sectors. Key mitigation measures include:
 - Developing the National Electric Vehicle Strategy with the Department of Climate Change, Energy, the Environment and Water.
 - Consultation on the National Electric Vehicle Strategy commenced from 28 September, with comments sought until the end of October.
 - The Strategy seeks views on increasing electric vehicle uptake and reducing transport emissions, including proposed fleet-wide vehicle fuel efficiency standards for new vehicles.
 - Light vehicles alone contribute around 12 per cent of Australia’s greenhouse gas emissions.
 - Real-world testing of vehicles to ensure Australians know the actual fuel efficiency of their vehicles
 - Consultation on Euro 6/Euro VI noxious emissions standards and heavy vehicles.
 - Development of Austroads guidance, funded by the department, on use of recycled materials in road pavement and asphalt. These materials can reduce infrastructure embodied emissions.
 - Amendments made to the Infrastructure Australia Act 2008 (through the Climate Change (Consequential Amendments) Act 2022).
 - The amendments will ensure emissions reduction targets are considered in Infrastructure Australia assessments and advice.

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Lead/Support contact: Andrew Madsen / Marisa Purvis-Smith

SB22-000220

- Engaging with the aviation industry on establishment of a group along the lines of the Jet Zero Council seen in the UK or the Council for Sustainable Aviation Fuels in Canada, to advise on sustainable aviation fuels, as announced by the Minister for Infrastructure, Transport, Regional Development and Local Government on 14 July 2022.
- Active participation since 2019 in the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a global industry wide initiative to cap international aviation emissions at a global baseline.
- Leading the Government's engagement, in collaboration with AMSA and other Commonwealth agencies, on emissions reduction at the International Maritime Organization, and on commitments to low and zero emissions green shipping corridors.
- On 5 September 2022, Minister King answered a question in Parliament, asked by Kylea Tink in relation to the Government's emissions reduction targets. The response included reference to the establishment of a Net Zero Unit within the department. The question and answer are provided at **Attachment A**.

Attachments

- Attachment A – Question on Notice regarding Climate Change:Infrastructure

Contact: Katrina Cristofani**Cleared by First Assistant Secretary:** Andrew Madsen**Phone:** (02) 6274 7002**Version Number:** 02**Date:** 20/10/2022

QUESTION

Date Monday, 5 September 2022
Page 807
Questioner Tink, Kylea MP
Speaker

Source House
Proof No
Responder King, Catherine Fiona MP
Question No.

Climate Change: Infrastructure

Climate Change: Infrastructure

Ms TINK (North Sydney) (14:54): My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. In order to reach and exceed the government's 43 per cent emissions reduction target, all sectors of our economy must adapt. That includes how we fund infrastructure projects like the Western Harbour Tunnel and the Beaches Link in my electorate of North Sydney. Will the minister make infrastructure funding for projects such as these contingent on a project delivering a carbon base case which would track and limit emissions over the life cycle of the project from design through to construction?

Ms CATHERINE KING (Ballarat—Minister for Infrastructure, Transport, Regional Development and Local Government) (14:55): I thank the Independent member for North Sydney for the question and also for her interest in the contribution that infrastructure can make to achieving net zero. It can make a substantial contribution, and I thank her for her interest in it. I am aware of the proposal from Infrastructure Partnerships Australia to introduce a carbon base case for infrastructure projects and programs over \$100 million. I want to work with industry and with others who have ideas in this space to implement new ways to work towards our goal of achieving a 43 per cent reduction of emissions by 2030.

I understand that there is no current accurate and consistent way across the country to actually estimate the carbon base case for infrastructure projects. I am happy to receive proposals and also very happy to work collaboratively with others in this House and industry to explore ways in which we can get to that and increase the sustainability of our infrastructure investments. In fact, that's exactly what happened when Labor was last in office. When the Prime Minister held this portfolio, he invested in seed funding to the infrastructure sustainability rating scheme that was established. It was the first one that had ever been established. That's an independent rating framework that's still used to help assess the sustainability of our infrastructure and the performance of our infrastructure across the nation. At the last infrastructure and transport ministers' meeting this was on the agenda. We agreed to explore further how governments across Australia can consider the carbon base case and establish a consistent measurement of embedded carbon within infrastructure projects.

Across my portfolio, in terms of both transport and infrastructure, we have a lot we can contribute to net zero. It did surprise me—maybe it won't surprise others here—that there wasn't actually anywhere within the department of infrastructure and transport where we were actually working on net zero and decarbonising the infrastructure and transport portfolio. I have asked my secretary to establish a unit within the department to start doing that. We will be establishing that net zero unit within the portfolio. I'm also undertaking other important initiatives across the portfolio, including the aviation white paper that will look at this issue, and a jet zero council to establish sustainable aviation fuels in this country as well. I thank you for the question and your interest in infrastructure.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Johnson

SB22-000225

SUBJECT: Tasmanian Freight Equalisation Scheme**Talking Points**

- The Australian Government is committed to supporting Tasmanian businesses through the Tasmanian Freight Equalisation Scheme (TFES), to ensure they remain competitive and prosperous now and in the future.
- \$178 million is budgeted for TFES claims in 2022-23, and funding for TFES is demand driven and ongoing. This means the Government will provide assistance to all eligible TFES claims that are received.
- The Government welcomes feedback from Tasmanian businesses on how TFES can be further improved.
- Questions on freight matters relating to the Bass Island Line service change between King Island and the mainland should be directed to TasPorts and the Tasmanian Government.

Key Issues

- There have been calls from some Tasmanian stakeholders and businesses for the rates of assistance under TFES to be increased, to address rising Bass Strait sea freight and related transport costs in recent years.
- Any proposal to increase TFES rates of assistance or expand the scheme would require a full policy review and a budget submission as the additional cost could be substantial.
- On 1 October 2021, TFES was expanded to provide assistance for eligible imported goods shipped to Tasmania from the mainland, where there is no Australian equivalent to the imported good.
- Bass Island Line, a Tasmanian Government owned entity, moved to a weekly shipping service between King Island and Devonport and dropped its Victorian port call effective 14 March 2022, in direct response to customer demand and the decline in demand for a Victorian port call.
- Under the service change, Bass Island Line ships goods from King Island to Devonport in Tasmania before transshipment to a SeaRoad Shipping vessel for transport to Victoria.
- The removal of the Victorian port call will not affect the eligibility of shipments on the Devonport-Victoria leg (the interstate component) for Tasmanian Freight Equalisation Scheme (TFES) assistance (previously shipments from King Island to the mainland were eligible).
- It could result in increased cost for shippers in King Island as shipments have two legs on their journey to Melbourne, King Island to Devonport and then Devonport to the mainland (rather than a direct King Island to Melbourne leg).
- The King Island-Devonport leg (intrastate component) will not attract TFES assistance.

Contact: Andrew Johnson **Cleared by A/g First Assistant Secretary:** Andrew Madsen**Phone:** (02) 6274 6881**Version Number:** 1 **Date:** 25/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Johnson

SB22-000225

Background

- The TFES was introduced in 1976 to provide financial assistance for costs incurred by shippers of eligible non-bulk goods moved by sea across Bass Strait.
- The TFES aims to provide Tasmanian businesses with equal opportunities to compete in other markets, recognising that, unlike their mainland counterparts, Tasmanian shippers do not have the option of transporting goods interstate by road or rail.
- The TFES is broadly supported at all levels of Government and is viewed in Tasmania as vital to the health and competitiveness of its business sector.
- The amount of TFES assistance for the domestic component is based on the difference between the freight costs of moving the goods by sea and the notional freight costs of moving them by road on the mainland over an equivalent distance (approximately 420 km).
- Eligible non-bulk goods shipped northbound from Tasmania for the purposes of transshipment at a port on the mainland receive assistance at a flat rate of \$700 per TEU (standard 20-foot shipping container).
- Eligible imported goods that do not have an Australian equivalent that are shipped southbound to Tasmania from the Australian mainland receive assistance at a flat rate of \$700 per TEU.
- Assistance is also available for eligible non-bulk goods shipped between the main island of Tasmania and either King Island or the islands of the Furneaux Group.

TFES Budget and Actual Expenditure

- \$170.7 million in assistance was provided under the TFES in 2021-22; this represents an increase of \$5.3 million or 3.2 per cent from the previous financial year.
- \$33.4 million in assistance has been provided in 2022-23, as at 31 August 2022.

	2019- 2020 \$m	2020- 2021 \$m	2021 -2022 \$m	2022 -2023 \$m (as at 31 Aug 2022)	2023- 2024 \$m	2024- 2025 \$m	2025- 2026 \$m
Budget Estimate	\$173.7	\$174.8	\$176.0	\$178.0	\$180.0	\$182.0	\$182.0
Actual Expenditure	\$161.2	\$165.4	\$170.7	\$33.4	-	-	-

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Melissa Cashman

SB22-000032

SUBJECT: Road Vehicle Standards Act Implementation**Talking Points**

- The Road Vehicle Standards Act (RVSA) progressed to full implementation on 1 July 2021, supported by a new IT system, ROVER.
- The new Road Vehicle Standards (RVS) framework delivers a modern system to regulate the first provision of road vehicles to the Australian market. The system provides increased accountability through a more tailored approvals system and a broader suite of compliance and enforcement powers designed to ensure that vehicles meet safety, environmental and anti-theft standards.
- The Australian Government undertook extensive engagement with stakeholders in the development and rollout of the new regulatory framework and continues to engage with them to assist all parties to transition smoothly to the new regulatory framework.
- To support industry's transition to the new framework, a 12-month transitional period commenced on 1 July 2021. Because of the severe impacts of the COVID pandemic on industry during the earlier part of this period, on 1 April 2022 Parliament extended the transitional period to 24 months.

Key Issues

- To date, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts has deployed seven releases to the ROVER platform, adding new features and functionality, including most recently moving to the cloud and multi factor authentication. Performance improvements in each release are based on feedback from operational staff and industry.
- The result is a more secure and user-friendly portal that benefits all users.
- Further enhancements will be made to the ROVER IT system in 2022 and 2023 to progress functionality and the user experience.
- Enhancements have been prioritised based on user feedback and the staged removal of manual processing work arounds.

BackgroundContinuation of the current legislative framework

- The RVS legislation, which commenced on 1 July 2021, replaces the 1989 Motor Vehicle Standards Act (MVSA).
- A 12-month transitional period commenced on that date that allowed industry to operate a number of MVSA provisions while they obtained the necessary RVS approvals.

Contact: Melissa Cashman**Cleared by First Assistant Secretary:** Lisa La Rance**Phone:** s47F**Version Number:** 01**Date:** 20/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Melissa Cashman

SB22-000032

- During the earlier part of this period, almost all road vehicle manufacturers and importers had to manage the severe impacts of the COVID pandemic on road vehicle inventories and global supply chains and, on 1 April 2022, Parliament extended the transitional period to 24 months.
- The extended transitional period will assist businesses that have not already fully transitioned to the new legislative arrangements by allowing more time to do so.
- The department is currently carrying a catastrophic risk across each of the legacy systems associated with MVSA. Should any of these fail, they cannot be recovered due to their age and due to the platform they were built on no longer being supported, internally or externally of the department.
- Full transition to the RVS legislation occurs on 1 July 2023, with the cessation of all MVS legislation approvals.
- A post-implementation review of the Road Vehicle Standards legislation will commence in the second half of 2024.

Consultation and change readiness

- Consultation on reforms to the regulatory framework for vehicle supply to the Australian market began in 2013 with a review of the previous legislation and continued through to 2019 as the new legislation was developed.
- Key stakeholders included a range of Australian and international businesses that supply vehicles to the Australian market; industry peak bodies; state and territory registration authorities; and other regulators such as the Australian Competition and Consumer Commission.
- The legislation carefully balances the competing interests of the different vehicle industry sectors with the safety standards the community expects for their vehicles, set against modern Australian regulatory principles.
- The department continues its engagement with industry and fellow regulators to educate them on the new application and approval processes and seek input for guidance material and IT development.
- A comprehensive communications plan has been implemented to support industry in transitioning to the RVS legislation.
- Key communications activities in the lead up to, and following, the RVS legislation commencement on 1 July 2021 include:
 - digital and social media campaigns
 - an outbound call campaign; direct mail

Contact: Melissa Cashman

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Version Number: 01

Date: 20/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Melissa Cashman

SB22-000032

- regular newsletters, creation of guidance materials and resources (such as guides, videos and flyers)
- attending industry events; hosting topic-specific webinars; and hosting regular RVS webinars with industry and jurisdictions.
- **Attachment A** outlines the list of key stakeholder engagement activities undertaken from July 2021 and August 2022.
- Going forward, the FY2022-23 Stakeholder Engagement and Communication Strategy focuses on those segments of the automotive industry that have been slow to transition, such as registered automotive workshops (RAWs) and manufacturers and importers of low-ATM trailers (aggregate trailer mass (ATM) of 4.5 tonnes or less), and aims to assist and encourage them to transition to the RVSA. The list of planned activities is detailed at **Attachment B**.

ROVER

- Industry and government now have a single IT system, ROVER, that manages all aspects of vehicle standards regulation, including applications, assessment, approval, recalls and compliance and enforcement.
- ROVER has been designed to both support regulatory requirements and provide an intuitive and seamless user experience. Two further phases of IT development are scheduled, which will provide further enhancements to the functionality and usability of ROVER based on user feedback and planned efficiencies.
- As with any new IT system, unexpected elements, or “bugs” become apparent as the system is put into full use for the first time. To manage this issue the Department has factored time into the phased project plan to respond to any bugs detected.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Melissa Cashman

SB22-000032

Key Sub Facts

Number of Vehicles on the Register of Authorised Vehicles (RAV) as at 30 September 2022	1,032, 725	
% and total number of concessional vehicles going through RVSA v MVSA , completed in September 2022	MVSA = 35% during September 2022 (988)	RVSA = 65 % during September 2022 (1852)
% and total number of vehicle type approvals going through RVSA v MVSA, completed in September 2022.	MVSA = 13 (7%) during September 2022	RVSA = 173 (93%) during September 2022
Average timeframe for assessing applications as at 30 September 2022	MVSA Import Approvals for Registered Authorised Workshops = 3.11 days average	All RVSA applications through ROVER = 12 days average

Additional information regarding RVSA and MVSA applications as at 31AUG22 is at **Attachment C.**

Attachments

- Attachment A – Stakeholder engagement activities July 2021 – August 2022
- Attachment B – Planned stakeholder engagement and communication activities
- Attachment C – RVSA/MVSA operational report

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Date: 20/09/2022

FOI 23-063
BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000032

Program	RVSA/ROVER development (CAPEX and OPEX that directly contributes to the implementation of RVSA and the development of ROVER)										
Program Start/ End Date:	2015/June 2023										
	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget											
Less:											
CAPEX (Actual)			578,980	2,184,666	4,511,539	8,779,155	6,782,926	870,539			23,707,805
OPEX (Actual)	522,418	1,847,756	1,844,023	2,058,195	3,966,300	5,180,500	14,109,803	616,626			30,145,622
Total Actual Expenditure YTD at 31 August 2022	522,418	1,847,756	2,423,003	4,242,861	8,477,839	13,959,655	20,892,729	1,487,166*			53,853,427
CAPEX (Committed)								7,012,944	0	0	7,012,944
OPEX (Committed)								5,252,374	0	0	5,252,374
Total Committed Funds at 31 August 2022								12,265,318	0	0	12,265,318
Total Uncommitted Funds (balance)								0	0	0	0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient

** The 2022-23 total expenditure figure has been rounded to the nearest whole dollar.*

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Date: 20/09/2022

Attachment A

Stakeholder engagement activities July 2021-August 2022

Event	Date/Timing	Stakeholder
RVSA Jurisdiction Meeting (First Tuesday of every month)	<ul style="list-style-type: none"> 6 July 2021 12 and 27 October 2021 10 November 2021 1 February 2022 5 April 2022 5 July 2022 2 August 2022 	<ul style="list-style-type: none"> State and Territory jurisdictions National Heavy Vehicle Regulator (NHVR) NEVDIS/Austroroads
RVSA Industry Webinars (Last Thursday of every month)	<ul style="list-style-type: none"> 13 and 27 August 2021 15 and 29 September 2021 13 and 27 October 2021 10 and 24 November 2021 8 December 2021 2 February 2022 2 March 2022 30 March 2022 23 June 2022 14 July 2022 25 August 2022 	<p>A wide range of industry stakeholders, including associations and their members, including:</p> <ul style="list-style-type: none"> Australian Trucking Association (ATA) Australian Imported Motor Vehicle Industry Association (AIMVIA) Bus Industry Confederation (BIC) Caravan Industry Association of Australia (CIAA) Federal Chamber of Automotive Industries (FCAI) Heavy Vehicle Industry Australia (HVIA) RAWS Association Truck Industry Council (TIC)
Compressed Air Association of Australasia (CAAA) Essential Update Workshop #3	26 August 2021	<ul style="list-style-type: none"> CAAA CAAA members
Industry meeting	9 September 2021	<ul style="list-style-type: none"> Commercial Vehicle Industry Association Australia (CVIAA)
Light and Heavy Vehicle Trailers – meeting	22 September 2021	<ul style="list-style-type: none"> Boating Industry Association (BIA) BIA members

Event	Date/Timing	Stakeholder
Model Reports webinar	11 November 2021	<ul style="list-style-type: none"> • RAWS Association • AIMVIA • Concessional sector stakeholders
Bus Industry Confederation Roundtable	30 November 2021	<ul style="list-style-type: none"> • Bus Industry Confederation (BIC)
Low ATM trailers webinar	9 December 2021	<ul style="list-style-type: none"> • A wide range of industry stakeholders, including associations and their members
Jurisdiction Webinar on low ATM trailers	24 February 2022	<ul style="list-style-type: none"> • State and Territory jurisdictions • NHVR
Caravan Industry Association of Australia (CIAA) National Conference 2022	30 March – 1 April 2022	<ul style="list-style-type: none"> • CIAA • CIAA members
ROVER Release 7 Industry Trial	31 May-10 June 2022	<ul style="list-style-type: none"> • Allied Auto • Airbrake Corp • TEAM • Bisitecniks • Knorr-Bremse • Mercedes-Benz • Daimler
BIC National Bus Industry Summit	28 June 2022	<ul style="list-style-type: none"> • BIC • BIC members
RAV invoicing consultation	6 July 2022	<ul style="list-style-type: none"> • Pre-approved RAV submitters

Attachment B

Planned stakeholder engagement and communications activities

Timing	Activity	Description	Stakeholders
Second Monday of every month	RAWS News	Newsletter providing helpful advice and information for registered automotive workshops as they transition to the RVS laws.	<ul style="list-style-type: none"> • RAWs • RAWS Association
First Tuesday of every month	RVSA Jurisdictions Webinar	Webinar to address queries about the operation of the RVS legislation.	<ul style="list-style-type: none"> • State and Territory jurisdictions • NHVR • NEVDIS/Austroroads
Last Thursday of every month	RVS News Update	Newsletter providing latest news and information on the RVS laws.	Wide range of external stakeholders. Current number of subscribers is 6,276.
Last Thursday of every month	RVSA Industry Webinar	Webinar to address queries about the operation of the RVS legislation.	<p>Wide range of industry stakeholders including associations and their members, such as:</p> <ul style="list-style-type: none"> • ATA • AIMVIA • BIC • CIAA • FCAI • HVIA • RAWS Association • TIC
First week of every month	Stakeholder check-in phone calls	Regular calls to key industry stakeholders to provide them with an opportunity to give feedback, and share concerns and issues in a closed forum.	<ul style="list-style-type: none"> • FCAI • AIMVIA • RAWS Association • TIC • HVIA • BIC • ATA
2x every month (approx.)	Social media posts (mix of free and paid)	Post important dates and information to raise awareness and educate	<ul style="list-style-type: none"> • RAWs • Manufacturers and importers of low

Timing	Activity	Description	Stakeholders
		external stakeholders about the RVS laws.	ATM trailers – trailers with an aggregate trailer mass of 4.5 tonnes or less
TBC	Industry consultation: RVS approval expiry and renewals	Webinar to discuss the way approval expiry and renewal functionality could be implemented in the ROVER system.	Wide range of industry stakeholders
Ongoing	ROVER how-to videos, demonstration videos and user guides	Create new videos and user guides on new system functionality	Wide range of industry stakeholders
Ongoing	Emails to ROVER users and industry stakeholders	Provide important information, tips and links to new guidance materials.	Wide range of industry stakeholders and jurisdictions
Last quarter 2022 and first half 2023	Letters from the Minister	Letters will be sent to peak body representatives to remind outstanding industry stakeholders of the need to transition to the RVS legislation	<ul style="list-style-type: none"> • FCAI • AIMVIA • RAWs Association • TIC • HVIA • BIC • ATA • CIAA
September/October 2022 and March 2023 (TBC)	ROVER industry trials	Participants will be given the opportunity to interact with ROVER before each official release to identify bugs that may not have been picked up in internal testing and ensure the system performs to development specifications.	A diverse group of multi-level stakeholders of 10-15 people
October/November 2022	New ROVER system release webpages	Create new webpages that provide detailed information on new system functionality, including new videos and user guides.	Wide range of industry stakeholders
13-16 November 2022	BIC National Conference	The event involves high-level discussions on current and emerging issues,	<ul style="list-style-type: none"> • BIC • BIC members

Timing	Activity	Description	Stakeholders
		trends and challenges faced by industry.	
March/April 2023	CIAA National Conference	The department will have a booth and be holding an interactive presentation for 40 minutes.	<ul style="list-style-type: none">• CIAA• CIAA members

Released under FOI Act by DITRDCA



Australian Government

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

➤ Road Vehicle Standards



Applications

0

Overdue

2,204

Total on hand

1,405

Unassessed within
due date

799

With an open RFI

Applications

Received

28,463

28,069

Decisions made



27,073

Approval
issued



602

Refusal
issued



394

Refused to
consider



1596

Withdrawn

523

Assessed
outside due date

27,546

Assessed within
due date

Register of Approved Vehicles (RAV)



924,709*

On hand as at 31 August 2022

Applications received 1 July 2021 to 31 August 2022.

*The Road Vehicle Standards legislation creates a requirement that from 1 July 2021, road vehicles be entered on a publicly searchable, online database called the RAV before they can be provided in Australia for the first time for use in transport on public roads.

RAV figure is for the period 1 July 2021 to 31 August 2022.

Motor Vehicle Standards Act 1989 - Residual and Transitional Arrangements

Vehicle Import System (VIS)



8,418

decided

Road Vehicle Certification System (RVCS)



2,228

Identification plate approvals

Registered Automotive Workshops (RAW)



14,269

import approvals



17,393

vehicle inspection certificates decided

Applications actioned 1 July 2021 to 31 August 2022.

Rural And Regional Affairs And Transport

Lead/Support contact: Adam Stankevicius

SB22-000033

SUBJECT: Road Safety

Talking Points

- The **National Road Safety Strategy 2021-30** was released on 22 December 2021, following endorsement by Infrastructure and Transport Ministers across Australia.
 - The Strategy includes national targets for a 50 per cent reduction in deaths (55 per cent per capita), and 30 per cent reduction in serious injuries (38 per cent per capita) on our roads by 2030.
- At the 11 February 2022 Infrastructure and Transport Ministers Meeting, Ministers noted the issues raised by stakeholders about the draft **National Road Safety Action Plan** and agreed to further engagement with stakeholders and all jurisdictions to revise and strengthen the document. Further information regarding the consultation process is at **SB22-000206**.
- \$5.5 million has been committed by the Australian Government over four years (FY 20/21-23/24) to establish the **National Road Safety Data Hub**. See **SB22-000035** for further information.
 - The Data Hub will monitor and evaluate Government investment in road safety, measure progress in the achievement of targets in the **National Road Safety Strategy 2021-30** and collect, harmonise and share data (where appropriate) to support research and the development of best practice guidelines that improve road safety outcomes.
- The Government is delivering multiple non-infrastructure and infrastructure programs of national significance, including the \$3 billion Road Safety Program and other road safety grants (such as the Road Safety Awareness and Enablers Fund (RSAEF) and Road Safety Innovation Fund (RSIF). See SB22-000034 for further information on the Road Safety Program.

Key Issues

Update since March 2022 Budget Estimates

National Road Safety Action Plan

The National Road Safety Action Plan to support the National Road Safety Strategy 2021-30 is being developed in consultation with state and territories, and key stakeholders. Roundtables and working groups were held throughout October 2022. See **SB22-000206** for further information.

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Date: 11/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Adam Stankevicius

SB22-000033

Joint Select Committee on Road Safety (JSC)

The Joint Select Committee on Road Safety released the *Driving Reform: final report for the Inquiry into Road Safety* (the Report) on 25 March 2022. The Report contained 61 recommendations. The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is the lead agency for coordinating the government response.

By Senate and House of Representatives resolutions, government responses to joint committee reports are nominally due within three months following tabling of a report. In this instance the three-month due date was interrupted by the caretaker period. In addition, the number and complexity of the recommendations required careful consideration alongside the development of the Action Plan.

The department is maximising the development of the Action Plan to progress the response and the department proposes to prepare the government response to the Report in parallel to the Action Plan processes. This requires consultation, coordination and agreement across the Australian, state and territory governments and the Australian Local Government Association.

Road Safety Programs

- The Government has committed \$3 billion to the **Road Safety Program** over five years from 2020-21. Tranches 4 and 5 of the Program have been put on hold and will be delivered from 2022-23 onwards following a redesign of the Road Safety Program. **See SB22-000034** for further information.
 - Of the \$2 billion allocated to Tranches 1 to 3, \$1,443.1 million has been paid out as at 30 September 2022.
- The \$500 million program for **Targeted Road Safety Works** was announced in June 2020 as part of the first COVID infrastructure stimulus package, supporting a wide variety of road improvement projects around Australia. This package is being delivered by the Infrastructure Investment Division.
 - 50 projects funded - as at 31 August 2022, 23 are complete.

The Government is also continuing to fund the following initiatives:

- The \$12 million **Road Safety Innovation Fund** commenced in July 2020 with projects expected to be completed by June 2023. An additional \$12 million was allocated in the 2022-23 Budget across three years from 2022-23 onwards.
 - Of the current program, 53 projects were funded over three years with three projects complete.
 - 13 projects approved (15 June 2020) and funded in round one (\$2 million) and
 - 40 projects approved (21 June 2021) and funded in round two (\$10 million).

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Date: 11/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Adam Stankevicius

SB22-000033

- The \$8 million **Driver Reviver Site Upgrades** Program commenced in June 2020 with upgrades expected to be completed by June 2023.
 - 34 sites funded in round one (June 2020) - all are complete (\$0.7 million) and
 - 71 sites funded in round two (\$7.2 million) - 21 are complete.
- The \$4 million **Road Safety Awareness and Enablers Fund** commenced in December 2019 with projects expected to be completed by June 2023. An additional \$4 million was allocated in the 2022-23 Budget across three years from 2022-23.
 - Of the current program, 22 projects funded - nine are complete.
- The \$24 million **Keys2drive Program** commenced in November 2017. It was extended on 1 July 2021 to 30 June 2023.
 - The program is a national learner driver program aiming to improve young driver's safety by helping them gain effective driving experience before they graduate to a 'P-plate' license. The Keys2Drive program is delivered in partnership with the Australian Automobile Association.
- In the October Budget, the Australian Government committed \$10 million across three years from 2022-23 towards the new **Supporting Young and Vulnerable Road Users** initiative. This new commitment will be designed to align with the priorities in the National Road Safety Strategy 2021-30 and Action Plan.
 - The Office of Road Safety will administer this new grant in accordance with the *Whole of Government Grant Administrative Arrangements*.
- The \$6.7 million **ANCAP** program commenced in July 2016 and is expected to be completed in June 2023. Funded through Part 4 and 5 of the National Land Transport Act 2014.
 - The program provides ratings that indicate the level of safety a vehicle provides for occupants and pedestrians in the event of a crash, as well as the presence of collision avoidance technologies.
- The \$1.8 million **Digital Road Safety Passport Pilot** commenced in February 2020, with the pilot concluding in June 2022.
 - The pilot supports a digital road safety platform for year 9 students known as 'RoadSet', providing free online interactive learning to support young people set positive road safety neural pathways prior to entering a novice driver program.
 - The department will conduct an evaluation of the Program's effectiveness to inform future policy decisions.

The Government's ongoing commitment to road safety is further supported by Infrastructure Investment Program funding of over:

- \$1.4 billion for national road network maintenance funding from 2022-23 to 2025-26
- \$1.9 billion to the Roads to Recovery Program from 2022-23 to 2025-26

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Version Number: 02

Date: 11/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Adam Stankevicius

SB22-000033

- \$464 million to the Bridges Renewal Program from 202-23 to 2025-26
- \$481 million to the Black Spot Program from 2022-23 to 2025-26 and
- \$307 million to the Heavy Vehicle Safety Productivity Program from 2022-23 to 2025-26.

Intergovernmental Agreement on Data Sharing – Road Safety priority

The Intergovernmental Agreement (IGA) on Data Sharing between the Australian Government, State and Territory Governments was agreed and signed at National Cabinet on 9 July, 2021. **See SB22-000035 for further information.**

August 2022 stakeholder letter

On 8 August 2022, 12 stakeholders wrote to the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government to express their concerns regarding road safety data and infrastructure investment.

Background

Between 2010 and 2021, the national annual fatality rate per 100,000 population decreased from 6.1 to 4.4 (-28 per cent). Interventions by all levels of government contributed to this reduction, including infrastructure and vehicle safety improvements.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Adam Stankevicius

SB22-000034

SUBJECT: Road Safety Program**Talking Points**

- Following consistent feedback from the majority of jurisdictions on the Road Safety Program (Program), the Australian Government has agreed through the October 2022-23 Budget to extend the Program by 2 years, until 30 June 2025.
- All uncommitted funding has been re-profiled across 2023-24 and 2024-25. This will allow jurisdictions additional time to deliver these important road safety works.
- The commitment to the program, including projects already delivered and provision for future projects, remains at \$3 billion.
- This decision was formed on the basis that:
 - The operating environment for delivering the Program has now changed, with overstimulation of the economy.
 - The Program was designed to deliver shovel-ready works within six-month tranche timeframes and most shovel-ready works are now exhausted.
 - The effects of COVID-19, unprecedented weather, market constraints, workforce limitations and supply chain issues have resulted in significant delays to existing programs of work.
 - These unexpected occurrences will be further exacerbated if the Program is not reframed to acknowledge these delivery challenges.
- All Tranche 1-3 works must be complete by the end of 2022, with Post Completion Reports (PCRs) required by the end of April 2023.
- No state has completed all projects under the first three tranches or provided all data required for the Australian Government to make the final payment to the state.
- The Government remains committed to road safety and following this decision, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts will:
 - Evaluate the effectiveness of the current Program and consult with jurisdictions to inform a Program re-design
 - Align future Road Safety initiatives with the *National Road Safety Strategy 2021- 30* and the Action Plan.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Adam Stankevicius

SB22-000034

Key IssuesProject Delivery Status & Challenges

- Jurisdictions faced a number of challenges during the first three tranches of the Program resulting in significant delivery delays nationally. Across Tranches 1 to 3:
 - No jurisdiction has fully delivered Tranche 1 to 3 in accordance with the Guidelines.
 - Three jurisdictions (ACT, WA and SA) successfully delivered Tranche 1, and submitted Road Safety data.
 - Two jurisdictions (SA and WA) have advised Tranche 2 works are complete, however the Project Completion Report and data remain outstanding for SA.
 - The Department of Infrastructure, Transport, Regional Development, Communications and the Arts have not received reports to confirm any jurisdiction has completed Tranche 3 works.
- **Table 2 at Attachment A** reflects the number of projects approved per state by tranche and the status (complete, in progress, not started or cancelled).
- The department is working with all jurisdictions to ensure Tranche 1 to 3 works are completed by December 2022, and data and PCRs are submitted ahead of April 2023.

Data Challenges

- Road Safety data sets have only been provided for Tranche 1 works, and only by three jurisdictions (WA, SA and ACT).
- The Program Guidelines stipulate the provision of data as a requirement prior to final tranche payments being made. The required data includes:
 - Pre and post upgrade risk network ratings.
 - Traffic volume and mix.
 - Monthly fatal crash and serious injury data.
- Privacy considerations, coherence and completeness of data sets supplied by jurisdictions are currently significant impediments to the creation of national data sets and their analysis. **See SB22-000033 for further information**
- The department is working with states and territories to overcome these issues but it will take time to resolve.

Financial Information

- The Government has committed \$3 billion to the Program over five years from 2020-21. Of the \$3 billion:
 - \$1,976.3 million has been committed to approved projects in Tranches 1 to 3.
 - As at 30 September 2022, \$1,434.6 million has been paid to jurisdictions; and
 - \$541.7 million remains to be paid against committed Tranche 1 to 3 projects upon completion, provision of data and acceptance of PCRs due by 30 April 2023.
 - \$1,023.7 million remains unallocated for use in the future iteration of the Program.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Adam Stankevicius

SB22-000034

- **Table 1 at Attachment A** outlines funding allocated and paid by state.
- **Table 2 at Attachment B** outlines road safety funding overall

BackgroundStimulus

- The Program was intended to support the fast roll out of lifesaving road safety treatments including, but not limited to: shoulder widening and sealing, line markings, the installation of barriers and guardrails, intersection upgrades, pedestrian and cycleway improvements.

Use it or lose it

- The Program operates on a 'use it or lose it' basis. Whereby, unless a jurisdiction can clearly demonstrate exceptional circumstances have affected their ability to deliver projects within agreed timeframes, their funding allocation for a future tranche will be reduced. This has not been consistently applied across Tranches 1 to 3.

Attachments

- Attachment A – RSP tables
- Attachment B – Road Safety on a Page

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The table below provides a National picture of Program funding allocations, payments made to jurisdictions to date and unallocated funding.

Table 1 Tranche project status and approved funding by state (as at 30 September 2022)

State	Tranche 1 AG Contribution (\$ m)	Tranche 1 Total Length (km)	Tranche 1 Approved Projects	Tranche 1 Completed Projects	Tranche 1 In Progress	Tranche 1 Not Started	Tranche 1 cancelled	Tranche 2 AG Contribution (\$ m)	Tranche 2 Total Length (km)	Tranche 2 Approved Projects	Tranche 2 Completed Projects	Tranche 2 In Progress	Tranche 2 Not Started	Tranche 2 cancelled	Tranche 3 AG Contribution (\$ m)	Tranche 3 Total Length (km)	Tranche 3 Approved Projects	Tranche 3 Completed Projects	Tranche 3 In Progress	Tranche 3 Not Started	Tranche 3 cancelled	Total T1-3 Projects	Total T1-3 AG Contribution
ACT	\$3.0	18.8	38	38	0	0	0	\$0.8	46	5	2	3	0	0	\$2.3	37	3	TBC	TBC	3	0	46	\$ 6.0
NSW	\$297.4	2280.9	263	202	41	0	20	\$125.2	1,400	141	117	13	0	11	\$61.7	1,700	188	0	32	156	0	592	\$484.3
NT	\$33.3	2252.1	43	14	27	0	2	\$62.4	939	18	7	8	0	3	0	1,831	0	0	0	0	0	61	\$95.7
QLD	\$225.0	778.5	88	80	7	0	1	\$137.8	385	45	28	14	0	3	\$158.6	32	46	10	36	0	0	179	\$521.4
SA	\$83.7	1810.5	15	15	0	0	0	\$42.2	570	13	13	0	0	0	\$42.2	1,549	16	0	15	1	0	44	\$168.0
TAS	\$33.3	TBC	122	69	46	0	7	\$0	0	0	0	0	0	0	\$10.7	13	11	2	9	0	0	133	\$44.0
VIC	\$183.3	985.3	102	52	29	21	0	\$42.4	236	30	2	9	18	1	\$112.4	178	54	1	48	5	0	185	\$338.1
WA	\$152.5	2592.3	69	69	0	0	0	\$80.0	2,600	64	47	4	0	13	\$86.3	1,045	52	10	35	0	7	184	\$318.8
TOTAL	\$1,011.5	10,718.4	740	539	150	21	130	\$490.7	6,176	316	216	51	18	31	\$474.1	6,385	370	23	175	165	7	1,426	1,976.3

- To note: Total calculation of kms includes multi-treatment and multi-tranche works but does not include Mass Action works or intersection works in Tasmania'

Table 2. Road Safety Program (Tranche 1-3) Budget information as at 30 September 2022

	Allocated Budget ⁽¹⁾ (\$m)	Paid against Allocated Budget (\$m)	Remaining to be paid ⁽²⁾ (\$m)	Unallocated ⁽³⁾ potentially available for future RS initiatives (\$m)
ACT	6.0	2.9	3.1	3.0
NSW	484.3	309.8	174.5	325.7
NT	95.7	59.2	36.5	48.3
QLD	521.4	386.0	135.4	261.6
SA	168.0	157.5	10.5	84.0
TAS	44.0	29.3	14.7	22.0
VIC	338.1	219.8	118.3	171.9
WA	318.8	270.3	48.5	107.2
AUSTRALIA ⁽⁵⁾	1,976.3	1,434.6	541.7	1,023.7

Source: IMS

(1) As recorded in IMS for tranches 1 through 3. Unadjusted for Use-It-Or-Lose-It.
(2) (Remaining to be Paid) = (Allocated Budget) minus (Paid against Allocated Budget).
(3) Totals may not add due to rounding

Road Safety on a Page

FOI 23-063

As at 25 October 2022

Infrastructure Investment Program – NPA – Outcome 1

Program	Actual 2019-20 ('\$000)	Actual 2020-21 ('\$000)	Actual 2021-22 ('\$000)	Budget* 2022-23 ('\$000)	Budget* 2023-24 ('\$000)	Budget* 2024-25 ('\$000)	Budget* 2025-26 ('\$000)	Notes
Road Safety Program								
Road Safety Program		734,795	683,756	557,761	800,006	223,682		<ul style="list-style-type: none"> \$1,976.3 million has been committed across Tranche 1-3 \$1,434.6 million has been paid \$1,023.7 million remains unallocated for use in a redesigned program Program ends 30 June 2025
Infrastructure Investment Program – other road safety related programs ^								
Programs directly targeted at road safety ~	82,896	439,971	174,362	184,738	146,731	124,564	122,023	FEs as at Budget 2022-23
Programs indirectly benefiting road safety	2,821,320	4,282,812	3,755,644	5,763,779	6,762,503	7,336,901	6,673,102	
Other relevant IIP programs				10,000	48,000	60,000	272,000	
Total Infrastructure Investment Programs	2,904,216	4,722,783	3,930,006	5,958,517	6,657,234	7,521,465	7,067,125	

* There may be some movement of funds between years that will affect final budgets

^ See definition of programs included (page 2)

~ Excluding the Road Safety Program – reported separately

Outcome 2: Road Safety Programs

Program	Actual 2019-20 ('\$000)	Actual 2020-21 ('\$000)	Actual 2021-22 ('\$000)	Budget* 2022-23 ('\$000)	Budget* 2023-24 ('\$000)	Budget* 2024-25 ('\$000)	Budget* 2025-26 ('\$000)	Notes
Safe Roads for Safe Cycling Program (Amy Gillet Foundation)				3,000	3,000			<ul style="list-style-type: none"> \$6 million 2022-23 Budget commitment is yet to be contracted Program Guidelines being drafted Program ends 30 June 2024
Keys2drive	2,000	4,000	4,000	6,000				<ul style="list-style-type: none"> \$16 million fully allocated Program ends 30 June 2023
Road Safety Awareness & Enablers Fund	1,029	915	1,274	778 committed 523 unallocated	1,500	2,000		<ul style="list-style-type: none"> \$4 million 2019-20 Budget commitment is allocated \$4 million 2022-23 Budget commitment is unallocated Program ends 30 June 2025
Road Safety Innovation Fund		4,969	2,744	4,286 committed 1,508 unallocated	5,000	5,500		<ul style="list-style-type: none"> \$12 million 2019-20 Budget commitment is allocated \$12 million 2022-23 Budget commitment is unallocated Program ends 30 June 2025
Supporting Young and Vulnerable Road Users				3,000	3,000	4,000		<ul style="list-style-type: none"> \$10 million 2022-23 Budget commitment is unallocated Program ends 30 June 2025
Driver Reviver Site Upgrades	514	7,402						<ul style="list-style-type: none"> \$8 million 2019-20 Budget commitment (\$7.9m allocated) Program ends 30 June 2023
Digital Roads Safety Passport	600	1,200						<ul style="list-style-type: none"> 2019 election commitment, funding fully allocated Program ends 30 June 2022

* There may be some movement of funds between years that will affect final budgets

Outcome 2: Surface Transport Program

Program	Actual 2019-20 ('\$000)	Actual 2020-21 ('\$000)	Actual 2021-22 ('\$000)	Budget* 2022-23 ('\$000)	Budget* 2023-24 ('\$000)	Budget* 2024-25 ('\$000)	Budget* 2025-26 ('\$000)	Notes
National Heavy Vehicle Safety Initiatives	5,417	5,484	5,528	5,604	4,170	4,245	4,318	<ul style="list-style-type: none"> Delivered by National Heavy Vehicle Regulator for the Commonwealth. Current grant agreement expires end 2022-23. Successful projects under Round 7 (2022-23) include a project encouraging safer driver behavior through telematics and a project to deliver high quality, innovative and holistic training to attract new drivers to the heavy vehicle industry.
Strategic Local Government Asset Assessment Project	3,980	3,980	4,039	4,018	4,018			<ul style="list-style-type: none"> Delivered by National Heavy Vehicle Regulator for the Commonwealth. The Australian Government has committed \$20.1m to better understand the safe operating limits of bridges and culverts on freight routes.

* There may be some movement of funds between years that will affect final budgets

❖ Actual Expenditure

❖ Budget (committed)

❖ Budget (not yet allocated)

Road Safety on a Page

As at 25 October 2022

Programs included in **Infrastructure Investment Program – road safety related programs**

Programs **directly** targeted at road safety

- Black Spot Program
- Australasian New Car Assessment Program (ANCAP) - Stars on Cars
- Targeted Road Safety Works

Programs **indirectly** benefiting road safety

- Heavy Vehicle Safety and Productivity Program
- Bridges Renewal Program
- Road Investment
- Roads of Strategic Importance (ROSI)
- Roads to Recovery

Other relevant IIP programs

- Regional Australian Rail level crossing
- Grade Separating Interface project

Released under FOI Act by DITRDCA

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Adam Stankevicius

SB22-000035

SUBJECT: National Road Safety Data Hub**Talking Points**

- The National Road Safety Data Hub (Data Hub) aims to deliver nationally consistent, credible and consumable road safety data that can be used to
 - monitor progress against the targets set out in the National Road Safety Strategy 2021-30 (Strategy) as agreed by all governments.
- All levels of government recognise the need for better road safety measurement and reporting to determine whether intervention measures are effective.

Key Issues

- Road Safety data comes from a wide range of sources - crash, infrastructure, vehicle, enforcement and health-related data.
- Data sources are primarily owned by state and territory road traffic authorities, police, and the health system.
- The Department publishes a range of data including monthly crash data related to fatalities, and annual data on hospitalisations and infringements related to mobile phone use, speeding, and drink/drug driving.
- Privacy considerations place constraints on the degree of sharing and the level of detail that can be published or made available to researchers.
- An Inter-Governmental Agreement (IGA) on road safety data is being progressed with all jurisdictions. The IGA will outline clear terms of use, privacy protections and processes for on-sharing road safety related data.

s45 - material disclosed in confidence

- Access or acquisition of further datasets will be driven by the needs of the Road Safety Strategy and measures to support evidence-based policy development or program evaluation.
- On 8 August 2022, 12 stakeholders from 10 organisations signed a letter to the Minister, identifying gaps in road safety data collation and reporting, and use of that data to make evidence-based infrastructure investment decisions and their evaluation, as a major issue.
- In the context of the Road Safety Action Plan, a data working group has been set up to work through these and other data issues, and agree a way forward.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Adam Stankevicius

SB22-000035

Background

- In the 2020-21 Budget, \$5.5 million and 6 ASL were allocated to the Department of Infrastructure, Transport, Regional Development, and Communications to establish a National Road Safety Data Hub. Funding is over the forward estimates to 2023-24.
- The Data Hub is supporting the Strategy's commitment to achieve zero fatalities and serious injuries by 2050 by reporting performance measures for the Strategy and its effectiveness.
- To date the Data Hub has:
 - published new dashboards on crash factors, speeding infringements, mobile phone infringements, outcome measures for the previous National Road Safety Strategy 2011-2020 and the national picture of severe injuries resulting from road crashes.
 - updated existing dashboards on fatalities, serious injuries and roadside drug and alcohol testing.
 - released a Vision Zero map showing Local Government Areas with zero deaths as at December 2020, and a map showing the locations of tranche 1 projects funded through the Road Safety Program (RSP).
 - produced road user placemats, which provide quick reference statistics, guides of road rules and other legislation applied by states and territories.
- The Data Hub is focusing on achieving:
 - reporting against the Strategy performance measures,
 - analysis of the difference road safety investment, including the Road Safety Program, has made, and
 - investigating datasets currently held by the department and how they could be further utilised.

Data Development

- Progress on the development of safety performance indicators is expected to be presented to the National Road Safety Action Plan data sub-working group consultation during October 2022.
- Data was acquired from Australian Institute of Health and Welfare (AIHW) and basic Hospitalisation tables were published in September 2022 to update the serious injury proxy measure for the 2019 calendar year. Work is underway to develop a supporting dashboard.
- The Data Hub is working with AIHW to obtain more current hospitalisation data and further leverage existing datasets, particularly with data to support serious injury measures relating to First Nation people.

Discussions are underway with the Australian Bureau of Statistics to purchase a special data request for road-related mortality statistics for Aboriginal and Torres Strait Islander people.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Mitchell Cole / s47F

SB22-000036

SUBJECT: Airbag Recalls and Coronial Inquests

- There are currently two major safety recalls for vehicles fitted with Takata airbags:
 - A compulsory recall, for Takata PSAN airbags administered by the Australian Competition and Consumer Commission (ACCC).
 - All vehicles have been accounted for by having the airbag replaced or being deemed compliant under the provisions of the recall notice.
 - A voluntary industry led recall of over 85,000 vehicles fitted with Takata NADI 5-AT airbags, of which:
 - approximately 2100 registered vehicles remain on the road. At commencement there were approximately 38,000 registered vehicles impacted by the Takata NADI 5-AT airbags; and
 - approximately 49,000 vehicles are either unregistered, scrapped, stolen or have been exported.
 - These airbag inflators could rupture, causing sharp metal fragments to enter the vehicle cabin at high speed and kill or injure vehicle occupants.
- Two deaths in Australia, as a result of the suspected misdeployment of Takata airbags, have been referred for investigation by the New South Wales (NSW) Coroner:
 - the death of Mr Huy Neng Ngo
 - the death of Mr Goce Velovski.

Key Issues*Voluntary recall of Takata NADI 5-AT airbag inflators*

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is aware of five incidents in Australia, related to the misdeployment or suspected misdeployment of NADI 5-AT airbag inflators. Four incidents involved injuries or deaths.
- Eight manufacturers have supplied vehicles fitted with NADI 5-AT airbag inflators to the Australian market. The average age of these vehicles is 20 years old.
- This recall was initiated by suppliers between November 2019 and January 2020. The department is monitoring the progress of the NADI 5-AT airbag recall and working with manufacturers, State and Territory Registration Authorities (STRAs) as well the National Exchange of Vehicle and Driver Information System (NEVDIS) to progress this recall in order to remove the remaining affected vehicles from the road and the Australian vehicle fleet.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

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SB22-000036

Other Airbag Recalls

- There are several other recalls related to airbag misdeployments on a smaller scale that are being closely monitored by the department including:
 - A voluntary recall of 1705 VW Beetles manufactured between 2012 – 2016, of which 976 have been rectified; and
 - Two voluntary recalls, with a total of 4028 Volvo S60 and S80 vehicles manufactured between 2001 – 2010 being recalled, of which 1098 have been rectified.
 - The hazard in these recalls is similar to those of the Takata PSAN and Takata NADI 5-AT recalls.

Coronial inquests

- On 19 November 2021, the NSW Coroner released findings and recommendations following a Coronial Inquest into the 2017 death of Mr Huy Neng Ngo, who was fatally injured while driving a vehicle fitted with a Takata PSAN airbag.
- The department acknowledges the findings from the NSW Coroner and is carefully considering the recommendations and taking steps to address the Coroner's findings.
- In September 2019, the department was advised of the death of Mr Goce Velovski due to the suspected misdeployment of a Takata NADI 5-AT airbag which led to the subsequent voluntary recalls of Takata NADI 5-AT airbags.
- In July 2022, the department provided a second statement to the NSW Coroner in relation to additional questions regarding the inquest into the death of Mr Velovski.
- Further details on the Coronial inquest into the death of Mr Ngo are at **Attachment A**.

BackgroundThe department's role in relation to voluntary and compulsory recalls

- The department is responsible for the administration of the Road Vehicle Standards Act 2018 (RVSA) which commenced on 1 July 2021. Prior to this date, the ACCC was responsible pursuant to the Australian Consumer Law.
- Under the RVSA, the department is responsible for both the compulsory and voluntary recall of road vehicles and approved road vehicle components. With the exception of the compulsory PSAN airbag recall, the ACCC is responsible for the voluntary and compulsory recall of consumer goods.
- The Minister responsible for the RVSA holds the statutory power to escalate a voluntary recall to a compulsory recall based on a recommendation from the department if it is not satisfied with the action taken by a supplier to prevent injury or rectify noncompliance. Should a Minister issue a compulsory recall notice, the department is responsible for administering that recall.

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SB22-000036

- A Memorandum of Understanding (MoU) between the department and the ACCC, signed on 30 June 2021, outlines the current administrative arrangements between the department and the ACCC in regards to voluntary recalls. A copy of the MoU is published on the department's recalls website at: www.vehicle recalls.gov.au
- The department has resumed Interjurisdictional meetings with STRAs and NEVDIS to facilitate information sharing and discuss issues associated with recalls of road vehicles, in particular the NADI 5-AT voluntary airbag inflator recall.

Attachment

- Attachment A – Coronial inquest into the death of Mr Ngo

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Attachment A

Coronial inquest into the death of Mr Ngo – Findings and Recommendations of the Coroner

The Coroner found that due to a lack of clarity as to the respective roles of the department and the ACCC, together with the lack of a documented process to escalate a voluntary recall to a compulsory recall, the ACCC and the department inadequately administered and monitored the Takata Airbag PSAN voluntary recall during the period July 2015 to July 2017. The Coroner also found a failure of all parties to the inquest, to publicise and communicate, in a meaningful manner, the risks posed by defective Takata airbags to the public.

The Coroner made eight recommendations related to the department including:

Recommendation	Department Response
The department and the ACCC should liaise to provide the Federal Chamber of Automotive Industries (FCAI) with any suggested changes to the FCAI's Code of Practice (Code) and include in any guidance material the intended interaction between such guidelines and the FCAI Code.	The FCAI has advised the department that an updated Code has been published. The department is currently undertaking a review of the revised Code.
For voluntary recalls there needs to be publicly available written protocols that assign responsibility as between the department and the ACCC for reviewing the effectiveness of consumer recall communications, in terms of their communications style and likelihood of prompting a consumer response, with relevant training to staff in consumer communications.	In preparation for the commencement of the Road Vehicle Standards Legislation the department worked collaboratively with the ACCC to develop a MoU which sets out the different roles and responsibilities of each agency. The MoU is published on the department's vehicles recalls website and also the ACCC's website. Communications training has been provided to the Recalls Section with ongoing discussions underway to deliver additional training to the whole of Vehicle Safety Operations Branch.
The department and the ACCC should have a policy document with an applicable process for the escalation of voluntary recalls to a compulsory recall by way of requesting the ACCC recommend the exercise of compulsory powers for recalls.	This recommendation has been overtaken by the commencement of the Road Vehicle Standards Legislation which sets out the department's responsibility for voluntary and compulsory recalls of road vehicles and approved road vehicle components. The department is now responsible for recommending to the Minister whether a compulsory recall power should be exercised.

Recommendation	Department Response
<p>The department and the ACCC develop a written protocol making clear to suppliers the respective roles of the department and the ACCC and the process for suppliers to follow when providing information about a safety defect that is confidential or commercially sensitive.</p>	<p>The MoU between the two agencies sets out in very specific detail the different roles and responsibilities of each agency. The MoU is published on the department's vehicles recalls website and also the ACCC's website.</p> <p>The department's recalls policy provides guidance to suppliers on what to do when providing confidential information.</p>
<p>The department develop policy and protocols for investigating complaints involving motor vehicle componentry generally and airbags specifically, including clear communications to progress and finalise investigations and obtaining consent for information sharing from any complainant and third party including the police, vehicle dealers and suppliers.</p>	<p>The department is considering this recommendation.</p>
<p>The department develop a publicly available register concerning the misdeployment of airbags and investigations into airbags. In addition, when a new development arises which may affect a police or coronial investigation into a serious injury or death arising from a misdeployed airbag, that such information be provided to the head of the police and the coronial unit of each State of Australia.</p>	<p>The department is considering this recommendation.</p>
<p>The department consider its reliance on benchmark recall completion figures, based on aggregated data from historical voluntary recalls, as a means of assessing the efficacy of voluntary recalls and develop protocols against which the efficacy of a supplier's recall efforts are assessed by reference to a comprehensive risk assessment, in addition to rectification rates and an assessment of the strategies deployed by the supplier to implement the recall.</p>	<p>The department has implemented a detailed recalls risk framework including a risk assessment tool to assist in determining the efficacy of voluntary recalls.</p>

Recommendation	Department Response
<p>The department consider engaging in a study to assess the feasibility of standards for airbag performance and vulnerability to misdeployment in the Australian context.</p>	<p>The department engaged Monash University Accident Research Centre to undertake airbag analysis work. This analysis has been completed and the department is considering the findings.</p>

Released under FOI Act by DITRDCA

Released under FOI Act by DITRDCA

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport (House)

Lead/Support contact: Adam Stankevicius

SB22-000206

SUBJECT: National Road Safety Strategy and Action Plan**Talking Points**

- The National Road Safety Strategy 2021-30 (Strategy) was released on 22 December 2021, following endorsement by Infrastructure and Transport Ministers.
 - The Strategy includes national targets for a 50 per cent reduction in deaths (55 per cent per capita), and 30 per cent reduction in serious injuries (38 per cent per capita) on our roads by 2030.
- A draft National Road Safety Action Plan (Action Plan) to support implementation of the Strategy was developed with states and territories in 2021.
- Following stakeholder feedback, Ministers agreed at the 11 February 2022 Infrastructure and Transport Ministers Meeting (ITMM), to further engagement on the Action Plan with stakeholders and all jurisdictions to revise and strengthen the document. At the 5 August 2022 ITMM, Ministers agreed to consider a revised Action Plan at the 9 December 2022 ITMM.
- To facilitate further consultation and strengthen the Action Plan, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts convened a National Road Safety Action Plan working group comprising jurisdictions, the Australian Local Government Association and non-government stakeholders. The working group met across September and October 2022.
- This group is supported by a Data sub-working group.

Key Issues*Consultation on the National Road Safety Strategy 2021-2030*

- During 2020, the department held targeted consultation meetings with over 50 road safety organisations including industry, non-governmental groups, road safety advocates and researchers.
- The Strategy was released for public consultation in February 2021. 110 submissions were received.
- Stakeholders sought a 50 per cent reduction in absolute numbers for both fatalities and serious injuries (those admitted to a hospital) by 2030. However, a 30 per cent reduction has been set for serious injuries due to their rising numbers (3 per cent annually).

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport (House)

Lead/Support contact: Adam Stankevicius

SB22-000206

Consultation on the National Road Safety Action Plan

- Following initial consultation in 2021 on the draft Action plan with key stakeholders, stakeholders thought the Action Plan could be strengthened through more specific measurable actions and clearer accountabilities.
- Following agreement from Ministers at the February 2022 ITMM for further consultation on the Action Plan, the department convened a National Road Safety Action Plan Working Group (working group). The working group has met three times over September and October 2022 to revise and strengthen the Plan.
- The department drafted the Action Plan with all states and territories, and consulted with key stakeholders.
- Members of the working group included senior representatives from the commonwealth and state and territory governments and key non-government road safety stakeholders. The key stakeholders were:
 - Australian Local Government Association;
 - Austroads;
 - the National Transport Commission;
 - the National Heavy Vehicle Regulator; and
 - the Australian New Zealand Policing Advisory Agency.
- Invitees and attendees are listed at **Attachment A**.
- The Action Plan will be presented to ITMM on 9 December 2022. The timeline the Department is working to is at **Attachment B**.

Monitoring Progress against the Strategy

- The Road Safety Data Hub will monitor and report against the primary outcome indicators and the safety performance indicators of the Strategy. The Strategy's Primary outcome indicators and safety performance indicators are in **Attachment C**.
- Primary outcome indicators will be measured and reported on annually against a baseline to track progress toward the fatality and serious injury targets.
- Safety performance indicators inform the assessment of the effectiveness of road safety interventions and understanding of gaps. Safety performance indicators show the level of road safety that exists and the state of the system.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport (House)

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SB22-000206

Background

Current Status			
	Strategy Target	Current	Three Year Baseline (2018-2020)
Fatalities	571	1,125 (2021)	1,142
Serious Injuries	29,000	39,755 (FY 2018/19)	40,472

- In November 2019 the then Transport and Infrastructure Committee committed to a 2050 target of zero deaths and serious injuries on Australian roads. The current Strategy sets a staged approach to 2050.
- 2030 targets of:
 - reducing fatal injuries by 50 per cent; and
 - serious injuries by 30 per cent from 2018-2020 baselines.
- The Strategy will demonstrate zero can be achieved in three key areas by 2030:
 - Zero of deaths of children 7 years and under;
 - Zero deaths in city CBD areas; and
 - Zero deaths on all national highways and on high speed roads covering 80 per cent of travel across the network.
- The Strategy identifies nine priority areas to achieve the 2030 targets;
 - Infrastructure planning and investment;
 - Regional road safety;
 - Remote road safety;
 - Vehicle safety;
 - Heavy vehicle safety;
 - Workplace road safety;
 - Aboriginal and Torres Strait Islander people;
 - Vulnerable road users; and
 - Risky road use.

Attachments:

- Attachment A - External Stakeholders at National Road Safety Action Plan Working Group meeting 2
- Attachment B - National Road Safety Action Plan Development Timeline
- Attachment C - Strategy primary outcome indicators and safety performance indicators.

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National Road Safety Action Plan Working Group 2 External Stakeholder Invitees

Organisation	Name	Position	Attendance
s47F - personal privacy			● Declined (on leave)
			● Attended
			● Attended (s47F)
			● Attended (s47F)
			● No response to invitation
			● Attended (s47F)
			● Declined
			● Declined
			● Did not attend
			● Declined (on leave)
			● No response to invitation
			● Declined
			● No response to invitation

Attachment C – Primary outcome indicators and safety performance indicators

Primary outcome indicators

The primary measure of the Strategy's success will be the overall reduction in road trauma, specifically:

- At least a 50% reduction in the number of deaths from road crashes by 2030
- At least a 30% reduction in the number of serious injuries from road crashes by 2030

On a per capita basis, the Strategy aims to:

- Reduce deaths from road crashes by at least 55% by 2030
- Reduce serious injuries from road crashes by at least 38% by 2030

Primary outcome indicators will be measured and reported on annually against a baseline to track progress toward these targets. The baseline will be calculated as a three-year average of the relevant count or rate for the period 2018 to 2020. Primary outcome measures include:

- Number of deaths
- Number of serious injuries
- Rate of deaths per capita
- Rate of serious injuries per capita
- Number of deaths of Aboriginal and Torres Strait Islander people
- Number of serious injuries of Aboriginal and Torres Strait Islander people
- Number of road crashes resulting in deaths
- Number of road crashes resulting in serious injuries
- Rate of deaths per 100 million vehicle-kilometres travelled
- Rate of serious injuries per 100 million vehicle-kilometres travelled
- Rate of deaths per 10,000 registered vehicles
- Rate of serious injuries per 10,000 registered vehicles

Demonstrating Zero by 2050

The Strategy will also demonstrate commitment to the 2050 Vision Zero by targeting zero deaths by 2030 for:

- Children 7-years and under
- City CBD areas
- All national highways and on high-speed roads covering 80% of travel across the network

Safety performance indicators

Safety performance indicators (SPIs) inform the assessment of the effectiveness of road safety interventions and understanding of gaps. SPIs show the level of road safety that exists, the state of the system.

SPIs allow us to check:

- Are we meeting our objectives and achieving the desired outcomes?
- Are the interventions up to the job?

The following SPIs will be measured and reported on annually:

Safe roads

- Share of state and territory governments and local councils with a fit-for-purpose road safety risk assessment as an investment plan for its infrastructure

- Share of travel on all national highways and on the high speed network (≥ 80 km/h) covering 80% of travel recognised as 3-stars (or equivalent risk rating) or better
- Share of road length on designated motorcycle routes with motorcycle friendly crash barriers
- Share of high pedestrian CBD/town centre areas under Movement and Place or equivalent approaches with posted speed limits ≤ 40 km/h
- Share of roads in urban areas with a posted speed limit ≥ 50 km with separated cycle ways, and in urban areas outside of ABS remoteness category 'major cities'
- Share of signalised intersections with a speed limit < 70 km/h

Safe vehicles

- Share of light vehicle fleet that has an ANCAP 5-star rating within a 6-year date stamp

Safe road use

- Share of drivers and riders tested who are not over the applicable BAC limit or under the influence of drugs
- Share of vehicles at or below speed limit
- Share of drivers and riders observed/photographed not using a mobile phone or device
- Share of motor vehicle occupants wearing seat belts

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Rural and Regional Affairs and Transport

Lead/Support contact: Adam Stankevicius

SB22-000226

SUBJECT: Amy Gillett Foundation**Talking Points**

- In the October 2022-23 Budget the Australian Government has committed \$6 million to the Amy Gillett Foundation Program (Program).
 - The Program will be delivered across two financial years from 2022-23 to 2023-24 (\$3 million per financial year).
- The Program aims to support, enhance and embed safe cycling practices into the delivery of road and street infrastructure projects throughout Australia.
- The Program will pursue two complementary projects “upskilling and collaboration” and “mapping and data”.
 - Upskilling and Collaboration - will raise the understanding of how to create safe roads and streets for safe cycling. The information gathered will help equip key local government decision makers with an understanding of best practice cycling safety, and enable collaboration across Australia, improving infrastructure that is safe for cycling.
 - Mapping and Data - will test new approaches to documenting how safe roads and streets currently are for cyclists, and review current tools used in the road design process with a view to cycling safety. The information gathered will help with infrastructure project selection, investment and design more likely to achieve road safety outcomes.

Key Issues

- Funding for the Foundation was included in the previous government’s March 2022-23 Budget, as a one-off ad hoc, closed round grant. The commitment was subject to consideration by the current government, as part of the Audit of Wasteful Spending. Funding has been confirmed through the October 2022-23 Budget, but is yet to be contracted.
 - The Department of Infrastructure, Transport, Regional Development, Communications and the Arts assessed the Program and recommended the commitment be retained in the October 2022-23 Budget. The Program represents value for money and while it is difficult to do a like-for-like comparison with other programs, the number of outputs are consistent with, or exceed other road safety grants of similar or greater value.
 - The Program will achieve benefits to cycling safety nationwide by upskilling the capability of local governments in the implementation of the Safe System Approach in local road and street design. By working directly to improve the safety of vulnerable road users, the Program directly links to priorities in the *National Road*

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Rural and Regional Affairs and Transport

Lead/Support contact: Adam Stankevicius

SB22-000226

Safety Strategy and addresses recommendations in the Joint Select Committee Report on Road Safety.

- The department has consulted with the Community Grants and Business Grants hubs and the Department of Finance to ensure the funding Program adheres to the *Whole of Government Grants Administration Arrangements*.
 - The contract is in development and is expected to include performance-based milestones. This further ensures value for money for the Government by requiring the Program to be on target and delivering outcomes prior to payments being released.
- The department has sought a deferment from the CGH to allow the Office of Road Safety to establish the contract and administer the Program.

Background

The department understands the March 2022-23 Budget \$6m commitment by the previous government was made based on a pre-Budget submission made by the Amy Gillett Foundation to the Department of Treasury seeking \$12 million for the Program.

Financial Information as at Budget, 25 October 2022:

Program/Project Start Date:	2022-23					
Program/Project End Date:	30 June 2024					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	0	3.0	3.0	0	6.0
Less:						
Actual Expenditure YTD at 25 October 2022	0	0				
Total Committed Funds at 25 October 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	0	3.0	3.0	0	6.0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000037

SUBJECT: Infrastructure Investment Program - Budget Overview**Talking Points**

- The Australian Government's focus for the October Budget was on delivering election commitments, and revising its approach to infrastructure investment.
- This was driven by the need to cool the infrastructure market, which is struggling to keep pace with the level of infrastructure investment, and to reflect realistic delivery timeframes.
- The repositioning included a review of existing investments – terminating projects that were not productive, were not supported by delivery partners, or didn't contribute to the Government's objectives.
- This more targeted and realistically phased investment contributed to budget repair.
- These reprofiling decisions were made in consultation with jurisdictions.

Key Issues

- In the October 2022-23 Budget, \$92.9 billion was allocated to the Infrastructure Investment Program over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$8.1b, including (see **Attachments B and C**):
 - \$6.7b of 41 new projects and additional funding to 9 existing projects through election commitments
 - \$1.1b towards 4 new projects to continue regional investment
 - \$2.2b cancellation of 36 projects
 - \$925m expenditure reduction in 12 projects
 - \$6.5b defer expenditure for s47B over the FEs
- Election Commitments – new programs
 - Heavy Vehicle Rest Areas – The Government has committed and additional \$80 million to the Heavy Vehicle Rest Area program for a total of \$140 million over 10 years.
 - Local Roads and Community Infrastructure (LRCI) Program – The Government has committed to an additional \$250 million worth of investment in roads and community projects. This is in addition to the \$500 million announced in the March 2022-23 Budget.
- The reprofiling of projects was undertaken in consultation with jurisdictions, between officials and ministers and their offices.
 - This was an iterative process, formally starting with a written request from FAS IID to jurisdictions for their proposed cashflow changes on 20 July 2022 (as foreshadowed in the National Partnership Agreement Notes on Administration), with a similar letter sent by Minister King on 28 July 2022.

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SB22-000037

- 2022-23 IIP Budget numbers are specific to the IIP and the October 2022 Budget process.
- Public statements on the Government's broader infrastructure spend include projects that the government has agreed to continue, and projects outside the IIP.

National Infrastructure Summary – Net changes (\$b)

Period	Investment: 2021-22 PEFO (\$b)	Investment: October 2022-23 Budget (\$b)	Net change: October 2022-23 Budget vs 2021-22 PEFO (\$b)
2022-23	16.0	12.4	-3.6
Forward Estimates (2022-23 to 2025-26)	59.6	55.1	-4.5
10 Year Investment (2022-23 to 2031-32)	84.8	92.9	8.1

Infrastructure Investment Program by financial years - Summary

Payments (\$b)		Forecasts^ (\$b)					
2021-22 Underspend	2022-23 Payment*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
3,667.1	929.1	12,381.7	14,225.4	14,447.9	14,022.9	37,827.0	92,904.9

* As at 30 September 2022

^ Forecasts as at October 2022-23 Budget

State Breakdowns – as at October Budget 2022

Period	NSW	VIC	QLD	WA	SA	TAS	NT	ACT
Current Budget Year (\$b) 2022-23	3.0	2.6	2.3	2.2	1.1	0.5	0.3	<0.1
10 Year Investment (\$b) (2022-23 to 2025-26)	23.0	19.4	20.6	9.7	8.3	2.8	2.6	0.6
Change in 10-year profile from PEFO	2.0	1.9	2.1	1.0	0.7	0.1	0.6	<0.1

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Impact Breakdowns – Infrastructure Investment Program (IIP) as at October Budget 2022

Source of IIP Impacts	FE Total Impact (\$b)	10 Year Total Impact (\$b)
Election Commitments There are 50 land transport infrastructure projects, totalling approximately \$6.7 billion, committed to during the election. See - <u>Attachment A</u>	2.9	6.7
Continuing Regional Investment Projects that were earmarked under the Energy Security and Regional Development Program	0.1	1.1
Cancellations and reductions Funding for 48 projects was cancelled or reduced. See - <u>Attachment B</u>	-1.6	-2.6

s47B

Attachments

- Attachment A - Table of Election Commitments and New Projects
- Attachment B - Table of Cancellations and Reductions
- Attachment C - s47B

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Attachment A

Senate Estimates Brief – October 2022 – IIP – Budget Overview

Election Commitments and New Projects

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
IIP Election Commitments			
National			
Heavy Vehicle Rest Area	80.0	140.0	This is an existing program of works which was provided \$60m in the March 2022 Budget.
<i>Subtotal National IIP election commitments</i>	<i>80.0</i>	<i>140.0</i>	
NSW			
High Speed Rail Authority Future Priorities (Sydney to Newcastle)	500.0	500.0	
Brindabella Road Upgrade	17.4	17.4	
Blue Mountains Roads Upgrades	12.5	12.5	
Mandalong Road Upgrade	56.0	56.0	
Central Coast Road Upgrades	40.0	40.0	
Middleton Drive Extension - M7 Underpass	6.0	6.0	
Upgrade to Avoca Drive on the Central Coast	30.0	30.0	
Nowra Bypass	32.0	32.0	
River Road Safety Upgrades	9.4	9.4	
Shoalhaven Roads	40.0	40.0	
Epping Bridge	110.0	110.0	
Hill Road Upgrade for Wentworth Point	8.5	8.5	
Dunns Creek Road	65.0	65.0	
Planning study for the Narooma Bridge	5.0	5.0	
Hawkesbury Roads Upgrade Package	11.2	11.2	
North West Growth Corridor unallocated	10.9	10.9	Part of the Western Sydney Roads Package
Finalise Planning and Preparatory Works for Castlereagh Connection	50.0	50.0	Part of the Western Sydney Roads Package
North West Growth Corridor – Planning and Early Works	75.0	75.0	Part of the Western Sydney Roads Package
Richmond Road Corridor Upgrade - Planning	24.5	37.0	Part of the Western Sydney Roads Package This is an existing project and the funding includes \$12.5 million committed to the project in the March 2022 Budget.

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
Dunheved Road Upgrade, Penrith	0.0	127.0	Part of the Western Sydney Roads Package Already committed to in March 22-23 Budget
Expert Panel for Western Sydney Infrastructure Planning	0.0	0.0	Part of the Western Sydney Roads Package \$0.1m in Departmental Funding, which sits outside the IIP
<i>Subtotal NSW IIP election commitments</i>	<i>1,103.4</i>	<i>1,242.9</i>	
NT			
Tanami Road and Central Arnhem Road Future Priorities	350.0	350.0	
Central Australian Tourism Roads	200.0	332.0	This is an existing project and the funding includes \$12.5 million committed to the project in the March 2022 Budget.
<i>Subtotal NT IIP election commitments</i>	<i>550.0</i>	<i>682.0</i>	
QLD			
Bruce Highway Upgrade (Anzac Avenue to Uhlmann Road)	586.4	586.4	
Loganlea Road Upgrade	22.5	22.5	
Cavendish Road level crossing, Coorparoo	100.0	100.0	
Kuranda Range Road Upgrade	210.0	210.0	
Gympie Road Planning Study	5.0	5.0	
Upgrade Bruce Highway Between Gladstone and Rockhampton	200.0	200.0	
Ipswich–Springfield Detailed Business Case	3.4	3.4	
Charters Towers Industrial Precinct Access	4.0	4.0	
Boundary Road level crossing, Coopers Plains	60.0	133.0	Existing project with funding before the March 22-23 Budget
Bruce Highway - Dohles Rocks Road North Facing Ramps	80.0	200.0	Existing project with funding before the March 22-23 Budget
Ipswich Motorway - Stage 2	0.0	12.5	Existing works contained within the Brisbane Olympic and Paralympic Games 2032 - Business Case Development project
<i>Subtotal QLD IIP election commitments</i>	<i>1,271.3</i>	<i>1,476.8</i>	
SA			
Southern Expressway and Majors Road Interchange	60.0	60.0	
Nationwide Freight Highway Upgrade Program (SA)	400.0	400.0	
Marion Road - Anzac Highway to Cross Road	0.0	200.0	Committed to in March 22-23 budget

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
<i>Subtotal SA IIP election commitments</i>	460.0	660.0	
TAS			
Mornington Roundabout Upgrade (GSF)	30.0	30.0	
Tasmanian Roads Package - Future Priorities	48.0	48.6	Bass and Tasman Highways Existing project with funding before the March 22-23 Budget
Tasmanian Roads Package - Tasman Highway Sideling Upgrade - Stage 2	0.0	56.0	Bass and Tasman Highways Funding committed in March 22-23 Budget
Tasmanian Roads Package - Northern Roads Package - Stage 2	0.0	336.0	Bass and Tasman Highways Funding committed in March 22-23 Budget
Great Eastern Drive Tourism Support - additional packages	0.0	100.0	Bass and Tasman Highways Funding committed in March 22-23 Budget
<i>Subtotal Tas IIP election commitments</i>	78.0	570.6	
Vic			
Barwon Heads Road Upgrade - Stage 2	125.0	125.0	
Ison Road Overpass	57.0	57.0	
Suburban Rail Loop East	2,200.0	2,200.0	
Fishermans Bend Transport Link Feasibility Study	3.0	3.0	
Business Case to Upgrade the Western Highway Between Melton and Caroline Springs	10.0	10.0	
Wollert Rail Feasibility Study (BFT)	0.3	0.3	
Gippsland Logistics Precinct Stage 2 (RGF)	10.0	10.0	
Macedon and Mitchell Shire Roads	11.0	11.0	
Cameron Lane's Interchange (was Beveridge Interstate Freight Terminal Road Connections)	150.0	150.0	This replaces a commitment made at the March 2022-23 Budget of \$280m.
<i>Subtotal Vic IIP election commitments</i>	2,566.3	2,566.3	
WA			
Gnangara Road Duplication	7.3	7.3	
Neerabup Strategic Link - Flynn Drive Upgrade	15.0	15.0	
Electric Bus Charging Infrastructure	125.0	125.0	
Alice Springs to Halls Creek Corridor Upgrade (WA) – Tanami Road Upgrade	400.0	434.2	Existing project with funding before the March 22-23 Budget
METRONET: Hamilton Street / Wharf Street Grade Separations and Elevation of Associated Stations	87.5	375.0	Existing project with funding before the March 22-23 Budget
<i>Subtotal WA IIP election commitments</i>	634.8	956.5	
<i>Subtotal IIP election commitments</i>	6,743.7	8,295.0	

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
Non-IIP Election Commitments			
Local Roads and Community Infrastructure	250.0	3,250.0	
Establishment of the High Speed Rail Authority	18.0	18.0	
Subtotal Non-IIP election commitments	268.0	3,268.0	
Subtotal Infrastructure Election Commitments	6,931.7	11,423.0	
Other New Programs in Budget			
NSW			
Coulsons Creek Road Upgrade	38.6	38.6	
New England Highway - Muswellbrook Bypass	268.8	268.8	
Subtotal other new NSW projects	307.4	307.4	
QLD			
Queensland Beef Corridors	400.0	400.0	
Inland Freight Route (Mungindi to Charters Towers) Upgrades	400.0	800.0	
Subtotal other new QLD projects	800.0	1,200.0	
Subtotal other projects being committed to through this budget	1,107.4	1,507.4	
Total	8,119.1	13,070.4	

Attachment B

Senate Estimates Brief – October 2022 – IIP – Budget Overview

Cancellations and Reductions

Cancelled Projects

Project Name	Progress Status	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
National						
Unallocated Urban Congestion Fund	Future Project	0.0	768.8	-768.8	0.0	0.0
Unallocated Major Project Business Case Fund	Future Project	0.0	7.8	-7.8	0.0	0.0
<i>Subtotal National Cancellation</i>		<i>0.0</i>	<i>776.5</i>	<i>-776.5</i>	<i>0.0</i>	<i>0.0</i>
Australian Capital Territory						
Canberra - South West Corridor upgrade package	In Planning	0.1	51.0	-50.9	0.2	0.1
Kings Highway Corridor (ACT-NSW)	In Planning	0.0	30.0	-30.0	0.0	0.0
Boboyan Road Upgrade	In Planning	0.0	5.0	-5.0	0.0	0.0
<i>Subtotal ACT Cancellations</i>		<i>0.1</i>	<i>86.0</i>	<i>-85.9</i>	<i>0.2</i>	<i>0.1</i>
New South Wales						
Port Botany to Kingsford Smith Airport and Mascot	Underway	0.0	10.0	-9.1	0.9	0.9
Unallocated Pacific Highway - Woolgoolga to Ballina	Future Project	0.0	4.7	-4.7	0.0	0.0
Dixons Long Point Crossing	In Planning	2.0	29.8	-27.8	2.0	0.0
Sydney to Central Coast Faster Rail Planning	Not Started	0.0	20.0	-20.0	0.0	0.0
Balgowlah Interchange	In Planning	0.0	50.0	-50.0	0.0	0.0
Commuter Car Park Upgrade - T8 East Hills Line - Macarthur	In Planning	0.7	15.0	-14.0	1.0	0.3
Commuter Car Park Upgrade - Gosford	In Planning	0.0	30.0	-29.5	0.5	0.5

Project Name	Progress Status	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
Commuter Car Park Upgrade – Panania	In Planning	0.7	8.3	-7.3	1.0	0.3
Commuter Car Park Upgrade - Hurstville	In Planning	0.7	7.5	-6.8	0.7	0.0
James Ruse Drive and Hassall Street Grade Separation - Planning	In Planning	0.0	4.0	-4.0	0.0	0.0
Heathcote Road, The Avenue to Princes Highway - Planning	In Planning	0.0	17.5	-17.5	0.0	0.0
Wakehurst Parkway	In Planning	0.0	75.0	-75.0	0.0	0.0
<i>Subtotal NSW Cancellations</i>		4.1	271.8	-265.7	6.1	2.0
Victoria						
Monash Rail	Future Project	0.0	475.0	-475.0	0.0	0.0
Other ROSI Initiatives - Future Priorities	Future Project	0.0	0.1	-0.1	0.0	0.0
Dorset Road Extension	In Planning	6.5	80.0	-73.5	6.5	0.0
Napoleon Road Upgrade - Lysterfield Road to Kelletts Road	In Planning	3.5	50.0	-46.5	3.5	0.0
Wellington Road Duplication	In Planning	6.5	110.0	-103.5	6.5	0.0
Dorset Road Upgrade	In Planning	3.5	50.0	-46.5	3.5	0.0
Glenferrie Road Level Crossing Removal, Kooyong	In Planning	5.6	260.0	-254.4	5.6	0.0
Commuter Car Park Upgrades - Bentleigh	In Planning	0.5	9.1	-8.6	0.5	0.0
Commuter Car Park Upgrades - Ferntree Gully	In Planning	1.0	16.0	-15.0	1.0	0.0
Commuter Car Park Upgrades - Hampton	In Planning	0.1	12.5	-12.4	0.1	0.0

Project Name	Progress Status	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Boronia	In Planning	1.0	20.0	-19.0	1.0	0.0
Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Heathmont	In Planning	15.0	18.9	-3.9	15.0	0.0
Commuter Car Park Upgrade - Sandringham Line - North Brighton	In Planning	0.6	6.9	-6.3	0.6	0.0
Commuter Car Park Upgrade - Sandringham Line - Sandringham	In Planning	0.1	3.1	-3.0	0.1	0.0
Commuter Car Park Upgrade - Pakenham Line - Narre Warren	In Planning	0.7	15.0	-14.3	0.7	0.0
Commuter Car Park Upgrade - Doncaster Park and Ride	In Planning	4.0	6.0	-2.0	4.0	0.0
Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Heatherdale	In Planning	10.5	15.0	-4.5	10.5	0.0
Commuter Car Park Upgrade - Sandringham Line - Elsternwick	In Planning	0.5	9.1	-8.6	0.5	0.0
Commuter Car Park Upgrade - Pakenham Line - Officer	In Planning	0.0	5.0	-5.0	0.0	0.0
<i>Subtotal Vic Cancellations</i>		59.7	1,161.6	-1,101.9	59.7	0.0
Total Cancellations		63.9	2,296.0	-2,230.0	66.0	2.1

Reduced Projects

Project Name	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
National					
Infrastructure Investment Headroom (National)	0.0	1,300.0	-500.0	800.0	800.0
Bridges Renewal Program	NA	NA	-40.0	1,012.5	1,012.5
<i>Subtotal National Reductions</i>	<i>0.0</i>	<i>1,300.0</i>	<i>-540.0</i>	<i>1,812.5</i>	<i>1,812.5</i>
New South Wales					
Tenterfield to Newcastle - Future Priorities	0.0	74.0	-30.0	44.0	44.0
Toowoomba to Seymour – New South Wales - Future Priorities	0.0	24.9	-20.0	4.9	4.9
<i>Subtotal NSW Reductions</i>	<i>0.0</i>	<i>98.9</i>	<i>-50.0</i>	<i>48.9</i>	<i>48.9</i>
Victoria					
Ballarat to Ouyen - Future Priorities	0.0	50.7	-25.4	25.4	25.4
Echuca to Robinvale - Future Priorities	0.0	17.5	-8.8	8.8	8.8
Green Triangle - Future Priorities	0.0	82.8	-41.4	41.4	41.4
Melbourne to Mildura - Future Priorities	0.0	52.3	-26.2	26.2	26.2
Stawell to South Australian Border - Future Priorities	0.0	46.1	-23.1	23.1	23.1
Toowoomba to Seymour - Victoria - Future Priorities	0.0	129.0	-64.5	64.5	64.5
s47B					
<i>Subtotal Vic Reductions</i>	<i>39.0</i>	<i>678.4</i>	<i>-335.8</i>	<i>342.7</i>	<i>303.7</i>
Total Reductions	39.0	2,077.3	-925.8	2,204.1	2,165.1

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

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SB22-000038

SUBJECT: Infrastructure Investment Program - Delivery**Talking Points**

- There was underspend of \$3.7b in the Infrastructure Investment Program (IIP) in 2021-22.
- Project delivery under the IIP is impacted by broader construction sector challenges as a result of global and domestic factors, including COVID-19 related absences, skills shortages, extreme weather events and cost increases from global inflation pressures.
- By cancelling some projects and reprofiling the funding or scope of others, the Government is helping to balance the market's capacity to deliver, ensuring key projects are prioritised and reducing inflationary pressure.
- The reprofiling of projects has been undertaken in close consultation with State and Territory Governments.

Key Issues

- The Australian Government is ensuring that infrastructure spending is targeted, and aligned with current capacity and resource availability in Australia's construction market.
 - Since May 31, 2022, more than 35 projects have been completed, with an Australian Government investment of \$1.4 billion. These include:
 - Monash Freeway Upgrade (Vic)
 - Bruce Highway – Mackay Northern Access Upgrade (QLD)
 - South Gippsland Highway - Koonwarra Realignment (Vic)
 - Gawler Rail Line Electrification (SA).
 - In 2021-22 the Government committed to more than 3,300 smaller transport infrastructure projects, of which:
 - More than 2,500 have been completed
 - More than 800 are planned or underway
- [The project count includes projects for the Black Spot, Roads to Recovery, Bridges Renewal and Heavy Vehicle Safety and Productivity Programs only.]
- The IIP is the largest component of the \$123 billion 10-year infrastructure pipeline announced in the October 2022-23 Budget.
 - The pipeline now consists of:
 - Local Roads and Community Infrastructure Program
 - Financial Assistance Grants (Local Roads component)

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- Supplementary Local Roads funding for South Australia
- Equity investments in transport infrastructure

Investment in the Infrastructure Program as at October Budget 2022-23

FINAL BUDGET OUTCOME (\$m)						CURRENT YEAR	Forward Estimates	10 - year Program
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2022-23 to 2025-26	2022-23 to 31-32
6,190.8	6,138.2	5,750.2	5,027.7	8,828.9	7,695.9	12,381.7	55,077.9	92,904.9

State Breakdown of Major Projects by status

Project Status	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	NAT	Total
In Planning	114	103	118	54	24	23	11	7	1	455
Underway/Under Construction	48	66	91	45	29	19	7	19	2	326
Completed	0	13	3	4	11	4	0	4	0	39
TOTAL	162	182	212	103	64	46	18	30	3	820

- **In Planning:** Projects which may or may not be approved for construction that are undertaking a detailed analysis of requirements, such as a detailed business case and/or collecting information from stakeholders.
- **Under Construction / Underway:** Projects which are approved and have physical works underway, or have commenced in the case of projects without construction works (e.g. funding business case development).
- **Completed:** Projects where construction is completed and the project is open and being used.

Data as at 25 October 2022. Only includes projects completed since 31 May 2013 and count is indicative only.

2021-22 Underspend by State

State	NSW	VIC	QLD	WA	SA	Tas	ACT	NT
Underspend 2021-22	1,015.4	1,115.7	159.2	368.5	265.3	30.0	10.6	97.2

Top projects contributing to underspend

Project Name	State	Underspend (\$m)
Melbourne Airport Rail Link	VIC	236.9
Coffs Harbour Bypass	NSW	230.6
Sydney Metro - Western Sydney Airport	NSW	145.3
Road Safety Program - NSW (Regional)	NSW	131.5
Frankston to Baxter Rail Upgrade	VIC	115.0

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Project Name	State	Underspend (\$m)
Shepparton Rail Line Upgrade – Stage 3	VIC	100.0
Stage 3 – Planning, Design and Implementation of Advanced Train Management System	National	100.0
Road Safety Program - Vic (Regional)	VIC	95.1
Western Highway – Ballarat to Stawell Duplication	VIC	57.8
Bendigo/Echuca Rail Line Upgrade	VIC	50.0
Western Highway - Complete the Duplication Between Ballarat and Stawell	VIC	45.6
Road Safety Program unallocated funding - NSW	NSW	44.2
Karratha to Tom Price Corridor Upgrade	WA	43.8
North-South Corridor - Darlington to Anzac Highway	SA	42.0
North-South Corridor - Darlington Upgrade – Investment	SA	38.0
Pinch Point Program	NSW	37.0
Leach Highway (Welshpool Road Interchange)	WA	36.0
Geelong Fast Rail	VIC	35.0
Glenferrie Road Level Crossing Removal, Kooyong	VIC	30.0
The Horsley Drive Upgrade	NSW	30.0

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SB22-000039

SUBJECT: Infrastructure National Partnership Agreement**Talking Points**

- The National Partnership Agreement on Land Transport Infrastructure Projects (NPA) is the mechanism through which the Australian Government delivers funds to States for investment in land transport infrastructure.
- Negotiating the new NPA with the States from mid-2023 will provide an opportunity for reform and to pursue the Government's priorities.

Key Issues

- The NPA governs Government funding provided for projects administered under the *National Land Transport Act 2014* (NLT Act), primarily through the Infrastructure Investment Program (IIP).
- Each state has a separately agreed schedule to the NPA, indicating the levels of funding the Government intends to provide to projects.
 - These schedules are updated following the Federal Budget and the Mid-Year Economic and Fiscal Outlook (MYEFO) each year, or as required.
- The current NPA came into effect on 1 July 2019 and will expire on 30 June 2024.
- The NPA provides for an independent review, to be undertaken in early 2023. This is an important first step in negotiations for a new agreement, and will give the Government early indications of how the States might approach negotiations, and likely issues of sensitivity.
- Negotiations on the NPA will be guided by identified Government priorities, which will be consistent with broad themes to be agreed to by all relevant Ministers:
 - Negotiations will be iterative and require trade-offs and flexibility from all parties.
 - Sticking points will not become clear until negotiations are advanced, although States are likely to resist greater funding conditions within the NPA, unless there is additional funding or a willingness to compromise on other conditions.
- Negotiation needs to balance the Government's objectives of leveraging its investment in land transport infrastructure to drive broader policy outcomes, with the need for arrangements that can be practically managed and limit the risk of projects being delayed.

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SB22-000039

Background

- The NPA facilitates the efficient and effective delivery of infrastructure projects through the inclusion of provisions that promote:
 - greater Indigenous economic participation;
 - a competitive infrastructure market that builds long-term capacity;
 - enhanced transport safety outcomes;
 - climate and disaster resilience;
 - environmental sustainability; and
 - innovation and the uptake of technology to solve transport problems.

Negotiations on the current NPA

- There were several areas that required consultation with the States during negotiations on the current NPA.
- For example, the introduction of the Indigenous Employment and Supplier-Use Infrastructure Framework (Framework), where:
 - negotiations on the Framework balanced recognising States' concerns that the Framework's requirements would be too onerous with developing a Framework that would deliver strong Indigenous outcomes;
 - States expressed concerns about the Framework applying to smaller projects. States considered there would likely be capability issues for these projects, with smaller contractors expected to not be able to meet the administrative and reporting requirements; and
 - based on these concerns, it was agreed that an Australian Government funding contribution threshold of \$7.5 million would apply to the Framework.
- A 2018 external review conducted by EY assessed the effectiveness of the former NPA in facilitating the delivery of projects. Conducted in accordance with clause 53 of the NPA, and publicly available on the Department of the Treasury website, the review found the NPA was broadly effective in supporting project delivery; however, several areas were proposed for consideration in negotiating the current NPA, including:
 - handling of milestone payments and cash flows, addressing maintenance funding gaps and risk-sharing across the Commonwealth and jurisdictions;
 - more streamlined reporting and administration arrangements; and
 - clarity around the Commonwealth's interest in leveraging funding to deliver broader policy outcomes.
- The NPA is a non-legally binding understanding with the States and may be adjusted as required through the Federation Funding Agreements Framework. This mechanism provides flexibility to progress shared objectives.

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- On 29 March 2022, the then Infrastructure Minister wrote to each jurisdiction with a proposed updated NPA schedule that reflected decisions of the March 2022-23 Budget.
- Two jurisdictions, QLD and NT, indicated their acceptance of the updated schedule:

Jurisdiction	Response to the Schedule
VIC	Response not yet provided
NSW	Response not yet provided
QLD	Yes
WA	Response not yet provided
SA	Response not yet provided
TAS	Response not yet provided
NT	s47B - Commonwealth-State relations
ACT	Response not yet provided

- On 28 July 2022, the Infrastructure Minister wrote to her State counterparts highlighting current economic and construction market constraints and seeking their input on how best to achieve realistic construction delivery timeframes; a sustainable, achievable and realistic project pipeline over the longer term; and an easing of current inflationary pressures.

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SB22-000040

SUBJECT: Infrastructure Investment**Talking Points**

- In the Budget, the Australian Government repositioned its approach to infrastructure investment.
- This was driven by the need to cool the infrastructure market, which is struggling to keep pace with the level of infrastructure investment and reflect realistic delivery timeframes.
- The repositioning included a review of existing investments – terminating projects that were not productive, were not supported by relevant stakeholders, or didn't contribute to the Government's objectives.
- This more targeted and realistically phased investment contributed to budget repair.

Key Issues

- The October Budget started a process of reform that will lead to a more productive sector and respond to an overheated infrastructure market.
- The October Budget is the Government's first step in a comprehensive repositioning of its approach to infrastructure investment. This repositioning will occur in close consultation with State and Territory Governments through the Infrastructure and Transport Ministers Meeting (ITMM), leading to an Infrastructure Policy Statement/Framework to be delivered in 2023.
 - The Statement/Framework will outline the Government's priorities for future infrastructure investment decisions, including how projects will be identified and selected in way that ensures transparency and accountability.
- The current scale of infrastructure investment reflects a broader strategy for stimulus, however it is not sustainable from either a delivery or financial perspective.
- The domestic construction market is currently overheated and is struggling to keep pace with the level of infrastructure investment and cannot deliver the proposed pipeline within currently proposed timeframes.
- The overheated market also makes it difficult for us to deliver government commitments across all portfolios that are competing for finite skills and resources.
- A repositioning and realigning of priorities, by carefully scaling back investment in the near term, is necessary to balance the market's capacity to deliver projects. This will ensure key projects are prioritised, and taxpayers see improved equity, transparency and value for money.

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SB22-000040

- For example, the Urban Congestion Fund has been abolished, with remaining projects to be delivered under the broader IIP. This decision was taken after an ANAO audit and an inquiry by the Senate Finance and Public Administration Committee, as well as consultation with the relevant state governments. (See Main Brief 'Urban Congestion Fund' (SB22-000221) for further information.)
- The Government will continue to negotiate with States and Territories to ensure the reprofiling of infrastructure spending reflects priorities and capacity across Australia.

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Rural and Regional Affairs and Transport

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SB22-000041

SUBJECT: QLD Infrastructure Investment (Road and Rail)**Expenditure/Forecast for the Infrastructure Investment Program**

Period	Investment: 2021-22 PEFO (\$b)	Investment: 2022-23 October Budget (\$b)	Net change: 2022-23 October Budget vs 2021- 22 PEFO (\$b)
2022-23	3.1	2.3	-0.9
Forward Estimates (2022-23 to 2025-26)	12.8	10.7	-2.1
10 Year Investment (2022-23 to 2031-32)	18.5	20.6	2.1

Payments (\$m)		Forecasts^ (\$m)					
2021-22 Underspend	2022-23 Payments*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
159.2	223.8	2,276.2	2,534.5	2,863.9	3,013.1	9,906.5	20,594.2

* As at 30 September 2022

^ Forecasts as at 2022-23 October Budget

Key Issues

- Consistent with the Government's commitment to evidence-based decision making and removing wasteful spending, the Government considered the merits of all Infrastructure Investment projects in the October 2022-23 Budget to ensure they align with the Government's priorities and realistic delivery timeframes.
 - This process considered advice from States and Territories.
- At the October 2022 Budget, \$20.6 was allocated to Queensland over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$2.1b, including (see **Attachments A and B**):
 - \$1.3b of 10 new projects through election commitments
 - \$800m for 2 projects to support Regional Australia.
- The Australian Government will continue working with Queensland to deliver election commitments, address market capacity and smooth the pipeline.

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- These issues will be considered in future Budget processes to ensure that investments target Australia Government priorities across jurisdictions and reflect realistic delivery timeframes.

Background

- At the October 2022 Budget, the Australian Government committed \$1.3 billion towards new infrastructure projects made as election commitments in Queensland (**Attachment A**), including:
 - \$586.4m towards the Bruce Highway Upgrade (Anzac Avenue to Uhlmann Road)
 - \$210m towards the Kuranda Range Road Upgrade
 - \$200m towards the Upgrade Bruce Highway Between Gladstone and Rockhampton
 - an additional \$80 million to widen the Bruce Highway in Brisbane from six lanes to eight lanes between Dohles Rocks Road and Anzac Avenue, taking the total Australian Government commitment to \$200 million.
- For Queensland, the Minister announced \$1.5b, which is comprised of \$1.3 billion new commitments under the IIP and \$0.2b ongoing under the IIP.
- At the October 2022 Budget, the Australian Government agreed to defer expenditure for 219 projects (\$2.4b over the FEs), (**Attachment B**), including:
 - Bruce Highway - Rockhampton Ring Road
 - Brisbane to the Sunshine Coast (Beerwah-Maroochydore Rail Extension).
- As at the October Budget, there were over 91 projects in construction and underway in Queensland. In 2021, over 24 projects reached completion, with over 45 projects commencing construction, including:
 - \$224 million – Bruce Highway – Townsville Ring Road – Stage 5 (June)
 - \$93.92 million – Bruce Highway – Townsville Northern Access Intersections Upgrade (May)
 - \$37.5 million – Mount Lindesay Highway - Stoney Camp Road to Chambers Flat Road (March)
- A number of key Australian Government funded projects in Queensland are expected to reach completion in 2022, including:
 - \$327.45 million – Bruce Highway – Haughton River Floodplain Upgrade (July)
 - \$175 million – Bruce Highway – Additional Funding for Black Spots, Rest Areas and Safety Upgrades (July)
 - \$30 million – Kennedy Highway (Mareeba - Atherton) (November)

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Attachments

- Attachment A – Further information on October 2022 Budget commitments, including election commitments.
- Attachment B – Further information on deferred projects.

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Attachment A

Senate Estimates Brief – October 2022 – IIP – QLD

Election Commitments and New Projects

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
IIP Election Commitments			
Queensland			
Bruce Highway Upgrade (Anzac Avenue to Uhlmann Road)	586.4	586.4	
Loganlea Road Upgrade	22.5	22.5	
Cavendish Road level crossing, Coorparoo	100.0	100.0	
Kuranda Range Road Upgrade	210.0	210.0	
Gympie Road Planning Study	5.0	5.0	
Upgrade Bruce Highway Between Gladstone and Rockhampton	200.0	200.0	
Ipswich–Springfield Detailed Business Case	3.4	3.4	
Charters Towers Industrial Precinct Access	4.0	4.0	
Boundary Road level crossing, Coopers Plains	60.0	133.0	Existing project with funding before the March 22-23 Budget
Widen Bruce Highway in Brisbane (Dohles Rocks Road to Anzac Avenue)	80.0	200.0	Existing project (Bruce Highway - Dohles Rocks Road North Facing Ramps) with funding before the March 22-23 Budget
Ipswich Motorway - Stage 2	0.0	12.5	Existing works contained within the Brisbane Olympic and Paralympic Games 2032 - Business Case Development project
<i>Subtotal QLD IIP election commitments</i>	<i>1,271.3</i>	<i>1,476.8</i>	
Other New Programs in Budget			
Queensland			
Queensland Beef Corridors	400.0	400.0	
Inland Freight Route (Mungindi to Charters Towers) Upgrades	400.0	800.0	
<i>Subtotal other new QLD projects</i>	<i>800.0</i>	<i>1,200.0</i>	
Total	2,071.3	2,676.8	

Senate Estimates Brief – October 2022 – Infrastructure Investment Program – QLD
Top Deferrals by State

					October Budget (\$m)											Profile at PEFO (\$m)											
State	Project Name	AGC (\$m)	Total project cost (\$m)	Change over FE's (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Queensland																											
QLD	Bruce Highway - Rockhampton Ring Road	823.6	1,029.5	-512.8	22.7	0.0	0.0	0.0	31.6	164.8	180.0	168.0	232.5	0.0	0.0	20.3	34.0	164.8	180.0	168.0	232.5	0.0	0.0	0.0	0.0	0.0	
QLD	Bruce Highway - Pine River to Caloundra Corridor - Future Priorities	739.2	923.9	-236.6	0.0	0.0	35.0	25.6	77.0	80.2	126.2	131.2	121.6	142.4	0.0	0.0	0.0	59.5	117.2	197.5	77.0	77.0	114.4	80.0	16.6	0.0	
QLD	Brisbane to the Sunshine Coast (Beerwah-Maroochydore Rail Extension)	1,600.0	3,200.0	-200.0	0.0	0.0	0.0	0.0	50.0	100.0	150.0	200.0	350.0	350.0	400.0	0.0	0.0	0.0	50.0	200.0	350.0	400.0	400.0	200.0	0.0	0.0	
QLD	Warrego Highway - Future Priorities	375.6	469.6	-154.0	0.0	0.0	37.4	81.5	25.2	80.0	119.6	31.9	0.0	0.0	0.0	0.6	70.0	69.1	90.5	72.5	72.5	0.0	0.0	0.4	0.0	0.0	
QLD	Brisbane to the Gold Coast (Kuraby – Beenleigh Faster Rail Upgrade)	1,121.0	2,242.0	-150.0	0.0	0.0	70.0	50.0	150.0	225.0	275.0	351.0	0.0	0.0	0.0	0.0	0.0	70.0	150.0	200.0	430.0	271.0	0.0	0.0	0.0	0.0	
QLD	Mooloolah River Interchange Upgrade (Packages 1 and 2)	160.0	320.0	-143.3	4.3	0.0	0.0	0.0	12.5	16.1	41.6	85.5	0.0	0.0	0.0	4.3	12.5	16.1	41.6	85.5	0.0	0.0	0.0	0.0	0.0	0.0	
QLD	Gateway Motorway - Bracken Ridge to Pine River	800.0	1,000.0	-141.0	2.9	3.8	4.6	55.1	71.4	183.6	100.0	109.6	116.0	150.6	0.0	2.9	3.8	30.6	87.9	153.6	128.0	128.0	142.4	96.0	24.4	0.0	
QLD	Cunningham Highway - Future Projects	111.6	139.5	-111.6	0.0	0.0	0.0	0.0	0.0	0.0	8.0	12.0	32.5	32.0	27.1	2.0	22.6	38.0	11.0	38.0	0.0	0.0	0.0	0.0	0.0	0.0	
QLD	Cairns Ring Road	287.2	359.0	-111.0	10.9	0.0	0.0	45.2	55.7	112.0	61.0	0.0	0.0	0.0	0.0	10.9	0.0	49.4	70.0	92.5	62.0	0.0	0.0	0.0	0.0	0.0	
QLD	Bruce Highway - Cairns Southern Access - Stage 5	180.0	225.0	-105.6	1.6	3.2	7.3	13.3	36.0	70.9	26.2	21.5	0.0	0.0	0.0	2.2	3.8	13.3	60.0	88.3	12.4	0.0	0.0	0.0	0.0	0.0	

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Maxine Ewens / Lok Potticary

SB22-000042

SUBJECT: WA Infrastructure Investment (Road and Rail)**Expenditure/Forecast for the Infrastructure Investment Program**

Period	Investment: 2021-22 PEFO (\$b)	Investment: 2022-23 October Budget (\$b)	Net change: 2022-23 October Budget vs 2021- 22 PEFO (\$b)
2022-23	2.7	2.2	-0.5
Forward Estimates (2022-23 to 2025-26)	7.5	7.5	<-0.1
10 Year Investment (2022-23 to 2031-32)	8.7	9.7	1.0

Payments (\$m)		Forecasts^ (\$m)					
2021-22 Underspend	2022-23 Payments*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
368.5	71.36	2,181.1	2,491.5	1,755.8	1,086.1	2,181.3	9,695.8

* As at 30 September 2022

^ Forecasts as at 2022-23 October Budget

Key Issues

- Consistent with the Government's commitment to evidence-based decision making and removing wasteful spending, the Government considered the merits of all Infrastructure Investment projects in the October 2022-23 Budget to ensure they align with the Government's priorities and realistic delivery timeframes.
 - This process considered advice from States and Territories.
- At the October 2022 Budget, \$9.7b was allocated to Western Australia over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$1.0b, including (see **Attachments A and B**):
 - \$634.8m of 3 new and 2 existing projects through election commitments

Contact: Maxine Ewens**Cleared by First Assistant Secretary:** Ben Meagher**Phone:** (02) 6274 8080**Version Number:** 01**Date:** 21/20/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Maxine Ewens / Lok Potticary

SB22-000042

- The Australian Government will continue working with Western Australia to deliver election commitments, address market capacity and smooth the pipeline.
- These issues will be considered in future Budget processes to ensure that investments target Australia Government priorities across jurisdictions and reflect realistic delivery timeframes.

Background

- At the October 2022 Budget, the Australian Government committed \$634.8 million towards new and existing infrastructure projects made as election commitments in WA (**Attachment A**), including:
 - \$400.0m towards the Alice Springs to Halls Creek Corridor Upgrade (WA) – Tanami Road
 - \$125.0m towards the Electric Bus Charging Infrastructure
 - \$87.5m towards removing the William Street level crossing and building a new elevated Beckenham Station as part of the METRONET: Hamilton Street / Wharf Street / William Street Grade Separations and Elevation of Associated Stations project
- For Western Australia, the Minister announced \$670m, which is comprised of \$634.8m new commitments under the IIP and \$35m ongoing under the IIP for the Nicholson Road / Garden Street Grade Separation project.
- At the October 2022 Budget, the Australian Government agreed to defer expenditure for 99 projects (\$146.6m over the FEs) (**Attachment B**), including:
 - Outback Way - Western Australia Future Priorities project
 - Pinjarra Heavy Haulage Deviation - Stages 1 and 2
 - Reid Highway Interchange - West Swan Road
- As at the October Budget, there were 45 projects in construction and underway in Western Australia. In 2021, over 7 projects reached completion, with over 25 projects commencing construction, including:
 - \$1.0 billion – Bunbury Outer Ring Road (stages 2 and 3) (January)
 - \$625 million – METRONET: Morley-Ellenbrook Line (January)
 - \$144 million – Roe Highway/Great Eastern Highway Bypass and Abernethy Road/Great Eastern Highway Bypass Interchanges (November)

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BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Maxine Ewens / Lok Potticary****SB22-000042**

- A number of key Australian Government funded projects in Western Australia were completed in 2022, including:
 - \$96 million – Regional State Road Safety Improvement Program (March)
 - \$55 million – METRONET: Denny Avenue Level Crossing Removal (April)
 - \$47 million – Leach Highway (High Street) Upgrade – Carrington Street to Stirling Highway (February)

Attachments

- Attachment A – Further information on October 2022 Budget commitments, including election commitments.
- Attachment B – Further information on deferred projects.

Attachment A

Senate Estimates Brief – October 2022 – IIP – WA

Election Commitments

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
<u>IIP Election Commitments</u>			
Western Australia			
Gnangara Road Duplication	7.3	7.3	
Neerabup Strategic Link - Flynn Drive Upgrade	15.0	15.0	
Electric Bus Charging Infrastructure	125.0	125.0	
Alice Springs to Halls Creek Corridor Upgrade (WA) – Tanami Road Upgrade	400.0	434.2	Existing project with funding before the March 22-23 Budget
METRONET: Hamilton Street / Wharf Street / William Street Grade Separations and Elevation of Associated Stations	87.5	375.0	Existing project with funding before the March 22-23 Budget
Total WA IIP election commitments	634.8	956.5	

Senate Estimates Brief – October 2022 – Infrastructure Investment Program – WA
Top Deferrals by State

					October Budget (\$m)											Profile at PEFO (\$m)											
State	Project Name	AGC (\$m)	Total project cost (\$m)	Change over FE's (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Western Australia																											
WA	Outback Way - Western Australia Future Priorities	476.5	595.6	-129.5	0.0	0.0	24.0	24.0	24.0	48.0	48.0	48.0	48.0	100.0	112.5	25.0	51.5	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	0.0
WA	Pinjarra Heavy Haulage Deviation - Stages 1 and 2	200.0	250.0	-99.7	0.0	0.0	4.3	8.0	8.0	80.0	80.0	19.7	0.0	0.0	0.0	13.0	10.0	10.0	40.0	60.0	60.0	7.0	0.0	0.0	0.0	0.0	
WA	Reid Highway Interchange - West Swan Road	87.5	175.0	-72.1	0.0	0.0	0.0	1.4	1.0	10.0	47.5	27.6	0.0	0.0	0.0	13.0	26.5	48.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
WA	METRONET: Morrison Road Level Crossing Removal	100.0	200.0	-58.0	0.0	0.5	0.5	0.5	0.5	25.0	40.0	33.0	0.0	0.0	0.0	0.0	2.5	2.5	15.0	40.0	35.0	5.0	0.0	0.0	0.0	0.0	
WA	Canning Bridge Bus Interchange	100.0	200.0	-57.3	0.0	0.0	0.0	2.2	25.0	56.3	16.5	0.0	0.0	0.0	0.0	0.0	1.0	1.0	29.0	53.5	15.5	0.0	0.0	0.0	0.0	0.0	
WA	Great Eastern Highway Upgrades - Coates Gully, Walgoolan to Southern Cross and Ghooli to Benari	200.0	250.0	-56.4	0.0	23.2	28.8	33.6	40.0	33.6	40.8	0.0	0.0	0.0	0.0	18.0	60.0	60.0	60.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	
WA	Perth Airport Precinct - Northern Access	85.0	170.0	-26.5	0.0	0.0	11.0	10.0	0.5	26.5	37.0	0.0	0.0	0.0	0.0	0.0	1.0	2.5	7.5	37.0	37.0	0.0	0.0	0.0	0.0	0.0	
WA	Tonkin Highway Stage 3 Extension	604.0	755.0	-17.8	5.0	14.4	100.2	220.0	116.0	111.2	0.0	0.0	0.0	0.0	0.0	32.4	115.4	140.0	100.0	113.0	60.0	6.0	0.0	0.0	0.0	0.0	
WA	Great Northern Highway - Bindoon Bypass	220.0	275.0	-7.0	43.7	16.0	17.0	52.0	70.0	21.3	0.0	0.0	0.0	0.0	0.0	58.0	90.0	60.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
WA	Newman to Katherine Corridor Upgrade (WA) - Great Northern Highway Upgrade - Newman to Port Hedland Overtaking Lanes	40.0	50.0	-5.0	0.0	5.0	10.0	10.0	10.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	15.5	17.4	6.6	0.5	0.0	0.0	0.0	0.0	0.0	0.0	

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Maxine Ewens

SB22-000043

SUBJECT: NT Infrastructure Investment (Road and Rail)

Expenditure/Forecast for the Infrastructure Investment Program

Period	Investment: 2021-22 PEFO (\$b)	Investment: 2022-23 October Budget (\$b)	Net change: 2022-23 October Budget vs 2021- 22 PEFO (\$b)
2022-23	0.3	0.3	<- 0.1
Forward Estimates (2022-23 to 2025-26)	1.2	1.5	0.3
10 Year Investment (2022-23 to 2031-32)	2.0	2.6	0.6

Payments (\$m)		Forecasts^ (\$m)					
2021-22 Underspend	2022-23 Payments*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
97.2	15.5	299.1	466.5	355.7	370.3	1,134.2	2,625.9

* As at 30 September 2022

^ Forecasts as at 2022-23 October Budget

Key Issues

- Consistent with the Government's commitment to evidence-based decision making and removing wasteful spending, the Government considered the merits of all Infrastructure Investment projects in the October 2022-23 Budget to ensure they align with the Government's priorities and realistic delivery timeframes.
 - This process considered advice from States and Territories.
- At the October 2022 Budget, \$2.6 billion was allocated to the Northern Territory over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$647 million, including (see **Attachments A and B**):
 - \$550 million to 1 new and 1 existing project, through election commitments

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Cleared by First Assistant Secretary: Ben Meagher

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Date: 21/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Maxine Ewens

SB22-000043

- The Australian Government will continue working with the Northern Territory to deliver election commitments, address market capacity and smooth the pipeline.
- These issues will be considered in future Budget processes to ensure that investments target Australia Government priorities across jurisdictions and reflect realistic delivery timeframes.

Background

- At the October 2022 Budget, the Australian Government committed \$550 million towards new and existing infrastructure projects made as election commitments in the Northern Territory (**Attachment A**), including:
 - \$350 million towards the Tanami Road and Central Arnhem Road Future Priorities project
 - \$200 million towards the NT Strategic Roads Package project
- For the Northern Territory, the Minister announced \$2.5b, which is comprised of \$550m in new commitments under the IIP, and \$2b in projects delivered through other programs.
- At the October 2022 Budget, the Australian Government agreed to defer expenditure for 45 projects (\$29.1 million over the FEs, with 2021-22 underspend) (**Attachment B**), including:
 - Northern Territory Gas Industry Roads Upgrades - Future Priorities
 - Tiwi Island Roads Upgrades
 - Tennant Creek to Townsville Corridor Upgrade (Northern Territory) - Future Priorities
- As at the October Budget, there were 18 projects in construction and underway in the Northern Territory. In 2021, over 10 projects reached completion, with over 17 projects commencing construction, including:
 - \$100 million – Buntine Highway Upgrade (May)
 - \$47 million – Northern Territory National Network Highway Upgrades (March)
 - \$25 million – Alice Springs to Darwin Corridor – Arnhem Highway Upgrade at Beatrice Hill (June)

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BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Maxine Ewens****SB22-000043**

- A number of key Australian Government funded projects in the Northern Territory are expected to reach completion in 2022, including:
 - \$4.3 million – Alice Springs to Darwin Corridor - Roper Highway Upgrade (Stage 1) (September)
 - \$38.5 million – Buntine Highway Road Upgrading – Project Development and Delivery Phase (October)
 - \$8.3 million – Alice Springs to Darwin Corridor – Maryvale Road Upgrade (Stage 2) (December)

Attachments

- Attachment A – Further information on October 2022 Budget commitments, including election commitments.
- Attachment B – Further information on deferred projects.

Attachment A

Senate Estimates Brief – October 2022 – IIP – NT

Election Commitments and New Projects

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
<u>IIP Election Commitments</u>			
Northern Territory			
Tanami Road and Central Arnhem Road Future Priorities	350.0	350.0	Additional funding to the Tanami Road and Central Arnhem Road, bringing the total AG investment to \$740m for both roads.
NT Strategic Roads Package	200.0	332.0	This is an existing project and the funding includes \$132 million committed to the project in the March 2022 Budget.
Total NT IIP election commitments	550.0	682.0	

Senate Estimates Brief – October 2022 – Infrastructure Investment Program – NT
Top Deferrals in NT

					October Budget (\$m)											Profile at PEFO (\$m)											
State	Project Name	AGC (\$m)	Total project cost (\$m)	Change over FE's (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Northern Territory																											
NT	Northern Territory Gas Industry Roads Upgrades - Future Priorities	173.6	217.0	-8.0	0.0	2.0	20.0	40.0	40.0	40.0	31.6	0.0	0.0	0.0	0.0	1.0	10.0	20.0	40.0	40.0	40.0	22.6	0.0	0.0	0.0	0.0	
NT	Tiwi Island Roads Upgrades	60.0	75.0	-2.7	0.4	5.3	10.0	10.0	10.0	10.0	10.0	3.5	0.0	0.0	0.0	2.0	10.0	10.0	10.0	8.0	7.0	7.0	5.2	0.0	0.0	0.0	
NT	Tennant Creek to Townsville Corridor Upgrade (Northern Territory) - Future Priorities	69.1	86.6	-1.7	0.0	2.3	8.0	8.0	8.0	8.0	8.0	9.0	9.0	8.8	0.0	0.0	4.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.1	0.0	

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Robyn Legg

SB22-000044

SUBJECT: NSW Infrastructure Investment (Road and Rail)**Expenditure/Forecast for the Infrastructure Investment Program**

Period	Investment: 2021-22 PEFO (\$b)	Investment: 2022-23 October Budget (\$b)	Net change: 2022-23 October Budget vs 2021- 22 PEFO (\$b)
2022-23	4.0	3.0	-1.0
Forward Estimates (2022-23 to 2025-26)	15.8	14.9	-0.9
10 Year Investment (2022-23 to 2031-32)	20.9	23.0	2.0

Payments (\$m)		Forecasts^ (\$m)					
2021-22 Underspend	2022-23 Payments*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
1,015.4	96.0	3,020.0	3,615.0	4,305.9	3,927.5	8081.9	22,950.2

* As at 30 September 2022

^ Forecasts as at 2022-23 October Budget

Key Issues

- Consistent with the Government's commitment to evidence-based decision making and removing wasteful spending, the Government considered the merits of all Infrastructure Investment projects in the October 2022-23 Budget to ensure they align with the Government's priorities and realistic delivery timeframes.
 - This process considered advice from States and Territories.
- At the October 2022 Budget, \$23.0 billion was allocated to New South Wales over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$2.0 billion, including (see **Attachments A and B**):
 - \$1.1b of 18 new projects and additional funding to 1 project through election commitments
 - \$307m for 2 new projects to support regional Australia
 - \$266m cancellation of 12 projects
 - \$50m reduction in 2 projects

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Robyn Legg

SB22-000044

- The Australian Government will continue working with New South Wales to deliver election commitments, address market capacity and smooth the pipeline.
- These issues will be considered in future Budget processes to ensure that investments target Australia Government priorities across jurisdictions and reflect realistic delivery timeframes.

Background

- At the October 2022 Budget, the Australian Government committed \$1.4 billion towards new and existing infrastructure projects made as election commitments in New South Wales (**Attachment A**), including:
 - \$500m towards High Speed Rail
 - \$110m towards Epping Bridge
 - \$65m towards Dunns Creek Road
 - \$56m towards Mandalong Road Upgrade
- At the October 2022 Budget, Australian Government funding for 122 projects was reprofiled (\$1.5b over the FEs), 12 projects were cancelled (\$266m), and funding for 2 projects reduced (\$50m) (**Attachments B and C**), including:
 - Deferred projects: Great Western Highway Upgrade - Katoomba to Lithgow - Construction of East and West Sections
 - Cancelled projects: Balgowlah Interchange
 - Reduced projects: Tenterfield to Newcastle - Future Priorities
- As at the October Budget, there were over 48 projects under construction and underway in New South Wales. In 2021, over 17 projects reached completion, with over 17 projects commencing construction, including:
 - \$400 million – Port Botany Rail Line Duplication (September)
 - \$150 million – Newell Highway Upgrade – Parkes Bypass (November)
 - \$94 million – Heathcote Road Upgrade, Hammondville to Voyager Point (November)
- A number of key Australian Government funded projects in New South Wales have or are expected to reach completion in 2022, including:
 - \$1.5 million – The Hatch Road Upgrade, The Hatch (February)
 - \$12.5 million – Caddens Road Upgrade, Claremont Meadows – Penrith City Council (January)
 - \$12.5 million – Commuter Car Park Upgrade - Revesby (December)

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Version Number: 01

Date: 21/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Robyn Legg

SB22-000044

Attachments

- Attachment A – Further information on October 2022 Budget commitments, including election commitments.
- Attachment B – Further information on cancelled or reduced projects.
- Attachment C – Further information on deferred projects.

Contact: Robyn Legg

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Version Number: 01

Date: 21/10/2022

Attachment A

Senate Estimates Brief – October 2022 – IIP – NSW

Election Commitments and New Projects

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
IIP Election Commitments			
New South Wales			
High Speed Rail Authority Priorities	500.0	500.0	
Brindabella Road Upgrade	17.4	17.4	
Blue Mountains Roads Upgrades	12.5	12.5	
Mandalong Road Upgrade	56.0	56.0	
Central Coast Road Upgrades	40.0	40.0	
Middleton Drive Extension - M7 Underpass	6.0	6.0	
Upgrade to Avoca Drive on the Central Coast	30.0	30.0	
Nowra Bypass	32.0	32.0	
River Road Safety Upgrades	9.4	9.4	
Shoalhaven Roads	40.0	40.0	
Epping Bridge	110.0	110.0	
Hill Road Upgrade for Wentworth Point	8.5	8.5	
Dunns Creek Road	65.0	65.0	
Planning study for the Narooma Bridge	5.0	5.0	
Hawkesbury Roads Upgrade Package	11.2	11.2	
North West Growth Corridor unallocated	10.9	10.9	Part of the Western Sydney Roads Package
Finalise Planning and Preparatory Works for Castlereagh Connection	50.0	50.0	Part of the Western Sydney Roads Package
North West Growth Corridor – Planning and Early Works	75.0	75.0	Part of the Western Sydney Roads Package
Richmond Road – Planning	24.5	37.0	Part of the Western Sydney Roads Package This is an existing project and the funding includes \$12.5 million committed to the project in the March 2022 Budget.
Dunheved Road Upgrade, Penrith	0.0	127.0	Part of the Western Sydney Roads Package Already committed to in March 22-23 Budget
Expert Panel for Western Sydney Infrastructure Planning	0.0	0.0	Part of the Western Sydney Roads Package \$0.1m in Departmental Funding, which sits outside the IIP

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
<i>Subtotal NSW IIP election commitments</i>	1,103.4	1,242.9	
Other New Programs in Budget			
NSW			
Coulsons Creek Road Upgrade	38.6	38.6	
New England Highway - Muswellbrook Bypass	268.8	268.8	
<i>Subtotal other new NSW projects</i>	307.4	307.4	
Total NSW New Projects	1,410.8	1,550.3	

Attachment B

Senate Estimates Brief – October 2022 – IIP – NSW

Cancellations and Reductions

Cancelled Projects

Project Name	Progress Status	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
New South Wales						
Port Botany to Kingsford Smith Airport and Mascot	Underway	0.0	10.0	-9.1	0.9	0.9
Unallocated Pacific Highway - Woolgoolga to Ballina	Future Project	0.0	4.7	-4.7	0.0	0.0
Dixons Long Point Crossing	In Planning	2.0	29.8	-27.8	2.0	0.0
Sydney to Central Coast Faster Rail Planning	Not Started	0.0	20.0	-20.0	0.0	0.0
Balgowlah Interchange	In Planning	0.0	50.0	-50.0	0.0	0.0
Commuter Car Park Upgrade - T8 East Hills Line - Macarthur	In Planning	0.7	15.0	-14.0	1.0	0.3
Commuter Car Park Upgrade - Gosford	In Planning	0.0	30.0	-29.5	0.5	0.5
Commuter Car Park Upgrade – Panania	In Planning	0.7	8.3	-7.3	1.0	0.3
Commuter Car Park Upgrade - Hurstville	In Planning	0.7	7.5	-6.8	0.7	0.0
James Ruse Drive and Hassall Street Grade Separation - Planning	In Planning	0.0	4.0	-4.0	0.0	0.0
Heathcote Road, The Avenue to Princes Highway - Planning	In Planning	0.0	17.5	-17.5	0.0	0.0
Wakehurst Parkway	In Planning	0.0	75.0	-75.0	0.0	0.0
Total NSW Cancellations		4.1	271.8	-265.7	6.1	2.0

Reduced Projects

Project Name	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
New South Wales					
Tenterfield to Newcastle - Future Priorities	0.0	74.0	-30.0	44.0	44.0
Toowoomba to Seymour – New South Wales - Future Priorities	0.0	24.9	-20.0	4.9	4.9
Total NSW Reductions	0.0	98.9	-50.0	48.9	48.9

Senate Estimates Brief – October 2022 – Infrastructure Investment Program – Budget Overview
Top Deferrals by State

					October Budget (\$m)											Profile at PEFO (\$m)											
State	Project Name	AGC (\$m)	Total project cost (\$m)	Change over FE's (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
New South Wales																											
NSW	Great Western Highway Upgrade - Katoomba to Lithgow - Construction of East and West Sections	2,032.0	2,540.0	-707.4	40.0	40.0	0.0	80.0	240.0	456.3	432.8	600.9	142.0	0.0	0.0	45.1	212.9	256.0	305.2	305.2	305.2	305.2	297.2	0.0	0.0	0.0	
NSW	Coffs Harbour Bypass	1,760.0	2,200.0	-292.4	120.0	203.0	240.0	175.0	307.0	300.0	243.1	20.0	0.0	0.0	0.0	383.5	393.0	297.0	245.6	248.9	40.0	0.1	0.0	0.0	0.0	0.0	
NSW	M12 Motorway	1,631.4	2,039.0	-152.0	157.4	95.4	335.0	296.9	76.1	152.2	0.0	0.0	0.0	0.0	0.0	114.1	138.9	335.0	402.1	122.9	0.0	0.0	0.0	0.0	0.0	0.0	
NSW	Sydney Metro - Western Sydney Airport	5,190.0	10,380.0	-150.0	683.5	1,045.1	1,029.0	1,184.2	639.1	341.9	25.4	0.0	0.0	0.0	0.0	876.0	1,310.0	1,058.0	1,070.0	562.2	72.0	0.0	0.0	0.0	0.0	0.0	
NSW	Pacific Highway - Wyong Town Centre	336.0	420.0	-109.0	0.0	0.0	0.0	0.0	3.0	5.0	50.0	166.0	112.0	0.0	0.0	0.0	0.0	0.0	0.0	112.0	112.0	112.0	0.0	0.0	0.0	0.0	
NSW	M1 Pacific Motorway Extension to Raymond Terrace	1,680.0	2,100.0	-86.0	27.0	9.0	20.0	263.0	317.0	307.0	306.0	159.0	252.0	0.0	0.0	24.0	13.0	29.0	236.0	420.0	460.0	395.0	80.4	2.6	0.0	0.0	
NSW	Grade separating road interfaces	450.0	562.5	-75.9	0.0	10.0	8.0	20.0	232.0	180.0	0.0	0.0	0.0	0.0	0.0	0.8	50.3	74.7	119.8	101.0	103.3	0.0	0.0	0.0	0.0	0.0	
NSW	New England Highway - Tenterfield Heavy Vehicle Bypass - Construction	96.0	120.0	-66.0	0.0	0.0	0.0	10.0	20.0	40.0	21.0	5.0	0.0	0.0	0.0	0.0	20.0	30.0	40.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	
NSW	Southern Connector Road, Jindabyne	100.0	151.2	-50.0	0.0	0.0	0.0	2.4	20.0	25.0	25.0	27.6	0.0	0.0	0.0	0.0	2.4	20.0	25.0	25.0	20.0	7.6	0.0	0.0	0.0	0.0	
NSW	Sydney to Newcastle - Tuggerah - Wyong faster rail upgrade	1,000.0	2,000.0	-50.0	0.0	0.0	0.0	0.0	10.0	50.0	150.0	200.0	200.0	200.0	190.0	0.0	0.0	0.0	10.0	50.0	150.0	200.0	200.0	200.0	150.0	40.0	

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Robyn Legg

SB22-000045

SUBJECT: ACT Infrastructure Investment (Road and Rail)

Expenditure/Forecast for the Infrastructure Investment Program

Period	Investment: 2021-22 PEFO (\$m)	Investment: 2022-23 October Budget (\$m)	Net change: 2022-23 October Budget vs 2021- 22 PEFO (\$m)
2022-23	114.6	68.2	-46.5
Forward Estimates (2022-23 to 2025-26)	502.7	456.5	-46.1
10 Year Investment (2022-23 to 2031-32)	611.9	617.6	5.7

Payments (\$m)		Forecasts^ (\$m)					
2021-22 Underspend	2022-23 Payments*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
10.6	4.3	68.2	161.9	117.6	108.8	161.1	617.6

* As at 30 September 2022

^ Forecasts as at 2022-23 October Budget

Key Issues

- Consistent with the Government's commitment to evidence-based decision making and removing wasteful spending, the Government considered the merits of all Infrastructure Investment projects in the October 2022 Budget to ensure they align with the Government's priorities and realistic delivery timeframes.
 - This process considered advice from States and Territories.
- At the October 2022 Budget, \$617.6 million was allocated to the ACT over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$5.7 million
- The Australian Government will continue working with the ACT to deliver election commitments, address market capacity and smooth the pipeline.
- These issues will be considered in future Budget processes to ensure that investments target Australia Government priorities across jurisdictions and reflect realistic delivery timeframes.

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Date: 21/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Robyn Legg

SB22-000045

Background

- At the October 2022 Budget, the Australian Government did not commit to any new infrastructure projects in the ACT.
- At the October 2022 Budget, the Australian Government decided to cancel expenditure for 3 projects (\$85.9m) (**Attachment A**). The cancelled projects are:
 - Canberra – South West Corridor upgrade package
 - Kings Highway Corridor (ACT-NSW)
 - Boboyan Road Upgrade
- At the October 2022 Budget, the Australian Government committed an additional \$85.9m to the Canberra Light Rail – Stage 2A project.
- At the October 2022 Budget, Australian Government funding for 12 projects was reprofiled (\$32.8m million over the FEs) (**Attachment B**), including:
 - Monaro Highway Upgrade
 - Athllon Drive Duplication
 - Intersection Safety Improvements
- As at the October 2022 Budget, there were 7 projects in construction and underway in the ACT. In 2021, 6 projects reached completion, with 5 projects commencing construction, including:
 - \$25 million – Gundaroo Drive Duplication (February)
 - \$2.5 million – Parkes Way upgrade – Planning and Design (March)
- One key Australian Government funded project in the ACT reached completion in 2022:
 - \$1.0 million – Monaro Highway - Canberra Avenue to Hume Planning (February)

Attachments

- Attachment A – Further information on cancelled projects.
- Attachment B – Further information on deferred projects.

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Attachment A

Senate Estimates Brief – October 2022 – IIP – ACT

Cancelled Projects

Project Name	Progress Status	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
Australian Capital Territory						
Canberra - South West Corridor upgrade package	In Planning	0.1	51.0	-50.9	0.2	0.1
Kings Highway Corridor (ACT-NSW)	In Planning	0.0	30.0	-30.0	0.0	0.0
Boboyan Road Upgrade	In Planning	0.0	5.0	-5.0	0.0	0.0
Total ACT Cancellations		0.1	86.0	-85.9	0.2	0.1

Senate Estimates Brief – October 2022 – Infrastructure Investment Program – ACT
Top Deferrals in the ACT

					October Budget (\$m)											Profile at PEFO (\$m)											
State	Project Name	AGC (\$m)	Total project cost (\$m)	Change over FE's (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Australian Capital Territory																											
ACT	William Hovell Drive Duplication	26.5	53.0	-2.6	0.0	2.0	10.0	8.0	4.0	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	11.9	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACT	Beltana Road Improvements	2.5	5.0	0.0	0.0	1.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACT	Inner Canberra Corridor Planning Package	1.5	3.0	0.0	0.0	0.0	0.9	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.9	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACT	Kent Street and Novar Street Intersection Upgrades	2.8	6.6	0.0	0.0	0.7	2.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.5	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACT	Traffic Signal Uninterrupted Power Supply (UPS)	0.4	0.8	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACT	Road Safety Barriers	0.9	1.7	0.1	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACT	ACT Intersection Upgrade Package	5.0	10.0	0.9	1.1	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACT	Northbourne Avenue Pavement Rehabilitation Package	5.0	10.0	1.5	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACT	Molonglo River Bridge	87.5	175.0	2.9	0.0	3.5	34.0	34.0	11.6	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.3	15.2	35.0	20.0	10.0	7.1	0.0	0.0	0.0	0.0	0.0

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Rob Bradley

SB22-000046

SUBJECT: VIC Infrastructure Investment (Road and Rail)

Expenditure/Forecast for the Infrastructure Investment Program

Period	Investment: 2021-22 PEFO (\$b)	Investment: 2022-23 October Budget (\$b)	Net change: 2022-23 October Budget vs 2021- 22 PEFO (\$b)
2022-23	3.6	2.6	-1.0
Forward Estimates (2022-23 to 2025-26)	12.8	12.1	-0.7
10 Year Investment (2022-23 to 2031-32)	17.5	19.4	1.9

Payments (\$m)		Forecasts^ (\$m)					
2021-22 Underspend	2022-23 Payments*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
1,115.6	412.4	2,588.4	2,680.3	3,132.0	3,706.9	7,285.5	19,393.2

* As at 30 September 2022

^ Forecasts as at 2022-23 October Budget

Key Issues

- Consistent with the Government's commitment to evidence-based decision making and removing wasteful spending, the Government considered the merits of all Infrastructure Investment projects in the October 2022-23 Budget to ensure they align with the Government's priorities and realistic delivery timeframes.
 - This process considered advice from States and Territories.
- At the October 2022 Budget, \$19.4b was allocated to Victoria over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$1.9b, including (see **Attachments A and B**):
 - \$2.6b of 8 new projects and additional funding to 1 project through election commitments
 - \$1.1b cancellation of 19 projects
 - \$0.3b reduction in 8 projects

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Rob Bradley

SB22-000046

- The Australian Government will continue working with Victoria to deliver election commitments, address market capacity and smooth the pipeline.
- These issues will be considered in future Budget processes to ensure that investments target Australia Government priorities across jurisdictions and reflect realistic delivery timeframes.

Background

- At the October 2022 Budget, the Australian Government committed \$2.6 billion towards new and existing infrastructure projects made as election commitments in Victoria (**Attachment A**), including:
 - \$125m towards the Barwon Heads Road Upgrade - Stage 2 project
 - \$57m towards the Ison Road Overpass project
 - \$2.2b towards the Suburban Rail Loop East project
 - \$3.0m towards Fishermans Bend Transport Link Feasibility Study project
 - \$10.0m towards Business Case to Upgrade the Western Highway Between Melton
 - \$0.3m towards Wollert Rail Feasibility Study project
 - \$10.0m towards Gippsland Logistics Precinct State 2 (RGF) project
 - \$11.0m towards Macedon and Mitchell Shire Roads project
 - \$150.0m towards Beveridge Interstate Freight Terminal Road Connections project (announced as Camerons Lane Interchange)
- For Victoria, the Minister announced \$2.57b, which is comprised of \$2.6b new commitments under the IIP.
- At the October 2022 Budget, the Australian Government announced it had decided to defer expenditure for 154 projects (\$0.9b over the FEs), cancel 19 projects (\$1.1b), and reduce funding for 8 projects (\$0.3b) (**Attachments B and C**), including:
 - Deferred projects: Melbourne Airport Rail Link; Geelong Fast Rail, McKoy Street - Hume Freeway Intersection Upgrade
 - Cancelled projects: Monash Rail, Glenferrie Road Level Crossing Removal, Kooyong, Wellington Road Duplication
 - Reduced projects: Sealing Roads in the Dandenong Ranges and Surrounds – Yarra Ranges Council, Toowoomba to Seymour - Victoria - Future Priorities, Green Triangle - Future Priorities

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BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Rob Bradley****SB22-000046**

- As at the October Budget there were over 66 projects in construction and underway in Victoria. In 2021, over 29 projects reached completion, with over 57 projects commencing construction, including:
 - \$1.8 billion - North East Link (November)
 - \$1.1 billion – Suburban Roads Upgrades – South Eastern Roads and Northern Roads (January)
 - \$320 million – Shepparton Rail Line Upgrade – Stage 3 (September)
- 8 key Australian Government funded projects in Victoria reached completion in 2022 to 30 September 2022:
 - \$4 million – Boronia Road and Lewis Road Intersection Upgrade (July)
 - \$684 million - Monash Freeway Upgrade (August)
 - \$25 million – Princes Highway East – Sale to NSW Border Upgrade
 - \$57.6 million – South Gippsland Highway – Koonwarra Realignment
- A number of key Australian Government funded projects in Victoria are expected to reach completion in 2022, including:
 - \$1.6 million – School Infrastructure Road Upgrades in Nillumbik Shire (December)
 - \$226 million - Warrnambool Rail Line Upgrade Stage 1 (December)
 - \$2.3 million - Princes Highway East - Bairnsdale Median Shared Pathway from Bairnsdale-Dargo Road to Forge Creek Road (December)

Attachments

- Attachment A – Further information on October 2022 Budget commitments, including election commitments.
- Attachment B – Further information on cancelled or reduced projects.
- Attachment C – Further information on the top deferred projects.

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Attachment A

OCTOBER 2022 BUDGET COMMITMENTS, INCLUDING ELECTION COMMITMENTS – VICTORIA:

Election Commitments

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
<u>IIP Election Commitments</u>			
Victoria			
Barwon Heads Road Upgrade - Stage 2	125.0	125.0	
Ison Road Overpass	57.0	57.0	
Suburban Rail Loop East	2,200.0	2,200.0	
Fishermans Bend Transport Link Feasibility Study	3.0	3.0	
Business Case to Upgrade the Western Highway Between Melton and Caroline Springs	10.0	10.0	
Wollert Rail Feasibility Study (BFT)	0.3	0.3	
Gippsland Logistics Precinct Stage 2 (RGF)	10.0	10.0	
Macedon and Mitchell Shire Roads	11.0	11.0	
Camerons Lane Interchange (was Beveridge Interstate Freight Terminal Road Connections)	150.0	150.0	This replaces a commitment made at the March 2022-23 Budget of \$280m.
Total Vic IIP election commitments	2,566.3	2,566.3	

Attachment B

OCTOBER 2022 BUDGET – CANCELLED PROJECTS – VICTORIA:

Project Name	Progress Status	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
Victoria						
Monash Rail	Future Project	0.0	475.0	-475.0	0.0	0.0
Other ROSI Initiatives - Future Priorities	Future Project	0.0	0.1	-0.1	0.0	0.0
Napoleon Road Upgrade - Lysterfield Road to Kelletts Road	In Planning	3.5	50.0	-46.5	3.5	0.0
Wellington Road Duplication	In Planning	6.5	110.0	-103.5	6.5	0.0
Dorset Road Upgrade	In Planning	3.5	50.0	-46.5	3.5	0.0
Glenferrie Road Level Crossing Removal, Kooyong	In Planning	5.6	260.0	-254.4	5.6	0.0
Commuter Car Park Upgrades - Bentleigh	In Planning	0.5	9.1	-8.6	0.5	0.0
Commuter Car Park Upgrades - Ferntree Gully	In Planning	1.0	16.0	-15.0	1.0	0.0
Commuter Car Park Upgrades - Hampton	In Planning	0.1	12.5	-12.4	0.1	0.0
Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Boronia	In Planning	1.0	20.0	-19.0	1.0	0.0
Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Heathmont	In Planning	15.0	18.9	-3.9	15.0	0.0
Commuter Car Park Upgrade - Sandringham Line - North Brighton	In Planning	0.6	6.9	-6.3	0.6	0.0
Commuter Car Park Upgrade - Sandringham Line - Sandringham	In Planning	0.1	3.1	-3.0	0.1	0.0
Commuter Car Park Upgrade - Pakenham Line - Narre Warren	In Planning	0.7	15.0	-14.3	0.7	0.0
Commuter Car Park Upgrade - Doncaster Park and Ride	In Planning	4.0	6.0	-2.0	4.0	0.0
Commuter Car Park Upgrade -	In Planning	10.5	15.0	-4.5	10.5	0.0

Project Name	Progress Status	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
Belgrave/Lilydale Lines - Heatherdale						
Commuter Car Park Upgrade - Sandringham Line - Elsternwick	In Planning	0.5	9.1	-8.6	0.5	0.0
Commuter Car Park Upgrade - Pakenham Line - Officer	In Planning	0.0	5.0	-5.0	0.0	0.0
<i>Total Vic Cancellations</i>		<i>53.1</i>	<i>1,081.7</i>	<i>-1,028.6</i>	<i>53.1</i>	<i>0.0</i>

OCTOBER 2022 BUDGET – REDUCED PROJECTS – VICTORIA:

Project Name	Progress Status	Paid as at 30 June 2022 (\$m)	PEFO AGC (\$m)	Change in AGC (\$m)	New AGC (\$m)	Remaining Funding 2022-23 to 2031-32 (\$m)
Victoria						
Ballarat to Ouyen - Future Priorities	In Planning	0.0	50.7	-25.4	25.4	25.4
Echuca to Robinvale - Future Priorities	In Planning	0.0	17.5	-8.8	8.8	8.8
Green Triangle - Future Priorities	In Planning	0.0	82.8	-41.4	41.4	41.4
Melbourne to Mildura - Future Priorities	In Planning	0.0	52.3	-26.2	26.2	26.2
Stawell to South Australian Border - Future Priorities	In Planning	0.0	46.1	-23.1	23.1	23.1
Toowoomba to Seymour - Victoria - Future Priorities	In Planning	0.0	129.0	-64.5	64.5	64.5
s47B - Commonwealth-State relations						
Total Vic Reductions		39.0	678.4	-335.8	342.7	303.7

Senate Estimates Brief – October 2022 – Infrastructure Investment Program – Victoria

Top Deferrals

					October Budget (\$m)											Profile at PEFO (\$m)											
State	Project Name	AGC (\$m)	Total project cost (\$m)	Change over FE's (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Victoria																											
VIC	Melbourne Airport Rail Link	5,000.0	10,000.0	-402.3	0.0	300.0	400.0	600.0	1,275.0	1,225.0	900.0	200.0	48.1	0.0	0.0	281.6	308.4	624.2	1,000.0	1,000.0	1,000.0	449.3	284.5	0.1	0.0	0.0	
VIC	Geelong Fast Rail	2,000.0	4,000.0	-246.7	0.0	0.0	37.5	115.0	175.0	246.7	521.8	300.0	300.0	269.0	35.0	35.0	37.5	115.0	175.0	246.7	521.8	300.0	300.0	269.0	0.0	0.0	
VIC	Goulburn Valley Highway - Shepparton Bypass Stage 1	208.0	260.0	-174.5	0.0	0.0	0.0	0.0	0.0	208.0	0.0	0.0	0.0	0.0	0.0	0.0	46.0	45.0	53.5	30.0	33.5	0.0	0.0	0.0	0.0	0.0	
VIC	McKoy Street - Hume Freeway Intersection Upgrade	168.0	210.0	-158.4	0.0	0.0	0.0	0.0	0.0	23.4	101.5	39.6	0.0	0.0	0.0	5.0	82.0	75.5	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
VIC	Frankston to Baxter Rail Upgrade	225.0	0.0	-110.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	225.0	0.0	115.0	45.0	65.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
VIC	Mornington Peninsula Freeway Grade Separation and Duplication to Boneo Road, including Jetty Road	75.0	75.0	-66.5	0.0	5.0	0.0	0.0	0.0	66.5	0.0	0.0	0.0	0.0	0.0	0.0	2.9	49.6	19.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
VIC	Suburban Roads Upgrades - South Eastern Roads and Northern Roads	1,140.1	2,268.8	-50.0	275.0	0.0	0.0	355.0	260.1	50.0	0.0	0.0	0.0	0.0	0.0	275.0	355.0	235.0	75.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
VIC	Princes Highway Corridor - Victoria (West) - Warrnambool to Port Fairy	55.7	70.7	-29.5	0.0	0.0	0.0	13.4	12.5	18.5	11.0	0.2	0.0	0.0	0.0	0.0	13.4	12.5	18.5	11.0	0.2	0.0	0.0	0.0	0.0	0.0	
VIC	Monash Roads Upgrade	250.0	250.0	-28.5	6.5	7.0	20.0	88.0	100.0	28.5	0.0	0.0	0.0	0.0	0.0	6.5	20.0	87.5	100.0	36.0	0.0	0.0	0.0	0.0	0.0	0.0	
VIC	Princes Highway Corridor - Victoria - Future Priorities	80.9	123.5	-21.5	0.0	0.0	0.0	18.4	41.0	21.5	0.0	0.0	0.0	0.0	0.0	0.0	18.4	41.0	21.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Rob Bradley

SB22-000047

SUBJECT: SA Infrastructure Investment (Road and Rail)**Expenditure/Forecast for the Infrastructure Investment Program**

Period	Investment: 2021-22 PEFO (\$b)	Investment: 2022-23 October Budget (\$b)	Net change: 2022-23 October Budget vs 2021- 22 PEFO (\$b)
2022-23	1.1	1.1	0.1
Forward Estimates (2022-23 to 2025-26)	5.1	4.3	-0.8
10 Year Investment (2022-23 to 2031-32)	7.5	8.3	0.7

Payments (\$m)		Forecasts^ (\$m)					
2021-22 Underspend	2022-23 Payments*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
265.3	33.3	1,134.1	1,190.5	985.6	997.9	3,960.0	8,268.1

* As at 30 September 2022

^ Forecasts as at 2022-23 October Budget

Key Issues

- Consistent with the Government's commitment to evidence-based decision making and removing wasteful spending, the Government considered the merits of all Infrastructure Investment projects in the October 2022-23 Budget to ensure they align with the Government's priorities and realistic delivery timeframes.
 - This process considered advice from States and Territories.
- At the October 2022 Budget, \$8.3 billion was allocated to South Australia over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$0.7 billion, including (see **Attachment A**):
 - \$460 million of 2 new projects through election commitments
- The Australian Government will continue working with South Australia to deliver election commitments, address market capacity and smooth the pipeline.
- These issues will be considered in future Budget processes to ensure that investments target Australia Government priorities across jurisdictions and reflect realistic delivery timeframes.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Rob Bradley

SB22-000047

Background

- At the October 2022 Budget, the Australian Government committed \$460 million towards new infrastructure projects made as election commitments in South Australia (**Attachment A**), including:
 - \$400 million towards the Nationwide Freight Highway Upgrade Program (SA) project
 - \$60 million towards the Southern Expressway and Majors Road Interchange project
- For South Australia, the Minister announced \$660m, which is comprised of \$460m new commitments under the IIP and \$200m ongoing under the IIP
- At the October 2022 Budget, the Australian Government decided to defer expenditure for 75 projects (\$951.1 million over the FE's) (**Attachment B**), including:
 - \$1,170.1 million for North-South Corridor - Darlington to Anzac Highway project
 - \$45.5 million for Hahndorf Township Improvements and Access Upgrade project
 - \$30.8 million for Marion Road and Sir Donald Bradman Drive Intersection Upgrade project
- As at the October Budget, there were over 29 projects in construction and underway in South Australia. In 2021, over 14 projects reached completion, with over 19 projects commencing construction, including:
 - \$164 million – Strzelecki Track Upgrade – Sealing (April)
 - \$124 million – Rural Roads Package – Safety Package (March)
 - \$116 million – Metro Intersection Upgrade Program – Torrens Road (Ovingham) Level Crossing Upgrade (April)
- A number of key Australian Government funded projects in South Australia are expected to reach completion in 2022, including:
 - \$280 million – Gawler Rail Line Electrification (March)
 - \$160 million – Joy Baluch AM Bridge (December)
 - \$116 million – Metro Intersection Upgrade Program – Torrens Road (Ovingham) Level Crossing Upgrade (December)

Attachments**Contact:** Rob Bradley**Cleared by First Assistant Secretary:** Ben Meagher**Phone:** (02) 6274 8049**Version Number:** 01**Date:** 21/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Rob Bradley

SB22-000047

- Attachment A – Further information on October 2022 Budget commitments, including election commitments.
- Attachment B – Further information on deferred projects.

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Date: 21/10/2022

Attachment A

Senate Estimates Brief – October 2022 – IIP – SA

Election Commitments and New Projects

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
<u>IIP Election Commitments</u>			
South Australia			
Southern Expressway and Majors Road Interchange	60.0	60.0	
Nationwide Freight Highway Upgrade Program (SA)	400.0	400.0	
Marion Road - Anzac Highway to Cross Road	0.0	200.0	Committed to in the 2022-23 March Budget
Total SA IIP election commitments	460.0	660.0	

Senate Estimates Brief – October 2022 – Infrastructure Investment Program – SA
Top Deferrals by State

					October Budget (\$m)											Profile at PEFO (\$m)											
State	Project Name	AGC (\$m)	Total project cost (\$m)	Change over FE's (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
South Australia																											
SA	North-South Corridor – Torrens to Darlington	4,975.0	9,950.0	-1,170.1	0.0	285.9	377.0	414.0	610.5	751.4	377.0	377.0	411.0	1,260.2	0.0	74.0	182.0	662.0	901.0	1,112.5	799.5	377.0	377.0	379.0	0.0	0.0	
SA	South Australia UCF Future Priorities	58.3	58.3	-58.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	58.3	0.0	0.0	0.0	0.0	58.3	0.0	0.0	0.0	0.0	0.0	0.0	
SA	Hahndorf Township Improvements and Access Upgrade	200.0	250.0	-45.5	0.0	22.4	40.8	48.0	40.8	48.0	0.0	0.0	0.0	0.0	0.0	2.5	32.0	59.6	71.9	34.0	0.0	0.0	0.0	0.0	0.0	0.0	
SA	Marion Road and Sir Donald Bradman Drive Intersection Upgrade	42.5	85.0	-30.8	0.0	10.5	0.0	0.0	1.2	12.5	18.3	0.0	0.0	0.0	0.0	0.0	5.0	25.0	12.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Rob Bradley

SB22-000048

SUBJECT: TAS Infrastructure Investment (Road and Rail)**Expenditure/Forecast for the Infrastructure Investment Program**

Period	Investment: 2021-22 PEFO (\$b)	Investment: 2022-23 October Budget (\$b)	Net change: 2022-23 October Budget vs 2021- 22 PEFO (\$b)
2022-23	0.5	0.5	-0.1
Forward Estimates (2022-23 to 2025-26)	2.0	1.9	-0.1
10 Year Investment (2022-23 to 2031-32)	2.6	2.8	0.1

Payments (\$m)		Forecasts^ (\$m)					
2021-22 Underspend	2022-23 Payments*	2022-23	2023-24	2024-25	2025-26	2026-27 to 2031-32	Total 10 Year
30.0	72.0	481.9	562.4	441.9	435.7	843.5	2,765.4

* As at 30 September 2022

^ Forecasts as at 2022-23 October Budget

Key Issues

- Consistent with the Government's commitment to evidence-based decision making and removing wasteful spending, the Government considered the merits of all Infrastructure Investment projects in the October 2022-23 Budget to ensure they align with the Government's priorities and realistic delivery timeframes.
 - This process considered advice from States and Territories.
- At the 2022-23 October Budget, over \$2.8 billion was allocated to Tasmania over the next 10 years.
 - Compared to 2021-22 PEFO, this represents an increase of \$145 million, including (see **Attachments A and B**):
 - \$78 million for one new and one existing project through election commitments.
- The Australian Government will continue working with Tasmania to deliver election commitments, address market capacity and smooth the pipeline.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000048

- These issues will be considered in future Budget processes to ensure that investments target Australia Government priorities across jurisdictions and reflect realistic delivery timeframes.

Background

- At the October 2022 Budget, the Australian Government committed \$78 million towards new infrastructure projects made as election commitments in Tasmania (**Attachment A**), including:
 - \$48 million towards the existing Tasmanian Roads Package - Future Priorities
 - \$30 million towards the Mornington Roundabout Upgrade
- For Tasmania, the Minister announced \$685 million, which is comprised of \$78 million new commitments under the IIP, \$492 million ongoing under the IIP, and three projects totalling \$115 million delivered through other programs.
- At the October 2022 Budget, the Australian Government decided to defer expenditure on 41 projects (\$201 million over the FEs) (**Attachment B**), including:
 - Deferred projects: Tasmanian Roads Package - Northern Roads Package - Stage 2, Hobart to Sorell Corridor – Midway Point Causeway (including McGees Bridge) and Sorell Causeway, and Tasmanian Roads Package - Bass Highway Safety and Freight Efficiency Upgrades Package - Future Priorities
- As at the 2022-23 October Budget, there were 19 projects in construction and underway in Tasmania. In 2021, over 8 projects reached completion, with over 12 projects commencing construction, including:
 - \$60 million – Tasmanian Roads Package – Bass Highway – Marrawah to Wynyard Upgrade (September)
 - \$44 million – Tasmanian Roads Package – Northern Roads Package (January)
 - \$40 million – Bass Highway – Cooe to Wynward Upgrades (December)
- A number of key Australian Government funded projects in Tasmania are expected to reach completion in 2022, including:
 - \$13 million – Tasmanian Roads Package – Evandale Main Road Duplication – Launceston Airport to Breadalbane Roundabout (September)
 - \$4.8 million – Campbell Town Pedestrian Underpass (September)
 - \$2 million – Railton Main Road Upgrade (March)

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000048

Attachments

- Attachment A – Further information on October 2022 Budget commitments, including election commitments.
- Attachment B – Further information on deferred projects.

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Date: 21/10/2022

Attachment A

OCTOBER 2022 BUDGET COMMITMENTS, INCLUDING ELECTION COMMITMENTS – TASMANIA:

Election Commitments

Project Name	Funding in Oct. Budget (\$m)	Total AG funding (\$m)	Notes
IIP Election Commitments			
Tasmania			
Mornington Roundabout Upgrade (GSF)	30.0	30.0	
Tasmanian Roads Package - Future Priorities	48.0	48.6	Bass and Tasman Highways Existing project with funding before the March 22-23 Budget
Tasmanian Roads Package - Tasman Highway Sideling Upgrade - Stage 2	0.0	56.0	Bass and Tasman Highways Funding committed in March 22-23 Budget
Tasmanian Roads Package - Northern Roads Package - Stage 2	0.0	336.0	Bass and Tasman Highways Funding committed in March 22-23 Budget
Great Eastern Drive Tourism Support - additional packages	0.0	100.0	Bass and Tasman Highways Funding committed in March 22-23 Budget
Total Tas IIP election commitments	78.0	570.6	

Senate Estimates Brief – October 2022 – Infrastructure Investment Program – Tasmania

Top Deferrals

					October Budget (\$m)											Profile at PEFO (\$m)											
State	Project Name	AGC (\$m)	Total project cost (\$m)	Change over FE's (\$m)	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	
Tasmania																											
TAS	Tasmanian Roads Package - Northern Roads Package - Stage 2	336.0	420.0	-67.0	0.0	0.0	0.0	17.0	26.0	43.0	50.0	50.0	50.0	50.0	50.0	0.0	0.0	25.0	40.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	1.0
TAS	Unallocated TAS Investment Contingencies	126.1	126.1	-62.2	0.0	0.0	0.0	0.0	0.0	15.0	25.0	25.0	25.0	25.0	11.1	0.0	0.0	0.0	0.0	62.2	63.9	0.0	0.0	0.0	0.0	0.0	0.0
TAS	Hobart to Sorell Corridor – Midway Point Causeway (including McGees Bridge) and Sorell Causeway	150.0	187.0	-35.0	0.0	0.0	15.0	50.0	50.0	27.5	7.5	0.0	0.0	0.0	0.0	0.0	10.0	40.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAS	Tasmanian Roads Package - Bass Highway Safety and Freight Efficiency Upgrades Package - Future Priorities	80.0	100.0	-30.0	0.0	0.0	0.0	5.0	25.0	25.0	20.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	30.0	30.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0
TAS	Tasmanian Roads Package - Tasman Highway Sideling Upgrade - Stage 2	56.0	70.0	-23.0	0.0	0.0	2.0	10.0	10.0	10.0	10.0	10.0	4.0	0.0	0.0	0.0	0.0	5.0	20.0	20.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0
TAS	Illawarra Main Road Upgrade	64.0	80.0	-8.9	5.7	25.0	10.0	10.0	4.4	2.9	0.0	0.0	0.0	0.0	6.0	5.7	16.0	20.0	20.0	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAS	Roads of Strategic Importance - Hobart to Sorell Corridor - Hobart Airport to Sorell Southern Bypass	92.9	116.1	-8.5	19.5	13.9	10.0	2.5	5.1	0.0	0.0	0.0	0.0	0.0	8.5	19.5	13.9	16.5	9.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAS	Freight Capacity Upgrade Program	80.0	100.0	-5.0	0.0	9.3	16.0	16.0	17.7	16.0	5.0	0.0	0.0	0.0	0.0	0.0	16.0	16.0	16.0	16.0	16.0	0.0	0.0	0.0	0.0	0.0	0.0
TAS	Tasman Bridge Upgrade	65.0	130.0	-3.3	0.0	0.0	10.0	30.0	21.8	3.3	0.0	0.0	0.0	0.0	0.0	0.0	25.0	20.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TAS	Midland Highway Upgrade - Oatlands (Jericho to South of York Plains)	45.1	56.4	-3.1	10.0	18.0	12.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	10.0	16.0	10.4	8.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Andreas Bleich /**

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SB22-000050**SUBJECT: Infrastructure Market Capacity****Talking Points**

- The high level of infrastructure investment is contributing to a range of economic challenges in the construction industry including a rapid increase in project costs and labour force capacity constraints.
- The Australian Government needs to ensure infrastructure investment settings are sustainable, well targeted and are aligned to market capacity and resource availability.
- By reducing the pressure on an already over-heated construction market, governments can support the sustainability of the sector and better enable projects to be delivered on time and within budget, generate expected benefits, and maximise returns on investment.
- Jurisdictions are responsible for delivering infrastructure projects funded under the Infrastructure Investment Program (IIP).
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is engaging with state and territory, local governments and industry to deliver the infrastructure commitments in a way that achieves value for money with realistic timeframes. We are also continuing to work collaboratively on identifying opportunities to mitigate challenges, such as through building and sustaining a skilled and diverse workforce.
- A key outcome of the Jobs and Skills Summit held on 1 and 2 September 2022 relevant to the infrastructure sector is that the Government will establish a tripartite National Construction Forum to bring together industry, unions and government to address cultural and mental health issues, develop industry capability and capacity, and improve productivity.

Key Issues

- Public investment in transport infrastructure has increased from \$20.6 billion in 2019 to \$24.2 billion in 2021. Since 2016, total public and private investment in all types of infrastructure has increased by 20 per cent in real terms. Public investment in transport infrastructure increased by 32 per cent in real terms.

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- In 2021, the total infrastructure investment annual growth rate for private investment was 1.1 per cent and 4.9 per cent for public investment compared to transport infrastructure investment in 2021, where the growth rate for private investment was 0.2 per cent and 14.2 per cent for public investment.
 - Industry has a high confidence of delivering on time and on budget against a 10–15 per cent annual growth, but low confidence when the growth rate is 18 per cent or more.
- Infrastructure Australia's Market Capacity research indicates:
 - According to interviews and surveys conducted with infrastructure industry representatives between March–May 2022, the price of non-labour inputs has risen on average 24 per cent in the last year, with 58 per cent of respondents reporting over 20 per cent growth.
 - For example, in the year to the June quarter 2022, reinforcing steel and structural timber for housing construction rose over 40 per cent.
 - Nation-wide projections for job shortages in key industry groups will grow between July 2022 and July 2024, particularly for finishing and civil trades and labour. Projected shortages of engineers, architects, scientists and project management professionals will ease.
 - Construction companies generally have reasonable confidence of delivering infrastructure projects, however this confidence is lowest for the next 12-month period before picking up on medium to long term project delivery.
- Bis Oxford Economic's escalation analysis found the price of reinforcing steel has undergone a period of supranormal growth that began in March 2021, driven by rising demand as COVID-19 restrictions began to ease across the globe, supply disruptions and record high iron ore prices (40.7 per cent).
- However, reinforcing steel is a component which makes up only 5 per cent road construction.
- Whilst the price of diesel and bitumen has also seen extreme volatility across benchmark price indicators, diesel only makes up 3% of road construction costs. Therefore, it will not be a significant cost pressure on road projects.
- In September 2022, the construction sector represented 7.4 per cent of Australia's Gross Domestic Product. The ABS reported that the construction sector had incurred a total income of \$454.4 billion in 2020-21, with around 16 per cent of this being from civil and engineering construction. The Reserve Bank of Australia (RBA) expected this to grow by around 1.5 per cent per year over the five years through 2026-27.

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- Infrastructure Australia's October 2021 *Market Capacity Report*¹ found that:
 - Since 2013-14, productivity in the construction industry has slumped by 17 per cent.
 - Between 2021 and 2024 peak demand for labour and skills are anticipated to be 48 per cent higher than supply.
 - Engineering occupations are most at risk of shortage with an estimated 41,000 additional individuals required to meet the forecasted demand.
 - Over the next 15 years:
 - migration is projected to provide just six per cent of new workers in public infrastructure
 - early retirement could lead to the sector losing over 40 per cent of its potential workforce
 - Women currently make up less than 12.7 per cent of the workforce in construction occupations, and less than 2 per cent of related trade jobs, a result of historic gender imbalance, insufficient pathways for women into the industry and a lack of strategies to attract and retain women.

Background

- Under the National Partnership Agreement on Land Transport Infrastructure Projects (NPA), jurisdictions must develop and implement a Local Industry Participation Plan or an Australian Industry Participation (AIP) for all infrastructure projects in receipt of Australian Government funding over \$20 million.
- The plans detail the expected opportunities to supply goods and services to the project, how proponents will communicate project opportunities and pre-qualification requirements to potential Australian suppliers, and how proponents will assist suppliers to develop capability and integrate into global supply chains. The Department of Industry, Science and Resources is responsible for the AIP policy.
- The Infrastructure and Transport Ministers' Meeting is chaired by the Minister for Infrastructure, Transport, Regional Development and Local Government.
 - On 5 August 2022 Ministers acknowledged the significant pressures facing the infrastructure and transport sectors: including capacity constraints, skills shortages and longer-term supply chain pressures. Ministers noted these pressures brought with them a need for a strategic focus on reforms aimed at boosting national productivity.

¹ The Market Capacity Report is currently being updated, with public release expected in October 2022.

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BUDGET ESTIMATES 2022 - 2023

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- Ministers resolved to consider a streamlined workplan in September 2022 that would guide work through to the end of 2023, with a focus on heavy vehicle safety and productivity, decarbonisation and a more consistent approach to the national infrastructure pipeline.
 - On 19 August 2022 the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP, convened a roundtable discussion with stakeholders from across the infrastructure sector, preceding the September 2022 Jobs and Skills Summit.
 - The roundtable identified wide-ranging issues behind skills shortages and addressing wage and productivity challenges. These include developing, attracting and retaining talent, and workplace barriers. A full summary of the roundtable outcomes is in **Attachment A**.
 - On 1 and 2 September 2022, the Australian Government convened the Jobs and Skills Summit involving unions, employers, civil society and governments, to address shared economic challenges. The Summit and subsequent Employment White Paper will focus on:
 - keeping unemployment low, boosting productivity and incomes
 - delivering secure, well-paid jobs and strong, sustainable wages growth
 - expanding employment opportunities for all Australians including the most disadvantaged
 - addressing skills shortages and getting our skills mix right over the long term
 - improving migration settings to support higher productivity and wages
 - maximising jobs and opportunities from renewable energy, tackling climate change, the digital economy, the care economy and a Future Made in Australia
 - and ensuring women have equal opportunities and equal pay.
 - The Culture in Construction Taskforce (CICT) was formed in 2018 and is funded by the Australian Construction Association and NSW and Victorian Governments. In October 2021, CICT released the Culture in Construction Standard, an outcome of the Construction Industry Leadership Forum collaboration between ACA members and the New South Wales, Victorian and, more recently, Queensland governments. The proposed standard covers:
 - Diversity and inclusion – ensuring the industry can attract and retain a diverse range of people
 - Wellbeing – prioritising the occupational health and mental wellbeing of the workforce
 - Time for life – ensuring the workforce has sufficient rest and time away from work

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- Industry stakeholders have engaged with the department on measures to improve infrastructure delivery:
 - The Future Australian Infrastructure Rating (FAIR) initiative had been proposed by the Australian Constructors Association (ACA) as a mechanism to drive infrastructure planning and procurement reform. ACA is seeking adoption of the FAIR initiative in the next NPA, where all Commonwealth funded projects would be given a published rating.
 - The Infrastructure Sustainability Rating Scheme was introduced by the Infrastructure Sustainability Council (ISC) to measure and report sustainability performance and drive better infrastructure outcomes benefiting communities and industry. Over 330 infrastructure projects worth more than \$217 billion have been delivered under the rating. ISC is seeking for the IS Rating Scheme to be mandated for all Commonwealth Government funded infrastructure over \$15 million.

Attachments

- Attachment A - Summary of outcomes from the infrastructure roundtable on 19 August 2022

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Date: 13/09/2022

Jobs and Skills Summit 2022 – Infrastructure Roundtable

On 19 August 2022, the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP, convened a roundtable discussion with stakeholders from across the infrastructure sector, preceding the September 2022 Jobs and Skills Summit.

The following themes and priorities were raised:

A coordinated and consistent recognition of skills and capabilities across jurisdictions will create a smoother pathway for new entries to the workforce.

Developing effective policies addressing skills and capabilities will require the appropriate occupations being recognised through ANZSCO. However, recognition and prioritisation of skills should consider current and future needs of emerging industries (e.g. renewable energy transitions) to provide certainty and simplicity in processing.

Marketing to attract people into our workplaces, such as in the construction sector.

Addressing the skills and labour shortages in the infrastructure sector will require a holistic, nationally coordinated and consistent approach requiring the Australian Government to work closely with state, territory and local counterparts, along with industry and unions.

The Australian Government and Jobs and Skills Australia (JSA) should take a broader strategic workforce planning role. Investment into skills development should be outcomes-based, considering the current and future needs of emerging industry sectors, while addressing priority urgent areas such as engineer shortages.

A nationally coordinated, clearly defined, transparent and predictable pipeline of infrastructure projects will provide the sector with more certainty and enable better strategic planning. Industry is keen to be involved in discussions to provide advice on what works.

Improving employment conditions, workplace culture, and sovereign capability while simultaneously promoting local upskilling through effective long-term planning alongside sound migration policies, will allow for a more sustainable and productive sector. These issues are closely interconnected and should focus on enduring solutions, noting Australia is an island nation that relies on volume for training programs and opportunities. Relying solely on migration may perpetuate issues of exploitation for short term capital gain.

A 'brand Australia' to promote and position Australia to be competitive in attracting skilled migrants is needed, leveraging qualities such as environmental consciousness, strong digital adoption, productivity enhancements, fair and equitable pay, and a safe, healthy and rewarding workplace.

A trusted trainer model that rewards businesses for providing employees with safe and appropriate training pathways, and workplace development should be considered. A highly trusted business may be rewarded with simplified migration pathways, for example.

Procurement reform is vital to the success of any measures. The construction industry needs to be an employer of choice. Setting minimum targets for participation (for example, through Indigenous Participation Plans) is critical, but growing an inclusive workforce will require adoption of a culture standard that ensures a safe, equitable, healthy workplace and wellbeing for all.

Increasing female participation and inclusion of vulnerable groups require long-term investment. Targeted programs should start from primary through to graduate school, while also supporting apprenticeships and clear pathways to employment. Strong and appropriate role models and intentional marketing campaigns will help attract and retain a more diverse workforce. Policies supporting workers such as affordable childcare, age pension reform, better public transportation and regional access will also be important in increasing long-term participation.

The need to address the critical shortage of Engineers specifically and the role they play across the economy including in Infrastructure planning was a persistent theme. Engineers Australia have submitted a proposal to address this in the longer term.

Released under FOI Act by DITRDCA

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andreas Bleich / Elissa Michel

SB22-000051

SUBJECT: Independent Review of Infrastructure Australia**Talking Points**

- On 22 July 2022 the Australian Government announced it had appointed Ms Nicole Lockwood and Mr Mike Mrdak AO to lead an independent review of Infrastructure Australia (IA).
 - The Department of Infrastructure, Transport, Regional Development, Communication and the Arts established a secretariat to support the reviewers.
- On 5 October 2022 the reviewers submitted a report to the Minister on their findings and recommendations.
 - To conclude the review process, the report is being made publication ready and the reviewers will present their report and findings to the Minister, which is expected to take place in November.
- The Government is carefully considering the reviewer's recommendations and will respond in due course.
- The review examined IA's role as an independent advisor to the Commonwealth on nationally significant infrastructure priorities, including IA's functions, governance and legislation.
- The reviewers held consultations through August and September 2022, meeting with over 140 stakeholders (including industry, state and territory government agencies and I-bodies), and received 59 submissions to the review.
- Information about the review is available on the department's website, including the Terms of Reference (**Attachment A**).

Key issues

- The department anticipates the timeframe to implement any recommendations from the review including, if required, legislative amendments, will extend to 2023.
- Review submissions will be made public in due course, unless the author/s requested otherwise. A number of organisations have chosen to make their submissions public, including the Business Council of Australia and Roads Australia.
- On 5 September 2022 the Minister for Infrastructure, Transport, Regional Development and Local Government issued IA with an updated Statement of Expectations, outlining the Government's expectation that IA operates in accordance with its statutory obligations until the completion of the Review. In response, IA provided an updated Statement of Intent on 19 September 2022, confirming it will operate in accordance with its statutory functions and obligations, and will fully cooperate with the Review.

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Andreas Bleich / Elissa Michel****SB22-000051**

Background

- The independent review of IA is an election commitment. A summary of relevant media articles is at **Attachment B**.
- On 11 July 2022 the Prime Minister approved the appointment of two independent reviewers, Ms Nicole Lockwood and Mr Mike Mrdak, and endorsed the review's Terms of Reference.
- As part of the Government's six-point plan for cities, the Government committed to renew the independent role of IA through the creation of an Australian Cities and Suburbs Unit. The Prime Minister confirmed, in his letter of 11 July, that the establishment of the Cities and Suburbs Unit will be considered as part of the review.
- All costs associated with the review will be absorbed by the department. The budgeted cost includes remuneration for the reviewers, departmental ASL for the review secretariat, and travel and disbursement costs for the reviewers to conduct consultations.
- The reviewers have been engaged by the department through a standard Commonwealth contract, using maximum daily rates from the Remuneration Tribunal's determination for part-time office holders. The total maximum value of both the reviewers' contracts is \$104,788. As at 19 October 2022, the reviewers have invoiced the department a total of \$33,767.

Attachments

- Attachment A - Terms of Reference of the IA Review
- Attachment B - Summary of relevant media articles

Contact: Andreas Bleich**Cleared by First Assistant Secretary:** Ben Meagher**Phone:** (02) 6274 7934**Version Number:** 0.2**Date:** 19/10/2022

ATTACHMENT A**Independent Review of Infrastructure Australia – Terms of Reference**

1. The Review will examine Infrastructure Australia's (IA's) role as an independent adviser to the Commonwealth on nationally significant infrastructure priorities, and its capacity to deliver on this role.
2. The Review will make recommendations on reforms that may be required to ensure IA is able to fully deliver on its responsibilities, including but not limited to:
 - a. **Functions**
 - i. the advice and products for which IA is responsible, and whether these remain fit-for-purpose
 - ii. how IA's work relates to the work of state-level infrastructure bodies, and
 - iii. how IA's work addresses the priorities and requirements of the Australian Government.
 - b. **Governance and administration**
 - i. the optimal size, mandate, responsibilities, and composition of the IA Board, including the experience, skills, and expertise of members
 - ii. whether IA's administrative arrangements are appropriate to support delivery of its role and functions, and
 - iii. IA's relationship with the responsible Minister.
 - c. **Legislation**
 - i. any legislative changes that may be required.
3. The Review will be conducted by Independent Reviewers and supported by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.
4. The Review will provide a report to the Minister for Infrastructure, Transport, Regional Development and Local Government.

Attachment B**Media coverage on the independent review of Infrastructure Australia**

- 'Government launches review of Infrastructure Australia', published online in *The Daily Cargo News* on 25 July 2022:
 - Article references Minister King's media release. The article also notes the review is welcomed by the Australian Logistics Council (ALC) and quotes ALC CEO, Dr Hermione Parsons, as saying the review was an opportunity to streamline engagement between various levels of government and agree on priority infrastructure.
- 'Labor orders independent review of Infrastructure Australia', published online on *Big Rigs* on 25 July 2022:
 - Article references Minister King's media release. The article also notes the National Road Transport Association (NatRoad) believes the review should enhance the organisation's ability to make the national road freight task safer and more efficient. The article quotes NatRoad CEO, Warren Clark, as saying he is optimistic the review will produce a more focused IA that works in tandem with states and territories.
- 'Infrastructure Australia review – what we know so far', published online in the *Infrastructure Magazine* on 19 August 2022:
 - The article provides a brief background on the two reviewers and references Minister King's media release. The article also notes that key industry associations including Roads Australia (RA) and The Business Council of Australia (BCA) have made submissions to the review, identifying areas for potential reforms. The article includes a summary and links to the submissions on the RA and BCA websites.
- 'Infrastructure Australia review can strengthen freight's future: ALC', published online in the *Daily Cargo News* on 19 August 2022:
 - The article notes that the Australian Logistics Council has called for "action and implementation" rather than "review and duplication" in its submission to the review. The article also notes ALC has worked closely with IA and successive governments to deliver the National Freight and Supply Chain Strategy and advance the development of the National Urban Freight Planning Principles, which together form a strong foundation for the future work of IA.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Andreas Bleich / s47F

SB22-000052

SUBJECT: Infrastructure Australia - Board**Talking Points**

- On 22 July 2022 the Australian Government announced it had appointed Ms Nicole Lockwood and Mr Mike Mrdak AO to lead an independent review of Infrastructure Australia (IA). Amongst other things, the review considered the size of the IA Board, its composition, mandate, and responsibilities.
- Since July, five members have resigned and the terms of four members will end this year (refer to the Board matrix at **Attachment A**):
 - one member resigned effective 15 July 2022
 - four members, including the Chair, resigned effective 30 September 2022
 - four members will have their current terms end on 30 November 2022.
- As at 1 October 2022, there were seven board members.
- Following the resignation of Ms Romilly Madew as CEO from 29 July 2022, the IA Board appointed Mr Adam Copp as acting CEO.

Key Issues

- On 1 October 2022 the IA Board reduced to seven members and no longer has a quorum for meetings. The Board last met on 8 September 2022. The Chair must convene at least 4 meetings each calendar year but there are no fixed times. Media coverage of recent changes to the IA Board is at **Attachment B**.
- Since the resignations in July, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) has provided advice to the Minister on Board arrangements on several occasions, including on 27 July, 26 August and 17 October.
- As IA Board appointments are considered significant government appointments, information and briefing material is 'Cabinet in Confidence', and it would not be appropriate to share detail of the department's advice.
- On 4 August 2022 the department received a Freedom of Information (FOI) request from Senator Matthew Canavan, seeking all documents on or after 22 May 2022 relating to board appointments and board members of IA. The department is required to respond by 2 November 2022.

Background

- IA was established in 2008 by the *Infrastructure Australia Act 2008* (IA Act) to provide independent advice to all levels of government on Australia's future infrastructure needs and related infrastructure matters.

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BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Andreas Bleich / s47F****SB22-000052**

- Following amendments to the IA Act in 2014, IA was re-established as an independent statutory agency, legally and financially separate from the Commonwealth.
- IA operates in line with the IA Act and the Statement of Expectations issued by the responsible Minister. IA responds with a Statement of Intent.
- Section 5 of the IA Act specifies IA's functions to: conduct infrastructure audits; develop infrastructure priority lists; evaluate investment proposals, or enhancements to, nationally significant infrastructure; develop long term infrastructure plans; and provide advice on infrastructure matters.
- Under the IA Act, the IA Board comprises 12 members (including the Chair) appointed by the responsible Minister by written instrument:
 - nine are nominated by the Government
 - three are nominated by the states and territories
 - eight members constitute a quorum for board meetings.
- Consistent with the Cabinet Handbook, the responsible Minister:
 - must seek the Prime Minister or, at his discretion, Cabinet's consideration of these significant appointments
 - may make acting appointments for a period of up to three months in consultation with the Prime Minister.
- The IA Act requires:
 - Board members to have knowledge of, or experience in, a field relevant to IA's functions (transport, water, energy, and communications)
 - at least five members, including the Chair, to have relevant private sector experience
 - at least one member to have acquired experience in local government.
- The functions of the IA Board are:
 - to decide the objectives, strategies and policies to be followed by IA
 - to ensure the proper, efficient and effective performance of IA's functions and
 - any other functions conferred on the Board by the IA Act.
- The Chair may be appointed on a full-time or part-time basis. Other members must be appointed on a part-time basis. Remuneration for IA Board members is determined by the Remuneration Tribunal.
- Under the IA Act, the Minister may only terminate the appointment of an IA Board member or the IA Chair for specific reasons. This includes misbehaviour, mental or financial incapacity, or sustained absence from duties or meetings. The appointment of an IA Board member may also be terminated under section 30 of the *Public Governance, Performance and Accountability Act 2013*.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Andreas Bleich / s47F

SB22-000052

- Seven new board members, including a new Chair, were appointed to the IA Board in November and December 2021 due to expiring positions. Five of these members have since resigned:

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- In their letters of resignation, Vicki Meyer and Elizabeth Schmidt requested their names not be included in any media releases or public discussion of their resignations.
- Any changes to IA Board members will be reflected on the Australian Government Organisations Register (AGOR) and IA's website.
- On 2 August 2022 IA wrote to the Secretary with a proposal to extend the terms of expiring board appointments in order to maintain a quorum and continue business as usual activities while the review is ongoing. This approach would also enable IA to retain corporate knowledge and support a smooth transition for any changes to IA following the review.
- On 5 September 2022 the Minister for Infrastructure, Transport, Regional Development and Local Government issued IA with an updated Statement of Expectations, outlining the Government's expectation that IA operates in accordance with its statutory obligations until the completion of the Review. In response, IA provided an updated Statement of Intent on 19 September 2022, confirming it will operate in accordance with its statutory functions and obligations, and will fully cooperate with the Review.
- On 14 September 2022, the *Climate Change (Consequential Amendments) Act 2022* made changes to the IA Act. The consequential amendments require IA to take into account Australia's greenhouse gas emissions reductions target when conducting audits of nationally significant infrastructure, developing plans, and in exercising advisory functions.

Attachments

- Attachment A – Infrastructure Australia Board Matrix
- Attachment B – Media Coverage of the Infrastructure Australia Board

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ATTACHMENT A - Members of the Infrastructure Australia (IA) Board

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Groups	Key
Current Board Members expiring in 2022	
Current Board Members expiring in 2024	
Current Board Member expiring in 2025	
Resigned Board Member	
Private sector	Pri
Public sector	Pub
Local Government	Local

Attachment B

Media Coverage on the Infrastructure Australia Board

- 'Labor cleans out Infrastructure Australia Board amid concerns over 'partisan appointments'', published online in *The Guardian* on 22 July 2022:
 - Article references Minister King's media release on the IA Review and notes senior members of the IA Board will step down in September. The article also notes that when in opposition, Labor criticised Barnaby Joyce's appointment of Col Murray as chair of IA.
- 'Infrastructure Australia board members step down ahead of review', published online in *The Sydney Morning Herald* on 22 July 2022:
 - Article references Minister King's media release on the IA Review and notes several members of the IA Board have agreed to step down. The article also references a report from the Grattan Institute that found two members of the IA board had links to the Coalition, and none had links to Labor.
- 'Federal infrastructure spending to be overhauled to maintain flow of money', published online in *The Sydney Morning Herald* on 10 October 2022:
 - Article notes the federal government will use laws to shake up its peak advisory body, IA, and demand a sharper focus on a shorter list of national priorities. The article also notes changes had already begun at IA with department of Chair, Col Murray, and directors, Amanda Cooper, Elizabeth Schmidt and Vicki Meyer, noting that Labor had been strongly critical of these appointments. The article quotes Minister King as saying: "I think it's important that we've got a board that is taken seriously as serious players with the infrastructure space and listened to by government".
- 'Former Tamworth mayor Col Murray quits Infrastructure Australia declaring he "jumped before I was pushed"', published online in *The Northern Daily Leader* on 10 October 2022:
 - The article quotes Col Murray as saying: "The incoming government were choosing to go in a different direction. I wasn't part of that future plan. I did resign, I didn't get the boot. But it was pretty much a case of jump or be pushed". The article notes other directors with connections to the Liberal or Liberal National Party were also reportedly departing. The article refers to Barnaby Joyce as saying the new Labor government had made a farce of the independence of IA. The article claims Mr Joyce said he had tried to bring in people from rural communities to change the culture of IA, but the new government were reversing that change to give the board and urban bias.
- 'Labor has made a good start on infrastructure, but it has more work to do', published online in *Crikey* on 11 October 2022 and in *The Mandarin* on 12 October 2022:
 - The article notes IA had been demeaned under the Coalition by board-stacking and "jobs for mates". The article notes that members with links to the Coalition had all now left, and criticises Barnaby Joyce's comments in *The Northern Daily Leader* on 10 October 2022.

BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Andreas Bleich/** s47F - personal privacy**SB22-000053****SUBJECT: High Speed Rail Authority Establishment****Talking Points**

- The High Speed Rail Authority Bill 2022 (the Bill) was introduced into Parliament on 8 September 2022. The Bill establishes the High Speed Rail Authority (HSRA), a corporate Commonwealth entity which will be responsible for developing policy and planning, consulting relevant parties, giving advice and recommendations and undertaking evaluations and research for a High Speed Rail network.
- If the Bill is passed by Parliament, the HSRA will be established by proclamation or no more than six months from Royal Assent.
- The Minister for Infrastructure, Transport, Regional Development and Local Government is responsible for appointing the five members of the Board including the Chair, having regard to qualifications, experience, skills and knowledge of the eligible candidates.
- The Board is responsible for appointing a Chief Executive Officer (CEO) after consultation with the Minister, who will be responsible for day to day administration of the Authority.
- The National Faster Rail Agency (NFRA) will be ceased as an executive agency, with staff joining the Authority.
- HSRA will provide advice on the feasibility of options for delivery of high speed rail, including updated strategic analysis.

Key Issues

- The Bill will establish the HSRA to develop a high speed rail (HSR) network. It allows for functions related to faster rail to be undertaken by the HSRA, to be operationalised by the transfer the existing functions of the NFRA into the HSRA.
- The HSRA's first priority will be the Sydney to Newcastle corridor, as announced in the lead up to the May 2022 election, including a \$500 million commitment to start corridor acquisition, planning and early works in consultation with the NSW Government.
- The HSRA's functions are:
 - Lead and coordinate policy development and planning;
 - Consulting with States, Territories and other stakeholders;
 - Providing advice and recommendations to the Minister on HSR matters; and
 - Evaluation and research on HSR.
- Funding commitments progressing by NFRA will continue unless the Australian Government decides otherwise.

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BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Andreas Bleich/** s47F - personal privacy**SB22-000053****Background**

- The Government has committed to establish a HSRA as a priority, to oversee the development of a HSR network and to advise on Australia's current and future HSR needs.
- The HSRA will focus on the delivery of an HSR network on the East Coast of Australia; connecting Melbourne, Canberra, Sydney and Brisbane. Other corridors may be considered in the future.
- HSR recognises the importance of the prosperity of regions, which can be improved by enhancing connectivity between regional centres and major population centres and international gateways.
- On 5 August 2010 the then Minister for Infrastructure and Transport, the Hon Anthony Albanese MP, commissioned the two-part study, "Moving Forward with High Speed Rail," which identified corridors, station locations and potential patronage, and provided an indicative estimate of the cost to build a HSR network. The study indicated a return of around \$2.30 on every \$1.00 invested, showing that the benefits would greatly outweigh the costs.
- The role of the HSRA will be to provide updated analysis and advice on the most efficient and effective HSR, which the Australian Government will consider.

Cessation of the National Faster Rail Agency

- The NFRA will be ceased as an executive agency, with staff joining the HSRA. Absorbing the NFRA into the HSRA will partially offset the cost of establishment.

High Speed Rail Authority timing and role

- The HSRA will be established upon proclamation or six months after Royal Assent. The NFRA may start related HSR work during this interim phase.
- Constructing or extending the railway in a State or Territory for the network requires the HSRA to gain the relevant State or Territory's consent. The HSRA will work closely with jurisdictions on development of the network.
- The HSRA will also engage stakeholders in industry, peak bodies the construction sector and the general public.
- The HSRA is able to engage consultants to carry out work and can establish an independent expert panel.

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BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Andreas Bleich/**s47F - personal privacy**SB22-000053***Board appointments*

- The Board will support the independence of the HSRA. A fair and transparent process will be undertaken and suitable candidates have the appropriate qualification, knowledge, skills, experiences and gender representation.
- The Board can appoint an acting CEO in the interim while a merit based process is undertaken for the full time CEO.
- Remuneration of Board members and the CEO is to be determined by the Remuneration Tribunal.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000221

SUBJECT: Urban Congestion Fund**Talking Points**

- As part of the 2022-23 October Budget, the Australian Government announced the abolishment of the Urban Congestion Fund (UCF), including the Commuter Car Park Fund (CCP).
- The Government has reviewed projects under the UCF, considering the project status, the impact of cancellation and whether there were willing investment and delivery partners.
- As a result of the review, 24 UCF and CCP projects have been cancelled, representing total savings of \$770.3 million.
- The remaining 107 projects, including 22 CPP projects, will continue under the broader Infrastructure Investment Program (IIP).

Key Issues

- The Government reviewed projects delivered under the UCF, including CCP, as part of the broader review of all IIP commitments, which was undertaken in close consultation with state and territory governments.
 - The review of UCF considered the project status, the impact of any cancellation, and whether there were willing investment and delivery partners.
- UCF projects across 24 projects have been cancelled representing a total saving of \$770.3m (List of projects at **Attachment A**).
 - Eight UCF project sites cancelled;
 - 16 CCP projects cancelled.
- The Government has decided to abolish the UCF, with all remaining projects to be delivered under the broader IIP.
 - 107 former UCF, including 22 CCP, projects will continue to be funded and delivered under the IIP (List of projects at **Attachment B**).
 - Projects under the former UCF were expected to address pinch points and congestion in our major cities and suburbs. Projects range from roundabouts and intersection upgrades to level crossing removals and major arterial interchanges, which are also delivered under the broader IIP.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000221

Figure 1: Overview of project sites as at the 2022-23 October Budget - Continuing and Cancelled by State

State	Continuing		Cancelled	
	UCF	CCP (separate)	UCF	CCP (separate)
NSW	11	7	3	4
Victoria	24	10	5	12
Queensland	21	5	-	-
South Australia	8	-	-	-
Tasmania	4	-	-	-
Western Australia	17	-	-	-
Total	85	22	8	16

Background

- The UCF was announced by the Morrison Government as part of the 2018-19 Budget, with the first projects announced in early 2019. The program was designed to target congestion through remediation of pinch points, improving traffic safety and increasing network efficiency for commuter and freight movements in urban areas. This was the first time that dedicated car park projects had been delivered under the IIP, requiring an update to the *National Land Transport Act 2014* regulations.
- The continuing 107 UCF projects will now be delivered under the broader IIP (a full list is at **Attachment B**).

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SB22-000221

Figure 2: Breakdown of Continuing UCF and CCP Project Sites:

	Total Current UCF and CCP Sites (Continuing)	Australian Government funding (\$m)	Under construction / underway	In Planning
NSW	18	591.9	4	14
QLD	26	706.9	13	12
SA	8	210.7	3	5
TAS	4	51.5	1	3
VIC	34	614.1	14	21
WA	17	788.0	12	5
TOTAL	107	2,963.0	47	60

- Some UCF projects include elements across a number of sites. For example, the 'Central Coast Roads Package' project comprises works across 27 individual sites, of which 20 sites have been completed, two cancelled and five continuing; the 'Commuter Car Park Upgrades - Northern Lines' project is for seven different car parks, and 'Commuter Car Park Upgrades - Ferny Grove and Mango Hill' is delivered across two project sites.
- For a number of cancelled projects, initial funding for planning and business case development was provided which indicated that additional funding would be required to deliver the projects. In consultation with the relevant State Governments which considered them a low network priority, the funding for the projects were cancelled.

Media, Min Corro or Previous Senate References:

- The Australian National Audit Office (ANAO) undertook a performance audit of the UCF, focusing on administration of the CCP projects. The report was tabled in June 2021, including recommendations regarding the Department's administration, implementation and evaluation of the program.
- Following the ANAO audit, the Senate Finance and Public Administration Committee also conducted an inquiry, with a report tabled on 2 December 2021. The report included several recommendations aimed at accountability, transparency, and the proper use and allocation of taxpayers' money. A Government response has yet to be tabled.

Attachments

- Attachment A – UCF-CCP – Cancelled Projects
- Attachment B – UCF-CCP – Continuing Projects

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Version Number: 01

Date: 20/10/2022

ATTACHMENT A**Cancelled Urban Congestion Fund Project Sites in the October 2022-23 Budget****List of Cancelled Urban Congestion Fund Project Sites**

State	Project Site Name	Total Aus Gov Funding (\$m)	Savings (\$m)	Progress Status
NSW	Balgowlah Interchange	50.0	50.0	In Planning
NSW	Central Coast Roads Package – Rawson Road and Springwood Street*	35.7	35.7	In Planning
VIC	Napoleon Road Upgrade – Lysterfield Road to Kelletts Road	50.0	46.5	In Planning
VIC	Dorset Road Extension	80.0	73.5	In Planning
VIC	Dorset Road Upgrade	50.0	46.5	In Planning
VIC	Glenferrie Road Level Crossing Removal, Kooyong	260.0	254.4	In Planning
VIC	Wellington Road Duplication	110.0	103.5	In Planning
Total		635.7	610.1	

**2 of the 27 project sites were cancelled: Rawson Road and Springwood Street*

List of Cancelled Commuter Car Park Project Sites

State	Project Site Name	Total Aus Gov Funding (\$m)	Savings (\$m)	Progress Status
NSW	Commuter Car Park Upgrade - Gosford	30.0	29.5	In Planning
NSW	Commuter Car Park Upgrade - T8 East Hills Line - Macarthur	15.0	14.0	In Planning
NSW	Commuter Car Park Upgrade - Panania	8.3	7.3	In Planning
NSW	Commuter Car Park Upgrade - Hurstville	7.5	6.8	In Planning
VIC	Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Boronia	20.0	19.0	In Planning
VIC	Commuter Car Park Upgrades - Ferntree Gully	16.0	15.0	In Planning
VIC	Commuter Car Park Upgrade - Pakenham Line - Narre Warren	15.0	14.3	In Planning
VIC	Commuter Car Park Upgrades - Hampton	12.5	12.4	In Planning
VIC	Commuter Car Park Upgrades - Bentleigh	9.05	8.6	In Planning
VIC	Commuter Car Park Upgrade - Sandringham Line - Elsternwick	9.05	8.6	In Planning
VIC	Commuter Car Park Upgrade - Sandringham Line - North Brighton	6.9	6.3	In Planning
VIC	Commuter Car Park Upgrade - Pakenham Line - Officer	5.0	5.0	In Planning
VIC	Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Heatherdale	15.0	4.5	In Planning
VIC	Commuter Car Park Upgrade - Belgrave/Lilydale Lines - Heathmont	18.9	3.9	In Planning
VIC	Commuter Car Park Upgrade - Sandringham Line - Sandringham	3.1	3.0	In Planning
VIC	Commuter Car Park Upgrade - Doncaster Park and Ride	6.0	2.0	In Planning

State	Project Site Name	Total Aus Gov Funding (\$m)	Savings (\$m)	Progress Status
Total		197.3	160.2	

ATTACHMENT B**1. List of Continuing Urban Congestion Fund Project Sites**

Project Site Name	State	Total Aus Gov Funding (\$m)	Progress Status
Blaxland Road/Balaclava Road Intersection Improvements	NSW	6.7	In Planning
Central Coast Roads Package*	NSW	86.5	In Planning
Dunheved Road Upgrade, Penrith	NSW	127.0	In Planning
Homebush Bay Drive	NSW	50.0	In Planning
The Horsley Drive Upgrade	NSW	95.0	In Planning
King Georges Road Upgrade - Stage 1 and 2A (early works)	NSW	80.0	Underway
Princes Highway and Waratah Street Intersection Upgrade	NSW	7.6	In Planning
Beams Road upgrade, Carseldine	QLD	50.0	In Planning
Beenleigh-Beaudesert Road Upgrade, Beenleigh	QLD	5.0	In Planning
Boundary Road level crossing, Coopers Plains – additional \$60m in funding at budget	QLD	133.0	In Planning
Chambers Flat Road upgrade, Park Ridge	QLD	11.3	In Planning
Gympie Arterial Road (Strathpine Interchange)	QLD	15.0	Under Construction
Henry Road- Dohles Rocks Road Upgrade, Griffin	QLD	4.0	Under Construction
High Road and Easterly Street, Waterford Upgrade	QLD	2.5	In Planning
Indooroopilly Roundabout Intersection Upgrade	QLD	50.0	Under Construction

Project Site Name	State	Total Aus Gov Funding (\$m)	Progress Status
Kenmore Roundabout Upgrade	QLD	12.5	In Planning
Klingner Road- Boardman Road intersection upgrade, Kippa-Ring	QLD	4.0	In Planning
Lindum Rail Crossing Upgrade	QLD	85.0	Under Construction
M1 Pacific Motorway Upgrade Program - Exit 41 and Exit 49**	QLD	96.3	Under Construction
Mooloolaba Access Upgrade	QLD	12.0	Under Construction
Mt Lindesay Highway - Stoney Camp Road to Chambers Flat Road	QLD	37.5	Under Construction
Newnham Road and Wecker Road Intersection Upgrade, Mount Gravatt	QLD	12.0	Under Construction
Norris Road, Bracken Ridge	QLD	5.0	Under Construction
Panorama Drive - Wellington St, Thornlands/Cleveland	QLD	15.0	In Planning
Relocation of Loganlea Station	QLD	50.0	In Planning
Rosedale-Priestdale Road intersection, Rosedale	QLD	14.0	Under Construction
Youngs Crossing Road, Lawnton	QLD	32.8	In Planning
Automated Train Protection Signals Upgrade - Seaford Line	SA	5.0	In Planning
Brighton Road Intersection Improvements	SA	15.0	In Planning
Cross Road - Fullarton Road Intersection	SA	30.5	Under Construction
Level Crossing Removal Planning Program	SA	5.0	In Planning

Project Site Name	State	Total Aus Gov Funding (\$m)	Progress Status
Metro Intersection Upgrade Program - Brighton Road (Hove) Level Crossing Upgrade	SA	2.2	In Planning
Metro Intersection Upgrade Program - Glen Osmond Road/Fullarton Road Intersection Upgrade	SA	17.5	Under Construction
Metro Intersection Upgrade Program - Torrens Road (Ovingham) Level Crossing Upgrade	SA	115.5	Under Construction
Old Belair Road upgrade, Mitcham	SA	20.0	In Planning
Hobart Congestion Package	TAS	25.0	In Planning
Hobart - Northern Transit Corridor Solution	TAS	13.5	In Planning
Launceston Eastern Bypass Study	TAS	1.5	Underway
Tasman Highway Intelligent Transport Solutions	TAS	11.5	In Planning
Ballarto Road, Skye	VIC	30.0	In Planning
Boronia Road and Lewis Road Intersection Upgrade	VIC	4.0	Under Construction
Calder Freeway - Gap Road to the M80 Ring Road	VIC	50.0	In Planning
Canterbury Road Upgrade	VIC	47.6	In Planning
Camberwell Road, Monteath Avenue, Redfern Road Intersection Upgrade	VIC	3.6	In Planning

Project Site Name	State	Total Aus Gov Funding (\$m)	Progress Status
Cape Otway Road and Winchelsea-Deans Marsh Road Intersection Upgrade	VIC	6.0	In Planning
Fitzsimons Lane and Main Road Corridor, Eltham (Manningham City Council)	VIC	5.0	In Planning
Fitzsimons Lane and Main Road Corridor, Eltham (Nillumbik Shire Council)	VIC	5.0	In Planning
Forest Drive and Nepean Highway Intersection Upgrade	VIC	10.0	In Planning
Grubb Road Upgrade, Ocean Grove	VIC	5.0	In Planning
Henderson Road Upgrades	VIC	14.3	Under construction
Hume Freeway - Watson Street to M80 Ring Road	VIC	50.0	In Planning
Madden Grove Level Crossing Removal Study, Burnley	VIC	5.0	Underway
Maroondah Highway, Coldstream	VIC	20.0	In Planning
Murradoc Road Upgrade	VIC	5.0	In Planning
Plymouth Road Improvements	VIC	4.4	In Planning
Princes Highway Intersection Upgrades - Pakenham to Beaconsfield	VIC	21.5	Under Construction
Reilly Street and Wantirna Road Intersection Upgrade	VIC	3.0	Under Construction
School Infrastructure road upgrades in Nillumbik Shire	VIC	1.6	Under Construction
Tooronga Road Level Crossing Removal Study, Tooronga	VIC	5.0	Underway

Project Site Name	State	Total Aus Gov Funding (\$m)	Progress Status
Tortice Drive and Warrandyte Road Intersection Upgrade, Ringwood North	VIC	4.8	In Planning
Uralla Road and Nepean Highway Intersection Upgrade	VIC	10.5	In Planning
Western Freeway Upgrade - M80 Ring Road to Ferris Road	VIC	50.0	In Planning
Yarra Boulevard Upgrade	VIC	7.0	In Planning
Abernethy Road, Kewdale	WA	13.3	In Planning
Erindale Road-Reid Highway Business Case, Hamersley	WA	2.0	Underway
Flynn Drive Upgrade, Neerabup	WA	2.5	In Planning
Fremantle Traffic Bridge (Swan River Crossing)	WA	140.0	In Planning
Gnangara Road Upgrade	WA	1.6	Under Construction
Great Northern Highway-Apple Street intersection upgrade, Upper Swan	WA	7.0	Under Construction
Lakelands Station, Lakelands	WA	64.0	Under Construction
Leach Highway (Welshpool Road Interchange)	WA	68.0	Under Construction
Lloyd Street Extension, Hazelmere	WA	20.0	In Planning
Mitchell Freeway Extension - Hester Avenue to Romeo Road	WA	116.0	Under Construction

Project Site Name	State	Total Aus Gov Funding (\$m)	Progress Status
Mitchell Freeway widening (Hodges Drive to Hepburn Ave)	WA	38.0	Under Construction
Roe Highway/Great Eastern Highway Bypass and Abernethy Road/Great Eastern Highway Bypass Interchanges	WA	144.0	Under Construction
Stephenson Avenue Extension	WA	82.5	Under Construction
The Broadway upgrade, Ellenbrook	WA	3.1	Under Construction
Thomas Road and Nicholson Road	WA	14.0	In Planning
Trackless Tram and Road Infrastructure (Scarborough Beach Road) Business Case	WA	2.0	Underway
Transforming Freeways - Widen and Introduction of ITS (Mitchell Freeway Southbound)	WA	70.0	Under Construction
Total		2,518.0	

*29 sites in total. 5 continuing sites, 20 completed, 2 cancelled at 2022-23 October Budget

**2 project sites

2. List of Continuing Commuter Car Park Project Sites

Project Name	State	Total Aus Gov Funding (\$m)	Progress Status
Commuter Car Park Upgrade - T1 North Shore, Northern and Western Line - Kingswood	NSW	32.0	In Planning
Commuter Car Park Upgrade - T1 North Shore, Northern and Western Line - St Marys	NSW	33.8	In Planning
Commuter Car Park Upgrade - T8 East Hills Line - Campbelltown	NSW	22.1	In Planning
Commuter Car Park Upgrade - T8 East Hills Line - Revesby	NSW	12.5	Under Construction
Commuter Car Park Upgrade - T8 East Hills Line - Riverwood	NSW	10.5	Under Construction
Commuter Car Park Upgrade - Emu Plains	NSW	15.0	Under Construction
Commuter Car Park Upgrade - Woy Woy	NSW	13.2	In Planning
Commuter Car Park Upgrades - Ferny Grove and Mango Hill*	QLD	15.0	Under Construction
Beenleigh Station commuter car park, Beenleigh	QLD	15.0	In Planning
Coomera Station commuter car park, Coomera	QLD	15.0	Under Construction
Loganlea Station commuter car park, Loganlea	QLD	15.0	In Planning
Commuter Car Park Upgrades - Ringwood	VIC	29.7	In Planning
Commuter Car Park Upgrade - Berwick Railway Station	VIC	64.2	Under Construction
Commuter Car Park Upgrade - Frankston Line - Frankston	VIC	43.5	In Planning
Commuter Car Park Upgrade - Pakenham Line - Pakenham	VIC	15.0	In Planning
Commuter Car Park Upgrades - Northern Lines (Craigieburn, Hurstbridge) **	VIC	70.0	Under Construction
Commuter Car Park Upgrade - Eltham Station	VIC	5.5	Under Construction
Commuter Car Park Upgrade - Kananook - Frankston City Council	VIC	18.0	In Planning
Total		445.0	

*2 project sites.

**7 sites in total. 4 project sites continuing, 3 completed as at 2022-23 October Budget.

Rural and Regional Affairs and Transport

Lead/Support contact: Rob Bradley / s47F - personal privacy

SB22-000222

SUBJECT: Melbourne Airport Rail Link

Talking Points

- The Australian Government is committed to the Melbourne Airport Rail Link and wants to see the benefits flow to all Victorians as soon as possible.
- The Australian Government continues to support the Victorian Government to deliver this important project that will be a vital part of the community's transport infrastructure for decades to come.
- The ongoing negotiations regarding the specific design elements of the project are a matter for the Victorian Government and Melbourne Airport operator, Australia Pacific Airports (Melbourne) Pty Ltd.
- We support negotiations between the two parties and encourage both parties to negotiate in good faith to reach an outcome in a timely manner.

Key Issues

- The Detailed Business Case (DBC) for Melbourne Airport Rail Link (MARL) was released by the Victorian Government on 21 September 2022. The DBC specifies Victoria's preferred design of an elevated airport station option for delivery. The station design is not yet settled and negotiations are currently ongoing between the Victorian Government and the Melbourne Airport operator - Australia Pacific Airports (Melbourne) Pty Ltd (APAM).
- The DBC indicates an estimated construction cost range of between \$8 and \$13 billion and includes a capital cost estimate of \$11.59 billion. To date, \$10 billion has been committed by both the Australian and Victorian governments.
- Early works are expected to start in late 2022 and major construction to commence in 2023, with the rail link to be operational in 2029.
- Although the Australian Government provides significant funding to upgrade transport infrastructure in Victoria such as the Melbourne Airport Rail Link, the responsibility for identifying, planning and delivering these projects falls primarily with the Victorian Government. As such, any questions about the Business Case development process for these projects are a matter for the Victorian Government.

Background

Sensitivities

- APAM, as the airport operator, is granted 'quiet enjoyment' terms over the life of the airport lease. The Minister has a regulatory role in respect to leased federal airports.

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SB22-000222

- As the project proponent, it is appropriate that the Victorian Government leads negotiations with APAM regarding station location throughout the development of the MARL Business Case.
- The Victorian Auditor-General's Office (VAGO) tabled its report *Quality of Major Transport Infrastructure Project Business Cases* on 21 September 2022, which included findings that MARL's DBC did not support informed investment decisions, and raised concerns about the 'Economic appraisal method and presentation'.
- Infrastructure Australia (IA) is expected to release its assessment of the MARL DBC very shortly.
- The department is yet to receive the finalised Development Project Proposal Report (PPR) and draft Delivery PPR from Victoria. Once received, the Department will consider the proposed scope of the project in conjunction with IA's assessment, and brief the Minister accordingly.

Media, Min-Corro or Previous Senate References

- There is significant media attention on the lack of a decided scope relating to the airport station, and conflict between the Victorian Government and APAM. Media reports indicate that Hume City Council has expressed its support for APAM's preferred underground station option.
- Brimbank City Council has expressed concerns that the Sunshine/Albion flyover will negatively impact local redevelopment plans.
- Member for Maribyrnong Bill Shorten MP, Victorian Public Transport Minister Ben Carroll, and the Moonee Valley Council have voiced support for the addition of the Keilor East station to the scope of the project.

General Background

- The Australian Government has committed \$5 billion towards the \$10 billion project, on a 50:50 split with the Victorian Government as part of the 2018-19 Budget. The Australian Government also committed \$30 million to fully fund the development of the DBC.
- On 16 December 2021, the department received the finalised DBC from Victoria. The DBC indicates the total risk-adjusted capital cost for the MARL project is estimated at \$11.6 billion (P90).

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- The scope of works, as proposed by the Victorian Government in the final Detailed Business Case is:
 - A new railway station at Melbourne Airport.
 - A track pair starting at the Airport Station and transitioning into an elevated viaduct at Mercer Drive that continues across Sharps Road and over the Western Ring Road (M80) – the track continues on an embankment toward and through the Albion-Jacana freight corridor from Steele Creek, including a new bridge crossing over the Maribyrnong River, and a double track flyover past Albion Station after which the track merges into the Sunbury line just before Sunshine Station.
 - 12 kilometres of new rail track from Melbourne Airport Station to Sunshine.
 - A new station at Keilor East (announced on release of the final business case), and associated works to be ready for operation in 2029. This is expected to increase the total project cost by an estimated \$200 million.
 - Works at Sunshine Station to facilitate the interchange between MARL services and other services utilising the Sunshine station.
 - Line-wide train control and signalling solutions compatible with the Metro Tunnel
- On 3 October 2022, the Victorian Government also announced upgrades to Albion Station, which is a flyover on the MARL route but not part of MARL scope. It is understood that the Albion Station upgrade will be built by the Melbourne Airport Rail team but not included on the Airport route or funded through MARL project costs.
- On 28 September 2022 the Victorian Government announced the preferred contractor for the Sunshine/Albion package including a flyover across the Sunshine/Albion Junction.
- Refer **Attachment A** for MARL project details.

Attachments

- Attachment A – MARL Project Details

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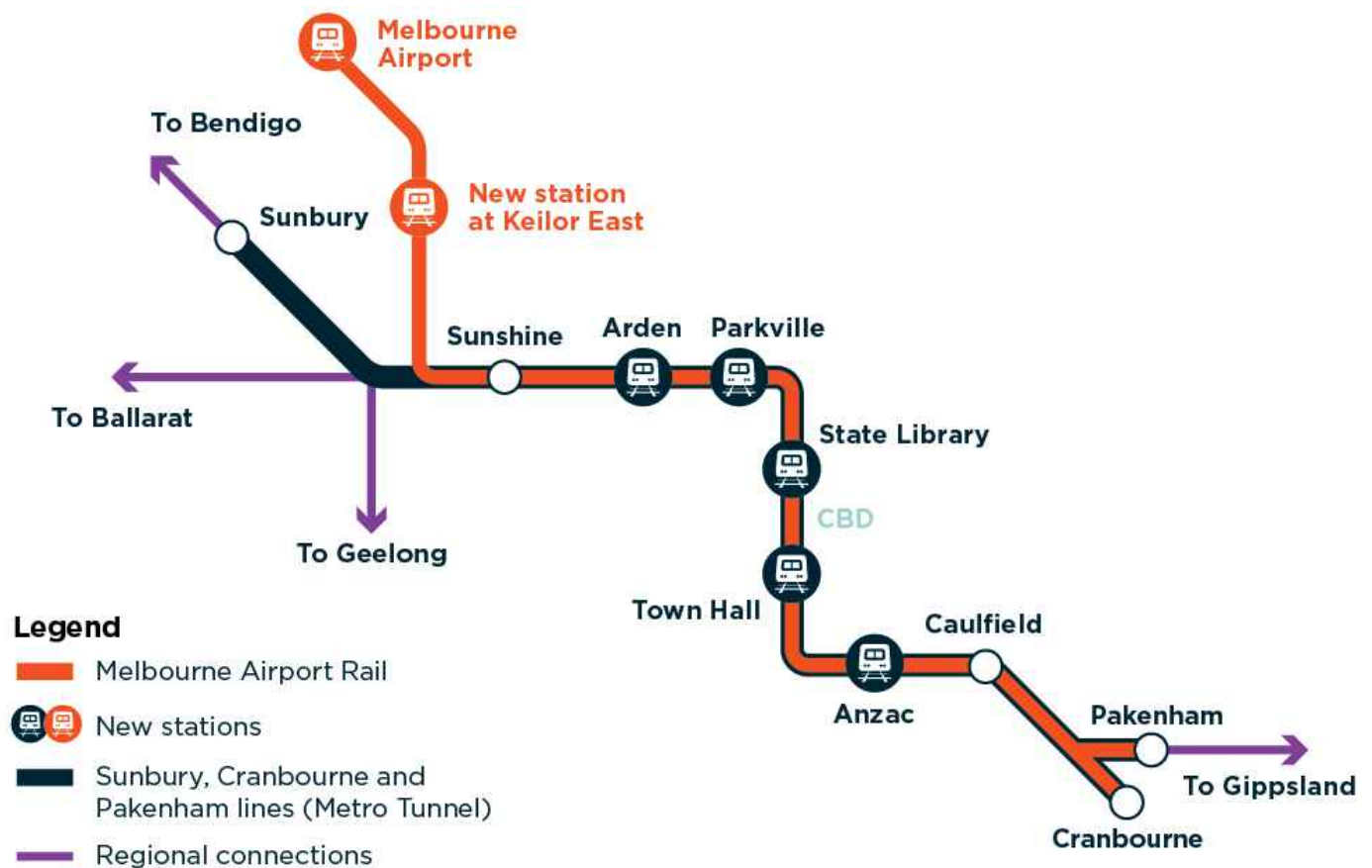
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Date: 20/10/2022

ATTACHMENT A - MELBOURNE AIRPORT RAIL LINK

Announced Date	12/04/2018
Location	Melbourne Airport – Melbourne CBD
Scope	Construct 12km of new rail line between Melbourne Airport and the Melbourne CBD via Sunshine Station utilising the Melbourne Metro Tunnel
Construction Start/End Date	
Construction Start	Late 2022
Construction End	Late 2029
Funding Commitments	
AG contribution	\$5.03 billion
State contribution	\$5 billion
Total Project Cost	\$11.59 billion
Additional funding	No additional funding has been announced
Jobs Supported	
Direct and indirect	8,000 during construction
Status	
Status	In planning
Project Approval	Development - \$30m for Business Case in 2017-18 Budget. Delivery - \$5b in 2018-19 Budget. Development - \$70.68m for Business Case in Dec 2020



Expenditure Profile						
2022-23 Payments* \$m	2022-23 Budget \$m	2023-24 Budget \$m	2024-25 Budget \$m	2025-26 Budget \$m	2026-27 Onwards \$m	Total \$m
-	308.4	400	600	1,200	2,448	5,000

*As at 31 August 2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Robyn Legg

SB22-000224

SUBJECT: Truck Rest Stops Election Commitment**Talking Points**

- Through the October Budget the Australian Government has committed an additional \$80 million to support new and upgraded heavy vehicle rest areas.
- This funding brings the Government's total commitment in dedicated funding for heavy vehicle rest areas to \$140 million over 10 years:
 - The \$80 million announced at the October Budget is in addition to the \$60 million Heavy Vehicle Rest Area program funding announced at the March 2022-23 Budget.

Key Issues*Heavy Vehicle Rest Area – Program elements*

- The dedicated funding for rest areas will be delivered through the Heavy Vehicle Safety and Productivity Program (HVSPPP).
- The dedicated funding for heavy vehicle rest areas will help to improve safety outcomes by encouraging breaks and improving safety for all road users, while ensuring the freight industry keeps moving.
- A Steering Committee (Committee) will be established to ensure the road transport industry and drivers have a voice in the design of the initiative.
- The Committee membership has not yet been decided but it will be representative of the industry and bring a wide breadth of experience and knowledge as either long haul truck drivers or long-term involvement with the road transport industry.

Background

- Applications for heavy vehicle rest area projects will be invited from State, Territory and Local Governments in the first half of 2023.
- Applications will be assessed against pre-existing criteria set out in the HVSPPP Guidelines and specific criteria relating to heavy vehicle rest areas.
- The Committee will assist in the design of rest area specific selection criteria that articulates the types of projects most needed from a truckie's point of view.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts will assess project applications against the existing HVSPPP criteria with the Committee initially assessing applications against the specific rest area criteria.
- Projects with the highest merit will be recommended by the Department to the responsible Minister for funding consideration.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Robyn Legg

SB22-000224

Funding Profile

Expenditure Profile for the Heavy Vehicle Rest Areas Initiative - \$140 million						
2022-23 Payments* \$m	2022-23 Budget \$m	2023-24 Budget \$m	2024-25 Budget \$m	2025-26 Budget \$m	2026-27 Onwards \$m	Total \$m
nil	0.0	20.0	30.00	30.00	60.0	140.0

*As at 28 October 2022

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Date: 25/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Anita Langford / s47F - personal privacy

SB22-000227

SUBJECT: Recent flooding and the impact on roads**Talking Points**

- The Australian Government is focused first on the human consequences of the devastating floods across three states, as the Prime Minister said.
- The Government works collaboratively with state and local governments to monitor and improve essential transport infrastructure in rural and remote areas.

Key Issues

Federal Government support for local roads following flood events - committed funding (Messaging from the Treasurer and Minister King)

- Significant areas of Australia have been impacted by flooding in recent times, particularly in Eastern Australia.
- The Australian Government funds land transport infrastructure projects under the Infrastructure Investment Program (IIP) which provides a long-term, evidence-based approach to investment in major projects that reflects the betterment principle of ensuring value for money and resilience to future disaster events, including flooding.
- In a recent statement, the Treasurer has said that the Government has committed over \$1 billion for flood damaged roads and transport infrastructure in New South Wales and Queensland. This has been done in cooperation with state and territory counterparts.
- Through the October Budget the Government is investing an additional \$250 million to the Local Roads and Community Infrastructure (LRCI Program), on top of the previously announced \$500 million, taking the next phase of the LRCI Program to \$750 million. This additional top up recognises the need to support local communities across Australia, particularly those in regional and remote Australia. LRCI funding can be utilised by disaster-declared local governments to undertake works based on their highest priority.
- General information about the Government's Disaster Assistance can be found at the Disaster Assist website.

Maintaining local roads

- While the responsibility of road maintenance falls to state/territory and local governments, in addition to LRCI, there are federal programs that may be utilised to help flood-affected communities undertake road works:
 - Roads to Recovery provides funding to all local governments to support the construction and maintenance of local roads. Flexibility is built into the program, with local governments being responsible for choosing road projects on which to spend their Roads to Recovery funding, based on their priorities. A local government may wish to consider whether they could utilise their Roads to

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SB22-000227

Recovery funding to undertake eligible works to address a road construction or maintenance issue.

- The Bridges Renewal Program provides funding to state, territory and local governments for projects which will upgrade and replace bridges to enhance access for local communities. Applications are accepted all year round to provide increased flexibility and permit projects to be submitted when they are needed most.
- Australian Government road maintenance funding is provided as part of a partnership with States to assist maintain the National Land Transport Network to a standard consistent with each State's maintenance policies and practices. Payments are made twice a year.
- In addition, states and territories administer a number of programs that help to support local governments to maintain local road networks. They can be found on the respective state or territory department website.

Background

- Under the IIP, funding for specific transport projects is provided to state and territory governments, on agreed funding splits. This is formalised under the National Partnership Agreement on Land Transport Infrastructure Projects (NPA) and the National Land Transport Act 2014. The frameworks that underpin Australian Government funded land transport projects support sustainable and environmentally conscious deliberation to project planning and delivery.
- Section 19 of the NPA identifies one of the objectives of co-funded transport infrastructure investment, as having the potential to enable broader outcomes that benefit the Australian people, such as taking account of climate and disaster resilience, including flood mitigation, in infrastructure planning and delivery.
- Proponents of major projects seeking \$250 million or more of Australian Government funding are encouraged to consider climate resilience under Infrastructure Australia's assessment framework.
- Examples of IIP projects that support flood mitigation in their design and delivery include:
 - Bruce Highway – Haughton River Floodplain Upgrade in Queensland (Australian Government contribution of \$411.5 million). The upgrading of 13.5 kilometres of the Bruce Highway traversing the Haughton River floodplain will reduce the frequency and duration of road closures due to flooding;
 - Avon River Bridge in Victoria (Australian Government contribution of \$69.45 million). The project replaced an end of life rail bridge over the Avon River in Gippsland. The Avon River is subject to significant flooding which was considered in the new design and delivery program;

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SB22-000227

- Arnhem Highway - Adelaide River Floodplain Upgrade in Northern Territory (Australian Government contribution of \$62.3 million). The project will upgrade the Arnhem Highway to improve flood immunity at the Adelaide River floodplain, by constructing multi-span bridge structures along the length of the floodplain, and undertaking ground improvements and drainage works.
- Proactive planning and delivery of flood mitigating land transport projects will improve safety, reliability and accessibility for residents using these routes for essential services. It will also secure supply chains for industries that utilise key freight corridors, especially in the regions.
- These types of works improve water management, including flood prevention and reduction of water contamination.
- A list of examples of land infrastructure projects funded through the IIP, Territories Division, Community Development Grants Programme, Regional Growth Fund, Regional Development Australia Fund, and LRCI which support flood mitigation is provided at **Attachment A**.

Attachments

- Attachment A – Examples of Flood Mitigation Projects of the Government (since 2 July 2019)

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Date: 25/10/2022

Attachment A

Senate Estimates Brief - October 2022 – Recent flooding and the impact on roads

Examples of flood mitigation projects of the Government since 2 July 2019 (IID)**Infrastructure Investment Projects (IIP)**

Project Name	State	Total Australian Government Funding	Progress Status
Toorale Road – Drainage Improvements. Installation of box culverts to cater of flows in Eulomogo Creek	NSW	\$480,000	Completed
Great Western Highway Upgrade - Katoomba to Lithgow - Construction of East and West Sections	NSW	\$2,032,000,000	In Planning
Hawkesbury River Third Crossing	NSW	\$400,000,000	In Planning
M1 Pacific Motorway Extension to Raymond Terrace	NSW	\$1,680,000,000	In Planning
New England Highway – Singleton Bypass	NSW	\$560,000,000	In Planning
Newell Highway Upgrade - Dubbo Bridge	NSW	\$176,200,000	In Planning
River Bridge replacement	NSW	\$2,000,000	In Planning
Coffs Harbour Bypass	NSW	\$1,760,000,000	Under Construction
Pooncarie Road (Wentworth Shire)	NSW	\$4,600,000	Under Construction
Pooncarie Road to Menindee	NSW	\$ 27,100,000	Under Construction
Hawkesbury-Nepean Valley Flood Evacuation Road Resilience - Planning	NSW	\$16,500,000	Underway
Arnhem Highway - Adelaide River Floodplain Upgrade	NT	\$62,300,000	Under Construction
Construction of the Katherine Flood Mitigation and Headworks Project	NT	\$11,000,000	Underway
Bruce Highway - Yeppen Floodplain Upgrade	QLD	\$68,512,000	Completed
Coolamon Close to Atherton Creek - Drainage	QLD	\$180,000	Completed
Flood Mitigation Works at Dale Street Burpengary	QLD	\$1,900,000	Completed
Bruce Highway - Tiaro Flood Immunity Upgrade	QLD	\$268,800,000	In Planning
Gore Highway (Millmerran - Goondiwindi): Wyaga Creek Flood Improvement	QLD	\$36,192,000	In Planning
Bruce Highway – Houghton River Floodplain Upgrade	QLD	\$411,468,000	Under Construction
Kangaroo Island Road Safety and Bushfire Resilience Package	SA	\$40,000,000	In planning
Anangu Pitjantjatjara Yankunytjatjara (APY) Lands - Main Access Road Upgrade - Stuart Highway to Pukatja	SA	\$125,424,000	Under construction
Huon Link Road Princes Highway East -	TAS	\$13,200,000	In Planning

Project Name	State	Total Australian Government Funding	Progress Status
Freight Bridge Upgrades Resilient Floodways – Pyrenees Shire Council	TAS	\$12,000,000	Under Construction
Implementation of Flood Mitigation Measures – Township of Latrobe	TAS	\$3,400,000	Underway
Avon River Bridge	VIC	\$69,447,866	Completed
Princes Highway East	VIC	\$250,000	Completed
Macedon Ranges Shire Council - Hartigans Bridge renewal, Sidonia Rd, Sidonia	VIC	\$191,500	In Planning
Carnarvon Flood Mitigation (Stage 2) Project	WA	\$15,000,000	Completed
Floodways between Meekatharra and Newman	WA	\$8,720,000	Completed

Local Roads and Community Infrastructure Projects

Project Name	State	Total Australian Government Funding	Progress Status
Sealing the first 5 kilometres of the unsealed section of Old Grafton Road	NSW	\$500,000	Completed
Toorale Road – Drainage improvements.	NSW	\$495,197	Completed
Road Rehab and Drainage - Reid Street	NSW	\$745,226	Underway
Stormwater Projects	NSW	\$650,000	Underway
Floodway indicators installation	NT	\$73,778	Underway
Stormwater drainage improvements, Boundary Street Catchment Stage 3, Currumbin Waters	QLD	\$2,000,000	Completed
Rural Drainage Improvements	QLD	\$315,000	Underway
Narbethong Road Seal and Floodway	QLD	\$400,000	Underway
Floodway Construction	SA	\$3,434,871	In Planning
Barker Inlet Tidal Gates Upgrade	SA	\$2,100,000	Underway
Multiple Locations – Culverts. Drainage issues in flood prone areas	VIC	\$210,000	Completed
Davis Avenue South Yarra	VIC	\$750,000	Completed
Irrewillipe Wetlands Development	VIC	\$1,212,000	In Planning
Japan St Drainage	VIC	\$850,048	In Planning
Quarry Hills Drainage Interface	VIC	\$225,000	In Planning
Willaring Road Culvert Upgrade	VIC	\$135,000	Underway
Byron Road North Culvert/Floodway Renewal	WA	\$1,006,243	In Planning
Rural Roads – Minilya Lyndon Road, Wahroonga Primbee Road	WA	\$310,000	Underway
Hasties Road Footpath, Drainage and Kerbing Upgrade	WA	\$271,622	Underway

Divisional Support Unit – Territories Division

Project Name	State	Total Australian Government Funding	Progress Status
Stormwater remediation project	Christmas Island	\$16,500,000	Underway

Norfolk Island Branch – Territories Division

Project Name	State	Total Australian Government Funding	Progress Status
Watermill Creek weir & filtration construction	Norfolk	\$6000	Completed
Watermill Creek tree planting	Norfolk	\$12,000	Completed
Watermill Dam spillway repairs	Norfolk	\$20,000	Completed
Kingston Weir design	Norfolk	\$150,000	In planning
Kingston sewerage system repairs	Norfolk	\$220,745	Completed

Community Development Grants Programme – Regional Programs Branch

Project Name	State	Total Australian Government Funding	Progress Status
St Mary's Flood Mitigation Project	TAS	\$400,000	Completed
Implementation of Flood Mitigation Measures – Township of Latrobe	TAS	\$3,400,000	In progress
Dowbiggin Street Railton Flood Mitigation	TAS	\$3,500,000	In progress
Flood Mitigation Works at Dale Street Burpengary	QLD	\$1,900,000	Completed

Regional Growth Fund – Regional Programs Branch

Project Name	State	Total Australian Government Funding	Progress Status
Construction of the Katherine Flood Mitigation and Headworks Project, Katherine, NT	NT	\$11,000,000	Underway

Regional Development Australia Fund – Regional Programs Branch

Project Name	State	Total Australian Government Funding	Progress Status
Carnarvon Flood Mitigation (Stage 2) Project	WA	\$15,000,000	Completed

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: s47F

SB22-000054

SUBJECT: Inland Rail - Independent Inland Rail Review**Talking Points**

- The Australian Government announced the appointment of Dr Kerry Schott AO on 7 October 2022 to lead an independent review into the delivery of the Inland Rail Program.
- Dr Schott brings a wealth of knowledge and experience to the role having worked in both the business and government sectors. She has been an adviser to governments, most recently as Chair of the Energy Security Board, and a chair and director of several public sector owned companies.
- The independent review will provide assurance and greater certainty to the Government around the delivery scope, cost and schedule.
- Delivering Inland Rail is a key step in building additional capability and capacity to increase the resilience of Australia's freight supply chain and meet our growing freight task, which is forecast to grow by up to 35 per cent by 2040.
- The independent review is expected to be completed by the start of 2023.

Key Issues

- This Independent Review delivers on the Government's election commitment to take a close look at the management and delivery of the Inland Rail Program to help get this nationally important project back on track.
- The Government released the Terms of Reference and made the announcement via Media Release (**Attachment A**).
- Within the Department of Infrastructure, Transport, Regional Development, Communications and the Arts a team and secretariat has been established to support the Independent Reviewer.
- The purpose of the review is to get the Inland Rail program back on track, closely guided by the recommendations of the Senate Rural and Regional Affairs and Transport References Committee Inquiry report on the management of Inland Rail (*Inland Rail: Derailed from the Start*).
- Significant cost and schedule pressures are emerging and the Inland Rail Program is **not** expected to be delivered within existing Australian Government funding or by the current schedule date of late 2027. The Government will be in a better position to understand the risks of the Inland Rail Program at the completion of Dr Schott's Review.
- The review is not expected to consider broader issues which are of interest to some stakeholders. The limited scope of the review may attract criticism from stakeholders concerned about issues such as flood modelling, land acquisition, noise, vibration, community engagement and the proposed alignment.

Contact: Andrew Bourne**Cleared by First Assistant Secretary:** Jessica Hall**Phone:** (02) 6274 7486**Version Number:** 01**Date:** 05/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: s47F

SB22-000054

- The Independent Reviewer will assess comments received through the Have your say consultation page on the department's website and will engage where appropriate with key stakeholders.

Background

- The Government committed in the 2022 election to a review of Inland Rail. The findings of the review will inform Government decisions on the future delivery of the Inland Rail Program, including an update of its scope, schedule and cost.
- The Independent Reviewer, Dr Kerry Schott AO (**Attachment B**), is supported by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.
- The review will include:
 - an assessment of the pressures and impacts to scope, schedule and cost
 - consideration of connectivity with essential infrastructure and the broader national freight supply chain
 - assurance on governance, project delivery and stakeholder engagement processes
 - an assessment of industry support for the Inland Rail service offering and the potential opportunities for enhanced community benefits along the route.

Attachments

- Attachment A – Media Release and Terms of Reference
- Attachment B – Dr Kerry Schott CV

Attachment A

MEDIA RELEASE AND TERMS OF REFERENCE

Media Release

Date: 7 October 2022

Inland Rail independent review announced

The Australian Government has today announced the appointment of Dr Kerry Schott AO to lead an independent review into the Inland Rail project.

This delivers on the Australian Government's election commitment to take a close look at the planning, governance and delivery of Inland Rail to help get this nationally important project back on track.

The Coalition left Inland Rail in a mess. We inherited a project over budget, behind schedule and with no plan for where it will start or end.

The review will consider the process for selecting the Inland Rail route, including stakeholder consultation, and assess the project's scope, schedule and cost.

The review will also assess options for the new Inland Rail intermodal terminals to be built in Melbourne and Brisbane, and improving rail links to the ports in these cities.

The review will have regard to existing studies, such as the Toowoomba to Gladstone Inland Rail Extension Business Case.

Inland Rail is an important part of building additional capability and capacity to increase the resilience of Australia's freight supply chain and meet our growing freight task, which is forecast to grow by up to 35 per cent by 2040.

Moving freight off the roads and on to rail will help with the task of decarbonising while helping regional cities grow by providing more opportunities for jobs and industries.

The independent review is necessary because Inland Rail is too important to stuff up.

The independent review is expected to be completed by early 2023. The Government intends to release the findings of the review once it has an opportunity to consider them. The review's Terms of Reference are set out below.

The Australian Government has today also released the Final Report of the Independent International Panel of Experts for Flood Studies (the Panel) of Inland Rail in Queensland.

The Australian Government welcomes the findings of the Panel and will work with both the Queensland Government and ARTC to implement the Panel's recommendations. The Final Report can be accessed at inlandrail.gov.au/independent-flood-panel.

Quotes attributable to Federal Minister for Infrastructure, Transport, Regional Development and Local Government Catherine King.

"We are delivering on our election commitment to undertake an independent review to get this nationally important project making progress again without further delays and with improved community consultation."

"The review will give the Government a clear-eyed view on what the problems are and the way forward."

"Dr Schott is a highly respected and trusted leader who brings a wealth of experience from both the business and government sectors to the role. She will conduct a thorough and independent review of Inland Rail and make recommendations to ensure this nationally significant project is successfully delivered."

"The Government welcomes the findings of the Panel and ARTC's commitment to implement the report's recommendations as it designs and delivers Inland Rail in Queensland."

Quotes attributable to Federal Minister for Finance, Senator Katy Gallagher:

"Inland Rail is supporting local jobs and growing Australian companies, with more than \$2.7 billion in contracts being awarded to over 400 suppliers and businesses across the country."

"The program has also provided work for more than 3,600 locals in the communities surrounding Parkes and Narromine, and further north in Moree which, in turn, has boosted these local economies."

"It is important that we consider expert advice on critical issues of safety, delivery scope, cost and schedule as we look to deliver this significant investment in the national freight network."

To find out more about the Review visit: inlandrail.gov.au/independent-review .

Media contact

media@infrastructure.gov.au | 1300 732 749

Independent Review into the delivery of Inland Rail Terms of Reference

The review will:

- a) assess Australian Rail Track Corporation's governance and program delivery approaches, including:
 - i. the effectiveness of current governance arrangements for Inland Rail, including monitoring and reporting;
 - ii. project management arrangements;
 - iii. risk management practices; and
 - iv. implementation of strategy;
- b) consult with stakeholders across the freight sector to test the Inland Rail service offering and the importance of this to achieving the overall benefits of Inland Rail, including how it provides new capacity and resilience to support Australia's national supply chain network, having regard to:
 - i. urban congestion and future freight demand;
 - ii. potential end points for the Inland Rail Service Offering in Melbourne;
 - iii. potential end points for Inland Rail Service Offering in Brisbane, including Ebenezer, Kagaru, Bromelton, and/or Acacia Ridge; and
 - iv. efficient linkages with freight infrastructure such as other freight rail networks, ports and intermodal hubs;
- c) review the processes for selecting the Inland Rail route to confirm it is fit for purpose and has considered both impacts and potential broader economic benefits to regional economies and communities;
- d) having regard to current market constraints and regulatory environment, assess Program scope, schedule and cost, including:
 - i. a broader review of the infrastructure market;
 - ii. review Program costs, contingencies and escalation;
 - iii. review schedule assumptions, including timing for planning and environmental approvals, land acquisitions and contingencies;
 - iv. options to optimise Program delivery to realise benefits earlier;
 - v. the PPP for the Gowrie to Kagaru projects;
 - vi. any related port connections;
 - vii. potential intermodal terminals in Brisbane and Melbourne;
- e) assess opportunities for enhancing community benefits along the route;
- f) review ARTC's engagement and consultation approach, including options to improve engagement with communities and other stakeholders along the route; and develop a pathway to consider community concerns with the alignment.

The review will have regard to existing studies, including but not limited to:

- a) dedicated rail freight connections to ports in Brisbane and Melbourne;
- b) the development of new intermodal terminals in Brisbane and Melbourne;
- c) the extension of Inland Rail from Toowoomba to the Port of Gladstone; and
- d) the South East Queensland Freight Demand Analysis and Modelling Study.

Attachment B**DR KERRY SCHOTT CV****Dr Kerry Schott AO**

Dr Schott brings a wealth of knowledge and experience to the role having worked in both the business and government sectors. She has been an adviser to governments, most recently as Chair of the Energy Security Board, and a chair and director of several public sector owned companies. Dr Schott is currently Chair of the NSW Net Zero Emissions Board and a Member of Aware Super's Direct Assets Committee.

Previously, Dr Schott was Chair of Moorebank Intermodal, a Director of NBN, Chair of the Energy Security Board, and Managing Director and CEO of Sydney Water from 2006 to 2011. She also spent 15 years as an investment banker, including as Managing Director of Deutsche Bank and Executive Vice President of Bankers Trust Australia. During this time, she specialised in privatisation, restructuring, and infrastructure provision. This included the establishment of National Rail which in due course became ARTC.

Prior to becoming an investment banker, Dr Schott was a public servant and an academic. She holds a doctorate from Oxford University, a Masters of Arts from the University of British Columbia in Vancouver, and a Bachelor of Arts (first class Honours) from the University of New England. She has been awarded an Order of Australia and Honorary Doctorates from the University of Sydney, the University of Western Sydney, and the University of New England.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Joanna Piva

SB22-000055

SUBJECT: Inland Rail Operations, Benefits and Stakeholder Engagements**Talking Points**

- Up to \$14.5 billion in equity and \$300 million in grant funding has been committed by Australian Governments to support the Australian Rail Track Corporation's (ARTC) delivery of Inland Rail (**Attachment A**).
- Significant cost and schedule pressures are emerging and the Inland Rail Program is **not** expected to be delivered within existing Australian Government funding or by the current schedule date of late 2027.
- As at 31 August 2022, a total of 206 km of track, or 12 per cent of total track, had been completed.
 - One section of Inland Rail is complete (Parkes to Narromine).
 - One section is under construction (Narrabri to North Star – Phase 1).
 - One section is at the final approval stage (North Star to Border).
 - Two sections have completed environmental approvals (Beveridge to Albury and Stockinbingal to Parkes).
 - Four Environmental Impact Statements (EIS) were released for public exhibition: Illabo to Albury (A2I) on 17 August; Narromine to Narrabri (a Preferred Infrastructure Report) on 31 August; Illabo to Stockinbingal (I2S) on 14 September; and, the Narrabri to North Star (N2NS) Phase 2 section on 22 September.
 - The Kagaru to Acacia Ridge Bromelton section is currently on hold. Approval pathway for this section is subject to progressing a number of studies including the Intermodal Terminal study.
 - The four remaining Queensland sections from Border to Kagaru are subject to further EIS exhibitions (**Attachment B**).

Key Issues*Project costs and schedule*

- Cost and schedule pressures have emerged across the Inland Rail Program. These include slower than anticipated approvals and escalation pressures.
- The Independent Review of the Inland Rail Program, led by Dr Kerry Schott AO, has commenced and will inform the delivery and funding of Inland Rail moving forward (*Refer SB22-000054 Inland Rail Independent Inland Rail Review*).
- The total cost of Inland Rail will not be known until procurements and construction for all sections have been completed.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Joanna Piva

SB22-000055

Environmental impacts and approvals

- The public notification and exhibition of the Environmental Impact Statement (EIS) is a key step in the approval pathway for a number of Inland Rail sections.
- The EIS public notification and exhibition provides an opportunity for the community and stakeholders to inspect the reference designs in greater detail and provide valuable input to maximise benefits and reduce potential impacts.

Stakeholder and community concerns

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts has dedicated Regional Liaison Officers in Toowoomba, Moree, Dubbo and Wodonga. They are responsible for providing a direct connection between the Government and local stakeholders of the Inland Rail Program (**Attachment C**).
- To complement ARTC's community engagement program, the department monitors concerns about the alignment and Inland Rail design, and works to inform and engage on long-term investment opportunities, supply chain efficiencies and regional growth areas that will sustain its diverse communities and industry well beyond construction.
- Key concerns from stakeholders relate to flood modelling, land acquisition, noise, vibration and community consultation – many of which are addressed in the lead up to, and during the EIS process (**Attachment D**).
- Communities have also raised concerns regarding the impacts of construction including:
 - increased traffic congestion
 - pressures on accommodation
 - telecommunications
 - employment.

Background*Program Benefits*

- Inland Rail construction commenced in December 2018 and has provided direct benefits in the form of local stimulus and jobs to communities along the alignment.
- The Inland Rail Program is a vital component of the National Freight and Supply Chain Strategy to meet the growing freight task in Australia which is forecast to grow by up to 35 per cent by 2040 (total >1000 billion tonne kilometres (km)).
- As each section of Inland Rail is constructed and becomes operational, the freight rail line is provided incremental benefits through an enhanced national network, support supply chains to move freight more efficiently to domestic markets and ports facilitating export operations.

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- At the peak of construction in 2023–24, Inland Rail is expected to support more than 21,500 jobs while delivering a potential boost of more than \$18 billion to Gross Domestic Product during construction and the first 50 years of operation.
- At 31 August 2022:
 - 3728 people had been employed to work on the project and
 - more than \$2.8 billion in contracts has been awarded to over 400 companies across Australia (**Attachment E**).

*Benefits realised*Parkes to Narromine

- Track length is 103.7km which includes 98.4km of upgraded track and 5.3km of new track.
- The enhanced service offering of Inland Rail is available between Parkes and Narromine, carrying grain and minerals, with freight efficiencies flowing through supply chains that reach from Sydney in the east as far as Perth and Adelaide in the west.
 - The new North-West Link in Parkes allows industry to get their goods to 80 per cent of the population overnight (12 hours).
 - Companies like Alkane Resources Ltd are moving minerals from Peak Hill Gold Mine more efficiently to the ports at Kembla and Port Pirie for export to market using the Parkes to Narromine line.
- Construction of Inland Rail between Parkes and Narromine realised direct benefits including supporting jobs, local investment stimulus and indigenous participation outcomes as outlined in the table below.

[Final] Total workers	1,862
Local residents	762
Local and indigenous	197
Total investment with local business	\$110 million with 99 businesses
Local Indigenous business	\$14.1 million with 9 businesses

Narrabri to North Star – Phase 1

- As at August 2022, Trans4M Rail had installed 102km of track.
- There was 29km of upgraded track between Bellata and Moree re-opened in November 2021 in time for the 2021 grain harvest, as promised to local growers and business.
 - Companies like GrainCorp, Arrow, CHS Broadbent and Louis Dreyfus can move bulk grains for export quickly and efficiently, helping to realise Australia's record growth in agricultural exports.

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- Construction commenced 27 November 2020 and works have involved:
 - delivery of 24,000 tonnes of Australian steel
 - delivery of more than 340,000 concrete sleepers
 - removal of more than 282,329 sleepers
 - demolition of five old bridges and construction of five new bridges.
- Construction of Inland Rail between Narrabri and North Star has realised direct benefits including supporting jobs, local investment stimulus and indigenous participation outcomes as outlined in the table below.

[31 August 2022] Total workers	1,866
Local residents	620
Local and indigenous	166
Total Investment with local business	\$180.8 million with 137 businesses
Australia Wide - Indigenous business	\$14.1 million with 12 businesses

Commitments towards further construction

- ARTC entered into three Collaborative Framework Agreements for detailed designs and civil works construction planning for northern NSW and Queensland:
 - Southern Civil Works Program – Narramine to Narrabri: Acciona CPB Joint Venture was announced on 20 September 2021.
 - Central section – Narrabri to Whetstone (includes Phase 2 of Narrabri to North Star, North Star to Border and part of Border to Gowrie): Laing O'Rourke (FreightConnect) was announced on 20 September 2021.
 - Northern section – Whetstone to Gowrie (part of Border to Gowrie): Bielby Hull QBirt (BHQ) Consortium was announced on 3 September 2021.
- ARTC entered into a Collaborative Framework Agreement for the design and delivery of a Rail Corridor Program with Australian owned and operated company:
 - Martinus Rail – to lay ballast, sleepers and track between Narramine and Gowrie – announced on 7 December 2021.
- In February 2022, the Government announced that ARTC had committed \$143 million with Austrak for the supply of over 1.3 million concrete sleepers for Inland Rail.
- In February 2022, ARTC entered into a contract with Liberty Primary Steel for \$292 million to procure approximately 147,000 tonnes of steel rail to meet future Inland Rail and broader ARTC capital maintenance requirements. Around \$225 million of steel rail is expected to be used by Inland Rail.
- In March 2022, ARTC appointed Regionerate Rail as the preferred proponent for the technically complex 128km Gowrie to Kagaru section of the project.
- All sections of Inland Rail are expected to have commenced construction by 2023.

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Risks and mitigations

- Securing the remaining enabling agreements, environmental and planning approvals and scope creep continue to represent risk for the full delivery of Inland Rail.
- Pressures on the construction schedule are being mitigated through close management of the delivery program and engagement with key stakeholders and jurisdictions. ARTC:
 - continues to work with Government and state environmental regulators to progress environmental approvals as quickly as possible.
 - continues to work closely with the states on the relevant enabling agreements.
 - is identifying, in collaboration with Department of Transport and Main Roads, opportunities to progress targeted voluntary land acquisition within QLD. It is also continuing to work closely with the NSW Government to progress land acquisition in NSW.

Attachment

- Attachment A – Inland Rail Funding
- Attachment B – Inland Rail Environmental Approval Status as at 30 September 2022
- Attachment C – Department's Recent Engagements
- Attachment D – Stakeholder and Community Concerns
- Attachment E – Inland Rail Contract Commitments
- Attachment F – Inland Rail Project Status Overview as at 30 September 2022

INLAND RAIL FUNDING

Australian Government financial contribution as at 30 September 2022

Total equity commitment	\$14.5 billion
Total grant commitment	\$290.3 million
Equity subscribed at 30 September 2022	\$2,442.9 million
Grant funding paid at 30 September 2022	\$289.3 million

Equity funding

Program/project start date		August 2018				
Program/project end date		Equity funding allocated up to 2026–27				
	Prior years \$m	2022–23 \$m	2023–24 \$m	2024–25 \$m	2025–26 \$m	TOTAL \$m
Equity	nfp*	nfp*	nfp*	nfp*	nfp*	14,500
Less						
Actual Expenditure YTD at 30 September 2022	2,199.6	243.3				
Total Committed Funds at 30 September 2022	nfp*	nfp*	nfp*	nfp*	nfp*	14,500
Total Uncommitted Funds (balance)	0	0	0	0	0	0

*Not for publication

Note: The annual equity profile for Inland Rail is not for public release due to commercial sensitivities.

Attachment B

INLAND RAIL ENVIRONMENTAL APPROVAL STATUS AS AT 30 SEPTEMBER 2022

- Environmental Impact Statements (EIS) are required for new/greenfield construction of Inland Rail in New South Wales and Queensland.
- Where upgrades are proposed for existing track, or within the existing corridor, a state government may set an alternative approval pathway, including through Review of Environmental Factors.

Sections with EIS

Section	Exhibition Open	Exhibition Close	Status
Albury to Illabo (A2I)	17 Aug 2022	28 Sept 2022	Live exhibition
Illabo to Stockinbingal (I2S)	14 Sept 2022	26 Oct 2022	Live exhibition
Parkes to Narromine (P2N)	19 July 2017	18 Aug 2017	Approved June 2018
Narromine to Narrabri (N2N)	8 Dec 2020	7 Feb 2021	NSW Government directed ARTC to provide a Preferred Infrastructure Report (PIR) April 2021
Preferred Infrastructure Report	31 Aug 2022	22 Sept 2022	Under consideration of NSW Government
Narrabri to North Star (N2NS) Phase 1	15 Nov 2017	15 Dec 2017	Approved August 2020
Narrabri to North Star (N2NS) Phase 2	22 Sep 2022	2 Nov 2022	Live exhibition
North Star to Border (NS2B)	26 Aug 2020	6 Oct 2020	NSW Gov assessment of final EIS
Border to Gowrie (B2G)	23 Jan 2021	4 May 2021	ARTC response to submissions
Gowrie to Helidon (G2H)	2 Aug 2021	25 Oct 2021	ARTC response to submissions
Helidon to Calvert (H2C)	31 Mar 2021	23 June 2021	ARTC response to submissions
Calvert to Kagaru (C2K)	21 Dec 2020	8 Mar 2021	ARTC response to submissions

- In Queensland, the Coordinator-General has advised the ARTC that all 4 EIS documents must be updated to address submissions received during the exhibition period. Once this occurs, each EIS will be subject to a period of further exhibition, with the timing of this further consultation being a matter for the Coordinator-General.

Alternative approval pathways – Upgrade of existing infrastructure

Section	Pathway	Exhibition Open	Exhibition Close	Status
Tottenham to Albury (T2A) Beveridge to Albury	Review of Environmental Factors	1 Nov 2021	28 Nov 2021	Approved – Victorian Minister August 2022 Approved – Australian Government Minister for Environment September 2022
Stockinbingal to Parkes (S2P)	Review of Environmental Factors	3 Feb 2022	24 Feb 2022	Approved – Victorian Minister September 2022 Approved – Australian Government Minister for Environment September 2022
Kagaru to Acacia Ridge and Bromelton (K2ARB)	Qld Coordinator-General decided not to deliver as a Coordinated Project			The QLD Government has requested that the project be put on hold until an outcome of the terminals business case is made <u>Approval pathway for this section is subject to progressing a number of studies including the Intermodal Terminal study.</u>

Attachment C

DEPARTMENT'S RECENT ENGAGEMENTS

Since 31 March 2022 the department has participated in a range of state and local government forums, national industry events, farming and field days and strategic meetings to engage communities and stakeholders on the planning, delivery and future freight opportunities with Inland Rail.

Industry events

Date in 2022	Forum	Purpose	Stakeholder reach and sector
23 – 26 August	MegaTRANS conference and exhibition Melbourne	To engage supply chain logistics and freight industry representatives on the opportunities presented by Inland Rail through a key note presentation and participation in a panel session discussion supply chain resilience.	At the conference, the department: <ul style="list-style-type: none"> engaged with more than 120 stakeholders scanned leads engaged with multiple stall holders across the 3-day event. There were more than 550 delegates in attendance.

Regional communities and local/state government

Date in 2022	Meeting	Purpose
1 Apr	QLD Department of State Development Infrastructure Local Government and Planning monthly meeting	Participant
1 Apr	Briefing to Gunnedah Shire Council on Inland Rail in collaboration with ARTC	Participant
1-3 Apr	Seymour Alternative Farming Festival Joint Engagement with ARTC on Inland Rail information stall	Participant
4 Apr	Central NSW – Integrated Transport Group meeting – presentation to representatives from Local Government, State and Australian Govt.	Speaker/ Participant
5 Apr	Connecting Moree Workshop – Jobs and Skills –TAFENSW / ARTC / MPSC / Moree SAP	Observer
5 Apr	Community Relations Manager Fulton Hogan – Moree Workforce transition	Participant
5 Apr	Multiple Agency Workshop - Connecting Moree, embracing opportunities & supporting skills development	Participant
6 Apr	Wagga Wagga SAP and RiFL construction update	Observer
7 Apr	QLD Inland Rail Communications Working Group (ARTC, TMR and DITRDC)	Participant
7 Apr	Toowoomba Inland Rail Working Group Meeting (ARTC/Toowoomba Regional Council)	Participant

Date in 2022	Meeting	Purpose
7 Apr	NSW DPE – Hunter Gas Pipeline Community meeting – Moree	Observer
12 Apr	Lockyer Valley Community Consultative Committee meeting	Observer
14 Apr	Meet and Greet Secure Energy Social Housing representative	Participant
14 Apr	Lockyer Valley Regional Council – Interface meeting – Gatton	Observer
19 Apr	Queensland Office of the Coordinator General – monthly meeting	Participant
20 Apr	Trans4m Rail – N2NS Update meeting	Participant
21 Apr	Ipswich and West Moreton RDA Chief Executive officer meeting	Participant
21 Apr	Trade and Investment Queensland (Ipswich and West Moreton) meeting	Participant
Apr	Lockyer Valley Regional Council – Inland Rail Advocacy officer – Update meeting	Participant
Apr	Toowoomba Regional Council, Principal Project Manager, Inland Rail	Participant
Apr	Moree Show – joint engagement	Participant
26 Apr	Ipswich City Council – TMR briefing on Toowoomba to Brisbane passenger Rail strategic business case	Observer
26 Apr	Moree Roundtable – Meeting including Moree Plains SC and all agencies and service providers	Participant
27 Apr	VTA Women in Transport Seminar and Annual Lunch	Observer
27 Apr	Toowoomba to Gladstone extension Business Case Project Leadership Team weekly meeting (TMR and DITRDC)	Observer
28 Apr	Jobs Skills and Industry Participation Advisory Group Meeting for Mindyarra (TfNSW Dubbo Regional Rail Maintenance Facility Project)	Participant
3 May	Toowoomba to Gladstone extension - Business Case Project Leadership Team weekly meeting (TMR and DITRDC)	Observer
5 May	Toowoomba Working Group (ARTC/Toowoomba Regional Council)	Participant
5 May	QLD Inland Rail Communications Working Group meeting (ARTC/TMR/DITRDC)	Participant
5 May	Narrabri Special Activation Unit Project Co-ordination Group (Teams)	Observer
5 May	Transport for NSW Narrabri Community Forum	Participant
6 May	Border Region Organisation of Councils - Moree	Participant
9 May	Mitchell Shire Stakeholder Working Group	Observer
10 May	QLD Inland Rail Project Control Group QLD (TMR/ARTC/ DITRDC) quarterly meeting	Observer
10 May	Albury City Council Transport Strategy Presentation	Observer
10 May	Toowoomba to Gladstone extension Business Case Project Leadership Team weekly meeting (QLD TMR and DITRDC)	Observer
11 May	Flavourtech – Industry tour joint with AusIndustry	Participant
11 May	Leeton Shire Council Economic Development team catch up	Participant
12 May	Casella Family Wines – Industry tour joint with AusIndustry	Participant

Date in 2022	Meeting	Purpose
12 May	Queensland Government Department of State Development, Infrastructure, Local Government and Planning (SDILGP) – monthly meeting	Participant
13 May	Southern Cotton and Gin - Industry tour joint with AusIndustry	Participant
12 May	Lynx Rail Terminal Griffith – Meet with manager re the freight task	Participant
13 May	Sunrice - Industry tour joint with AusIndustry	Participant
13 May	Interlink SQ, General Manager catch-up	Participant
13 May	EY consultant (Inland Rail Interface Improvement Program) update	Participant
16 May	NSW Inland Rail Social Outcomes Advisory Group	Participant
16 May	Queensland Government Department of State Development, Infrastructure, Local Government and Planning (SDILGP) – address Darling Downs team meeting	Participant
17 May	QLD Bilateral Agreement Rail Studies (TMR) stakeholder risk management meeting	Participant
17 May	Toowoomba to Gladstone extension Business Case Project Leadership Team weekly meeting (TMR and DITRDC)	Observer
17 May	Queensland Office of the Coordinator General – monthly meeting	Participant
19 May	Department of Planning and Environment – NSW Government – Stakeholder Workshops – Greenfield and existing	Observer
20 May	QLD Inland Rail Communications Working Group (ARTC/TMR/DITRDC)	Participant
20 May	Trade Start (Trade and Investment Queensland) – monthly meeting	Participant
20 May	Moree Regional Activation Unit – monthly meeting	Participant
23 May	Moree TAFENSW and True Blue Training – Boosting Apprenticeships	Participant
24 May	Toowoomba to Gladstone extension – Business Case Project Leadership Team weekly meeting (QLD TMR and DITRDC)	Observer
24 May	Moree Roundtable – Meeting including Moree Plains SC and all agencies and service providers	Participant
25 May	Fulton Hogan Community Relations Manager – Newell Hwy project	Participant
26 May	Riverina Economic Officers Development Forum – Speaker	Speaker
30 May	Toowoomba Surat Basin Enterprise (TSBE), ARTC and DITRDC	Participant
30 May	Managing Director - Inter-Port Global – Gladstone Extension - Moree	Participant
30 May	Community Development Co-ordinator – RegNSW – New England North West	Participant
31 May	Toowoomba to Gladstone extension – Business Case Project Leadership Team weekly meeting (QLD TMR and DITRDC)	Participant

Date in 2022	Meeting	Purpose
1 June	SCT Logistics – Wodonga Site tour and meet with General Manager Ports and Government Relations and Wodonga Branch Manager	Participant
2 June	QLD Inland Rail Communications Working Group (ARTC/TMR/DITRDC)	Participant
2 June	Toowoomba Working Group (ARTC/Toowoomba Regional Council)	Participant
3 June	Queensland Government Department of State Development, Infrastructure, Local Government and Planning (SDILGP)	Participant
6 June	Briefing and Q&A Wagga Wagga City Council	Participant
7 June	CEO Pure Grain Network - Moree	Participant
7 June	Project Director, Community & Place, Regional - Transport for NSW - Moree	Participant
8 June	University of New England – Smart Region Incubator Workshop - Moree	Participant
9 June	Lockyer Valley Regional Council – Advocacy – Monthly meeting	Participant
9 June	Lockyer Valley Regional Council – Interface Meeting	Observer
10 June	Queensland Inland Rail Steering Group	Participant
14 June	Moree Regional Activation Unit – monthly meeting	Participant
15 June	Trans4m Rail – monthly meeting	Participant
15 June	Next Generation Manufacturing Seminar Albury	Attendee
16 June	Transport for NSW – Fulton Hogan – Community information session - Moree	Participant
16 June	Victorian Major Project Symposium	Observer
16 June	QLD Inland Rail Communications Working Group (ARTC/TMR/DITRDC)	Participant
17 June	Bilateral Agreement Rail Studies (QLD TMR and DITRDC) Stakeholder Risks	Participant
21 June	NSW Department of Education – Careers Summit Moree	Participant
21 June	Queensland Government Department of State Development, Infrastructure, Local Government and Planning (SDILGP) – monthly meeting	Participant
21 June	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
June	RDA Murray – update with Regional Director	Participant
June	Inner Darling Downs Community Consultative Committee meeting - Pittsworth	Observer
23 June	NSW Dept. Education Regional Co-ordinator – North West NSW	Participant
23 June	Southern Darling Downs Community Consultative Committee meeting - Yelarbon	Observer
27 June	NBNCo – Western and Inland Coordinator	Participant

Date in 2022	Meeting	Purpose
28 June	Moree Roundtable – Meeting including Moree Plains SC and all agencies and service providers	Participant
28 June	Trade Start (Trade and Investment Queensland) – monthly meeting	Participant
28 June	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
30 June	Narrabri PCG Meeting	Participant
30 June	QLD Inland Rail Communications Working Group (ARTC/TMR/DITRDC)	Participant
1 July	NAIDOC Meeting – Dhiyaan Centre, Moree NAIDOC Committee	Participant
1 July	TMR BARS Project Stakeholder Engagement consultants meeting	Participant
4 July	Central NSW Integrated Transport Group Meeting	Participant
5 July	Inland Rail Community Information Session Boggabilla	Participant
5 July	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
7 July	Native Grains Information Session, Yinnar Marr Founder/Operator	Observer
7 July	Meeting with BEST Employment Regional Manager	Participant
7 July	Meeting with Narrabri Local Aboriginal Land Council Manager	Participant
7 July	Toowoomba Working Group (ARTC/Toowoomba Regional Council)	Participant
8 July	Regional Activation Unit, Business Co-ordinator, Moree Plains Shire Council	Participant
12 July	Albury Business Connect - Business Breakfast	Participant
12 July	Mitchell Shire Stakeholder Group Meeting	Observer
13 July	Coonamble Shire Council – Council Meeting	Participant
13 July	Regional NSW – Community Development Coordinator Meeting	Participant
14 July	Fulton Hogan – Communication and Stakeholder Manager Meeting	Participant
18 July	A2I - S2P Meeting the Proposed Contractor Event – N2N	Participant
19 July	A2I - S2P Meeting the Proposed Contractor Event	Participant
19 July	Meeting with ESI Indigenous Education Services	Participant
19 July	Gilgandra Shire Council/Inland Rail media event – Gilgandra Inland Rail Housing Project – N2N	Observer
20 July	A2I - S2P Meeting the Proposed Contractor Event	Observer
20 July	Narrabri Shire Council – Regional Executive Meeting	Participant
20 July	ARTC Narrabri – Regional Executive Meeting	Participant
20 July	Regional Development and Australia Northern Inland/ Narrabri Business Chamber – Regional Executive Meeting	Participant
20 July	Australian Food and Fibre – Regional Executive Meeting	Participant
21 July	Moree Plains Shire Council – Regional Executive Meeting	Attendee

Date in 2022	Meeting	Purpose
21 July	Moree Special Activation Precinct Unit – Regional Executive Meeting	Participant
21 July	ARTC Moree – Regional Executive N2NS Tour – Regional Executive Visit	Participant
July	Louis Dreyfus Commodities – Regional Executive Meeting	Participant
July	Moree Sports Health Arts Education Academy – Regional Executive Meeting	Participant
July	Gwydir Shire Council, Bingara – Regional Executive Meeting	Participant
July	Circular Economy Showcase Albury	Observer
25 July	ARTC Glenrowan Shopfront Opening	Participant
25 July	Meeting with Narromine Shire Council and ARTC – N2N	Participant
25 July	Meeting with QUBE Agri, Narromine with ARTC – N2N	Participant
26 July	Meeting with Dubbo Regional Council Mayor and ARTC – N2N	Participant
26 July	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
26 July	Meeting with Gilgandra Shire Council and ARTC – N2N	Participant
26 July	Meeting with Coonamble Shire Council and ARTC – N2N	Participant
26 July	Moree Roundtable Meeting	Observer
27 July	Meeting with Dubbo Chamber of Commerce & Industry and ARTC – N2N	Participant
27 July	ABARES Regional Outlook Conference, Toowoomba	Participant
27 July	A2I CCC meeting Albury Sub Committee	Observer
27 July	NS2B Community Information Session - Toomelah	Participant
27 July	A2I CCC meeting Wagga Sub Committee	Observer
28 July	QLD Inland Rail Communications Working Group (ARTC/TMR/DITRDC)	Participant
28 July	I2S CCC meeting	Observer
28 July	Meeting with Regional Business Officer Dept of Regional NSW	Participant
28 July	NSW Dept. Education Careers Expo, Moree	Observer
29 July	Trade Start (Trade and Investment Queensland) – monthly meeting	Participant
1 Aug	ARTC Meeting, Darling Downs and Northern NSW	Attendee
2 Aug	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
3 Aug	ARTC Stakeholder N2NS Meeting	Participant
4 Aug	Toowoomba Regional Council Interface meeting (Toowoomba Regional Council/ARTC)	Observer
4 Aug	Queensland Office of Coordinator General, EIS meeting	Participant
4 Aug	Ipswich and Scenic Rim Community Consultative Committee meeting, Beaudesert	Observer
5 Aug	Regional Development Speaker Series, Regional Housing	Participant

Date in 2022	Meeting	Purpose
9 Aug	Local Land Services - Rural Women's Meeting North Star	Participant
9 Aug	Inspector General of Water Compliance Meeting - Goondiwindi	Participant
9 Aug	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
9 Aug	Bilateral Agreement Rail Studies (QLD TMR and DITRDC) Stakeholder Risks	Participant
11 Aug	Queensland Government Department of State Development, Infrastructure, Local Government and Planning (SDILGP) Principal Economic Development Officer	Participant
11 Aug	Lockyer Valley Regional Council Interface meeting (Lockyer Valley Regional Council and ARTC, Gatton	Observer
12 Aug	Border Region Organisation of Councils meeting	Participant
15 Aug	Albury City Council Joint briefing to Council on A2I project	Presenter
16 Aug	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
16 Aug	Gowrie to Calvert Community Consultative Committee meeting, Grantham	Observer
17 Aug	A2I EIS Community information session – Albury	Participant
17 Aug	A2I EIS Community information session – Henty	Participant
17 Aug	IR Skills Academy – Cert II Construction Graduation Ceremony - Boggabilla	Observer
18 Aug	A2I EIS Community information session – Wagga	Participant
18 Aug	A2I EIS Community information session – Junee	Participant
23 Aug	Moree Roundtable – Government / NFP's / Service Agencies	Participant
24 Aug	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
24-25 Aug	Megatrans Conference - Melbourne	Participant
25 Aug	QLD Inland Rail Communications Working Group (ARTC/TMR/DITRDC)	Participant
26 Aug	Daily Telegraph Bush Summit 20	Participant
30-31 Aug	Freight Trade Alliance/Australian Peak Shipping Association National conference	Participant
30 Aug	Dept of Regional NSW Major Infrastructure Round table	Participant
30 Aug	QLD Bilateral Agreement Rail Studies (BARS) stakeholder risks and issues meeting (TMR)	Participant
31 Aug	Narrabri SAP Project Control Group	Participant
31 Aug	Lockyer Valley Regional Council, Advocacy Officer meeting	Participant
1 Sept	SCT Barnawartha Site Tour and meeting	Participant
1 Sept	Trade Start (Trade and Investment QLD and Austrade) meeting	Participant
1 Sept	Toowoomba Regional Council/ARTC working group meeting	Observer

Date in 2022	Meeting	Purpose
1 Sept	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
2 Sept	EY – Interface Improvement Program - QLD proposals update	Participant
2 Sept	Wagga Wagga City Council RiFL site tour and meeting with General Manager and Director Strategic projects	Participant
5 Sept	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
5 Sept	Toowoomba Surat Basin Enterprise (TSBE) CEO	Participant
5 Sept	N2N EIS Community information sessions - Narrabri	Observer
5 Sept	Narrabri SAP Enquiry by Design Workshop	Observer
5 Sept	Draft Namoi Regional Water Strategy - Community Information Session - Narrabri	Observer
6 Sept	N2N EIS Community information session – Baradine	Observer
7 Sept	N2N EIS Community information session – Gilgandra	Observer
7 Sept	Trans4m Rail Stakeholder Engagement Manager N2NS	Participant
8 Sept	N2N EIS Community information session – Narromine	Observer
8 Sept	QLD Inland Rail Communications Working Group (ARTC/TMR/DITRDC)	Participant
8 Sept	Inland Rail Project Control Group (TMR/ARTC/DITRDCA)	Observer
8 Sept	Lockyer Valley Regional Council/ARTC Interface meeting	Observer
8 Sept	Inland Rail Toowoomba Workforce Development event (local businesses/job skills)	Observer
9 Sep	Moree Plains Shire Council Regional Activation Unit	Participant
13 Sept	Toowoomba to Gladstone Inland Rail Extension – Business Case Project Leadership Team weekly meeting (QLD TMR, IPFA and DITRDC)	Participant
13-14 Sept	Regional Australia Institute, Regions Rising National Summit 20	Observer
14 Sept	Chair – Committee for the Hunter	Participant
14 Sept	Moree Plains Shire Council Economic Development Co-ordinator	Participant
14 Sept	Lockyer Valley Regional Council Advocacy Officer	Participant
14 Sept	General Manager, Strategy, Programmes and Infrastructure at NbNCo	Participant
14 Sept	Co-founder / CEO, ACRE and Social Enterprise Academy Australia	Participant
15 Sept	Managing Director, Nutrien Ag Solutions	Participant
15 Sept	Associate Director, Industry and Community Partnerships, UniSQ	Participant
15 Sept	Quality Director N2NS, John Holland-Rail	Participant
16 Sept	CEO – Moree Sports, Health, Arts and Education Academy	Participant
19 Sept	General Manager Sales, New Development, NBN Co	Participant
19 Sept	Inland Rail project Manager Communication and Wayside Monitoring	Participant
20 Sept	Telecommunications Working Group	Participant

Date in 2022	Meeting	Purpose
20 Sept	Country Universities Centre North West Community Working Group	Participant
20 Sept	Queensland Inland Rail Steering Group	Participant
23 Sept	N2NS Social Delivery Monthly Review	Participant
26 Sept	ARTC Business Development Manager, Darling Downs and Northern NSW	Participant
27 Sept	Moree Roundtable	Participant
27 Sept	N2NS SP2 EIS Information Session - Online	Participant
28 Sept	N2NS SP2 EIS Information Session - Moree SHAE Academy	Participant
29 Sept	Supply Chain Risk – Webinar	Observer
29 Sept	Inland Rail Community Information Session - Toomelah	Participant
30 Sept	Social Delivery Monthly Review, Workforce Participation	Participant

Attachment D

STAKEHOLDER AND COMMUNITY CONCERNS

The tables below outline key matters of interest for each of the three State jurisdictions that Inland Rail covers.

Queensland	
Stakeholder/Community	Topic
Millmerran Inland Rail Action Group Communities and local landholders on the Border to Gowrie (B2G) alignment Lockyer Valley Council (G2H)	Flood modelling and impacts Communities along the Inland Rail route have raised concerns about the design of Inland Rail and potential impacts on flood behaviour, including an increased risk of flooding. <ul style="list-style-type: none"> • Draft reports from the Independent International Panel of Experts for Flood Studies in QLD have been released. • The Panel has completed its review of the flood models and reference designs developed by the ARTC and provided its final report to the Australian and Queensland governments (<i>Refer SB22-000057 Inland Rail Flood Panel</i>). • Lockyer Valley Council are not supportive of Inland Rail travelling through Gatton on the existing rail line. Negotiations with ARTC on options to mitigate concerns have stalled.
Communities of Acacia Ridge Gladstone Port Port of Brisbane	Alternative alignment to Gladstone The Acacia Ridge community and some Federal politicians in Queensland advocate an alternative alignment for Inland Rail connecting through to Gladstone. <ul style="list-style-type: none"> • More than 50 per cent of the freight expected to travel on Inland Rail in 2050 is intercapital goods moving between Melbourne and Brisbane. • The Australian Government committed up to \$10 million in the 2022–23 Budget to investigate the viability of an additional connection on Inland Rail from Toowoomba to the Port of Gladstone (<i>Refer SB22-000061 Toowoomba to Gladstone</i>).
Communities of Acacia Ridge Freight operators Port of Brisbane	Intermodal Terminal and Port Connectivity There are local community and industry concerns regarding the capacity of the Acacia Ridge terminal to manage Inland Rail trains, the potential for increased local congestion and increased train volumes. <ul style="list-style-type: none"> • The Australian Government committed \$10 million in the 2019–20 Budget for detailed joint business cases on the terminal locations, considering matters including market access/operating models, financing options and value capture opportunities (underway and due for completion in 2022) (<i>Refer SB22-000059 Intermodals – Queensland</i>). • \$1.5 million for Port of Brisbane <i>Strategic Rail Access Study</i> to consider the future need and timing of a dedicated freight rail line (completed in November 2019, but not yet public). • The Independent Review will consider the information and studies already compiled on the proposed Inland Rail end points.

Queensland	
Stakeholder/Community	Topic
Queensland Government	<p>Southern Queensland Rail Network</p> <p>ARTC and Queensland Rail are yet to finalise lease arrangements that can enable delivery of Inland Rail and advance opportunities to better integrate the existing Queensland Rail (QR) lines in south-east Queensland with the broader ARCT network and Inland Rail.</p> <ul style="list-style-type: none"> • ARTC is engaging with the Queensland Government on a number of agreements to support the delivery of Inland Rail, including the Heads of Agreement for the Southern Queensland Rail Network (sometimes referred to as Project Cooper). • Conversations between ARTC and QR are ongoing and commercially sensitive. • As indicated at last Estimates, ARTC is subject to the <i>Public Governance, Performance and Accountability (PGPA) Act 2013</i> and the <i>Government Business Enterprises – Governance and Oversight Guidelines</i> issued by the Department of Finance. The PGPA framework requires Government Business Enterprises (GBE) to keep Shareholder Minister/s informed about significant matters affecting the GBE, including significant decisions made by the Board. • ARTC and QR are both wholly owned government entities and discussions are focused on lease arrangements between these two public entities.

New South Wales	
Stakeholder/Community	Topic
Communities on the Narromine to Narrabri (N2N) alignment, Friends of the Pilliga and	<p>Pilliga Forest</p> <p>Groups have expressed concerns about the impact of Inland Rail on flora and fauna in the Pilliga State forests in New South Wales (NSW).</p> <ul style="list-style-type: none"> • A 75 km section of (N2N) track passes through the Pilliga State forests. • Areas operated by the NSW Forestry Corporation are Crown Land dedicated as State Forest under the <i>Forestry Act 2012</i>. • To acquire the land, the NSW Government must pass a resolution through the Parliament of NSW to revoke the existing State Forest dedications. This process is not expected to delay progress of the N2N EIS.

New South Wales	
Stakeholder/Community	Topic
New South Wales Farmers Association (NSWFA) and the Country Women's Association of NSW (CWANSW)	<p>Land acquisition and compensation, flooding and alternative alignments</p> <p>NSWFA and CWANSW have maintained a level of criticism towards ARTC's management of the Inland Rail project since 2019 and engaged Holding Redlich (legal representatives) in 2020 to advocate on their behalf.</p> <ul style="list-style-type: none"> • The Australian Government has acted on suggestions from NSWFA and CWANSW by providing funding to: improve telecommunication coverage adjacent to Inland Rail; build more road-rail grade separations in NSW; and, support the development of business cases for new projects that can enhance access to the Inland Rail. • In line with recommendation 16 of the Inland Rail Senate Inquiry Report, Professor Tania Sourdin, Dean of the University of Newcastle Law School was appointed in January 2022 to facilitate engagement between ARTC and NSWFA and CWANSW. • Since January 2022, NSWFA and CWANSW dissolved their MOU, which has enabled parties to pursue a facilitation process separately. • NSWFA and ARTC Inland Rail are scheduled to have their first meeting with Professor Sourdin in the week commencing 17 October 2022. • Continuing efforts are being made by ARTC and Professor Sourdin to engage CWANSW.
Communities on the N2N, Narrabri to North Star (N2NS) and North Star to QLD Border (NS2B) alignment	<p>Flood impacts in Northern NSW</p> <p>Communities along the Inland Rail route have raised concerns about the design of Inland Rail and potential impacts on flood behaviour, including an increased risk of flooding.</p> <ul style="list-style-type: none"> • Flood models and designs are subject to careful assessment by the states and independent experts as part of their environmental planning and approval processes. • ARTC is continuing to refine its designs, including considering data from recent flood events in northern NSW to ensure that its designs are safe and can accommodate local flood events.

New South Wales	
Stakeholder/Community	Topic
Communities on the Albury to Illabo (A2I) and Illabo to Stockinbingal (I2S) City of Wagga Wagga	<p>Edmondson St bridge</p> <p>Regional communities in southern NSW have raised concerns regarding the impact of Inland Rail's construction and operation on the liveability of regional towns.</p> <ul style="list-style-type: none"> • City of Wagga Wagga brought a motion to the 2022 National General Assembly of Local Government held in June, to establish a dedicated forum for local governments and authorities to raise concerns about Inland Rail's impacts. • Following release of the A2I EIS, local media has covered community concern over traffic delays surrounding Edmondson Street bridge, which is proposed to be raised and lengthened to enable double stack trains. • Community submissions are encouraged and should be submitted to the NSW Government prior to exhibition close for the A2I and I2S EIS.

Victoria	
Stakeholder/Community	Topic
Freight operators Port of Melbourne	<p>Intermodal Terminal</p> <p>There is heightened interest in the location and delivery of Intermodal Terminals and connecting infrastructure in Melbourne that can accommodate the Inland Rail Service Offering as announced in the 2022–23 Budget.</p> <ul style="list-style-type: none"> • The department continues to work with the Victorian Government to settle a way forward and to ensure terminals are delivered in time for operations along the Inland Rail alignment (<i>Refer SB22-000060 Intermodals – Victoria</i>). • The independent review will consider the information and studies already compiled on the proposed Inland Rail end points.
Euroa Community, EuroaConnect and MP Helen Haines	<p>Anderson St bridge</p> <p>The existing bridge does not have sufficient height clearances to allow double stacking. Current Inland Rail designs propose either a higher bridge or an underpass solution.</p> <ul style="list-style-type: none"> • MP Helen Haines (Independent Federal Member for Indi) has called on ARTC to release the preferred design solutions to the Euroa community. • EuroaConnect represents community members lobbying for an underpass solution. • The Victorian Department of Transport is the decision-maker and is currently assessing the underpass options. [A decision could be made by end October 2022.]

Victoria	
Stakeholder/Community	Topic
Glenrowan Community and Rural City of Wangaratta	<p>Beaconsfield Parade bridge</p> <p>The existing bridge does not have sufficient height clearances to allow double stacking. Some individuals in the community have concerns that the proposed new bridge design and construction could damage or impinge on the Ned Kelly historical siege site and the tourism-based economy of the town.</p> <ul style="list-style-type: none"> • In response to this feedback, in July 2022, ARTC released new open span designs that allow improved views of the siege site and a new network of pathways to connect the heritage sites. • The Victorian Government approved the heritage permit for Inland Rail works in August 2022.

Released under FOI Act by DITRDC

ARTC INLAND RAIL CONTRACTS COMMITTED

ARTC contracts committed (as at 31 August 2022)		
	Number of contracts	Value
National	1,707	\$2.81 billion
Queensland	764	\$1.46 billion
NSW	718	\$1.06 billion
VIC	126	\$194.1 million
South Australia	46	\$51.1 million
ACT	11	\$2.87 million
Western Australia	38	\$2.4 million
Northern Territory	7	\$878,732
Tasmania	4	\$443,347
Other	24	\$34.6 million

Construction Program Commitments

- > **\$630m** with Trans4m in November 2020—Construct Narromine to North Star.
- > **\$345m** with INLink in October 2018—Construct Parkes to Narromine.
- > **\$20m** with Martinus Rail in December 2021—deliver approximately 570 kilometres of track linking Narromine in New South Wales and Gowrie in Queensland.
- > **\$20m** with BHQ Joint Venture in September 2021—Northern Civil Works design and detailed costing for work between Whetstone and Gowrie.
- > **\$20m** with Freight Connect in September 2021—Central Civil Works design and detailed costing for work between Narrabri and North Star and across the border to Whetstone QLD.
- > **\$20m** with ACCIONA and CPB Contractors Pty Limited joint venture in September 2021—Southern Civil Works design and detailed costing for N2N.
- > **\$16m** with McConnell Dowell in November 2021—Early works and design at 4 sites between Beveridge and Albury.

Regional manufacturing supporting Inland Rail

- \$143m for concrete sleepers (377,000 tonnes) from Austrak’s manufacturing facilities in Rockhampton and Wagga Wagga.
- \$80m for turnouts from Vossloh Cogifer, manufactured primarily in Castlemaine, Victoria.
- \$80m in concrete culverts (94,000 tonnes) to be manufactured by Humes, Tamworth.
- \$51m in steel rail (38,000 tonnes) supplied by Liberty OneSteel Whyalla, South Australia.
- \$25m in ballast and capping from Calvani Crushing and Ausrock Quarries, Parkes, NSW.
- \$32m for 316,396 concrete sleepers from Rocla in Mittagong.
- \$22m for 224,939 concrete sleepers from Austrak in Wagga Wagga.

Additionally, a contract for \$292m for steel rail from Liberty Primary Steel to meet future Inland Rail and broader ARTC rail project requirements was entered into on 2 March 2022.

INLAND RAIL - PROJECT STATUS OVERVIEW (30 September 2022)

FOI-23-063

State	Victoria		New South Wales							Queensland (Dual gauge track)				
Bilateral Agreement	16 March 2018 ✓		4 May 2018 ✓							29 November 2019 ✓				
Track by State (km)														
Brownfield	305		665							118				
Greenfield	0		364							266				
Sections	Tottenham to Albury		Albury to Illabo	Illabo to Stockinbingal	Stockinbingal to Parkes	Parkes to Narromine	Narromine to Narrabri	Narrabri to North Star	North Star to NSW Border	Border to Gowrie	Gowrie to Helidon	Helidon to Calvert	Calvert to Kagaru	Kagaru to Acacia Ridge and Bromelton
	T2A		A2I	I2S	S2P	P2N	N2N	N2NS	NS2B	B2G	G2H	H2C	C2K	K2ARB
Track (km)														
Brownfield (1088 km)	305		185	2	170	99	0	184	25	69	0	0	0	49
Greenfield (630 km)	0		0	37	0	5	306	2	14	138	28	47	53	0
Incl. tunnel (8 km)	-		-	-	-	-	-	-	-	-	6	1	1	-
Total Track (1718km)	305		185	39	170	104	306	186	39	207 (DGT)	28 (DGT)	47 (DGT)	53 (DGT)	49 (DGT)
Brownfield (km)														
Greenfield (km)	N/A		N/A		N/A	5	N/A	134			N/A			
Length of corridor of parcels of land acquired (km)	N/A		N/A	0.39km	N/A	4.5km	15.5km	2.06km	0km	7.5km	2.9km	5.5km	21.1km	N/A
Total Track Completed (km)														
Key Project Works	Enhancement of discrete locations to enable double stacking.		Enhancement of discrete locations to enable double stacking.	New single track with passing loops and associated infrastructure. Includes construction in green and brownfield corridor.	Enhancement of discrete locations to enable double stacking and an additional passing loop to facilitate increased volumes.	Complete	New single track with passing loops and associated infrastructure. Includes construction in greenfield corridor.	Track upgrade and associated works including crossing of Gwydir River in SP2.	New single track with passing loops and associated infrastructure. Includes construction in green and brownfield corridor.	New single track with passing loops and associated infrastructure. Includes construction in green and brownfield corridor.	New single track with passing loops and associated infrastructure. Includes construction in green and brownfield corridor.	New single track with passing loops and associated infrastructure. Includes construction in green and brownfield corridor.	New single track with passing loops and associated infrastructure. Includes construction in green and brownfield corridor.	Enhancement of discrete locations to enable double stacking.
Section Status	X	X	✓	✓	X	Operational	X	Construction	✓	X	X	X	X	X
Design Status	T2B* On hold	B2A Detail Design	Reference Design	Reference Design	Reference / Detail Design	Complete	Reference / Detail Design	SP1 Complete	SP2	Reference/ Detail Design	Reference/ Detail Design	Reference Design/Public Private Partnership (PPP) Bid Design		Reference Design
Environmental Approval Status	TBC	✓ Approved –26 Sept 2022	✓ Draft EIS	✓ Draft EIS	✓ Approved July 2022	✓ Approved 31 Aug 2018	✓ Revised EIS and Preferred Infrastructure Report	✓ Approved 19 Oct 2020	✓ Draft EIS	XX Final EIS assessment by NSW DPE	XX Respond to EIS submissions	XX Respond to EIS submissions	XX Respond to EIS submissions	XX Respond to EIS submissions
EIS Public Exhibition	TBC	N/A	17 Aug to 28 Sept 2022	14 Sept to 26 Oct 2022	Environmental Factors Public Exhibition review Feb 2022	19 July to 18 Aug 2017	8 Dec 2020 to 7 Feb 2021 PIR exhibition 31 August to 22 September2022	15 Nov to 15 Dec 2017	22 Sept to 2 Nov 2022	26 Aug to 6 Oct 2020	23 Jan to 4 May 2021	2 Aug to 25 Oct 2021	31 Mar to 23 Jun 2021	21 Dec 2020 to 8 March 2021
											OCG has advised that EIS will be subject to a further exhibition period TBC			
											Est Q1 2023	Est Q1 2024	Est Q3 2023	Est Q2 2023
Biodiversity Offsets		✓	X NSW biodiversity offset credit market– high demand, limited supply of suitable credits			✓	X NSW biodiversity offset risk	✓	X NSW biodiversity offset risk		X Qld Biodiversity offset risk			
Land Acquisition		X	✓	✓	N/A	Complete	X	✓	✓	X	X	X	X	N/A
Parcels^ of land to be acquired	N/A	20	14	99	N/A	14	326	16	23	38(NSW) 8 (Qld)	356	137	163	128
Parcels of land acquired	N/A	0	0	6	N/A	11	22	10	0	0	29	19	28	60
Total area of parcels of land acquired (ha)	N/A	0	0	38.2	N/A	36.04	97.5	1.71	0	0	248	39	100	344
Procurement Status	X	✓	✓ Tender Development	✓ Tender Development	✓ Tender Development	✓ Completed	✓ Collaborative Framework Agreement announced	✓ Complete	✓ Collaborative Framework Agreement has been announced	✓ Collaborative Framework Agreement has been announced	X PPP – Preferred Proponent has been announced			✓ Tender Development
Procurement Approach		Early Works & Design	Design & Construct	Design & Construct	Design & Construct	Construct Only	Collaborative Design & Construct	Construct Only	Collaborative Design & Construct	Collaborative Design & Construct	PPP – Design & Construct			TBC
Construction Start#	Q1 2023	Q3 2021	Q3 2023	Q2 2023	Q1 2022	Complete	Q2 2022	Commenced	Q3 2023	Q3 2022	Q3 2022	Q4 2022	Q1 2023	Q1 2023
Civils Constructor	TBC	McConnell Dowell \$16 million	TBC	TBC	TBC	\$47 - commercially valuable in	Acciona CPB JV Initial \$20 million	Trans4M Rail	Freight Connect JV Initial \$20 million		BHQ Initial \$20m	Regionerate Rail (Preferred Proponent) \$5 billion +		
Track work	✓		TBC	TBC	TBC		Martinus Rail	\$630 million	Martinus Rail		Martinus Rail			
Local Government Areas	Albury, Wodonga, Indigo, Wangaratta, Benalla, Strathbogie, Mitchell, Whittlesea, Hume, Moreland, Mooney Valley, Maribyrnong, Melbourne		Albury, Wagga Wagga, Lockhart, Greater Hume, Junee	Junee, Cootamundra Gundagai	Cootamundra Gundagai, Parkes, Forbes, Weddin, Hilltops	Parkes, Narromine	Narromine, Narrabri, Warrumbungle, Coonamble, Gilgandra	Gwydir, Moree Plains, Narrabri	Goondiwindi, Gwydir, Moree Plains	Toowoomba, Goondiwindi	Lockyer Valley, Toowoomba	Ipswich City, Lockyer Valley	Ipswich City, Scenic Rim	Brisbane City, Logan City, Scenic Rim

✓ On track X Risk that could impact schedule and or cost XX Risk impacting schedule and or cost
On track: ■ Schedule pressures ■ ■ ■
Minor Major

*Design and approval work on hold until terminal location(s) agreed by governments. # Construction dates based on ARTC cost and schedule reset baseline May 2020, or where schedule has been formally updated with revised dates (currently only Illabo to Stockinbingal). ^ Parcels of land refers to private and public parcels.

Rural And Regional Affairs And Transport

Lead/Support contact: Andrew Bourne

SB22-000056

SUBJECT: Inland Rail – Interface Improvement Program**Talking Points**

- The Inland Rail Interface Improvement Program provides business case support to local communities, industry and regional and state governments to understand the costs and benefits of proposed ideas that could enhance the benefits delivered through Inland Rail's development.
- It does not provide or guarantee future funding for completed business case studies.
 - The Program provides an evidence base for potential future complementary investments and assists proponents to make informed decisions on further developing their proposal.
- The Australian Government has committed \$150 million to fund the delivery of priority infrastructure projects through the Infrastructure Investment Program that will deliver benefits to industries and communities along the Inland Rail corridor.
- A total of 38 proposals were found eligible to receive business case support to develop their ideas through a gateway assessment process (**Attachment A**).
- As at 15 September 2022, 16 proposals have been finalised. Of these proposals:
 - Seven have completed a strategic business case.
 - Nine have been finalised at earlier stages of the assessment process (**Attachment B**).
- The remaining 22 proposals continue to be developed at various stages of the assessment process and are expected to be completed by 30 June 2023.

Key Issues

- Inland Rail Interface Improvement Program (IRIIP) has faced delays primarily due to challenges brought about by COVID-19 lockdowns and natural events such as flooding in Queensland and the wheat harvest in NSW. Due to limited resources, a significant number of proponents were unable to engage appropriately with their business case advisers during this time.
- Future funding is a matter for proponents and could include private investment or working with state governments to bring forward priority infrastructure investment under existing infrastructure investment processes.
- To be eligible for the \$150 million, projects are required to have completed a strategic business case developed through the IRIIP - as well as be eligible for funding under the existing Infrastructure Investment Program as defined in the *National Land Transport Act 2014*.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts will not publish the finalised business case studies as they are the intellectual and commercial property of the proponent.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Andrew Bourne

SB22-000056

Background

- The Australian Government committed \$44 million in the 2019–20 Budget to support the development of proponent proposals under the IRIIP.
- The IRIIP includes two funding streams:
 - \$20 million Productivity Enhancement Program to assess the cost and benefits of proposed improvements to the interfaces between supply chains and Inland Rail.
 - \$24 million Country Lines Improvement Program to assess the costs and benefits of proposed improvement to country lines that intersect with Inland Rail.
- The IRIIP adopts a gateway assessment framework providing a robust assessment of each proposal at each gate to ensure only potentially viable ideas continue to be developed. This allows proposals to be appropriately stress-tested and only continue where they demonstrate merit against the evaluation framework.
- Being found eligible for the IRIIP does not guarantee a proposal will be successful in progressing through to Gate 4.
- Proponents were invited to submit an Expression of Interest through 2 rounds held during 11 to 31 October 2019; and 17 August 2021 to 18 September 2021.
 - Proposals were independently assessed by both the department and its independent technical adviser, NineSquared, against published eligibility requirements.
 - Eligible proponents were assigned a specialist business adviser from Ernst and Young (EY) to help develop their proposals through the IRIIP's gateway assessment process.
- The cost of developing proposals is demand driven and based on the complexity and time spent working with proponents to develop their idea. The value of work orders is:
 - EY - Round One Work Order is \$20.1 million (GST inclusive).
 - EY - Round Two Work Order is \$17.8 million (GST inclusive).
 - NineSquared - Work Order for both Rounds is \$4.032 million (GST inclusive).
- The additional funding for priority infrastructure investment (\$150 million) under the Infrastructure Investment Program was announced in the 2022–23 Budget. Types of infrastructure eligible for funding may include a mix of projects that complement Inland Rail such as rail line reinstatements and rail upgrades, road and rail connections, intermodal terminals or freight precincts.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Andrew Bourne

SB22-000056

Budget information as at 30 June 2022 (financial figures are GST exclusive)

Program/project start date: 01 July 2019							
Program/project end date: 30 June 2023							
	2019–20 \$m	2020–21 \$m	2021–22 \$m	2022–23 \$m	2023–24 \$m	2024–25 \$m	TOTAL \$m
Profile as at 2021–22 Budget	\$2.1	\$22.6	\$19.3	\$0.00	\$0.00	\$0.00	\$44.00
Less:							
Actual Expenditure at 30 June 2022	\$2.1	\$22.6	\$12.5				\$37.2
Total Committed and Expended at June 2022	\$2.1	\$22.6	\$24.5	\$0.00	\$0.00		\$49.2
Total Uncommitted Funds (balance)		\$0.00	\$5.2	\$0.00	\$0.00	\$0.00	\$5.2

Financial information—full program envelope: movement of funds as at 30 June 2022

	2019–20 \$m	2020–21 \$m	2021–22 \$m	TOTAL \$m
Opening Appropriation July 2019	\$22	\$22	\$0	\$44
FY 19–20 Final	\$9.7	\$34.3	\$0	\$44
Movement in FY 19–20 Budget	(-\$12.3)	+\$12.3		
FY 20–21 Final	\$2.1	\$32.2	\$9.8	\$44
Movement in FY 20–21 Budget	(-\$7.6)	+\$7.6 (-\$9.8)	+\$9.8	
FY 21–22 Final	\$2.1	\$22.6	\$19.3	\$44
Movement in FY 21–22 Budget	\$0	(-\$9.5)	+\$9.5	
Current Profile and Appropriation	\$2.1	\$22.6	\$19.3	\$44

Attachments

- Attachment A – Inland Rail Interface Improvement Program: eligible proposals
- Attachment B – Inland Rail Interface Improvement Program: A3 placemat

Attachment A

INTERFACE IMPROVEMENT PROGRAM: ELIGIBLE PROPOSALS

Proposal status updates as at 15 September 2022

Round One (listed by location South to North of the Inland Rail alignment)

State	Proponent	Program	Title	Location of project	Status
VIC	Strathbogie Shire Council	PEP	Intermodal Freight Terminal Mangalore Proposal to investigate the establishment of an intermodal freight terminal adjacent to the Mangalore airport.	Mangalore, VIC	Exited at Gate 2
VIC	SCT	PEP	Wodonga Intermodal and Refrigeration Hub Proposal to investigate the upgrade and construction of new intermodal capabilities, open access freight infrastructure and a cold storage facility at the Wodonga Intermodal park, within the LOGIC transport site.	Wodonga, VIC	Gate 3 – developing a Feasibility study
NSW	Wagga Wagga City Council	PEP	Riverina Intermodal Freight and Logistics Hub (RiFL) - Enhancements to Terminal Operations Proposal to investigate enhancements to the RiFL Hub, within the Wagga Wagga Special Activation Precinct.	Wagga Wagga, NSW	Gate 4 – Strategic business case complete
NSW	Leeton and Griffith	PEP	Western Riverina Intermodal Terminal (WR Connect) Proposal to investigate upgrading the WRConnect intermodal facility at Wumbulgal, to provide additional/expanded intermodal freight capacity for the Western Riverina region.	Western Riverina, NSW	Gate 4 – Strategic business case complete
NSW	Transport for NSW	CLIP	Stockinbingal to Griffith Rail Upgrade Proposal Proposal to investigate an increase in the axle load limit on the existing 185km Stockinbingal-Griffith rail line in the Riverina region.	Riverina, NSW	Gate 4 – Strategic business case complete
NSW	SCT	PEP	Parkes Intermodal and Refrigeration Hub Proposal to investigate the upgrade and construction of new intermodal capabilities, open access freight infrastructure and a cold storage facility in Parkes.	Parkes, NSW	Gate 3 – developing a Feasibility study

State	Proponent	Program	Title	Location of project	Status
NSW	Transport for NSW	CLIP	Narromine to Dubbo Rail Upgrade Proposal Proposal to investigate increasing the axle load limit on the existing 38km Narromine-Dubbo rail line in the Orana region.	Central West NSW	Gate 4 – Strategic business case complete
NSW	Gilgandra and Coonamble Shire Councils	CLIP	Upgrade to the Gilgandra-Coonamble line with connectivity with Inland Rail at Curban Proposal to investigate an upgrade to the Gilgandra-Coonamble rail line to allow for heavier, faster trains and develop a connection to Inland Rail at Curban.	Gilgandra and Coonamble, NSW	Gate 4 – developing a Strategic business case
NSW	Warrumbungle Shire Council	CLIP	Enhancement of Baradine's gain silos connection Proposal to investigate the partial re-instatement of the Gwabegar line to enable a connection between Baradine silos to Inland rail.	Baradine, NSW	Gate 4 – Strategic business case complete
NSW	Gunnedah Shire Council	PEP	Gunnedah Intermodal Freight Terminal Proposal to investigate the development of the Gunnedah Intermodal Freight Terminal, including the construction of a 400m rail siding.	Gunnedah, NSW	Gate 4 – Strategic business case complete
NSW	Narrabri Shire Council	CLIP	Northern NSW Inland Port Interface Connection Proposal to investigate connections from the Northern NSW Inland Port to Inland Rail, including an upgrade of the Walgett Branch Line.	Narrabri, NSW	Gate 4 – Strategic business case complete
NSW	Moree Plains Council	PEP	Moree Intermodal Park and Regional Activation Proposal Proposal to support the development of the Moree Intermodal Park through investigating the construction of road infrastructure to the west and east of the Moree Intermodal Overpass.	Moree, NSW	Exited at Gate 2
NSW	Moree Plains and Gwydir Shire Councils	PEP	Croppa Creek Road and Rail Interface Project Proposal to investigate interface improvements, including upgrading the Buckie and County Boundary roads, to improve access to the proposed rail spur in Croppa Creek that will connect with Inland Rail.	North West NSW	Gate 3 – developing a Feasibility study

State	Proponent	Program	Title	Location of project	Status
QLD	Border Region Organisation of Councils	CLIP	Border Region Inland Rail Connectivity Proposal Proposal to review options to improve access to Inland Rail in the Goondiwindi Region, including Northern NSW, including a review of Bruxner Way, the Boggabilla siding, the existing narrow-gauge rail west of the proposed alignment and potential choke points on the major roads.	NSW/QLD Border	Exited at Gate 2
QLD	Goondiwindi Regional Council	PEP	Goondiwindi to Inland Rail Corridor Connection Proposal to investigate options for the development of a Goondiwindi to Inland Rail corridor connection by upgrading the current narrow gauge South Western rail line and providing a connection to Inland Rail at Kurumbul.	South West Queensland, QLD	Gate 4 – developing a Strategic business case
QLD	Toowoomba Regional Council	PEP	Track Maintenance Provisioning Centre Proposal to investigate the viability of constructing a track maintenance provisioning centre for Inland Rail operations at a strategic location within the Toowoomba region.	Darling Downs, QLD	Exited at Gate 2
QLD	Toowoomba Regional Council and Darling Downs and South West Queensland Council of Mayors	CLIP	South Western System – Additional Connections to Inland Rail Proposal to investigate additional rail connections to the existing South Western Rail System at Yelarbon and Southbrook.	Darling Downs, QLD	Exited at Gate 2
QLD	InterLink SQ	PEP	South-West Intermodal Proposal A proposal to investigate the establishment of the South West Intermodal Project (SWIP), which includes a primary regional aggregation and distribution hub in Toowoomba and smaller regional feeder hubs.	Darling Downs, QLD	Gate 4 – developing a Strategic business case

State	Proponent	Program	Title	Location of project	Status
QLD	Toowoomba Regional Council and Darling Downs & South West Queensland Council of Mayors	CLIP	Potential Upgrade and Reopening of Existing Rail Lines - West Moreton and South Western System Proposal to investigate an upgrade to the existing West Moreton Rail System and the South Western Rail System to accommodate the same loads and train lengths as Inland Rail.	Darling Downs, QLD	Gate 3 – developing a Feasibility study
QLD	Lockyer Valley Council	PEP	Investigating the viability of the Lockyer Valley Inland Rail Connection Proposal to investigate the viability of a Lockyer Valley Inland Rail connection, which will leverage existing and planned local output and infrastructure.	Lockyer Valley, QLD	Gate 4 – developing a Strategic business case

Round Two (listed by location South to North)

State	Proponent	Program	Title	Location of project	Status
NSW	Wagga Wagga City Council and Riverina Oils and Bio Energy (ROBE)	PEP	Grain terminal and dedicated rail siding at Riverina Intermodal Freight and Logistics Hub (RiFL) Proposal to investigate the development of a grain terminal and dedicated rail siding at RiFL. The proposal indicated that it has the potential to provide rail connectivity for Riverina Oils and Bio Energy to the Inland Rail network.	Wagga Wagga, NSW	Gate 3 – developing a Feasibility study
NSW	Lockhart Shire Council	CLIP	Upgrade the Rock to Boree Creek line Proposal to investigate upgrading the rail branch line from The Rock to Boree Creek from light rail to heavy rail to enable wagons to be loaded to a higher axle load weight.	Southern Riverina, NSW	Exited at Gate 3
NSW	Pacific National	PEP	Junee Crossing Loop Proposal to investigate the construction of an additional holding/marshalling road (rail siding) to allow for the attachment and detachment and loading of longer trains at the proposed major regional terminal at Junee, NSW.	Junee, NSW	Gate 3 – developing a Feasibility study

State	Proponent	Program	Title	Location of project	Status
NSW	Cootamundra Gundagai Regional Council/Coopers Couriers	PEP	Stockinbingal Rail Interchange Proposal to explore the development of a rail interchange and freight handling facility in the South West Slopes Region in NSW.	Stockinbingal and Cootamundra NSW	Gate 3 – developing a Feasibility study
NSW	Central NSW Joint Organisation and Regional Development Australia Central West	PEP	Central West Consolidation Centre Proposal to investigate options for re-positioning or re-organising local infrastructure and supply chains to deliver access to markets for Small and Medium Enterprise local producers in Central West NSW as a result of Inland Rail.	Central West NSW, NSW	Gate 2 – developing a Pre-feasibility study
NSW	DB & NJ Mattiske Family Trust	PEP	Back Creek rail siding Proposal to investigate extending the existing Back Creek rail siding to significantly increase its grain loading capacity. The proposal also includes an additional storage silo and mobile uploading plant.	Central West NSW, NSW	Gate 4 – developing a Strategic business case
NSW	Lachlan Shire Council	PEP	Condobolin warehousing and logistics centre Proposal to investigate the viability of a warehousing and logistics centre near Condobolin. The proposed warehousing will allow freight to be stored and hold goods for collection within the region.	Condobolin, NSW	Gate 3 – developing a Feasibility study
NSW	Narromine Shire Council	PEP	Narromine Freight Exchange Proposal to explore a containerised goods facility and freight exchange at Narromine to service the Inland Rail route and the regional rail network.	Narromine, NSW	Gate 3 – developing a Feasibility study
NSW	Transport for NSW	CLIP	Maryvale to Gulgong line Proposal to investigate completion of a greenfield line between Maryvale to Gulgong at 25 Tonne Axle Load (TAL), including the construction of passing loops at Castlereagh Loop, Goolma Loop and Bodangora Loop.	NSW Western Slopes	Exited at Gate 3

State	Proponent	Program	Title	Location of project	Status
NSW	Transport for NSW	CLIP	Network interface improvements between Inland Rail and the Country Regional Network Proposal to investigate the development of a siding near the Dubbo Regional Rail maintenance facility, upgrading of the Narrabri West yard, and Greenfield passing loop.	Dubbo, Parkes and Narrabri West, NSW	Gate 4 – developing a Strategic business case
NSW	Gilgandra Shire Council	PEP	Curban multi-user rail access facility Proposal to investigate the feasibility of converting one of the anticipated Inland Rail construction compounds in the Gilgandra Shire, to become a multi-user rail access facility post construction.	Curban, NSW	Gate 3 – developing a Feasibility study
NSW	Auscott	PEP	Auscott Narrabri siding lengthening Proposal to investigate the lengthening of two sidings at the Auscott Narrabri Siding and incorporate two additional turnouts to handle longer and more frequent bulk and intermodal trains in line with Inland Rail.	Narrabri, NSW	Gate 3 – developing a Feasibility study
NSW	Transport for NSW	PEP	Country Regional Network mechanical turnouts upgrade Proposal to investigate the upgrade of mechanical turnouts with motorised turnouts and associated signalling infrastructure, at approximately eight key locations adjacent to Inland Rail on the Country Regional Network.	Multiple locations, NSW Western Slopes	Gate 4 – developing a Strategic business case
NSW	Louis Dreyfus Company	PEP	Louis Dreyfus intermodal facility upgrades Proposal to investigate expanding and upgrading the existing Louis Dreyfus Company intermodal facility at Moree, including increasing the area of hardstand, improving access for containerised freight export as well as 24-hour siding access.	Moree, NSW	Gate 3 – developing a Feasibility study
NSW	Pacific National	CLIP	Enabling infrastructure at Moree and Toowoomba Proposal to investigate the construction of an arrival road (supplementary crossing route) and a loading road (rail siding) at Toowoomba and Moree.	Moree, NSW and Toowoomba, QLD	Exited at Gate 2

State	Proponent	Program	Title	Location of project	Status
QLD	Grain Corp	PEP	GrainCorp Brookstead rail siding Proposal to investigate dual gauging the GrainCorp Brookstead rail siding to access the higher Tonne Axle Limits on Inland Rail.	Brookstead, QLD	Gate 2 – developing a Pre-feasibility study
QLD	Queensland Transport and Logistics Council	PEP	Transporting hydrogen by rail Proposal to investigate the opportunities associated with transporting hydrogen by rail and explore potential benefits for Inland Rail.	Toowoomba Region, QLD	Gate 2 – developing a Pre-feasibility study
QLD	Scenic Rim Regional Council	PEP	Scenic Rim Inland Rail Interface Improvement Proposal for a study of the local road connections to the SCT logistics terminal and broader Bromelton State Development Area in the Scenic Rim region of South-east Queensland, to assess how local regional businesses and allied services can better connect to Inland Rail.	Beautesert, QLD	Exited at Gate 2



Australian Government
Department of Infrastructure,
Transport, Regional Development,
Communications and the Arts

INLAND RAIL

Attachment B

Inland Rail Interface Improvement
Program: A3 placemat

Supporting regional communities to connect to Inland Rail

Inland Rail Interface Improvement Program

From ideas to business cases

The former Government committed \$44 million to the Interface Improvement Program to support local communities, industry and regional and state governments develop and test ideas, that have the potential to boost the benefits that flow from Inland Rail.

The Program will provide an evidence base for future complementary investments. There are two streams:

- **Improving connectivity between supply chains and Inland Rail**
Proposals under the Productivity Enhancement Program (PEP) include upgrading or developing freight precincts or intermodal facilities, improving road to rail connectivity, or improving rail access through sidings or passing loops.
- **Improving the capacity of country rail lines that intersect with Inland Rail**
Proposals under the Country Lines Improvement Program (CLIP) include rail upgrades or reinstatements, with a view to accommodating longer, heavier and faster trains.

The Program is based on a best practice gateway assessment approach to building proposals from ideas to business cases:

- Gate 1: Initial selection through two expression of interest rounds
- Gate 2: Development of a Pre-feasibility study
- Gate 3: Development of a Feasibility study
- Gate 4: Development of a Strategic Business Case

Tailored support for regional communities

Ernst & Young (EY) has been contracted by the Department to provide tailored business case support to assist proponents develop and progress their proposals through the gateway process. Outcomes include:

- Increased capacity for community, industry and governments to invest in interface improvements and connections to Inland Rail.
- Increased goodwill and partnerships along the Inland Rail.
- Increased local capability to develop ideas into business cases.

The Department is responsible for decision-making on the eligibility of proposals to progress through each gate, informed by technical advice from an independent technical adviser.

Stakeholder considerations

Stakeholder considerations include managing expectations that all proposals will complete a strategic business case and that funding will be available for the delivery of proposals after the completion of the Program.

Strong response to Program – 38 eligible proposals

	Round 1	Round 2	Total
Submissions received	45	46	91
Total eligible proposals	20	18	38
Finalised proposals	12	4	16
Proposal breakdown by state			
QLD	6	3	9
QLD/NSW	1	1	2
NSW	11	14	25
VIC	2	0	2
Proposal breakdown by program stream			
PEP e.g. Intermodal terminal, freight precinct, rail access	12	14	26
CLIP e.g. rail upgrade	8	4	12

Proposals are progressing

Round 1	Round 2
In progress: <ul style="list-style-type: none"> ➤ 4 at Gate 3 (3 PEP, 1 CLIP) ➤ 4 at Gate 4 (3 PEP, 2 CLIP) 	In progress: <ul style="list-style-type: none"> ➤ 3 at Gate 2 (3 PEP) ➤ 8 at Gate 3 (10 PEP, 3 CLIP) ➤ 3 at Gate 4 (1 PEP, 2 CLIP)
Finalised: <ul style="list-style-type: none"> ➤ 5 at Gate 2 (4 PEP, 1 CLIP) ➤ 7 at Gate 4 (4 PEP, 3 CLIP) 	Finalised: <ul style="list-style-type: none"> ➤ 2 at Gate 2 (2 PEP) ➤ 2 at Gate 3 (2 CLIP)
Expected completion <ul style="list-style-type: none"> ➤ By 31 December 2022 	Expected completion <ul style="list-style-type: none"> ➤ By 30 June 2023

A proposal may be finalised before Gate 4 for a number of reasons, including:

- The proposal does not meet the gate assessment requirements, for example there may be insufficient demand or costs outweigh benefits.
- There is lack of support to continue from the asset owner or key stakeholders.
- The Proponent obtains funding to deliver the proposal through a separate government-administered program.

Funding to be completed by 30 June 2023

\$44 million has been committed over three financial years (2019–20, 2020–21 and 2021–22). The Program will be extended to a fourth year (2022–23) to allow for completion of the Program by 30 June 2023.

	FY 2019-20 to 2022-23 excl. GST	Actual spend 30/06/22 excl. GST
Productivity Enhancement Program (PEP)	\$20 million	\$16 million
Country Line Improvement Program (CLIP)	\$24 million	\$10 million
Total Program Investment	\$44 million	\$26 million

Finalised proposals (as of 15 September 2022)

At the completion of a Strategic Business case (Gate 4):

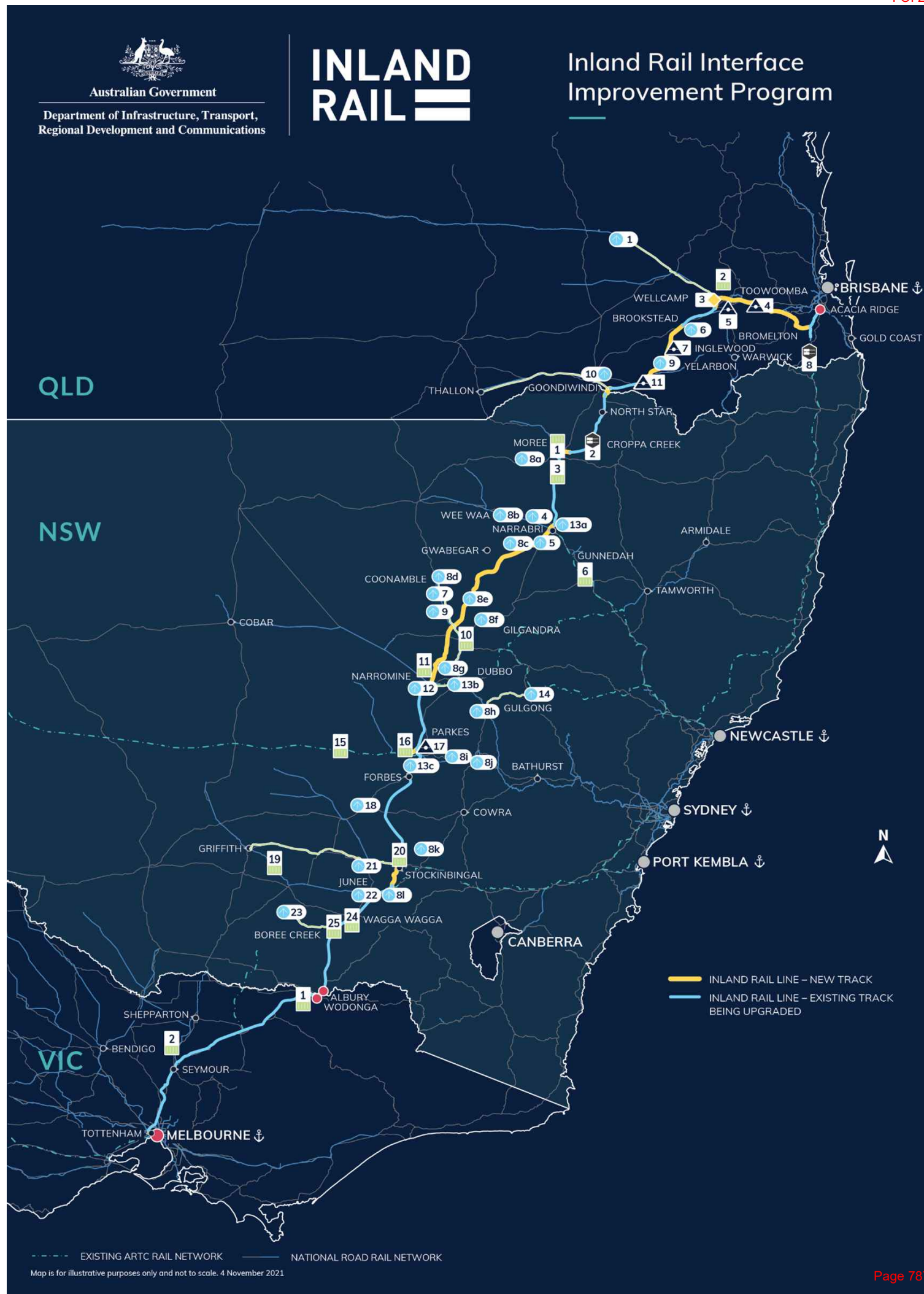
- Riverina Intermodal Freight and Logistics Hub (RiFL) Enhancements to Terminal Operations (Wagga Wagga City Council)
- Northern NSW Inland Port Interface Connection (Narrabri Shire Council)
- Narromine to Dubbo Rail Upgrade Proposal (Transport for NSW)
- Stockinbingal to Griffith Rail Upgrade Proposal (Transport for NSW)
- Enhancement of Baradine's grain silos connection (Warrumbungle Shire Council)
- Gunnedah intermodal Freight Terminal (Gunnedah Shire Council)
- Western Riverina intermodal Terminal (Leeton Shire Council and Griffith City Council)

At the completion of a Feasibility study (Gate 3):

- Upgrade to Maryvale to Gulgong line (Transport for NSW)
- Upgrade the Rock to Boree Creek Line (Lockhart Shire Council)

At the completion of a Pre-feasibility study (Gate 2):

- Border Region Inland Rail Connectivity Proposal (Border Regional Organisation of Councils)
- Moree Intermodal Park and Regional Activation Proposal (Moree Plains Shire Council)
- Track Maintenance Provisioning Centre (Toowoomba Regional Council)
- South Western System – Additional Connections to Inland Rail (Toowoomba Regional Council and Darling Downs & South West Queensland Council of Mayors)
- Mangalore Intermodal Freight Terminal (Strathbogie Shire Council and Mangalore Airport)
- Pacific National Toowoomba/Moree Road Projects (Pacific National)
- Scenic Rim Inland Rail Interface Improvement (Scenic Rim Regional Council)



Inland Rail Interface Improvement Program

Queensland

- 1 Upgrade existing lines
West Moreton and South Western Rail Systems
- 2 South West intermodal
Toowoomba
- 3 Case for Hydrogen Industry Development
Toowoomba region
- 4 Investigation of rail connection
Lockyer Valley
- 5 Establishment of rail enabling infrastructure
Toowoomba
- 6 Upgrade rail siding to dual gauge capability
Brookstead
- 7 Provisioning and maintenance facility
Toowoomba region
- 8 Connections from road to rail
Bromelton, Scenic Rim Region
- 9 Connections to South Western Rail System
Yelarbon and Southbrook
- 10 Rail line upgrade and connections to Inland Rail corridor
Kurumbul, Goondiwindi and Thallon
- 11 Rail line upgrade
Border Region

New South Wales

- 1 Intermodal terminal upgrade
Moree
- 2 Rail and road interface
Croppa Creek
- 3 Road access to intermodal and freight precinct
Moree
- 4 Upgrade intermodal terminal capacity
Narrabri
- 5 Rail line upgrade and connections
Narrabri
- 6 Development of intermodal terminal
Gunnedah
- 7 Rail line upgrade
Gilgandra to Coonamble
- 8 Upgrade of signaling infrastructure
 - a Camurra
 - b Wee Waa
 - c Narrabri West
 - d Coonamble
 - e Gular
 - f Gilgandra
 - g Trangie
 - h Geurie
 - i Bumbery
 - j Manildra
 - k Temora
 - l Junee
- 9 Rail line upgrade
Baradine
- 10 Development of multi-user rail access facility
Curban
- 11 Development of containerised goods facility
Narramine
- 12 Rail line upgrade
Narramine to Dubbo
- 13 a Upgrade of rail siding
Narrabri
- b Development of rail siding
Dubbo
- c Establishment of passing loop
Parkes
- 14 Completion of rail line and infrastructure
Maryvale to Gulgong
- 15 Development of warehousing and freight centre
Condobolin
- 16 Upgrade intermodal and refrigeration hub
Parkes
- 17 Central West consolidation centre
Parkes
- 18 Extend rail siding and storage facility
Back Creek
- 19 Upgrade to intermodal facility
Western Riverina
- 20 Development of rail interchange and freight precinct
Stockinbingal
- 21 Rail line upgrade
Stockinbingal to Griffith
- 22 Establishment of enabling infrastructure
Junee
- 23 Rail line upgrade
The Rock to Boree Creek
- 24 Development of grain terminal and rail siding
Wagga Wagga
- 25 Enhancement to intermodal facility
Wagga Wagga

Victoria

- 1 Upgrade intermodal and refrigeration hub
Wodonga
- 2 Freight intermodal terminal
Mangalore airfield

- INTERMODAL TERMINAL OR FREIGHT PRECINCT
- RAIL UPGRADE
- ROAD LINK TO RAIL
- FACILITIES AND CONNECTIVITY
- OTHER
- PORTS

The projects listed are proposals found eligible for business case support under the Australian Government's Inland Rail Interface Improvement Program

More Information



InlandRail.gov.au



BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Bourne

SB22-000057

SUBJECT: Inland Rail – Flood Panel**Talking Points**

- On 7 October 2022, the Australian and Queensland Governments published the *Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland* Final Report (**Attachment A**).
 - On 13 July 2002, the Chair of the Panel submitted a copy of the Final Report to the Australian and Queensland Governments for consideration.
- The Final Report builds on earlier draft reports and finds that the flood models developed by the Australian Rail Track Corporation (ARTC) are: fit for purpose; in accordance with national guidelines and industry best practice; and, account for the impacts of the reference designs.
- On 14 September 2022, the Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government wrote to ARTC (**Attachment B**) advising of the expectation that ARTC, working with the Queensland Government, will put in place a compliance framework to verify and report on the implementation of the Panel's recommendations.
- The Final Report includes six recommendations to assist ARTC in delivery of the Inland Rail in Queensland (**Attachment C**).
 - The Panel's recommendations are consistent with industry best practice for the design and delivery of a major infrastructure project.
- The work of the Panel has now been completed with ongoing oversight of the delivery of Inland Rail through the Queensland Government's regulatory and administrative processes, including conditions set as part of environmental approval.

Key Issues*Risk of flooding*

- The Australian Government is conscious that decisions about the design of Inland Rail, where it crosses water ways and floodplains, raise legitimate concerns about the potential for its structures to change the impact of flood events.
- The Government is committed to ensuring that the ARTC develops engineering solutions for Inland Rail that:
 - account for historic flood events, the local geology, hydrology and current patterns of land use
 - minimise the influence of its structures on flood events, including changes in peak flood level and the period of inundation.
- Flood events are a natural occurrence and will not be prevented by the building of Inland Rail.

Contact: Andrew Bourne**Cleared by First Assistant Secretary:** Jessica Hall**Phone:** (02) 6274 7486**Version Number:** 01**Date:** 5/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Bourne

SB22-000057

- ARTC's flood modelling and reference designs are subject to independent review.
 - In New South Wales this is undertaken by independent consultants as a mandatory part of the Environmental Impact Statements (EIS) process prescribed by the EIS Terms of Reference.
 - In Queensland this is undertaken by the Panel as an independent review of modelling is not a requirement of the Queensland EIS process.

Final report

- The Panel, in addressing its Terms of Reference, found that the flood models and reference designs developed by ARTC (**Attachment D**):
 - accorded with the relevant national and state guidelines and industry best practice
 - adequately identified and mitigated flood risks
 - are fit-for-purpose to be taken forward as the basis for the detailed designs for the projects, subject to ARTC implementing the six actions recommended by the Panel.
- The Panel acknowledged that:
 - ARTC had undertaken substantial work to identify, assess and mitigate potential flooding impacts associated with project alignment and reference designs, with this work being predominantly in accordance with both national guidelines and current industry best practice
 - significant infrastructure projects, like Inland Rail, are accomplished through an iterative process. As such, it is normal practice for iterative improvements and changes to occur through the various project design and approval stages. Therefore, it is normal for issues associated with the design to be identified throughout the project, such as those identified by the Panel and for them to be progressively addressed at the relevant stage of the project.
- The latter finding is important as it reflects the steps that ARTC are taking to develop the reference and detailed designs, including site investigations as work progresses through the Queensland regulatory environmental and planning approval processes.
- The Panel confirmed that ARTC had addressed all of the issues raised in the draft reports to its satisfaction.
- In preparing its Final Report and recommendations to the governments, the Panel took into consideration:
 - ARTC's responses to each of the issues raised in its draft reports
 - any submissions it receives directly from the stakeholders
 - submissions on the draft EIS referred to it by the Office of the Coordinator-General.
- The Final Report is available on the Panel's website (www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland).

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Andrew Bourne

SB22-000057

Establishment of the Independent Flood Panel for Flood Studies in Queensland

- The Panel was jointly established by the Australian and Queensland Governments in June 2020 to independently review the flood models and reference design being developed by ARTC for Inland Rail in Queensland.
- In accordance with its Term of Reference, the Panel (**Attachment D**):
 - reports directly to the Australian and Queensland Governments
 - does not work for, or report to, ARTC
 - review the flood models and reference designs developed by ARTC for Border to Gowrie, Gowrie to Helidon, Helidon to Calvert and Calvert to Kagaru projects in Queensland.
 - The Kagaru to Acacia Ridge and Bromelton project was not subject to review as this project is not flood-prone.
- The Australian and Queensland Governments jointly established the Panel to provide assurance to communities in Queensland that ARTC's flood modelling and reference design are fit for purpose and meet national and state guidelines and industry best practice.
 - The Panel's role is similar to the role undertaken by independent consultants as a mandatory requirement of the New South Wales Government through its EIS Terms of Reference.
- The Government is aware of the concerns of landholders and the community in Queensland about the potential influence that Inland Rail structures and embankments could have on natural flood events in flood prone environments.
- The Governments have released the following draft reports and are available on the Panel's website (www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland):
 - Calvert to Kagaru (C2K) project on 18 February 2021
 - Border to Gowrie (B2G) project on 25 March 2021
 - Helidon to Calvert (H2C) project on 1 June 2021
 - Gowrie to Helidon (G2H) project on 19 August 2021.

Community and Local Government Engagement

- On 18 November 2021, Ms Tina O'Connell, Mr Martin Giles and Mr Steve Clark (Panel members) attended a joint public meeting of the Inner Darling Downs and Southern Darling Downs Community Consultative Committees (CCC) to discuss the assessment of the flood modelling developed by ARTC and its responses to issues raised in the Panel's B2G draft report.
- On 18 November 2021, the Panel members met on site with landowners from the Millmerran Rail Group to discuss and see examples of landowners concerns re ARTC's flood modelling and the design of Inland Rail Condamine floodplain crossing.

Contact: Andrew Bourne**Cleared by First Assistant Secretary:** Jessica Hall**Phone:** (02) 6274 7486**Version Number:** 01**Date:** 5/10/2022

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Andrew Bourne****SB22-000057**

- Members of the Panel have also attended the following CCC meetings:
 - Joint meeting of Inner Darling Downs and Southern Darling Downs CCC on 13 April 2021
 - Inner Darling Downs CCC on 25 August 2020 and 1 December 2020
 - Southern Darling Downs CCC on 26 October 2020
 - Scenic Rim CCC on 15 October 2020.
- As part of its review of the flood models and reference design, the Panel has met with planning and engineering staff from the relevant regional councils.

Background

- In November 2019, the Australian and Queensland Governments agreed to establish an Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland as part of the Bilateral Agreement for Inland Rail in Queensland.
- On 29 June 2020, the former Deputy Prime Minister, the Hon Michael McCormack MP and Queensland Minister for Transport and Main Roads, Mark Bailey MP announced the membership of the Panel and released its Terms of Reference.

Financial information as at 31 August 2022

Project start date:		2019–20		
Project end date:		2021–22		
Expenditure 2019–20 \$m	2020–21 Budget (expenditure) \$m	2021–22 Budget \$m	2022–23 Budget \$m	Total Budget \$m
0.25	0	1.25	0	1.5

Attachments

- Attachment A – Flood Panel Final Report 6 September 2022
- Attachment B – Letter to Chair of ARTC
- Attachment C – Flood Panel Final Report Recommendations
- Attachment D – Panel Findings Specific to the ToR



Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland

Final Report

September 6, 2022

Document History

Document Version	Version Date	Details
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Abbreviations and Definitions

Abbreviation/Terminology	Meaning/Definition
AEP	Annual exceedance probability
ARR 2019	Australian Rainfall and Runoff: A Guide to Flood Estimation, current edition
ARTC	Australian Rail Track Corporation Ltd
B2G	Border to Gowrie section
CCC	Community Consultative Committee
CSSI	Critical State significant infrastructure under NSW Environmental Planning & Assessment Act 1979
D&C	Design and construct
DSDTI	Queensland Department of State Development, Tourism and Innovation
DTMR	Queensland Department of Transport and Main Roads
EIS	Environmental Impact Statement
FDR	Feasibility Design Report
FFA	Flood frequency analysis
FIO	Flood impact objective
G2H	Gowrie to Helidon section
H2C	Helidon to Calvert section
IMR	Issues Management Register
JWG	The Joint Working Group of DTMR and IA
LGA	Local government area
LiDAR	Light Detection and Ranging, a method of remote airborne laser scanning
NS2B	North Star to Border section
OCG	Office of the Queensland Coordinator General, DSDTI
PIR	Preferred Infrastructure Report
PMF	Probable Maximum Flood
PPP	Public private partnership
QDL	Quantitative design limits, from other sections of Inland Rail
QR	Queensland Rail

Abbreviation/Terminology	Meaning/Definition
TOR	Terms of reference
ToS	Time of submergence
TRC	Toowoomba Regional Council

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Executive Summary

Background

The Inland Rail route in Queensland crosses diverse terrain, including the Macintyre, Condamine and Bremer River floodplains and numerous catchments including the Macintyre Brook/Canning Creek, Gowrie, Westbrook and Oakey Creeks, Lockyer Creek, Western Creek, Warrill and Purga Creeks and Teviot Brook.

Community safety and the potential for Inland Rail to change and impact on flood behaviour is a key concern of many stakeholders along the Inland Rail route. The Commonwealth has tasked the Australian Rail Track Corporation (ARTC) with the delivery and operation of Inland Rail. In Queensland, this requires the cooperation of the State of Queensland (State) to regulate the effective approval of the design, construction and operation of Inland Rail.

In developing the Inland Rail project, ARTC is required to comply with State planning and environmental approval requirements. The Queensland Coordinator-General (OCG) has declared the Border to Gowrie (B2G), Gowrie to Helidon (G2H), Helidon to Calvert (H2C), and Calvert to Kagaru (C2K) project sections to be coordinated projects subject to Environmental Impact Statements (EIS).

To inform the development of the respective Reference Designs for each of the project sections and meet the relevant EIS Terms of Reference (TOR), ARTC has prepared a detailed assessment of hydrologic and hydraulic impacts to ensure it has appropriate environmental and safety protections in place, as well as adequate mitigation to minimise any potential impacts.

An Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland (*the Panel*) has been established to advise the Commonwealth and Queensland governments on matters in regard to the extent, interpretation, assumptions and application of flood modelling, as well as best practice for the design of waterway structures in a floodplain environment. The role and work of the Panel is to review the existing modelling as defined by the TOR established by the two governments following a period of public comment. The Panel's TOR is available at: <https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland>.

The Panel comprises Mark Babister, (WMAwater, Chair), Ferdinand Diermanse (Deltares), Tina O'Connell (HDR), Martin Giles (BMT) and Steve Clark (Water Technology).

Final Report

This report presents the outcomes of the Panel's review of the flood models and Reference Designs developed by ARTC for the B2G, G2H, H2C and C2K project sections. This report brings together and addresses the findings of the Panel's initial draft reports for each of the project sections.

ARTC has undertaken a substantial amount of work to identify existing flooding characteristics and to assess and mitigate potential impacts associated with the four project sections. This work includes responding to the issues raised by the Panel in its respective draft reports that are publicly available at:

<https://www.tmr.qld.gov.au/projects/inland-rail/independent-panel-of-experts-for-flood-studies-in-queensland>.

ARTC has responded to all issues raised in the draft reports with either (or a combination of):

- Providing additional information which addressed the queries raised;
- Completing additional work to address issues and committing to incorporating the revised results in future documentation (specifically Revised Draft EIS documentation);
- Committed to undertaking additional works to address the Panel's comments and incorporating the results in future documentation (specifically Revised Draft EIS documentation); and
- Recommending that some issues raised be dealt with at Detailed Design stage

A detailed summary of these issues and ARTC responses is presented in the Issues Management Register (IMR) at Appendix A to Appendix D.

Panel Findings

The Panel concludes that the review process has been a constructive process with tangible outcomes. The overall process has also allowed interested stakeholders to provide input through the Community Consultative Committee (CCC) meetings and to provide direct input to the Panel.

In reviewing the work by ARTC, including flood models, Reference Designs and responses to issues raised in the draft reports, the Panel notes the substantial amount of work undertaken by ARTC to identify existing flooding characteristics and to assess and mitigate potential impacts associated with each of the project sections.

Taking into consideration the additional information provided by ARTC, the Panel found ARTC's modelling framework *to be in accordance with both national guidelines and current industry best practice with the issues in the IMR to be addressed*.

Significant infrastructure projects, like Inland Rail, are accomplished through an iterative process. As such, it is normal practice for iterative improvements and changes to occur through the various project design and approval stages. Therefore, it is normal for issues associated with the design to be identified throughout the project, such as those identified by the Panel and for them to be progressively addressed at the relevant stage of the project.

Consistent with the above, the Panel has identified a number of issues in the IMR where ARTC has agreed to provide additional information in the respective Revised Draft EIS or address the issue during the subsequent design stages of the project.

Findings specific to the Panel's TOR

The Panel findings with respect to the outputs specified in the Panel's TOR for the reference design reviewed are:

1. ***Whether the development of the models and their application accords with the relevant requirements of national and state guidelines/manuals (guidelines) for flood estimation and design of structures in flood prone environments.***

Models have been improved as a result of the process to accord with relevant national and state guidelines with the issues in the IMR to be addressed.

- 2. *Whether the extent of the floodplain covered by the flood model is appropriate, and if not recommendations as to what additional extent would be appropriate.***

The currently adopted extent of each of the models is considered appropriate.

- 3. *Whether the method and extent, of calibration of the model accords with guidelines and industry standards for calibration.***

The method and extent of calibration accords with guidelines and industry standards, including the updated models for the Macintyre River, Condamine River and Gowrie Creek.

- 4. *Whether the method for validation of the model accords with guidelines and industry standards and whether the assumptions used underpin the validation process, and the data points used in the validation are appropriate.***

All models were validated in accordance with guidelines and industry standards. For Bringalilly Creek, Cattle Creek and Nicol Creek there is limited data and considerable uncertainty about design flows. ARTC has adopted the Panel's recommendation that the highest modelled design flow will be used.

- 5. *Whether the model adequately accounts for the impacts of the reference design and whether those impacts are capable of appropriate local mitigation that either removes the impacts or reduces the impact to landholders in the area.***

The models were found to account for the impacts of the reference design. Flood Impact Objectives (FIOs) have been developed by ARTC in conjunction with the Panel to determine the acceptability or otherwise of potential impacts. The final recommended version of the FIOs is included in Chapter 3.

- 6. *Whether the model is fit for purpose, taking into account the above and any public comments or comments from external stakeholders in relation to the flood model that arises from the public exhibition of the draft Environmental Impact Statement (EIS) for the relevant Inland Rail Project.***

The models are "fit for purpose" (suitable for an EIS and subsequent Detailed Design), noting that the issues captured in the IMR are matters to be addressed at future design stages of the project. Reports were prepared to the OCG by the Panel. These reports reviewed and responded to all flooding-related submissions that were provided by the OCG following the public exhibition of the B2G, G2H, H2C and C2K Draft EIS.

- 7. *Whether the reference design for the proposed structure meets industry standards for railway structures in a floodplain and if so, whether the reference design is in accordance with best practice.***

The modelling of the reference design for the proposed structures meets industry standards in a floodplain and is in accordance with best practice. Reference designs can be taken forward as the basis for the Detailed Design.

Recommendations

The Panel makes the following recommendations to assist ARTC in its future design and delivery of the Inland rail project in Queensland. That ARTC:

1. Incorporates the revised (as a result of issues identified in the IMR) modelling results into an updated EIS and addresses the issues as captured in the IMR at the appropriate future work stage;
2. Establishes appropriate information transfer processes to ensure that project knowledge pertaining to the development, calibration, validation and application of the models and reference designs is retained and available to inform the future design of the project;
3. Implements, both directly and through its appointed constructors, verification processes consistent with State and industry best practices to confirm that the impacts of any waterway crossings (viaducts and bridges) and structures (culverts and pipes) have been considered in accordance with the FIOs and appropriate mitigation measures identified;
4. Adopts the FIOs at Table 3-1 with the Panel's recommendations as described in Section 3.5 as design parameters/constraints to inform the future identification and mitigation of potential flood impacts during the future design stages of the project;
5. Considers the late 2021 and early 2022 flood events as either a validation event or a calibration event (in catchments where there is a lack of calibration data). Such consideration should include a review of the following aspects of the analysis and any implications that arise:
 - i. the at-site Flood Frequency Analysis (FFA) incorporating the late 2021 or early 2022 event; and
 - ii. Any new or altered Flood Sensitive Receptors identified as a result of the late 2021 or early 2022 event.
6. Undertakes a geomorphic risk assessment either during the Revised Draft EIS or at the start of the design stage to inform and modify, where necessary, the Reference Design and future design stages.

In making these recommendations the Panel notes that these should be considered as advice to the governments and are not intended to limit or restrict any conditions that the governments may wish to place on ARTC as a result of the respective EIS process or other planning approval processes in relation to the design and construction of waterway crossings and structures.

1 Acknowledgements

The Panel would like to acknowledge assistance throughout the Inland Rail review process from the following colleagues:

- Monique Retallick, Thomas Allingham, Daniel Verrall, and Daniel Wood from WMA Water;
- Jarrod Brooks, Clarissa Campbell, Laura Bergener (Editor), and Rusty Jones from HDR;
- Carl Wallis, Michael Cheetham, Sachi Canning, and Donnie Carroll from Water Technology;
- Gary Lambourne from BMT; and
- Geert Prinsen and Eelco Verschelling from Deltares.

Additionally, the Panel would like to thank the relevant Community Consultative Committees (Southern Darling Downs, Inner Darling Downs, Lockyer Valley, Scenic Rim, Ipswich and Millmerran Rail Group) for inviting Panel participation in specific meetings during the Inland Rail review process.

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2 Introduction

2.1 Inland Rail Overview

Inland Rail is a proposed railway project between Melbourne and Brisbane via regional Victoria, New South Wales, and Queensland. The proposed route is approximately 1,700 km in length and provides a new freight corridor, expanding the national rail network (600 km of greenfield corridor and 1100 km of upgrade to existing corridors) and increasing connectivity. The project is funded by the Australian Government.

2.2 Purpose of this Report

This report summarises the outcomes of the Panel's review of the flood modelling, its extent, interpretation, assumptions and application as reviewed both directly and as expressed in the Draft EIS, design reports, and supporting documents for four Queensland sections of Inland Rail by the Panel. The Panel (refer to Section 2.3) reviewed the B2G, G2H, H2C, and C2K sections.

A review report (herein referred to as a Draft Review Report) was developed for each section. Appended to those four reports were a further 24 individual reports (herein referred to as Technical Appendices) that reviewed each flood model that comprised the sections, plus a geomorphology Technical Appendix for each section.

This report summarises the four Draft Review Reports, the 24 Technical Appendices, and the four geomorphology Technical Appendices. Those documents list the issues identified with the modelling, reporting, and design of the four sections. Additionally, this report makes recommendations regarding the FIOs of the project and summarises submissions to the Panel, both directly and via the Draft EIS public consultation period. Figure 2-1 presents the extents of the sections that were reviewed by the Panel.



Figure 2-1: Queensland Inland Rail Section Extents

2.3 The Panel

An Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland (the Panel) was established by the Australian and Queensland Governments as represented by the Queensland Department of Transport and Main Roads' (DTMR) Rail Planning Directorate (out of the Policy, Planning and Investment Branch), and the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The Panel reported to a Joint Working Group (JWG) from the two departments. Table 2-1 lists the members of the Panel.

Table 2-1: Panel Members

Name	Company
Mark Babister (Chair)	WMA Water
Ferdinand Diermanse	Deltares
Tina O'Connell	HDR
Martin Giles	BMT
Steve Clark	Water Technology

2.4 Terms of Reference (Scope of the Review)

The scope of the review of the Inland Rail sections by the Panel was defined by the *Terms of Reference for an Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland* (June, 2020). Table 2-2 presents the items to be addressed in the review, as stated in the TOR.

2.5 Flood Panel Review Process

In accordance with the Panel's TOR and based on both information made available to the Panel and relevant discussions, the Panel has focused on identifying whether, and to what level, industry best practice has been applied to the flood modelling techniques and outputs that created the existing flood models. Table 2-2 shows the specific topics and where they have been addressed by the Panel.

Where gaps in the provided documentation or models were identified during the review process, the Panel requested additional information from the ARTC.

At a high level, this process involved:

- Review of the flood models;
- Review of documentation (the Draft EIS in particular) providing background, approach, results and the reference design, along with supporting technical information for each section of the route;
- Discussions and submission of requests for additional information or clarification of provided information;
- Preparation of Draft Review Reports for each of the four sections. Table 2-2 provides an overview of how the Draft Review Reports have addressed the Panel's TOR. The Draft Review Reports consisted of:
 - i. An overview document for the section;
 - ii. Detailed technical appendices for each model; and
 - iii. A detailed IMR, with each issue assigned a level of importance.

In response to the Draft Review Reports and using the framework established by the IMR, ARTC have responded with additional information in the form of technical notes on a model basis.

The Panel has reviewed the additional information provided by ARTC and updated the IMR. The final status of each issue was categorised as one of the following:

- Closed;
- Accepted subject to additional information in a Revised Draft EIS;
- Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design; and
- Accepted subject to Panel's implementation of geomorphological assessment.

Table 2-2: Panel Review Documents that Addressed the TOR

Terms of Reference (TOR) Item	Location Where TOR Item was Addressed by the Panel
<i>Extent</i>	
Applicability and appropriateness for the relevant design stage (for example, reference/detailed etc.)	Technical Appendices
Appropriateness of tool/s selected for flood modelling	Technical Appendices & Draft Review Report
Confirmation that key design criteria are considered reasonable and appropriate compared with typical similar linear infrastructure projects	Technical Appendices & Draft Review Report
<i>Assumptions</i>	
Appropriateness of model arrangements and input parameters	Technical Appendices & Draft Review Report
Appropriateness of model calibration process	Technical Appendices
Appropriate application of input data (including addressing data gaps)	Technical Appendices
Assumptions around land-use (crops etc.)	Technical Appendices
Appropriateness of blockage/debris assumptions	Technical Appendices
Appropriateness of future events application (that is, climate change)	Draft Review Report
Appropriateness of assumed soil conditions	Technical Appendices & Technical Appendices
<i>Application</i>	
Appropriate sensitivity analysis to various items (for example, flow inputs, coefficients)	Technical Appendices & Draft Review Report
Appropriateness of change indicators	Technical Appendices & Draft Review Report
Appropriateness of structure and embankment representation (depending on the stage of the design)	Technical Appendices & Draft Review Report
Flood frequency analysis	Technical Appendices & Draft Review Report
<i>Interpretation</i>	
Achievement of Design Criteria	Technical Appendices
Appropriateness of relevant sensitivity analysis	Technical Appendices
Confirm Inland Rail-related flood impacts, if any, are comprehensively quantified and interpreted to their local property context	Technical Appendices
Appropriateness of the route, with regard the related flood impacts, within the current EIS Study Corridor	Technical Appendices

Terms of Reference (TOR) Item	Location Where TOR Item was Addressed by the Panel
Consider whether reasonable and practical steps have been taken to mitigate flood impacts, if any, outside of the project boundary	Technical Appendices
Additional information that would be required to be addressed in the Detailed Design phase of the program.	Technical Appendices & Draft Review Report

2.6 Supplied Documentation

The Panel was provided with significant documentation for the four sections and 24 models that required review, in addition to the hydrologic and hydraulic models. In general, the relevant pieces of documentation for each section have included:

- Flood models (Hydrologic and Hydraulic);
- The Feasibility Design Report (FDR);
- Relevant technical memoranda and technical notes provided either as background or in response to Panel requests;
- The Draft EIS; and
- Additional supporting information as relevant to site-specific considerations.

2.7 Reviewed Sections and Models

For the Queensland sections of Inland Rail, four sections (B2G, G2H, H2C, and C2K) were reviewed. For each section, both regional (large catchment area) models and local (small catchment area) models were developed by ARTC. These models were split into three drainage catchment classifications: major, moderate, and minor. The minor drainage catchments were not part of the scope of this review. Most moderate, plus all major catchments were reviewed and the models were provided to the Panel.

The following sections describe the sections and models that were reviewed in further detail.

2.7.1 Border to Gowrie (B2G)

The B2G section of the route was split into 13 regional catchment flood models (see Figure 2-2). The shaded areas represent the hydraulic model extents, the same coloured polygons represent the hydrologic model extents.

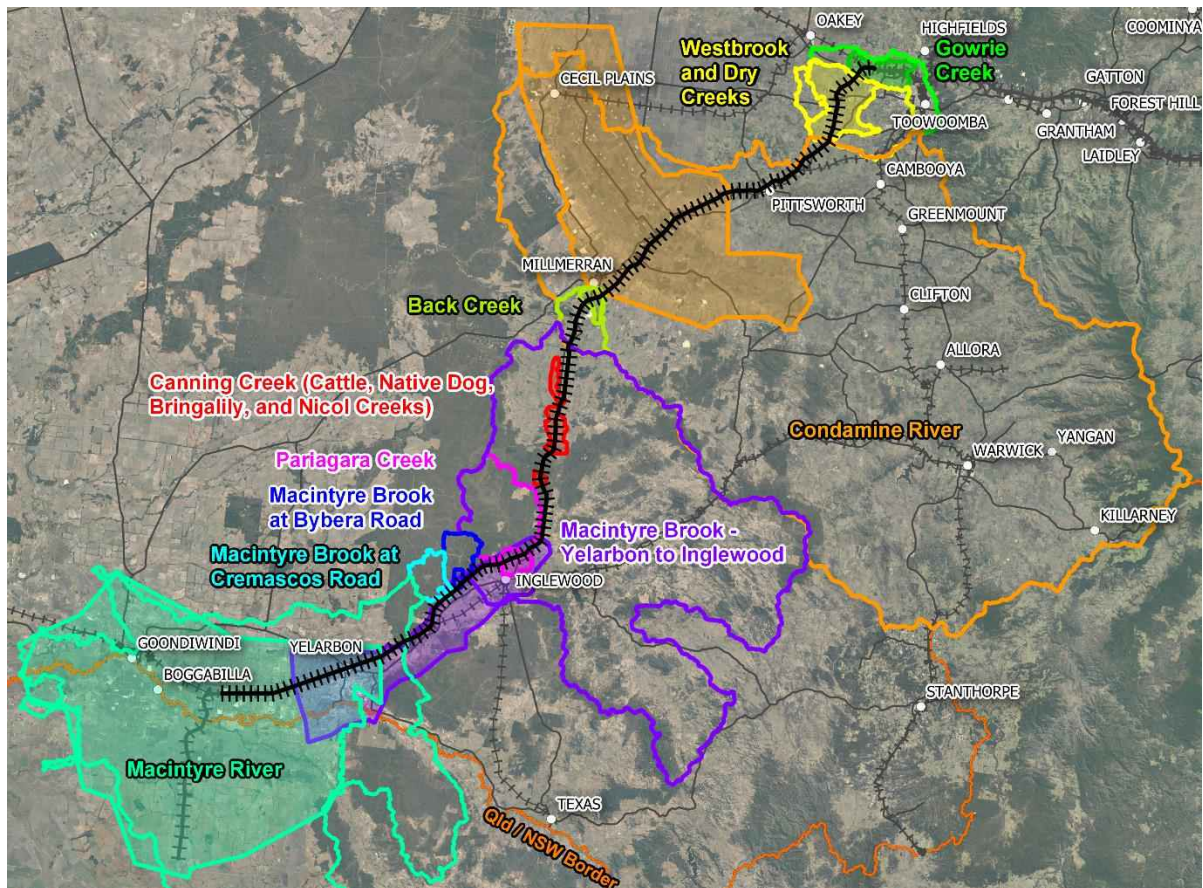


Figure 2-2: Site Location (B2G)

Gowrie Creek, to the west of Toowoomba, flows into the downstream end of Westbrooke Creek before it joins Oakey Creek. Back Creek is a tributary of the Condamine River which is situated along the central part of the route. The central to southern section of the route crosses Cattle Creek, Native Dog Creek, Nicol Creek, Bringalily Creek, and Pariagara Creek, which flow into Canning Creek, a tributary of Macintyre Brook. Macintyre Brook ultimately discharges into the Dumaresq River, a tributary of the Macintyre River.

The Queensland Rail (QR) South Western Line is part of the route in the Macintyre Brook / Canning Creek regional catchment. At the northern end, the Millmerran Branch forms part of the route in the Condamine River catchment.

2.7.2 Gowrie to Helidon (G2H)

The G2H route starts by following the existing QR West Moreton Line route. It then diverges at Gowrie Junction into a tunnel that emerges in the Lockyer Creek catchment. From there, it weaves along hillsides on the descent into the Lockyer Valley floodplain, crossing Oaky Creek and Six Mile Creek, before finally traversing Lockyer Creek and joining the H2C route near Helidon.

The G2H section of the route has been split into five regional catchment flood models, as shown in Figure 2-3. The shaded areas represent the hydraulic model extents, the same coloured polygons represent the hydrologic model extents.

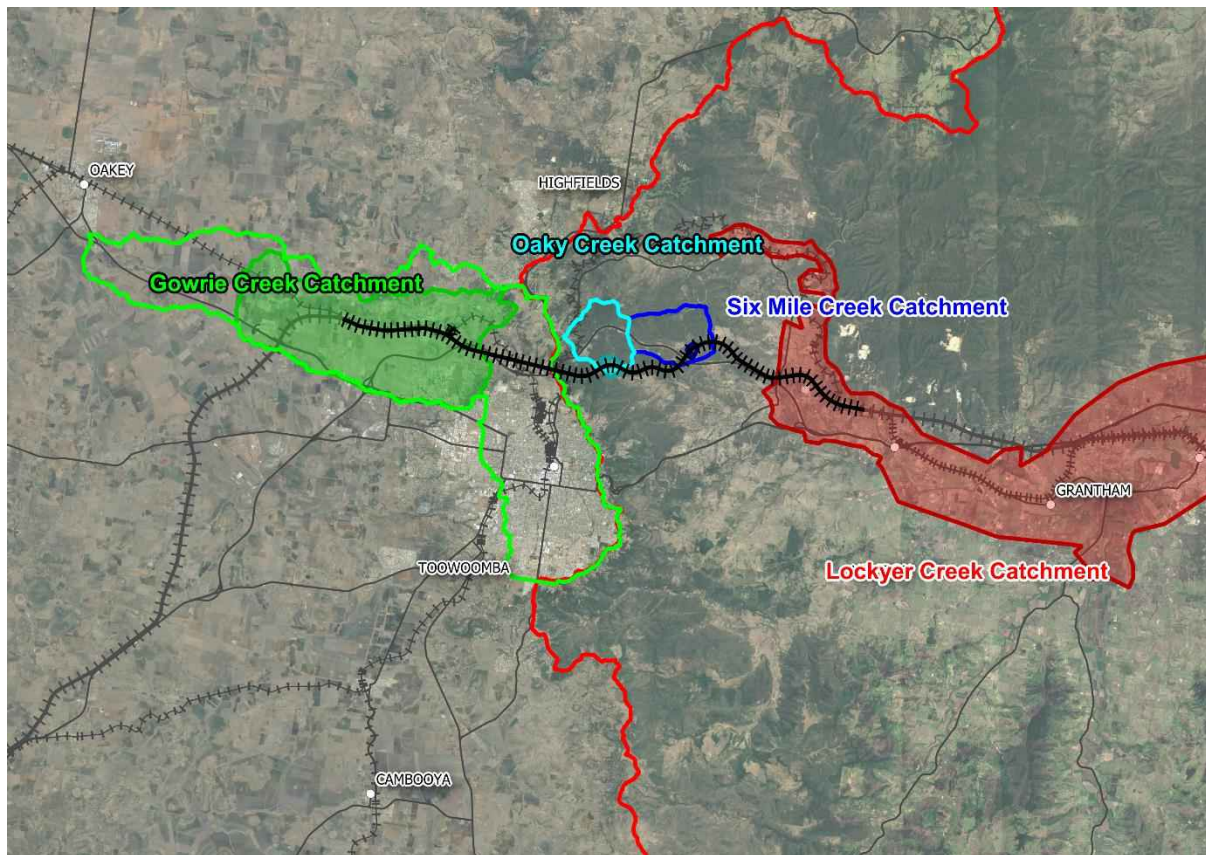


Figure 2-3: Site Location (G2H)

Gowrie Creek, to the north and north-west of Toowoomba, flows into the downstream end of Westbrook Creek before it joins Oakey Creek (not to be confused with Oaky Creek). The Gowrie Creek catchment also contains part of the B2G section of the route.

Oaky Creek and Six Mile Creek are tributaries of Lockyer Creek.

Lockyer Creek flows directly into the Brisbane River. Note that the Lockyer Creek catchment also contains part of the H2C section of the route.

2.7.3 Helidon to Calvert (H2C)

The H2C route largely follows the existing QR West Moreton Line route.

Figure 2-4 shows the extent of the H2C section and the two models. The shaded areas represent the hydraulic model extents, the same coloured polygons represent the hydrologic model extents.

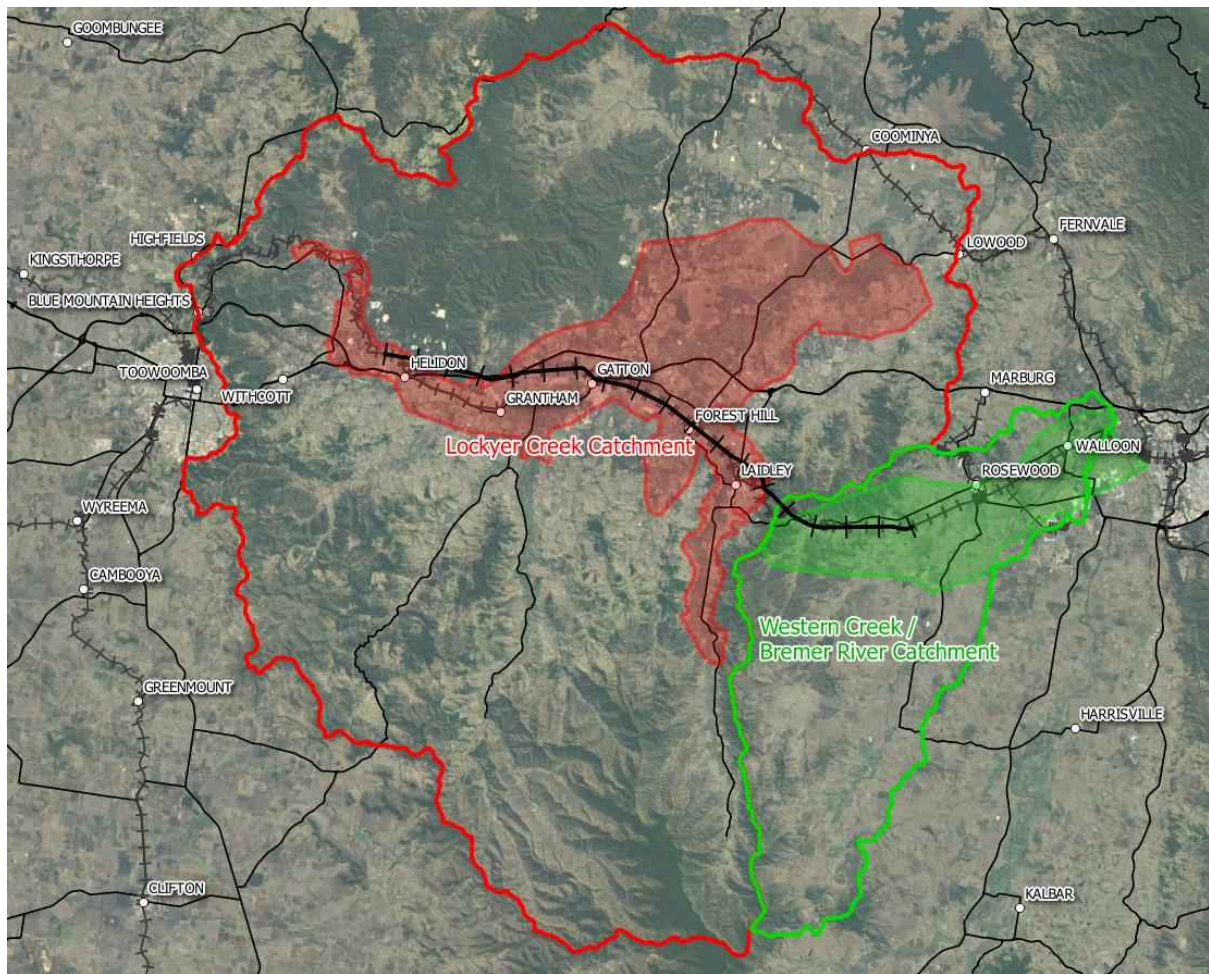


Figure 2-4: Site Location (H2C)

Lockyer Creek flows directly into the Brisbane River, whilst Western Creek flows into the Bremer River, which passes through Ipswich before also joining the Brisbane River. The Western Creek model is part of the larger Bremer River model, which is also relevant to the C2K section.

2.7.4 Calvert to Kagaru (C2K)

The C2K section of the route covers four major catchments, as shown in Figure 2-5. The shaded areas represent the hydraulic model extents, the same coloured polygons represent the hydrologic model extents.

Warrill Creek and Purga Creek flow into the Bremer River near Ipswich and ultimately into the Brisbane River. Teviot Brook is a tributary of the Logan River. Four regional models have been developed for each of these catchment areas, with additional local models developed for minor waterways or tributaries.

The QR West Moreton Line and the Rosewood Connection Fork are part of the route in the Bremer River regional catchment. At the eastern end, the Sydney to Brisbane Interstate Line and the Bromelton Connection Fork fall in the Teviot Brook regional model.

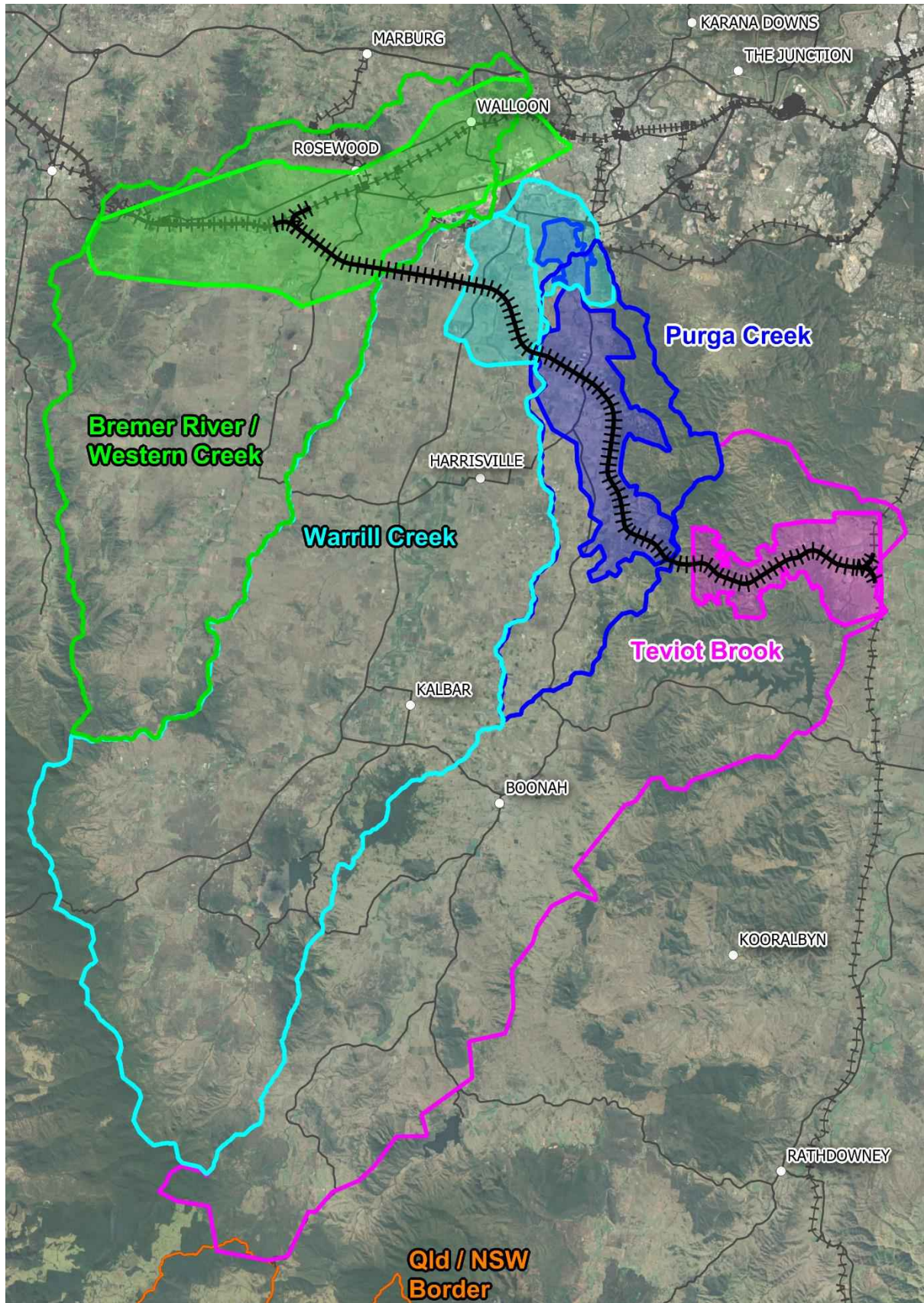


Figure 2-5: Site Location (C2K)

3 Design Criteria – Flood Impact Objectives

3.1 Overview

Each of the Draft EIS documents reviewed by the Panel contained inward-facing hydraulic design criteria and outward-facing FIOs. The design criteria address the serviceability and longevity requirements adopted for the asset, whilst the flood impact objectives reflect the need to protect the environment and minimise impacts on properties including houses, other buildings and land uses, and existing infrastructure such as roads.

The reviews completed by the Panel noted that a number of the FIOs nominated in the Draft EIS documents were qualitative, rather than quantitative in nature. While qualitative FIOs are often used in the industry, the Panel's view is that quantitative FIOs would be considered industry Best Practice. As a result, for each section of Inland Rail that was reviewed by the Panel, it was recommended that quantitative objectives be adopted to provide improved surety with respect to the intention for each parameter.

In response to this recommendation by the Panel, quantitative FIOs were proposed and subsequently revised in consultation with the Panel. The currently proposed (at the time of this report) FIOs are detailed in the ARTC Technical Note *EIS Flood Impact Objectives – Response and updates to Expert Panel feedback* (Document 2-0001-340-IHY-01-TN-0011, Revision 2, 8 April 2022).

The Panel considers that the adoption of quantitative FIOs is a significant advancement on the FIOs that were nominated in the Draft EIS documents. In particular, whilst landowners tend to have a wealth of knowledge regarding flooding conditions, this understanding may not extend to an appreciation of the impact of development on the use of their land based on the information supplied in the Draft EIS documents. The adoption of quantitative FIOs improves the ability of key stakeholders and landowners to assess impacts.

However, even with the adoption of quantitative FIOs, there is still a residual reliance on affected stakeholders and landowners having a reasonable degree of understanding of hydraulic processes to participate in the development of local solutions to local impacts.

The Panel reviewed the proposed FIOs. This section of the report (Section 3) lists comments of the Panel on the proposed FIOs, and recommended refinements to the proposed FIOs. The Panel considers that the proposed FIOs are acceptable.

3.2 Purpose of Flood Impact Objectives

It is important to note that the Panel considers FIOs to not reflect absolute requirements with respect to acceptable impacts in a particular situation. With regard to the length of corridor in the sections reviewed by the Panel, and the variable nature of flooding, it is not feasible to define impact limits that can be rigidly applied to the entire route. Local, site-specific conditions need to be considered to confirm whether an impact at a particular location that does not nominally meet the objectives is acceptable.

As noted in Section 13.6.2.2 of Chapter 13 of the Draft EIS (Document 2-0001-320-EAP-10-RP-0113, Revision E, 19 March 2021) for the H2C section (the Draft EIS documents for the other sections contained similar statements):

...Acceptable impacts will ultimately be determined on a case-by-case basis with interaction with stakeholders/landholders through the community engagement process using these objectives as guidance.

Rather than defining fixed limits, the Panel considers that the purpose of the objectives is to provide guidance as to the point at which a more detailed consideration of impacts is required. The Panel notes that this approach is proposed because there is often a practical limit to how much flood impacts are able to be mitigated. Based on the findings of the impact review, if necessary, the identified impacts can be addressed by a number of means, including consultation with affected landowners, or the adoption of additional mitigation measures where appropriate. Such an approach is standard practice on linear infrastructure projects.

Depending on the nature of the impact and its location, it may be possible to accept an impact in excess of the nominated objectives. For example, an increase in flood level of 30 mm at a road might be accepted if the depth of flooding is greater than this at another section of that road, meaning that the road would effectively be no less trafficable than the existing road.

The Panel also notes that all model results need to be interpreted with a level of engineering judgment and this is particularly relevant to the application of the FIOs. It is common for models to show localised impacts that are not realistic, and which are referred to as model artefacts or model 'noise'. This type of impact should be disregarded and can include isolated impacts far removed from the project corridor or marginal exceedances around the flood fringe.

The Panel's comments on the proposed FIOs are presented in the following sections.

3.3 Proposed Flood Impact Objectives

Table 3-1 presents the FIOs that were proposed in the 8 April 2022 ARTC Technical Note. FIOs for which refinements have been identified by the Panel are shaded in green. The following sections document the Panel's responses to each of the proposed quantitative FIOs.

Table 3-1: Proposed Quantitative Flood Impact Objectives

Parameter	Objectives					
Change in peak water levels (afflux) ¹	Existing habitable ² and/or commercial and industrial buildings/premises (e.g. dwellings, schools, hospitals, shops) and sensitive infrastructure ³	Yards or gardens of residential or commercial/ industrial properties/lots (excluding habitable ² dwellings/buildings)	Existing non-habitable structures (e.g. agricultural sheds, pump-houses)	Existing local roads currently in use Existing rail lines	State Controlled Roads	Agricultural and grazing land/forest areas and other non-agricultural land
	≤ 10 mm ⁴	≤ 50 mm ⁵	≤ 100 mm ^{4,6}	≤ 100 mm ⁷	≤ 20mm ⁷	≤ 200 ⁸ mm with localised ⁹ areas up to 400 mm
Changes in peak water levels are to be assessed against the FIOs. Changes in peak water levels can have varying impacts on different infrastructure/land. FIOs were developed to consider the flood sensitive receptors in the vicinity of the Project. It should be noted that in many locations the presence of existing buildings or infrastructure limits the change in peak water levels. For peak water levels assessed at any structure, the change in peak water level is measured relative to the existing floor level.						

Parameter	Objectives
Change in duration of inundation ¹	<p>Identify changes to time of inundation by determining time of submergence (ToS) in Existing and Developed¹⁰ Cases.</p> <p>Assess impacts against the following objectives for habitable floors²:</p> <ul style="list-style-type: none"> Where existing flood inundation is less than 1 hour – up to 1 hour duration of inundation Where existing flood inundation of 1 hour or more occurs – up to a 5% increase in duration of inundation <p>For impacted roads/rail, the duration of inundation can increase by up to 10%, subject to the determination of the time of submergence (ToS) and consideration of impacts on accessibility/egress during flood events in consultation with the relevant authority.</p> <p>Assess impacts against the following objectives for all other land uses:</p> <ul style="list-style-type: none"> Where existing flood inundation is less than 1 hour – up to 1 hour duration of inundation Where existing flood inundation of 1 hour or more occurs – up to a 10% increase in duration of inundation <p>The duration performance targets do not apply to newly flooded land where compliant with afflux criteria (see also General Notes).</p>
Flood flow distribution ¹	<p>Aim to minimise changes in natural flow patterns and minimise changes to flood-flow distribution across floodplain areas. This includes the objective of maintaining drainage paths that are conveying runoff from adjoining terrain, minor watercourses, and gullies, to avoid ponding of water and/or excessive duration of inundation.</p> <p>Identify any changes and justify acceptability of changes by assessing the risk with a focus on land use and flood sensitive receptors. The identification of changes to flow distribution is to include the</p>

	consideration of a range of floods, from small (frequent) events (for conditions throughout the event) to large and extreme (infrequent) events. This exercise will be undertaken to identify (and where deemed necessary, mitigate) any increased risk to flood sensitive receptors associated with flow distribution changes.
Velocities ¹	<p>Maintain existing velocities where practical or minimise increases in velocities. Identify changes to velocities and impacts on external properties.</p> <p>The Erosive Threshold Velocity (ETV) for natural ground surfaces should be established from a site-specific assessment by a suitably qualified specialist, and in consideration of engineering guidelines. For sealed surfaces, this same approach could be applied, or through reference to suitable guidelines/specifications.</p> <p>Assess against the following performance objectives:</p> <ul style="list-style-type: none"> ■ Sealed surfaces (or surfaces otherwise protected against erosion): <ul style="list-style-type: none"> – For existing velocities equal to or greater than 1 m/s (or the defined ETV), the increase in velocity is limited to 20% – For existing velocities (or velocities associated with new flowpaths) less than 1 m/s, the maximum design velocity is 1.2 m/s (or the defined ETV) ■ Natural ground surfaces including watercourses, agricultural land, unimproved grazing land and other unsealed or unprotected areas: <ul style="list-style-type: none"> – For existing velocities equal to or greater than 0.5 m/s (or the defined ETV), the increase in velocity is limited to 10% (or within an acceptable range as determined by geomorphological assessment) – For existing velocities (or velocities associated with new flowpaths) less than 0.5 m/s (or the defined ETV), the maximum design velocity is 0.5 m/s (or the defined ETV).
Hazard (velocity x depth product) ¹	<p>Assess against the following objectives:</p> <p>Roads/rail, urban and commercial areas, dwellings:</p> <ul style="list-style-type: none"> ■ A 10% increase in velocity x depth product. <p>Other land:</p> <ul style="list-style-type: none"> ■ A 20% increase in velocity x depth product. <p>(In both cases where the velocity x depth product is below 0.15 m²/s in the Developed⁶ Case, no percentage change performance targets apply)</p>
Extreme event risk management	<p>Consider risks posed to neighbouring properties and emergency access/egress for events larger than the 1% AEP event to minimise unexpected or unacceptable impacts.</p> <p>At sites with existing sensitive infrastructure³, uses involving vulnerable people and/or any critical road network that was designed to be immune to flooding in any extreme event, the objective for increase in peak water level under the 0.2% AEP (1 in 500) is 10 mm¹¹.</p> <p>At existing habitable² dwellings and/or commercial and industrial buildings/premises under the 0.05% (1 in 2000) AEP event, a maximum increase in peak water level of 250 mm applies.</p>
Sensitivity testing	<p>Consider risks posed by climate change and blockage in accordance with Australian Rainfall and Runoff (ARR) 2019.</p> <p>Undertake assessment of impacts associated with project alignment for both scenarios.</p>

Table notes:

1. These FIOs apply for events up to and including the 1% AEP event, and relate to land outside the rail corridor (as well as roads and level crossings that lie within/traverse the rail corridor). Where transport corridors are shared or lie immediately adjacent to the Inland Rail corridor, relevant FIOs apply as outlined in Table 1 (i.e. for existing rail, State Controlled roads, local roads, etc.).
2. Habitable floors include all lawfully occupied dwellings regardless of land use zoning.
3. Sensitive infrastructure means infrastructure that is an essential service required to operate during emergency events, including water treatment facilities, telecommunications substations and electrical substations.
4. Data permitting and based on a review of calibration outcomes, where negative calibration bias is identified, a suitable tolerance (commensurate with the bias) will be added to the design flood levels to assess afflux and duration acceptability against the nominated FIO threshold.
5. This FIO reduces to ≤ 20 mm for developed lots that are less than 1000 m² in area.
6. The current usage of non-habitable structures will be reviewed as design progresses and additional detail becomes available (e.g. animal shelter versus horticultural packing facility). This could influence the application of one of the other FIOs, which may be more suited to the specific usage of the structure.
7. Consultation will be undertaken with the relevant asset owner based on the application of the appropriate FIOs. This consultation will present all changes (>20mm) across the road or rail network to identify specific roads or sections of rail that require local and/or route specific considerations. In flood sensitive locations this may entail a lower afflux threshold being adopted.
8. Where the alignment crosses the Condamine River and Lockyer Creek floodplains, this objective reduces to 100 mm (with localised⁹ areas up to 200 mm), in light of the combination of floodplain sensitivity, inundation duration, and land use (intensive horticulture).
9. Localised is defined as the lesser of <1.0 ha or 5% of an individual lot.
10. Developed scenario implies fully constructed/operational rail line and associated works.
11. The 0.2% AEP (1 in 500) event is only required to be assessed where adherence to the FIO cannot be inferred from the 1% AEP and 1 in 2000 AEP event results.

General notes:

- Justification must be provided in the selection of a governing QDL where two or more competing QDLs may apply – in the absence of such justification the most limiting of the applicable QDLs shall apply.
- Erosive Threshold Velocity (ETV) means the velocity at which water movement has the potential to create scour or erosion. For natural surfaces, the erosive threshold of the soil/ground cover/vegetative conditions shall be established from an assessment by a suitably qualified specialist. In the absence of such assessment being undertaken an ETV of 0.5 m/s shall be assumed.
- The effects of any increased lateral spread of floodwaters (i.e. associated with permissible afflux) beyond 1 ha or 5% of the affected lot area should be considered on merit, taking into account affected receptors and land-usage (e.g. flood depth, flood duration, etc.).
- The term “Road” relates to the operational road surface.
- Within the rail corridor erosion protection measures will be installed (as required). This is with a view to managing the risk of scour propagating beyond the rail corridor boundary.
- Consultation shall be undertaken using the full suite of flood impact information (including afflux, velocity, duration and hazard). In locations where the afflux or velocity FIOs are exceeded, the change in flood hazard shall be communicated to the landholder with respect to the combined flood hazard classifications as defined in ARR 2019 and the velocity x depth product.

3.3.1 Change in Peak Water Level

The proposed FIOs nominate change in peak water level (flood impact / flood afflux) objectives with respect to a range of scenarios for events up to and including the 1% Annual Exceedance Probability (AEP) event. This approach was considered to be appropriate by the Panel because the ability to tolerate changes in peak water level would depend on the situation being considered. The reasonableness of the proposed tolerances is discussed below:

Habitable/commercial buildings

Situation: Existing habitable and/or commercial and industrial buildings/premises (e.g. dwellings, schools, hospitals, shops) and sensitive infrastructure.

Objective: ≤ 10 mm

The nominated 10 mm or less impact is generally in accordance with standards in urban areas with stringent planning schemes (for example Brisbane City Council Local Government Area (LGA)) and may be more severe than some of the LGA requirements that the route traverses. For habitable areas, the nominated tolerance is considered to be reasonable.

The Technical Note indicates that for peak water levels assessed at any structure, the change in peak water level is measured relative to the existing floor level. The Panel understands that detailed survey will be completed to collect floor level data as part of further design to assist in the assessment of impacts.

Whilst this is acceptable practice, depending on the calibration of the models, there is a concern that the approach could inadvertently exclude impacts in excess of 10 mm at some buildings.

On the topic of model calibration, the Panel acknowledges that it is typically not possible to calibrate a model to match recorded flood levels at all points. The process of calibration is intended to provide the best possible agreement at each calibration point (within a desirable range) between calculated and recorded flood levels across the area being modelled. The aim is to achieve an acceptable level of agreement at most of the points with minimal overall bias (i.e., the average of the positive and negative differences between recorded and calculated levels is close to zero). However, even with the best calibration, there will be differences between calculated and recorded levels and there will also be points (outliers) where it is not possible to achieve a close agreement between calculated and recorded levels without changing the model in a manner that cannot be justified based on other available data. In such cases, “over-fitting” the model to available data reduces the reliability and predictive capacity of the model.

As a consequence, in cases where the calculated level is lower than the recorded level, there is the concern that the calculated flood level for a particular design event could be underestimated (or be perceived as being underestimated). While this is of limited relevance to the calculation of the relative impact associated with the railway (i.e., the change in flood level caused by the construction of the railway), it is potentially of relevance when considering whether an increase will result in or worsen above floor inundation.

For example, if at a particular point the calibrated model predicts a flood level 100 mm lower than the recorded flood level and the 1% AEP event is calculated as causing a flood level 50 mm below floor level, an increase in level of 20 mm may be considered to be acceptable as it does not result in above-floor flooding for the event. However, it could be argued that if the model calibration matched the recorded level (i.e. the modelled flood level was 100 mm higher), then the design flood level would be 50 mm above the floor level and the allowable impact would most likely be limited to 10 mm.

Similarly, the agreement between the aerial laser (LiDAR) survey used for modelling and detailed survey of floor levels will need to be considered.

To address this issue and recognising that these circumstances may only affect a limited number of buildings, Note 4 to the FIOs requires the addition of a suitable tolerance to design flood levels to assess afflux in cases where the calibration indicates flood levels lower than those recorded. The Panel considers this to be an acceptable approach.

Finally, the review of the Draft EIS documents completed by the Panel identified that no objectives were defined with respect to critical infrastructure. The proposed FIO for existing habitable areas now includes sensitive infrastructure and therefore an associated objective of ≤ 10 mm, satisfactorily addressing this issue.

Areas associated with residential or commercial/industrial buildings

Situation:	Yards or gardens of residential or commercial/industrial properties/lots (excluding habitable dwellings/buildings)
Objective:	≤ 50 mm

The adopted constraint of 50 mm or less where flooding does not impact dwellings/buildings is less stringent than some urban areas (for example Brisbane City Council LGA). Although an increase in flood level of this order could be unacceptable in certain situations (that is, where new building works or subdivisional approval is already granted under local planning schemes), the adopted tolerance is considered to be generally sufficient for the purpose of initial guidance.

Recognising that a more stringent criterion is typically applied in urban areas, Note 5 to the FIOs reduces the objective to ≤ 20 mm on lots less than 1,000 m² in area. The Panel considers that this provides a suitable balance between the criteria relevant to small and large lots.

Existing non-habitable structures

Situation:	Existing non-habitable structures (e.g. agricultural sheds, pump-houses)
Objective:	≤ 100 mm

The FIO does not agree with performance criteria from the Basis of Design (Australian Rail Track Corporation Limited, May 2018) which states *“the increase in flood level above the floor level of buildings must be less than 0.01 m”*, with no differentiation between habitable and non-habitable floors.

However, it is acknowledged that a greater flood level impact may be suitable for non-habitable structures such as sheds compared to habitable buildings. Consequently, the acceptable constraint will depend on the use of the structure.

To address this issue, Note 6 to the FIOs requires the current usage of non-habitable structures to be reviewed as the design progresses. The Panel considers that this approach is acceptable and provides a reasonable balance between the range of uses that can occur in non-habitable structures.

The FIO also refers to Note 4 and consequently also takes account of differences between calibrated and recorded levels when considering the calculated afflux.

Existing local roads and rail lines

Situation:	Existing local roads currently in use Existing rail lines
Objective:	≤ 100 mm

The FIO does not agree with performance criteria from the Basis of Design (Australian Rail Track Corporation Limited, May 2018) which states *“must be less than 0.01 m and this impact criterion must also apply to other sensitive infrastructure ... including changes to any associated roads”*.

The constraint of 100 mm or less may or may not be appropriate depending on the situation being considered. The matters to be considered in relation to the acceptability of an impact at a road include:

- What is the relative importance of the road (e.g. is it a critical escape route where there is a reduced ability to accept increases in flood level) and are there alternate flood-free routes?
- Would an increase in depth of 100 mm change the hazard classification?
- What is the impact of the change on the time of inundation (refer to Section 3.3.2)?

Given the low immunity and usage of many roads in the vicinity of the corridor, the nominated tolerance could be reasonable in many cases. However, it is noted that councils could require less impact, depending on the particular road being considered. It is also noted that Council officers will have an understanding of the acceptable changes in flood level within a particular LGA and can interpret the results of modelling accordingly.

In response to the Panel's concern that impacts in excess of 10 mm could be of importance depending on the nature of the road being considered, Note 7 to the FIOs requires all impacts >20 mm to be presented in order to identify specific roads where local or route specific considerations are required. The Panel understands that the 20 mm value is nominated based on the understanding of the requirements for state-controlled roads.

While the Panel appreciates that the acceptable limit will vary depending on the nature of the road being considered, as the intent of the objective is to define the point at which additional consideration is required (and not the limit of impact), the Panel recommends that Note 7 be retained and the objective set at *“between the limit for state-controlled roads and 100 mm”*.

Similarly, the objective of ≤ 100 mm may not be acceptable with respect to existing railways depending on the situation being considered, noting that in the case of Inland Rail the railway embankment is located in close proximity to the existing railway in a number of areas and as a result it may not be practicable to achieve minimal impact. The Panel also acknowledges email correspondence from QR that indicates that an afflux of up to 100 mm could be acceptable. The Panel therefore recommends that the objective for railways be set at *“ ≤ 10 -100 mm or as nominated by Queensland Rail”*.

In both cases, similar to the consideration of habitable floor levels, the Panel recommends that a tolerance be added to calculated flood levels to determine whether flooding of existing road and railways could occur when considering the acceptability of calculated impacts.

State-controlled roads

Situation: State-controlled Roads
Objective: ≤ 20 mm

Similar to the case with existing local roads, the FIO does not agree with performance criteria from the Basis of Design (Australian Rail Track Corporation Limited, May 2018) which states *“must be less than 0.01 m and this impact criterion must also apply to other sensitive infrastructure ... including changes to any associated roads”*.

Again, whilst many of the state-controlled roadways in the vicinity of the rail corridor have a low immunity, the constraint of 20 mm or less may not be appropriate, depending on the particular situation being considered. It is necessary to consider the effects of any increase in peak water level in terms of road immunity, hazard, and time of submergence/closure.

The Panel notes that DTMR's technical requirements for the Inland Rail project nominate an impact of 10 to 20 mm as being acceptable. Consequently, the Panel recommends that the objective be set at *“ ≤ 10 to 20 mm”*.

Agriculture and grazing

Situation: Agricultural and grazing land/forest areas and other non-agricultural land.
Objective: ≤ 200 mm with localised areas up to 400 mm.

Note 8 to the FIOs reduces the objective to ≤ 100 mm with localised areas up to 200 mm in the case of the Condamine River and Lockyer Creek. The Panel supports the adoption of a more restrictive objective with respect to the Condamine River and Lockyer Creek due to the particular sensitivity of the two floodplains to flooding.

Although the objective provides initial guidance and reflects the expected higher tolerance for increases on rural land, whether the impact is acceptable will depend on the current and future use of the land and will require consideration of factors such as:

- Does this increase in peak water level result in altered flow patterns (particularly for more frequent events) or increased scour?
- What is the impact on the agricultural viability of the land?

Overall, the objective is considered to be reasonable for the land uses being considered. Note 9 to the FIOs provides additional guidance, defining localised as being the lesser of 1 hectare or 5% of an individual lot. The Panel considers that this definition of the extent of localised impact is acceptable.

3.3.2 Change in Duration of Inundation

The proposed FIOs nominate the following quantitative objectives with respect to changes in the duration of inundation for events up to and including the 1% AEP event:

Identify changes to time of inundation by determining time of submergence (ToS) in Existing and Developed Cases.

Assess impacts against the following objectives for habitable floors:

- *Where existing flood inundation is less than 1 hour – up to 1 hour duration of inundation*
- *Where existing flood inundation of 1 hour or more occurs – up to a 5% increase in duration of inundation*

For impacted roads/rail, the duration of inundation can increase by up to 10%, subject to the determination of the ToS and consideration of impacts on accessibility/egress during flood events in consultation with the relevant authority.

Assess impacts against the following objectives for all other land uses:

- *Where existing flood inundation is less than 1 hour – up to 1 hour duration of inundation*
- *Where existing flood inundation of 1 hour or more occurs – up to a 10% increase in duration of inundation*

The duration performance targets do not apply to newly flooded land where compliant with afflux criteria.

Whether a change in the duration of inundation is acceptable will depend on the use being considered (for example a road or an agricultural area) and the nature of the activity (e.g. the use of the road or the type of crop being grown). The nominated FIOs differentiate between habitable buildings and other land uses and is considered to be reasonable with respect to land already inundated.

The Panel considers that the nominated FIOs for change in the duration of inundation for habitable floors are reasonable because the change in duration of inundation is unlikely to materially affect flood damage or inconvenience during a flood event.

To account for cases where the calibration provides calculated values lower than recorded values, Note 4 to the FIOs includes the requirement to consider the duration of inundation relative to an adjusted flood level hydrograph. The Panel considers this to be acceptable and note that the objective needs to refer to Note 4.

When reviewing the Draft EIS documents, the Panel noted that an important criterion is a change in flood fringe (i.e., areas that were dry becoming wet as a result of flood level increases or changes to flow paths). The Panel concluded that buildings or lots that change from being dry in a certain sized flood to being within the flood extent for the same sized flood when the rail line is built should be considered, with those areas plotted as “Was Dry, Now Wet” on the developed case afflux maps considered under a flood impact objective.

To address this issue, a general note to the FIOs requires that ‘the effects of any increased lateral spread of floodwaters (i.e. associated with permissible afflux) beyond 1ha or 5% of the affected lot area should be considered on merit, taking into account affected receptors and land-usage (e.g. flood depth, flood duration, etc.).’

The Panel considers that this general note satisfactorily addresses the issue.

3.3.3 Flood Flow Distribution

The proposed FIOs nominate the following objectives with respect to changes in the distribution of flood flows for events up to and including the 1% AEP event.

Aim to minimise changes in natural flow patterns and minimise changes to flood-flow distribution across floodplain areas. This includes the objective of maintaining drainage paths that are conveying runoff from adjoining terrain, minor watercourses, and gullies, to avoid ponding of water and excessive duration of inundation.

Identify any changes and justify acceptability of changes by assessing the risk with a focus on land use and flood sensitive receptors. The identification of changes to flow distribution is to include the consideration of a range of floods, from small (frequent) events (for conditions throughout the event) to large and extreme (infrequent) events. This exercise will be undertaken to identify (and where deemed necessary mitigate) any increased risk to flood sensitive receptors associated with flow distribution changes.

The flood flow distribution objectives do not provide a quantitative objective in relation to changes in the distribution of flow. This is considered to be acceptable in this case given that changes to flood flow distribution will be associated with the adopted locations for drainage structures and provided that the change in flow distribution at each crossing is considered.

Given the rural nature of much of the route, the consideration of impacts on flood flow distribution will necessarily need to focus on the lower flood flows associated with more frequent events as these will be of relevance to local landholders. For example, farm drain connectivity is a significant issue for agricultural landowners. The Panel considers that this requirement is reflected in the nominated FIO.

3.3.4 Velocities

The proposed FIOs nominate the following quantitative objectives with respect to changes in flow velocity for events up to and including the 1% AEP event.

Maintain existing velocities where practical or minimise increases in velocities. Identify changes to velocities and impacts on external properties.

The Erosive Threshold Velocity (ETV) for natural ground surfaces should be established from a site-specific assessment by a suitably qualified specialist, and in consideration of engineering guidelines. For sealed surfaces, this same approach could be applied, or through reference to suitable guidelines/specifications.

Assess against the following performance objectives:

- *Sealed surfaces (or surfaces otherwise protected against erosion):*
 - *For existing velocities equal to or greater than 1 m/s (or the defined ETV), the increase in velocity is limited to 20%*
 - *For existing velocities (or velocities associated with new flowpaths) less than 1 m/s, the maximum design velocity is 1.2 m/s (or the defined ETV)*
- *Natural ground surfaces including watercourses, agricultural land, unimproved grazing land and other unsealed or unprotected areas:*
 - *For existing velocities equal to or greater than 0.5 m/s (or the defined ETV), the increase in velocity is limited to 10% (or within an acceptable range as determined by geomorphological assessment)*
 - *For existing velocities (or velocities associated with new flowpaths) less than 0.5 m/s (or the defined ETV), the maximum design velocity is 0.5 m/s (or the defined ETV).*

It is acknowledged that the specification of velocity limits for natural ground surfaces is difficult given the soil types documented for considerable portions of the route and their potential to scour. In turn, the potential for scour to occur can depend on whether a crop is being grown at the time of a flood. Consequently, the completion of site-specific assessments by suitably qualified specialists to define allowable velocities, shear stress values and unit discharges is preferred over a general quantitative criterion.

Noting the need to take careful consideration of the potential for soils (and black soils in particular) to scour, the Panel considers that the adopted FIOs with respect to velocity are appropriate.

3.3.5 Flood Hazard

The proposed FIOs nominate the following quantitative objectives with respect to flood hazard (velocity - depth product) for events up to and including the 1% AEP event.

Assess against the following objectives:

Roads/rails, urban and commercial areas, dwellings:

- *A 10% increase in velocity x depth product.*

Other land:

- *A 20% increase in velocity x depth product.*

(In both cases where the velocity x depth product is below 0.15 m²/s in the Developed Case, no percentage change performance targets apply).

Flood hazard is normally considered in terms of velocity of flow, depth of flow, and the velocity - depth product. Chapter 7 of Book 6 of ARR 2019 defines a number of hazard classifications based on limiting flow velocities, flow depths and the velocity - depth product. Given the FIOs that are defined with respect to changes in water level (refer to Section 3.3.1) and velocity (refer to Section 3.3.4), the use of only the velocity - depth product for the consideration of flood hazard is considered by the Panel to be appropriate in this case.

The nominated objectives with respect to increases in velocity - depth product are considered by the Panel to be appropriate.

The Panel proposed that the objective be modified to include a statement indicating that if a change in flood hazard does not change the associated flood hazard category or only involves a 10% change in hazard in cases where the flood hazard category does change, then the change is acceptable. An alternate approach was adopted by ARTC, with the general notes to the FIOs revised to require consultation to be undertaken using the full suite of flood impact information and flood hazard classifications as defined in ARR2019. The Panel considers that the nominated general note is acceptable.

3.3.6 Extreme Event Risk Management

The proposed FIOs nominate the following quantitative objectives with respect to extreme events (i.e. events greater than the 1% AEP event):

Consider risks posed to neighbouring properties and emergency access/egress for events larger than the 1% AEP event to minimise unexpected or unacceptable impacts.

At sites with existing sensitive infrastructure, uses involving vulnerable people and/or any critical road network that was designed to be immune to flooding in any extreme event, the objective for increase in peak water level under the 0.2% AEP (1 in 500) is 10 mm.

At existing habitable dwellings and/or commercial and industrial buildings/premises under the 0.05% (1 in 2000) AEP event, a maximum increase in peak water level of 250 mm applies.

The proposed FIOs require an assessment of risks posed to neighbouring properties for events larger than the 1% AEP event to “minimise unexpected or unacceptable” impacts. As extreme events have a very low probability of occurrence, it is typically not appropriate to apply the same objectives as those adopted for the 1% AEP event. As a consequence, it is necessary to consider whether any impacts are either unexpected (for example a change in flow direction) or unacceptable.

The proposed FIOs include a quantitative objective in relation to habitable dwellings and commercial/industrial buildings. The specification of an objective for areas that people would be expected to congregate in is considered to be reasonable. In other areas, it is agreed that it is appropriate to retain a qualitative assessment of extreme events.

The *State Planning Policy – State Interest Guidance Material, Natural Hazards, Risks and Resilience – Flood* (DILGP, July 2017) includes recommendations for the adoption of higher levels of immunity for critical infrastructure (such as hospitals and emergency services facilities) and uses involving vulnerable people (for example retirement villages). Table 18 of the policy indicates a level of immunity between the 0.2% AEP event and the Probable Maximum Flood (PMF).

It is recognised that critical infrastructure and uses involving vulnerable persons may have been constructed prior to the guidelines being issued or that it may simply not be possible to provide the level of immunity recommended by the guidelines. Consequently, it is necessary to ensure that flooding of critical infrastructure and uses involving vulnerable persons is not significantly worsened as a result of the construction of the Inland Rail project. Similarly, the level of immunity of any critical road network that was designed to remain flood-free in an extreme event needs to be maintained.

The nominated FIO addresses this requirement by nominating an objective with respect to impacts on sensitive infrastructure. The Panel considers that the objective, including Note 11 which allows the impacts associated with the 1% AEP and 1 in 2000 AEP events to be used to initially consider whether modelling of the 0.2% AEP event is required, is acceptable.

3.3.7 Sensitivity Testing

The proposed FIOs nominate the following objectives with respect to sensitivity testing:

Consider risks posed by climate change and blockage in accordance with Australian Rainfall and Runoff (ARR) 2019.

Undertake assessment of impacts associated with project alignment for both scenarios.

The proposed FIOs require the risks of impacts posed by climate change or blockage to be assessed. These FIOs have not been changed from the FIOs that were proposed in the Draft EIS documents. The nominated objectives are considered to be both good practice and acceptable.

3.4 Flood Impact Objectives for Approved Sections of Inland Rail

In the previous section, the proposed FIOs were compared to relevant standards and best/standard practice. For context, it is also worth considering the flood impact limits that have been adopted within the NSW sections of the Inland Rail Project (Quantitative Design Limits or QDL(s)). The QDLs from the Narrabri to North Star section of the northern NSW portion of the Inland Rail route are presented in Table 3-2. These QDLs were published as Appendix A to the conditions attached to the approval of the Critical State Significant Infrastructure (CSSI) issued on 13 August 2020 under the NSW *Environmental Planning & Assessment Act, 1979*.

For comparative purposes, the table also lists the proposed FIOs for Queensland sections of the railway, noting that the values nominated for Queensland are a summary of the nominated objective, not the entire FIO. The proposed FIOs for Queensland do not incorporate the changes that are recommended by the Panel in Section 3.3.

Table 3-2: Quantitative Design Limits – Conditions of Approval for Inland Rail – Narrabri to North Star

Parameter	Location or Land Use	QDL (NSW Narrabri to North Star)	Proposed FIO (Queensland)
Change in water level	Habitable floors	10mm inc.	≤ 10mm
	Non-habitable floors	20mm inc.	Not defined
	Other urban and recreational	100mm inc.	≤ 100mm
	Agricultural	200mm inc.	≤ 100-200mm
	Forest and unimproved grazing land	300mm inc.	≤ 100-200mm
	Highways and sealed roads >80km/h	No increase in depth where aquaplaning exists and remains unmitigated. Otherwise 50mm increase	≤ 20mm (State-controlled roads) ≤ 100mm (local roads)
	Sealed and unsealed roads <80 km/h	100mm increase	≤ 100mm (local roads)
Scour Erosion Potential	Ground surfaces that have been sealed or otherwise protected against erosion. This includes roads and most urban, commercial, industrial, recreational and forested land.	20% increase in velocity where existing velocity already exceeds 1m/s	20% increase in velocity where existing velocity ≥ 1m/s (or the defined ETV ¹) For velocities less than 1m/s, maximum 1.2m/s (or the defined ETV)
	Other areas including watercourses, agricultural land, unimproved grazing land and other unsealed or unprotected areas	No velocities to exceed 0.5m/s unless justified by site-specific assessment conducted by an experienced geotechnical or scour/erosion specialist. In addition, the increase in velocity is to be limited to 20% where the existing velocity already exceeds 0.5 m/s	10% increase in velocity where existing velocities ≥ 0.5m/s (or defined ETV) Where existing velocity is < 0.5m/s, maximum velocity is 0.5m/s (or defined ETV).
Flood Hazard	Urban, commercial, industrial, highways and sealed roadways	10% increase in VxD^2 where H1 or H2 category 0% increase in VxD where H3 or greater hazard category No target for $VxD \leq 0.1m^2/s$	10% increase in VxD No target for $VxD \leq 0.15m^2/s$
	Elsewhere	20% increase in VxD No target for $VxD \leq 0.1m^2/s$	20% increase in VxD No target for $VxD \leq 0.15m^2/s$

¹ ETV refers to Erosion Threshold Velocity.

² VxD refers to velocity-depth product.

Parameter	Location or Land Use	QDL (NSW Narrabri to North Star)	Proposed FIO (Queensland)
Flood Duration	Habitable floors	No increase in inundation duration above floor level. 10% increase in inundation duration where below floor level and when existing inundation duration exceeds one hour. Otherwise, inundation duration not to exceed one hour. Does not apply to areas < 100m ²	If < 1 hour, up to 1 hour If > 1 hour, up to 5% increase in inundation duration
	Highways and sealed roads >80 km/h	10% increase in inundation duration Does not apply to areas < 100m ²	Up to 10% increase in inundation duration, subject to the consideration of the impact of the change in time of submergence on the access/egress in consultation with relevant authority
	Elsewhere	10% increase in inundation duration when existing inundation duration exceeds one hour. Otherwise inundation duration not to exceed one hour. Does not apply to areas < 100m ²	If < 1 hour, up to 1 hour If > 1 hour, up to 10% increase in inundation duration

The following sections discuss the comparison between the New South Wales QDLs and the Queensland FIOs.

3.4.1 Change in Peak Water Level

With the exception of roads, the proposed FIOs are considered to be similar or slightly more conservative than the QDLs (refer to Section 3.3.1).

For state-controlled roads (referred to as highways and high-speed sealed roads for the QDLs), the QDLs could be more or less conservative than the proposed FIOs, depending on the situation. The objective recommended by the Panel ($\leq 10 - 20$ mm) is considered to align with current Queensland practice and to be acceptable.

For lower speed roads, the proposed FIO matches the QDL. For higher speed roads, the Panel considers that a more stringent objective may need to be adopted, depending on the road being considered and the requirements of the relevant LGA (refer to Section 3.3.1).

3.4.2 Scour/Erosion Potential

The proposed FIOs for scour and erosion potential generally match or are more conservative than the QDLs.

Given the sensitivity of the soils present over the route to erosion and the purpose of the FIOs (refer to Section 3.2), the Panel considers that the FIOs and in particular referencing the erosion threshold velocity (based on site-specific assessments) are appropriate.

3.4.3 Flood Hazard

There are slight differences between the QDLs and the proposed FIOs with respect to flood hazard. Whilst the QDLs adopt a velocity - depth product ($V \times D$) threshold of $0.1 \text{ m}^2/\text{s}$, the proposed FIOs are based on a threshold of $0.15 \text{ m}^2/\text{s}$. The slightly higher threshold in the proposed FIOs is considered by the Panel to still be relatively low and acceptable.

The allowable increases in velocity - depth product nominated in the QDLs are similar to the proposed velocity - depth product increases in the FIOs. Although the QDL for the allowable increase in velocity - depth product for urban, commercial/industrial, highways, and sealed roadways is nil when the hazard category is H3 (unsafe for vehicles, children and the elderly) or higher, the Panel considers that the allowance of an increase in velocity - depth product (within reason) is acceptable for H3 and higher conditions because H3 and higher are considered to be unsafe according to ARR 2019. There is little benefit achieved from limiting the velocity - depth product value.

3.4.4 Flood Duration

For habitable floors, the QDLs are more restrictive in the case of above floor flooding and less restrictive with respect to below floor flooding compared to the proposed FIOs. The Panel considers the proposed FIOs to be reasonable (refer to Section 3.3.2).

For highways and high-speed roads, the QDLs match the FIOs.

For other locations, the proposed FIOs match the QDLs.

3.5 Summary

The Panel considers that the quantitative FIOs provide a significant improvement over the qualitative FIOs that were nominated in the Draft EIS documents. The FIOs included specific, quantitative objectives with respect to impacts associated with flood levels, duration of inundation, velocities, extreme events, and flood hazard. The use of quantitative objectives provides increased confidence in the evaluation of project impacts and the requirements to enter negotiations with potentially impacted properties.

Following a review of the FIOs, the Panel recommends that the FIOs relating to the change in peak flood level on existing local roads, existing rail lines and state-controlled roads be modified.

The recommended refinements are detailed below.

- **Existing local roads**

For existing local roads it is recommended that the objective be set at “ \leq the limit for state-controlled roads - 100 mm” rather than $\leq 100 \text{ mm}$.

- **Existing rail lines**

For existing rail lines, it is recommended that the objective be set at “ $\leq 10\text{-}100 \text{ mm}$ or as nominated by Queensland Rail” rather than $\leq 100 \text{ mm}$.

- **State-controlled roads**

For state-controlled roads, it is recommended that the objective be set at “ ≤ 10 to 20mm ” rather than $\leq 20 \text{ mm}$.

▪ **Change in duration of inundation**

Finally, it is noted that a reference to *Note 4 to the FIOs (which deals with calibration accuracy)* needs to be added to the *Change in duration of inundation objective* as the note relates to both changes in peak levels and duration of inundation.

The amended changes are summarised in Table 3-3, which presents an updated version of the FIO Table (Table 3-1) for those FIOs for which a refinement is made. In each case, the amended refinements are shaded in green.

Table 3-3: Summary of Revisions to the FIOs

Parameter	Objectives						
Change in peak water levels (afflux) ¹	Existing habitable ² and/or commercial and industrial buildings/premises (e.g. dwellings, schools, hospitals, shops) and sensitive infrastructure ³	Yards or gardens of residential or commercial/industrial properties/lots (excluding habitable ² dwellings/buildings)	Existing non-habitable structures (e.g. agricultural sheds, pump-houses)	Existing local roads currently in use	Existing rail lines	State Controlled Roads	Agricultural and grazing land/forest areas and other non-agricultural land
	≤ 10 mm ⁴	≤ 50 mm ⁵	≤ 100 mm ^{4,6}	≤ the limit for state-controlled roads to 100 mm ⁷	≤ 10-100 mm or as nominated by Queensland Rail ⁷	≤ 10 to 20mm ⁷	≤ 200 ⁸ mm with localised ⁹ areas up to 400 mm
	Changes in peak water levels are to be assessed against the FIOs. Changes in peak water levels can have varying impacts on different infrastructure/land. FIOs were developed to consider the flood sensitive receptors in the vicinity of the Project. It should be noted that in many locations the presence of existing buildings or infrastructure limits the change in peak water levels. For peak water levels assessed at any structure, the change in peak water level is measured relative to the existing floor level.						
Change in duration of inundation ^{1,4}	<p>Identify changes to time of inundation by determining time of submergence (ToS) in Existing and Developed¹⁰ Cases.</p> <p>Assess impacts against the following objectives for habitable floors²:</p> <ul style="list-style-type: none"> Where existing flood inundation is less than 1 hour – up to 1 hour duration of inundation Where existing flood inundation of 1 hour or more occurs – up to a 5% increase in duration of inundation <p>For impacted roads/rail, the duration of inundation can increase by up to 10%, subject to the determination of the ToS and consideration of impacts on accessibility/egress during flood events in consultation with the relevant authority.</p> <p>Assess impacts against the following objectives for all other land uses:</p> <ul style="list-style-type: none"> Where existing flood inundation is less than 1 hour – up to 1 hour duration of inundation Where existing flood inundation of 1 hour or more occurs – up to a 10% increase in duration of inundation <p>The duration performance targets do not apply to newly flooded land where compliant with afflux criteria (see also General Notes).</p>						

4 Waterway Processes (Geomorphology, Active Sediment Transport, Diversion)

4.1 Background

Provision of railway infrastructure across floodplains and waterways needs to consider and make appropriate allowances for ongoing waterway/geomorphic processes that:

- are already occurring along the proposed route;
- may be impacted by the proposed infrastructure; or
- may impact the proposed infrastructure.

As discussed in *A Guide to Bridge Technology* (Austroads, 2019) frequently, environmentalists and hydraulic engineers consider a river to be static, i.e. unchanging in shape, dimensions and pattern. However, an alluvial river continually changes its position and shape as a consequence of hydraulic forces acting on its bed and banks. These changes may be slow or rapid and may result from natural environmental changes or from changes by man's activities.

Consideration of fluvial geomorphic processes within, upstream and downstream of a waterway crossing prior to design is rapidly becoming best practice within the industry (*Bridge Scour Manual: Supplement to Austroads Guide to Bridge Technology Part 8, Chapter 5: Bridge Scour*, 2019). A geomorphic assessment of the channel and floodplain characteristics, particularly when combined with hydraulic modelling results of the existing case, allow for an appreciation of the natural changes of fluvial environments and prevent catastrophic damage to railway, waterways crossings and other infrastructure.

With regards specifically to the Inland Rail route, black vertosol soils are prevalent within the study area (sometimes referred to as black earths or cracking clays). In general, these soils can extend up to 10 m deep and have very little resistance to erosion by flowing water or immersion. These soils are readily observed in the bank profile along many waterways in this area.

Vertosol soils must be considered in detail through any design process for the following reasons:

- The sediments, combined with the concentration of flow in a channel, have led to significant erosion in some portions of the study area;
- Exposed vertosol bank sediments, especially but not only when combined with erosion, are a significant problem in some portions of the study area and lead to bank collapse and channel widening;
- Concentrated overland flow has led to many large floodplain gullies in the area such as those on Dry Creek. As with the bank collapse and channel widening, this is an escalated problem in this area due to the easily erodible nature of the vertosol bank sediments; and
- Hard structures such as concrete or rock are known to be problematic with respect to erosion in these soils.

Given these conditions, particular attention will need to be paid to the specification of appropriate scour protection throughout the length of the route during Detailed Design.

4.2 Outcomes of Geomorphology Review

On advice from the Panel, ARTC has committed to undertake an early geomorphological risk-based assessment of waterways and drainage lines at risk of erosion to inform the design of cross-drainage and waterway structures, including scour mitigation measures

The Panel recommends the following scope for such a geomorphological risk assessment:

The assessment should be undertaken by a suitably qualified fluvial geomorphologist, and should be aimed at identifying:

- Potential impacts of the crossing arrangement on stream processes such as sediment transport capacity and/or scour that would lead to environmental impact to the surrounding riverine environment. This should include cumulative impacts on catchment processes including sediment budget and other related potential impacts; and
- Likely erosive or depositional processes that have the potential to impact the crossing arrangement.

Ideally, the geomorphic assessment would include the following components:

- Desktop assessment of:
 - i. Detailed digital terrain models;
 - ii. Current and historic aerial photography;
 - iii. Hydraulic modelling outputs;
 - iv. Design details for crossing arrangements (bridge and culvert crossings), including proposed conceptual level scour protection methods;
 - v. Proposed setout of the rail route;
 - vi. Proposed construction methods, including post construction rehabilitation intent;
 - vii. Geotechnical and/or soils information if available;
- On-ground assessment of representative crossing locations and all high-risk crossings as identified through the desktop assessment with this on-ground assessment being carried out prior to or at the very start of Detailed Design; and
- A qualitative (or semi-quantitative) assessment of potential changes to the waterway over time that would lead to environmental impacts as a result of the crossings or impacts to the crossings resulting in failure or high maintenance costs.

5 Community Concerns

The following sections provide an overview on submissions to the Panel, submissions on the Draft EIS and additional community consultation that was undertaken by the Panel. All of these submissions and consultations were considered in the Panel's review of Inland Rail.

5.1 Submissions to the Panel

The Panel received a submission from one member of the public, which was related to the Westbrook Creek and Dry Creek catchments.

Dr John MacIntosh of Water Solutions made a submission (in relation to his review for the Southern Darling Downs Community Consultative Committee) of early documentation related to the Condamine River and Back Creek flood modelling.

Discussions were held with Dr Sharmil Markar of WRM Water and Environment (in relation to his review for community members) of early documentation related to the Condamine River and Back Creek flood modelling.

Discussions were also held with Goondiwindi Regional Council (GRC) and Toowoomba Regional Council (TRC) to detail issues of relevance to each Council.

5.2 Submissions on the Draft EIS

To allow community input, Queensland's OCG invited the community to provide feedback submissions on the respective draft Environmental Impact Statements for Inland Rail in Queensland. As part of the Panel process, stakeholder and community responses were provided to the Panel by the OCG for review. The process focussed on reviewing the concerns raised by stakeholders and the community that are directly aligned with the technical focus of the Panel. As such, the review and compilation has occurred only for responses that discuss or are focussed on the assessment of flooding and or the impact of flooding associated with the Inland Rail project. Submissions were reviewed for concerns that had not been considered in the EIS or the Panel's draft reports, or that shed new light on previously considered issues.

Reports were prepared by the Panel between August and December 2021 to respond to all flooding-related submissions that were provided by the OCG during the public exhibition of the Draft EIS. For the B2G section, 371 submissions were provided. For the G2H section, 14 submissions were provided. For the H2C section, 232 submissions were provided. For the C2K section, 44 submissions were provided. In addition, several further submissions were provided from organisations, including government departments, about specific concerns. All of these submissions, minus the duplicates, were considered and responded to in the reports, which were provided to the OCG for information.

5.3 Additional Consultation

In response to ongoing community concerns, several members of the Panel met with members of the community on-site and presented an update on progress of the Panel's review to the Millmerran Rail Group on 18 November 2021.

Whilst the Panel were aware of the concerns that were raised as part of the site visit and subsequent meeting, these meetings did provide valuable reinforcement of the key concerns, both in this vicinity and others, including concerns associated with the potential impact on neighbouring properties, potential scour associated with concentration of flows in areas of fragile soils, and the concerns of potentially impacted property owners and residents who currently experience significant flooding and are anxious to not have the flooding situation worsened.

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6 Issues Identified

6.1 Issues Register Framework

The review identified a number of areas where additional work is required, either as part of further design or to allow the Draft EIS to be revised.

To facilitate the resolution of the identified issues, each issue has been assigned a level of importance, as described below.

Low Importance

Additional work is required that will not significantly affect the findings of the Draft EIS. The work can be completed as part of further design (prior to the use of flood models for Detailed Design).

Medium Importance

Clarification or confirmation is sought in relation to an aspect of the supplied reports and flood models. Depending on the response to the issue, the issue can be addressed via sensitivity testing (i.e., if the matter is deemed to be of high importance as a result of the response) or by the revision of modelling as part of a Revised EIS and/or as part of further design (i.e. it is deemed to be of low importance).

High Importance

Sensitivity testing is recommended to determine the significance of the issue to the interpretation of Inland Rail related flood impacts and for documentation and flood modelling regarding the results of the sensitivity testing to be supplied to the Panel to confirm whether the issue can be dealt with (if necessary) as part of a Revised EIS and/or as part of further design.

Very High Importance

An issue of significance that warrants the revision of the documentation provided to the Panel or the provision of additional documentation to include either additional justification regarding a conclusion drawn or amended flood modelling. Such issues will need to be addressed prior to the models being used for Detailed Design.

Figure 6-1 presents a flow chart indicating the process by which it is proposed to resolve each issue relative to its assigned level of importance. The colour-coding used in the figure was applied to the tables in Appendix A to Appendix D to allow the relative importance of each issue to be readily identified.

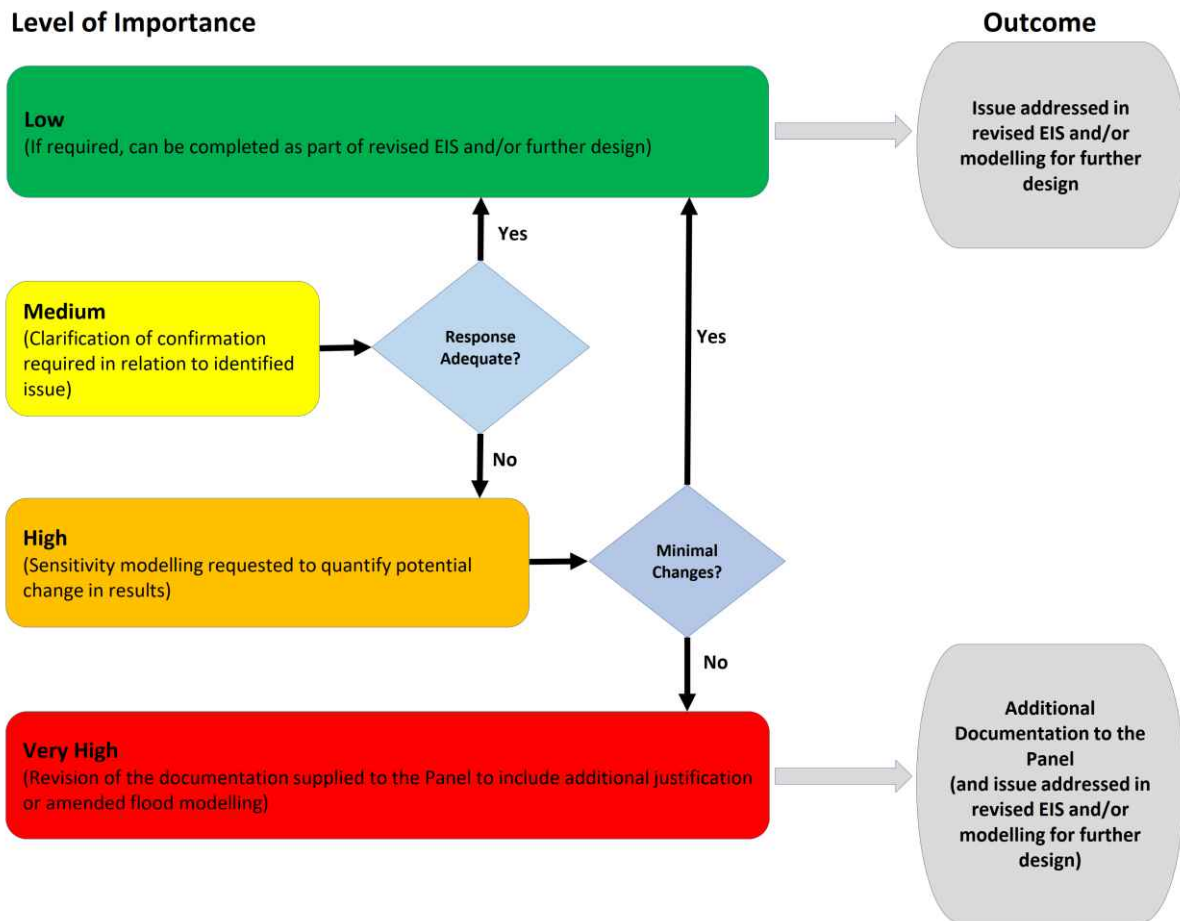


Figure 6-1: Flow Chart for Resolution of Identified Issues

6.2 Overview of Identified Issues

The following sections provide a summary of the IMR and how issues identified by the Panel have been resolved through the course of the project. Whilst there were many issues raised and tracked individually, these issues could be grouped into broad categories and their strategic resolutions are detailed in Table 6-1.

Appendix A to Appendix D present the IMR for the four Inland Rail sections that were reviewed.

Table 6-1: Strategic Outcomes of the Panel Review

Issue	Description	Resolution
Issues applicable to all sections		
Potential for unacceptable impacts	Potential for impacts to occur, but not be identified in the FIOs.	Quantitative FIOs have been recommended with adoption by ARTC.
Potential for long term damage that might not be identified by hydraulic modelling	Long term geomorphic processes, or short term, induced impacts associated with the introduction of structures in fragile soils not assessed in hydraulic modelling.	Geomorphological risk assessment has been committed to and which the Panel recommends be done before Detailed Design.
Issues regarding the appropriateness of the calibration for some models for use in design event and impact assessment	Apparent discrepancies between parameters as during the calibration process and those used for design modelling leading to issues regarding structure sizing.	Additional information and sensitivity testing undertaken in response to queries.
B2G Section		
Calibration issues in Condamine model	Issues regarding the accuracy of the model in specific locations leading to issues regarding structure sizing and impact assessment.	Modelling has been revised and reviewed, with improved calibration.
Calibration issues in Macintyre model	Issues regarding the accuracy of the model in specific locations leading to issues regarding structure sizing and impact assessment.	Refined modelling has been undertaken, with improved calibration and additional design flood events.
Issues regarding accuracy of Gowrie Creek models	Issues regarding the accuracy of the model in specific locations leading to issues regarding structure sizing and impact assessment.	ARTC have adopted a more developed TMR model.
G2H Section		
Issues regarding accuracy of Gowrie Creek models	Issues regarding the accuracy of the model in specific locations leading to issues regarding structure sizing and impact assessment.	ARTC have adopted a more developed TMR model.
H2C Section		
-	-	-
C2K Section		
Issues with magnitude of design flows adopted in some catchments	Potential for the design flows to be too low (compared with other available technical work) with associated implications that structures may be undersized for nominated design flows	Ipswich City Council Bremer River model adopted for design purposes.

6.3 Draft Review Report Issues Management Register

Table 6-2 summarises the Draft Review Report IMR that was submitted by the Panel.

Table 6-2: Draft Review Report IMR Summary

Report	Submission Date	Issues Raised				
		Low	Medium	High	Very High	Total
Border to Gowrie Draft Review Report	17/03/2021	59	60	55	19	193
Gowrie to Helidon Draft Review Report	01/07/2021	27	30	29	1	87
Helidon to Calvert Draft Review Report	12/05/2021	10	8	11	3	32
Calvert to Kagaru Draft Review Report	18/02/2021	20	13	23	7	66
Total		116	114	118	30	378

6.4 Draft Review Report Issues Management Register Following ARTC Responses

In response to the issues raised by the Panel, ARTC have undertaken significant work to address the issues. This additional work included:

- Clarification to documentation (or a commitment to provision of additional information in the Revised Draft EIS);
- Provision of additional information; or
- Further technical work (with associated documentation) to investigate issues raised by the Panel.

In general, these responses have been provided in the form of technical notes.

As a result of this additional work, the Panel updated the IMR using new categories. These categories were selected to describe where and how the issues were or will be addressed. The updated IMR summary is provided in Table 6-3.

Table 6-3: Draft Review Report Issues Registers Summary Following ARTC Responses

Status	B2G	G2H	H2C	C2K	Total
Closed	81	41	6	18	146
Accepted Subject to Additional Information in Revised Draft EIS	58	28	15	31	132
Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	52	16	7	14	89
Accepted subject to Panel's recommended implementation of geomorphological assessment	2	2	4	3	11
Total	193	87	32	66	378

The following sections explain the definitions of the status options in greater detail. Appendix A to Appendix D list all issues and their status. The issue numbers in the IMR reflect those that are in the Panel's Draft Reports.

6.4.1 Closed Issues

Issues categorised as closed have been resolved following further consideration, discussions with ARTC, and in many cases, the provision of additional information by ARTC.

6.4.2 Issues Accepted Subject to Further Demonstration in Revised Draft EIS

Issues falling into this category were those identified by the Panel for which ARTC committed to providing additional information in the Revised Draft EIS. In general this will require either additional information to be documented, a revised approach, or both.

In most instances, ARTC provided further evidence that the issue was addressed in their response to the Panel, and it is that evidence, or the detailed results and mapping based on that evidence, that needs to be incorporated into the Revised Draft EIS.

6.4.3 Issues Accepted Subject to ARTC Committing to Panel's Recommendations being Addressed in Detailed Design

Issues in this category are those that can only be addressed during the next stages of design. The Panel advises that the issues are resolved on the basis that additional work will be undertaken by ARTC and or its constructor in the Detailed Design stage of the project.

In general, the issues that fall under this status are of lower importance and can be rectified during future stages of the project, subject to the relevant FIOs, without altering the results and conclusions drawn from the flood models and presented in the EIS.

6.4.4 Issues Accepted Subject to Panel's Recommended Implementation of Geomorphological Assessment

Issues falling into this category were those identified by the Panel as being accepted subject to ARTC agreeing to the Panel's final recommendation on geomorphological risk assessment. This category was used for all geomorphology issues as the Panel would like to see the following recommendations occur:

1. All high-risk sites to have detailed onsite assessments; and
2. Inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.

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7 Implications/Constraints for Future Stages

7.1 Implications for Knowledge Transfer

At this stage, it is expected that of the four Inland Rail sections in Queensland, one is to be delivered using a Design and Construct (D&C) contract method (including B2G), and three to be delivered as a combined Public Private Partnership (PPP) (G2H, H2C, and C2K).

The Panel notes that some sections of B2G have already been awarded and has been novated across to the B2G project. The novation to the B2G project ensures continuity into the next phase. However, the Panel further notes that this will not necessarily be the case for other sections, so processes ensuring comprehensive transfer of knowledge to other design teams will be essential (see recommendation 3).

7.2 Technical Implications

In some instances, the Panel's review has resulted in the adoption of significantly higher design flow rates with respect to a number of catchments. In these locations, ARTC have committed to addressing the issues identified in the Panel's review in the Revised Draft EIS. In Detailed Design, while the embankment level would appear to be well above flood level and unlikely to be affected by the increase in level associated with higher flows, the adoption of higher flows could necessitate larger drainage structures (bridges and culverts) to provide impacts similar to those nominated in the Draft EIS and Technical Report.

Alternatively, even in the event of sensitive receptors not being affected by changed flow conditions, additional negotiations would be required with landowners to gain agreement to greater impacts than discussed in relation to the FIOs.

In either situation, additional scour protection works could also be required to protect against the higher velocities associated with higher flows (see recommendation 6).

7.3 Implementing the Panel's recommendations

The Panel recommends that a process is put in place to ensure that the key recommendations are implemented and the IMR be used as the basis for this assessment. The Detailed Design stage often results in better alternative design solutions that will need a careful checking against the flood criteria. A suitable qualified practitioner with the relevant skills should be engaged to review the design against the FIO and IMR at each of the key stages. This would be aided by the designer producing a short compliance report.

It is crucial that proper processes are in place to enable design reviews at key stages. Alternative designs will need to be checked against the FIOs particularly if they result in a reduction in waterway area.

8 Conclusions

8.1 Overview

The Panel has reviewed the 24 flood models that were adopted in the Draft EIS of the Queensland section of Inland Rail between the NSW border and Kagaru. The review generated a list of 378 issues for discussion with ARTC. 30 of the issues were designated a “Very High” level of importance, 118 were designated a “High” importance, 114 were designated a “Medium” importance, and 116 were designated a “Low” importance.

Out of the 378 issues that were generated:

- 146 were closed following discussions with ARTC;
- 132 were accepted, subject to additional information in the Revised Draft EIS;
- 89 were accepted, subject to ARTC committing to Panel's recommendations being addressed in Detailed Design; and
- 11 were accepted, subject to Panel's implementation of geomorphological assessment.

Tables of these issues are provided in Appendix A to Appendix D.

8.2 Terms of Reference Conclusions

The following sections state extracts of the *Terms of Reference for an Independent International Panel of Experts for Flood Studies of Inland Rail in Queensland* (June, 2020). For these extracts, conclusions were drawn on whether the modelling met the requirements for the entire Queensland section of work between the NSW border and Kagaru.

In summary, the models are “fit for purpose”, meaning suitable for an EIS and subsequently Detailed Design, once the recommended actions have been adopted by ARTC.

8.2.1 Relevant Guidelines

Whether the development of the models and their application accords with the relevant requirements of national and state guidelines/manuals (guidelines) for flood estimation and design of structures in flood prone environments.

Models have been improved as a result of the process to accord with relevant national and state guidelines and the majority of issues have been addressed. Remaining issues (which are the subject of further design) are captured in the IMR.

8.2.2 Floodplain Extent

Whether the extent of the floodplain covered by the flood model is appropriate, and if not recommendations as to what additional extent would be appropriate.

The current adopted extent of each of the models is considered appropriate.

8.2.3 Calibration

Whether the method, and extent of calibration of the model accords with guidelines and industry standards for calibration.

The method and extent of calibration accords with guidelines and industry standards, including updated models for the Macintyre River, Condamine River and Gowrie Creek.

8.2.4 Validation

Whether the method for validation of the model accords with guidelines and industry standards and whether the assumptions used underpin the validation process, and the data points used in the validation are appropriate.

All models were validated in accordance with guidelines and industry standards. For Bringalilly Creek, Cattle Creek and Nicol Creek there is limited data and considerable uncertainty about design flows. ARTC has adopted the Panel's recommendation that the highest modelled design flow will be used.

8.2.5 Impacts and Impact Mitigation

Whether the model adequately accounts for the impacts of the reference design and whether those impacts are capable of appropriate local mitigation that either removes the impacts or reduces the impact to landholders in the area.

The models were found to account for the impacts of the reference design. Flood Impact Objectives (FIOs) have been developed by ARTC in conjunction with the Panel to determine the acceptability or otherwise of potential impacts. The final recommended version of the FIOs is presented in Section 3.5.

8.2.6 Fit for Purpose

Whether the model is fit for purpose, taking into account the above and any public comments for comments from external stakeholders in relation to the flood model that arises from the public exhibition of the draft Environmental Impact Statement (EIS) for the relevant Inland Rail Project.

In summary, the models will be "fit for purpose", (suitable for an EIS and subsequently Detailed Design), noting issues captured in the IMR are matters to be addressed at further design stages of the project.

Reports were prepared to the OCG by the Panel. These reports reviewed and responded to all flooding-related submissions that were provided by the OCG following the public exhibition of the B2G, G2H, H2C and C2K Draft EIS.

8.2.7 Best Practice

Whether the reference design for the proposed structure meets industry standards for railway structures in a floodplain and if so, whether the reference design is in accordance with best practice.

Across the four project sections that were assessed by the Panel, all models were found to have proposed structures that met industry standards for railway structures in a floodplain, meaning that the reference design was completed in accordance with best practice. Based on this work, the reference designs can be taken forward as the basis for the Detailed Design.

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Appendix A B2G Issues Management Register

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Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Yelarbon to Inglewood	B2G.Y1	Three hydrologic models were adopted for the Yelarbon to Inglewood hydraulic model.	High	Responded to in Technical Note	23	It will be necessary to review the impacts associated with the revised modelling unless there are no significant differences to the hydraulic model results as a result of the revised hydrology.	Accepted subject to additional information in Revised Draft EIS	Include the revised hydrology in the Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y2	Subcatchments downstream of the DNRM Booba Sands gauge (416415A) (subcatchments 44 and 45) were not discussed in the Technical Report in high detail, meaning that the lower portion of the Macintyre Brook catchment may not have been properly included in the NS2B URBS Macintyre Brook model and subsequently not included in the TUFLOW model accurately.	Medium	Responded to in Technical Note	23	It will be necessary to review the impacts associated with the revised modelling at and downstream of Yelarbon unless there are no significant differences to the hydraulic model results as a result of the revised hydrology.	Accepted subject to additional information in Revised Draft EIS	Include the revised hydrology in the Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y3	Local catchment flows were generally not included within the hydraulic model as separate inflows. They were lumped together with larger catchment flows instead.	Low	To be addressed in Detailed Design	23	Local catchment flows to be delineated in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Local catchment flows to be delineated in Detailed Design.
B2G	Yelarbon to Inglewood	B2G.Y4	Fewer historical event calibrations were performed than previous studies for this catchment and this is despite there being historical data available for many events.	Very High	Responded to in Technical Note	23	Figure 4(a) of the provided Technical Note is incorrect, but the following comments remain true: The minimum recommended historical events have now been modelled (1976, 1996 and 2011). It was desirable that the 1988 event, the largest event on record at the Inglewood stream gauge, be modelled, but the three chosen events show an acceptable match for a range of flood magnitudes, so the number of historical events used for calibration purposes can now be considered acceptable.	Closed	n/a
B2G	Yelarbon to Inglewood	B2G.Y5	Historical stream gauge data was not utilised in the hydrologic or hydraulic modelling calibration process except for at one gauge. There are six more DNRM stream gauges within the catchment known to have data for the 1976 flood event that can be used for calibration purposes. There are also four more DNRM gauges that can be used for some other storm events, plus some BoM gauges that may be suitable. Note that hydraulic model(s) would be required for some gauges to derive rating curves.	Very High	Responded to in Technical Note	23	Table A1 of the provided PIR Appendix A has the wrong gauge ID for Canning Creek @ Woodspring. Stream gauge 416409A Macintyre Brook at Coolmunda Dam H/W, stream gauge 416413A Macintyre Brook at 1.6km and stream gauge 416406A Macintyre Brook at Ben Dor Weir were excluded from the assessment despite having data for at least one of the adopted calibration events. Due to Appendix A of the updated PIR making clear that there is some uncertainty around the 1976 calibration, the data from these gauges should be considered to determine if they can give additional confidence to the model result. The Ben Dor Weir gauge in particular may be good for determining the calibration in the lower portion of the catchment, where no other gauge data exists for the 1976 event. That being said, the data presented in the updated PIR shows a reasonable match for a range of events, indicating an acceptable calibration for the upper portions of the catchment. The 1996 event calibration does show some inconsistencies for some gauges, but the peaks generally match well.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to report on fit at gauges 416413A and 416406A for calibration events and if these gauges improve calibration or confidence in the results.
B2G	Yelarbon to Inglewood	B2G.Y6	The rating curve at the DNRM stream gauge 416402B/C has not been verified with a hydraulic model.	Low	Responded to in Technical Note	23	The updated technical note presents checks of the rating curve at Inglewood using the hydraulic model, but it notes that the match could also be good due to calibration to that rating curve. The discrepancy to the historical curve is unusual, but the claim of it possibly being explained by technology of the time holds some merit and is the only logical explanation at this time. Recommend that continued investigation of the issue be considered over the course of the project.	Accepted subject to additional information in Revised Draft EIS	The updated modelling methodology and modelling outcomes are to be presented in the Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y7	Insufficient details were provided for adopted historical rainfall data.	Medium	Responded to in Technical Note	23	Demonstration of PIR detail transferred to Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Demonstration of PIR detail transferred to Revised Draft EIS. Updated modelling methodology and modelling outcomes to be presented in the Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y8	Design storm events in the hydrologic models assumed that Coolmunda Dam was at full supply level.	Medium	Responded to in Technical Note	23	Suggest relevant detail from PIR be included in EIS.	Accepted subject to additional information in Revised Draft EIS	Relevant detail from the PIR to be included in Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y9	The adopted storage-discharge relationships of Coolmunda Dam in the two Macintyre Brook hydrologic models do not match each other, and they were not verified against the SunWater level-discharge relationship.	Medium	The Coolmunda Dam routing characteristics for the 1% AEP event should match those from the 2011 historical calibration event not the 1976 event. The Technical Note has been updated to reflect this and to confirm detail will be included in the Revised Draft EIS.	23	Revised Draft EIS to include explanation for why the design storm events utilise the 2011 dam routing functions rather than the 1976 routing functions.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to include explanation for why the design storm events utilise the 2011 dam routing functions rather than the 1976 routing functions.
B2G	Yelarbon to Inglewood	B2G.Y10	The routing parameters of the adopted NS2B and Inglewood Flood Study URBS models were different, with the alpha parameter of the Inglewood Flood Study being outside of the "normal" range. Additionally, the adopted NS2B URBS model differed from the actual NS2B URBS model.	High	Responded to in Technical Note	23	The Macintyre Brook URBS model has the same parameters as the other reaches. A check of all 4 URBS models confirms this has been applied.	Closed	n/a
B2G	Yelarbon to Inglewood	B2G.Y11	The Inglewood Flood Study URBS model has channel slope (Sc) values written within the catchment (.cat) file, but they were not activated because the "USES" command did not activate it.	Medium	Responded to in Technical Note	23	No slopes are included in the URBS models provided for the PIR. The URBS model was originally built with slope then not used as it did not benefit calibration.	Closed	n/a

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Yelarbon to Inglewood	B2G.Y12	The rainfall losses of the two hydrologic models were not consistent. The Dumaresq River model, which was not provided to the Panel, may also have different rainfall losses.	High	The validity of the FFA projection to large events is questionable due upstream reservoir influence hence dependent on rainfall-based method. Supporting documentation provided to Expert Panel.	23	Supporting evidence demonstrates that ARTC did a comprehensive assessment of the anomaly but was unable to determine the cause. The adopted approach is therefore the most reasonable, though its deficiencies are noted. Revised Draft EIS is to document this information.	Accepted subject to additional information in Revised Draft EIS	Supporting evidence demonstrates that ARTC did a comprehensive assessment of the anomaly but was unable to determine the cause. The adopted approach is therefore the most reasonable, though its deficiencies are noted. Revised Draft EIS is to document this information.
B2G	Yelarbon to Inglewood	B2G.Y13	Some hydraulic controls, such as roads and railways, were not enforced within the Existing Case hydraulic model. For those that were enforced, it is unclear if better than 5m resolution data was used to define the hydraulic control (e.g. LIDAR point cloud).	High	Responded to in Technical Note	23	Sensitivity assessment performed and showed minor changes to flood levels from enforcing features. Changes to be incorporated into Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Changes to be incorporated into Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y14	The spatial delineation of roughness was poor in some locations, particularly around Macintyre Brook.	High	Responded to in Technical Note	23	Suggest relevant detail from PIR be included in EIS.	Accepted subject to additional information in Revised Draft EIS	Relevant detail from PIR be included in Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y15	Inflow boundaries near the model boundary were applied as source-area polygons instead of discharge-time inflow lines, which means that they entered the model with zero velocity. The boundaries are, however, generally a reasonable distance from the proposed alignment. These boundaries resulted in water flowing somewhat upstream.	High	Responded to in Technical Note	23	Sensitivity assessment completed which showed changes in flood levels from applying inflows as discharge-time boundaries. Suggested SAs would be applied going forward due to stability unless too close to alignment.	Closed	n/a
B2G	Yelarbon to Inglewood	B2G.Y16	Inflow_39 and Inflow_43 are located within local catchments, rather than within Macintyre Brook.	High	Responded to in Technical Note	23	Inflows moved to within Macintyre Brook with minor differences in flood levels. Change to be incorporated into Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Changes to be incorporated into Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y17	Some inflow boundary locations differ between the calibration and the design storm event models.	High	Responded to in Technical Note	23	Inflow boundaries updated to be consistent between hydrology and hydraulic models.	Closed	n/a
B2G	Yelarbon to Inglewood	B2G.Y18	The Dumaresq River inflows of the hydraulic model were scaled by a factor of 0.7 and there is no mention in the B2G report that the Dumaresq River URBS model was used in the Yelarbon to Inglewood models.	Medium	Responded to in Technical Note	23	Scaling factor removed from updated modelling.	Closed	n/a
B2G	Yelarbon to Inglewood	B2G.Y19	The bridge form loss and blockage parameters are not consistent with the TMR Technical Guideline on Hydrologic and Hydraulic Modelling for existing and proposed bridges and no explanation was provided for how they were derived.	Medium	Responded to in Technical Note	23	Parameters in line with industry standards, with validation of coefficient proposed to be completed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Bridge losses to be updated to industry standard and consistent with TMR guidelines in Detailed Design phase.
B2G	Yelarbon to Inglewood	B2G.Y20	Safety barriers were not added to the hydraulic model, specifically not at road overpasses.	Low	To be addressed in Detailed Design	23	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Safety barriers to be added to the hydraulic model during Detailed Design.
B2G	Yelarbon to Inglewood	B2G.Y21	The hydraulic model roughness was left unchanged between the Existing Case hydraulic model and the Design Case hydraulic model.	Low	To be addressed in Detailed Design	23	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The hydraulic model roughness in the Existing Case hydraulic model and the Design Case hydraulic model to be addressed in Detailed Design.
B2G	Yelarbon to Inglewood	B2G.Y22	The distribution of the critical duration along the alignment was not described, so it is unclear if the critical duration changes across the approximately 60km long model.	Medium	Responded to in Technical Note	23	Details of the critical design event not provided but to be included in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Further justification of the temporal pattern and critical duration selection to be provided in the Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y23	The reported flood frequency analysis results show a poor match to previous FFAs and the adopted TUFLOW model.	Very High	The validity of the FFA projection to large events is questionable due upstream reservoir influence hence dependent on rainfall-based method. Supporting documentation provided to Expert Panel.	23	Supporting evidence demonstrates that ARTC did a comprehensive assessment of the anomaly but was unable to determine the cause. The adopted approach is therefore the most reasonable, though its deficiencies are noted. EIS is to document this information. Should a large flood event occur in the catchment between the time of the previous analysis, such as the event that occurred in early December 2021, consideration should be given to re-running the assessment to determine whether a better match can be achieved.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document this issue and why approach was adopted. As large flood events occurred in the catchment between the time of the previous analysis, it is recommended to rerun the assessment to determine whether a better match can be achieved.
B2G	Yelarbon to Inglewood	B2G.Y24	The flood frequency analysis was only performed at one stream gauge, despite several other stream gauges having data available.	High	Responded to in Technical Note	23	ARTC have completed an additional FFA at Booba Sands in the Macintyre Brook catchment.	Closed	n/a
B2G	Yelarbon to Inglewood	B2G.Y25	The adopted TUFLOW HPC engine was not the latest version.	Low	To be addressed in Detailed Design	23	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Yelarbon to Inglewood	B2G.Y26	Culvert 1D/2D connection lines are coarsely located and oftentimes far longer than the culvert opening width.	High	Responded to in Technical Note	23	Sensitivity assessment performed and showed minor changes to flood levels from updated connections. Changes to be incorporated into Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	All connections lines to be updated and adjusted as required for the Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y27	Not all culverts and bridges were included in the hydraulic model.	High	Responded to in Technical Note	23	RFI lodged with QR for missing culvert and bridge information. Revised Draft EIS to incorporate these structures.	Accepted subject to additional information in Revised Draft EIS	Hydraulic model to be updated to capture any additional existing bridges and culverts not already included in the modelling and reflected in the Revised Draft EIS documentation.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Yelarbon to Inglewood	B2G.Y28	Several culvert loss parameters are non-standard.	Medium	Responded to in Technical Note	23	Sensitivity assessment performed and showed minor changes to flood levels from updated loss parameters. Changes to be incorporated into Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Updated sensitivity loss parameters to be adopted in the Revised Draft EIS model.
B2G	Yelarbon to Inglewood	B2G.Y29	The proposed culverts in the hydraulic model do not always match what was reported upon in Section 8 (Drainage) of the Feasibility Design Report.	High	The FDR was finalised at a point in time. The draft EIS has further refined structures and this will continue in the Revised Draft EIS. Therefore, structures will not match FDR. The Technical Note has been updated to reflect this position.	23	Revised Draft EIS to have structures in the FDR and technical documentation synchronised.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to have structures in the FDR and technical documentation synchronised.
B2G	Yelarbon to Inglewood	B2G.Y30	Large 1D culverts are schematised incorrectly.	High	The Technical Note has been updated to reflect this position.	23	Schematisation updated and sensitivity assessment completed as part of Y26. Alternative culvert configuration modelled. Unable to determine impact based on provided maps (inappropriate scale selected) however reported impacts are minor and localised. Correct schematisation to be utilised for EIS.	Accepted subject to additional information in Revised Draft EIS	All connections lines to be updated and adjusted as required for the Revised Draft EIS. The modelling of large culverts to be revised in the Revised Draft EIS.
B2G	Yelarbon to Inglewood	B2G.Y31	Many culverts are abnormally large and not flowing at 100% of capacity, indicating potentially incorrect modelling.	Low	To be addressed in Detailed Design	23	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The modelling of large culverts to be revised in Detailed Design.
B2G	Yelarbon to Inglewood	B2G.Y32	The implementation of structure blockage within the hydraulic model was not in accordance with the TMR Hydrologic and Hydraulic Modelling Technical Guideline. 25% blockage was applied to some structures, though blockage usually varies by AEP and opening size.	Low	Responded to in Technical Note	23	To be deleted as per discussions with Flood Panel.	Closed	n/a
B2G	Yelarbon to Inglewood	B2G.Y33	Some increases in flood level were not reported upon, both at private properties and buildings.	Very High	Technical Note updated to include commitment in accordance with FIOs in the Revised Draft EIS.	23	Revised Draft EIS to document all impacts in accordance with the revised FIOs.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document all impacts in accordance with the revised FIOs.
B2G	Yelarbon to Inglewood	B2G.Y34	Some flood level increases were significant and in excess of the flood impact objectives, with no conclusions drawn about their acceptability and why further mitigation was not possible.	Medium	Technical Note updated to include commitment in accordance with FIOs in the Revised Draft EIS.	23	Revised Draft EIS to document all impacts in accordance with the revised FIOs.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document all impacts in accordance with the revised FIOs.
B2G	Yelarbon to Inglewood	B2G.Y35	Increases in duration of inundation are reported on local and state-controlled roads, with no conclusions drawn as to their acceptability to Council and TMR.	Medium	Technical Note updated to include commitment in accordance with FIOs in the Revised Draft EIS.	23	Revised Draft EIS to document all impacts in accordance with the revised FIOs.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document all impacts in accordance with the revised FIOs.
B2G	Yelarbon to Inglewood	B2G.Y36	Only the 1% AEP change in duration of inundation was reported, which is insufficient to draw conclusions on change in duration of inundation to stakeholders.	Medium	Responded to in Technical Note	23	Impacts to be reviewed based on updated modelling and included in Revised Draft EIS including events up to 1%.	Accepted subject to additional information in Revised Draft EIS	Impacts to be reviewed based on updated modelling and included in Revised Draft EIS including events up to 1%.
B2G	Yelarbon to Inglewood	B2G.Y37	Insufficient information has been provided to draw conclusions around changes in velocity.	Medium	Technical Note updated to include commitment in accordance with FIOs in the Revised Draft EIS.	23	Revised Draft EIS to document all impacts in accordance with the revised FIOs.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document all impacts in accordance with the revised FIOs.
B2G	Cremascos Road	B2G.CRE1	A small proportion of the subcatchment has not been included in the hydrologic model.	Low	To be addressed in Detailed Design	21	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	A small proportion of the subcatchment has not been included in the hydrologic model. This issue is to be rectified in Detailed Design.
B2G	Cremascos Road	B2G.CRE2	The alpha and beta routing parameters of the hydrologic model were outside of the typical range.	High	Response provided in updated Technical Note, with changes/updates highlighted.	21	ARTC explained how the parameters were adopted (via command line overrides) and that typical parameters were used when using only stream length to define catchment and channel storage.	Closed	n/a
B2G	Cremascos Road	B2G.CRE3	The downstream boundary was not placed sufficiently far downstream of the proposed rail alignment and levels were not validated to the Yelarbon to Inglewood model results.	High	Responded to in Technical Note	21	Sensitivity assessment undertaken as requested with very little change to modelled impacts.	Closed	n/a
B2G	Cremascos Road	B2G.CRE4	A small number of hydraulic controls (roads) were not enforced within the Existing Case hydraulic model.	High	Responded to in Technical Note	21	Sensitivity assessment undertaken as requested with no impact on water levels.	Closed	n/a
B2G	Cremascos Road	B2G.CRE5	One of the roughness parameter values was outside of the ARR19 recommended parameter range and the 'Crops' roughness was higher than what aerial imagery suggests to be true.	Medium	Responded to in Technical Note	21	The roughness values were updated in line with ARR and only had a minor impact on water levels.	Closed	n/a
B2G	Cremascos Road	B2G.CRE6	The spatial delineation of roughness is immature in some locations, particularly around the creek.	Medium	Responded to in Technical Note	21	The locations of poor roughness delineation are isolated and likely would not alter current flood model results. These isolated locations should be delineated in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The locations of poor roughness delineation are isolated and likely would not alter current flood model results. These isolated locations should be delineated in Detailed Design.
B2G	Cremascos Road	B2G.CRE7	Inflow boundaries near the model boundary were applied as source-area polygons instead of QT inflow lines, which means that they entered the model with zero velocity.	Low	To be addressed in Detailed Design	21	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Inflow boundaries near the model boundary were applied as source-area polygons instead of QT inflow lines, which means that they entered the model with zero velocity. This issue is to be rectified in Detailed Design.
B2G	Cremascos Road	B2G.CRE8	Inflow 13L crosses the proposed rail alignment.	High	Responded to in Technical Note	21	Sensitivity assessment undertaken as requested with no impact on water levels.	Closed	n/a
B2G	Cremascos Road	B2G.CRE9	The adopted TUFLOW HPC engine was not the latest version.	Low	To be addressed in Detailed Design	21	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Cremascos Road	B2G.CRE10	A diversion channel is proposed in the hydraulic model, but not documented in the reports and it appears that the diversion can easily be avoided through the use of cross-drainage culverts.	Medium	Responded to in Technical Note	21	Justification of catch drain provided with discussion to be added to the technical report.	Closed	n/a

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Cremascos Road	B2G.CRE11	The hydraulic model roughness was left unchanged between the Existing Case and Design Case hydraulic models.	Medium	Responded to in Technical Note	21	Embankment roughnesses updated with no impact on water levels.	Closed	n/a
B2G	Cremascos Road	B2G.CRE12	The proposed bridge was not applied to the hydraulic model with a corresponding form loss or blockage. It was only modelled as an opening in the rail embankment.	Low	To be addressed in Detailed Design	21	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The proposed bridge to be corrected in Detailed Design with a corresponding form loss or blockage.
B2G	Cremascos Road	B2G.CRE13	Change in velocity is not discussed in sufficient detail for the Cremascos Catchment in Chapter 12 of the EIS.	Medium	Responded to in Technical Note	21	Discussion provided in Macintyre Brook sections of report with additional mapping to be provided in the Revised Draft EIS. Change in velocity should be mapped for other than the 1% AEP event.	Accepted subject to additional information in Revised Draft EIS	Mapping to be included within the Revised Draft EIS to provide further information on percentage change in velocity depth product, percentage change in velocity and percentage change in time of inundation with the text augmented accordingly.
B2G	Bybera Road	B2G.BYB1	The subcatchment delineation is not accurate in the south-western portion of the catchment.	Low	To be addressed in Detailed Design	20	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The subcatchment delineation in the south-western portion of the catchment to be revisited in Detailed Design.
B2G	Bybera Road	B2G.BYB2	The alpha and beta routing parameters of the hydrologic model were outside of the typical range.	High	Response provided in updated Technical Note, with changes/updates highlighted.	20	ARTC explained how the parameters were adopted (via command line overrides) and that typical parameters were used when using only stream length to define catchment and channel storage.	Closed	n/a
B2G	Bybera Road	B2G.BYB3	The downstream boundary was not placed sufficiently far downstream of the proposed rail alignment and set to a slope slightly steeper than the topography, unverified to Yelarbon to Inglewood results.	High	Responded to in Technical Note	20	Sensitivity assessment undertaken for downstream boundary location as requested with very little change to modelled impacts. Updated downstream boundary to be adopted in Revised Draft EIS. Sensitivity assessment also undertaken for regional 1% AEP flood event with very little change to modelled impacts.	Closed	n/a
B2G	Bybera Road	B2G.BYB4	One of the roughness parameter values in the vicinity of the alignment was outside of the ARR19 recommended parameter range.	Medium	Responded to in Technical Note	20	The roughness values were updated in line with ARR and had no impact on water levels.	Closed	n/a
B2G	Bybera Road	B2G.BYB5	The spatial delineation of roughness is immature in some locations, particularly around the creek.	Medium	Responded to in Technical Note	20	The roughness of the "creek" has been updated to be sparser than dense vegetation. This resulted in a slight reduction in water levels.	Closed	n/a
B2G	Bybera Road	B2G.BYB6	Inflow boundaries near the model boundary were applied as source-area polygons instead of QT inflow lines, which means that they entered the model with zero velocity.	Low	To be addressed in Detailed Design	20	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Inflow boundaries near the model boundary were applied as source-area polygons instead of QT inflow lines, which means that they entered the model with zero velocity. This issue is to be rectified in Detailed Design.
B2G	Bybera Road	B2G.BYB7	The adopted TUFLOW HPC engine was not the latest version.	Low	To be addressed in Detailed Design	20	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Bybera Road	B2G.BYB8	The hydraulic model roughness was left unchanged between the Existing Case and Design Case hydraulic models.	Medium	Responded to in Technical Note	20	Embankment roughnesses updated with no impact on water levels.	Closed	n/a
B2G	Bybera Road	B2G.BYB9	The culvert (7/1050mm RCP) at Ch 55.06 km was excluded from the hydraulic model.	High	Sensitivity Test completed and Response provided in updated Technical Note, with additional text highlighted.	20	ARTC explained that the addition of the culvert does not cause afflux issues. Culvert to be included in the Detailed Design hydraulic model.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Culvert to be included in the Detailed Design hydraulic model.
B2G	Bybera Road	B2G.BYB10	The proposed bridge was not applied to the hydraulic model with a corresponding form loss or blockage. It was only modelled as an opening in the rail embankment.	Low	To be addressed in Detailed Design	20	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The proposed bridge to be corrected in Detailed Design with a corresponding form loss or blockage.
B2G	Bybera Road	B2G.BYB11	There is a significant amount of instability in the hydraulic model timestep.	Low	To be addressed in Detailed Design	20	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Instability in the hydraulic model timestep to be rectified in Detailed Design.
B2G	Bybera Road	B2G.BYB12	Two properties are reported to have flood level increases in excess of the design objectives.	Medium	Responded to in Technical Note	20	Maximum flood impact values provided and do not exceed FIO of 200mm.	Closed	n/a
B2G	Bybera Road	B2G.BYB13	Change in velocity is not discussed in sufficient detail for the Bybera Catchment in Chapter 12 of the EIS.	Medium	Responded to in Technical Note	20	Discussion provided in Macintyre Brook sections of report with additional mapping to be provided in the Revised Draft EIS. Change in velocity should be mapped for other than the 1% AEP event.	Accepted subject to additional information in Revised Draft EIS	Discussion provided in Macintyre Brook sections of report with additional mapping to be provided in the Revised Draft EIS.
B2G	Pariagara Creek	B2G.PC1	Inflow has been applied to the model via an SA polygon utilising the 'ALL' command.	Low	To be addressed in Detailed Design	26	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Inflow has been applied to the model via an SA polygon utilising the 'ALL' command to be addressed in Detailed Design.
B2G	Pariagara Creek	B2G.PC2	Critical duration analysis and temporal pattern selection has only been undertaken for the hydrologic model outlet, with a single duration and temporal pattern selected.	Medium	Sensitivity Test performed and Response provided in updated Technical Note, with additional text highlighted.	26	The sensitivity analysis demonstrated that increases in water level in excess of the FIOs will be created, so they must be reported accordingly. The Technical Note did not explicitly say that they would be reported upon, but they must be reported in the EIS because they are impacts to private property. Reporting should not be left to Detailed Design, as suggested by the technical note, which is why the status of this comment has been made "Accepted subject to additional information in Revised Draft EIS".	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to present results of sensitivity analysis and to present results where impacts are in excess of FIOs.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Pariagara Creek	B2G.PC3	Downstream catchment inflows and coincident flooding has not been accounted for in the model.	Medium	Sensitivity Test performed and Response provided in updated Technical Note, with additional text highlighted.	26	Tailwater changes to be adopted in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Tailwater changes to be adopted in Detailed Design.
B2G	Pariagara Creek	B2G.PC4	Peak flow estimates do not show a reasonable approximation to RFFE and QRT.	High	Responded to in Technical Note	26	Item is closed.	Closed	n/a
B2G	Pariagara Creek	B2G.PC5	The adopted TUFLOW HPC engine was not the latest version.	Low	To be addressed in Detailed Design	26	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Pariagara Creek	B2G.PC6	No losses applied to bridge "openings". Bridge loss coefficients not calibrated or verified against alternate methods.	Low	To be addressed in Detailed Design	26	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to confirm reasonableness of bridge losses using alternate approaches.
B2G	Pariagara Creek	B2G.PC7	Level of detail in Technical Report.	Very High	Responded to in Technical Note	26	Further technical information required to be provided in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Further technical information required to be provided in the Revised Draft EIS.
B2G	Pariagara Creek	B2G.PC8	Justification for flood impacts.	Very High	Response provided in updated Technical Note, commitment added. Updated text has been highlighted.	26	Revised Draft EIS to document all impacts against the updated FIOs and justify why any impacts were not within the FIOs.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document all impacts against the updated FIOs and justify why any impacts were not within the FIOs.
B2G	Cattle Creek	B2G.CC1	Insufficient information is provided in relation to the Macintyre Brook FFA and its use in the validation process.	High	Updated response has been provided in updated Nicol Creek Tech Memo, with updated text highlighted.	22	Refer to N2 comment.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Higher design flow estimates are to be used in Detailed Design phase to ensure higher velocities in particular are accounted for.
B2G	Cattle Creek	B2G.CC2	Parameters used in URBS model.	Medium	Updated response has been provided in updated Nicol Creek Tech Memo, with updated text highlighted.	22	Refer to N2 comment.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Higher design flow estimates are to be used in Detailed Design phase to ensure higher velocities in particular are accounted for.
B2G	Cattle Creek	B2G.CC3	Final loss rates not detailed in Technical Report. Potential variation in loss rates could mask inadequacies with other URBS parameters.	Low	Responded to in Technical Note	22	Have detailed loss rates and gave undertaking to include in next report. This is acceptable noting that the ultimate response to ND1/ND2 may result in the adoption of different loss values.	Closed	n/a
B2G	Cattle Creek	B2G.CC4	Incorrect ARF parameter for the Ch87.37 and Ch87.19 culverts.	Very High	Responded to in Technical Note	22	Revised flows to account for local catchment upstream revision accepted.	Closed	n/a
B2G	Cattle Creek	B2G.CC5	Incorrect design event selection for the Ch87.37 and Ch87.19 culverts.	Very High	Responded to in Technical Note	22	Revised flows to account for local catchment upstream revision accepted.	Closed	n/a
B2G	Cattle Creek	B2G.CC7	SA polygon setup for the two smaller tributaries results in unrealistic additional flow routing.	Medium	Responded to in Technical Note	22	Outcome noted and accepted, recommended correct inflow setup is utilised in Detailed Design.	Closed	n/a
B2G	Cattle Creek	B2G.CC8	Design flows are lower than the estimates provided by RFFE and QRT.	High	Responded to in Technical Note	22	As recommended by ARTC in technical note 22, this should be revisited in Detailed Design to ensure conservative flow estimation.	Closed	n/a
B2G	Cattle Creek	B2G.CC9	The adopted TUFLOW HPC engine was not the latest version.	Low	To be addressed in Detailed Design	22	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Cattle Creek	B2G.CC10	Level of detail in Technical Report.	Very High	Responded to in Technical Note	22	Further technical information required to be provided in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Further technical information required to be provided in the Revised Draft EIS.
B2G	Native Dog Creek	B2G.ND1	Insufficient information is provided in relation to the Macintyre Brook FFA and its use in the validation process.	Low	Responded to in Technical Note	24	Updated Technical Note for Nicol Creek deals with this at Item N2. Whilst rejected for other 3 catchments, ND has good agreement with QRT and RFFE, hence why we scored Low originally.	Closed	n/a
B2G	Native Dog Creek	B2G.ND2	Parameters used in URBS model.	Low	Responded to in Technical Note	24	Primary issue seems to be the use of a single URBS model to try and model several unique catchments. Updated Technical Note for Nicol Creek deals with this at Item N3. Whilst rejected for other 3 catchments, ND has good agreement with QRT and RFFE, hence why we scored Low originally.	Closed	n/a
B2G	Native Dog Creek	B2G.ND3	Final loss rates not detailed in Technical Report. Potential variation in loss rates could mask inadequacies with other URBS parameters.	Low	Responded to in Technical Note	24	ARTC have detailed loss rates and given undertaking to include in next report. This is acceptable noting that the ultimate response to ND1/ND2 may result in the adoption of different loss values.	Closed	n/a
B2G	Native Dog Creek	B2G.ND4	Inflow has been applied to the model via an SA polygon utilising the 'ALL' command.	Low	Responded to in Technical Note	24	Outcome noted and accepted, recommended correct inflow setup is utilised in Detailed Design.	Closed	n/a
B2G	Native Dog Creek	B2G.ND5	The hydraulic model extent is not set at sufficient distance from the flood extent.	Medium	Responded to in Technical Note	24	Extended boundary to enable appropriate assessment of PMF.	Closed	n/a
B2G	Native Dog Creek	B2G.ND6	Adjacent catchment inflows have not been included as in the hydraulic model.	High	Response provided in updated Technical Note, commitment added to present results in Revised Draft EIS. Updated text has been highlighted.	24	0.05%, 0.01% and PMF event impact mapping to be presented in the Revised Draft EIS. Whilst the Technical Note did not state that 0.05% and 0.01% AEP event mapping would be included, it was requested in the previous Panel response and it is therefore expected that it will be mapped in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Rare event mapping to be included in Revised Draft EIS.
B2G	Native Dog Creek	B2G.ND7	The downstream HQ boundary is set between 80 m and 150 m downstream of the alignment.	High	Response provided in updated Technical Note, commitment added to extend downstream boundary in Detailed Design. Updated Technical Note text has been highlighted.	24	Downstream model boundary to be moved further downstream of alignment and updated impact mapping to be presented in the Revised Draft EIS submission.	Accepted subject to additional information in Revised Draft EIS	Downstream model boundary to be moved further downstream of alignment and updated impact mapping to be presented in the Revised Draft EIS submission.
B2G	Native Dog Creek	B2G.ND8	The adopted TUFLOW HPC engine was not the latest version.	Low	To be addressed in Detailed Design	24	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Native Dog Creek	B2G.ND9	Level of detail in Technical Report.	Very High	Responded to in Technical Note	24	Further technical information required to be provided in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Further technical information required to be provided in the Revised Draft EIS.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Bringally Creek	B2G.BL1	Sub-catchment extents details not provided and local sub-catchment inflows include upstream catchment flows.	High	Responded to in Technical Note	19	Explanation is reasonable (noting a total hydrograph was annotated as an L hydrograph in its name). However, there is also the issue raised in the main report (3.3) about the URBS flows not fully matching the TUFLOW inflows. Inflows need to be checked at Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	For Detailed Design, further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment is necessary.
B2G	Bringally Creek	B2G.BL2	The location of the downstream model extents and boundary intersects the rail alignment and may impact on results.	High	Responded to in Technical Note	19	The sensitivity assessment is generally acceptable, noting if was completed for the 1% AEP- for larger events the extent of inundation covers the alignment on the western side of the boundary. This needs to be corrected for Detailed Design where higher flows may still be recommended.	Closed	n/a
B2G	Bringally Creek	B2G.BL3	Insufficient information is provided in relation to the Macintyre Brook FFA and its use in the validation process.	Medium	Updated response has been provided in updated Bringally Creek Tech Memo, with updated text highlighted.	19	Flow in Bringally Creek is likely to be conservative based on other methods of flow calculation.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Higher design flow estimates are to be used in Detailed Design phase to ensure higher velocities in particular are accounted for.
B2G	Bringally Creek	B2G.BL4	Parameters used in URBS model.	Medium	Updated response has been provided in updated Bringally Creek Tech Memo, with updated text highlighted.	19	Flow in Bringally Creek is likely to be conservative based on other methods of flow calculation.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Higher design flow estimates are to be used in Detailed Design phase to ensure higher velocities in particular are accounted for.
B2G	Bringally Creek	B2G.BL5	Final loss rates not detailed. Potential variation in loss rates could mask inadequacies with other URBS parameters.	Low	Responded to in Technical Note	19	Refer Nicol Creek response to N4- Response has detailed loss rates and given undertaking to include in next report. This is acceptable noting that the ultimate response to BL3/BL4 may result in the adoption of different loss values.	Closed	n/a
B2G	Bringally Creek	B2G.BL6	The adopted TUFLOW HPC engine is not the latest version.	Low	To be addressed in Detailed Design	19	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Bringally Creek	B2G.BL7	Not all base model files provided to verify critical duration/temporal patterns.	Low	To be addressed in Detailed Design	19	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to additional information in Revised Draft EIS	Further justification of the temporal pattern and critical duration selection to be provided in the Revised Draft EIS.
B2G	Bringally Creek	B2G.BL8	Minor differences between URBS output hydrographs and input hydrographs for TUFLOW model.	Low	To be addressed in Detailed Design	19	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Minor differences between URBS output hydrographs and input hydrographs for TUFLOW model to be addressed in Detailed Design.
B2G	Bringally Creek	B2G.BL9	Location of inflows applied to the hydraulic model are inconsistent.	High	Updated response has been provided in updated Technical Memo, with updated text highlighted.	19	Detailed Design to adopt the revised inflow boundaries. Further assessment and justification of impacts at Detailed Design and subject to acceptance of revised FIOs is an acceptable outcome.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to adopt the revised inflow boundaries. Further assessment and justification of impacts at Detailed Design and subject to acceptance of revised FIOs is an acceptable outcome.
B2G	Bringally Creek	B2G.BL10	No losses applied to bridge "openings". Bridge loss coefficients not calibrated or verified against alternate methods.	Low	To be addressed in Detailed Design	19	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to confirm reasonableness of bridge losses using alternate approaches.
B2G	Bringally Creek	B2G.BL11	Level of detail in Technical Report.	Very High	Agreed with Flood Panel this item would be closed.	19	The Panel agrees that the response is acceptable.	Closed	n/a
B2G	Bringally Creek	B2G.BL12	Justification for flood level impacts and changes to time of submergence.	Very High	Commitment added to updated Technical Note to provided updated impact mapping and discussion around impacts in Revised Draft EIS. Update text has been highlighted in Technical Note.	19	Updated impact mapping will be presented in the Revised Draft EIS, including an updated summary and discussion regarding FIO exceedances and proposed mitigation.	Accepted subject to additional information in Revised Draft EIS	Updated impact mapping to be presented in the Revised Draft EIS, including an updated summary and discussion regarding FIO exceedances and proposed mitigation.
B2G	Bringally Creek	B2G.BL13	Immunity of Heckles Road.	Medium	Responded to in Technical Note	19	The additional information provided is considered sufficient to justify minimal impacts on the road- would have been preferable to get the results for a range of events and not just the 1% but based on the results for the 1% event probably acceptable for the lesser events.	Closed	n/a
B2G	Nicol Creek	B2G.N1	Sub-catchment extents-details not provided.	High	Responded to in Technical Note	25	ARTC have provided catchment plan including sub-catchments and have given undertaking to include map in the next version. Sub-catchment definition (number of catchments) is ok for creek crossing modelled.	Closed	n/a
B2G	Nicol Creek	B2G.N2	Insufficient information is provided in relation to the Macintyre Brook FFA and its use in the validation process. Design flows lower than RFE and QRT values.	High	Updated response provided in updated Technical Note, with updated text highlighted.	25	ARTC has undertaken sensitivity analyses with lower rainfall losses to confirm that these would only have a small increase in flows (+4%). To see what the resultant impacts would be with flows increased to match the QRT, ARTC factored up the flows by 1.45 with the resultant levels increasing by 400mm. The freeboard of 1m to the rail design is still maintained. Afflux increases to 220mm but only impacts on 0.1ha areas and not at sensitive receptors. ARTC state that overall, the sensitivity tests demonstrate that both the rail design and FIO outcomes are not influenced by the uncertainties in inflow. ARTC state: Noting that the URBS parameters are already conservative and the otherwise lack of evidence to favour adoption of the regional estimates, the current URBS design discharges are considered appropriate for adoption in the Detail Design phase of the Project. The Panel recommend higher flows still be used in Detailed Design phase to ensure higher velocities in particular are accounted for.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Higher design flow estimates are to be used in Detailed Design phase to ensure higher velocities in particular are accounted for.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Nicol Creek	B2G.N3	Parameters used in URBS model.	Medium	Updated response provided in updated Technical Note, with updated text highlighted.	25	Higher design flow estimates are to be used in Detailed Design phase to ensure higher velocities in particular are accounted for.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Higher design flow estimates are to be used in Detailed Design phase to ensure higher velocities in particular are accounted for.
B2G	Nicol Creek	B2G.N4	Final loss rates not detailed. Potential variation in loss rates could mask inadequacies with other URBS parameters.	Low	Responded to in Technical Note	25	ARTC have detailed loss rates and given undertaking to include in next report. This is acceptable noting that the ultimate response to N2/N3 may result in the adoption of different loss values.	Closed	n/a
B2G	Nicol Creek	B2G.N5	The adopted TUFLOW HPC engine is not the latest version.	Low	To be addressed in Detailed Design	25	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Nicol Creek	B2G.N6	Not all base model files provided to verify critical duration/temporal patterns.	Low	To be addressed in Detailed Design	25	Response proposes to address in Detailed Design.	Accepted subject to additional information in Revised Draft EIS	Further justification of the temporal pattern and critical duration selection to be provided in the Revised Draft EIS.
B2G	Nicol Creek	B2G.N7	Location of inflows applied to the hydraulic model are inconsistent.	High	Responded to in Technical Note	25	Now that subcatchment map has been supplied, most of the inflows are considered to be in a reasonable position except sub-catchment 12. The response states that there is an issue but that the change (splitting the inflow and applying in two locations) was necessary to reflect the catchment and that the impact of the change is minimal.	Closed	n/a
B2G	Nicol Creek	B2G.N8	No losses applied to bridge "opening". Bridge losses not calibrated or verified against alternate methods.	Low	To be addressed in Detailed Design	25	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Detailed Design to include bridge losses and to look at alternate approaches.
B2G	Nicol Creek	B2G.N9	Level of detail in Technical Report.	Very High	Responded to in Technical Note	25	Seems a reasonable way forward as long the level of detail in the final report is adequate. So far the details in the Technical Note are not of sufficient detail though. Also note that the commitment is for 'some' which is not an overwhelming commitment to change the report.	Closed	n/a
B2G	Back Creek	B2G.BC1	Sub-catchment extents only partially based on railway alignment. No changes made between existing and developed cases.	Low	To be addressed in Detailed Design	18	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	For Detailed Design, further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment is necessary.
B2G	Back Creek	B2G.BC2	Insufficient information is provided in relation to the Canal Creek FFA and its use in the validation process. Design flows lower than RFFE and QRT values.	High	Responded to in Technical Note	18	ARTC has raised flow to agree with QRT. Given other uncertainties associated with modelling, propose that this is reasonable and acceptable. Note: need to ensure that changes in impacts need to be communicated to affected stakeholders.	Closed	n/a
B2G	Back Creek	B2G.BC3	Areal Reduction Factor (ARF) derived at downstream catchment boundary rather than at crossing. Apparent inconsistency between values nominated in Technical Report and in model files.	Medium	Updated response provided in updated Technical Note, with updated text highlighted.	18	Flows now raised to match QRT values and the focal point used for the ARF moved to rail location. Revised Draft EIS to adopt the revised approach.	Accepted subject to additional information in Revised Draft EIS	Flows now raised to match QRT values and the focal point used for the ARF moved to rail location. Revised Draft EIS to adopt the revised approach.
B2G	Back Creek	B2G.BC4	Calibration/ validation of hydraulic model.	Medium	Updated response provided in updated Technical Note and validation against the 2010 event undertaken. Updated text in Technical Note has been highlighted.	18	The model was extended to encompass 10 flood mark locations from the 2010 event that would be solely as a result of local creek flows. The updated URBS model (to increase flows to the QRT values) uses an alpha of 0.85 with losses adjusted to match the QRT flows. For the 2010 event simulation, losses have reverted back to ARR2019 values. It is not detailed what the differences in losses ultimately were. The resultant comparison of flood levels at the 10 flood marks is reasonable with an overall bias of +25mm.	Accepted subject to additional information in Revised Draft EIS	Results from the 2010 event validation to be documented in the Revised Draft EIS.
B2G	Back Creek	B2G.BC5	Final loss rates not detailed. Potential variation in loss rates could mask inadequacies with other URBS parameters.	Low	Responded to in Technical Note	18	Given commitment to higher flow, it is acceptable now.	Closed	n/a
B2G	Back Creek	B2G.BC6	The adopted TUFLOW HPC engine is not the latest version.	Low	To be addressed in Detailed Design	18	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Back Creek	B2G.BC7	Flow estimates produced by hydrologic model differ from those estimated using Condamine River hydrologic model.	High	Responded to in Technical Note	18	Sensitivity has been completed as requested.	Closed	n/a
B2G	Back Creek	B2G.BC8	Not all base model files provided to verify critical duration/temporal patterns.	Low	To be addressed in Detailed Design	18	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to additional information in Revised Draft EIS	Further justification of the temporal pattern and critical duration selection to be provided in the Revised Draft EIS.
B2G	Back Creek	B2G.BC9	Location of inflows applied to the hydraulic model are inconsistent.	High	Responded to in Technical Note	18	The need to sub-divide sub-catchment 09 confirms that our recommendation to further refine the catchments is justified. Further refinement is to be included in the Detailed Design phase together with correct inflow application.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Sub catchment layout to be refined in Detailed Design.
B2G	Back Creek	B2G.BC10	No losses applied to bridge "openings". Bridge losses not calibrated or verified against alternate methods.	Low	To be addressed in Detailed Design	18	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to confirm reasonableness of bridge losses using alternate approaches.
B2G	Back Creek	B2G.BC11	Level of detail in Technical Report.	Very High	Responded to in Technical Note	18	Seems a reasonable way forward as long as the level of detail in the final report is adequate.	Closed	n/a
B2G	Back Creek	B2G.BC12	Justification for flood level and velocity impacts and changes to time of submergence.	Very High	Response provided in updated Technical Note. Commitment added to update Revised Draft EIS with associated impacts against the FIOs with further justification to be provided. Updated text has been highlighted in Technical Note.	18	Revised Draft EIS to document all impacts against the updated FIOs and justify why any impacts were not within the FIOs.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document all impacts against the updated FIOs and justify why any impacts were not within the FIOs.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Back Creek	B2G.BC13	Whether the immunity of the local public road (at the first point of overtopping) is adversely affected.	Medium	Responded to in Technical Note	18	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Detailed Design needs to demonstrate that the impact on road flood immunity is acceptable for the proposed drainage structures to be adopted.
B2G	Back Creek	B2G.BC14	Potential for scour to occur given generally poor soil conditions.	Low	To be addressed in Detailed Design	18	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	As part of Detailed Design, it will be necessary to ensure that the velocity of flow (including an allowance for climate change) does not result in scour on a case by case basis.
B2G	Condamine River	B2G.C1	The existing scenario hydrologic model has been used with minimal alteration to account for local features.	Low	Responded to in Technical Note	14	Given large upstream catchment area, the minor discrepancy in catchment area is likely to be insignificant.	Closed	n/a
B2G	Condamine River	B2G.C2	The joint calibration generally presents a reasonable match to gauged peak water levels. However, there are discrepancies between the 1991 and 2013 event gauged peak water levels. Furthermore, there are significant differences in recorded versus modelled shape and timing of peaks.	High	Commitment added to updated Technical Note to issue revised model.	14	Revised Draft EIS to document the recalibration of the model. Refer to issue C19.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document the recalibration of the model. Refer to issue C19.
B2G	Condamine River	B2G.C3	The comparison between the 2010 flood mark levels and modelled levels shows a bias towards underestimation of levels. There is also no inclusion or discussion regarding validation to 2013 historic flood marks.	High	Commitment added to updated Technical Note to issue revised model.	14	Item C3 is linked to Item C19. Revised Draft EIS to document the recalibration of the model sufficiently to present the spatial distribution of the flood mark differences to demonstrate that there is no pattern to the results, meaning that the debris marks are not showing a specific area as being too low or too high. This has not been documented in the Technical Note.	Accepted subject to additional information in Revised Draft EIS	Item C3 is linked to Item C19. Revised Draft EIS to document the recalibration of the model sufficiently to present the spatial distribution of the flood mark differences to demonstrate that there is no pattern to the results, meaning that the debris marks are not showing a specific area as being too low or too high.
B2G	Condamine River	B2G.C4	Critical duration and temporal pattern selection are based on a single discharge location. It has therefore not been adjusted to assess different locations of interests throughout the alignment.	High	ARTC believe this assessment has already been completed with results provided in Revision B of Technical Note.	14	A thorough sensitivity analysis has been carried out and is reasonable.	Closed	n/a
B2G	Condamine River	B2G.C5	The ARF appears to have been set based on each of the sub-model extents. It has therefore not been adjusted to assess different locations of interest throughout the alignment. Furthermore, the adopted sub-model ARF values could not be replicated.	High	Commitment added to updated Technical Note to issue revised model.	14	New updated hydrology results provided which justifies response.	Closed	n/a
B2G	Condamine River	B2G.C6	The adopted approach for applying internal design flow inputs does not follow standard practice. The inflow polygons negate the routing calculations undertaken within the hydrologic model.	High	Response provided in updated Technical Note, with updated text highlighted.	14	The figure shows changes in flood level only on the flood fringes. Change in flood level impacts in the 1% AEP event are not meaningfully affected. It is unclear if it affects smaller events (smaller than the 1% AEP event), so that should be checked by the ARTC for the Revised Draft EIS. The figures also show that flood levels in the default source-area inflow approach are typically lower on the fringes and rarely at flood sensitive receptors does the difference exceed 20 mm. There are some locations with changes in excess of 100 mm, but these are not at flood sensitive receptors.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to present results applying internal design flows in an industry standard way.
B2G	Condamine River	B2G.C7	The URBS model differs from the recommended centroidal inflow approach and instead routes flow to the downstream end of the sub-catchment.	Low	Responded to in Technical Note	14	The Panel has noted the response and is acceptable. The item can be closed.	Closed	n/a
B2G	Condamine River	B2G.C8	Initial and continuing loss selection has been based on ARR Data Hub and not informed by the calibrated modelling that was undertaken.	Low	Responded to in Technical note	14	Acceptable but update report with commentary to close off.	Accepted subject to additional information in Revised Draft EIS	Provide updated information for Revised Draft EIS.
B2G	Condamine River	B2G.C9	The TUFLOW model incorporates a forced model build of 2017-09-AC-ISP-w64.	Low	To be addressed in Detailed Design	14	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Condamine River	B2G.C10	Ridge lines have been included in the TUFLOW model to enforce roadway levels. However, in some locations, there appears to be gaps in this application which allows flow to pass through roadway embankments.	Low	To be addressed in Detailed Design	14	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	In some locations, there appears to be gaps in this application which allows flow to pass through roadway embankments. This issue to be addressed in Detailed Design.
B2G	Condamine River	B2G.C11	Culverts at existing minor waterway crossings, especially those under the Gore Highway, have not been included in the TUFLOW model.	High	To be addressed in Detailed Design	14	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	The model is to be updated in Detailed Design to test the sensitivity of the model to the missing culverts.
B2G	Condamine River	B2G.C12	The "CUMULATE" loss approach has been applied to all design bridges (as opposed to the default PORTION loss method).	Low	To be addressed in Detailed Design	14	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	The default PORTION loss method be adopted in future model runs to ensure consistent results in extreme events in Detailed Design.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Condamine River	B2G.C13	There are several issues with the modelling approach adopted for the Condamine (north branch) crossing at the proposed rail alignment. these issues include high velocity results presented in the 1% AEP event, missing HX boundaries and no representation of the proposed rail bridge in the 1D channel.	High	Responded to in Technical Note	14	Checks confirm approach is reasonable and providing appropriate outcomes.	Closed	n/a
B2G	Condamine River	B2G.C14	The boundary arrangements utilised to link the one-dimensional culverts to two-dimensional systems appear to be deficient.	High	ARTC will issue the revised Condamine model to the Flood Panel to address these questions.	14	The sensitivity test demonstrates that the hydraulic outcomes presented in the Draft EIS are reasonable, with isolated inefficient applications which could generate impacts that are locally conservative. ARTC will adopt a Quadtree approach for Condamine floodplain design culverts along the embankment and refine all culvert connections as part of the update.	Accepted subject to additional information in Revised Draft EIS	ARTC to adopt a Quadtree approach for Condamine floodplain design culverts along the embankment and refine all culvert connections as part of the update. This is to be included in the Revised Draft EIS.
B2G	Condamine River	B2G.C15	Cross drainage culvert structures under the rail alignment at one location (north of Pampas Pit Road) have been represented using two-dimensional layered flow constriction shapes.	Medium	Responded to in Technical Note	14	The Panel agrees that the response is acceptable.	Closed	n/a
B2G	Condamine River	B2G.C16	Limited documentation provided for sensitivity modelling undertaken with respect to the interaction of Back Creek and the Condamine.	Medium	Responded to in Technical Note	14	Additional testing of Back Creek indicates minimal variance between the EIS modelling and the various sensitivity scenarios - the Panel agrees based on this work that the influence of Back Creek on the Condamine, when focussing on the impacts generated by the alignment, is appropriately considered.	Closed	n/a
B2G	Condamine River	B2G.C17	Limited information provided for crop Manning's roughness selection.	Low	Commitment added to updated Technical Note to provide further justification in Revised Draft EIS. Updated text has been highlighted in Technical Note.	14	Further information on selection of crop Manning's roughness to be provided in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Further information on selection of crop Manning's roughness to be provided in the Revised Draft EIS.
B2G	Condamine River	B2G.C18	Flow distribution differences across the floodplain between the Back Creek model and Condamine model is currently not addressed. Furthermore, flow outbreaks (from Back Creek) occur in extreme events which are not reciprocated in the Condamine model.	Low	Response provided in updated Technical Note, as highlighted.	14	Extreme event commentary has been added.	Closed	n/a
B2G	Condamine River	B2G.C19	Analysis of the combined FFA approach shows that it may be preventing the identification of flow distribution issues between the North Condamine and Condamine Rivers.	Very High	Commitment added to Technical Note to issue revised model.	14	These Comments Relate to the new revised Condamine Model provided to the Panel: While C2, C3, C11 and C15 need to be addressed in the Revised Draft EIS, the Detailed Design phase should include the following: 1. A new command was added to the TUFLOW model: "SGS Map Extent Trim == All". This command trims the flood extent at partially wet cells. This risks not showing impacts at flood sensitive receptors or on private properties. ARTC should confirm that it is showing impacts everywhere and should consider disabling the command; 2. The application of river roughness is (spatially) more coarse in the extension area. This makes the channel of the extension smoother than the remainder of the model, potentially resulting in slightly lower water levels. The impacts of this are likely to be minor, but it should be investigated and potentially adjusted; 3. Part of the downstream portion of the model has no inflows applied (10km downstream of Cecil Plains). That being said, the confluence is 10km downstream of the Cecil Weir gauge and is unlikely to affect calibration results, meaning that no further action is required for this item; 4. Roads and railways in the extension area have not been enforced, which could affect flood levels; 5. 2m LIDAR data was adopted when 1m LIDAR data was available. Additionally, design railway embankment was applied as 2m grids instead of 1m grids (or a TIN). Previously, this was fine, but with the adoption of sub-grid sampling, this means that some definition in the model has been unnecessarily lost. This should be tested and implemented if it affects results; 6. Part of the downstream model extent is missing an outflow boundary, so some of the larger flows are being contained by a hard boundary; 7. Cecil Weir, the adjacent upstream rail bridge and the downstream road bridge have not been explicitly modelled. They should be added to the model; and 8. The bridge crossing 3km upstream of the downstream boundary has not been included and should be.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	These Comments Relate to the new revised Condamine Model provided to the Panel: While C2, C3, C11 and C15 need to be addressed in the Revised Draft EIS, the Detailed Design phase should include the following: 1. A new command was added to the TUFLOW model: "SGS Map Extent Trim == All". This command trims the flood extent at partially wet cells. This risks not showing impacts at flood sensitive receptors or on private properties. ARTC should confirm that it is showing impacts everywhere and should consider disabling the command; 2. The application of river roughness is (spatially) more coarse in the extension area. This makes the channel of the extension smoother than the remainder of the model, potentially resulting in slightly lower water levels. The impacts of this are likely to be minor, but it should be investigated and potentially adjusted; 3. Part of the downstream portion of the model has no inflows applied (10km downstream of Cecil Plains). That being said, the confluence is 10km downstream of the Cecil Weir gauge and is unlikely to affect calibration results, meaning that no further action is required for this item; 4. Roads and railways in the extension area have not been enforced, which could affect flood levels; 5. 2m LIDAR data was adopted when 1m LIDAR data was available. Additionally, design railway embankment was applied as 2m grids instead of 1m grids (or a TIN). Previously, this was fine, but with the adoption of sub-grid sampling, this means that some definition in the model has been unnecessarily lost. This should be tested and implemented if it affects results; 6. Part of the downstream model extent is missing an outflow boundary, so some of the larger flows are being contained by a hard boundary; 7. Cecil Weir, the adjacent upstream rail bridge and the downstream road bridge have not been explicitly modelled. They should be added to the model; and 8. The bridge crossing 3km upstream of the downstream boundary has not been included and should be.
B2G	Condamine River	B2G.C20	Sensitivity testing has been undertaken for climate change and blockage factors but does not appear to have resulted in any changes to the design.	Medium	Response provided in updated Technical Note, as highlighted.	14	Climate change and blockage scenarios to be assessed at Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Climate change and blockage scenarios to be assessed at Detailed Design.
B2G	Condamine River	B2G.C21	Impacts for events up to the 1% AEP event are noted in most areas. However, there are several impacts greater than the flood impact objectives due to newly flooded areas which have not been reported.	Very High	Response updated in updated Technical Note, as highlighted.	14	The Revised Draft EIS should be updated to include the details of an updated assessment of impacts using FIOs, including information on properties and sensitive receptors that were previously undocumented. Where those impacts exceed the FIOs, justification should be given to explain why it is not practical to achieve the FIOs.	Accepted subject to additional information in Revised Draft EIS	The Revised Draft EIS to be updated to include the details of an updated assessment of impacts using FIOs, including information on properties and sensitive receptors that were previously undocumented. Where those impacts exceed the FIOs, justification should be given to explain why it is not practical to achieve the FIOs.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
B2G	Condamine River	B2G.C23	Level of detail in Technical Report.	Very High	Commitment added to updated Technical Note to provide appropriate impact assessment in Revised Draft EIS. Updated text in Technical Note has been highlighted.	14	The Revised Draft EIS to be updated to include the details of all impacts including those that exceed the agreed FIOs with justification where the FIOs are exceeded after mitigation.	Accepted subject to additional information in Revised Draft EIS	The Revised Draft EIS to be updated to include the details of all impacts including those that exceed the agreed FIOs with justification where the FIOs are exceeded after mitigation.
B2G	Westbrook & Dry Creeks	B2G.CC1	No climate change modelling has been undertaken.	Medium	Responded to in Technical Note	15	CC analysis is included.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC1	An alternative hydrologic and hydraulic model for Gowrie Creek was recently developed by TMR for Stage 2C of the Toowoomba North South Transport Corridor (TNSTC) project. The models correct most of the identified issues from the ARTC models used for the current studies.	Medium	Model to be issued to Flood Panel.	17	Details of the adopted hydrologic and hydraulic modelling parameters will be included in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Details of the adopted hydrologic and hydraulic modelling parameters will be included in the Revised Draft EIS.
B2G	Gowrie Creek B2G	B2G.GC2	Several subcatchment nodes and links were placed incorrectly and changed from the previous studies.	High	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC3	Catchment areas differ between the XPRAFTS model and spatial data. There are also gaps and overlaps in catchment boundaries.	Medium	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC4	The subcatchments were not split at the alignment.	Medium	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC5	Subcatchment areas were found to be inconsistent or incorrect in some areas.	High	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC6	Detention/retention basins and their details were not always accurate and they were not always linked correctly in the hydrologic model.	High	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC7	The rainfall losses for both historical and design storm events are not sufficiently justified.	High	Model to be issued to Flood Panel.	17	The critical duration was comprehensively assessed to capture the range of local catchments draining to the alignment. Additional detail on the method adopted will be included in the Revised Draft EIS to provide further clarity.	Accepted subject to additional information in Revised Draft EIS	The critical duration was comprehensively assessed to capture the range of local catchments draining to the alignment. Additional detail on the method adopted will be included in the Revised Draft EIS to provide further clarity.
B2G	Gowrie Creek B2G	B2G.GC8	The January 2011 event's rainfall distribution was inconsistent in selection of pluviographs to define temporal variation. The applied total rainfall was also somewhat inconsistent with recorded rainfall, mainly in the Highfields area of the model.	High	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC9	The rating curves at the DNRN stream gauges have not been verified with a hydraulic model.	High	Additional information provided in updated Technical Note, as highlighted.	17	Technical Note (1/12/2021) shows deviation between DNRN rating and TUFLOW only for flows up to 120m3/s. Adoption of the DRNM rating seems appropriate.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC10	An additional two years of data is now available at the Oakley gauge. This data includes a flood peak greater than 350 m3/s which is likely to change the FFA estimate.	Medium	Additional information provided in updated Technical Note, as highlighted.	17	The original Item/Issue contained a typographical error, 350 m3/s should have been 150m3/s. Response 3.15 to Item GC15 discusses the design event peak flows. They show a good match to the expected quantiles for Cranley, but a poor match at Oakley. This is a similar outcome to previous modelling. Given the uncertainties in the modelling, the findings from updating the FFA estimate are acceptable, but the Panel notes the ARTC intention to refine channel/floodplain storage and improve the match in Detailed Design.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC11	Some hydraulic controls, such as existing roads and railways, were not enforced within the Existing Case hydraulic model.	High	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC12	Some existing developments of the floodplain have not been properly incorporated, such as existing ARTC survey of the railway, Toowoomba Second Range Crossing and Nass Road Detention Basin. Some other developments are proposed that may be built before Inland Rail that have also not been modelled/tested for sensitivity: InterlinkSQ and Charlton North Urban Stormwater Management Plan works.	High	Model to be issued to Flood Panel.	17	ARTC to state assumptions around works to be constructed prior or post construction of Inland Rail (InterlinkSQ and Charlton North USMP). The design case TUFLOW model is missing Inland Rail roughnesses. It is not clear whether available ARTC corridor survey information has supplemented the TNSTC base case model.	Accepted subject to additional information in Revised Draft EIS	ARTC to state assumptions in Revised Draft EIS around works to be constructed prior or post construction of Inland Rail (InterlinkSQ and Charlton North USMP). The design case TUFLOW model is missing Inland Rail roughnesses.
B2G	Gowrie Creek B2G	B2G.GC13	Several existing culverts were modelled with incorrect lengths and were incorrectly placed (outlets placed in existing rail embankment).	High	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC14	The downstream outflow boundary slope is steeper than the channel slope.	Low	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a

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B2G	Gowrie Creek B2G	B2G.GC15	The design storm event flows differed somewhat from the FFA results.	Medium	Model to be issued to Flood Panel.	17	During Detailed Design the channel routing upstream of Cranley is to be refined to improve the match at Oakley between design flows and the FFA. Additionally, the FFA is to be re-evaluated to consider 2022 large flood events.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	During Detailed Design the channel routing upstream of Cranley is to be refined to improve the match at Oakley between design flows and the FFA. Additionally, the FFA is to be re-evaluated to consider 2022 large flood events.
B2G	Gowrie Creek B2G	B2G.GC16	The bridge form loss and blockage parameters were "typical" values, but clearly not calculated in accordance with Austroads. The layer 2 and layer 3 values are not consistent with the TMR Technical Guideline on Hydrologic and Hydraulic Modelling and no explanation was provided for how the bridge parameters were derived.	Medium	Model to be issued to Flood Panel.	17	All existing and design bridge layered flow constrictions will be included in the blockage sensitivity runs for the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	All existing and design bridge layered flow constrictions will be included in the blockage sensitivity runs for the Revised Draft EIS.
B2G	Gowrie Creek B2G	B2G.GC17	Safety barriers were not added to the hydraulic model.	Low	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC18	The adopted TUFLOW HPC engine was not the latest version.	Low	Model to be issued to Flood Panel.	17	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
B2G	Gowrie Creek B2G	B2G.GC19	Not all culverts were included in the Design Case hydraulic model.	Medium	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC20	Culvert 1D/2D connection (SX) lines are coarsely located, particularly where the proposed alignment is parallel to the existing railway.	High	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Gowrie Creek B2G	B2G.GC21	Several culvert loss parameters are non-standard.	Medium	Model to be issued to Flood Panel.	17	Four rectangular culverts have width contraction coefficient greater than one, ARTC to provide clarification. Various existing culverts removed from the rail alignment do not have sufficient cover (e.g. GOW11_E063, GOW11_E065). ARTC to state model limitations. Some instabilities in culverts GOW11_E013 & GOW30_E017 in close proximity to the rail need correcting.	Accepted subject to additional information in Revised Draft EIS	Revised information on culvert loss parameters to be provided in the Revised Draft EIS.
B2G	Gowrie Creek B2G	B2G.GC23	Some of the reported impacts were not consistent with the provided hydraulic model results, with larger impacts identified in the provided results.	Very High	Model to be issued to Flood Panel.	17	No reporting on impacts has been provided for the updated model to date. Report on impacts based off new FIOs in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Report on impacts based off FIOs in Revised Draft EIS.
B2G	Gowrie Creek B2G	B2G.GC24	Increases in duration of inundation were reported on local roads, with no conclusions drawn as to their acceptability to Council and TMR.	High	Model to be issued to Flood Panel.	17	No reporting on impacts has been provided for the updated model to date. Report on impacts based off new FIOs in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Report on impacts based off FIOs in Revised Draft EIS.
B2G	Gowrie Creek B2G	B2G.GC25	Only the 1% AEP change in duration of inundation and change in velocity was reported, which is insufficient to draw conclusions on change in duration of inundation and velocity to stakeholders.	Medium	Model to be issued to Flood Panel.	17	No reporting on impacts has been provided for the updated model to date. Report on impacts based off new FIOs in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Report on impacts based off FIOs in Revised Draft EIS.
B2G	Gowrie Creek B2G	B2G.GC26	Future development of the catchment was not considered when assessing future climate change, which is an unrealistic scenario.	Medium	Model to be issued to Flood Panel.	17	The Panel agrees the response is acceptable.	Closed	n/a
B2G	Geomorphology B2G	B2G.G1	No assessment of upstream or downstream channel condition and processes to gain an understanding of the likely rate or trajectory of channel change.	Low	Response updated in updated Technical Memo	16	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.
B2G	Geomorphology B2G	B2G.G2	Impacts of minor waterway crossings not assessed.	Low	Response updated in updated Technical Memo	16	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.
B2G	Macintyre River	B2G.MR1	Appears to be duplication of sub-catchment area in Lower and Ottery URBS hydrologic models.	Medium	Technical Note updated to commit to this being reviewed as part of Revised Draft EIS.	10	Revised Draft EIS to adopt the revised hydrological model and document a review of all sub-catchment boundaries.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to adopt the revised hydrological model and document a review of all sub-catchment boundaries.
B2G	Macintyre River	B2G.MR2	Lack of variation and the relatively low value of the URBS sub-model beta parameter is unexpected over the wide range of topographies and landscapes.	Medium	Responded to in Technical Note	10	The Panel agrees with the response and the item can be closed.	Closed	n/a
B2G	Macintyre River	B2G.MR3	There were several concerns raised over the baseflow modelling approach and results.	Medium	Responded to in Technical Note	10	Additional commentary provided on selection of baseflow parameters. Worthwhile including in reporting.	Closed	n/a
B2G	Macintyre River	B2G.MR4	No discussion on the assumption of initial dam storage level adopted in the URBS model for design events.	Low	Responded to in Technical Note	10	The Panel agrees with the response and the item can be closed.	Closed	n/a
B2G	Macintyre River	B2G.MR5	The critical duration for the Macintyre River at the Inland Rail alignment was the 24-hour event in both levee scenarios in a 1% AEP flood. This critical duration should be confirmed by the designer and sufficient discussion in the report added. It is noted that this duration seems relatively short for the scale of the catchment.	Medium	Technical Note updated to commit to this being reviewed as part of Revised Draft EIS.	10	Revised Draft EIS to review and document the critical durations and whether the hydrologic and hydraulic models are in agreement for the 1% AEP event to show that the hydrologic model's routing is acceptable.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to review and document the critical durations and whether the hydrologic and hydraulic models are in agreement for the 1% AEP event to show that the hydrologic model's routing is acceptable.
B2G	Macintyre River	B2G.MR6	More discussion on low flow outliers at each gauge could add value to the FFA. The report only mentions the multiple Grubbs Beck test was adopted without any details on number of values omitted.	Medium	Responded to in Technical Note	10	The Panel agrees with the response and the item can be closed.	Closed	n/a
B2G	Macintyre River	B2G.MR7	A 25% blockage factor has been applied to majority of culverts although there are six culverts where no blockage applied.	Medium	Technical Note updated to commit to this being reviewed as part of Revised Draft EIS.	10	Revised Draft EIS to include updated and consistent culvert blockage case.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to include updated information for all culverts.
B2G	Macintyre River	B2G.MR8	Upstream river boundaries have used source-area polygons. Placement of the source-area boundaries is slightly downstream of the boundary and in some cases not centred over the river channel/does not cover the flood extent.	Low	A sensitivity run has been undertaken to demonstrate the impact on the Macintyre River modelling. The Technical Note has been updated with details of the assessment undertaken and presents the findings.	10	Sensitivity analysis showed that there was no impact on the alignment. ARTC have committed to refining placement of SA inflows. ARTC have not proposed to adopt 2d_bc (boundary line) inflows, which is standard practice in TUFLOW, but have explained that the source-area boundaries provide a more stable flow. Considering all information, the decision is acceptable.	Closed	n/a

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B2G	Macintyre River	B2G.MR9	Floodplain roughness appears somewhat higher than would be expected. Floodplain is mainly cleared so would expect <0.05. Further discussion in report is warranted to justify values chosen.	Low	Responded to in Technical Note	10	The Panel agrees with the response and the item can be closed.	Closed	n/a
B2G	Macintyre River	B2G.MR10	Missing hydraulic structures in existing model.	Low	Responded to in Technical Note	10	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	The hydraulic model should be updated during the Detailed Design phase to include all existing and any new or modified structures.
B2G	Macintyre River	B2G.MR11	No blockage has been applied to the substructure of bridges to account for piers or any potential debris blockage. No form loss applied to superstructure to account for bridge deck loss.	Medium	Responded to in Technical Note	10	Can be addressed at Detailed Design when considering extreme events.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The Detailed Design phase should include assessment of impact of blockage factors and form losses on the performance of bridge structures.

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Appendix B G2H Issues Management Register

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Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
G2H	Gowrie Creek G2H	G2H.MGC1	An alternative hydrologic and hydraulic model for Gowrie Creek was recently developed by TMR for Stage 2C of the Toowoomba North South Transport Corridor (TNSTC) project. The models correct most of the identified issues from the ARTC models used for the current studies.	Low	Responded to in Technical Memo	4	Details of the adopted hydrologic and hydraulic modelling parameters will be included in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Details of the adopted hydrologic and hydraulic modelling parameters to be included in the Revised Draft EIS.
G2H	Gowrie Creek G2H	G2H.MGC2	Several subcatchment nodes and links were placed incorrectly and changed from the previous studies.	High	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC3	Catchment areas differ between the XPRAFTS model and spatial data. There are also gaps and overlaps in catchment boundaries.	Medium	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC4	The subcatchments were not split at the alignment.	Medium	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC5	Subcatchment areas were found to be inconsistent or incorrect in some areas.	High	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC6	Detention/retention basins and their details were not always accurate and they were not always linked correctly in the hydrologic model.	High	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC7	The rainfall losses for both historical and design storm events are not sufficiently justified.	High	Responded to in Technical Memo	4	The critical duration was comprehensively assessed to capture the range of local catchments draining to the alignment. Additional detail on the method adopted will be included in the Revised Draft EIS to provide further clarity.	Accepted subject to additional information in Revised Draft EIS	Additional detail on the method adopted will be included in the Revised Draft EIS to provide further clarity.
G2H	Gowrie Creek G2H	G2H.MGC8	The January 2011 event's rainfall distribution was inconsistent in selection of pluviographs to define temporal variation. The applied total rainfall was also somewhat inconsistent with recorded rainfall, mainly in the Highfields area of the model.	High	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC9	The rating curves at the DNRN stream gauges have not been verified with a hydraulic model.	High	Responded to in Technical Memo	4	Technical Note (6/12/2021) shows deviation between DNRN rating and TUFLOW only for flows up to 120m3/s at Cranley and conservative DNRN rating at Oakey. Adoption of the DNRN rating seems appropriate.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC10	An additional two years of data is now available at the Oakey gauge. This data includes a flood peak greater than 350 m3/s which is likely to change the FFA estimate.	Medium	Responded to in Technical Memo	4	The original item/issue contained a typographical error, 350 m3/s should have been 150m3/s. Response 3.15 to item MGC15 discusses the design event peak flows. They show a good match to the expected quantiles for Cranley, but a poor match at Oakey. This is a similar outcome to previous modelling. Given the uncertainties in the modelling, the findings from updating the FFA estimate are acceptable, but the Panel notes the ARTC intention to refine channel/ floodplain storage and improve the match in Detailed Design.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC11	Some hydraulic controls, such as existing roads and railways, were not enforced within the Existing Case hydraulic model.	High	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC12	Some existing developments of the floodplain have not been properly incorporated, such as existing ARTC survey of the railway, Toowoomba Second Range Crossing and Nass Road Detention Basin. Some other developments are proposed that may be built before Inland Rail that have also not been modelled/tested for sensitivity: InterlinkSQ and Charlton North Urban Stormwater Management Plan works.	High	Responded to in Technical Memo	4	ARTC to state assumptions around works to be constructed prior or post construction of Inland Rail (InterlinkSQ and Charlton North USMP). The design case TUFLOW model is missing Inland Rail roughnesses. It is not clear whether available ARTC corridor survey information has supplemented the TNSTC base case model.	Accepted subject to additional information in Revised Draft EIS	ARTC to state assumptions around works to be constructed prior or post construction of Inland Rail (InterlinkSQ and Charlton North USMP) in the Revised Draft EIS.
G2H	Gowrie Creek G2H	G2H.MGC13	Several existing culverts were modelled with incorrect lengths and were incorrectly placed (outlets placed in existing rail embankment).	High	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC14	The downstream outflow boundary slope is steeper than the channel slope.	Low	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC15	The design storm event flows differed somewhat from the FFA results.	Medium	Responded to in Technical Memo	4	During Detailed Design the channel routing upstream of Cranley is to be refined to improve the match at Oakey between design flows and the FFA. Additionally, the FFA is to be re-evaluated to consider 2022 large flood events.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	During Detailed Design the channel routing upstream of Cranley is to be refined to improve the match at Oakey between design flows and the FFA. Additionally, the FFA is to be re-evaluated to consider 2022 large flood events.
G2H	Gowrie Creek G2H	G2H.MGC16	The bridge form loss and blockage parameters were "typical" values, but clearly not calculated in accordance with Austroads. The layer 2 and layer 3 values are not consistent with the TMR Technical Guideline on Hydrologic and Hydraulic Modelling and no explanation was provided for how the bridge parameters were derived.	Medium	Responded to in Technical Memo	4	All existing and design bridge layered flow constrictions will be included in the blockage sensitivity runs for the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	All existing and design bridge layered flow constrictions to be included in the blockage sensitivity runs for the Revised Draft EIS.
G2H	Gowrie Creek G2H	G2H.MGC17	Safety barriers were not added to the hydraulic model.	Low	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC18	The adopted TUFLOW HPC engine was not the latest version.	Low	Responded to in Technical Memo	4	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
G2H	Gowrie Creek G2H	G2H.MGC19	Not all culverts were included in the Design Case hydraulic model.	Medium	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
G2H	Gowrie Creek G2H	G2H.MGC20	Culvert 1D/2D connection (SX) lines are coarsely located, particularly where the proposed alignment is parallel to the existing railway.	High	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Gowrie Creek G2H	G2H.MGC21	Several culvert loss parameters are non-standard.	Medium	Responded to in Technical Memo	4	Four rectangular culverts have width contraction coefficient greater than one, ARTC to provide clarification. Various existing culverts removed from the rail alignment do not have sufficient cover (e.g. GOW11_E063, GOW11_E065), ARTC to state model limitations. Some instabilities in culverts GOW11_E013 & GOW30_E017 in close proximity to the rail need correcting.	Accepted subject to additional information in Revised Draft EIS	Revised information on culvert loss parameters to be provided in the Revised Draft EIS.
G2H	Gowrie Creek G2H	G2H.MGC22	Increases in duration of inundation were reported on local roads, with no conclusions drawn as to their acceptability to Council and TMR.	High	Responded to in Technical Memo	4	No reporting on impacts has been provided for the updated model to date. Report on impacts based off new FIOs in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Report on impacts based off new FIOs in Revised Draft EIS.
G2H	Gowrie Creek G2H	G2H.MGC23	Only the 1% AEP change in duration of inundation and change in velocity was reported, which is insufficient to draw conclusions on change in duration of inundation and velocity to stakeholders.	Medium	Responded to in Technical Memo	4	No reporting on impacts has been provided for the updated model to date. Report on impacts based off new FIOs in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Report on impacts based off new FIOs in Revised Draft EIS.
G2H	Gowrie Creek G2H	G2H.MGC24	Future development of the catchment was not considered when assessing future climate change, which is an unrealistic scenario.	Medium	Responded to in Technical Memo	4	The Panel agrees that the response is acceptable.	Closed	n/a
G2H	Oaky Creek	G2H.OKY1	Justification of adopted URBS parameters.	Medium	Include in Revised Draft EIS. Approach taken will depend on outcomes of comparison.	5	Comparison of flows between RFFM, QRT and Rational Method to be provided in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Comparison of flows between RFFM, QRT and Rational Method to be provided in Revised Draft EIS.
G2H	Oaky Creek	G2H.OKY2	Model validation.	Medium	Include in Revised Draft EIS. Approach taken will depend on outcomes of comparison.	5	Comparison of flows between RFFM, QRT and Rational Method to be provided in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Comparison of flows between RFFM, QRT and Rational Method to be provided in Revised Draft EIS.
G2H	Oaky Creek	G2H.OKY3	Roughness Values.	Low	Address in Detailed Design	5	Sensitivity testing has shown increase in velocity with reduced Manning's 'n'. ARTC have agreed to complete additional modelling as part of Detailed Design and to keep piers out of main channel.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Further sensitivity checks on roughness parameters to be performed at Detailed Design to inform the design of scour protection.
G2H	Oaky Creek	G2H.OKY4	TUFLOW Version.	Low	Include in Revised Draft EIS	5	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
G2H	Oaky Creek	G2H.OKY5	Temporal patterns.	Low	Include in Revised Draft EIS	5	Unlikely to be a significant issue in this case if model is validated as per OKY1. The peak flow, and therefore the velocity, will be calculated.	Accepted subject to additional information in Revised Draft EIS	Further justification of the temporal pattern and critical duration selection to be provided in the Revised Draft EIS.
G2H	Oaky Creek	G2H.OKY6	Calculation of critical storm duration.	Medium	Include in Revised Draft EIS	5	Unlikely to be a significant issue in this case if model is validated as per OKY1. The peak flow, and therefore the velocity, will be calculated.	Accepted subject to additional information in Revised Draft EIS	Further justification of the temporal pattern and critical duration selection to be provided in the Revised Draft EIS.
G2H	Oaky Creek	G2H.OKY7	Modelling of bridge losses.	Low	Include in Revised Draft EIS	5	Pier losses to be calculated using the guidelines for backwater coefficients for bridge piers and presented in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Pier losses to be calculated using the guidelines for backwater coefficients for bridge piers and presented in Revised Draft EIS.
G2H	Oaky Creek	G2H.OKY8	Afflux reported downstream of railway.	Medium	Include in Revised Draft EIS	5	The new version of TUFLOW, combined with putting the layered flow constrictions in the correct location, removes the increase. Technical Note offers to provide results for this in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	The new version of TUFLOW, combined with putting the layered flow constrictions in the correct location, removes the increase. Technical Note offers to provide results for this in the Revised Draft EIS.
G2H	Oaky Creek	G2H.OKY9	Velocity/ changes in peak.	Low	Address in Detailed Design	5	Refer to response for OKY3.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Further sensitivity checks on roughness parameters to be performed at Detailed Design to inform the design of scour protection.
G2H	Oaky Creek	G2H.OKY10	Increase in duration of inundation at 320-BR05.	Medium	Include in Revised Draft EIS	5	Response in Technical Note reasonable. Additional detail will be supplied in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Review and confirm that additional information regarding the change duration of inundation has been provided in the Revised Draft EIS.
G2H	Oaky Creek	G2H.OKY11	Redirection of flow at Ch 15.05.	Medium	Include in Revised Draft EIS	5	Technical Note agrees to the review of whether the diverted flow causes any issues in the affected reach.	Accepted subject to additional information in Revised Draft EIS	Design of long drain and culvert to be reviewed as part of the Revised Draft EIS.
G2H	Six Mile Creek	G2H.SMC1	Justification of adopted URBS parameters.	Medium	Include in Revised Draft EIS. Outcomes of flow checks will determine what is adopted.	6	Have agreed to compare flows to RFFM, QRT and Rational. No definitive undertaking in relation to level of agreement proposed (i.e. will they increase flows to match QR if necessary to be conservative).	Accepted subject to additional information in Revised Draft EIS	Compare flows to RFFM, QRT and Rational Method in Revised Draft EIS.
G2H	Six Mile Creek	G2H.SMC2	Model validation.	Medium	Include in Revised Draft EIS	6	Sensitivity testing has shown increase in velocity with reduced Manning's 'n'. ARTC have agreed to complete additional modelling as part of Detailed Design and to keep piers out of main channel.	Accepted subject to additional information in Revised Draft EIS	Compare flows to RFFM, QRT and Rational Method in Revised Draft EIS.
G2H	Six Mile Creek	G2H.SMC3	Roughness Values.	Low	Address in Detailed Design	6	Sensitivity testing has shown increase in velocity with reduced Manning's 'n'. ARTC have agreed to complete additional modelling as part of Detailed Design and keep piers out of the main channel.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Further sensitivity checks on roughness parameters to be performed at Detailed Design to inform the design of scour protection.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
G2H	Six Mile Creek	G2H.SMC4	TUFLOW Version.	Low	Include in Revised Draft EIS	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
G2H	Six Mile Creek	G2H.SMC5	Temporal patterns.	Low	Include in Revised Draft EIS	6	Unlikely to be a significant issue in this case if model is validated as per SMC1. The peak flow, and therefore the velocity, will be calculated.	Accepted subject to additional information in Revised Draft EIS	Further justification of the temporal pattern and critical duration selection to be provided in the Revised Draft EIS.
G2H	Six Mile Creek	G2H.SMC6	Calculation of critical storm duration.	Medium	Include in Revised Draft EIS	6	Unlikely to be a significant issue in this case if model is validated as per SMC1. The peak flow, and therefore the velocity, will be calculated.	Accepted subject to additional information in Revised Draft EIS	Further justification of the temporal pattern and critical duration selection to be provided in the Revised Draft EIS.
G2H	Six Mile Creek	G2H.SMC7	Downstream model boundary.	Low	Include in Revised Draft EIS	6	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Revised boundary condition to be taken forward to the Revised Draft EIS.
G2H	Six Mile Creek	G2H.SMC8	Modelling of bridge losses.	Low	Include in Revised Draft EIS	6	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Pier losses to be calculated using the guidelines for backwater coefficients for bridge piers and presented in Revised Draft EIS.
G2H	Six Mile Creek	G2H.SMC9	Velocity/ changes in peak.	Low	Address in Detailed Design	6	Sensitivity testing has shown increase in velocity with reduced Manning's 'n'. ARTC have agreed to complete additional modelling as part of Detailed Design and keep piers out of the main channel.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Further sensitivity checks on roughness parameters to be performed at Detailed Design to inform the design of scour protection.
G2H	Six Mile Creek	G2H.SMC10	Increase in flood levels downstream of Ch 17.08 km.	Medium	Address in Detailed Design	6	Response in Technical Note acceptable (will be dealt with as part of further design).	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Where there are impacts, waterway stability to be considered in Detailed Design. All local catchments to consider impacts for a full suite of events in the Detailed Design phase. In this impact assessment slope stability to be in conjunction with the geomorphologic assessment outcomes.
G2H	Lockyer Creek G2H	G2H.UL1	The BRCFS model has been used with minimal alterations to account for local features.	Low	Address in Detailed Design	7	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to consider further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment.
G2H	Lockyer Creek G2H	G2H.UL2	The adopted IFD values may not be the most current.	Low	Address in Detailed Design	7	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The latest values at the time of the project inception were adopted. The study that reviewed IFD values within the Brisbane, Ipswich, Lockyer Valley and Moreton Bay catchments are to be reviewed and incorporated in the Detailed Design stage of the project.
G2H	Lockyer Creek G2H	G2H.UL3	A lower beta value was adopted for local inflows than what was used for regional inflows.	Medium	Updated response in Technical Note	7	For improved calibration between hydrologic and hydraulic models the alpha (stream routing) should be altered, not the beta as discussed in the response. Implementation of some of the more detailed techniques available in URBS, such as spatially varied losses, recovering initial losses etc. may produce an improved calibration for specific events.	Accepted subject to additional information in Revised Draft EIS	A more detailed calibration to be undertaken including implementation of some of the more detailed techniques available in URBS (such as spatially varied losses, recovering initial losses etc.) for the Revised Draft EIS.
G2H	Lockyer Creek G2H	G2H.UL4	The joint hydrologic/hydraulic model uses different hydrologic parameters to the hydrologic design model.	High	Updated response in Technical Note	7	For improved calibration between hydrologic and hydraulic models the alpha (stream routing) should be altered, not the beta as discussed in the response. Implementation of some of the more detailed techniques available in URBS, such as spatially varied losses, recovering initial losses etc. may produce an improved calibration for specific events.	Accepted subject to additional information in Revised Draft EIS	A more detailed calibration to be undertaken including implementation of some of the more detailed techniques available in URBS (such as spatially varied losses, recovering initial losses etc.) for the Revised Draft EIS.
G2H	Lockyer Creek G2H	G2H.UL5	The adopted ARF value is not appropriate for assessing flows at the G2H crossing of Lockyer Creek.	High	Include in Revised Draft EIS	7	Results shown for the impact of changing the focal point location. Sensitivity testing shown to determine impact of using the local design flows. ARTC to incorporate this information in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Results shown for the impact of changing the focal point location. Sensitivity testing shown to determine impact of using the local design flows. ARTC to incorporate this information in the Revised Draft EIS.
G2H	Lockyer Creek G2H	G2H.UL6	Limited discussion regarding hydrologic model loss parameters and their impact on design flows.	High	Include in Revised Draft EIS	7	Response is noted and is acceptable subject to additional information from ARTC.	Accepted subject to additional information in Revised Draft EIS	Losses to be reviewed and better discussion regarding hydrologic model loss parameters and their impact on design flows.
G2H	Lockyer Creek G2H	G2H.UL7	The latest available LIDAR data which includes, but is not limited to, the Lockyer Valley LGA LIDAR dataset flown 2018 to be used in Detailed Design.	Low	Address in Detailed Design	7	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The latest available LIDAR data which includes, but is not limited to, the Lockyer Valley LGA LIDAR dataset flown 2018 to be used in Detailed Design.
G2H	Lockyer Creek G2H	G2H.UL8	Several issues with the model calibration.	Very High	Updated response in Technical Note	7	Revised Draft EIS to include a more rigorous hydrological assessment to improve calibration and to consider spatially varied losses.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to include a more rigorous hydrological assessment to improve calibration and to consider spatially varied losses.
G2H	Lockyer Creek G2H	G2H.UL9	The flood frequency analysis was only performed at one stream gauge (far downstream of the G2H crossing of Lockyer Creek), despite several other stream gauges having data available.	High	Include in Revised Draft EIS	7	Information provided for FFA assessment at Helidon, associated with the revised losses and focus at Helidon. ARTC to incorporate this information into the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Information provided for FFA assessment at Helidon, associated with the revised losses and focus at Helidon. ARTC to incorporate this information into the Revised Draft EIS.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
G2H	Lockyer Creek G2H	G2H.UL10	The adopted TUFLOW HPC engine was not the latest version.	Low	Include in Revised Draft EIS	7	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Adopt the latest version of TUFLOW HPC engine in Detailed Design.
G2H	Lockyer Creek G2H	G2H.UL11	Issues surrounding the application of hydraulic roughness.	Low	Address in Detailed Design	7	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Issues surrounding the application of hydraulic roughness to be addressed in Detailed Design.
G2H	Lockyer Creek G2H	G2H.UL12	Varied and inconsistent approaches adopted to apply inflows within the hydraulic model.	Medium	n/a	7	Agreed the issue is unlikely to present large issues to the overall scheme given the locations of concern.	Closed	n/a
G2H	Lockyer Creek G2H	G2H.UL13	Differing source area inflows used between historic and design models.	Low	Address in Detailed Design	7	Differing source area inflows used between historic and design models to be addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Differing source area inflows used between historic and design models to be addressed in Detailed Design.
G2H	Lockyer Creek G2H	G2H.UL14	Missing hydraulic structures in existing model.	Low	Address in Detailed Design	7	The hydraulic model should be updated during the Detailed Design phase to include all existing and any new or modified structures.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The hydraulic model should be updated during the Detailed Design phase to include all existing and any new or modified structures.
G2H	Lockyer Creek G2H	G2H.UL15	Bridge losses are identical at all bridges.	Medium	Include in Revised Draft EIS	7	Individual bridge losses to be reviewed and updated for Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Pier losses to be calculated using the guidelines for backwater coefficients for bridge piers and presented in Revised Draft EIS.
G2H	Geomorphology G2H	G2H.G1	No assessment of upstream or downstream channel condition and processes to gain an understanding of the likely rate or trajectory of channel change.	Low	Response updated in updated Technical Memo	3	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.
G2H	Geomorphology G2H	G2H.G2	Impacts of minor waterway crossings not assessed.	Low	Response updated in updated Technical Memo	3	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.

Appendix C H2C Issues Management Register

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Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
H2C	Lockyer Creek H2C	H2C.L1	Interaction between local and regional catchments does not seem to be appropriately captured within the models.	Very High	Updated response in Technical Note	6	Develop more detailed local hydrologic models covering the relevant sub-areas of the regional model.	Accepted subject to additional information in Revised Draft EIS	Develop more detailed local hydrologic models covering the relevant sub-areas of the regional model.
H2C	Lockyer Creek H2C	H2C.L2	The BRCFS model has been used with minimal alterations to account for local features.	Low	Address in Detailed Design	6	Further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to consider further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment.
H2C	Lockyer Creek H2C	H2C.L3	The joint hydrologic/hydraulic model uses different hydrologic parameters to the hydrologic design model.	High	Updated response in Technical Note	6	For improved calibration between hydrologic and hydraulic models the alpha (stream routing) should be altered, not the beta as discussed in the response. Implementation of some of the more detailed techniques available in URBS, such as spatially varied losses, recovering initial losses etc. may produce an improved calibration for specific events.	Accepted subject to additional information in Revised Draft EIS	A more detailed calibration to be undertaken including implementation of some of the more detailed techniques available in URBS (such as spatially varied losses, recovering initial losses etc.) for the Revised Draft EIS.
H2C	Lockyer Creek H2C	H2C.L4	The ARF does not appear to have been adjusted to assess different locations of interest throughout the alignment. While the use of a single ARF may be appropriate, the provided information does not justify its use in this manner.	Medium	Updated response in Technical Note. Include in Revised Draft EIS.	6	Results shown for the impact of changing the focal point location. Sensitivity testing shown to determine impact of using the local design flows. ARTC to incorporate this information in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Results shown for the impact of changing the focal point location. Sensitivity testing shown to determine impact of using the local design flows. ARTC to incorporate this information in the Revised Draft EIS.
H2C	Lockyer Creek H2C	H2C.L5	Limited discussion regarding hydrologic model loss parameters and their impact on design flows.	High	Include in Revised Draft EIS	6	Losses to be reviewed and better discussion regarding hydrologic model loss parameters and their impact on design flows presented in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Losses to be reviewed and better discussion regarding hydrologic model loss parameters and their impact on design flows presented in the Revised Draft EIS.
H2C	Lockyer Creek H2C	H2C.L6	The topographic setup is deemed acceptable for the purposes of the assessment undertaken. However, future stages of the project should utilise the latest available LIDAR data which includes, but is not limited to, the Lockyer Valley LGA LIDAR dataset flow in 2018.	Low	Address in Detailed Design	6	The latest available LIDAR data which includes, but is not limited to, the Lockyer Valley LGA LIDAR dataset flown 2018 to be used in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The latest available LIDAR data which includes, but is not limited to, the Lockyer Valley LGA LIDAR dataset flown 2018 to be used in Detailed Design.
H2C	Lockyer Creek H2C	H2C.L7	Several issues with the model calibration.	Very High	Updated response in Technical Note	6	Revised Draft EIS to include a more rigorous hydrological assessment to improve calibration and to consider spatially varied losses.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to include a more rigorous hydrological assessment to improve calibration and to consider spatially varied losses.
H2C	Lockyer Creek H2C	H2C.L8	Justification for flood level impacts and changes to time of submergence.	High	Updated response in Technical Note	6	Updated FIO criteria to be used in Revised Draft EIS to provide additional mapping and interrogation of modelling results against FIOs. Include documentation of model's performance against FIOs with summary tables itemising all non-compliance at each flood sensitive receptor and at each bridge/culvert structure.	Accepted subject to additional information in Revised Draft EIS	Updated FIO criteria to be used in Revised Draft EIS to provide additional mapping and interrogation of modelling results against FIOs. Include documentation of model's performance against FIOs with summary tables itemising all non-compliance at each flood sensitive receptor and at each bridge/culvert structure.
H2C	Lockyer Creek H2C	H2C.L9	Increase in level at Gatton and Forest Hill area for extreme events.	High	Updated response in Technical Note. Include in Revised Draft EIS.	6	Revised Draft EIS to document the increases and justify them in accordance with the updated FIOs.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document the increases and justify them in accordance with the updated FIOs.
H2C	Lockyer Creek H2C	H2C.L10	Potential for scour to occur given generally poor soil conditions.	Medium	Updated response in Technical Note	6	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.
H2C	Lockyer Creek H2C	H2C.L11	The adopted critical durations and Rank-6 temporal patterns do not always match what the Panel determined to be the critical duration or Rank-6 temporal pattern.	Medium	n/a	6	ARTC have demonstrated that there is minimal change in results based on slightly different methodologies for selecting the critical duration and temporal pattern. It is noted that the response refers to median although it has been assumed that this is in error and should be the mean.	Closed	n/a
H2C	Lockyer Creek H2C	H2C.L12	Issues surrounding the application of hydraulic roughness.	Low	Address in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Issues surrounding the application of hydraulic roughness to be addressed in Detailed Design.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
H2C	Lockyer Creek H2C	H2C.L13	There are a number of 1D/2D connection issues that exist between structures and channels within the model.	Medium	n/a	6	Differences in results quantified, showing minimal change. Final model to be updated regardless.	Closed	n/a
H2C	Lockyer Creek H2C	H2C.L14	The flood frequency analysis was only performed at one stream gauge, despite several other stream gauges having data available.	High	n/a	6	Technical Note presents an additional FFA at Helidon and also describes specific reasons why other gauges were not used.	Closed	n/a
H2C	Lockyer Creek H2C	H2C.L15	Varied and inconsistent approaches adopted to apply inflows within the hydraulic model.	High	n/a	6	Agreed the issue is unlikely to present large issues to the overall scheme given the locations of concern.	Closed	n/a
H2C	Lockyer Creek H2C	H2C.L16	Differing source area inflows used between historic and design models.	Medium	n/a	6	Sensitivity analysis showed no change in results.	Closed	n/a
H2C	Lockyer Creek H2C	H2C.L17	Downstream boundary extent and application issues.	Low	Address in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Downstream boundary extent and application issues to be addressed in Detailed Design.
H2C	Lockyer Creek H2C	H2C.L18	Applied minimum nodal storage area of 200 m2 by default.	Medium	n/a	6	Sensitivity analysis undertaken showing minimal impacts.	Closed	n/a
H2C	Lockyer Creek H2C	H2C.L19	Missing hydraulic structures in existing model.	Low	Address in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	The hydraulic model should be updated during the Detailed Design phase to include all existing and any new or modified structures.
H2C	Lockyer Creek H2C	H2C.L20	Existing and design structure flow instabilities present in modelling.	Medium	Include in Revised Draft EIS	6	Where instability is identified as important for the design, adjustment of the culvert banks to be implemented as part of the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Where instability is identified as important for the design, adjustment of the culvert banks to be implemented as part of the Revised Draft EIS.
H2C	Lockyer Creek H2C	H2C.L21	Bridge losses are identical at all bridges.	Medium	Include in Revised Draft EIS	6	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Individual bridge losses to be updated for Revised Draft EIS.
H2C	Western Creek	H2C.WC1 (B1)	Additional information is available for 2011 calibration.	High	Include in Revised Draft EIS	5	As ARTC was not supplied with the data, the agreement to look at the Grandchester Alert is acceptable, and in any case, it is proposed to change to the ICC IRFSU as part of the review. Whilst it is agreed that there is no rating for the gauge and this affects the ability to consider calculated vs recorded flows, it does provide a good guide to timing (which is reasonable) and peak flood level (the model is 400 mm low and would therefore require adjustment if not for the fact the ICC IRFSU model will be used). Do need to be careful that the IRFSU is adjusted as necessary to reflect the railway, including elements such as subcatchment boundaries.	Accepted subject to additional information in Revised Draft EIS	ICC IRFSU modelling and Grandchester Alert gauge data to be used in a revised calibration for the Revised Draft EIS.
H2C	Western Creek	H2C.WC2 (B4)	Sub-catchment extents not based on railway alignment, with alignment passing through sub-catchments.	Low	Address in Detailed Design	5	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to consider further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment.
H2C	Western Creek	H2C.WC3 (B5)	Inflow for main flow path (TOT034) located too far within model and too close to the railway.	Low	Include in Revised Draft EIS	5	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	ICC IRFSU modelling to be used and ensure that subcatchments are located appropriately relative to the corridor in the Revised Draft EIS.
H2C	Western Creek	H2C.WC4 (B9)	Focal point for the calculation of design rainfalls located at stream gauge (well downstream) rather than also at railway.	High	Updated response in Technical Note. Include in Revised Draft EIS.	5	IRFSU hydrology to be applied for the Revised Draft EIS assessment. Focal points to match the location of the corridor.	Accepted subject to additional information in Revised Draft EIS	IRFSU hydrology to be applied for the Revised Draft EIS assessment. Focal points to match the location of the corridor.
H2C	Western Creek	H2C.WC5 (B11)	Applicability of areal temporal pattern set applicable to the gauge (500[FD1] [MG2] km2) compared to the set applicable to the two main crossings (200 km2) and the point temporal patterns applicable to catchments less than 75km2 in area.	High	Updated response in Technical Note	5	IRFSU hydrology to be applied for the Revised Draft EIS assessment with focal points and temporal patterns updated.	Accepted subject to additional information in Revised Draft EIS	IRFSU hydrology to be applied for the Revised Draft EIS assessment with focal points and temporal patterns updated.
H2C	Western Creek	H2C.WC6 (B17)	Model stability.	Low	Address in Detailed Design	5	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Need to remove instability as part of modelling for Detailed Design.
H2C	Western Creek	H2C.WC7 (B22)	Justification for flood level impacts and changes to time of submergence.	Very High	Updated response in Technical Note	5	Compliance to FIOs (and negotiations in cases where FIOs exceeded) is acceptable. Item Resolved (subject to Draft EIS review).	Accepted subject to additional information in Revised Draft EIS	Updated FIO criteria to be used in Revised Draft EIS to provide additional mapping and interrogation of modelling results against FIOs. Include documentation of model's performance against FIOs with summary tables itemising all non-compliance at each flood sensitive receptor and at each bridge/culvert structure.
H2C	Western Creek	H2C.WC8	Increase in level in Grandchester area for extreme events.	High	Updated response in Technical Note	5	Compliance to FIOs (and negotiations in cases where FIOs exceeded) is acceptable. Item Resolved (subject to Draft EIS review).	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS modelling results to be assessed against FIO criteria and refinement of drainage structures to be undertaken. Exceedances of these criteria to be detailed and justified.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
H2C	Western Creek	H2C.WC9 (B25)	Potential for scour to occur given generally poor soil conditions.	High	Updated response in Technical Note	5	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.
H2C	Geomorphology H2C	H2C.G1	No assessment of upstream or downstream channel condition and processes to gain an understanding of the likely rate or trajectory of channel change.	Low	Response updated in updated Technical Memo	4	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.
H2C	Geomorphology H2C	H2C.G2	Impacts of minor waterway crossings not assessed.	Low	Response updated in updated Technical Memo	4	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.

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Appendix D C2K Issues Management Register

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Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
C2K	Bremer River	C2K.B1	Insufficient information is provided in relation to recorded data (rainfall, pluviograph and stream gauge data) available for the calibration events and its use in modelling.	Medium	Responded to in Technical Note	6	Response confirms that the modelling for the BRCFS was adopted- while the quality of the BRCFS is acknowledged, the focus of the modelling was on Walloon and D/S, not the corridor and it is not certain that the model is applicable without modification further upstream. The study has also not made full use of gauges for which a level hydrograph is available. Recommend that available data for at least level/stream gauges be tabulated and reasons for data not being included in calibration be provided.	Accepted subject to additional information in Revised Draft EIS	Available data for at least level/stream gauges be tabulated and reasons for data not being included in calibration be provided in Revised Draft EIS.
C2K	Bremer River	C2K.B2	Whether events selected for calibration are appropriate.	Medium	Responded to in Technical Note	6	Acknowledged and tabulated suitability of events relative to Walloon gauge, supporting use of selected 1974, 2011 and 2013 events.	Closed	n/a
C2K	Bremer River	C2K.B3	Whether events that have occurred subsequent to the BRCFS should be used for calibration or validation. The 2017 event is suggested as it is recent and reasonable data is available.	Medium	To be addressed in Revised Draft EIS	6	It is acknowledged that it may not result in a significant change to the calibration, but the 2017 flood event to be used at least for a validation event and possibly a calibration event given the number of gauge failures that have occurred across the other events. A close match to the 2017 event would increase confidence in model.	Accepted subject to additional information in Revised Draft EIS	2017 flood event to be used as a calibration event or at least for a validation event with results to be documented in the Revised Draft EIS.
C2K	Bremer River	C2K.B4	Sub-catchment extents not based on railway alignment, with alignment passing through sub-catchments.	Low	To be addressed in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to consider further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment.
C2K	Bremer River	C2K.B5	Inflow for main flow path (TOT022) located too far within model and too close to the railway.	High	To be addressed in Revised Draft EIS	6	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Noting potential increase in flow associated with implementation of IRFS, revised inputs to be used in further design - even if it continues to make a small difference at the embankment.
C2K	Bremer River	C2K.B6	Different URBS parameters used between hydrologic and hydraulic calibration models. Beta changed from 2.8 to 1.5.	High	The effect of the beta value on the Bremer model is relatively minor, but was adopted partly for consistency with the approach adopted for the other models, but mainly because although slight, it was still a slight improvement of the match with the gauge timing/shape. The discretization of the sub-catchments could potentially be reviewed to improve consistency and minimize overlap of storages. It is currently proposed to adopt the ICC hydrology going forward, and the calibration of the models can be reviewed as part of this process. Technical Note updated with this text.	6	ARTC have explained why the beta value was modified, though the choice to modify it is still viewed by the Panel as undesirable. Because its effect is minor and it is currently proposed that the ICC hydrology will be adopted "going forward", and the calibration of the models can be reviewed as part of this process", the response is acceptable for the current level of design.	Accepted subject to additional information in Revised Draft EIS	Use of alpha and beta to be reviewed and ICC hydrology to be applied for the Revised Draft EIS assessment.
C2K	Bremer River	C2K.B7	Potential variation in loss rates.	Low	To be addressed in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Need to confirm suitable loss rates given the potential for variation over the catchments as part of Detailed Design.
C2K	Bremer River	C2K.B8	IFD data provides rainfall estimates that result in low flow estimates compared to other available flow information. For the adjacent catchment and for the Council Bremer River study flows were scaled up to account for the low estimated flows.	High	Technical Note updated to make clearer that this will be done in the Revised Draft EIS.	6	Item to be addressed in conjunction with modelling utilising IRFSU flows in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Item to be addressed in conjunction with modelling utilising IRFSU flows in the Revised Draft EIS.
C2K	Bremer River	C2K.B9	Focal point for the calculation of design rainfalls located at stream gauge (well downstream) rather than also at railway.	High	Responded to in Technical Note	6	The use of an ARF at the crossing has resulted in a slight increase in levels and impacts, as is expected. The issue is that the IFD is giving low flows for design events and these are reduced further by the ARF value for Walloon gauge being used. Consideration of higher flows as per IRFSU will also further increase flows and possibly impacts. There is no commitment to the use of a different ARF. However, if flows are adjusted to match the IRFS, the magnitude of the change will be minimal.	Accepted subject to additional information in Revised Draft EIS	IRFSU hydrology to be applied for the Revised Draft EIS with focal points and ARF values reviewed and updated.
C2K	Bremer River	C2K.B10	Rainfall data for use in local catchment is expected to be too low.	Low	Technical Note updated to make clearer that this will be done in the Revised Draft EIS.	6	Item to be addressed in conjunction with modelling utilising IRFSU flows in the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Item to be addressed in conjunction with modelling utilising IRFSU flows in the Revised Draft EIS.
C2K	Bremer River	C2K.B11	Applicability of areal temporal pattern set applicable to the gauge (500 km2) compared to the set applicable to the two main crossings (200 km2) and the point temporal patterns applicable to catchments less than 75km2 in area.	High	Responded to in Technical Note	6	Suitably addressed.	Closed	n/a
C2K	Bremer River	C2K.B12	Modelling of critical storm duration at crossings other than main crossings.	Medium	Technical Note updated to make clearer that this will be done in the Revised Draft EIS.	6	ARTC have committed to reviewing the design of the culverts in the Revised Draft EIS. It is assumed that this will include a critical duration assessment, as requested by the Panel.	Accepted subject to additional information in Revised Draft EIS	ARTC to review the design of culverts including a critical duration assessment and document in the Revised Draft EIS.
C2K	Bremer River	C2K.B13	Difference in ground level data and potential impact on calibration.	Medium	Technical Note updated to confirm that this will be done in the Revised Draft EIS.	6	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	The topography used in the Bremer River/Western Creek hydraulic model and the impact on calibration outcomes to be updated in the Revised Draft EIS.
C2K	Bremer River	C2K.B14	Derivation of gully lines in model.	Medium	Responded to in Technical Note	6	Methodology used to define gully lines is provided.	Closed	n/a
C2K	Bremer River	C2K.B15	Location of inflows applied to the hydraulic model are inconsistent.	High	Responded to in Technical Note	6	Sensitivity quantified and shown to be negligible.	Closed	n/a
C2K	Bremer River	C2K.B16	Assignment of roughness values.	Low	To be addressed in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Minor discrepancies in roughness value application in model to be addressed in Detailed Design.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
C2K	Bremer River	C2K.B17	Model stability.	Low	To be addressed in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Need to remove instability as part of modelling for Detailed Design.
C2K	Bremer River	C2K.B18	Calculated flood levels.	Medium	Technical Note updated to make clearer that this will be done in the Revised Draft EIS.	6	ARTC to use IRFSU flows.	Accepted subject to additional information in Revised Draft EIS	Flood levels to be calculated from IRFSU flows and presented in the Revised Draft EIS.
C2K	Bremer River	C2K.B19	Sensitivity of roughness coefficients.	Low	To be addressed in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Sensitivity of roughness coefficients to confirm variation associated with use of higher and lower roughness values in Detailed Design.
C2K	Bremer River	C2K.B20	Bridge loss coefficients not calibrated or verified against alternate methods.	Low	To be addressed in Detailed Design	6	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to confirm reasonableness of bridge loss coefficients using alternate approaches.
C2K	Bremer River	C2K.B21	Level of detail in information provided to the Panel.	Very High	Technical Note updated to include reference to use of updated FIOs and OCG C2K RFI requirements.	6	Details in Technical Notes provided to the Panel are of sufficient detail, as long as the level of detail in the Revised Draft EIS is adequate.	Accepted subject to additional information in Revised Draft EIS	An adequate level of detail is to be provided in the Revised Draft EIS.
C2K	Bremer River	C2K.B22	Justification for flood level impacts and changes to time of submergence.	Very High	Technical Note updated to include reference to use of updated FIOs and OCG C2K RFI requirements.	6	The Revised Draft EIS will have an additional criteria applied by the OCG regarding non-compliances and how they are to be addressed. The latter portion will ensure that the acceptability will be discussed.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to discuss any non-compliance with FIOs in regards to impacts and time of submergence.
C2K	Bremer River	C2K.B23	Whether flood level impact on Waters Road is acceptable with regard to trafficability of remainder of road and whether the immunity of the road (at the first point of overtopping) is adversely affected.	Very High	Responded to in Technical Note	6	Suitably addressed with further details provided.	Closed	n/a
C2K	Bremer River	C2K.B24	Whether all sensitive receptors have been included in listing. Would appear that 91 and 695 are missing from extreme event table.	Medium	EIS Chapter updated and response provided.	6	Additional detail provided.	Closed	n/a
C2K	Bremer River	C2K.B25	Potential for scour to occur given generally poor soil conditions.	High	Technical Note updated to include the OCG C2K RFI requirements for additional information for the Revised Draft EIS that will address: (a) description of the existing fluvial geomorphic processes within, upstream and downstream of proposed waterway crossings (b) desktop assessment of the potential changes to channel characteristics as a result of the C2K project including any proposed drainage diversions (c) risk assessment of alterations to geomorphic processes from project infrastructure including local drainage culverts within waterways/watercourses and provide suitable mitigation and management measures (d) detailed assessment of potential changes to channel characteristics for high-risk sites.	6	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.
C2K	Warrill Creek	C2K.W1	Sub-catchment extents not based on railway alignment, with alignment passing through sub-catchments.	Low	To be addressed in Detailed Design	7	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to consider further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment.
C2K	Warrill Creek	C2K.W2	Inflow for main flow path (TOT050) located too far within model and too close to the railway. Sub-catchment 50 needs to be subdivided to ensure that the flow path in the eastern part of the sub-catchment is properly represented.	High	Responded to in Technical Note	7	Sensitivity quantified and shown to be negligible.	Closed	n/a
C2K	Warrill Creek	C2K.W3	Sub-catchment 51 is divided by the proposed rail alignment with all flow from this catchment placed downstream of the rail embankment.	High	Responded to in Technical Note	7	Sensitivity quantified and shown to be negligible.	Closed	n/a
C2K	Warrill Creek	C2K.W4	Inflow from Purga Creek not included in the Warrill Creek model.	High	Responded to in Technical Note	7	Sensitivity quantified and shown to be negligible.	Closed	n/a
C2K	Warrill Creek	C2K.W5	Breakouts/diversions to Purga Creek not reported to adjacent model.	High	Responded to in Technical Note	7	Sensitivity quantified and shown to be negligible.	Closed	n/a

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
C2K	Warrill Creek	C2K.W6	Different URBS parameters used between hydrologic and hydraulic calibration models. Beta changed from 2.8 to 1.0.	High	Using the hydraulic model to inform alpha may be appropriate for an uncalibrated hydrologic model and/or if trying to reconcile the hydrologic model to the hydraulic model. However, we are attempting to reconcile both hydrologic and hydraulic models to the stream gauge data. The URBS alpha value is considered to be good based on matching of the hydrographs at Amberley as well as gauges at Churchbank Weir and Greens Rd upstream of the hydraulic model domain. Adjusting the alpha value would adversely affect the flow timings set by these gauges. Adjusting the alpha (or reach length factors) for the areas overlapped by the hydraulic model would have no effect since this routing is performed in the hydraulic model. The Beta value was adjusted for the reasons explained in the Technical Note and because it appeared to slightly improve the match of the stream gauge data. Other options include modifying the discretization of the sub-catchments to improve consistency and minimize overlap of storages, and/or in the hydraulic model domain, checking the effect of sub-grid sampling (not available when the original modelling was performed) and roughness assumptions. It is currently proposed to adopt the ICC hydrology going forward, and the calibration of the models can be reviewed as part of this process. The Technical Note has updated based with this text.	7	Given it is proposed that the ICC hydrology be used "going forward", the response is acceptable, noting that the calibration should be reviewed again in the Revised Draft EIS stage of the project against this previous issue.	Accepted subject to additional information in Revised Draft EIS	Use of alpha and beta to be reviewed and ICC hydrology to be applied for the Revised Draft EIS assessment.
C2K	Warrill Creek	C2K.W7	Ebenezer Creek inflow (WAR056) placed too far within the model.	High	Responded to in Technical Note	7	Sensitivity quantified and shown to be negligible.	Closed	n/a
C2K	Warrill Creek	C2K.W8	Location of inflows applied to the hydraulic model are inconsistent.	High	Responded to in Technical Note	7	Sensitivity quantified and shown to be negligible.	Closed	n/a
C2K	Warrill Creek	C2K.W9	Sensitivity of roughness coefficients.	Low	To be addressed in Detailed Design	7	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Sensitivity of roughness coefficients to confirm variation associated with use of higher and lower roughness values in Detailed Design.
C2K	Warrill Creek	C2K.W10	Blockage for first layer of bridges set to zero. Span of bridge in model different to that reported in FDR.	Low	To be addressed in Detailed Design	7	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Detailed Design to confirm reasonableness of bridge representation using alternate approaches.
C2K	Warrill Creek	C2K.W11	Minor waterway culverts do not match culverts listed in Appendix I of the technical report.	High	To be addressed in Revised Draft EIS	7	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Include relevant local drainage structures in Revised Draft EIS.
C2K	Warrill Creek	C2K.W12	Changes made to the BRCFS model not detailed in the draft EIS documentation.	Very High	Technical Note updated to confirm this will be documented in the Revised Draft EIS.	7	No changes have been made to the BRCFS model other than to add additional output locations for transfer of flow to the TUFLOW model. Revised Draft EIS to document the additional output locations that were added to the BRCFS model.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to document the additional output locations that were added to the BRCFS model.
C2K	Warrill Creek	C2K.W13	Level of detail in information provided to the Panel.	Very High	Technical Note updated to include reference to use of updated FIOs and OCG C2K RFI requirements.	7	Revised Draft EIS to include sufficient documentation of the work undertaken and adopted measures, and also in accordance with the new FIOs.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to include sufficient documentation of the work undertaken and adopted measures, and also in accordance with the new FIOs.
C2K	Purga Creek	C2K.P1	The BRCFS model has been used with minimal alteration to account for local features.	High	To be addressed in Revised Draft EIS	8	Discussion acknowledged regarding several crossings and generally agreed. Review subdivision of catchments for local tributary flows in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Review subdivision of catchments for local tributary flows in Revised Draft EIS.
C2K	Purga Creek	C2K.P2	The joint calibration generally presents a poor fit to recorded data. This may be due to a reliance on events used in the BRCFS which were not significant for the Purga catchment.	High	Technical Note updated to include commitment to include modelling of calibration events modelled as part of the IRFSU.	8	IRFSU hydrology to be applied for the Revised Draft EIS assessment and the 1996 and 2017 events should be included.	Accepted subject to additional information in Revised Draft EIS	IRFSU hydrology to be applied for the Revised Draft EIS assessment and the 1996 and 2017 events should be included.

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
C2K	Purga Creek	C2K.P3	The joint hydrologic/hydraulic model uses different hydrologic parameters to the hydrologic model to achieve the same flow rates.	High	Using the hydraulic model to inform alpha may be appropriate for an uncalibrated hydrologic model and/or if trying to reconcile the hydrologic model to the hydraulic model. However, we are attempting to reconcile both hydrologic and hydraulic models to the stream gauge data. The URBS alpha value is considered to be reasonable based on matching of the hydrographs at Loamside in the lower catchment and Peak Crossing in the upper catchment, as well as the timing of flows between these points. Adjusting the alpha value would adversely affect these timings in the hydrologic model. The Beta value was adjusted for the reasons explained in the Technical Note and because it appeared to improve the match. There is a large overlap between the hydrologic and hydraulic models. Adjusting the alpha would have no effect on the hydraulic model results since this routing is performed in the hydraulic model. Other options include modifying the discretization of the sub-catchments to improve consistency and minimize overlap of storages, and/or in the hydraulic model domain, checking the effect of sub-grid sampling (not available when the original modelling was performed) and roughness assumptions. It is currently proposed to adopt the ICC hydrology going forward, and the calibration of the models can be reviewed as part of this process. The Technical Note has updated based with this text.	8	ICC hydrology to be applied for the Revised Draft EIS assessment. Use of alpha and beta to be reviewed again at that stage against this issue.	Accepted subject to additional information in Revised Draft EIS	Use of alpha and beta to be reviewed and ICC hydrology to be applied for the Revised Draft EIS assessment.
C2K	Purga Creek	C2K.P4	The ARF does not appear to have been adjusted to assess different locations of interest throughout the alignment. While the use of a single ARF may be appropriate, the provided information does not justify its use in this manner.	Medium	To be addressed in Revised Draft EIS	8	Differences in ARF quantified and shown to be non-impactful. Justification to be summarised in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Justification to be summarised as part of the Revised Draft EIS.
C2K	Purga Creek	C2K.P5	Design flow inputs are (based on catchment delineation) are generally coarse and have insufficient resolution to adequately assess several structures proposed as part of the design.	Very High	To be addressed in Revised Draft EIS	8	Further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment to be undertaken in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment to be undertaken in Revised Draft EIS.
C2K	Purga Creek	C2K.P6	The model setup presented in the report is inconsistent with the model provided (roughness is different).	Low	To be addressed in Detailed Design	8	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Model setup presented in report to be consistent with model provided (roughness) in Detailed Design.
C2K	Purga Creek	C2K.P7	There are several issues associated with the representation of 1D-2D boundary conditions that may affect the water levels and impacts present at culvert structures.	High	Responded to in Technical Note	8	Improvements and outcomes are noted. Response is acceptable.	Closed	n/a
C2K	Purga Creek	C2K.P8	Some bridge layered flow constrictions shapes do not align with the main rail alignment.	Low	To be addressed in Detailed Design	8	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Bridge layered flow constrictions shapes to align with the main rail alignment in Detailed Design.
C2K	Purga Creek	C2K.P9	The sparse flow application due to the coarse hydrologic model may have an influence on the overall value of the hydraulic model.	High	To be addressed in Revised Draft EIS	8	Discussion acknowledged regarding several crossings and generally agreed. Review subdivision of catchments for local tributary flows in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Review subdivision of catchments for local tributary flows in Revised Draft EIS.
C2K	Purga Creek	C2K.P10	The FFA is consistent with the BRCSF however there is a potential underestimation of design flows. E.g. design flows for the 1% AEP event are lower than the 2% AEP FFA estimate.	Very High	To be addressed in Revised Draft EIS	8	The Panel will await the findings in the revised Technical Document. Approach, however, is agreed.	Accepted subject to additional information in Revised Draft EIS	Justification to be summarised as part of the Revised Draft EIS.
C2K	Purga Creek	C2K.P11	Sensitivity testing has been undertaken for climate change and blockage factors but does not appear to have resulted in any changes to the design.	Medium	Responded to in Technical Note	8	The response is acceptable.	Closed	n/a
C2K	Purga Creek	C2K.P12	Impacts for events up to the 1% AEP event are noted. There are several non-conformances due to level which are justified by the rural nature of the area.	High	To be addressed in Revised Draft EIS	8	Revised Draft EIS to discuss any non-compliances with new FIOs in regards to impacts.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to discuss any non-compliances with new FIOs in regards to impacts.
C2K	Purga Creek	C2K.P13	Further work needs to be done to assess if potential impacts associated with minor crossings are acceptable when considered within the regional flood model.	High	To be addressed in Revised Draft EIS	8	Design of structures to be reviewed and justification to be summarised as part of the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Design of structures to be reviewed and justification to be summarised as part of the Revised Draft EIS.
C2K	Purga Creek	C2K.P14	There are velocity increases noted and not considered to have scour risk. It is understood that they are likely manageable or of no consequence, but the decision making does not seem to consider absolute velocities.	Medium	Responded to in Technical Note	8	Further discussion and mapping of impacts provided.	Closed	n/a
C2K	Purga Creek	C2K.P15	Reporting indicates there are no significant redistribution of flows, the main corridor (at 340-BR08 and 340-BR09) redistributes flow east and west near a sensitive habitat. There is also a diversion of flow present in more frequent events near Washpool Road which impacts a residential access.	Medium	Technical Note updated to confirm that this will be assessed again in Revised Draft EIS when the IRFSU hydrology is adopted and that a range of AEPs will be considered.	8	Impacts reviewed by ecologist and results provided are acceptable. IRFSU hydrology to be applied for the Revised Draft EIS assessment. The flow redistribution is then to be re-assessed for a range of AEPs. Additionally, the potential impact on the access road is to be reviewed and documented.	Accepted subject to additional information in Revised Draft EIS	IRFSU hydrology to be applied for the Revised Draft EIS assessment. The flow redistribution is then to be re-assessed for a range of AEPs. Additionally, the potential impact on the access road is to be reviewed and documented.
C2K	Teviot Brook	C2K.TB01	Key Design Criteria.	Low	Technical Note updated to include reference to use of updated FIOs and OCG C2K RFI requirements.	9	The Revised Draft EIS is to document the impacts and how each non-compliance is to be addressed.	Accepted subject to additional information in Revised Draft EIS	The Revised Draft EIS is to document the impacts and how each non-compliance is to be addressed.
C2K	Teviot Brook	C2K.TB02	Critical duration assessment not documented for rail formation.	Medium	Responded to in Technical Note	9	Critical duration assessment provided for rail alignment crossings.	Closed	n/a
C2K	Teviot Brook	C2K.TB03	Local catchment cross-drainage.	Low	To be addressed in Detailed Design	9	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Review local catchment cross-drainage in Detailed Design.
C2K	Teviot Brook	C2K.TB04	Derivation of gully lines in model.	Low	Responded to in Technical Note	9	Additional information provided for how gully lines were derived.	Closed	n/a

Section	Model Name	Draft Report Issue No.	Issue	Level of Importance	Response Status	Technical Note Number	Final Panel comment	Final Panel Status	Action Required
C2K	Teviot Brook	C2K.TB05	Sub-catchment extents not based on railway alignment, with alignment passing through sub-catchments.	Low	To be addressed in Detailed Design	9	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Detailed Design to consider further sub-division of sub-catchments and adjustment of catchment boundaries to reflect areas upstream and downstream of the alignment.
C2K	Teviot Brook	C2K.TB06	Whether events selected for calibration are appropriate.	Medium	To be addressed in Revised Draft EIS	9	2017 flood event to be looked at for calibration or demonstrate why 2017 and other flood events are not more suitable than those studied.	Accepted subject to additional information in Revised Draft EIS	The Revised Draft EIS is to document calibration to the 2017 event or demonstrate why 2017 and other flood events are not more suitable than those studied.
C2K	Teviot Brook	C2K.TB07	Whether events that have occurred subsequent to the Teviot Brook Flood Modelling should be used for calibration or validation.	Medium	Technical Note updated to include commitment to include modelling of calibration events modelled as part of the JRFU.	9	ARTC have committed to undertake modelling of the 2017 calibration event for the Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	The Revised Draft EIS is to document calibration to the 2017 event. It is preferable that the 2021 event be included, or explanation given for why it was not included.
C2K	Teviot Brook	C2K.TB08	Critical cross-drainage has been missed from the assessment.	High	Responded to in Technical Note	9	Justification provided for why flows not provided upstream of bridges reasonable.	Closed	n/a
C2K	Teviot Brook	C2K.TB09	Location of inflows applied to the hydraulic model are inconsistent.	Medium	To be addressed in Revised Draft EIS	9	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Inflow locations to be corrected as part of the Revised Draft EIS.
C2K	Teviot Brook	C2K.TB10	Bridge loss coefficients not verified against alternate methods.	Low	To be addressed in Detailed Design	9	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design.	Accepted subject to ARTC committing to Panel's recommendations being addressed in Detailed Design	Bridge loss coefficients to be verified against alternate methods in Detailed Design.
C2K	Teviot Brook	C2K.TB11	Reported 1% and 0.05% AEP flows through structures are incorrect for regional cross-drainage.	Low	To be addressed in Revised Draft EIS	9	ARTC offering improved approach and will include in Revised Draft EIS.	Accepted subject to additional information in Revised Draft EIS	Revised Draft EIS to confirm 1% AEP and 0.05% AEP discharges and velocities applicable to structural design of all bridges.
C2K	Geomorphology C2K	C2K.G1	No assessment of upstream or downstream channel condition and processes to gain an understanding of the likely rate or trajectory of channel change.	Low	Technical Note updated to include the OCG C2K RFI requirements for additional information for the Revised Draft EIS that will be address. (a)Description of the existing fluvial geomorphic processes within, upstream and downstream of proposed waterway crossings (b)Desktop assessment of the potential changes to channel characteristics as a result of the C2K project including any proposed drainage diversions (c)Risk assessment of alterations to geomorphic processes from project infrastructure including local drainage culverts within waterways/watercourses and provide suitable mitigation and management measures (d)Detailed assessment of potential changes to channel characteristics for high-risk sites.	10	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.
C2K	Geomorphology C2K	C2K.G2	Impacts of minor waterway crossings not assessed.	Low	Technical Note updated to include the OCG C2K RFI requirements for additional information for the Revised Draft EIS that will be address. (a)Description of the existing fluvial geomorphic processes within, upstream and downstream of proposed waterway crossings (b)Desktop assessment of the potential changes to channel characteristics as a result of the C2K project including any proposed drainage diversions (c)Risk assessment of alterations to geomorphic processes from project infrastructure including local drainage culverts within waterways/watercourses and provide suitable mitigation and management measures (d)Detailed assessment of potential changes to channel characteristics for high-risk sites.	10	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.	Accepted subject to Panel's implementation of geomorphological assessment	1. All high risk sites to have detailed on-site assessments; and 2. On-site assessment inspection to occur either during the Revised Draft EIS or at the start of Detailed Design.



The Hon Catherine King MP

Minister for Infrastructure, Transport, Regional Development and Local Government
Member for Ballarat

Ref: MS22-001339

The Hon Warren Truss AC
Chairman
Australian Rail Track Corporation
PO Box 10343 Gouger Street
ADELAIDE SA 5000

via: Warren.Truss@artc.com.au

Dear Mr ~~Truss~~ *Warren,*

I write to inform you that the Australian Government has accepted the final report (at Attachment A) of the Independent International Panel of Experts for Flood Studies (the Panel) of Inland Rail in Queensland.

The Final Report acknowledges the substantial work undertaken by the Australian Rail Track Corporation (ARTC) to identify and model the existing flooding characteristics of the many waterways and floodplains crossed by the Border to Gowrie, Gowrie to Helidon, Helidon to Calvert and Calvert to Kagaru projects. I thank ARTC staff and consultants for their professionalism supporting the Panel during the review and look forward to these projects progressing through the Queensland approval processes to the construction phase.

I welcome the Panel's findings that the flood models and reference designs developed by ARTC for Inland Rail in Queensland accord with the relevant national and state guidelines and industry best practice; adequately identify and mitigate flood risks; and are fit-for-purpose to be taken forwarded as the basis for the development of detailed designs subject to ARTC implementing the recommendations of the Panel.

Noting the above, and ARTC's previous public commitments to implement the findings of the Panel, I expect that ARTC will put in place a compliance framework to verify and report on the implementation of the Panel's recommendations as the design and delivery of Inland Rail progresses.

I understand that ARTC is consulting with both the Queensland Office of the Coordinator General and the Department of Transport and Main Roads on the compliance framework to ensure that it meets industry best practice and the regulatory requirements of the Queensland Government. I expect that the framework will include reporting to assure the Queensland community that the Panel's recommendations have been implemented, including compliance with any relevant requirements set by the Queensland Government.

I have tasked my department with monitoring ARTC's progress in implementing the Panel's recommendations. To support this, I ask that ARTC provides regular implementation updates to my Department through the existing Inland Rail governance and reporting mechanisms.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Catherine', with a stylized flourish at the end.

Catherine King MP

14 / 9 / 2022

Encl

Cc: Senator the Hon Katy Gallagher, Minister for Finance, Minister for Women,
Minister for the Public Service

Cc: The Hon Mark Bailey MP, Queensland Minister for Transport and Main Roads.

Attachment C

FLOOD PANEL – FINAL REPORT RECOMMENDATION

Excerpt from the final report, page x (i.e. 10).

The Panel makes the following recommendations to assist ARTC in its future design and delivery of the Inland rail project in Queensland. That ARTC:

1. Incorporates the revised (as a result of issues identified in the IMR) modelling results into an updated EIS and addresses the issues as captured in the IMR at the appropriate future work stage;
2. Establishes appropriate information transfer processes to ensure that project knowledge pertaining to the development, calibration, validation and application of the models and reference designs is retained and available to inform the future design of the project;
3. Implements, both directly and through its appointed constructors, verification processes consistent with State and industry best practices to confirm that the impacts of any waterway crossings (viaducts and bridges) and structures (culverts and pipes) have been considered in accordance with the FIOs and appropriate mitigation measures identified;
4. Adopts the FIOs at Table 3-1 with the Panel's recommendations as described in Section 3.5 as design parameters/constraints to inform the future identification and mitigation of potential flood impacts during the future design stages of the project;
5. Considers the late 2021 and early 2022 flood events as either a validation event or a calibration event (in catchments where there is a lack of calibration data). Such consideration should include a review of the following aspects of the analysis and any implications that arise:
 - i. the at-site Flood Frequency Analysis (FFA) incorporating the late 2021 or early 2022 event; and
 - ii. Any new or altered Flood Sensitive Receptors identified as a result of the late 2021 or early 2022 event.
6. Undertakes a geomorphic risk assessment either during the Revised Draft EIS or at the start of the design stage to inform and modify, where necessary, the Reference Design and future design stages.

In making these recommendations the Panel notes that these should be considered as advice to the governments and are not intended to limit or restrict any conditions that the governments may wish to place on ARTC as a result of the respective EIS process or other planning approval processes in relation to the design and construction of waterway crossings and structures.

Attachment D

PANEL FINDINGS SPECIFIC TO THE PANEL'S TOR

Excerpt from the final report, page viii (i.e. 8).

The Panel findings with respect to the outputs specified in the Panel's TOR for the reference design reviewed are:

1. Whether the development of the models and their application accords with the relevant requirements of national and state guidelines/manuals (guidelines) for flood estimation and design of structures in flood prone environments.

Models have been improved as a result of the process to accord with relevant national and state guidelines with the issues in the IMR to be addressed.

2. Whether the extent of the floodplain covered by the flood model is appropriate, and if not recommendations as to what additional extent would be appropriate, and if not recommendations as to what additional extent would be appropriate.

The currently adopted extent of each of the models is considered appropriate.

3. Whether the method and extent, of calibration of the model accords with guidelines and industry standards for calibration.

The method and extent of calibration accords with guidelines and industry standards, including the updated models for the Macintyre River, Condamine River and Gowrie Creek.

4. Whether the method for validation of the model accords with guidelines and industry standards and whether the assumptions used underpin the validation process, and the data points used in the validation are appropriate.

All models were validated in accordance with guidelines and industry standards. For Bringalilly Creek, Cattle Creek and Nicol Creek there is limited data and considerable uncertainty about design flows. ARTC has adopted the Panel's recommendation that the highest modelled design flow will be used.

5. Whether the model adequately accounts for the impacts of the reference design and whether those impacts are capable of appropriate local mitigation that either removes the impacts or reduces the impact to landholders in the area.

The models were found to account for the impacts of the reference design. Flood Impact Objectives (FIOs) have been developed by ARTC in conjunction with the Panel to determine the acceptability or otherwise of potential impacts. The final recommended version of the FIOs is included in Chapter 3.

6. Whether the model is fit for purpose, taking into account the above and any public comments or comments from external stakeholders in relation to the flood model that arises from the public exhibition of the draft Environmental Impact Statement (EIS) for the relevant Inland Rail Project.

The models are “fit for purpose” (suitable for an EIS and subsequent Detailed Design), noting that the issues captured in the IMR are matters to be addressed at future design stages of the project. Reports were prepared to the OCG by the Panel. These reports reviewed and responded to all flooding-related submissions that were provided by the OCG following the public exhibition of the B2G, G2H, H2C and C2K Draft EIS.

7. Whether the reference design for the proposed structure meets industry standards for railway structures in a floodplain and if so, whether the reference design is in accordance with best practice.

The modelling of the reference design for the proposed structures meets industry standards in a floodplain and is in accordance with best practice. Reference designs can be taken forward as the basis for the Detailed Design.

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BUDGET ESTIMATES 2022 - 2023

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SB22-000058

SUBJECT: Western Sydney International (Nancy-Bird Walton) Airport**Talking Points**

- Western Sydney International (Nancy-Bird Walton) Airport (WSI) is a transformational infrastructure project that will generate economic activity, provide employment opportunities closer to home for people in the Western Sydney region, and meet Sydney's growing aviation needs.
- As at 31 August 2022, the project:
 - is 34.9 per cent complete
 - is on track to commence operations in late 2026
 - has created 2901 cumulative direct jobs in construction and professional services. The project is expected to support over 11,000 direct and indirect jobs during construction (3231 direct/8115 indirect).
- WSI is supported by \$8.75 billion in Australian Government investment in the delivery of transport connections to get people to and from the airport and to enable the economic activity and community benefits that will result from the development of the airport in Western Sydney.

Note: Unless otherwise stated, all data is at 31 August 2022.

Key Issues*Update since March 2022 Budget Estimates*

- The project is continuing with total project progress at 34.9 per cent compared to 30.3 per cent at March 2022.
- On 8 April 2022, WSI was designated by the department as an international airport.
- Detailed design for Australian Government border agency operational areas (including immigration, customs and biosecurity) within the terminal has commenced with the first workshop on 7 June 2022.
- The WSI preliminary airspace design continued to be progressed to support the environmental assessment process and for delivery prior to the planned airport opening in 2026.
- WSA Co Limited (WSA) is progressing commercial development opportunities, including the first stages of a dedicated cargo precinct and a business precinct.

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Project progress

- Progress on the five major construction and technology packages includes:
 - **Bulk Earthworks:** The contract for Bulk Earthworks was awarded to CPB Contractors Pty Limited and Lendlease Engineering Pty Limited in a joint venture on 30 August 2019. Bulk Earthworks are 94.1 per cent complete, with 25.9 million cubic metres of earthworks cut/fill moved. Practical completion is forecast for late 2022.
 - **Terminal Buildings and Speciality Works:** The contract for the design and construction of the terminal was awarded to Multiplex Constructions Pty Ltd on 4 June 2021. Construction commenced on 27 October 2021 with overall progress (engineering, construction and commissioning) at 16.3 per cent complete. Practical completion is forecast for early 2025.
 - **Airside Civil and Pavement Works:** The contract for the Airside Civil and Pavement Works was awarded to CPB Contractors Pty Limited and ACCIONA in a joint venture on 17 September 2021. Construction commenced on 30 June 2022 with overall progress at 8.3 per cent complete. Practical completion is forecast for early 2025.
 - **Landside Civil and Building Works:** The contract for the Landside Civil and Building Works was awarded to Aerowest Joint Venture (BMD Constructions Pty Ltd and Seymour Whyte Constructions Pty Ltd) on 17 December 2021. Construction is scheduled to commence in late 2022. Practical completion is forecast for early 2025.
 - **Enterprise Technology:** The contract for Enterprise Technology was awarded to DXC Technology Australia on 17 December 2021. Overall project progress is 21.6 per cent complete. This project is on track for forecast completion in late 2025.
- Ongoing wet weather events have continued to pose a challenge to construction progress throughout 2022. Since construction commenced in 2018, the project has had 146.5 days (over forecast) lost to wet weather. WSA continues to work with its major contractors to mitigate the impact of the weather. *Refer any detailed questions to WSA.*

Financial information

- The Australian Government has previously committed up to \$5.3 billion in equity in WSA to develop WSI.
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- At the 2021–22 Mid-Year Economic and Fiscal Outlook (MYEFO) (page 277), the former Government agreed to provide:
 - additional equity investment in WSA to self-develop required aviation fuel infrastructure at WSI
 - equity funding to meet potential additional costs associated with the integration of the NSW Government delivery of Sydney Metro – Western Sydney Airport with the airport
 - indemnity to cover liabilities that may be incurred by WSA related to the integration of the Sydney Metro – Western Sydney Airport project (delivered by the NSW Government) with WSI.
- Further detail on the 2021–22 MYEFO measures is not for publication due to commercial sensitivities, due to WSA's procurement processes.

Sensitivities*Airspace design*

- Work on the airspace design is now in Phase 2—finalising the preliminary design and undertaking an environmental assessment process.
- The airspace design is on schedule to be delivered just prior to the planned airport opening in late 2026, with public consultation on flight paths expected to occur in 2023.
- The flight paths for WSI are guided by the design principles set out in the Western Sydney Airport Plan, which include minimising aircraft noise impacts on residential areas and other noise-sensitive facilities as far as practicable.
- Ensuring the airport remains curfew-free is critical to the economic viability of WSI.
- Further information on the development of the airspace and flight path design can be found in *SB22-000189 Western Sydney (Nancy-Bird Walton) Airport – Airspace Design/Noise (International Aviation, Technology and Services Division, Western Sydney Airport Regulatory Policy Branch)*.

Executive remuneration

- In its 2021–22 Annual Report, WSA reported an 18 per cent increase in executive remuneration compared with the previous year. This includes recruitment of a Chief Operating Officer during 2021–22.
- In response to the former Australian Government's *Performance Bonus Guidance*, which outlines the principles for governing performance bonuses in government agencies, the WSA Board dissolved Short Term Incentives from senior executive remuneration structures, except for the Chief Executive Officer.
- Any further questions on remuneration should be directed to WSA.

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Project risks

- Key risks and challenges for the project are being closely monitored and actively managed by WSA and Shareholder Departments to reduce potential impact on the project delivery schedule. These include:
 - the ongoing impacts of adverse weather
 - the global economic impacts of inflation
 - global supply chains and tight labour markets
 - the ongoing uncertainty related to the COVID-19 pandemic
 - finalising detailed design across major works packages.

Background

A project map (**Attachment A**), key project milestones (**Attachment B**) and a list of WSA-related main senate estimates briefs (**Attachment C**) are provided for information. The 2021–22 WSA Board and Executive remuneration details are set out in **Attachment D**.

Key project statistics

Item	Target	As at 31 March 2022	As at 30 June 2022	As at 31 August 2022
Total project completion	100%	30.3%	33.0%	34.9%
Bulk Earthworks completion	100%	83.0%	92.4%	94.1%
Quarterly expenditure	s47G			
Quarterly equity drawdown				
Cumulative equity				
Cumulative direct jobs created	3,231 during construction	2,456	2,776	2,901
Safety (Total Recordable Injury Frequency Rate)	Benchmark: <5	0.56	1.64	1.97
Experience Centre visitors	-	N/A ³	3,600	1,903

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Financial information as at 31 August 2022

- s47G .
- The below table shows WSA's proposed equity profile as per the 2022–23 Corporate Plan, published on 31 August 2022.

Project start date (announced):		24 September 2018			
Project construction end date:		Late 2026			
Financial year	2020–21 \$m	2021–22 \$m	2022–23 \$m	2023–24 \$m	2024–25 \$m
Appropriation budget	645.0	640.1	s47G		
Cumulative equity provided	1,744.2	2,384.3			

Attachments

- Attachment A – Map of WSI site
- Attachment B – WSA key project milestones
- Attachment C – WSA related Senate Estimate briefs
- Attachment D – WSA Board and Executive Remuneration 2021–22

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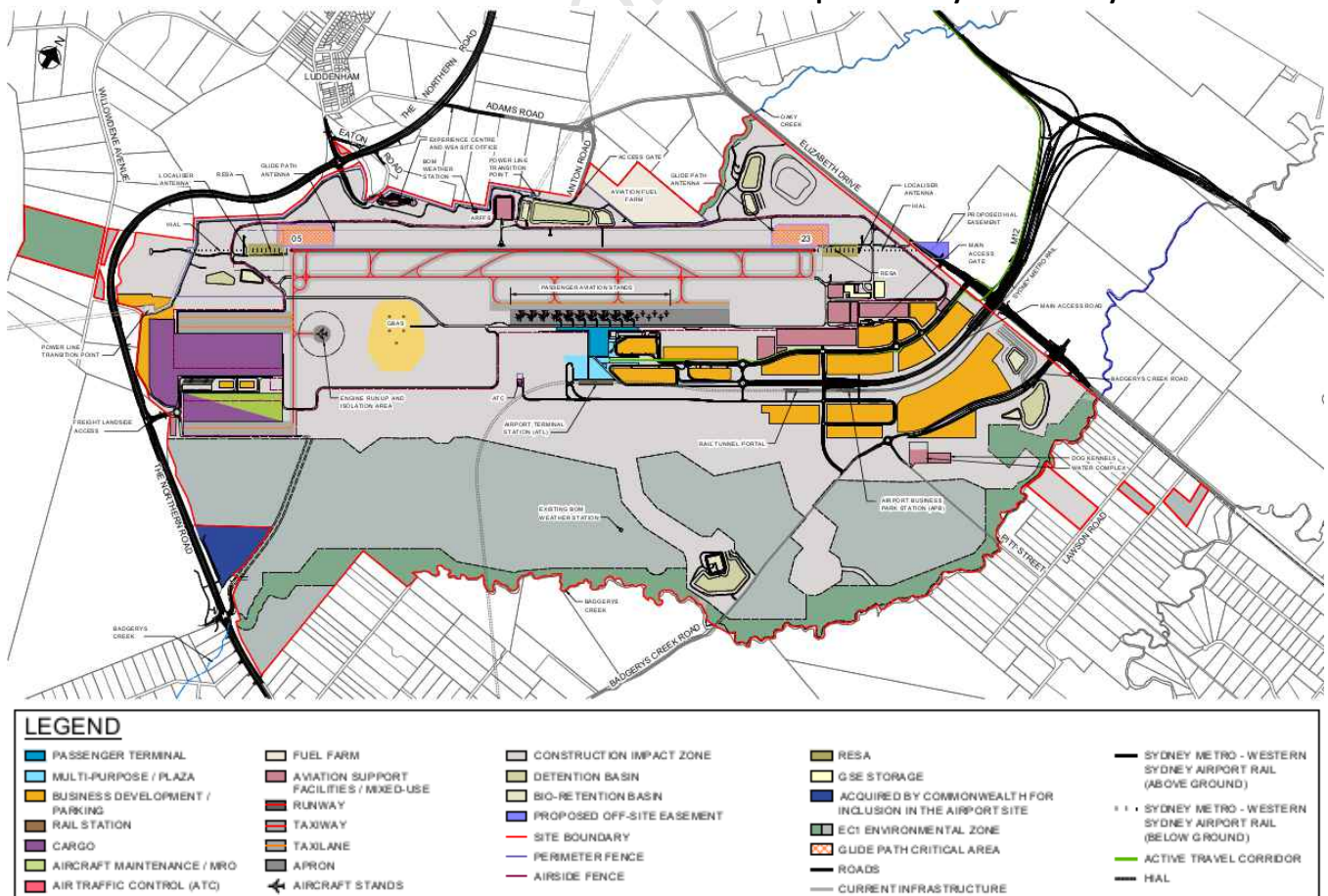
Version Number: 01

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MAP OF WESTERN SYDNEY INTERNATIONAL AIRPORT SITE



Final Airport Site Layout as at July 2022



WESTERN SYDNEY AIRPORT KEY PROJECT MILESTONES

31 August 2022	WSA Corporate Plan 2022-23 published.
30 June 2022	s47G [REDACTED]
8 April 2022	WSI designated as an International Airport.
28 March 2022	Official commencement of construction on the airport's runway.
20 December 2021	The contract for the Landside and Civil Building Works was awarded to Aerowest Joint Venture (BMD Constructions Pty Ltd and Seymour Whyte Constructions Pty Ltd).
17 December 2021	The Enterprise Technology contract was awarded to DXC Technology Australia.
19 November 2021	Official commencement of construction of the terminal building.
16 September 2021	The contract for the Airside and Civil Works was awarded to CPB Contractors and ACCIONA in a joint venture.
19 August 2021	Execution of the Airport Rail Integration Deed between Department, WSA, Sydney Metro and Transport for NSW.
4 June 2021	The contract for the design and construction of the terminal was awarded to Multiplex Constructions Pty Ltd.
15 July 2020	WSA announced the appointment of Mr Simon Hickey as new WSA CEO.
29 May 2020	Early Earthworks completed.
11 March 2020	Commencement of Bulk Earthworks on site.
2 September 2019	The Western Sydney International Airport Experience Centre was opened.
30 August 2019	The contract for bulk earthworks was awarded to CPB Contractors Pty Limited and Lendlease Engineering Pty Limited in a joint venture.
6 June 2019	WSA enter into Memorandums of Understanding (MOUs) with Qantas Group and Virgin Australia Group.
4 March 2019	The then Prime Minister announced the airport will be officially known as 'Western Sydney International (Nancy-Bird Walton) Airport'.
24 September 2018	The commencement of early earthworks on site marks start of construction on the airport. WSA launched new branding as 'Western Sydney Airport'.
17 May 2018	The Australian Government officially signed over the airport site to WSA (via an airport site lease).
4 March 2018	Western Sydney City Deal signed by Australian, NSW and local governments. The Australian and NSW governments also announced their commitment to the first stage of the North South Rail Link, investing \$50 million each in a joint business case.
24 February 2018	Mr Graham Millett announced as WSA Chief Executive Officer (CEO).
15 November 2017	Mr Vince Graham, Ms Anthea Hammon and Mr John Weber were appointed to the WSA board as the final three directors.

7 August 2017	WSA established as a Commonwealth company under the <i>Corporations Act 2001</i> . Mr Paul O'Sullivan was appointed as the Chair of the Board. Mrs Fiona Balfour, Mr Tim Eddy and Ms Christine Spring were appointed as directors.
26 May 2017	Forum on Western Sydney Airport (FOWSA) held its first meeting.
9 May 2017	Government committed up to \$5.3 billion in the 2017-18 Budget to build the airport through a new Commonwealth company.
2 May 2017	Sydney Airport declined the opportunity to develop and operate the airport under their right of first refusal. The government announced it would build the Western Sydney Airport.
10 April 2017	Announcement of the membership of FOWSA.
20 December 2016	Notice of Intention issued to Sydney Airport after two years of consultation.
5 December 2016	Determination of the final airport plan under the <i>Airports Act 1996</i> , incorporating conditions from the Environment Minister.
15 September 2016	Environmental Impact Statement finalised following public exhibition and submitted to the Environment Minister.
October – December 2015	Draft Environmental Impact Statement for Stage 1 goes out for public consultation.
30 September 2014	Consultation formally commences with Sydney Airport Group.
15 April 2014	Australian Government announces Badgerys Creek as the site for the Western Sydney Airport.

Attachment C

WESTERN SYDNEY AIRPORT RELATED SENATE ESTIMATES BRIEFS

Brief number	Brief Title	SES contact (FAS/AS)
SB22-000058	Western Sydney International (Nancy-Bird Walton) Airport	Jessica Hall/ Jennifer Stace
SB22-000189	Western Sydney (Nancy-Bird Walton) Airport – Airspace Design/Noise	Richard Wood/ David Jansen
SB22-000191	Western Sydney (Nancy-Bird Walton) Airport – Biodiversity Offsets	Richard Wood/ David Jansen
SB22-000192	Western Sydney International (Nancy-Bird Walton) Airport – Biodiversity – Orchard Hills	Richard Wood/ David Jansen
SB22-000156	City Deal: Western Sydney	Matthew Roper/ Alex Wilson
N/A	Western Sydney Infrastructure Plan	Benjamin Meagher/ Robyn Legg
N/A	Sydney Metro Western Sydney Airport	Benjamin Meagher/ Robyn Legg

WSA Board and Executive Remuneration 2021-22

WSA Board Remuneration 2021-22 (WSA Annual Report 2021-22)

Name	Title	Current appointment	Expiry date	Directors fees 2021-22	Total remuneration** 2021-22
Paul O'Sullivan*	Chair	7.08.2022 7.08.2017	6.08.2025 6.08.2022	\$166,290	\$182,919
Fiona Balfour*	Non-executive Director	7.08.2020 7.08.2017	6.08.2023 7.08.2020	\$91,310	\$100,441
Timothy Eddy*	Non-executive Director	7.08.2020 7.08.2017	6.08.2023 6.08.2020	\$99,470	\$109,417
Vincent Graham*	Non-executive Director	14.11.2021 14.11.2017	13.11.2024 13.11.2017	\$83,150	\$92,067
Anthea Hammon	Non-executive Director	14.11.2017	13.11.2022	\$83,386	\$91,465
Christine Spring*	Non-executive Director	7.08.2021 7.08.2017	6.08.2024 6.08.2021	\$91,310	\$100,441
John Weber*	Non-executive Director	14.11.2020 14.11.2017	13.11.2023 13.11.2021	\$91,310	\$100,441

*Second term of appointment

** Total remuneration includes director's fees, superannuation contribution and fees for Audit and Risk Committee membership, if applicable.

FOI 23-063
WSA Senior Executive Renumeration (WSA Annual Report 2021-22)

Name	Title	Base Salary	Short Term Incentives	Total Renumeration*
Simon Hickey	Chief Executive Officer	\$864,335	\$213,024	\$1,317,810
Matt Duffy ¹	Chief Operating Officer	\$612,349	Nil	\$636,901
Kirby Grattan ²	Chief People Officer	\$180,081	Nil	\$192,138
Scott MacKillop	Chief Corporate Affairs Officer	\$497,333	Nil	\$528,214
Tom McCormack	Chief Technology Officer	\$618,928	Nil	\$654,415
Jim Tragotsalos	Executive GM Airport Infrastructure	\$748,140	Nil	\$784,177
Shelley Turner	Chief Financial Officer	\$692,260	Nil	\$728,738
Steven van der Donk	Chief Legal Officer	\$497,374	Nil	\$522,968
Alison Webster	Executive General Manager Commercial and Strategy	\$713,546	Nil	\$740,217
Joanna Vaughan ³	Former Chief People and Culture Officer	\$162,957	Nil	\$177,501

**Total remuneration includes base salary, short term incentives if applicable, superannuation contributions and long term leave benefits.*

¹ Mr Duffy was appointed effective 16 August 2021

² Ms Grattan was appointed effective 14 February 2022

³ Ms Vaughan left WSA during the 2021-22 financial year

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Jason Preece

SB22-000059

SUBJECT: Intermodals - Queensland**Talking Points**

- The development of an intermodal terminal for Brisbane is crucial to realising the full value and benefit of the Australian Government's investment in Inland Rail.
- To support this, the Significant Projects Investment Delivery Office is working with the Queensland Government to deliver on the following business cases to drive productivity and reduce congestion:
 - Brisbane Inland Rail Intermodal Terminal Business Case
 - Port of Brisbane Further Planning
 - Salisbury to Beaudesert Rail Business Case
 - Extension of Inland Rail from Toowoomba to the Port of Gladstone
- This accounts for \$50 million in administered Government funding through the Infrastructure Investment Program's Major Project Business Case Fund.

Key IssuesBrisbane Inland Rail Intermodal Terminal Business Case

- The Draft Business Case was received on 1 July 2022 with both governments agreeing the need to undertake further work to finalise. It is expected the Business Case will be complete in early 2023 for assessment by Infrastructure Australia and the Queensland Government's assurance process, with expected completion in late 2023.
- The Business Case is considering additional terminal capacity at locations in South East Queensland including Ebenezer, to complement existing terminals at Acacia Ridge and Bromelton.
- Finalisation of this work will identify the appropriate location for the northern anchor for Inland Rail, development of an optimised terminal and warehousing precinct that will drive value and efficiency, as well as allow both governments to consider delivery investment decisions.

Port of Brisbane Further Planning

- This work was designed to build on work undertaken as part of the Port of Brisbane Strategic Rail Access Study (study).

s47B - Commonwealth-State relations

- While some technical analysis is underway, it is expected that the Queensland Government will finalise the Further Planning project after the completion of the Inland Rail Review in order for any potentially relevant findings to be incorporated.

Contact: Jason Preece**Cleared by First Assistant Secretary:** Diana Hallam**Phone:** s47F**Version Number:** 01**Date:** 2/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Jason Preece

SB22-000059

- Revised timeframes are subject to negotiations between both governments.

Salisbury to Beaudesert Rail Business Case

- This work will consider demand for freight and passenger movements and identify land requirements for the future corridor. It is in the early stages, with the Australian Government currently considering the Preliminary Evaluation undertaken by the Queensland Government. The business case is on track for completion in 2023.

Further details on the projects is at **Attachment A**.

Attachment

- Attachment A – Intermodals – Queensland project summary

Contact: Jason Preece**Cleared by First Assistant Secretary:** Diana Hallam**Phone:** s47F**Version Number:** 01**Date:** 2/09/2022

Attachment A

Intermodals – Queensland project summary

Project	Project Description	Funding (\$m)			End Date	Status
		AG	Qld	Total		
Brisbane Inland Rail Terminal Business Case <i>Infrastructure Investment Program, Major Project Business Case Fund</i>	<p>The business case will identify the location for an intermodal terminal in South East Queensland to support the Inland Rail project alongside associated network-related infrastructure upgrades.</p> <p>Work is being undertaken under the Queensland Government's Project Assessment Framework. The business case is considering the development of intermodal terminals in South East Queensland to support Inland Rail, considering matters including location, market access/operating models, financing options and value capture opportunities. Locations under consideration include Ebenezer and Bromelton to complement the existing Acacia Ridge terminal and provide additional capacity.</p>	10.0	In-kind	10.0	Late-2023	<p>Progressing well.</p> <p>The final phase (detailed business case) is underway and due to be complete after Infrastructure Australia review by late-2023. Finalisation of this work will allow both governments to consider investment decisions around the delivery of the Brisbane Inland Rail intermodal terminal.</p>

Project	Project Description	Funding (\$m)			End Date	Status
		AG	Qld	Total		
Port of Brisbane Further Planning <i>Infrastructure Investment Program, Major Project Business Case Fund</i>	<p>The further planning for a dedicated rail freight connection to the Port of Brisbane builds on the 2019 Port of Brisbane Strategic Rail Access Study. This next phase (the Further Planning project) is considering in more detail the options, costs and benefits of a dedicated freight corridor.</p> <p>The Australian and Queensland governments is undertaking a Freight Rail Technical Assessment (FRTA) to model freight movements and refine corridor options for a dedicated rail freight path to the Port of Brisbane.</p> <p>Once the outcomes of the Inland Rail Review are known, further planning; including a market sounding process to test private sector interest to deliver, use, finance and maintain a dedicated connection to the Port of Brisbane, will be undertaken.</p>	20.0	In-kind	20.0	TBC	<p>A detailed analysis of alignment options (FRTA) commenced in October.</p> <p>The FRTA is due to be completed in early 2023.</p>

Project	Project Description	Funding (\$m)			End Date	Status
		AG	Qld	Total		
Salisbury to Beaudesert Rail Business Case <i>Infrastructure Investment Program, Major Project Business Case Fund</i>	<p>The business case is considering planning for a proposed passenger rail link between Salisbury and Beaudesert and further developing concepts to identify land requirements for the future corridor. It will be delivered with consideration of future demand for freight and passenger movements including Inland Rail.</p> <p>The business case will investigate but not be limited to options for delivery including timing of construction, and consideration of costs and benefits of the project.</p>	10.0	10.0	20.0	Early - 2023	The work is currently in the latter stages of delivery - initially a Strategic Assessment of Service Requirement was undertaken (2021/22), followed by a Preliminary Evaluation in 2022 to determine demand, timing, feasibility of options and costs.
Business case for Toowoomba to Gladstone Inland Rail connection <i>Infrastructure Investment Program, Major Project Business Case Fund</i>	<p>This business case will investigate an extension of Inland Rail from Toowoomba to the Port of Gladstone, including options to optimise network connectivity through regional Queensland.</p> <p>Further detail is available in SB22-000061.</p>	10.0	N/A	10.0	Mid-2023	The Australian and Queensland Governments have agreed the scope and details of the business case. Work on the business case is underway, with the first two phases expected to be completed by Q1 2023.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support Contact: Diana Hallam/Jason Preece

SB22-000060

SUBJECT: Intermodals - Victoria**Talking Points**

- The Australian Government is continuing to work closely and in collaboration with the Victorian Government to settle a terminals solution for Melbourne as soon as possible.
- The Victorian Government's long-term freight strategy identifies the need for terminals at both Beveridge and Truganina.
- The intermodal terminals solution for Melbourne is needed to maximise the benefits of the Government's investment in Inland Rail and will continue to support Victoria as the nation's largest generator of inter-capital rail freight and largest exporter of agricultural commodities.
- The delivery of both intermodal terminals is expected to support around 1350 jobs during peak construction and a further 550 jobs during peak operations.
- The Melbourne intermodal terminal solution will contribute to net-zero targets, expected to remove around 4000 trucks movements per day on busy metropolitan arterial roads and by an estimated 5500 per day in 15 years' time.

Key Issues

- The Significant Projects Investment Delivery Office is working with the Victorian Government to ensure delivery of fit-for-purpose intermodal terminals to meet growing freight demands, with at least one of the terminals to be able to efficiently service the 1800m double-stacked Inland Rail reference train.
- The previous Government made a \$3.6 billion commitment in the 2022-23 Budget towards the delivery of a terminal solution for Melbourne (See **Attachment A** for details of relevant projects).
- This investment by the Government will go towards the delivery of the Beveridge Interstate Freight Terminal (BIFT) to be able to efficiently service the 1800m double-stacked Inland Rail reference train fully funded by the Government, and the Western Interstate Freight Terminal (WIFT) at Truganina with the Outer Metropolitan Ring (OMR) Rail South connection, contingent on co-funding from the Victorian Government.
 - This package includes a commitment announced on 16 October 2022, of \$150 million as a grant on a 50:50 basis with Victoria, towards the Camerons Lane Interchange at Beveridge which is consistent with the Government's pre-election commitment. This road connections project will play a key role in supporting BIFT as well as support connectivity for the local community.

Contact: Jason Preece**Cleared by First Assistant Secretary:** Diana Hallam**Phone:** (02) 6274 8225**Version Number:** 02**Date:** 19/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support Contact: Diana Hallam/Jason Preece

SB22-000060

- The WIFT terminal alone, connected via the Outer Metropolitan Ring Rail South, would support broader freight network objectives relating to east-west freight flows, however would not support the Government's investment in Inland Rail and north-south freight flows, including the handling of the 1800m double-stacked Inland Rail reference train.
- National Intermodal Corporation will support the planning, delivery and operation of the Government's significant investment in new state-of-the-art intermodal terminals across Australia's east coast, including Melbourne.
- The Government has initiated a formal review into the Inland Rail project. The new intermodal terminals in Queensland and Victoria as well as connections to the Port of Melbourne and Port of Brisbane will be considered under this review.
- The National Intermodal Corporation holds an Option over land at Beveridge s47E(d) - certain opera. National Intermodal will develop a Detailed Business Case for Government consideration prior to the Option's expiry (refer **SB22-000062**).

If asked whether the commitment to a terminal at Beveridge is a 'hollow commitment'

- While the Appropriation Bills from the 2022-23 March Budget were not passed, the Government has not taken any decision to reallocate funding set aside for the development of intermodal terminals.
- The independent Inland Rail review being undertaken by Dr Schott will assess options for the location of the new intermodal terminals to be built in Melbourne and Brisbane. The Government will consider the review's findings and further work being undertaken between the Department and Victorian Department of Transport at the appropriate time.

Background

- Independent analysis undertaken by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts confirmed that both terminals are commercially viable in their own right – even when operating concurrently.
- The independent analysis also highlighted support for double-stacking and near unanimous support for genuine, open access terminals.
 - National Intermodal is expected to operate the terminals on genuine, open access principles to drive strong competition outcomes.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support Contact: Diana Hallam/Jason Preece

SB22-000060

- Further analysis commissioned by the department identified even with an optimal schedule, WIFT and OMR Rail South are unlikely to be delivered by 2031.
 - WIFT connected via OMR Rail South will not be able to accommodate double-stacked freight trains until the delivery of OMR Rail North.
 - The OMR Rail North connection presents significantly increased cost, complexity and program risk to the Government, and is expected to cost around \$6.7 billion.
- The delivery of the Melbourne Intermodal Terminal Package is expected to encourage modal shift and increase the utilisation of rail freight which will reduce overall transport emissions and assist in realising net zero.
- **Attachment B** includes current positions and media articles on the two terminals solution.
- s47E(d) - certain operations of agencies

Contact: Jason Preece

Cleared by First Assistant Secretary: Diana Hallam

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Version Number: 02

Date: 19/10/2022

Intermodals – Victoria project summaryFinancial Information as at 31 August 2022

Project	Project Description	Funding (\$m)			End Date	Status
		AG	State	Total		
Melbourne Inland Rail Terminal Business Case <i>Infrastructure Investment Program, Major Project Business Case Fund</i>	The detailed business case is considering the development of an intermodal terminal in Melbourne to support Inland Rail. Considerations include the potential terminal locations of Truganina and Beveridge, and matters including market access/operating models, financing options and value capture opportunities.	10.0	10.0	20.0	Mid-2023	A draft business case has been provided in March 2021 but the Significant Projects Investment Delivery Office and the Victorian Government are undertaking further work to finalise the business case. <i>(See Melbourne Intermodal Terminal: Planning and Development)</i>

Project	Project Description	Funding (\$m)			End Date	Status
		AG	State	Total		
Melbourne Intermodal Terminal – Planning and Development <i>Infrastructure Investment Program, Investment Rail</i>	<p>This funding will enable further detailed site investigation and planning as well as considering the commercial structure and delivery model. The Commonwealth's funding towards this project is contingent on a matching contribution by the Victorian Government.</p> <p>A decision on the terminal solution for Melbourne is subject to further negotiations between the Australian and Victorian governments.</p>	61.8	61.8	123.6	End-2025	In planning. Victoria has not committed any funding for these activities. The Victoria Government committed \$6.1 million towards further planning for the Truganina terminal and OMR Rail South in its 2022-23 Budget.

Project	Project Description	Funding (\$m)			End Date	Status
		AG	State	Total		
Melbourne Intermodal Terminal Package – Delivery	<p>This investment by the Commonwealth will go towards the delivery of a terminal at Beveridge to be able to efficiently service the 1800m double-stacked Inland Rail reference train fully funded by the Commonwealth, and a terminal at Truganina with the OMR Rail South connection contingent on co-funding from the Victorian Government.</p> <p>At this stage, an intermodal terminal at Beveridge will be expected to include Interstate terminal facilities to handle containerised freight, the ability to efficiently service 1800 metre double-stacked Inland Rail reference train, associated warehousing, maintenance facilities and road and rail infrastructure.</p> <ul style="list-style-type: none"> • Delivery of the Beveridge Interstate Freight Terminal - National Intermodal to deliver BIFT (\$1.62 billion total, 100% Australian Government funded) • Camerons Lane Interchange - \$150 million in grant funding • Western Interstate Freight Terminal (WIFT) - \$740 million in equity to be delivered by the National Intermodal Corporation Limited • Outer Metropolitan Ring (OMR) Rail South - \$920 million in grant funding. 	3430.0	1810.0	5240.0	Both terminals will be delivered concurrently	Decisions on project details and funding splits are subject to further negotiations between the Australian and Victorian governments. Victoria has not committed any funding for these activities.

Project	Project Description	Funding (\$m)			End Date	Status
		AG	State	Total		
	Funding for WIFT and OMR South is conditional of a 50:50 matching commitment from the Victorian Government.					
Outer Metropolitan Ring / E6 Corridor Preservation (Preliminary Business Case) <i>Infrastructure Investment Program, Major Project Business Case Fund</i>	This business case investigated options to acquire land along Melbourne's Outer Metropolitan Ring and E6 Corridor to support the future construction of this proposed transport link, including consideration of land acquisition options, costs and potential timing. The OMR forms an important rail and road connection consideration to the proposed intermodal terminal in Melbourne to support Inland Rail.	5.0	5.0	10.0	Mid-2021	The preliminary business case is complete . Further planning and design development will be considered through the Detailed Business Case. (See <i>Outer Metropolitan Ring / E6 Corridor - Detailed Business Case</i>).
Outer Metropolitan Ring / E6 Corridor - Detailed Business Case Infrastructure Investment Program (Investment Roads)	The Detailed Business Case for the development of the Outer Metropolitan Ring (OMR) / E6 transport corridor, including consideration of land acquisition options, costs and potential timing. The OMR forms an important rail and road connection consideration to the proposed intermodal terminal in Melbourne to support Inland Rail.	10.0	10.0	20.0	End-2025	In planning. The Commonwealth's funding towards this project is contingent on a matching contribution by the Victorian Government. Victoria has not committed any funding for these activities.

Project	Project Description	Funding (\$m)			End Date	Status
		AG	State	Total		
Improving Connectivity to the Port of Melbourne <i>Infrastructure Investment Program, Major Project Business Case Fund</i>	This funding will enable a business case to be undertaken to investigate improving the connectivity to the Port of Melbourne, including between the Port and the future Melbourne interstate intermodal terminals.	7.5	7.5	15.0	Mid-2025	In planning. The Commonwealth's funding towards this project is contingent on a matching contribution by the Victorian Government. Victoria has not committed any funding for these activities.

Attachment B

Key positions on the Victorian intermodal terminals

December 2021 to September 2022

Advocates for Melbourne intermodal terminals

ABC News article - Community and industry advocates and the decision on the Melbourne intermodal terminals to be progressed soon

- A 27 September 2022 article in ABC News¹ highlights that members of the community as well as key industry bodies are wanting more freight to be transported by rail and for a decision on the Melbourne intermodal terminals to be progressed soon.
- Reid Mather, Rail Freight Alliance Chief Executive Officer, which represent about half of Victoria's councils, has expressed frustration at the delays in settling a terminal location, highlighting it is difficult (for Councils) to plan and construct due to the ongoing delays. Mr Mather also criticised the Victorian Government, highlighting that the state has "failed to do enough planning for the Truganina site."
- The article highlights that the Victorian government "is still clear that it wants to focus on Truganina as a terminal location, insisting it can be built by 2030."
- The article also highlights the investments made by the previous Government towards the Melbourne Intermodal Terminal Package.

There are a number of incorrect statements in the article, including:

- ***"The federal government estimates such a terminal would take about 550 trucks a day off Melbourne roads".***
 - The 550 figure should be **5500** and refers to the number of trucks that will be taken off the roads each day in 15 years' time – this figure is from modelling commissioned by the Victorian Department of Transport to support the draft Business Case for the Melbourne Inland Rail Intermodal Terminal.
 - ***"In the last federal budget it allocated \$740 million towards a hub at Truganina while nearly \$1 billion dollars has been promised for road connecting to the proposed site".***
 - The reference to nearly \$1 billion is in fact **\$920 million towards the Outer Metropolitan Ring Rail South project which is a rail connection to the Truganina site** (not a road connection).
 - ***"But \$1.6 billion was also promised towards a rail terminal at Beveridge and more than \$200 million towards upgrading roads surrounding that proposed location."***
 - The reference to more than \$200 million is in fact **\$280 million**. The ALP made an election commitment of \$150 million towards this project.

¹ <https://www.abc.net.au/news/2022-09-27/rail-freight-transport-infrastructure-push-in-melbourne/101435374>

Mr Rob Mitchell MP, Member for McEwen

- On 11 October 2022, Mr Rob Mitchell MP, welcomed the review into Inland Rail and suggested that the review would raise issues over the previous Government's commitment to build BIFT. Mr Mitchell indicated that the Australian Government would remain committed to BIFT, but that it should be done properly and not at the expense of WIFT at Truganina for its connection to east-west freight traffic².

Australian Logistics Council (ALC)

- On 24 February 2022, Mr Brad Williams, ALC CEO, said the ALC welcomes confirmation of the Australian Government's \$2 billion commitment to the development of intermodal terminals in Melbourne to support connectivity between Inland Rail and the Port of Melbourne³. Mr Williams also said "a coordinated and centralised approach, through the National Intermodal Corporation, should ensure access for multiple supply chain participants and help drive increased efficiency and productivity across all freight modes but most importantly in rail freight".
- On 28 March 2022, ALC CEO, Mr Brad Williams welcomed the Australian Government's additional budget commitment to invest in intermodal freight infrastructure including the Melbourne Intermodal Terminals Package⁴: "This budget commitment is an important step in modernising Australia's freight network and maintains the focus on delivery of the National Freight and Supply Chain Strategy".

Australasian Railway Association (ARA)

- On 24 February 2022, Ms Caroline Wilkie, ARA CEO, said the ARA welcomed the strategy to build world-class intermodal terminals in time for the commencement of operations along the full Inland Rail alignment and highlighted this will be a huge boost for the rail freight sector⁵. Ms Wilkie also said the commitment shows the Commonwealth Government "recognises that well planned and funded freight rail projects play a vital role in keeping cities moving, delivering more environmentally sustainable freight solutions and reducing congestion".

Infrastructure Partnerships Australia (IPA)

- In its media release on 24 February 2022, the IPA welcomed the Government's commitment to establish National Intermodal Corporation and noted the commitment is critical in ensuring Australia has a coordinated approach to creating a modern and sophisticated national freight and supply chain network. The IPA CEO Adrian Dwyer said as the freight sector plays a vital role in keeping Australia's economy moving, it is essential to have the right governance and planning mechanisms in place of facilitate the sector's continued growth. Mr Dwyer also said "the infrastructure welcomes the focus on increasing competition and efficiency by ensuring open-access arrangements across

² [Question mark over the Beveridge Interstate Freight Terminal - The North Central Review \(ncreview.com.au\)](https://ncreview.com.au)

³ <https://austlogistics.com.au/media-centre/developments-on-melbourne-intermodal-options-an-important-step-for-inland-rail/>

⁴ <https://austlogistics.com.au/media-centre/modal-shift-underpins-melbourne-intermodal-budget-announcement/>

⁵ <https://ara.net.au/media-release/ara-welcomes-inland-rail-intermodal-strategy/>

Australia's east-coast network and making rail freight a preferred long-haul mode under the new Intermodal governance model"⁶.

Mitchell Shire Council

- On 8 March 2022, Mitchell Shire Council Mayor Bill Chisholm said the Beveridge interchange would pave the way for jobs and population growth in the region. Modelling by Mitchell Shire Council showed the Camerons Lane interchange would create 2000 direct and indirect jobs and the project was described as the single biggest piece of infrastructure enabling the proposed BIFT terminal, which Council said would create a further 20,000 jobs. Council also cited the opportunity to construct homes in Beveridge and opening up access to the Hume Freeway as additional benefits to the Camerons Lane upgrade, with the transformational road project positioning Beveridge as the "centre of the next chapter of population growth in the state"⁷.

NORTH Link Association

- 31 March 2022, NORTH Link Executive Director Chris James welcomed the Government's investment: "The Federal Government is seeking to fund both the Beveridge and Truganina Intermodal Freight terminals, which is good news for the region and ticks off a major plank of our North and West Melbourne City Deal proposal"⁸.

Advocates for the Truganina terminal

- A 20 December 2021 article in the Herald Sun⁹ reported that a group of freight companies, local councils and other organisations are pushing for the new intermodal freight terminal to be built in Truganina. The article highlights that those promoting a Truganina terminal include Pacific National, Toll, Linfox, SCT, Melton City Council, Wyndham City Council, the Port of Melbourne, Victorian Transport Association and Victoria University.
- On 13 July 2022, Port of Melbourne EGM Caryn Anderson said that "Australia's busiest container port wanted the Truganina site – the Western Interstate Freight Terminal – built first because it was where most freight was moving through. However, Victoria would eventually need the northern site – the Beveridge Intermodal Freight Terminal – too"¹⁰.
- The Government supports Victoria's long-term plan for intermodal terminals at both Truganina in the West and Beveridge in the North.

⁶ [IPA-MEDIA-RELEASE-INDUSTRY-WELCOMES-ESTABLISHMENT-OF-NATIONAL-INTERMODAL-CORP.pdf \(infrastructure.org.au\)](#)

⁷ [Beveridge's Camerons Lane interchange labelled as integral to region's future - The North Central Review \(ncreview.com.au\)](#)

⁸ <https://northlink.org.au/major-win-for-melbournes-north-in-2022-federal-budget-north-link-welcomes-budget-boost-for-key-road-and-freight-projects/>

⁹ [https://links.streem.com.au/herald-sun-20211219-EX4BldhAxniOHEghA?keywords\[\]=Call%20for%20new%20freight](https://links.streem.com.au/herald-sun-20211219-EX4BldhAxniOHEghA?keywords[]=Call%20for%20new%20freight)

¹⁰ [Port of Melbourne urges certainty on new freight terminal \(theage.com.au\)](#)

National Intermodal

- To support the Government's significant investment in intermodal terminals, MIC was repurposed as the National Intermodal Corporation Limited (National Intermodal). National Intermodal's achievements at Moorebank Logistics Park show it is well placed to deliver the Australian Government's future intermodal investments, and to drive commercial outcomes while achieving value for money.
- Establishing National Intermodal will facilitate an integrated approach, driving efficiency and competition across the rail network and ensuring open-access arrangements.
- National Intermodal will take on a bigger role in the development and operation of the interstate terminals, working with the Australian, state and local governments, the Australian Rail Track Corporation, above-rail operators and industry.
- On 4 May 2022, an article in The Australian (The Australian, "A freight revolution is unpacked as intermodal hubs enter the chain") reported that "The array of intermodal terminals that is planned for Sydney, Melbourne and Brisbane will support the \$15bn Inland Rail project". "It will link the nation's primary producers, manufacturers, and regional communities to Australia's export opportunities, through opening up access to the major east coast export ports of Melbourne and Brisbane – seen as the key "gateway" points to Inland Rail". The role of National was highlighted as "an independent company – National Intermodal Corporation (NIC) – leveraging industry experience, and genuinely promoting open-access, to encourage new entrants"¹¹.

Pacific National

- On 12 December 2021, Mr Paul Scurrah, Pacific National Chief Executive Officer, said the company had secured an option over a large 540-hectare site in Little River to construct a new terminal and develop a surrounding logistics precinct¹². Mr Scurrah also suggested that a proposed terminal at Beveridge would derail government plans to shift more freight from trucks to trains.
- On 25 February 2022, Mr Scurrah criticised the use of taxpayer money to develop terminals that will be in direct competition with the private sector (The Australian, "Pacific National chief Paul Scurrah slams rail freight plan"). He expressed a view that the expansion of the Moorebank Intermodal Company into the National Intermodal Corporation would "have the perverse effect of stifling future private sector investment in the national rail supply chain".
- On 3 March 2022, the National Intermodal CEO responded to criticisms from Pacific National (The Australian, "National Intermodal chief James Baulderstone looks to ease concerns of private sector"), highlighting the importance of independent open access arrangements in the freight industry and that National Intermodal will work with industry.
 - "James Baulderstone, the chief executive of the new National Intermodal Corporation, says he is not in competition with the private sector – moving to ease concerns about the company's role in creating a national rail terminal network.

¹¹ <https://www.theaustralian.com.au/special-reports/a-freight-revolution-is-unpacked-as-intermodal-hubs-enter-the-chain/news-story/423ecd219407864ebee2797451c67aa9>

¹² <https://pacificnational.com.au/littleriver/>

- Private operators – in particular Pacific National chief executive Paul Scurrah – reacted negatively to the Government’s decision to hand planning of the network to the renamed and expanded Moorebank Intermodal Company.
- “We want to work with industry,” Mr Baulderstone said. “We are not in competition with the private sector. We are here to partner with it to make sure that the right money gets invested in the right design ... but the terminals have to be open access with the ability for all to participate.””
- The Government is not averse to private industry investing in key infrastructure that supports the freight industry and assists in meeting the forecasted increase in freight demand. However, a terminal at Little River may impact on the commercial viability of a Truganina terminal.
- These are issues that the Australian Government is working through with the Victorian Government including maximising the level of competition within the freight market, ensuring terminal and network investments are aligned with the national freight market and supply chain, as well as maximising private sector involvement, investment and asset utilisation.

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Jason Preece

SB22-000061

SUBJECT: Toowoomba to Gladstone

Talking Points

- The Australian Government is working with the Queensland Government on the business case for the extension of Inland Rail from Toowoomba to the Port of Gladstone, with business case activities underway.

Key Issues

- In September 2021, the Australian Government committed \$10 million to undertake a business case investigating the extension of Inland Rail from Toowoomba to the Port of Gladstone. The business case will be delivered in 2023.
 - An extension would deliver better rail connectivity to the Port of Gladstone and expand access to import and export markets for Australian businesses and industry.
- The business case is expected to identify a preferred route, delivery approach, benefits and costs in order to optimise network connectivity through regional Queensland to the Port of Gladstone.
 - The business case will also explore commercial development and private sector funding opportunities, which may reduce the potential level of Australian Government funding. See **Attachment A** for further details on the project.
- The Business Case began in early 2022 following agreement between the Australian and Queensland Governments on the scope and governance processes.
- Under the arrangements, the Queensland Government Department of Transport and Main Roads (TMR) is responsible for procurement processes to source any consultants required to deliver the business case.
- The procurement process to appoint a Project Manager to lead the business case team concluded in July 2022.
- A separate procurement to appoint a Commercial and Technical team was concluded in August 2022.
- Due to the value and complexity of work associated with the procurement of the Commercial and Technical team, this procurement was subject to TMR assurance processes.
- The business case is being undertaken in accordance with the Queensland Government's Project Assessment Framework, which includes three stages: a Strategic Assessment of Service Requirements, a Preliminary Evaluation and a Detailed Business Case.
- The Strategic Assessment of Service Requirements stage is currently underway.

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Version Number: 1

Date: 26/09/2022

BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Diana Hallam/Jason Preece****SB22-000061**

- A Technical Working Group has been formed to consider the business case and has met several times in 2022.
- Membership of this group comprises representatives from the following organisations:
 - Australian Rail Track Corporation – Inland Rail Program
 - Queensland Rail
 - Aurizon
 - Gladstone Ports Corporation
 - Toowoomba Regional Council
 - Western Downs Regional Council
 - Banana Shire Council
 - Gladstone Regional Council
 - North Burnett Regional Council
 - South Burnett Regional Council
 - Queensland Department of Transport and Main Roads
 - Policy, Planning and Investment Division
 - Transport Strategy and Planning Branch
 - Infrastructure Management and Delivery Division
 - Program Delivery and Operations Branch
 - Southern Queensland Region – Darling Downs District
 - Central Queensland Region – Fitzroy District
 - Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA)
 - Queensland Department of Transport and Main Roads
 - PwC/Aurecon - Study commercial and technical consultants

Attachments

- Attachment A – Toowoomba to Gladstone project details
- Attachment B – TMR Toowoomba to Gladstone Inland Rail Extension factsheet

Contact: Jason Preece**Cleared by First Assistant Secretary: Diana Hallam****Phone: (02) 6274 8225****Version Number: 1****Date: 26/09/2022**

Attachment A

Toowoomba to Gladstone project summary

Project	Project Description	Funding (\$m)			End Date	Status
		AG	Qld	Total		
Business case for Toowoomba to Gladstone Inland Rail connection <i>Infrastructure Investment Program, Major Project Business Case Fund</i>	This business case will investigate an extension of Inland Rail from Toowoomba to the Port of Gladstone, including options to optimise network connectivity through regional Queensland.	10.0	N/A	10.0	2023	The Australian and Queensland Governments have agreed the scope and details of the business case. Work on the business case is underway, with the first two phases expected to be completed by Q1 2023.

Toowoomba to Gladstone Inland Rail Extension Business Case

The Department of Transport and Main Roads (TMR), in collaboration with the Australian Government's Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), has commenced the **Toowoomba to Gladstone Inland Rail Extension Business Case** (the study). The study will investigate the need and potential benefits of a new inland rail connection from Toowoomba to the Port of Gladstone.

The Australian Government has committed \$10 million to deliver this planning with an in-kind contribution from the Queensland Government.

Key facts



There is currently no direct inland rail link between Toowoomba and Gladstone.



The project study area is considering a corridor that extends approximately 650 kilometres through the Darling Downs and Central Queensland region between Toowoomba (Gowrie/Wellcamp) and the Port of Gladstone – refer to map overleaf.



Any future connection to Gladstone would be in addition to the commitment to take Inland Rail to Brisbane.

Benefits

- Extending Inland Rail from Toowoomba to the Port of Gladstone would enhance the national rail freight network, delivering better rail connectivity and expand access to import and export markets for Australian business and industry.
- The potential Inland Rail link will provide better accessibility in regional Queensland for its industries, businesses and freight providers.



operational mines



agricultural
producers



other existing and
emerging resources

- Connecting the Port of Gladstone to Inland Rail would bypass congested road and rail networks in South East Queensland.
- Aims to improve road safety, congestion and environmental outcomes by decreasing the number of heavy vehicle movements on the road.

Current project status

The project is in the early scoping phase to assess the need, consider options and determine feasibility of a rail connection from Toowoomba to the Port of Gladstone. The business case is expected to be completed in **2023**.

Next steps

If the findings of the study determine the project demonstrates viability:

- a Detailed Business Case will be developed to further explore the preferred option/s identified in the early investigations
- wider engagement as well as community consultation will be undertaken to seek feedback and input to the development of the preferred design.

Contact details



Email

Toowoomba2Gladstone@tmr.qld.gov.au



Project hotline

1800 271 148



Website

tmr.qld.gov.au/projects



Australian Government

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

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Queensland Government
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Legend

- | | | | |
|-----------------------------------|---------------------------------|----------------------|------------------|
| Existing Rail | Indicative Study Corridor | Coal Mine | Port |
| Proposed Inland Rail | Surat Basin Coal resources area | Proposed Coal Mine | Intermodal site |
| Proposed Surat Basin Rail Project | National Park/State Forest | Hydrogen plant | Agriculture area |
| | | Water supply project | |



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Queensland Government

BUDGET ESTIMATES 2022 – 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Diana Hallam/Jason Preece

SB22-000062

SUBJECT: National Intermodal Corporation**Talking Points**

- The Moorebank Intermodal Company (MIC) was repurposed into the National Intermodal Corporation (National Intermodal) on 24 February 2022.
- National Intermodal was established to assist with delivery of intermodal terminals in Melbourne and Brisbane to support Inland Rail, and will play an important role in ensuring genuine, independent open access to a network of terminals, driving efficiency and competition in the freight network.
- National Intermodal will work closely with the Australian Government, State Governments, Australian Rail Track Corporation and industry in the development of the terminals.

Key Issues

- National Intermodal builds on MIC's foundations as an established Government Business Enterprise, responsible for the Australian Government's investment in the Moorebank Logistics Park in Sydney (**Attachment A**). Its achievements at Moorebank Logistics Park demonstrate it is well placed to deliver the Australian Government's intermodal investments and drive commercial outcomes while achieving value for money.
- National Intermodal will facilitate an integrated approach to Australia's interstate rail freight network and ensure the \$14.5 billion investment in Inland Rail will be accessible to all industry participants, regardless of size. Management by an independent company will leverage industry experience, and genuinely promote open access to encourage new entrants. Details on the establishment of National Intermodal is at **Attachment B**, with information on the contractual structure at **Attachment C**.
- This approach to open access will drive more services, better asset utilisation, stronger competition in the rail freight market and support private sector innovation and investment. It is the same approach being applied to other significant investments, including the National Broadband Network and Western Sydney Airport.
- National Intermodal has entered an agreement with Qube to take over its option over a total land area of 1100 hectares at Beveridge, 40 kilometres north of Melbourne. s47G
s47G
- The agreement is for an option only. Further due diligence and valuation processes, as well as strict integrity protocols, are being undertaken by National Intermodal before any commitment to purchase the land is made.

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BUDGET ESTIMATES 2022 – 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Diana Hallam/Jason Preece

SB22-000062

- The Senate Rural and Regional Affairs and Transport (RRAT) Legislation Committee, of 31 March 2021, asked for the details of the strategic rationale, economic rationale and value for money assessment regarding National Intermodal's original acquisition of the option. The advice provided to the Committee is provided at **Attachment D**. Responses to Senate Question on Notice 545 (PQ22-000097) from Senator the Hon Bridget McKenzie on 14 September 2022 is provided at **Attachment E**.
- At the Moorebank Intermodal Terminal Precinct, Qube Holdings divested its interests in property and warehousing to the LOGOS Property Group on 15 December 2021 for \$1.67 billion. This demonstrates the significant value uplift from the Government's investment in the Precinct. National Intermodal were also able to leverage this process to take a more active role in the delivery of the Interstate Terminal, which will ensure genuine open access and alignment with the terminals in Victoria and Queensland. Further details on the transaction are at **Attachment F**.

BackgroundRecent media

1. On 6 April 2022, the former Australian Government announced that construction has commenced on the new Interstate Terminal at Moorebank Logistics Park in Sydney's southwest ("Work starts on the new Moorebank Interstate Intermodal Terminal").

"The first of four modern and interconnected terminals which will enhance Australia's Supply Chain and drive freight efficiencies between Sydney, Melbourne and Brisbane. The new Interstate terminal will service new modern 1,800 metre trains, each with the potential to remove over 100 B Double trucks per train trip.

The terminal will be built and operated in Australia's largest, strategically located freight logistics hub under an industry-first joint development model between Australian Government-owned National Intermodal Corporation, Qube Holdings Limited (Qube) and LOGOS".

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BUDGET ESTIMATES 2022 – 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Diana Hallam/Jason Preece

SB22-000062

Financial Information as at 31 August 2022

s47G - business information

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Date: 28/09/2022

BUDGET ESTIMATES 2022 – 2023

Rural and Regional Affairs and Transport

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SB22-000062

Attachments:

- **Attachment A** – Delivery of the Moorebank Intermodal Terminal Precinct
- **Attachment B** – Establishment of National Intermodal Corporation and Beveridge Land option
- **Attachment C** – National Intermodal Corporation Limited – Contractual Structure
- **Attachment D** – National Intermodal's response to Senate RRAT Questions on Notice
- **Attachment E** – Response to Parliamentary Question on Notice 545 from Senator McKenzie
- **Attachment F** – Fact Sheet – Moorebank Logistics Park (MLP) LOGOS Transaction

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Delivery of the Moorebank Intermodal Terminal Precinct

SENSITIVITIES

Interstate Terminal

- The Interstate Terminal at the Moorebank Intermodal Terminal Precinct (Precinct) was originally scheduled to be complete by 19 March 2021.
- National Intermodal negotiated a resolution with Qube that enhances the policy objectives and commercial outcomes at Moorebank Logistics Park through an improved Interstate Terminal design and innovative joint development model.
- Under the new joint development model, National Intermodal will work closely with Qube and LOGOS Property Group to ensure the Interstate Terminal is delivered on time and aligns with the Australian Government's strategic priorities – the combination of an open access Interstate Terminal (with newly aligned terminals in Vic and QLD), which will create a world-class, interconnected, modern and efficient national rail freight network. National Intermodal will take a 10 per cent equity stake in the Interstate terminal.
- Construction of the Interstate Terminal commenced on 6 April 2022.

Moorebank Avenue Roadworks

- National Intermodal has taken over responsibility from Qube for the delivery of the Moorebank Avenue Roadworks package, including an upgrade of the Moorebank Avenue-ANZAC Road Intersection (MAAI) and Moorebank Avenue Realignment (MAR) around the eastern perimeter of the Precinct. Progress on these road works have been frustrated by slow approvals from Transport for NSW (TfNSW), who are seeking to increase scope of these projects at National Intermodal's cost.
- TfNSW sought \$65 million additional funding from the Australian Government in the 2022-23 Budget to fund an upgrade of the M5 around Moorebank Avenue. This funding was provided conditional on rectification of issues relating to the broader Moorebank Avenue Roadworks package.
- Since the 2022-23 Budget, TfNSW have progressed approvals relating to the MAAI and this condition has been satisfied. Negotiations are continuing around transfer of land to TfNSW to support the M5 upgrade and approvals for the MAR.

National Intermodal financials

- The National Intermodal Annual Report, published on the National Intermodal website on 1 November 2021 discloses a Net Profit After Tax (NPAT) for the 2020-21 financial year of \$12.4 million, with revenue of \$13.7 million. The National Intermodal's draft Annual Report this year discloses a Net Profit After Tax (NPAT) for the 2021-22 financial year of \$12.8 million, with revenue of \$6.9 million [the Annual Report has not yet been finalised or published].

- National Intermodal receives revenue from rail access charges, which will increase once the Interstate Terminal is operational, and will receive ground rent, following a three-year rent holiday period from commencement of operations. Qube, as the operators of the Import-Export terminal, have suggested the lower utilisation of the terminal and therefore lower revenue from rail access charges, is due to the NSW Government policy decision to allow High Productivity Vehicles to access Port Botany.
- Several ongoing disputes between Qube and National Intermodal have been resolved which has provided the National Intermodal board with an opportunity to reset its relationship with the Sydney Intermodal Terminal Alliance (SIMTA), resulting in a more productive relationship, particularly in light of LOGOS acquisition of warehousing interests at the MLP.

SUGGESTED COMMENTS

If asked about failure to meet the delivery deadline for the Interstate Terminal

- The development of the Interstate Terminal was delayed due to several disputes over land preparation works with SIMTA, National Intermodal's private sector delivery partner.
- These issues have now been resolved through the revised governance arrangements at the Precinct with LOGOS' acquisition of warehousing interests at the site and the tripartite joint venture arrangement for delivery of the Interstate Terminal between National Intermodal, Qube and LOGOS.
- Construction commenced on the Interstate Terminal on 6 April 2022 and will be completed ahead of the contractual sunset date of 19 March 2025. The current scheduled date for completion is December 2024.
- National Intermodal, Qube and LOGOS understand the importance of the timely delivery of the Interstate Terminal and are working together to ensure it is delivered to a high standard that will facilitate efficient movement of freight interstate, including to the proposed terminals at Melbourne and Brisbane to support Inland Rail.

If asked about the Moorebank Avenue Realignment Works

- As part of the LOGOS warehousing transaction, National Intermodal has taken over delivery of the Moorebank Avenue Realignment Works from Qube.
- Moorebank Avenue currently bisects the Import-Export Terminal and future Interstate Terminal, presenting significant safety and efficiency issues. A realignment around the eastern perimeter of the Precinct will support greater access to the Defence property in the area and greater traffic flows.
- National Intermodal are working closely with the NSW Government to progress the required approvals for the project.
- Further questions on the project itself are best put to National Intermodal.

If asked about Per- and Poly- fluoroalkyl Substances (PFAS) contamination

- On 21 March 2021 a Sydney Morning Herald article outlined potential risks of PFAS contaminated material located on the site flowing into the Georges River via groundwater.
- National Intermodal's response was that "no part of the Moorebank Precinct is declared a Contaminated Site under relevant state legislation and that the site has been extensively assessed over the last six years, confirming its suitability for commercial and industrial uses."

- PFAS contamination exists at the site and is being managed in accordance with the PFAS National Environmental Management Plan.
 - Construction environmental management plans are being implemented to ensure the safety of workers and minimise risk to the environment.
 - Once construction is complete, operational environmental management plans will be implemented to minimise the physical, social and environmental impact of activities during operations.
- Specific actions to manage PFAS will be determined once the investigations and risk assessments are considered complete. An independent, NSW Environmental Protection Authority accredited site auditor has recently approved the Long Term Environmental Management Plan and endorsed the soil reuse (allowing for maximum reuse of PFAS impacted materials).
- Community engagement will be undertaken once a PFAS management plan has been developed.

If asked about the open access arrangements

- The Import/Export (IMEX) Terminal operates under a contractual open access regime.
- The Australian Competition and Consumer Commission has publicly critiqued the use of contractual arrangements rather than a voluntary undertaking under Part IIIA of the *Competition and Consumer Act 2010*.
- A contractual approach to open access arrangements was adopted to balance the need to ensure non-discriminatory access to the terminal with the need to encourage private sector investment in greenfield infrastructure.
- The Government requires the Interstate Rail Terminal within the Moorebank Logistics Park to be designed and operated as an open access, common user facility. This means it is available to all users on non-discriminatory terms. This will not change under the new proposed delivery model.
- Open Access protocols for the Interstate Terminal will be developed in consultation with the Australian Government and industry closer to the completion date of the Terminal.

If asked about the National Intermodal Board appointments

- On 31 March 2022, Mr Michael Byrne and Ms Annette Carey were appointed as non-Executive Directors on the National Intermodal Board for a three-year term, effective 31 March 2022 and ending 31 March 2025. These appointments filled the positions vacant by the expiry of Mr Lucio Di Bartolomeo's term on 1 May 2022 and the Hon. Jim Lloyd's term on 31 May 2022.
- Following the appointments of Mr Byrne and Ms Carey, the gender diversity ratio of the National Intermodal Board is 42.9 percent female and 57.1 percent male.
- A board review will be completed by the end of the year to ensure National Intermodal has the appropriate skills mix and geographic diversity to support its broader remit.

If asked about executive remuneration

- Executive remuneration increased by 1.3% from \$2,046,140 in 2019-20 to \$2,048,775 in 2020-21.

- The total remuneration includes a termination benefit (\$65,844) and executive bonuses (\$126,000, a decrease from \$264,863 in 2019-20).
- The payment of executive remuneration is decision for the Board having regard to individual performance and guidelines set by the Australian Public Service Commission. As the setting of executive salary and performance pay is a matter for the Board, National Intermodal is best placed to provide advice.
- The cap for salary and allowances for the Chief Executive Officer (including a maximum bonus payment) and Board positions are determined by the Remuneration Tribunal.

If asked about National Intermodal's financial arrangements

- The Precinct is being delivered as a joint venture between National Intermodal, LOGOS and Qube. With the sale of Qube's warehousing and land interests to LOGOS for \$1.67 billion, the arrangement has now been updated with LOGOS and Qube retaining the interest in terminals (A diagram outlining the financial structure of the arrangement is included at **Attachment B**).
- \$370 million of National Intermodal equity funding was announced in the 2017–18 Budget. Additional funding was provided in the 2019-20 Budget, but was not published due to commercial sensitivities [additional equity funding "Not for Publication" of \$200 million]. The Australian Government has distributed \$514.35 million in equity to National Intermodal as at 31 August 2022 [this figure was announced by the previous Government on 6 April 2022 and has not changed since this announcement].
- National Intermodal approached the private debt market in 2021 for an additional \$200 million to complete Precinct works, particularly the Moorebank Avenue Realignment. National Intermodal received approval from former Shareholder Ministers and have entered into an agreement with ANZ and Mizuho on 27 October 2021 to provide this funding [approach to the debt market undertaken under confidentiality deeds].
- Funding and delivery responsibilities between National Intermodal and Qube are specified under a DOD between the two parties. Due to commercial sensitivities these details cannot be disclosed.

If asked about why there is an increased cost to MITP

- Additional funding of about \$200 million was required to mitigate several delivery risks materialising such as site remediation costs, delivery delays in the interstate terminal and the Moorebank Avenue realignment works.
- On top of mitigation costs, the additional funding will also fund optimised road infrastructure works (Moorebank Avenue, M5, Intersections), NSW Voluntary Planning Contributions, optimised rail access and management overhead costs (minimising the need to use third party providers).

If asked about how the Commonwealth has achieved value for money

- The value uplift of National Intermodal is evidenced by the \$1.67 billion LOGOS transaction. National Intermodal's equity interest in an industry-leading joint development model for the Interstate Terminal will further increase returns the precinct will generate for the Australian Government's investment.

- The use of cost-efficient and sustainable construction practices at the Moorebank Logistics Park will ensure the Australian Government's investment delivers value for money.

If asked about the department's valuation of the company in the department's Annual Report

- The net assets method is used to measure the fair value of administered investment where it does not generate significant non-government cash inflows and cash flows cannot be reliably predicted.
- National Intermodal is currently in its start-up phase and is reliant on equity payments from the Government as its sole source of funding. In 2020-21 National Intermodal started earning revenue from rail access fees of \$9.6 million and \$6.6 million in 2021-22 [as reported in the draft 2021-22 Annual Report which has not yet been finalised or published].
- The net asset valuation method will remain appropriate while the terminal is constructed and the company continues to receive the majority of its funding through equity payments (until the end of 2022-23).
- Following Cabinet approval, National Intermodal has negotiated additional funding to support the revised Final Forecast Cost Estimate of \$719 million to complete the Moorebank Intermodal Terminal Precinct through the private debt market, with up to \$200 million to be funded by ANZ and Mizuho [debt funding "Not for Publication" of \$200 million].
- National Intermodal will also receive further equity of \$427 million for establishment funding for National Intermodal to take on a broader role, commence planning, development and delivery of the intermodal terminals to 2023-24, and to acquire land at Beveridge [additional equity funding "Not for Publication" of \$427 million].

A modified net asset position, based on National Intermodal's discounted cash flow valuation of finance leases, may be appropriate once construction is complete and lease payments have commenced.

Recent National Intermodal valuations in Department's Annual Report

Financial Year	Valuation \$ million
2020-2021	\$321
2019-2020	\$324
2018-2019	\$248
2017-2018	\$137
2016-2017	\$105
2015-2016	\$52

LOGOS DEAL

SENSITIVITIES

- On 15 December 2021, Qube Holdings announced that all required approvals have been received and the transaction completed in relation to Qube's proposed divestment of the Moorebank Logistics Park (MLP) to LOGOS Property Group which was announced on 5 July 2021. The purchase price is circa. \$1.67 billion (before tax, transaction costs and other adjustments). (Key facts of the LOGOS transaction are included at **Attachment C**).
- The transaction with LOGOS Property Group contains a significant 'hold-back' of \$312 million until the Interstate Terminal is delivered and planning approvals for remaining warehousing is received.

SUGGESTED COMMENTS

If asked about what National Intermodal received from the LOGOS transaction

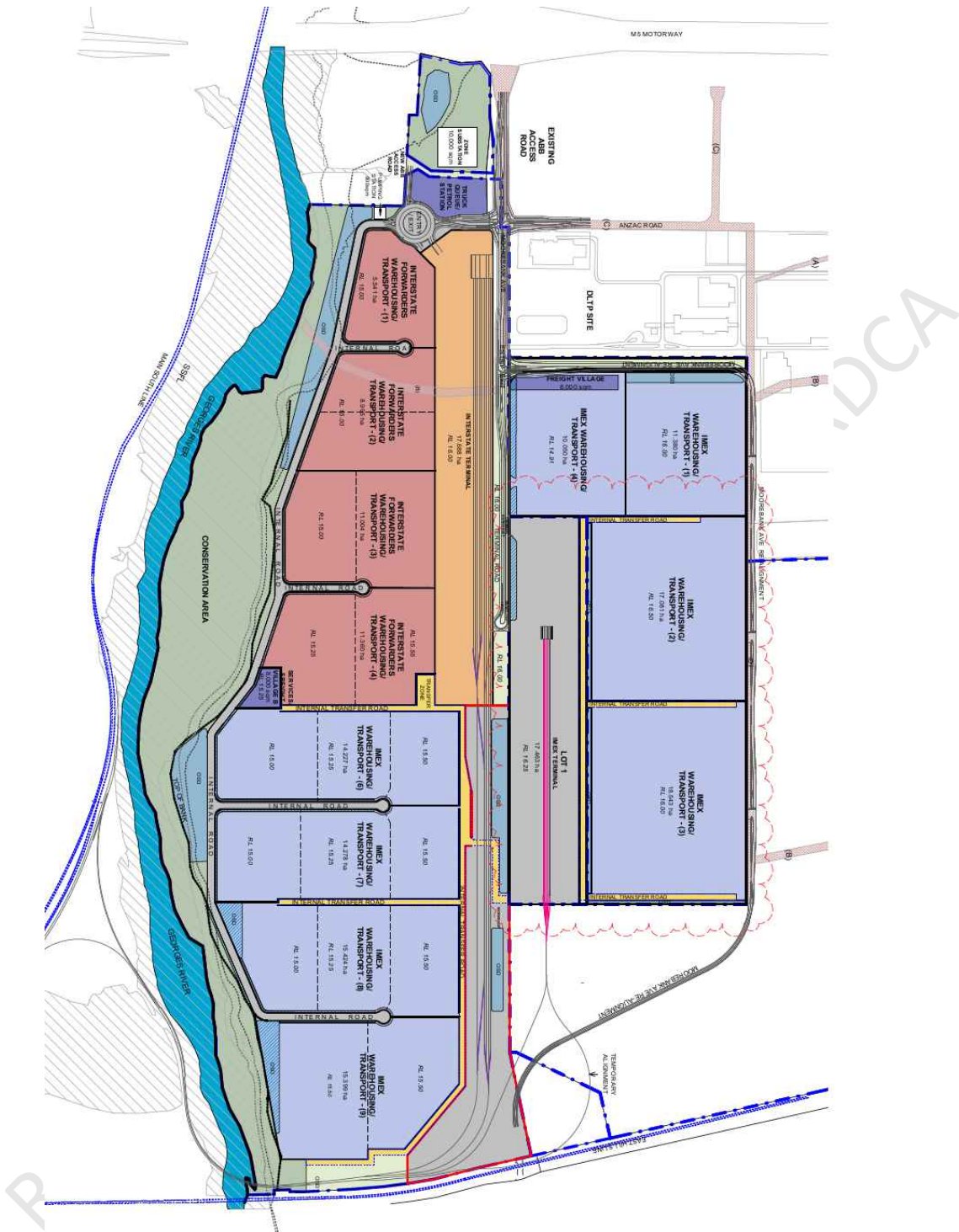
- Received a 10 per cent equity interest in Interstate Rail Terminal at no cost.
- Retained veto rights over matters such as open access arrangements, allowing it to ensure equitable access and greater competition in the rail freight market.
- Received \$10 million in recognition of the benefits accruing to Qube and LOGOS.
- Secured an option over 1100 hectares of Land at Beveridge.
- Joint Venture between National Intermodal, Qube and LOGOS to deliver and oversee the interstate terminal.

BACKGROUND

- National Intermodal is a Government Business Enterprise established in December 2012 under the *Corporations Act 2001* to deliver the Precinct in partnership with the private sector using surplus Department of Defence Land at Moorebank, New South Wales, following the relocation of Defence's School of Military Engineering to Holsworthy.
- Construction on the site commenced in April 2017, with early works including the demolition of existing buildings complete. The Import-Export (IMEX) Terminal was opened for operations on 1 November 2019.
- The Precinct is expected to deliver over \$11 billion in economic benefits over a 30-year period (Deloitte estimate published by National Intermodal 12 April 2017).
- Over 1300 jobs will be supported during the construction phase, with around 6800 on-site and off-site jobs created once the precinct is fully developed by 2030.
- The Terminal will enable freight containers moving between Port Botany and south-west Sydney to undertake much of the journey by rail, and reduce growth in congestion across the Sydney road network.
- Moving 1.05 million of Port Botany's containers by rail rather than by road will reduce the number of trucks on Sydney's roads by up to 3000 vehicle journeys per day, and reduce greenhouse gas emissions by up to 110,000 tonnes of carbon dioxide per year - equivalent to taking more than 11,000 cars off Sydney's roads.

- Legislation changes to rename the Moorebank Intermodal Company to the National Intermodal Corporation Limited were enacted on 16 December 2021. National Intermodal will be taking on a broader role supporting the Australian Government's investment in intermodal terminals, including the delivery of new intermodal terminals in Melbourne and Brisbane.

Map of the Moorebank Intermodal Terminal Precinct



Establishment of National Intermodal Corporation and Beveridge Land Option

SENSITIVITIES

- The former Australian Government officially announced the establishment of the National Intermodal Corporation Limited (National Intermodal) on 24 February 2022. National Intermodal was established to assist with planning and delivery of intermodal terminals in Melbourne and Brisbane to support Inland Rail.
- Legislation changes to rename the Moorebank Intermodal Company to the National Intermodal Corporation Limited were enacted on 16 December 2021 and the name change registered with the Australian Securities and Investment Commission on 24 February 2022.

SUGGESTED COMMENTS

If asked about National Intermodal's expanded role

- MIC was repurposed as National Intermodal to support the Government's significant investments in intermodal terminals, including delivery of new intermodal terminals in Melbourne and Brisbane.
- National Intermodal builds on MIC's foundations as an established Government Business Enterprise, responsible for the Government's investment in the Moorebank Logistics Park in Sydney. Its achievements at Moorebank Logistics Park demonstrate it is well placed to deliver the Government's future intermodal investments and drive commercial outcomes while achieving value for money for the Australian taxpayer.
- Establishing National Intermodal will facilitate an integrated approach to terminal investments. As the custodian of the interconnected terminals, National Intermodal will drive efficiency and competition across the rail network by ensuring open-access arrangements exist across the network.
- National Intermodal will take on a bigger role in the development and operation of the interstate terminals, working with the Australian, state and local governments, the Australian Rail Track Corporation, above-rail operators and industry.

If asked why the Australian Government established the National Intermodal Corporation and taking an active role in terminal delivery

- Establishing National Intermodal will service Inland Rail and facilitate an integrated approach to Australia's interstate rail freight network. This will ensure the \$14.5 billion investment in Inland Rail will be accessible to all industry participants, regardless of size.
- Through the establishment of National Intermodal, Australia's east-coast interstate rail network will for the first time have a network of interconnected, modern, efficient terminals. Management by an independent company will leverage industry experience, and genuinely promote open access to encourage new entrants.
- This approach to open access will drive more services, better asset utilisation, stronger competition in rail freight market and support private sector innovation and investment. It is the same approach being applied to other significant investments, including the National Broadband Network and Western Sydney Airport.

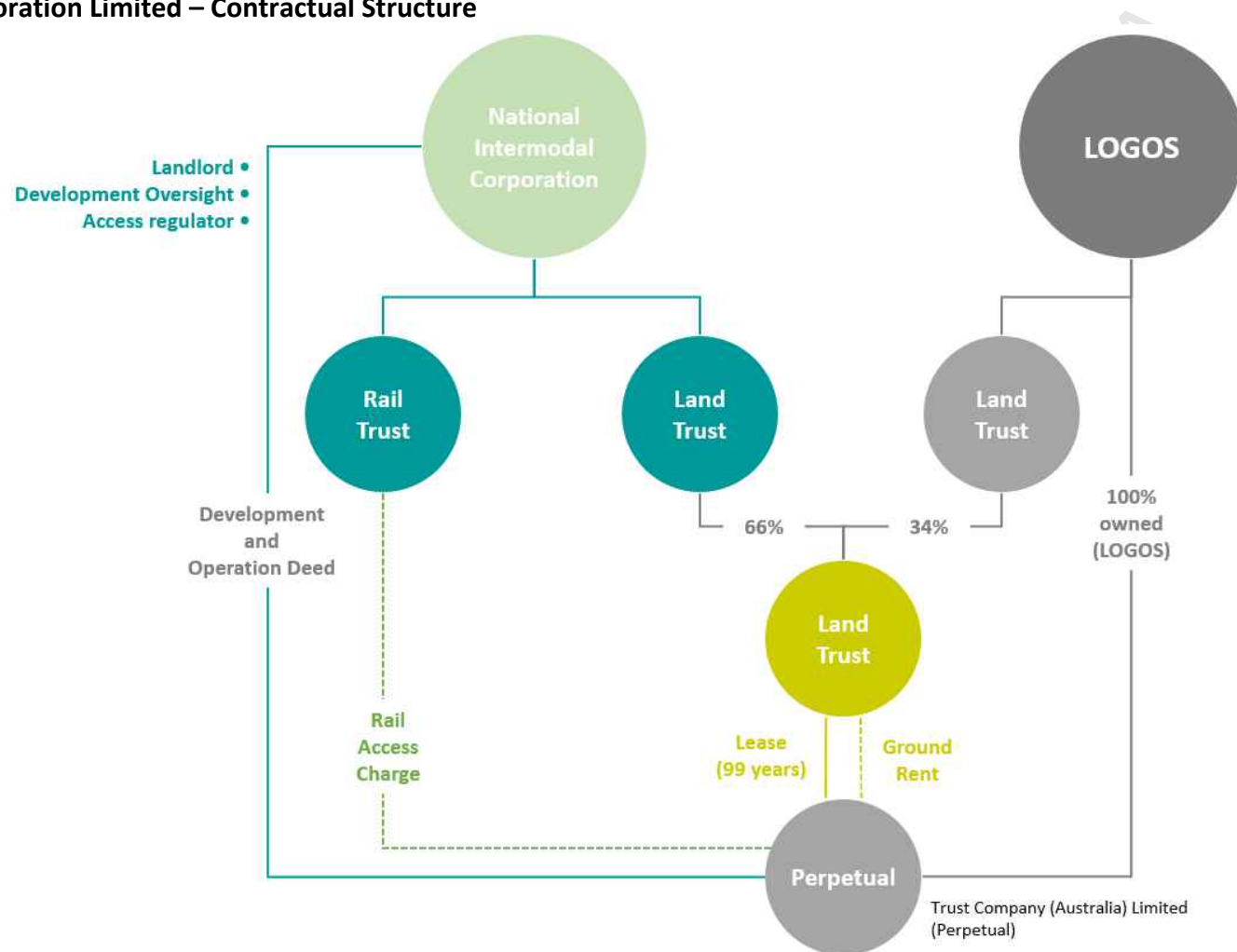
OFFICIAL: Sensitive***If asked if the National Intermodal Corporation has the capability to deliver additional terminals***

- National Intermodal's Board and Management have significant depth in experience in major project delivery, including delivery of major multi-billion dollar infrastructure projects in the private sector.
- Experience gained from the delivery of the Moorebank Logistics Park ensure it is well placed to deliver on additional terminals.
- National Intermodal will continue to work with the Commonwealth and state Governments, Australian Rail Track Corporation and industry to develop and operate the terminals.

If asked about National Intermodal's land option at Beveridge

- National Intermodal has entered an agreement with Qube to take over its option over a total land area of 1100 hectares at Beveridge, 40 kilometres north of Melbourne.
 - This supports the ongoing consideration by the Australian and Victorian governments for the delivery of a new Melbourne Intermodal Terminal solution at two potential sites in the north and west of the city.
- The option is due to expire on 31 March 2023.
- The agreement between National Intermodal and Qube is for an option only. Further due diligence and valuation processes, as well as strict integrity protocols, are being undertaken by National Intermodal before any commitment to purchase the land is made.
- Any commitment would be subject to further consideration by National Intermodal's Board and Shareholder Ministers.

National Intermodal Corporation Limited – Contractual Structure





4 April 2022

Ref: MIC-S-2022031-JB

Senator Susan McDonald
Chair
Senate Regional Affairs and Transport
Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Senator McDonald

Questions on Notice regarding the recent acquisition of option rights by National Intermodal

I refer to the Questions on Notice raised in the Budget Estimates 2022-23 hearing on 31 March 2022 of the Rural and Regional Affairs and Transport Legislation Committee (**the Committee**) with the Department of Infrastructure, Transport, Regional Development and Communications (**the Department**).

National Intermodal Corporation (**National Intermodal**) is the responsible Government Business Enterprise for the delivery of the Melbourne Intermodal Terminals and is the entity that has taken over the option rights from Qube Holdings Limited (**Qube**). We write to provide the Committee with further detail to the questions raised.

In addition to this note, I would welcome the opportunity to further brief and answer the questions of the Committee in person on the role of National Intermodal, the delivery of Intermodal Terminals at Moorebank, Melbourne and Brisbane and the land option National Intermodal has recently acquired.

Please note that aspects of the transaction remain confidential and commercially sensitive. The option to purchase the land remains open until September this year, with a range of possible outcomes involving National Intermodal's and Qube's option still possible and noting that Qube is a publicly listed company.

Background

On 26 March 2022, National Intermodal agreed with Qube to purchase its existing option to acquire 1,100 hectares of land at Beveridge, Victoria (this was announced by Qube to the Australian Securities Exchange on 28 March 2022).

National Intermodal acquired the option rights at a price of \$3.67 million (plus estimated stamp duty and transaction costs of \$0.5 million). Qube negotiated the purchase price for the optioned land at Beveridge on commercial terms and on an arm's length basis with the landowner in 2018. The current landowner is understood to have acquired the land in two parcels in 1985 and 2008 respectively.

The identified area for Beveridge Intermodal Terminal has been designated by the Victorian planning authorities for some years and is outlined as a future terminal location in Victoria's long-term freight strategy. The 1,100 hectares of optioned land is in the centre of the identified area.

As noted by the Department at the hearing, the optioned land is strategically located on the Inland Rail route, adjacent to the Hume Highway and 40 kilometres north of the Melbourne CBD and the Port of Melbourne. As recently announced by the Australian Government, the Beveridge Intermodal Terminal will be one of two new intermodal terminals planned for Melbourne as part of the Melbourne Intermodal Terminal package.



As part of the recently negotiated transaction, Qube will have the option to re-acquire up to 200 hectares of contiguous land suitable for warehouse facilities for their own purposes, independent and separate to the proposed National Intermodal terminal. If Qube elects to exercise this second option, the price they will pay is an apportionment of the price they originally negotiated with the landowner in 2018 and will correspondingly reduce the net price paid by National Intermodal, assuming we have exercised our option.

Similarly, if having completed our further due diligence, including additional independent valuation advice, National Intermodal cannot recommend proceeding with the land purchase under the option, then Qube have the right to repurchase the option rights from us at the same price, together with any relevant costs National Intermodal has incurred in the meantime.

The purchase of the option was subject to significant due diligence (including an independent review) with a strong focus on governance and probity and endorsed by the National Intermodal Board. A recommendation was made to our Shareholder Ministers to proceed with the proposed acquisition of the option rights, with Ministerial consent being received on 15 March 2022.

Strategic Rationale

Efficient intermodal terminals in Melbourne and Brisbane, that are capable of accommodating the Inland Rail reference trains and to provide capacity to meet forecast future freight demands, are required to achieve the full benefits outlined within the Inland Rail business case.

The existing intermodal terminals in Melbourne are not currently capable of servicing the proposed Inland Rail reference trains and will not have capacity to meet the growth in the freight task. A terminal at Beveridge is on the Inland Rail alignment and is the only terminal that can be built to efficiently service double-stacked Inland Rail trains by the commencement of operations along the entire Inland Rail route ensuring the full benefits of Inland Rail can be realised.

Acquiring the option rights to the large strategic landholding at Beveridge, significantly de-risks land acquisition and development timeframes for a new intermodal terminal required in Melbourne to service Inland Rail.

The agreement with Qube was reached as part of an overarching resolution of outstanding matters associated with the development of the Moorebank Logistic Park and recent sale transaction to LOGOS Property Group, where Qube also agreed to transfer the Moorebank Interstate Terminal into a separate joint entity and enshrine National Intermodal's ability to ensure fair and equal access for all industry participants. Creating a suite of independent, open access terminals in Melbourne, Sydney and Brisbane will significantly lower existing material barriers of entry to new and current competitors in the rail freight market and ultimately lead to a more resilient supply chain with lower costs to consumers.

Economic Rationale & Value for Money

Qube negotiated the original option price of \$4.0 million in 2018 and have to date invested significantly more money to progress preliminary site assessments and development planning for the Beveridge land.

As part of the Moorebank Logistics Park sale process between Qube and LOGOS, National Intermodal negotiated to acquire both the option rights to the Beveridge land and the benefit of the preliminary site assessments and development planning materials for a significant discount from the actual costs Qube has incurred:

- \$2.67 million for the option which reflects a pro-rata reimbursement of the contractual option fees Qube has already paid to the landowner, with no additional premium attached. The option fee is lower than the \$4.0 million Qube has paid to reflect the residual option Qube have retained over



a 200 hectare parcel. Importantly, the option fee paid by National Intermodal will be offset against any final acquisition price for the underlying land if the subsequent decision is made to exercise the option.

- National Intermodal negotiated a \$1.0 million capped cost reimbursement to acquire the rights to the suite of planning, design and due diligence advice procured by Qube since 2018. National Intermodal has validated this expenditure via a review of invoices which demonstrated that the costs incurred by Qube significantly exceeded this capped amount.

Option Rights Value

It is important to reiterate that National Intermodal did not negotiate the option price but acquired the option on the same price as commercially negotiated and paid by Qube. In completing our value for money assessment, we had regard to the fact that deposits on a land purchase would typically be negotiated in the range of 5% - 20% of the purchase price, whereas the Beveridge option price is a much lower percentage of the confidential pre-agreed land acquisition price negotiated in 2018.

To support our recommendation to acquire the option rights, in late 2021 we obtained two independent valuation reports on the underlying land from established national property valuation firms, Cushman & Wakefield and Savills Australia. The valuation advice obtained supported the recommendation to proceed with the purchase of the option rights. We are continuing to assess the underlying land value, as well as the suitability and ability to optimise the Beveridge site for an intermodal terminal to support Inland Rail and will obtain updated market valuation advice closer to the option exercise date in September 2022.

Acquiring the option for \$3.67 million has secured the Beveridge site as an option to support the Australian Government's two intermodal terminal strategy in Melbourne. It ensures that Inland Rail has a Melbourne location for a terminal in time for the commencement of Inland Rail services along the entire route and which can immediately cater for double stacked trains.

Prior to any decision to acquire the Beveridge land subject to the option, a further recommendation will be provided to our Shareholder Ministers, providing a view as to whether the option to purchase the land at the price negotiated by Qube in 2018 should be made. We will factor into this recommendation the outcome of additional due diligence including further valuations, site assessment and development planning, prevailing market conditions, industry engagement and the outcome of discussions with the Victorian Government.

Please do not hesitate to contact me should you require any further information; and I look forward to speaking to the Committee in person in the future.

Yours sincerely

James Baulderstone
Chief Executive Officer



Australian Government

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

PDR ID: PQ22-000097

To: The Chief of Staff for the Hon Catherine King MP (for decision)**cc:** Senator the Hon Murray Watt**cc:** Jim Betts, Secretary, Department of Infrastructure, Transport, Regional Development,
Communications and the Arts**Senate Question on Notice – Question No. 545****Timing:** Due to Table Office: 13 October 2022

Recommendation:	
1. That you approve the response to Question on Notice 545 .	Approved / Not Approved
 Signatory: Joseph Solomon Chief of Staff Comments:	
Date:	

The department recommends the following response through Senator the Hon Murray Watt. The response has been formatted to assist with tabling.

MINISTER FOR INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

Question No. 545

Senator the Hon Bridget McKenzie asked the Minister for Infrastructure, Transport, Regional Development and Local Government, in writing, on 14 September 2022

1. Please provide all documents that the shareholding Ministers have sent to the National Intermodal Corporation Limited (NICL) board and executive, within the last six months.
2. Has there been any changes to the board and its structure; if so, what communication was made and how was it communicated.
3. What is the Statement of Expectations for the NICL; and when was this Statement of Expectations updated.
4. How much is the remuneration of each of the NICL executive.
5. Where is each of the NICL executives located.
6. What is the total Australian Government funding profile for the next 5 years for the NICL.
7. What is the status of negotiations with the Victorian Government on the site at Beveridge for the new intermodal terminal.
8. What engagement have you had with wider industry since the announcement in the March 2022 Budget on funding for the two intermodal terminals.
9. Has there been any change in strategy regarding the terminals; and has the Government committed to delivering both Melbourne terminals.

Senator the Hon Murray Watt – The Minister representing the Minister for Infrastructure, Transport, Regional Development and Local Government has provided the following answer to the honourable Senator's question:

1. Please provide all documents that the shareholding Ministers have sent to the National Intermodal Corporation Limited (NICL) board and executive, within the last six months.

All documentation sent by former and current Shareholder Ministers to National Intermodal within the last six months is provided at [Attachment A](#).

2. Has there been any changes to the board and its structure; if so, what communication was made and how was it communicated.

On 31 March 2022, Mr Michael Byrne and Ms Annette Carey were appointed as non-Executive Directors on the National Intermodal Board for a three-year term, effective 31 March 2022 and ending 30 March 2025 (letter to National Intermodal provided at [Attachment A](#)). Mr Lucio Di Bartolomeo's term expired on 1 May 2022 and the Hon. Jim Lloyd's term expired on 31 May 2022.

There have not been any other changes to the board structure or the number of board members.

3. What is the Statement of Expectations for the NICL; and when was this Statement of Expectations updated.

National Intermodal Corporation has a current Statement of Expectations which was issued by former Shareholder Ministers, Senator the Hon Simon Birmingham and the Hon Paul Fletcher MP on 31 March 2022. The Statement of Expectations is available on National Intermodal's website and is included in [Attachment A](#).

4. How much is the remuneration of each of the NICL executive.

Full details of remuneration for all National Intermodal executives that are defined as key management personnel are provided below.

2021-2022 Senior Executive Remuneration

Name and Position	Financial Year	Base salary	STI / Bonuses	Other benefits and allowances	Post employment super	Total remuneration
James Baulderstone Chief Executive Officer	2022	587,469	122,207	-	23,568	733,244
Neil MacDonald Chief Financial Officer	2022	447,485	24,000	-	23,568	495,053
Jane Webster General Counsel & Company Secretary	2022	353,256	52,000	11,757	26,874	443,887
Ian Meares * Construction Director	2022	310,969	34,000	-	17,676	362,645

**Ian Meares resigned 13 March 2022.*

5. Where is each of the NICL executives located.

The employment location for all current National Intermodal Executives is in Sydney, NSW.

6. What is the total Australian Government funding profile for the next 5 years for the NICL.

The funding profile of National Intermodal Corporation has not been published due to commercial sensitivities.

7. What is the status of negotiations with the Victorian Government on the site at Beveridge for the new intermodal terminal?

The Australian Government is continuing to work in collaboration with the Victorian Government to settle a terminals solution for Melbourne as soon as possible.

8. What engagement have you had with wider industry since the announcement in the March 2022 Budget on funding for the two intermodal terminals.

The Australian Government continues to engage with industry on freight related investments, including intermodal terminal development and Inland Rail.

9. Has there been any change in strategy regarding the terminals; and has the Government committed to delivering both Melbourne terminals.

The Australian Government is continuing to work in collaboration with the Victorian Government and industry to settle a terminals solution for Melbourne as soon as possible.

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28 / 09 /2022

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Attachments

A: Correspondence between Shareholder Ministers and National Intermodal

Released under FOI Act by DITRDCA

Fact Sheet

Moorebank Logistics Park (MLP) LOGOS Transaction

Date of Transaction	15 December 2021
Parties	<ul style="list-style-type: none"> Qube Holdings Limited (Qube) LOGOS Consortium (AustralianSuper 40.05; AXA Group 20.0%; NSW Treasury Corp 19.5%; Ivanhoe Cambridge Inc 18.5%; LOGOS Property Group 2.0%)
Acquisition Price	c. \$1.67 billion (before tax, transaction costs and other adjustments)
Deferred Consideration	<p>c. \$1.36 billion is paid on financial close.</p> <p>c. \$312 million is deferred, pending construction of Stage 1 of the Interstate Rail Terminal and the receipt of certain planning approvals for the remainder of the warehousing development.</p>
Interests Acquired by the LOGOS Consortium	<ul style="list-style-type: none"> 100% of the units in the entity owning Qube freehold land. Qube's 34.37% interest in Moorebank Precinct Land Trust. 100% of the units in the entity developing the warehouses; and A 25% interest in the Interstate Rail Terminal, with a call option to increase this interest to 45%.

Summary of main changes

Prior to 15 December 2021 Qube held the right to develop and operate the Moorebank Logistics Park. This included the:

- Import-Export (IMEX) rail terminal connected to Port Botany.
- Interstate Rail Terminal.
- All developable warehouse & ancillary support services land, including roads; and
- Custodianship of over 100 hectares of Biobanking conservation land surrounding the MLP.

Qube was responsible for most of the terminal development at its own cost and risk as well as undertaking enabling works including land preparation, rail access and upgrades to Moorebank Avenue that are funded by the Australian Government.

Following the sale, Qube no longer has any interest in the warehousing or land and retains the following interests in the rail terminals:

- Import-Export (IMEX) rail terminal: 100% ownership
- Interstate Rail Terminal: Qube retains responsibility for managing and funding the construction of Stage 1 of the Interstate Rail Terminal. At completion, the terminal will be transferred to a new joint development model owned by Qube (65%), LOGOS (25%) and National Intermodal Corporation (National Intermodal, formerly the Moorebank Intermodal Company) (10%).



Advantages and benefits of the Transaction

Value for the Commonwealth

The key benefits of the transaction to the Commonwealth are summarised below:

1. **Specialist Logistics Real Estate Expertise:** The warehousing will be developed by LOGOS, a specialist provider of management services in the logistics real estate sector.
2. **More Direct Involvement for National Intermodal:** National Intermodal has secured more direct involvement in key elements of the MLP of direct economic, social or environmental importance to the Commonwealth:

Interstate Rail Terminal

- National Intermodal will receive a 10% equity interest in Interstate Rail Terminal at no cost, with important rights of veto, allowing it to influence the competitive pricing and operation of the terminal.
- National Intermodal will retain veto rights over matters relating to open access arrangements to ensure equitable access and greater competition in the rail freight market.

Moorebank Avenue Realignment

- National Intermodal will deliver a public ring-road which, when completed, will significantly improve local area commercial and general public traffic flows.
- This will allow National Intermodal to directly control construction costs and avoid the payment of an uplift to Qube / LOGOS for managing these works.

BioBanking Conservation Land

- National Intermodal to take on responsibility for the custodianship of Biobanking areas to ensure ecological and societal values are achieved.
 - This will allow National Intermodal to directly control Biobanking activities and avoid the payment of an uplift to Qube / LOGOS for managing these works.
3. **Option over Beveridge Land:** National Intermodal has secured an option over 1,100 hectares of Land at Beveridge, which is one of two potential locations in Melbourne for a new intermodal freight terminal to support Inland Rail.
 4. **Industry Innovation:** First ever Joint Development Model (*JDM*) for the Interstate Rail Terminal, and the opportunity to consider forward thinking terminal designs and to address potential barriers to entry in the rail freight sector.

Continuation of open access approach

Open access arrangements for the rail terminals are vital to reduce barriers to entry in the rail freight market and support healthy competition within the existing freight market. There are currently no independently owned interstate intermodal rail terminals and none that offer attractive open access arrangements that actively encourage new entrants.

Under the new JDM, National Intermodal retain veto rights over matters relating to open access arrangements to ensure equitable access and greater competition in the rail freight market.

The principles and arrangements established for Moorebank will be designed in the context of a network of independent terminals that can be implemented in Melbourne and Brisbane as new terminals are developed.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Bill Brummitt

SB22-000063

SUBJECT: Significant Projects Investment Delivery Office (SPIDO)**Talking Points**

- SPIDO is one arm of a more proactive approach for the Australian Government in delivering nationally significant infrastructure.
- SPIDO has particular capabilities in managing high risk, complex projects with potential to support non-grant funding and attract private sector investment.
- SPIDO is always seeking the best value for money outcomes through the delivery of projects.
- SPIDO cooperates closely with Infrastructure Australia to examine potential project pipelines, the Infrastructure and Commercial Advisory Office on their financial and commercial advice expertise, and central agencies on project merits and decision making.
- SPIDO also works with all levels of government and across the private sector to unlock project opportunities from identification through to delivery and ongoing asset management.

Key Issues

- SPIDO has responsibility for a number of projects consistent with its objectives (see also **Attachment A**). These include:
 - Intermodal Terminals in Melbourne and Brisbane to support Inland Rail and support supply chain resilience and efficiency;
 - Continued development of the Moorebank Intermodal Terminal Precinct to promote road to rail modal shift and support supply chain resilience and efficiency;
 - Suburban Rail Loop - East that aims to connect Victorians to employment and health precincts across east and south-east Melbourne;
 - Venue Infrastructure for the 2032 Olympic and Paralympic Games and 2026 Commonwealth Games to support hosting and create a legacy for South-East Queensland and Victoria respectively;
 - Western Sydney Freight Line Business Case to support options for improved freight productivity and reduce congestion;
 - Toowoomba to Gladstone extension Business Case; assessing options for sustaining better access to export opportunities; and
 - Management of the Commonwealth's Concessional Loan to the WestConnex project in New South Wales.
- SPIDO also provides advice, skills, and knowledge to support projects in other areas of the Department including:
 - Melbourne Airport Rail Link to encourage mode-shift to rail and reduce travel times for motorists;

Contact: Bill Brummitt**Cleared by First Assistant Secretary:** Diana Hallam**Phone:** (02) 6274 6082**Version Number:** 2**Date:** 20/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Bill Brummitt

SB22-000063

- Middle Arm Sustainable Development Precinct to promote development of marine infrastructure and support low emissions industries; and
- Cairns Marine Precinct to maintain competitiveness of the Cairns' marine industry.
- In the 2022-23 Budget, the department received **\$11.7 million** funding in 2022-23 for the SPIDO measure, with **42 ASL** (41 for SPIDO, 1 for Infrastructure Investment Division).
 - The staffing level for SPIDO was **29.6 FTE** in June 2022 and **32.6 FTE** as of August 2022.

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Version Number: 2

Date: 20/10/2022

Attachment A

Details of the SPIDO operational modelHow does SPIDO assess projects for involvement?

- SPIDO assesses projects against the following criteria:
 - *Scale and Complexity* – These types of projects are often inherently complex and require substantial funding (estimated capital value of \$1 billion or above), and either span across states/territory or interface with other Australian Government projects/assets.
 - *Revenue Generation* – These projects have the ability to generate positive revenue over their lifecycle, providing asset recycling opportunities, and facilitating revenue generation in associated projects to minimise financial burden on the Commonwealth.
 - *Addressing Market Failure* – This includes addressing greenfield development, new market development (emerging market/technology), providing enabling infrastructure that other public/private sector stakeholders will/cannot deliver).
 - *Bundling Opportunities* – This takes a portfolio view to coordinate and package projects to achieve economies of scale. For example, it can include packaging similar assets, or bundling assets in a single location to create precinct opportunities, or enhancing existing infrastructure.
 - *Strategic Alignment* – SPIDO ensures Australian Government investments align with its broader policy objectives. This includes considering impact on a national market owned/regulated by the Australian Government, the economic, social and environmental benefits gained, and the potential to drive industry change/growth.

What are SPIDO's existing projects?

- SPIDO has responsibility for a number of projects including:
 - The Melbourne Intermodal Package, which includes:
 - Two terminals, one at Beveridge and the other at Truganina in the West
 - The Beveridge road upgrades and Outer Metropolitan Ring Rail south supporting infrastructure projects.
 - An Intermodal terminal in Brisbane
 - Moorebank Intermodal Terminal Precinct in New South Wales (expected completion date March 2025)
 - Suburban Rail Loop - East
 - Management and coordination of venue infrastructure for the 2032 Brisbane Olympic and Paralympic Games and leadership of the department's involvement in the 2026 Victorian Commonwealth Games
 - Western Sydney Freight Line in New South Wales
 - Toowoomba to Gladstone Inland Rail extension Business Case
 - Outer Metro Ring/E6 Corridor in Melbourne, Victoria
 - Port rail connections in Melbourne, Victoria
 - Salisbury to Beaudesert rail in Queensland
 - Intermodal Terminal in Brisbane, Queensland
 - Port of Brisbane Further Planning in Queensland

- SPIDO is also delivering other key priorities, including the management of the Commonwealth's Concessional Loan to the WestConnex project in New South Wales.

What is SPIDO's approach to projects?

- SPIDO takes a whole of project lifecycle approach which covers four functions:
 - Identifying and establishing a project for an initial investment decision by Government
 - Overseeing business cases in the inception phase including proposing options on the optimal investment and delivery vehicles to inform the Government's final investment decision
 - Managing projects while under delivery or construction, or managing financial assets (i.e. loans) and devising appropriate exit strategies
 - Undertaking post-completion, evaluation and lessons learned on projects across the lifecycle.

How does SPIDO define nationally significant projects?

- A nationally significant project has one or more of the following characteristics:
 - The project significantly impacts a national market or sector owned or regulated by the Commonwealth, such as freight and supply chains, or passenger and freight transport hubs
 - The project intersects with multiple states or stakeholders, with substantial work required by the Commonwealth throughout the project lifecycle to ensure milestones and community outcomes are met
 - The project is facilitated or significantly funded by the Commonwealth, and the Commonwealth bears commensurate risk and reward.

SPIDO assessment framework and tools

- SPIDO has the necessary tools and process to deliver on its purpose. These include assessment frameworks for identifying new projects, dashboards to monitor and report on project performance, and toolkits and frameworks to support governance, development, evaluation and risk management.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Diana Hallam/Bill Brummitt

SB22-000064

SUBJECT: 2032 Brisbane Olympic and Paralympic Games**Talking Points**

- The 2032 Brisbane Olympic and Paralympic Games (2032 Games) is expected to deliver ongoing economic benefits to Australia and Queensland, with the Games expected to create around 120,000 new jobs, and bring up to \$17.6 billion in quantifiable economic and social benefits for Australia¹.
- The Australian Government is committed to working collaboratively with the Queensland Government to assist in the delivery of the 2032 Games.
- The Government recognises the importance of consulting the community on Games-related infrastructure projects.

Venue Infrastructure

- Consistent with their bid, the Queensland Government has proposed a program of **venue** infrastructure projects to support the Games.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is awaiting advice from the Queensland Government on how **venue** infrastructure governance will be administered.
- The department cannot provide details of negotiations, as **venue** infrastructure arrangements for the Games are subject to further discussions with the Queensland Government.
- The department was not involved in the selection of **venues** as part of Brisbane's bid for the Games. The Department of Health (Office for Sport) may be able to provide more insight.

Transport Infrastructure

- The Australian Government is investing in **transport infrastructure projects** to support expected growth in the South East Queensland region, which will also assist with the movement of spectators during the Games.
- These and any further **transport projects** relevant to the Games will be funded and delivered through existing arrangements under the National Partnership Agreement for Land Transport Infrastructure.

¹ KPMG Report, June 2021 commissioned by Queensland Government

Contact: Bill Brummitt
Phone: s47F - personal privacy

Cleared by First Assistant Secretary: Diana Hallam
Version Number: 01 **Date:** 26/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Diana Hallam/Bill Brummitt

SB22-000064

Key Issues

- Scrutiny on progress of 2032 Games related venue and transport infrastructure is likely, including the status of venue infrastructure governance arrangements and the level of Commonwealth involvement.
 - Media reports have been critical of progress, noting that one year on from Brisbane's winning bid, there have been no announcements or transparency on Games related infrastructure.
 - The potential lack of Australian Government oversight and assurance on Games venue infrastructure projects has also been raised as a concern.
- Community sensitivities and further alternate venue proposals are expected to increase as infrastructure activity around the 2032 Games progresses.

Background

- Further background on the 2032 Games, including key dates is provided at **Attachment A**.

s47B - Commonwealth-State relations

- Details on departmental funding is at **Attachment C**.
 - Department of Infrastructure, Transport, Regional Development, Communications and the Arts to support assurance on venue infrastructure for the 2032 Brisbane Games, with funding required to support negotiations and preparations for infrastructure planning work.

Attachments

- Attachment A – Background on the 2023 Games
- Attachment B – s47B - Commonwealth-State relations
- Attachment C – Departmental Funding

Contact: Bill Brummitt
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Cleared by First Assistant Secretary: Diana Hallam
Version Number: 01 **Date:** 26/10/2022

Further background on the 2032 Games

Commonwealth investment

- The Department of Infrastructure, Transport, Regional Development, Communications and Arts (DITRDCA) is supporting the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP, on the Australian Government's infrastructure investment on both transport and venue infrastructure projects.
 - The Australian Government recognises the importance of investing in the right infrastructure projects that support our growing cities and regions. Investment should be underpinned by strong supporting evidence.
 - Minister King is working closely with the Minister for Sport, the Hon Anika Wells MP, who has responsibility for other aspects of the 2032 Games delivery, including legacy.
 - Minister King is working closely with the Queensland Government to ensure there is support for both the immediate infrastructure needs and the longer-term strategic priorities to support the growth of South East Queensland and ensure delivery of the major transport infrastructure required to deliver a successful 2032 Olympic Games.

Key dates

- **21 July 2021:** The then Prime Minister, the Hon Scott Morrison MP¹ announced Australia would host the Olympics for the third time and Paralympics for the second time after Brisbane and South East Queensland secured the 2032 Games.
- **26 April 2021:** *The Australian*² reported the then Prime Minister (Morrison), had written to the Queensland Premier agreeing to a 50:50 infrastructure funding split for the Games.

s47B - Commonwealth-State relations

¹ <https://www.pm.gov.au/media/history-made-2032-olympics-secured-queensland>

² <https://www.theaustralian.com.au/sport/olympics/scott-morrison-agrees-to-5050-brisbane-olympics-funding/news-story/26442ea51a9ad51849ea907f40a07259>

s47B - Commonwealth-State relations

- **22 December 2021:** The then Prime Minister (Morrison) announced³ the Federal Government's four nominees for the Board of the Brisbane Organising Committee for the Olympic Games (BOCOG)); Tracy Stockwell OAM, Rebecca Frizelle OAM, Minister for Sport, Senator the Hon. Richard Colbeck and Mr Ted O'Brien MP Special Envoy for the Brisbane 2032 Olympic and Paralympic Games.

s47B - Commonwealth-State relations

- **22 April 2022:** Caretaker period commenced.
- **21 May 2022:** Federal election.

s47B - Commonwealth-State relations

Out of scope

- Questions related to discussions and correspondence between the Prime Minister and Premier Palaszczuk are best directed to the Department of Prime Minister and Cabinet.
- Questions related to the Board of the Brisbane Organising Committee for the Olympic Games (BOCOG) are best directed to the Department of Health (Office for Sport) who have responsibility for establishing and engaging on governance structures to support the planning and organisation of the 2032 Games.

³ <https://www.pm.gov.au/media/renowned-queenslanders-nominated-brisbane-2032-olympic-committee>

Departmental funding (BP2, Part 2: Payment measures)

Within Budget Paper No. 2, the following Budget measure is cited on page 160 (Payment Measures) and our specific departmental resourcing listed on page 33 (Table 2: Payment measures since the 2022 PEFO).

Brisbane 2032 Olympic and Paralympic Games – departmental resourcing

Payments (\$ m)	2022-23	2023-24	2024-25	2025-26	Total
Department of Health and Aged Care	+1.1	+0.7	+0.7	+0.7	+3.2
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	+0.8	+1.8	+1.6	+1.6	+5.8
Total - Payments	+1.9	+2.5	+2.3	+2.3	+9.0

The Government will provide \$24.7 million over 12 years from 2022-23 to support the preparation and conduct of the 2032 Brisbane Olympic and Paralympic Games, including the oversight of infrastructure investment to support the delivery of the Olympics and the coordination of Australian Government operational guarantees.

Average Staffing Level (ASL)

The departmental resourcing associated with this budget measure equates to the following ASL:

	2022-23	2023-24	2024-25	2025-26
Health	6.6	4.0	4.0	4.0
DITRDCA	2.0	8.0	8.0	8.0
Total ASL	8.6	12.0	12.0	12.0

Statement of risks – Health and Aged Care Portfolio (BP1 Statement 9)

Within Budget Paper No. 1, the following fiscal risk is highlighted under the Health and Aged Care portfolio (page 278).

Major sporting events

2032 Brisbane Olympic and Paralympics Games – On 21 July 2021, the International Olympic Committee (IOC) selected Brisbane to host the 2032 Olympic and Paralympic Games. The Australian Government is working with the Queensland Government to negotiate and establish a bilateral agreement on matters of shared interest, including capital contributions. The Commonwealth has also provided a range of guarantees to the IOC for provision of government services in support of Brisbane hosting the Games at no cost to the Organising Committee for the Olympic Games. The costs of these arrangements are yet to be determined.

2026 Commonwealth Games – On 12 April 2022, Victoria was selected to host the 2026 Commonwealth Games, with regional hubs and athletes' villages to be established in Geelong, Bendigo, Ballarat and Gippsland. The Australian Government has provided in-principle support for the Victorian Government's hosting of the 2026 Commonwealth Games in Regional Victoria. The detail and cost of any Australian Government support is yet to be determined.

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Bill Brummitt

SB22-000205

SUBJECT: Suburban Rail Loop (SRL)**Talking Points**

- The Australian Government committed **\$2.2 billion** to SRL East earlier this year and the Department is committed to working collaboratively with the Victorian Government to deliver on this.
- The Victorian Government's Business and Investment Case for SRL states the project will transform how Victorians move around the state and reshape the way Victoria grows.
- The Government will consider further funding requests through usual processes, informed by ongoing engagement with the Victorian Government and Infrastructure Australia.

Key Issues

- On 10 May 2022 the Prime Minister and the Minister for Infrastructure, Transport and Regional Development announced an election commitment of **\$2.2 billion** to SRL East construction over the next five years as an initial investment by the Australian Government (media release in **Attachment A**).
 - On October 16 2022 the Hon Anthony Albanese MP and the Hon Catherine King MP reaffirmed this commitment, announcing that the 2022-23 Federal Budget includes **\$2.2 billion** for SRL East (media release in **Attachment A**).
 - **\$14 billion** in SRL East funding has been committed to date, comprising **\$11.8 billion** in Victorian Government funding and **\$2.2 billion** from the Australian Government.
- There are significant sensitivities in the public domain on the SRL, including (Refer to **Attachment B**):
 - Advice in August 2022 from the Victorian Parliamentary Budget Office on the cost of SRL East and North, and the value of continued investment.
 - A Victorian Auditor-General's Office independent assurance report on the quality of major transport infrastructure project business cases (tabled in Victorian Parliament on 21 September 2022).
 - The status of the SRL project with Infrastructure Australia.
 - The Australian Government's approach to further funding requests.
 - General criticism of the project itself, including its significant cost, risk, competing priorities, and development and assurance processes.

Suggested Responses If-Asked*If asked about Departmental advice to the former Government:*

- We are not in a position to share advice provided to the former Government.

Contact: Bill Brummitt**Cleared by First Assistant Secretary:** Diana Hallam**Phone:** s47F - personal privacy**Version Number:** 02**Date:** 20/10/2022

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Bill Brummitt

SB22-000205

s47B - Commonwealth-State relations

If asked about independent assessment of the demand modelling of the SRL Business and Investment Case

- In October 2021, s47G - business information was engaged by the Department to undertake an independent assessment of the demand modelling of the SRL Business and Investment Case.
- The s47G - business information study was (by design) a narrowly focused assessment that applied a demand modelling lens, and was limited to publicly available information in the Business and Investment Case.

If asked about Infrastructure Australia advice previously provided to the Department

- It is not appropriate for us to provide comment on any advice provided to us by Infrastructure Australia; suggest that you ask them directly.

If asked about a merit assessment or audit of the \$2.2 billion commitment to SRL East

- The Department has not yet completed a formal merit review assessment of the \$2.2 billion election commitment.
- Before any funding is released to the project a review will be undertaken in line with the requirements of the National Partnership Agreement on Land Transport Infrastructure Projects and National Land Transport Act.
 - This includes completion and consideration of a Project Proposal Report under the project approval process.

If asked about the Victorian Parliamentary Budget Office advice or the Victorian Auditor-General's Office independent assurance report

- The Department is aware of the Victorian Parliamentary Budget Office advice on the cost of SRL East and North, and the value of continued investment.
- The Department is also aware of the Victorian Auditor-General's Office independent assurance report on major transport infrastructure project business cases.
- It is not appropriate to comment further on how this has informed advice to Government to inform Cabinet deliberations.

Background

- Announced on 28 August 2018 by the Victorian Government, the SRL project is a new 90 kilometre rail line, following an orbital route through Melbourne's middle suburbs from Cheltenham to Werribee (refer media release in **Attachment A**).

Contact: Bill Brummitt

Cleared by First Assistant Secretary: Diana Hallam

Phone: s47F - personal privacy

Version Number: 02

Date: 20/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Bill Brummitt

SB22-000205

- On 19 August 2021 the Victorian Government released a 400-page Business and Investment Case (BIC) for Suburban Rail Loop. This:
 - estimated the cost of SRL East (Cheltenham to Box Hill) at **\$30.0 – \$34.5 billion**.
 - estimated the capital cost of SRL East and North (to Melbourne Airport) at **\$50.8 – \$70.5 billion (2020 dollars)**.¹
 - projected the Benefit Cost Ratio of SRL East and SRL North to be 1.1 to 1.7 (at a 4 per cent discount rate).
 - assumed that the cost of SRL East will be evenly split between the Victorian Government, the Australian Government, and other funding sources (including value capture).
- SRL West (Melbourne Airport to Werribee) has not been costed and was not included in the BIC.

Australian Government investment

- As at 28 September 2022, the Australian Government has not received a further funding request from the Victorian Government beyond the initial election commitment.
 - There were media reports that the Victorian Government may be seeking more funding on SRL, potentially on top of the initial \$2.2 billion (see AFR media article on 19 September 2022 in **Attachment A**).
- The former Minister for Urban Infrastructure, the Hon Paul Fletcher MP has quoted departmental advice stating that from the preliminary review of the SRL BIC, the department advised against Australian Government funding at this point in time, citing concerns including *“insufficient risk mitigation, no detailed costs, value capture being unproven and no delivery plan”* (see Media release by Hon. Paul Fletcher MP on 11 and 13 May 2022 in **Attachment A**).

Infrastructure Australia Formal Consideration

- On 24 June 2022, Melbourne middle and outer suburban transport connectivity was listed on Infrastructure Australia’s Infrastructure Priority List as a Stage 1 Early Stage Proposal.
 - A Stage 1 Assessment from Infrastructure Australia determines whether there is a sufficient evidence base to demonstrate a priority problem, but does not consider option identification and analysis, or the specifics of the solution.

Further background

- Media coverage and releases on the project are provided at **Attachment A**, and further background on the project is provided at **Attachment B**.

¹ KPMG Economic Cost Appraisal (Appendix C2 to the BIC)

Contact: Bill Brummitt

Cleared by First Assistant Secretary: Diana Hallam

Phone: s47F - personal privacy

Version Number: 02

Date: 20/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Diana Hallam/Bill Brummitt

SB22-000205

Attachments

- Attachment A – Media Coverage
- Attachment B – Further Background

Contact: Bill Brummitt

Cleared by First Assistant Secretary: Diana Hallam

Phone: s47F - personal privacy

Version Number: 02

Date: 20/10/2022

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**ANTHONY ALBANESE MP
LEADER OF THE AUSTRALIAN LABOR PARTY
MEMBER FOR GRAYNDLER**

**DANIEL ANDREWS MP
PREMIER OF VICTORIA
STATE MEMBER FOR MULGRAVE**

**CATHERINE KING MP
SHADOW MINISTER FOR INFRASTRUCTURE, TRANSPORT AND REGIONAL
DEVELOPMENT
MEMBER FOR BALLARAT**

**JACINTA ALLAN MP
VICTORIAN MINISTER FOR TRANSPORT INFRASTRUCTURE
STATE MEMBER FOR BENDIGO EAST**

BUILDING THE SUBURBAN RAIL LOOP

An Albanese Labor Government will deliver city-changing infrastructure for all Victorians, partnering with the Andrews Government to help build the Suburban Rail Loop (SRL).

The SRL will transform how Victorians move around the state. When complete, this 90km rail line will link every major rail line from the Frankston Line to the Werribee Line via Melbourne Airport, better connecting Victorians to jobs, retail, education, health services and those they love.

The SRL will see transport super hubs at Clayton, Broadmeadows and Sunshine, and regional Victorians will be able to get to employment, world-class hospitals and universities in the suburbs – without having to travel through the CBD.

This is a once in a generation opportunity to reshape the way Victoria grows.

Given Victoria is expected to grow to 11.2 million people by 2056 and Greater Melbourne to reach around 9 million people – a similar size to London today – this project is needed to keep Victoria moving.

SRL East will deliver 26km twin tunnels with six underground stations at Cheltenham, Clayton, Monash, Burwood, Glen Waverley and Box Hill – connecting Victorians to key employment and health precincts across east and south-east Melbourne.

That is why an Albanese Labor Government will invest an initial \$2.2 billion in SRL East over the next five years.

This money won't go to planning, it will go to SRL East construction.

The SRL will create 800 early direct jobs during early works for SRL East, which will commence in 2022 and support many thousands as the project enters major construction.

Anthony Albanese and Dan Andrews know how to get things done.

While the Morrison Government wastes time and money on imaginary carparks, rejected road projects and picking partisan fights, an Albanese Labor Government will partner with the Dan Andrews Labor Government to deliver the investments that Victorians really need.

Quotes attributable to Anthony Albanese, Leader of the Australian Labor Party:

"Infrastructure like this shapes cities and shapes states.

"This project will change how Melburnians live and how they interact with their city.

"I won't be a Prime Minister that uses infrastructure to play political games, I will be a Prime Minister who invests in the projects that matter."

Quotes attributable to Dan Andrews, Premier of Victoria:

"The Suburban Rail Loop will change the way we move around the state, slashing travel times and taking more cars off our roads for faster, safer journeys."

"We welcome Federal Labor's contribution to the Suburban Rail Loop, which will support

thousands of Victorian jobs in the coming years. It's a project Victorians voted for – and we're getting on with it."

Quotes attributable to Catherine King, Shadow Minister for Infrastructure, Transport and Regional Development:

"Coalition Governments talk about building infrastructure, Labor Governments actually get on with it.

"While the Morrison Government is focused on picking fights with Victorians, an Albanese Labor Government will partner with the state to build the projects that matter."

TUESDAY, 10 MAY 2022

MEDIA CONTACT: LABOR CAMPAIGN MEDIA (02) 9165 8212

Released under FOI Act by DITRUSCA



ANTHONY ALBANESE MP
PRIME MINISTER OF AUSTRALIA

CATHERINE KING MP
MINISTER FOR INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT
AND LOCAL GOVERNMENT

MEDIA RELEASE

DELIVERING OUR PROMISES

\$2.57 BILLION INFRASTRUCTURE BOOST FOR VICTORIA

In the 2022-23 Federal Budget, the Australian Government is delivering on \$2.57 billion of election commitments for vital infrastructure projects across Victoria.

We will fund \$330 million of important road infrastructure upgrades including

- Camerons Lane Interchange at Beveridge (\$150 million)
- Barwon Heads Road Upgrade – Stage 2 (\$125 million)
- Ison Road Overpass (\$57 million)

The Camerons Lane Interchange at Beveridge will help create thousands of jobs and unlock the potential of Melbourne's north while allowing us to work with the Victorian Government to deliver a full diamond interchange with the Hume Highway.

Helping build stage 2 of the Barwon Heads Road duplication will help communities with quicker and safer travel to and from home, while the new four-lane Ison Road Overpass will give residents better access to surrounding areas and cut congestion in central Werribee.

The budget also includes \$2.2 billion for the Suburban Rail Loop in Melbourne.

We are working in partnership with the Victorian Government on the investments that deliver the best value for taxpayers' dollars and the best outcomes for the people of Victoria.

A BETTER WAY

The Albanese Government wants infrastructure that leaves a lasting legacy. Our first budget will honour the pledges we made to voters in urban and regional Australia while also managing the economy in an uncertain global environment.

The budget takes an important first step in ensuring the Commonwealth's infrastructure spending is responsible, affordable and sustainable.

It also starts making up for nearly a decade of waste and missed opportunities.

The former Government made promises without ever thinking about how to deliver them, often not even talking to the state and territory government they would later rely on to partner with.

They promised car parks that could never be built, and also tripled the budget for Inland Rail and blew out the timetable.

They sidelined, ignored and then stacked the Infrastructure Australia Board with political appointments.

And for years they pretended money was in the budget for zombie projects such as the East-West link in Melbourne and the Perth Freight Link.

We are putting sense back into infrastructure planning and delivery.

We are once again making Infrastructure Australia the premier body to advise Australian governments on our significant infrastructure gaps and opportunities.

And we are cleaning up the Coalition's mess in the Inland Rail project, and bringing transparency and accountability back into this critical macroeconomic portfolio.

INFRASTRUCTURE IN AN UNCERTAIN GLOBAL ECONOMIC CLIMATE

Infrastructure is an important driver of economic growth, productivity and skills in the regions and cities, but the Government was left with an unsustainable pipeline of projects designed purely to look good on paper but never be built.

Our first budget takes an important step to make our infrastructure pipeline more sustainable and to ensure we don't further strain a sector already facing labour constraints, inflationary pressures and cost increases due to supply chain challenges.

The decisions we have made will ensure the sector is in a strong position to help buffer any global headwinds, and create a sustainable pathway for building the skills needed into the future.

They will also contribute to repairing the budget after the Coalition left Australia with a trillion dollars of debt.

Infrastructure is critical to building the nation we all want. Opportunity and connection come from good infrastructure. Making good decisions now is critical to making sure no one is held back and no one is left behind.

Comments attributable to Prime Minister of Australia Anthony Albanese:

“Sound and planned infrastructure investment in Victoria creates jobs, builds opportunity and unlocks economic growth and productivity for our cities and our regions.

“It’s about making journeys quicker, but also making sure Victorians can get home to their families safely.

“Through our first Budget, my team is getting on with the job of delivering projects in consultation with Infrastructure Australia and all levels of Government to make a real difference to the lives of Australians.”

Comments attributable to Infrastructure, Transport, Regional Development and Local Government Minister Catherine King:

“Investing in the Suburban Rail Loop is a once-in-a-generation opportunity to reshape the way Victoria grows.

“Victoria is projected to grow to 11.2 million residents by 2056 and Greater Melbourne to reach around 9 million people – a similar size to London today.

“This visionary project is needed to keep Victoria moving in the face of this expected growth.”

SUNDAY 16 OCTOBER 2022

MEDIA CONTACT:

PRIME MINISTER – PRESS OFFICE (02) 6277 7744

MINISTER KING – LYNDAL CURTIS 0497 847 212

THE HON PAUL FLETCHER MP
Minister for Communications, Urban Infrastructure, Cities
and the Arts

MEDIA RELEASE

13 May 2022

Labor turns its back on northern Melbourne

Federal Labor has finally come clean with the people of northern Melbourne and declared it does not support the Beveridge Interstate Freight Terminal (BIFT), turning its back on the 20,000 local jobs the project will create and jeopardising the nation's biggest interstate infrastructure project – the \$14.5 billion Inland Rail.

By contrast, the Morrison Government has committed and budgeted \$1.62 billion to deliver BIFT – 100 per cent of the funding required to make the project a reality.

BIFT will be the centrepiece of a state-of-the-art freight and logistics precinct, and under a Morrison Government it will be delivered in time for Inland Rail opening in 2027.

To support the operation of BIFT, we are providing \$280 million towards supporting road upgrades, including the Cameron's Lane Interchange.

As one of the fastest growing regions in Victoria, this is a once in a generation opportunity for the people of northern Melbourne who are crying out for good local jobs, better roads and better infrastructure. This week, Labor has finally broken its silence on BIFT and admitted it will not support the project, turning its back on the people of northern Melbourne.

Anthony Albanese has instead declared his support for Victorian Labor Premier, Daniel Andrews' pipe dream vanity project, the Suburban Rail Loop – a project that the Federal Infrastructure Department has advised against funding and has not been assessed by Infrastructure Australia, but that conveniently runs through some of the most marginal electorates in Victoria.

Even if SRL did stack up, Albanese's measly \$2.2 billion commitment won't even touch the sides of this mammoth undertaking, estimated to cost up to \$120 billion.

Labor's Catherine King has comically described BIFT as a project that's "off in the never never". The Morrison Government will deliver BIFT by 2027. The first section of the SRL won't be delivered until 2035 (if it gets delivered at all).

In 12 years representing the electorate of McEwen, Labor's Rob Mitchell has done nothing to help make the BIFT a reality. It is time for Mitchell to stop being so lazy – he needs to get up off the couch and fight for this project.

For 12 years, Labor's Rob Mitchell has been Canberra's voice in McEwen. Liberal candidate for McEwen, Richard Welch, will be McEwen's voice in Canberra.

The Morrison Government has also committed \$740 million in the most recent Federal Budget to deliver the Western Interstate Freight Terminal (WIFT) in Truganina as part of a joint venture, because delivering WIFT as soon as possible is a Federal Government priority too.

And yet despite claiming that WIFT is their priority, the Andrews Labor Government has not committed a cent towards it, while Anthony Albanese has been entirely silent on it.

The Morrison Government has a clear strategy to deliver two freight terminals in Melbourne – BIFT and WIFT – as quickly as possible, delivering tens of thousands of local jobs and support the freight network of the entire country.

The only obstacle to delivering both terminals is Labor – with Albanese and Andrews yet to commit a single cent to either, instead focussing on pie in the sky projects that will help them win seats and set the taxpayer back billions.

Only the Liberals have a plan to continue delivering a strong economy and a stronger future for Victoria.

ENDS

Media contact:

Erin Forster | 0448 207 414 | erin.forster@communications.gov.au

THE HON PAUL FLETCHER MP
Minister for Communications, Urban Infrastructure, Cities
and the Arts

MEDIA STATEMENT

11 May 2022

Suburban Rail Loop another mega project pipedream from Labor

Anthony Albanese's \$2.2 billion commitment over five years to Suburban Rail Loop (SRL) is a curious reversal from Federal Labor.

At the last election, Bill Shorten – with his shadow infrastructure Minister Anthony Albanese – committed \$10 billion over 10 years to SRL.

Anthony Albanese maintains that he's committed to the project, yet has only committed 6.3 per cent of the cost of the east section, which is estimated at \$34.5 billion alone. Clearly this \$2.2 billion commitment announced by the Labor leader won't even touch the sides of this mammoth undertaking and falls very short of the Labor State Government's repeated request of \$11.5 billion.

Given urban infrastructure is typically funded on a 50:50 basis with the state, it begs the question: is Mr Albanese keeping Australian taxpayers in the dark on the true amount of Commonwealth funding that he will provide to this project? Or perhaps he knows that there is no evidence to show the project stacks up and this is simply an empty promise.

The Federal Department of Infrastructure has done a preliminary review of the SRL business case and has advised against Federal funding for the project at this point in time, citing concerns such as insufficient risk mitigation, no detailed costs, value capture being unproven and no delivery plan.

But this kind of flippant, unfounded spending is what we would expect from the former shadow infrastructure Minister who committed \$500 million in January this year towards a supposed east coast high speed rail project, which in actual fact would cost between \$200 billion and \$300 billion.

Labor cannot say how they'll pay for their promises. And they can't manage money.

The Coalition has a strong track record of funding major infrastructure projects across Victoria, but our spending is measured and informed, and we ensure that each state and territory gets its equal share relative to its population size.

Since 2013, we have invested more than \$35.5 billion across nearly 300 road and rail infrastructure projects, with 99 projects having been completed in the period. Our spending is measured and informed, and we ensure that each state and territory gets its equal share relative to its population size.

The cost of SRL East alone is comparable to the entire Australian Government investment in infrastructure in Victoria since 2013. If Mr Albanese is serious about funding SRL, which projects in Victoria and across Australia will he sacrifice to fund SRL over the next few years and decades?

Only the Liberals have a plan to create a strong economy and a stronger future for Australians.

ENDS

Media contact:

Erin Forster | 0448 207 414 | erin.forster@communications.gov.au

Released under FOI Act by DITRDCA

Wednesday, 10 August 2022

GETTING ON WITH THE SUBURBAN RAIL LOOP

Victoria's biggest infrastructure project – the Suburban Rail Loop East – has been given the green light following Ministerial assessment of its environmental effects.

An independent inquiry received more than 360 submissions over 39 days of public hearings before recommending strong outcomes that will benefit the community during construction and operation.

In her capacity as the Minister under the Environmental Effect Statement Act, Minister Lily D'Ambrosio's assessment endorsed the inquiry's recommendations and found the environmental effects of the project acceptable. She noted SRL East will bring enormous benefits to the community, with careful management of the environmental impacts.

SRL East will deliver 26 kilometres of twin tunnels and six new underground stations between Cheltenham and Box Hill, with trains running by 2035 and an end-to-end trip taking just 22 minutes.

The Minister found many impacts have been avoided by putting the line underground, and that the environmental effects of SRL East have been identified and carefully considered through the EES – the state's most rigorous and transparent assessment and approvals process.

The process addressed construction and operational outcomes for local residents, including:

- Replacement of open space required for the project, including new parkland to offset the land required for the SRL stabling facility at Heatherton
- Tougher requirements to limit construction noise and traffic impacts
- Additional bicycle connections and footpaths to encourage walking and cycling, including connections to the Ringwood Cycling Corridor in Box Hill, and upgrading Gardiners Creek Trail
- More support for businesses affected by construction

Construction of SRL East started in June with initial works in Clayton - creating the first of up to 8,000 jobs. This endorsement by the independent Inquiry and Advisory Committee comes after the Business and Investment Case revealed the project stacks up – returning up to \$1.70 to the economy for every dollar spent.

The Andrews Labor Government has created open space, sporting and recreation facilities, built bike paths and worked to mitigate construction impacts on residents and businesses across our 165 Big Build projects and this approach will continue as we get on with the Suburban Rail Loop.

Quotes attributable to Minister for Suburban Rail Loop Jacinta Allan

"Victorians voted for this project, that will create thousands of jobs – and it's great to see this independent assessment give this project the green light."

"We're getting on with this project that will connect communities in the east and southeast and we'll continue to work with local communities along the way."

Wednesday, 6 September 2022

THREE FIRMS SHORTLISTED TO BUILD SRL EAST TUNNELS

Major works on Suburban Rail Loop are another step closer, with three global industry leaders shortlisted for the tunnelling contracts on SRL East – a city-shaping project that will transform our public transport network, connect our suburbs and create thousands of jobs.

SRL East will deliver 26 kilometres of twin tunnels and six brand new underground stations between Cheltenham and Box Hill. Trains will be running by 2035, with an end-to-end trip of just 22 minutes.

Initial works on SRL East are already underway in Clayton and major works have been given the green light following a rigorous Environment Effects Statement (EES) planning process.

Tunnelling begins in 2026, with up to ten tunnel boring machines (TBMs) to be used to carve out the twin tunnels. The tunnelling task will be split into two separate contracts to ensure the work is done as efficiently as possible, minimising disruption to the community. These will be awarded from the shortlist announced today.

SRL East has drawn extraordinary interest from the international construction market, with five outstanding bids for the tunnelling work. Three have now been invited to submit a detailed Request for Proposal.

- **CPB Contractors Pty Limited, Ghella Pty Ltd and Acciona Construction Australia Pty Ltd** - companies involved in Brisbane's Cross River Rail, Sydney Metro, Vancouver's Broadway Millennium Subway and the Caulfield to Dandenong Level Crossing Removal.
- **John Holland Pty Ltd and Gamuda Berhad trading as Gamuda (Australia) Branch** - these companies have experience building Melbourne's Metro Tunnel, Sydney Metro Northwest Tunnel, Malaysia's Klang Valley Mass Rapid Transit, and Melbourne's City Loop
- **Webuild S.p.A and GS Engineering and Construction Australia Pty Ltd** - companies with experience in projects including the North East Link tunnels, Copenhagen's Cityringen and projects in the Middle East and Asia.

The first contract will be awarded next year for twin tunnels between Cheltenham and Glen Waverley. The second is to construct tunnels between Glen Waverley and Box Hill.

Contractors will be required to deliver at least 92 per cent local content (excluding TBMs) - a huge boost for Victoria's steel and concrete industry.

Construction of SRL East will create up to 8,000 local jobs, creating a pipeline of employment and training opportunities - with at least 10 per cent of all hours to be worked by apprentices, trainees and cadets.

Quote attributable to Minister for Suburban Rail Loop Jacinta Allan

"SRL East is a project Victoria needs, and we're getting on with delivering this city-shaping network and the many thousands of jobs during construction – this is an exciting day as we move closer to the start of tunnelling."

Quote attributable to Suburban Rail Loop CEO Frankie Carroll

"This competitive process has been a massive vote of confidence in Suburban Rail Loop - with construction giants from around the world vying to partner with us to deliver this city-shaping project."

Media contact: Hayley Bester 0424 753 775 | hayley.bester@trdca.vic.gov.au

Underground Suburban Rail Loop To Connect Victoria

28 August 2018

A re-elected Andrews Government will start work on the biggest transformation of public transport in Australian history – a new underground rail network circling Melbourne’s suburbs.

The Suburban Rail Loop will connect every major train line from the Frankston line all the way to the Werribee line through Melbourne Airport, with up to 12 new underground stations.

In the last four years, the Andrews Labor Government has embarked upon the biggest transport building program ever – keeping our promise to remove level crossings and fix roads and rail across Victoria.

But our 100-year-old radial transport network – built to move people in and out of the CBD – can’t keep up with a rapidly growing Victoria. Without action, demand on the network will grind our state to a halt.

The Suburban Rail Loop is the big, bold new project our state needs for the future – Labor’s vision for a modern, connected transport network that will make Melbourne one of the world’s truly great cities.

No longer will Victorians have to travel into the CBD to get where they want to go. The project will change the way that people move around Melbourne – connecting our suburbs with major employment centres, universities and TAFEs, hospitals and retail precincts.

The Suburban Rail Loop is the only project that will slash congestion across the entire transport network – expected to take thousands of passengers off existing rail lines, and 200,000 cars off our major roads.

It’s projected there will be strong patronage in both directions throughout the day – with 400,000 trips daily set to make it Victoria’s busiest rail line by 2051.

Labor will invest \$300 million in a full business case, design, and pre-construction works, with work on the first section in Melbourne’s south east expected to begin by the end of 2022.

The south east section will run underground between Cheltenham and Box Hill – with new rail tunnels linking the Frankston, Cranbourne-Pakenham, Glen Waverley and Belgrave-Lilydale lines.

This section could include six new underground stations – four underground interchanges with existing lines, and two potential new stations at the Monash Clayton and Deakin Burwood precincts.

The north east section will connect the Belgrave Lilydale line to the Hurstbridge, Mernda, Upfield and Craigieburn lines before heading to Melbourne Airport.

In addition to the four interchange stations on these lines, there will be potential new underground stations in Doncaster and the La Trobe precinct in Bundoora.

The new Airport Rail Link will form the north-west section, with construction also underway from 2022. The western section will connect to the Werribee line via the new Sunshine super-hub, with further technical investigations to determine the scope and route of this section.

Regional Victorian passengers will be big winners, with three new super-hubs at Clayton, Broadmeadows and Sunshine providing better access to jobs, education and health outside the CBD.

Exact station locations, route alignment, rolling stock, and staging will be confirmed through the full business case and technical work, including extensive consultation and environmental assessments.

Early planning and feasibility work, including identification of the project corridor, was undertaken by experts at Development Victoria, PricewaterhouseCoopers, and the Office of the Coordinator General over the past 12 months.

A project of this massive scale – amongst the largest in the world – will be built over multiple decades, with the first sections expected to take around 10 years to construct.

The Suburban Rail Loop is projected to create more than 20,000 jobs during construction – including 2,000 apprentices, trainees and cadets employed through Labor's Major Projects Skills Guarantee.

State, Commonwealth and private sector contributions, as well as value capture opportunities, will be required to fund the project.

Business case development, detailed design and community consultation will commence in 2019, with work on the first stage expected to begin by the end of 2022.

Quotes attributable to Premier Daniel Andrews

"It's not good enough to 'extend' the congestion, we need a plan that doesn't just force more cars and commuters into the city."

"The Suburban Rail Loop will get people to where they want to go – and more people on public transport means less traffic on the road for you."

Quotes attributable to Minister for Public Transport Jacinta Allan

"The Suburban Rail Loop is the underground train system a growing Melbourne and Victoria needs – connecting every Victorian to jobs, education, hospitals and shopping without needing to change trains in the CBD."

"Finally, Victorians will be able to catch public transport across and around the city – taking thousands of people off existing trains and slashing road congestion with up to 200,000 cars off our roads."



The Victorian Government acknowledges Aboriginal Traditional Owners of Country throughout Victoria and pays respect to their cultures and Elders past, present and emerging.

Released under

Labor's \$2.2b Victorian rail pledge not properly assessed

Ronald Mizen *Economics correspondent*



Oct 16, 2022 – 7.25pm

The Albanese government's \$2.2 billion commitment to Victoria's suburban rail loop has not been signed off by the independent assessor, Infrastructure Australia, and the project is yet to be approved under the National Land Transport Act, despite the money being committed in this month's budget.

Infrastructure Minister Catherine King on Sunday re-announced \$9.66 billion in election promises to be funded in the budget on October 25, including projects worth \$2.5 billion for Victoria and \$1 billion for NSW.



The state opposition has pledged to scrap the \$35 billion first stage of Labor's suburban rail loop. **Jason South**

The \$2.2 billion for the suburban rail loop was the single largest project in the package, though it was less than asked for. The first stage of the loop is expected to

cost about \$35 billion and open in 2035. ^{FOI 23-063}

The recommitment of funds comes just weeks ahead of the state election, which could decide the future of the project. The state Liberal opposition has promised to axe the new rail lines and put the money into health.

Under the National Land Transport Act, for a project to get funding approval the Minister must consider a range of factors, including the results of any assessment of the economic, environmental or social costs or benefits.

The suburban rail loop is subject to ongoing analysis by Infrastructure Australia, though no formal recommendation has been made, and a report from Victoria's Auditor General criticised the completeness of the business case, which the Commonwealth relied on to make its funding commitment.

Ms King cited an ongoing review of Infrastructure Australia when asked about the spending, and played down the scope of the commitment saying it was "early works" and only for the "first tranche" of the project.

"We're honouring our election commitment. This project really will be transformational for Victoria," she said. "It's a project we're really committed to. We know the Victorian state Labor government is committed to it."

Prime Minister Anthony Albanese labelled the loop a "nation-building project" and accused the Coalition of politicising the Infrastructure Australia board. Mr Albanese also said he would not countenance a repurposing of the Commonwealth money to the state's health system.

Billions to be axed or re-profiled

Billions of dollars in projects will be axed or delayed in the federal budget, as the Albanese government puts its stamp on the infrastructure pipeline amid skills shortages, supply constraints and accusations of rorts and waste.

When pressed on how the new funds would sit within the existing pipeline of work worth about \$120 billion over a decade, Ms King said she was taking a hard look at what was realistic and deliverable.

"There are lots of things the previous government announced with a lot of fanfare, but when you actually look at the capacity constraints, the amount of money available, they're really going to take a long time to build," she said.

FOI 23-063

“There will be some re-profiling that’s built into the budget, so pushing those out a bit with more realistic timeframes for actual delivery of them, and there will be some cuts.”

Finance Minister Katy Gallagher said the new proposals were “largely working within the infrastructure program” to mitigate the inflationary pressure, but there would be some additional money spent.

In recent years, governments have struggled to deliver projects on time and on budget amid costs blowouts and shortages.

Global supply constraints, skyrocketing material costs, skills shortages and delays have hammered the infrastructure pipeline

[<https://www.afr.com/companies/infrastructure/labor-to-take-close-look-at-every-infrastructure-project-20220523-p5ano8>], with states and territories on track to spend \$40 billion less than promised over four years. [<https://www.afr.com/policy/economy/infrastructure-spending-bonanza-falls-40b-short-20221003-p5bmos>]

Indeed, global ratings agency S&P assumes only 70 per cent to 90 per cent of what’s budgeted for by state governments will actually get delivered.

“We are working closely with states and territories about the delivery of these programs because, obviously, there are issues around skills and supply, and we will work through those,” Senator Gallagher said.

“But largely it is working within the envelope that has been factored into the budget. So, we’re not adding in a whole lot new, we’re reshaping and delivering on our commitments.

“Inside the infrastructure investment program there is some additional money going in, in line with our election commitments, but ... we’re not going to be adding to inflation.”

Projects facing the axe

The Coalition’s urban congestion fund and commuter car parks program, which were subject to scathing Auditor-General reports, as well as its regional grants program, are front and centre for funding cuts, Ms King suggested.

“There will be car parks we’re not proceeding with and basically the reason I’m doing that is they’ve actually been underfunded. So, if I were to proceed with some of those, I actually have to find an additional billion dollars.

“There is a big mess in terms of the regional grants programs, and I’ve had to have a hard look to know where did the previous government invest [and] where it’s going to actually help economic development in the regions.



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Infrastructure spending bonanza falls \$40b short

<https://www.afr.com/policy/economy/infrastructure-spending-bonanza-falls-40b-short-20221003-p5bmos>

“So some of the things that the previous government funded we will fund, some of them we won’t.”

Senator Bridget McKenzie, shadow minister for infrastructure, accused Labor of scrapping key regional infrastructure to pay for Labor’s election commitments in the Victorian state election.

“The only cuts they are making, supposedly to improve the budget bottom line, are in regional programs,” Senator McKenzie said.

“The feedback from travelling across the country shows that hundreds of local communities are deeply concerned that their important projects, which they have applied for in good faith, were being branded as ‘waste.’”

Ronald Mizen is economics correspondent for the Australian Financial Review based in Parliament House, Canberra. He writes on economics, politics and business. *Email Ronald at ronald.mizen@afr.com*



Victorian politics

Victoria's auditor general pokes holes in Suburban Rail Loop business case

Information provided to government 'did not demonstrate the economic rationale' for controversial project, report finds

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Adeshola Ore

Wed 21 Sep 2022 15:33 AEST

Two of Victoria's largest infrastructure projects have been lambasted by the state's auditor general as it concluded the business cases for the Andrews government's flagship [Suburban Rail Loop](#) and Melbourne Airport Rail projects did not support "fully informed investment decisions".

The reports, tabled in parliament on Wednesday, came as the Victorian government on Tuesday published the business case for Melbourne's long-awaited airport rail link - due to be completed in 2029.

Melbourne Airport is at odds with the government's preference for an elevated airport station, arguing an underground option would provide a better passenger experience and "safeguards" for future connectivity.

The auditor general's report into the business cases concluded the content was neither sufficient nor provided in a timely manner on four of the transport projects it reviewed.

The report said the Department of Transport and Suburban Rail Loop Authority had not provided the state government with the full business case for the project, only its first two stages in April 2021, meaning the departments did not "demonstrate the economic rationale for the entire project".

"They have told us that they had no plans to do so," the report said.

It said not providing the entire business cases meant advice to the government was not "sufficiently comprehensive".

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The report also noted the early development of the Suburban Rail Loop was "atypical" for the largest infrastructure project in the state because no transport agencies were involved in its planning and development.

Regarding the Melbourne Airport Rail project, the auditor general found the business case completed by the Department of Transport and Rail Projects Victoria late last year was “too late to inform key government decisions on the project”.

However, the public sector agencies involved in the business cases refuted the auditor general’s assessment, describing it as misleading. They said the Melbourne Airport Rail project was large and complex, and the Suburban Rail Link was beyond merely a transport project and would include city-shaping works.

The discount rate - a buffer used to estimate future projects costs - in the economic appraisals of the Suburban Rail Loop and Melbourne Airport Rail was set at 4%, after being approved by the transport and infrastructure minister, Jacinta Allan, and accepted by the treasurer, Tim Pallas. This is despite the department of treasury and finance recommending a discount rate of 7% - a benchmark also used by [Infrastructure Australia](#).

Additionally, the auditor general concluded the benefit-cost ratio of the Suburban Rail Loop to be 0.51 when calculated in line with the department of treasury and finance’s guidelines and excluding wider economic benefits used by government agencies in its business case that said the ratio is between 1 and 1.7.

Speaking to reporters on Wednesday morning, Allan said the Suburban Rail Loop and Airport rail were “big, multi-year projects” that required an approach that was “appropriate for projects of that size and scale”.

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“When you have a standard business case approach, it’s really an approach that has to be tailored to the project that’s being delivered,”

she said.

A second auditor general report found that the department of treasury and finance did not report on the state’s major projects performance in a transparent way, which hindered parliament and the wider community’s ability to hold public sector agencies to account.

The report recommended the department of treasury and finance maintain a publicly available dashboard to show how major projects - worth over \$100m - are performing. The data would include an estimation of the total investment and the completion date for each project.

Suburban Rail Loop is set to be a key battleground of the November election after the opposition pledged to shelve stage one to instead spend the money on health.

The proposed 90km underground orbital railway line, running between Cheltenham in the south-east and Werribee in the south-west via Melbourne airport, has been described as the state’s biggest public transport project.

The auditor general reports were among 52 reports tabled in parliament on Wednesday - the last parliamentary sitting day before the Victorian election in November.

Clash over Melbourne Airport rail design

By Mibenge Nsenduluka and Rachael Ward

Updated September 21 2022 - 3:18pm, first published 3:17pm

Melbourne Airport management favours an underground station as part of a new rail link. (Joel Carrett/AAP PHOTOS)

Melbourne Airport and the Victorian government are at odds over the design of the city's proposed rail link connecting Tullamarine to the city.

The Andrews government is planning to build an elevated station at the airport but its operators favour an underground station at the facility.

A new train station will also be constructed at Keilor East and a sky rail bridge built over the M80 Freeway as part of the project.

Airport officials said on Wednesday they were still to come to an agreement with the government on the location and design of the connection.

"Melbourne Airport's preference has been, and remains, an underground station," ground transport chief Jai McDermott said.

"(It) provides a superior passenger experience, safeguards for future connectivity and is appropriate for Victoria's international gateway.

"It is important that the new rail station works for all airport users, not just those who arrive by train."

The business case, released on Wednesday, found the project will cost between \$8 billion and \$13 billion and have a benefit-cost ratio of up to \$2.10 for every \$1 spent.

It said building an elevated station at the site would be quicker and less expensive to build, while there would be less impact on passengers during construction.

The Victorian and Australian governments are each contributing \$5 billion towards the project.

Victoria's Transport Infrastructure Minister Jacinta Allan said the project, which is expected to be completed in 2029, would connect hundreds of thousands of people to Melbourne's train network for the first time.

The state government said trains would run every 10 minutes and the journey would take about 30 minutes.

It would also include 12 kilometres of extra track and an upgrade to Sunshine Station and fares would be finalised closer to completion.

In response to Melbourne Airport's push for an underground station instead of above ground, Premier Daniel Andrews said he'd sought advice from expert engineers.

"I know the airport's got a different view. I don't necessarily know that they're paying for the project, so they may have all sorts of views," he said.

In 2018, Melbourne Airport was part of a consortium offering \$5 billion towards the project with the aim of a tunnel.

Meanwhile, in two separate reports tabled on Wednesday, state Auditor-General Andrew Greaves slammed the state government's handling of major projects.

An audit of business cases for the airport rail and suburban rail loop found they lacked sufficient analysis of alternative project options.

It also found the builds had lower a return on investment when calculated in-line with Department of Treasury and Finance guidelines.

The suburban rail loop's business case calculates its cost-benefit ratio as between 1 and 1.7 but the audit found when calculated using normal guidelines it was in fact 0.51 - meaning for every \$1 spent, the return is only 51c.

For Melbourne airport rail, the cost-benefit ratio dropped to 0.48 when the DTF guidelines were used.

Shadow Treasurer David Davis accused the government of misleading Victorians.

"This is the King Daddy of risky projects. It is the biggest project in the state's history," he told reporters.

"It has been shonky and poor from the start ... tax payers end up suffering by paying more to fund this project."

Australian Associated Press

— Exclusive

Andrews to press Albanese for more cash for \$125b rail loop

Patrick Durkin *BOSS Deputy editor*



Sep 19, 2022 – 5.00am

Victorian Premier Daniel Andrews is expected to ask Prime Minister Anthony Albanese to commit more money to his signature \$125 billion suburban rail project in next month's federal budget, just a month out from the state election.

Mr Albanese has already committed \$2.2 billion to the project, and warned that it could not be used for any other purpose, after the state Liberals announced they would tip the initial \$34.5 billion allocated to the project's first stage into fixing Victoria's health crisis if they win the November election.



Premier Daniel Andrews meets workers as ground is broken on the Suburban Rail Loop project in early June. AAP

The funding stoush sets up a potential rerun of former prime minister Tony Abbott's "\$3 billion locked box [<https://www.smh.com.au/business/the-economy/andrews-urges-morrison-to-open-locked-box-of-infrastructure-funding-20181208-p50l2i.html>]" for the dumped East West Link and his claim that the 2014 election became a "referendum" on that project.

The Andrews government has begun work on the first stage, SRL East, running from Cheltenham to Box Hill, which the business case states will cost between \$30 billion and \$34 billion. It is expected to be completed by 2035.

The state government has allocated \$11.8 billion for this part of the project, with the rest expected to come from the private sector and federal government – although it is likely that any commitment in this year's budget would be modest given Treasurer Jim Chalmers' vow to pare infrastructure spending.

The Suburban Rail Loop Authority (SRLA) and KPMG told *The Australian Financial Review* during a two-hour briefing on Friday – a shorter version of which is being presented to key stakeholders around Melbourne – that they stand behind the 400-page business case and cost-benefit analysis released last year.

The assertion comes despite fresh analysis from Victoria's Parliamentary Budget Office (PBO) and experts who point to cost blowouts in questioning the benefit of the project.

"Melbourne's population by 2056 is forecast to reach 9 million people, the size of London today," SRLA chairman James MacKenzie told the *Financial Review*. "We have a hub and spoke network but not the connections of that wheel. It's not just about the rail infrastructure, it's about the change it will deliver, reshaping Melbourne over time to a city of centres."



“If you look at anywhere in the world – New York, London, Paris, Hong Kong, Singapore – they all have that connection. We liken it most to the circle line on the London Underground. They are also doing the exact same thing in Paris as we speak.”

The 90-kilometre orbital rail line around Melbourne has become the November state election’s hottest issue, after Opposition Leader Matthew Guy claimed the project was the “most expensive, yet least scrutinised project in Australia’s history. You can’t get a train to the hospital.”

It comes amid independent reports that the cost of the project has blown out from an initial price of \$50 billion to at least \$125 billion.

The 400-page business and investment case released last year claims the East and North sections of the loop will have a positive cost-benefit ratio of between 1 and 1.7, meaning for every dollar spent on the project the government will receive a return of between \$1 and \$1.70.

But critics warn that the business case has not been ticked off by Infrastructure Australia. New analysis last month by the PBO claimed the first two stages of the project had a cost-benefit ratio between 0.6 and 0.7, meaning for every dollar spent the state would see a return of between 60¢ and 70¢.

An artist's impression of a driverless train running on the proposed Suburban Rail Loop.

But the SRLA argues that other cost-benefit calculations have not brought both the cost and benefit back to present-day dollars. It said the project had been added as an early-stage proposal in June 2022 to Infrastructure Australia's priority list and was progressing through the next stages, including signing off on the business case.

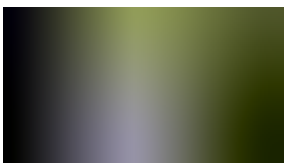
Asked recently about the claims of cost blowouts, Mr Andrews said the project was crucial. "It's costed, it's funded, it's happening, and the only way to make it cost more is to scrap it," he said.

Mr Albanese's initial \$2.2 billion commitment during the federal election campaign was considered modest given former Labor leader Bill Shorten had pledged \$10 billion during the 2019 election campaign and, at the time, the now PM said he was open to further funding.

This "should give the Victorian government confidence that they'll have a partner with the national government", Mr Albanese said in May. "This is a project that will go for a long period of time."

**RELATED****Victoria's Suburban Rail Loop will blow out to more than \$200b: report**

<https://www.afr.com/politics/victoria-s-suburban-rail-loop-will-blow-out-to-more-than-200b-report-20220818-p5bavl>

**RELATED****Liberals vow to divert \$34.5b from rail project to Vic health**

<https://www.afr.com/companies/infrastructure/liberals-vow-to-divert-34-5b-from-rail-project-to-vic-health-20220817-p5bakt>

Infrastructure Minister Catherine King delivered a speech this month that indicated the federal government wanted to focus on major “high-priority nation-building” projects and deprioritise smaller state projects to clear the infrastructure backlog. But insiders said the Albanese government backed the SRL project and it was a matter of the best political timing to commit to additional funding, with active consideration of the matter in the coming budget.

A spokeswoman for Ms King said on Sunday the government “will consider all funding requests in line with normal budget processes and priorities”.

A spokeswoman for the Victorian government said on Sunday: “We’re pleased that the Commonwealth government has backed the Suburban Rail Loop, and we look forward to working with them on this and future budgets to build the projects Victorians need and voted for.”

The second stage of the project, from Box Hill to Melbourne airport and dubbed SRL North, is expected to be completed between 2043 and 2053.

Mr Mackenzie said even if the building costs had increased beyond the initial wide range for the East and North sections of between \$30.7 billion and \$57.6 billion – a point that is not conceded – the benefits would proportionately increase over time.

**RELATED****Landowners face 50pc tax on Andrews’ rail loop**

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“The cost of \$30 to \$34.5 billion for SRL East hasn’t changed,” he said. “If the costs are escalating, you have to recognise that the benefits are also escalating.”

The SRLA and KPMG argue that among the benefits that have not been well highlighted is that the cost of living pressure for 1.5 million Victorians will ease by up to \$700 each, according to the exclusive briefing.

KPMG modelling shows that more than 365,000 daily work trips are being made between “middle suburbs”, and the vast majority of those are made in cars. They predict up to 430,000 daily trips could be made on the SRL.

“We’ve got to start to change how we move around the city as it grows to 9 million,” said Mr Mackenzie, who was present at the original conception of the project, following Sir Rod Eddington’s 2008 transport report.

The SRLA and KPMG also claim the precincts will become home to 545,000 jobs by 2056, with Monash – home to Monash University, MonashHeart hospital and the headquarters of CSIRO – to become the second-biggest job centre outside the CBD.

Other key precincts would run through La Trobe University, Deakin University and Melbourne Airport.

Patrick Durkin is Melbourne bureau chief and BOSS deputy editor. He writes on news, business and leadership. *Connect with Patrick on [Twitter](#). Email Patrick at pdurkin@afrc.com*

Rele

— Exclusive

Landowners face 50pc tax on Andrews' rail loop

Patrick Durkin and Gus McCubbing

Sep 1, 2022 – 4.30pm

Large landowners face being slugged with a 50 per cent property tax under unprecedented new powers granted to Victoria's Suburban Rail Loop Authority to rezone the land up to 1.6 kilometres around each proposed station, tax and property experts confirm.

The Victorian Opposition has stepped up claims that the state's takings from the windfall gains tax [<https://www.afr.com/property/commercial/getting-to-grips-with-victoria-s-windfall-gains-tax-20220824-p5bcbe>], which kicks in next year, will be supercharged because of Premier Daniel Andrews' signature suburban rail loop which has blown out in cost [<https://www.afr.com/politics/victoria-s-suburban-rail-loop-will-blow-out-to-more-than-200b-report-20220818-p5bavl>] to \$125 billion from \$50 billion, or an estimated \$200 billion to build and run.



Premier Daniel Andrews argues the case for the Suburban Rail Loop. **AAP**

“That tax is the stalking horse for the tax that will probably go for the value uplift on the suburban rail loop and the properties along that corridor – that tax is the stalking horse for it,” Liberal leader Matthew Guy told a business breakfast last Friday.

Shadow Treasurer David Davis said the claims relate to the powers granted to the Suburban Rail Loop Authority to rezone land around each proposed station.

“There’s a radius around the [train] stations where they’ve taken a huge bite out of the municipalities where they’ve taken planning powers,” he told *The Australian Financial Review*.

The *Financial Review* has tested those tax claims with independent tax and property experts who confirm those concerns and warn that the windfall gains tax is causing havoc within the industry.

“A wide range of stakeholders are impacted by the new tax including landowners, developers and financiers. For residential projects, any WGT cost will ultimately flow through to new home purchasers,” said Matthew Cridland, tax lawyer at K&L Gates.



The Andrews government's planned Suburban Rail Loop.

The tax applies from next July and levies a tax equal to 50 per cent of the value uplift given to a piece of land by rezoning. The tax is triggered by the rezoning –

when the landowner receives the assessment they can elect to defer it for 30 years but if they sell, it must be paid.

The tax applies to all classes of property, other than residential land not exceeding 2 hectares, thus exempting most residential home owners.

It also does not apply to growth zone land where developers already pay a Growth Areas Infrastructure Contribution [<https://www.sro.vic.gov.au/growth-areas-infrastructure-contribution>] charge.

While the budget papers say the tax will only collect \$173 million over the next three years the experts said in reality the eventual tax take was likely to be in the billions because the tax could be deferred or only triggered on a sale.

Fifteen stations are planned as part of 90-kilometre rail loop with four intermediate stations proposed for the first stage of 26 kilometres from Cheltenham to Box Hill including Clayton, Monash, Glen Waverley and Burwood.

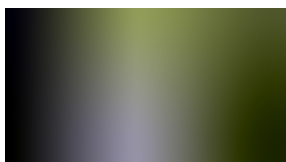
The Victorian Liberals announced they would pause the first stage [<https://www.afr.com/companies/infrastructure/liberals-vow-to-divert-34-5b-from-rail-project-to-vic-health-20220817-p5bakt>] of the controversial project [<https://www.afr.com/politics/federal/miserable-morrison-and-pushover-albanese-in-rail-stoush-20220510-p5ajzy>] and pour the initial \$34.5 billion of funding into health.



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Prime Minister Anthony Albanese insisted the project “stacked up” with a benefit-cost ratio of 1.7 when he committed to contribute an initial \$2.2 billion to the project and has declared the federal money cannot be spent elsewhere.

However, the business case prepared

[https://bigbuild.vic.gov.au/__data/assets/pdf_file/0005/578273/SRL-Business-and-Investment-

Case-Key-Findings.pdf] by the Suburban Rail Loop and backed by KPMG modelling shows the margin is much finer, with a cost benefit ratio of between 1.1 and 1.7.

The independent Parliamentary Budget Office recently released more of its assessment of the project and found the first two stages have a benefit-cost ratio between 0.6 and 0.7, indicating the project's cost would outweigh the benefit.

The scrapped East West Link had a benefit-cost ratio of 1.4, a number classified as “low” by Infrastructure Australia.

The Andrews government has not submitted a business case to Infrastructure Australia for the Suburban Rail Loop, and a range of experts question the benefits of the project.



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The Victorian Liberals sought to move an amendment to the tax laws so that “the tax collected should be kept in the local area – so if it's raised in Bendigo, the money will be reinvested in Bendigo” which was lost.

Mr Cridland said that aspect was concerning. “Any WGT payments will go into consolidated revenue, meaning the government can spend the money as it sees fit. There is no requirement for the revenue to be applied towards projects in the local area where the tax was imposed,” he said.

Mr Cridland said the income tax implications of the new tax were also unclear. He warned that if a developer paid a landowner an additional amount to cover a WGT liability, the additional payment may be subject to GST and stamp duty which he described as a “tax on a tax”.

For example, he said that if a contract price was \$10 million, plus GST and the WGT was imposed and cost \$2 million, the purchaser would need to pay \$12 million, plus GST of \$1.2 million. Stamp duty would then be imposed on the \$13.2 million total.

Mr Cridland was also concerned at the lack of regulations, despite the tax receiving royal assent in November last year, to clarify issues such as whether deductions will be available to landowners that have incurred significant costs, such for remediation or to obtain the rezoning.

The Property Council in Victoria said they were also deeply concerned by the lack of regulations.

“With only 10 months to go until the tax comes into effect, we have communicated to the government that what our members want is certainty so they can make sound decisions to help deliver on housing supply and urban renewal across Victoria,” said Adina Cirson, acting Victorian director of the Property Council of Australia.

Patrick Durkin is Melbourne bureau chief and BOSS deputy editor. He writes on news, business and leadership. *Connect with Patrick on [Twitter](#). Email Patrick at pdurkin@afr.com*

Gus McCubbing is a journalist at the Australian Financial Review in Melbourne. *Connect with Gus on [Twitter](#). Email Gus at gus.mccubbing@afr.com*

Released

First section of rail project could stand alone:...

By Chip Le Grand, Sumeyya Ilanbey

Saturday Age

Saturday 20th August 2022

1241 words

Page 4,5 | Section: NEWS

1160cm on the page

FOI 23-063



First section of rail project could stand alone: Allan

Chip Le Grand
Sumeyya Ilanbey

The Andrews government has declared the first section of the Suburban Rail Loop through Melbourne's south-eastern suburbs should be built regardless of whether future governments decide to complete the rest of the mammoth project.

With the November election shaping as a referendum on whether to continue or stop the largest infrastructure investment in the state's history, Transport and Infrastructure Minister Jacinta Allan said "enormous benefits" would be realised by completing the 26-kilometre eastern section alone.

"Our business case shows that," she told *The Age*. "The trip from Cheltenham to Box Hill will be 22 minutes and go through Monash University, the country's biggest university and a university at the centre of a health and research precinct. It would be up to a future government to explain why they walk away from it, if they chose to. From our perspective we want to build the Suburban Rail Loop, we have got to get started and we are getting started with Suburban Rail Loop East."

Opposition Leader Matthew Guy this week elevated the Suburban Rail Loop to a central election issue

when he vowed to shelve the project and divert money towards the state's healthcare crisis.

Guy's case was backed by Parliamentary Budget Office figures showing the first two sections of the project could cost up to \$125 billion, more than double the projected cost Premier Daniel Andrews took to the 2018 election.

He told *The Age* building only the eastern section of the loop was a ridiculous proposition. "The priority is to fix the health system - everything is trumped by that," he said.

The probable cost of the first section of the loop is less contentious than other parts of the project. The government in its business and investment case released last year

put the cost of the Cheltenham to Box Hill part of the line at \$30-34.5 billion; the Parliamentary Budget Office this week said \$36.5 billion.

Along the proposed, underground route of the eastern section, where traffic was this week disrupted along Clayton Road to allow for relocation of sewage pipes to prepare for tunnel construction, there was already evidence of strong support for the project.

Monash University vice-chancellor Margaret Gardner issued a statement noting that the university had been advocating for the need for a railway station since

the 1960s and backed the Suburban Rail Loop as the "best possible solution for the Monash community".

Monash Mayor Stuart James has three proposed SRL stations on his local government patch at Monash University, Clayton and Glen Waverley. He said his constituents were overwhelmingly supportive of the project and it would be "ludicrous" for it to be scrapped now.

"There are holes in the ground, people are digging," he said. "We can't keep throwing away billions of dollars of taxpayer money on projects because we change our government."

James was also critical of how the government has sold the project.

He said the Suburban Rail Loop was being promoted as a new rail line but is better understood as a long-term, strategic planning response to Melbourne's forecast population growth.

Buried within what the government describes as its business and investment case for the Suburban Rail Loop is a table which shows how the project will transform areas surrounding the six proposed stations on the eastern line once both it and the loop's northern section - from Box Hill to Melbourne Airport, is built.

One of the aims of the Suburban Rail Loop is to create "20-minute cities" by stimulating greater economic activity and the construction of more affordable, higher-density housing within walking distance of its stations.

Documents prepared by consultancy KPMG predict that within the Monash precinct, the population will double and jobs will increase five-fold as a consequence of the rail line. The population of the Box Hill precinct is predicted to swell from 29,000 people to 77,500 people.

Philippe Pratchich's family has owned and operated the popular



Indochine Restaurant in Box Hill for almost three decades. In that time, he has seen the main shopping strips get busier and the skyline dotted with high-rise buildings. He said he can't wait until the Suburban Rail Loop is built, and the state cannot afford to shelve the project.

"The loop from Monash University to here will be good because a lot of students are in this area," he said. "And we need a line from the airport because of tourism. Tourism is all about connection."

Guy said you can either repair the health and hospital system or build a \$30 billion railway. "You can't have both, it is very simple," he said. Gary thinks you can. Gary – who did not want his surname used – lives in Blackburn South, just down the road from Box Hill, and wants the government to invest more in fixing the healthcare system and a rail line that will connect the middle-ring suburbs.

He said stopping the Suburban Rail Loop now would be like pulling up a Melbourne Cup field a mile into the race.

Paul Hamer, Labor's member for Box Hill, spoke to *The Age* after

he had spent the day door-knocking. He said that some of his constituents were concerned that if the loop did not go ahead, they wouldn't have a job. While health services were important, so was transport, he said.

"People understand that a government can and should improve both."

At the southern end of the eastern section, Liberal MP for Sandringham Brad Rowsell said stopping the rail line would preserve local parks and help pay for upgrades to the local hospital.

Kos Samaras, a former ALP campaign director who now runs the Redbridge Group political consultancy, said the political divide over the Suburban Rail Loop would impact the election result in different ways.

He said Guy's singular focus on the healthcare crisis will resonate in outer suburbs where poor access to GPs is adding pressure to hospital emergency departments and the Suburban Rail Loop is a distant concern.

However, the decision to shelve the SRL will do little to improve the Liberal Party's standing in the middle-ring suburbs which would benefit from improved transport

and, potentially, jobs closer to home.

Allan said the Suburban Rail Loop was a response to one of the biggest, long-term problems confronting Melbourne; how to keep functioning a city which, despite the interruption of the pandemic, is forecast to match the current population of London within the next 30 years.

"Without a step-change in the transport network, what you are saying to people in the suburbs is your roads are going to get even more congested," she said. "If we don't intervene now we are going to compound an existing problem. By the time you go to make an intervention it will be too late."

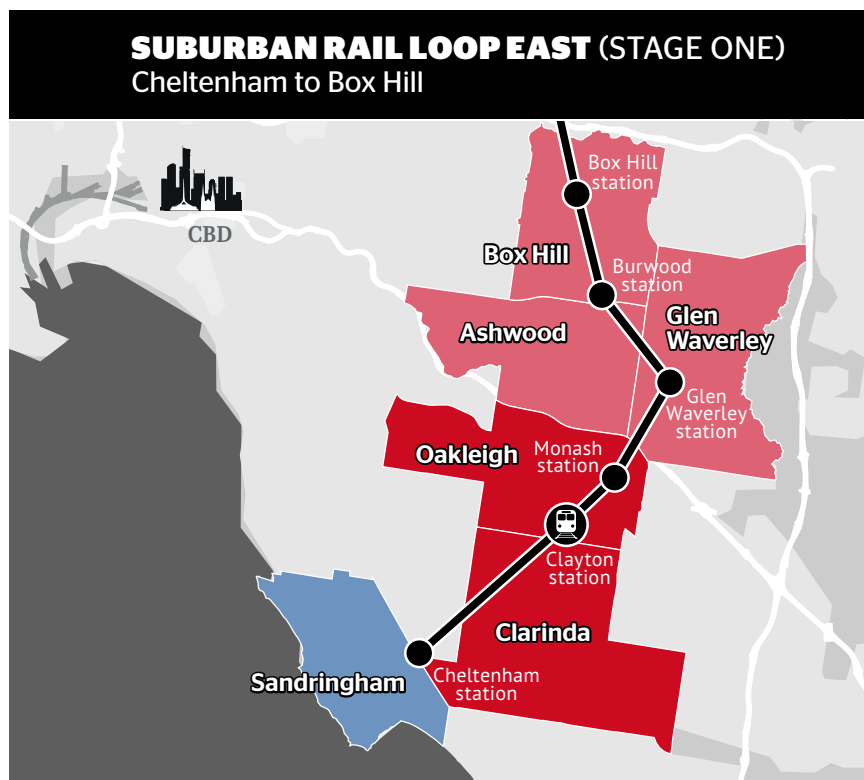
"A city of 9 million people needs to accommodate an extra 11.8 million daily public transport trips and an 80 per cent increase of private vehicles on the road. You will have people further and further away from those opportunities with less ability to get there."

Guy, having identified Melbourne's population growth as a key issue ahead of the last state election, said the pandemic has fundamentally changed Melbourne's likely rate of growth and the political debate.





Monash Mayor Stuart James (left); restaurateur Philippe Pratchich is in favour. Photos: Wayne Taylor, Eddie Jim



SEATS IMPACTED MOST

ELECTORATES	HELD BY	MARGIN
Clarinda	ALP	17.43%
Sandringham	Lib	0.65%
Oakleigh	ALP	15.78%
Forest Hill*	Lib	1.15%
Mount Waverley*	ALP	1.85%
Burwood*	ALP	3.31%
Box Hill	ALP	2.10%

* Forest Hill, Burwood and Mount Waverley electorates abolished for 2022 state election. Replaced by Glen Waverley and Ashwood.

Independent analysis puts the cost of building and running Victoria's Suburban Rail Loop at \$200 billion

Posted Thu 18 Aug 2022 at 7:59am, updated Thu 18 Aug 2022 at 3:41pm



Analysis by Victoria's Parliamentary Budget Office puts the cost of constructing the first two stages of the Suburban Rail Loop at \$125 billion. *(Supplied: Victorian Government)*

Victorian Premier Daniel Andrews defended his government's Suburban Rail Loop after independent analysis suggested the cost of the project would far exceed the government's estimate.

Analysis from Victoria's Parliamentary Budget Office [PBO] puts the cost of building the project at \$125 billion — more than double the government's own estimate.

Another \$75 billion dollars in operating costs takes the total predicted spend for the project to more than \$200 billion by the estimated completion date in 2084-85.

The analysis was prepared by the PBO at the request of Opposition Leader Matthew Guy.

Key points:

- Victoria's Parliamentary Budget Office [PBO] assessed the project at the request of Opposition Leader Matthew Guy
- The PBO put construction costs for the first two stages at \$125 billion with another \$75 billion in operating costs

The PBO estimated the cost of the first stage of the project from Cheltenham to Box Hill, which is already underway, at \$36.5 billion.

- The Victorian opposition says it will scrap the project and use the money to build and overhaul hospitals

When the rail project was announced in 2018, [the Andrews government estimated the cost at around \\$50 billion.](#)

Mr Andrews described the rail loop as a once-in-a-generation project that his government had begun but subsequent governments would need to finish.

"Just imagine what our city is like without our City Loop. You can't imagine, it would be complete chaos. Well, our suburbs need the Suburban Loop," he said.

Mr Andrews denied under-costing the project, saying the PBO's estimate for the first stage of the rail line was in line with the government's own estimate.

"The one sure way that that critically important rail project costs more than it should is if you put it on hold or if you scrap it," he said.

"We have nothing that has ever been built in this state that was cheaper because it was delayed or shelved or put off."



Transport Infrastructure Minister Jacinta Allan and Premier Daniel Andrews launched the first stage of construction of the project in June. (AAP: Diego Fedeles)

Shadow Minister for Government Scrutiny Louise Staley said the Suburban Rail Loop project would double the state's debt.

"Victorians really deserve to know that this project is not anywhere near the cost the government has been saying it is," she said.

"Victoria's debt is already more than NSW, Queensland and Tasmania combined. This one project would double that debt again."

Voters face choice on rail loop at November election

The Victorian opposition yesterday [pledged to shelve the project](#) and divert the money that would have been spent into an overhaul of the state's health system.

"The government cannot manage any of its major projects within realistic budget estimates," Ms Staley said.

"We've seen it with North-East Link, we've seen it with the West Gate Tunnel. All of these projects are massively over-budget."

The opposition said it would build new hospitals at Melton, Mildura, West Gippsland and Wodonga as well as a new infectious diseases hospital with money that would have been used for the rail loop.



Construction on the Suburban Rail Loop has begun in Clayton. (ABC News: Danielle Bonica)

It is also proposing a major rebuild of hospitals at Rosebud, St Arnaud and Sandringham, and would allocate \$550 million towards rebuilding Caulfield Hospital.

Transport Infrastructure Minister Jacinta Allan said the government was committed to the project because it would transform Melbourne for future generations.

"The Andrews Labor government is investing in transport infrastructure because it is about providing better connections, fairer connections, safer roads, safer train trips," she said.

"And also too, it's underpinning tens of thousands of jobs in our economy and it's these sorts of jobs that are under attack from Matthew Guy and the Liberal Party through their cuts to the Suburban Rail Loop."

Released under FOI Act by DITRDCA

Victorian opposition says it will shelve the Suburban Rail Loop and invest in health if elected

Posted Wed 17 Aug 2022 at 7:45am, updated Thu 18 Aug 2022 at 12:22pm



The first section of the Suburban Rail Loop includes six new underground stations.

(Supplied: Victorian Government)

The Victorian opposition has pledged to shelve the multi-billion-dollar Suburban Rail Loop and divert the funds into Victoria's ailing health system if it wins the November state election.

The [long-term rail project](#) aims to connect every major rail line from Frankston to Werribee via Melbourne Airport and is estimated to cost \$30-50 billion.

The Victorian government has so far committed \$11.8 billion and is planning to gain substantial support from the federal government, which has so far pledged \$2.2 billion.

Construction of the first section of the rail line, between Cheltenham and Box Hill, began in June

Key points:

- The Suburban Rail Loop aims to connect Melbourne's major rail lines and will cost \$30-50 billion
- The Victorian opposition says it will scrap the project and divert the money into the health system if it wins the election
- The opposition is pledging to build new hospitals at Melton, Mildura,

and is expected to be completed by 2035.

West Gippsland and Wodonga

The first section includes 26 kilometres of tunnels and six new underground stations.

The Victorian opposition says it will shelve the project and invest the money saved into new hospitals at Melton, Mildura, West Gippsland and Wodonga as well as a new infectious diseases hospital.



The first section of the rail loop between Cheltenham and Box Hill is expected to be completed by 2035. *(Supplied: Victorian Government)*

It is also proposing a major rebuild of hospitals at Rosebud, St Arnaud and Sandringham.

The opposition said it would allocate \$550 million towards rebuilding Caulfield Hospital.

"Daniel Andrews has failed to make sure that Victorians have got the proper health system they can rely on," Shadow Health Minister David Davis said.

"They've failed to make sure that our emergency departments are able to provide the calls and support they need. They've failed to provide the triple-0 support that's needed."



Matthew Guy's opposition says it will build several new hospitals with money saved by scrapping the Suburban Rail Loop. (AAP: James Ross)

The opposition pledged to halve Victoria's elective surgery waiting times within four years of being elected.

It is also promising free public transport for healthcare workers, proposing to place a mental health professional in every Victorian school and offering rebates of up to \$4,500 for IVF and fertility treatment.

Victoria's Minister for Transport Infrastructure, Jacinta Allan, said Labor took the Suburban Rail Loop proposal to the last state election in 2018 and the government intends to deliver it.

"The suburban rail loop is a project that Victorians voted for and they've backed the project because of the vital connections it provides to universities, to our hospitals in the suburbs," she said.

"These are the connections that the Liberal Party and Matthew Guy will cut."

The government said scrapping the project would also cost thousands of jobs during construction and delivery of the project.

Opposition says it will honour contracts already signed

Opposition Leader Matthew Guy said there would still be job opportunities in construction under his party's proposal.

"There are thousands of jobs to be created in building new hospitals, and there are thousands of people who have to work in those hospitals, and more the point, in doing so, it's saving Victorians'

lives," he said.

"Building a railway tunnel from Cheltenham to Box Hill doesn't save anyone's life. Building or upgrading 20 hospitals around the state does."

The [scrapping of the East-West Link by the Andrews government](#) after contracts had been signed cost taxpayers more than \$1 billion, but Mr Guy said a government led by him would honour contracts already signed.

The opposition said last year [it would revive the East-West Link project if elected](#), as long as the Commonwealth's \$4 billion funding offer stood.

Victorian Nationals leader Peter Walsh said a quarter of the money diverted from the Suburban Rail Loop would go towards regional hospitals.

John Setka — the Victorian secretary of the Construction, Forestry, Mining and Energy Union — criticised the announcement, arguing the move would cost construction workers close to 25,000 jobs.

"With a large portion of our members working on government projects, this will have a detrimental impact on them and their families," he said.

"The Suburban Rail Loop is a critical piece of infrastructure to provide Victorian's access to education, healthcare, and jobs.

"It is what Victorians voted for and deserve."

Think tank says project 'riddled with risk'

Marion Terrill, transport and cities program director at the Grattan Institute, welcomed the opposition's decision to pause the rail loop if elected.

"The suburban rail loop has been a project that's been riddled with risk from day one," she said.

"It was conceived of in a very secretive process announced just before the 2018 election and it was three years later that we got quite a sketchy business and investment case."



Marion Terrill says the Suburban Rail Loop project should be paused for now. (ABC News)

Ms Terrill said the project bypassed Infrastructure Australia and Infrastructure Victoria's usual approval processes.

Speaking based on the plans that have been released, she said connectivity between existing and new stations looked to be poor.

"If they're not well integrated, people won't like it and they won't use it," she said.

She said given the Victorian government's pandemic-induced debt, questions needed to be asked about whether the Suburban Rail Loop was the best use of funding.

"There's a lot of reasons to go slow, to pause, and to think if this is really the best use of a generation's worth of infrastructure funding," she said.

National Victoria Public transport

‘Stunning hypocrisy’: No business case for Suburban Rail Loop



By Patrick Hatch

July 29, 2022 — 10.41am

KEY POINTS

- Early work has begun on the \$35-billion first stage of the Suburban Rail Loop, but the Andrews government has not submitted a business case to Infrastructure Australia.
- Infrastructure Australia says this prevents it from assessing whether the mega-project deserves billions of federal-taxpayer dollars.
- The proposed 90-kilometre orbital rail loop will connect suburbs from Cheltenham in Melbourne's south-east to Werribee in the west.
- It will be Victoria's biggest ever infrastructure project, taking decades to build and with costs estimated up to \$100 billion.

The Andrews government is pushing ahead with its flagship, multibillion-dollar Suburban Rail Loop despite not submitting a business case to Infrastructure Australia.

Early work has begun on the \$35 billion first stage of the rail loop, which will run from Cheltenham to Box Hill and is due to open in 2035.



Premier Daniel Andrews attends as ground is broken on the Suburban Rail Loop project in early June. AAP

Prime Minister Anthony Albanese committed \$2.2 billion ahead of the May election as an initial investment in the 90-kilometre orbital railway through Melbourne's middle suburbs. Victoria is seeking another \$9.3 billion in federal funds.

But Infrastructure Australia – the advisory body which helps the federal government decide how best to use taxpayer money – has confirmed it has not received a detailed financial plan for the project, preventing it from assessing whether it deserves further funding.

A spokeswoman from the advisory body said the Victorian government made a preliminary submission on November 3 last year, three years after announcing the project, but did not include a business case.

“We continue to engage with the Suburban Rail Loop Authority, however, no new material has been received beyond the stage 1 submission,” she said.



The Andrews government's planned Suburban Rail Loop.

Opposition transport spokesman Matthew Bach said the loop's enormous cost required urgent independent assessment.

"This project was announced on Facebook 1432 days ago, and previously, the Andrews Labor government has made it very clear that it is essential for business cases for all projects to be assessed by Infrastructure Australia," he said.

"The fact that they haven't done that is an example of stunning hypocrisy and also opens Victorian taxpayers and the Victorian budget up to massive risk."

In 2014, newly elected Premier Daniel Andrews tore up the Napthine Liberal government's contract to build the East West Link, arguing it was a "dog of a project", with traffic projections shrouded in secrecy and "plucked out of thin air".

The Age revealed last year that the Suburban Rail Loop was conceived in a secretive process led by consultants at PwC that shut out most of cabinet and the then head of the Transport Department.

After a string of funding scandals under the former Morrison federal government, Albanese won the May election promising to take politics out of big-project funding and restore Infrastructure Australia's role in guiding where cash should flow.

An Andrews government spokeswoman said Victorians "voted for the Suburban Rail Loop" at the 2018 election and that "Infrastructure Australia has backed that in" by listing suburban connectivity as a priority project.

"If we waited for Infrastructure Australia to finalise all their assessment processes before starting work on projects, then the Metro Tunnel would be years away, 65 level crossings would

not have been removed, and we would not be building Melbourne Airport Rail,” she said.



MATT GOLDING

The state government has said the cost-benefit ratio for the first two stages suggests that for every \$1 spent on the project, between \$1.10 and \$1.70 would be returned.

A 400-page investment case released last year showed just two sections of the line in the east and north-east could cost \$50 billion and would not be completed until 2053.

The second proposed section of the loop would run from Box Hill to Melbourne Airport, which would be followed by a final link through the western suburbs to Werribee.

Michael Buxton, professor of Environment and Planning at RMIT, said it was remarkable the state government committed to the project months before the 2018 election without knowing how much it would cost or considering alternatives.

“Infrastructure Australia and Infrastructure Victoria are supposedly set up to assess major projects and give them a priority and to provide an assessment of whether they’re worth pursuing,” he said.

“[Victoria] didn’t do that - it just committed itself to the project regardless of what anybody else thinks.”

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Exclusive National Victoria Trains

Go West: Experts in call to drop Suburban Rail Loop for ‘more urgent’ projects



By Patrick Hatch

July 12, 2022 — 6.50pm

The Andrews government’s flagship Suburban Rail Loop project risks monopolising public transport spending for decades and delaying other more urgent and beneficial infrastructure, transport experts have warned.

Independent transport think tank the Rail Futures Institute is calling for the \$35 billion rail loop to be delayed in favour of a proposal it calls the East-West Rail, which would create a third cross-city tunnel and connect Melbourne’s booming outer western suburbs with the CBD, Parkville and Fishermans Bend.



Premier Daniel Andrews and Transport Minister Jacinta Allan at the site of the Suburban Rail Loop station at Clayton last month. ANDREW HENSHAW

A growing chorus of transport experts is urging the Andrews government to rethink the Suburban Rail Loop. Infrastructure Victoria and local councils say Melbourne desperately needs a third tunnel – the long-anticipated Melbourne Metro 2.

Rail Futures president John Hearsch said: “We’re saying to the government, slow [Suburban Rail Loop] down – it doesn’t have the urgency that these projects do. What we’re proposing is something that has been badly needed for a long time.”

The first stage of the rail loop, consisting of six underground stations between Cheltenham and Box Hill – which the state government announced from left field before the 2018 state election – has a budget of up to \$35 billion and is set to open in 2035. A second section continuing through the north-eastern and northern suburbs to Melbourne Airport is envisioned by 2053, followed by a western section to Werribee.

Jonathon Marsden, chair of the Metropolitan Transport Forum – a coalition of 26 local councils – said it was critical the state’s commitment to the loop did not prevent construction of the Metro 2 from starting as soon as the first Metro Tunnel opens in 2025.

“It makes sense to redirect the [tunnel] boring machines and start the under-river crossing to link the jobs-rich corridor of the suburbs to the west of Newport with the new urban development at Fishermans Bend,” he said.

A government spokeswoman said the state’s project pipeline would deliver the same purported benefits as the Rail Futures Institute’s plan.

“Metro Tunnel, Suburban Rail Loop, the Western Rail Plan, Eastern Express Busway and our ongoing investment in the current public transport network is transforming the way Victorians move around the city,” she said.

Rail Futures’ proposed East-West Rail would consist of twin 14-kilometre tunnels running from Fitzroy to Newport, with new underground stations at Fitzroy, Parkville, Flagstaff, Southern Cross, Fishermans Bend (the site of a massive urban development) and Spotswood.



The Suburban Rail Loop would connect Melbourne's middle suburbs. FAIRFAX MEDIA

Heading west, the project would deliver Metro trains to Wyndham and Melton, which are currently serviced by V/Line. The Werribee line would extend to Wyndham Vale and new stations would fill in transport black spots at West Werribee, Black Forest Road, Truganina, Tarneit North and Tarneit West.

Hearsch said the project replicated the best features of the government's Western Rail Plan, announced before the 2018 election, which he said appeared to have stalled.

Professor Jago Dodson, director of RMIT University's Centre for Urban Research, agreed the Metro 2 tunnel was more urgent than the Suburban Rail Loop, especially because Fishermans Bend was expected to be home to 80,000 residents and 80,000 jobs by 2050.

Dodson said the bigger problem was that Victoria's planning process to decide what infrastructure the state needed had broken down, with the government failing its obligation to develop a comprehensive transport plan for Melbourne.

"Had we gone through the proper planning process that is expected ... that would be the point at which all these questions could be debated and deliberated on," he said.

In its 30-year strategy released in August last year, Infrastructure Victoria said the state should prioritise extending Metro train services to Melbourne's west and outer north, and start planning for the Metro 2.

Infrastructure Victoria – an independent body that advises on the state's future infrastructure needs – did not assess the rail loop because the government announced it in 2018 as the project it was committed to build.

Rail Futures does not have full costings for its plan. Based on the first Metro Tunnel's disclosed \$13 billion price tag, it estimates the larger project would cost about \$30 billion and could be completed by 2035, with western train service upgrades delivered by 2026.

The Victorian Liberals' transport spokesman, Matt Bach, said the Coalition would audit all major infrastructure projects worth more than \$100 million if it won power at the November election.

"When it comes to the Suburban Rail Loop ... there are significant questions that need to be asked and answered before the government forges ahead," Bach said.

Prime Minister Anthony Albanese pledged \$2.2 billion for the Suburban Rail Loop before the May election, but the state government wants another \$9.3 billion from its federal colleagues.

The first Melbourne Metro tunnel is under construction and is due to open by 2025, with five new underground stations in North Melbourne, Parkville, the State Library, town hall and near the Shrine of Remembrance on St Kilda Road.

The Morning Edition newsletter is our guide to the day's most important and interesting stories, analysis and insights. Sign up here.



Patrick Hatch is transport reporter at The Age and a former business reporter. Connect via [Twitter](#).

Released under FOI Act

By Patrick Hatch

The Age

Monday 4th July 2022

744 words

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364cm on the page



Mayors call for rail loop rethink

Patrick Hatch

Transport reporter

The Andrews government has been told to redesign parts of its flagship Suburban Rail Loop project amid concern poor connections to existing Metro train lines and other public transport could undermine the \$34.5 billion project.

The City of Monash started writing to about 24,500 households last week highlighting its concerns about the design of the Suburban Rail Loop (SRL) station at Glen Waverley, where passengers will have to exit the new underground station and walk about 200 metres at ground level to transfer to the Metro station. Monash Mayor Stuart James said the design was not a “proper connection” and the decision not to build an underground walkway between the two stations was a missed opportunity to create an integrated transport hub.

“Instead of building a tunnel underground, they’re going to make it at grade and presumably that’s to save money,” he said. “We’ve been talking to the [Suburban Rail Loop Authority] for a number of years, and we don’t feel that we’re getting anywhere.” Community feedback had been overwhelmingly in favour of the council’s uncoded alternative for an underground link between the two stations, James said.

The City of Whitehorse is also calling for an underground walkway

to connect Box Hill station and the new loop station, to allow quicker and easier transfers to the Lilydale and Belgrave lines. Mayor Tina Liu said the current design would result in poor connectivity, requiring passengers to exit the loop station, walk 205 metres through a shopping centre and then descend again to the Metro station (about a three-minute walk) or go up an escalator to the bus exchange (a four-minute walk).

“It seems like the SRL are looking at this project in isolation, whereas they should be looking ... at it more holistically, as an integrated transport solution,” said Liu.

The government has pitched the rail tunnel – to open in 2035 – as city-changing infrastructure linking the “spokes” of Melbourne’s CBD-centric Metro rail system with an orbital loop connecting middle suburbs. Almost half the passengers using the rail tunnel will be transferring to or from Metro train, tram or bus services, planning documents show.

At the new Cheltenham and Clayton stations, the proportion will be close to three-quarters.

Early work on the project’s first 26-kilometre eastern section, from Cheltenham to Box Hill, started last month. The government proposes that in the decades ahead, a northern section of the loop will continue to Melbourne Airport and then a western leg will be built to Werribee.

A government spokeswoman said

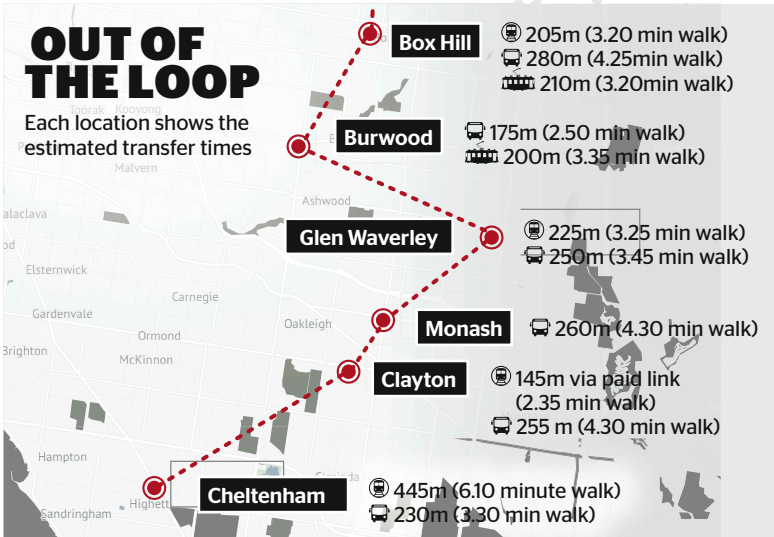
the project was “continuing to investigate options for the station interchanges to ensure they’re as fast, safe and convenient as they can be. “The passenger experience is at the heart of planning the SRL East stations. Cheltenham, Clayton, Glen Waverley and Box Hill will include quick and easy connections to existing rail lines – you won’t have to touch off and back on when transferring to and from SRL trains.”

Cheltenham station will have the worst transfer times, with commuters to trek almost half a kilometre on a walkway across Bay Road to the Metro train station and bus interchange at Southland shopping centre, taking more than six minutes.

City of Kingston is pushing for an underground connection between the two stations and for a “bus loop” to be built at the new rail loop station at William Fry Reserve, to allow quicker transfers. “People could make their way from one station to the other through a mall, and that would be a comfortable and easy way to make their journey,” Mayor Steve Staikos said.

Although pushing for design changes, all three mayors support the project in general.

Daniel Bowen, from the Public Transport Users Association, said many of the designs suggested a poor outcome for users and the world’s best systems made interchanges as quick and easy as possible.



[National](#) [Victoria](#) [Public transport](#)

OPINION

Suburban Rail Loop's latest woes another reason to hit pause

**Marion Terrill**

Transport and cities program director at Grattan Institute

July 5, 2022 – 4.00pm

It was with great fanfare that the Andrews government announced the Suburban Rail Loop three months out from the 2018 election, but there have been red flags on the track ever since.

The latest problem is poor integration of proposed new stations with existing ones at Glen Waverley, Box Hill and Cheltenham. Local mayors want a rethink, so commuters won't have to exit one station to enter the other, and to keep the distances short.

Commuters face a disjointed connection between Box Hill station (pictured) and the new loop line. EDDIE JIM

The government calls the Suburban Rail Loop “city-shaping” and argues we need it to complement the hub-and-spoke train system that takes passengers into the CBD. It sounds like a good idea, but there has been a litany of problems.

The mayors are right: the project needs a rethink – not just stations, but lock, stock and barrel.

The Suburban Rail Loop is a 90-kilometre passenger rail line that will arc around the city, from Cheltenham, through the eastern and northern suburbs, to the airport and around to Werribee. The sections from Cheltenham to the airport are scheduled for completion several decades from now, at a cost somewhere between \$30 billion and \$50 billion. It's the largest public transport project ever to get going in Australia.

Suburban Rail Loop is not only the largest, but also one of the least scrutinised projects in recent Australian history. The project did not appear on Infrastructure Australia's priority list. It wasn't in the state government's 'Plan Melbourne' blueprint. Infrastructure Victoria did not recommend the project and was not consulted before the government's announcement. Neither was cabinet, nor the Department of Transport. Instead, the project had been worked on by Development Victoria, reportedly with the knowledge of only four ministers.

The Andrews government's planned Suburban Rail Loop.

It still hasn't made it to even the most preliminary stage of Infrastructure Australia's priority list, but that didn't stop Anthony Albanese, in the heat of the recent election campaign, from promising \$2.2 billion of federal government money for the project.

This project is riddled with risk. Grattan Institute research shows that [bigger projects are riskier projects](#); projects with first-announced costs of more than a billion dollars have a cost overrun almost half of the time, and the average increase in costs is 30 per cent. And if the project is announced close to an election, the average cost overrun is 23 per higher than for similar projects announced at other times.

It's true that public transport in Melbourne is patchy once you get away from the centre, and some outer areas are poorly served. The difficulty is scale: the suburbs just aren't like the CBD. For heavy rail to compete with driving, there need to be frequent services and competitive trip times. And that requires large numbers of people travelling from a small number of origins to a small number of destinations.

But the 15 suburbs that will get a new station only have about 10 per cent of Melbourne's jobs between them, and those jobs are dispersed throughout the suburb rather than concentrated the way they are in the CBD. Most of the suburbs getting a new rail station already have one on the current network – and that hasn't transformed them into jobs hotspots.

Supporters of the Loop may say that if we had insisted on a careful process we wouldn't have built the Sydney Opera House, and that the Suburban Rail Loop, too, will be transformative. The problem is, though, that there's an infinite number of projects that could be transformative, and in the end, we need to choose with our eyes open.

To hit up every inhabitant of Melbourne for somewhere between \$6000 and \$12,000 just for the Cheltenham to the airport sections is a decision that should not be taken without the utmost due diligence.

In suburban areas, most people drive. That's even more true post-pandemic, where people have shunned public transport due to an understandable fear of catching COVID.

And now we're facing a time of high uncertainty; we simply don't know which of our new patterns of work and travel will become permanent, and it's a brave person who would say all the projects conceived pre-COVID are the right ones for a changed world.

NSW is slowing down its major projects, recognising that there's just too much going on, and the tight market for engineering construction is pushing up prices. Victoria should follow suit.

We don't have a good process for cancelling projects that turn out to be less attractive than they might have once seemed, but the mayors are right in calling for, at a minimum, a pause and a rethink.



Marion Terrill is the transport and cities program director at the Grattan Institute.

Exclusive Politics Victoria [Infrastructure](#)

This was published 5 months ago

Our way or the railway: Canberra rejects \$11.5b suburban loop request

By [Paul Sakkal](#)

April 1, 2022 — 5.00am

TALKING POINTS

- The Morrison government rejected the Andrews' government's request for \$11.5 billion in funding for its Suburban Rail Loop project.
- Victorian Labor is hoping for an Anthony Albanese win because federal Labor is likely to commit billions to the rail loop.
- Victoria's debt level is soaring and there are concerns about how the state government will pay for the project.

The Morrison government says Victorian Labor's multibillion-dollar [Suburban Rail Loop](#) does not "stack up", raising questions about the state government's ability to pay for the project if forced to go it alone.

Urban Infrastructure Minister Paul Fletcher also hit back at [attacks from the state government](#), which has criticised the Commonwealth for only allocating 6 per cent of the budget's infrastructure funding to Victoria, which is home to 26 per cent of the nation's population.



Infrastructure Minister Paul Fletcher. DOMINIC LORIMER

“We don’t work on the basis of total national funding being divided by population and writing a cheque,” Mr Fletcher said on Thursday. “We exercise independent policy judgment on where we think investment is required.”

The Age can reveal the Andrews government sought new federal infrastructure funding for only two projects, an upgrade to Mickleham Road in Melbourne’s north, to which the Commonwealth agreed to contribute \$109.5 million, and \$11.5 billion over 10 years for the Suburban Rail Loop – a mostly underground railway running from Cheltenham to Werribee via Melbourne Airport.

The latter request was rejected and Mr Fletcher said the federal government did not believe the costs for what is Australia’s biggest infrastructure project were matched by its benefits, representing the strongest opposition to the project expressed by the Commonwealth to date.

“We’re yet to see evidence this project makes sense,” Mr Fletcher said.



An artist's impression of a driverless train running on the proposed Suburban Rail Loop.

“It’s massively expensive – it’s likely the overall cost of [the first sections alone] will be between \$48-\$67.4 billion – and we don’t think the benefit has been made out to justify that cost. We don’t think the project stacks up.

“Essentially, if we had proceeded with the funding sought, it would have wiped out every other commitment we have made [in Victoria], just the scale of it.”

The project was unveiled three months before the November 2018 state election, when Premier Daniel Andrews claimed it would cost about \$50 billion and be built by 2050.

Responding to the federal government’s rejection, Victorian Transport Infrastructure Minister Jacinta Allan said Victorians were “sick of being ignored on projects they voted for by a Liberal government who [can’t even build a car park](#)”.

“This has nothing to do with the projects Victorians voted for, and everything to do with politics and an imminent federal election. Victorians endorsed [the rail loop project] at the ballot box and the business case shows it stacks up,” she said.

“With less than 6 per cent of new infrastructure funding for Victoria, supporting the Suburban Rail Loop – a small fraction of the Morrison government’s infrastructure spend – would go some way to giving Victoria our fair share.”

Mr Fletcher said government spending figures were “lumpy” because the timing of investments meant some states had more projects in the next few years while others were earmarked for further into the future.

He said the Morrison government prioritised Victorian projects that made the national economy more productive and highlighted the \$3.6 billion in the budget injected into freight terminals that would make the movement of goods around the nation more efficient.

A [Grattan Institute report published last week](#) stated: “Queensland and NSW, where federal elections tend to be won and lost, consistently receive more, and Victoria less than can be explained by population, population growth, size of the road network, share of passenger or freight travel, or what it actually costs the state government to run the transport system”.



Victorian Premier Daniel Andrews and Transport Infrastructure Minister Jacinta Allan announce the Suburban Rail Loop in 2018. JOE ARMAO

In a pre-budget letter to Deputy Prime Minister and Infrastructure Minister Barnaby Joyce, Ms Allan said the Victorians were “seeking to partner with the Commonwealth” on the rail loop.

“Again, I commend this project to you for funding consideration given the significant economic and productivity benefits [it] will deliver for the nation,” the letter said.

Mr Fletcher did not rule out funding the rail loop if new information emerged about its benefits. However, his strong commentary about the project’s merits creates the possibility that it may never get funding from a federal Coalition government.

Canberra’s rejection comes amid the backdrop of a worsening budget position for Victoria, which is expected to hold \$155 billion in debt in coming years.

The feud over the rail loop also raises the stakes in the federal election. Two federal Labor sources, speaking anonymously because plans are not finalised, said it was highly likely the party would announce a spending pledge for the project before the election due in May. Federal Labor committed \$10 billion to the loop before the 2019 election.

An Age investigation last August detailed the secretive and questionable conception of the rail loop, which was led by consultants at PwC and shut out most of the state's cabinet and the then head of the Transport Department.

A 400-page investment case released last year showed just two sections of the line in the east and north-east could cost \$50 billion and would not be completed until 2053.

Some transport experts believe the project will cost closer to \$100 billion.

Separately, the state government has attacked the federal government for excluding any Victorian projects from a [\\$7.1 billion Energy Security and Regional Development fund](#) controlled by the Nationals and established to secure Nationals support for Prime Minister Scott Morrison's net zero emissions promise.

Former infrastructure minister Darren Chester, also the National Party MP for Gippsland, said he understood the fund's focus on undeveloped parts of regional Australia with "huge potential" but he would argue after the election for a large funding package for the Latrobe Valley, whose economy is transitioning away from brown coal.

He said the Victorian government was partly to blame for the relative lack of federal investment for the state.

"They are a large part of the problem because they have a nasty habit of announcing infrastructure projects at press conferences and demanding the Commonwealth pick up half the bill," he said.

Jacqueline Maley cuts through the noise of the federal election campaign with news, views and expert analysis. Sign up to our Australia Votes 2022 [newsletter here](#).



Paul Sakkal is a Victorian political reporter for The Age. Connect via [Twitter](#).



Public service

This was published 1 year ago

Thrown in a loop: How Daniel Andrews' biggest project was cooked up behind closed doors

Originally codenamed Operation Halo, this was an infrastructure project so secret that board members of the government agency responsible for its delivery knew nothing about it until it was announced.

By Timna Jacks, Chip Le Grand and Paul Sakkal

AUGUST 15, 2021



Tom Considine, Daniel Andrews, James MacKenzie - the men at the centre of the state's Suburban Rail Loop.

At one minute past 7am on August 28, 2018, as people were boarding trains for their morning commute, Victorian Premier Daniel Andrews' Facebook page lit up with plans for an ambitious new rail project.

The slick two-minute government advertisement opened with a Lego-like animation showing passengers moving around a brand new underground station. “The biggest public transport project in history is coming to Victoria,” a woman’s voiceover claimed.

As the music (composed by Mark Petrie, a New Zealander who specialises in trailers for Hollywood blockbusters) swelled, the narrator informed Victorians it would carry 400,000 passengers a day, create 20,000 construction jobs and link to more than a dozen suburban stops.

Originally codenamed Operation Halo, this was an infrastructure project so secret that board members of the government agency responsible for its delivery knew nothing about it until it was announced and the senior transport bureaucrat working on its design was legally gagged from telling his boss. All but a handful of government ministers were also kept in the dark.

By the time the Facebook video was posted the project had its final name: the Suburban Rail Loop. A 90-kilometre orbital rail line, this mammoth project was estimated to cost \$50 billion but is expected by insiders to finally land at twice that amount. It is the largest and most expensive transport project conceived by a state government.

But as Victoria prepares itself for another election next year, troubling questions hang over this project. Politicians, planning experts and experienced advisers say that by designing and committing to it behind closed doors the government failed to make the transport, planning and financial cases for it.

For a can-do Premier and a government eager to promote its “Big Build” infrastructure program heading into the 2018 election, the promotional video was on-brand. And politically, it worked. The project is considered by analysts to have been the most popular single policy leading into an election that Labor won in a landslide.

But within Development Victoria, the government’s development arm, the Facebook video hit a jarring note. The public agency was charged with overseeing the project, but the board was left out of its planning and only a few trusted insiders were aware it was coming. Among the inner circle were Labor’s go-to board director James MacKenzie, former Labor political adviser Tom Considine and a personal friend of Daniel Andrews, then PricewaterhouseCoopers chief, Luke Sayers.

Transport experts question whether the loop is the best way to spend transport dollars. Its timelines, budgets and ambitions are even now not clearly spelled out. Why did the government prefer to entrust the city’s transport planning to a small coterie of consultants when it has an entire bureaucracy dedicated to that task?

It was, according to RMIT’s centre for urban research director Jago Dodson, “a bald political decision to spend at least \$50 billion on the basis of effectively no planning whatsoever”.

Three mates and a bottle in an Airbus

The Age has traced the likely genesis of the Suburban Rail Loop to a conversation between three men held at 30,000 feet in the business-class galley of a Cathay Pacific flight to Hong

Kong in 2015. At the bar that day were MacKenzie, businessman Sir Rod Eddington and retired public servant Terry Moran.

Eddington, the chairman of Infrastructure Partnerships Australia and inaugural chairman of Infrastructure Australia, was [hand-picked by Victorian premier Steve Bracks a decade earlier](#) to find a way to move people and freight between Melbourne's eastern suburbs and its fast-growing west. His 2008 report recommended construction of the [Metro Tunnel](#), the Regional Rail Link – an extension of V/Line railway tracks through Melbourne's outer west – and the East West Link. Eddington's report set the state's infrastructure and transport agenda for a generation.

Moran, Bracks' public service chief and the Department of Prime Minister and Cabinet secretary under Kevin Rudd and Julia Gillard, is one of the nation's most respected bureaucrats. Like Eddington, he'd known MacKenzie for many years.



Rod Eddington. JUSTIN MCMANUS

What began as three friends sharing a fine bottle of wine at the pointy end of an Airbus A330 became a wide-ranging discussion about the future shape of Melbourne, then nearing a population of 5 million, and how to ease the city's growing pains. An orbital rail loop was not discussed, but Eddington's and Moran's independent recollections suggest that, between them, they planted the seed in MacKenzie's mind. MacKenzie has since confirmed this to people involved in the project.

Eddington believed then, as he does now, that to remain liveable, Melbourne needed an urban rail network comparable to the London Underground, Paris Metro or Hong Kong's MTR. In the midair conversation, he reflected that [the Metro Tunnel](#), first proposed in his 2008 report, was

intended as the first of multiple lines in an underground rail system to be built over 30 or 40 years.

Moran argued that the flaw in Eddington's contentious East West Link — a road tunnel supported by the Napthine government but rejected by Labor — was that it directed more traffic in and out of the city centre. The key to Melbourne's future liveability was developing suburban hubs, reducing pressure at the centre. As their plane travelled north above the Pacific, he explained that the cost of building those hubs could be met partly by capturing the value of developing the land around them.

This was not a new idea. Successive government plans for the city have argued that if Melbourne is to cope with a doubling of its population to a forecast eight million by 2051, jobs and key business centres need to be spread around the city. The city's latest planning blueprint, [Plan Melbourne](#), identified Werribee, Sunshine, Bundoora, Heidelberg, Clayton, Parkville, Dandenong and Fishermans Bend as precincts to be prioritised for jobs, housing, urban renewal and integrated transport links.

As the coronavirus pandemic prompts [a shift away](#) from the once-bustling CBD, planners say these objectives have become even more pressing.

MacKenzie, who declined to be interviewed for this story, disembarked from that Cathay Pacific flight with two clear takeouts: the need for more underground rail and better suburban hub development. Multiple sources involved in Operation Halo say the idea for the Suburban Rail Loop was to solve both those problems.



Then Treasury Secretary Ken Henry, Prime Minister Kevin Rudd and Prime Minister Cabinet Secretary Terry Moran in 2008. GLEN MCCURTAYNE

Its construction would stimulate development of many of the suburban hubs identified by Plan Melbourne, with new stations proposed for Monash, Deakin and La Trobe universities and a single, continuous underground loop running through Sunshine and Werribee.

At least that was how it started off.

A small team on a big job

In the eyes of Victorian Labor, James MacKenzie is a proven quantity and a safe pair of hands. A former chair of the Transport Accident Commission and president of the Victorian Arts Centre Trust, he was the businessman [chosen by Labor](#) to publicly assess its 2014 campaign costings.

MacKenzie is not as personally close to Daniel Andrews as he was to Bracks but when it came to seeking government support for the Suburban Rail Loop he didn't need to be. One of his senior executives at the newly-formed Development Victoria, Tom Considine, was a former top adviser to Andrews.

When Andrews was leading Labor in opposition, Considine coordinated the party's policies for the 2014 election. After that poll he worked as a chief of staff to Treasurer Tim Pallas. Government sources say that in that role Considine remained the eyes and ears of the Premier.

A shrewd political operative, Considine is genuinely interested in big ideas. At Development Victoria, with the firm backing of MacKenzie, he was given full rein to indulge both passions and a broad remit to explore the feasibility of a city-changing project like the Suburban Rail Loop. He flew to London and New York with MacKenzie on a taxpayer-funded trip to investigate the railways in these mega-cities, two months before the 2018 poll. Operation Halo was Considine's baby.

“Is it a precinct project or a transport project? If it's a transport project there are a hell of a lot of better ways to spend your money.”

A consultant working on the Suburban Rail Loop

When the project was conceived in early 2017, a small team at PwC was commissioned to do a month's work on what the construction of a new orbital rail line could mean for real estate values and economic activity. A route was devised and thought given to the role of capturing the value from the development. To Considine and MacKenzie this was much more than transport; it was about transforming Melbourne into a polycentric city.

In mid-2017, MacKenzie called a meeting with PwC partners and PwC chief executive Luke Sayers to request a preliminary business case. It was little more than a tyre-kicking exercise — the government had then estimated a full business case would take three years and at least \$15 million to develop.

At the meeting in the PwC building MacKenzie emphasised the need for absolute secrecy. It was understood that if anyone leaked their plans, they could be sacked.

On the 20th floor of the Skyscraper Centre, PwC's glass-and-steel headquarters in Southbank overlooking the Yarra, 25 to 30 consultants from PwC and Aurecon worked on Operation Halo's design and economic feasibility. Each was required to sign a non-disclosure agreement barring them from discussing their work with anyone outside the project team, including their bosses. They worked in designated offices on the partners' floor, separate from the main open-floor office area for six months, on a part-time basis. No documents were to leave the locked rooms.

Corey Hannett, director-general of the Major Transport Infrastructure Authority, was brought in to provide additional engineering and design advice, but he too was required to sign a non-disclosure agreement. This had the effect of concealing the project from the person he was supposed to report to: departmental secretary Richard Bolt.

Bolt, who declined to be interviewed for this story, and the state's head of transport, Gillian Miles, both left the newly-named department shortly after the Suburban Rail Loop helped re-elect the Andrews government.



Richard Bolt in 2016. EDDIE JIM

In an interview with *The Age*, Transport Infrastructure Minister Jacinta Allan said measures taken to keep the rail loop project secret were in line with normal Cabinet procedures. Any leaks would have raised the risk of land speculation.

"This project was developed in the usual way that respected Cabinet confidentiality," Allan said.

Politics first

Normally, the sprawling super-department of Economic Development, Jobs, Transport and Resources, then run by Bolt, is where a government would turn for apolitical, expert advice on rail construction and urban development and a cost-benefit analysis of what a project like the Suburban Rail Loop might bring.

But documents obtained by the Opposition under freedom of information show the first mention of the project in Development Victoria board correspondence was the morning of the announcement, when a phone hookup was hastily organised under the title "Suburban Rail Loop Collateral".

Development Victoria directors who dialled into the meeting describe a mixture of bemusement and angst as MacKenzie explained why they had been kept in the dark. One board member said it was clear from the discussion that support for the rail loop had come from "on high". Everyone understood that MacKenzie, the chair of union-friendly law firm Slater and Gordon and the Victorian Fund Management Corporation responsible for \$69.4 billion in public sector assets, had a direct line to the Premier.

Even inside the Andrews government, information about what was being cooked up in the PwC tower was known to only a handful of ministers. Tim Pallas and Gavin Jennings, Daniel Andrews' Special Minister for State who managed the government's relationship with senior public servants, were the first to be told. Then the Premier, then Major Projects Minister Jacinta Allan and finally, Deputy Premier James Merlino were briefed.



Minister for Transport Infrastructure Jacinta Allan, Deputy Premier James Merlino and Treasurer Tim Pallas. SCOTT MCNAUGHTON

Not by coincidence, this gang of five also formed Labor's Policy Group responsible for developing the policy basis of its campaign for re-election the following year.

From the moment the Suburban Rail Loop was embraced by this group, it was treated as an election promise first and government policy second. This is the justification cited by senior government sources for using consultants and Development Victoria, rather than Bolt's department, to plan it.

But keeping a \$50 billion project a secret required extraordinary steps. Annual reports reveal that government money to pay for consultancy work was funnelled from the Department of Premier and Cabinet to Development Victoria, with the contracts personally signed by then [Department of Premier and Cabinet secretary Chris Eccles](#). Evidence of these payments appear in the Development Victoria annual reports as a \$1.36 million payment from DPC in 2017-2018 for a "civic infrastructure project" and a further \$2 million for "project cost recovery" the following year.

Eccles put bureaucratic responsibility for the project in the hands of [Simon Phemister](#), a fast-rising deputy secretary within DPC. After Bolt left in 2018, Phemister — a protege of Eccles who developed a close relationship with the Premier's key staffers — was given his job. Hannett, the head of the agency overseeing the Metro Tunnel and West Gate Tunnel projects, was the government's leading expert on tunnels and the most senior transport bureaucrat brought into the project. Hannett reported directly to Allan.

But within the gang of five ministers, a turf war was brewing.

Transport v urban development

Multiple sources close to the government said Jennings, as the Minister for Priority Precincts, was sold on the conception of Operation Halo as an urban development project that would stimulate the growth of suburban hubs and believed the project came under his portfolio.

But Jacinta Allan, then-minister responsible for major projects and public transport, saw the SRL as essentially a transport project firmly within her realm, according to the sources.

Jennings [abruptly quit the government](#) in March 2020. He has never spoken about what made him quit, and he declined to be interviewed for this story. Allan was immediately handed Jennings' precincts portfolio and two months later was given the newly created role of Suburban Rail Loop Minister. Allan would not be drawn on the alleged rift between the ministers in questions from *The Age*.



Gavin Jennings. DARRIAN TRAYNOR

The two competing conceptions of the rail loop played out in multiple name changes for the project. In 2017, Halo first became the Urban Development Program, reflecting its more ambitious, city-building goals. This was subsequently changed to simply Orbital Rail. In early 2018 the government settled on Suburban Rail Loop. The debates were also played out in questions over where it would run, where it would stop and when it would be built.

Initial plans drawn up by consultants were for a continuous loop and possibly, several — a highly interconnected rail network modelled on those in other world capitals, with multiple cross-city options at stations that also served as centres for shops and high density apartments.

The route needed to be carefully chosen and the implications for local planning and development considered. This would require time, patience and, once the project went live, extensive community and stakeholder consultation. Construction could not reasonably start until 2026.

In August 2018, Premier Andrews made the call. It would be a single rail line, its alignment set, and its construction to begin in 2022.

A consultant who worked on Operation Halo questioned what Victoria had been left with: “Is it a precinct project or a transport project? Because, if it is a transport project, there are a hell of a lot of better ways to spend your money.”

Meanwhile, most of those who advocated for the Loop in secret have consolidated their influence. MacKenzie was handpicked to chair the authority established to build the project. In

2020, he brought Considine in as interim chief executive of the authority, which has since hired seven former Andrews government ministerial advisers or DPC staffers.

Considine has since left the Suburban Rail Loop Authority to become a partner at Sayers' consulting firm. Industry sources say the firm is bidding for work on the project, but when contacted by *The Age*, Sayers said he was unable to comment on client-related matters and the government said the firm was not a prospective contractor.

In June this year, Considine was appointed to the board of Victorian Funds Management Corporation, chaired by MacKenzie. That same month, MacKenzie was appointed as co-chair of a separate board overseeing the redevelopment of the Melbourne arts precinct.

Growing scepticism

If the Suburban Rail Loop delivers what it was originally designed to do — and what the launch-day brochure claimed — it will be a transformative project that makes it easier for people to live, work and commute in the city.

Changing the city's 19th century spoke-and-wheel rail system by building an orbital link would reduce cross-city train commutes, as people would no longer need to travel into the city to get around it. It would be a circuit breaker for decades of car-oriented transport planning in Melbourne, freeing up congested freeways with desperately needed railway stations finally built in Doncaster, Burwood and the Monash University Clayton campus, where buses are bursting at the seams.

Allan says the loop delivers the calls of Plan Melbourne to respond to forecast population growth by boosting density in the suburbs and creating better public transport links that ease the pressure on constrained roads.

"The radial rail network was not going to deliver the public transport network that was needed for a city that was going to be the size of London by the late 2050s. We needed a game changer," Allan said.

"Plan Melbourne's aspiration is to have a city of centres and that's what the Suburban Rail Loop realises."

This vision captured the hearts and minds of voters in 2018, with an average primary vote swing of 6.3 per cent to the ALP in the 11 electorates where stations were promised, compared with a 4.75 per cent statewide average. Of the eight seats Labor picked up at the 2018 election, three — Box Hill, Burwood and Mount Waverley — were electorates where new stations were planned.

While the policy's political success is difficult to quantify with precision, strategists from both sides say the pitch had broad appeal to voters wanting better transport, and fitted with Andrews' image as a can-do premier.

But if the rail loop is as compromised as Labor insiders and transport and some planning experts fear, it could end up as an underused rail line that starts at Southland and ends abruptly at Box Hill. If this happens, it may well share the fate of its ill-conceived predecessor,

the Outer Rail Circle, built for Marvellous Melbourne in the 1890s. That train line failed to attract customers and shut three years after opening. Its remnants can still be found in the wilds of Kew.

Now, three years after it committed to the project, the government is preparing to release an 800-page investment case, which will reveal the cost of building the first stage — a 26-kilometre tunnel through the south-east and eastern suburbs — and detailed transport and financial modelling.

Some transport experts argue that, for a fraction of the cost, orbital buses or light rail could be prioritised over underground rail, making it possible to build multiple loops rather than just one. They question how an underground rail line through the suburbs could be deemed financially viable, given the city's low densities and relatively low public transport use.

RMIT's Jago Dodson says city-shaping transport plans require years of analysis, discussion and consultation of the kind the Suburban Rail Loop did not get.

"It's very difficult to think of a comparable example of a project of this scale that has been announced with virtually no public discussion, no analysis, no preliminary deliberations or planning documentation," Dodson said. "What level of demand will there be for the Suburban Rail Loop? That's a pretty fundamental question."



An artist's impression depicting stage one of the Victorian government's proposed Suburban Rail Loop.

In bypassing the state's transport department or Infrastructure Victoria — an independent advisory set up by Premier Andrews to depoliticise infrastructure building — the government cut out of the loop those who could help answer these questions, and abandoned the usual bureaucratic checks and balances.

It's the sort of criticism levelled recently at the Morrison government's controversial commuter car parking program.

The Grattan Institute's cities and transport director Marion Terrill says these two projects reflect a growing tendency to rush out mega-projects at election time, leading to rash decisions and cost blowouts. One third of the country's mega projects that were announced without proper planning account for three-quarters of all project cost overruns, Terrill's research shows. "Whose job is it to say actually there's a better way to do this, or a cheaper way?" Terrill asks of the rail loop. "It's got to be someone's job."

But Terry Moran says splashing cash on projects before an election is the reality of modern politics.

"The only way to get things done is to get the government to commit themselves to spending the money and the only way to do that often is taking something into an election," Moran said. "If the government is re-elected, it can say it has legitimate political support to proceed."

But there are costs. The Suburban Rail Loop risks overshadowing projects outlined in 30-year transport plans, including the construction of an underground rail line connecting Newport with Clifton Hill via Fishermans Bend, the long-awaited Rowville rail line, and electrification of tracks to the fast-growing western suburbs.

A government insider with knowledge of the project said that even before it was announced, the Andrews government's infrastructure project pipeline was too large and ambitious for the construction industry's capacity to deliver.

"We were over-cooking the books as it was. There is no way we should have been trying to get away all these projects simultaneously. There were too many of them and the construction industry was ripping us off unmercifully."

There is growing scepticism, within government and outside, that the Suburban Rail Loop will ever be built. A project completion date of 2050 means future Victorian premiers will have the task of building the largest section of Andrews' rail line — possibly more than 60 kilometres — while juggling construction projects of their own.

If the 2018 election promise slips through the cracks, all that will be left is a glossy brochure, a slick video and an epic soundtrack in our ears.



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Audit snapshot

Do business cases for major transport infrastructure projects support informed investment decisions?

Why this audit is important

Developing a business case for a major transport infrastructure project involves significant resources, time and expenditure, and requires close oversight and assurance.

Business cases give the government information it needs to make important choices about potential investments.

Transport infrastructure projects make up around 70 per cent of the state's planned capital expenditure.

Who and what we examined

We looked at 4 transport infrastructure business cases against the Department of Treasury and Finance's (DTF) Investment Lifecycle and High Value High Risk (ILHVHR) guidelines:

- the Suburban Rail Loop (SRL) rail and precinct development project
- the Melbourne Airport Rail (MAR) project

- 2 much smaller scale road projects—Barwon Heads Road Upgrade and the Mickleham Road Upgrade.

We audited the Department of Premier and Cabinet, Department of Transport (DoT), DTF, Major Transport Infrastructure Authority (MTIA) and Suburban Rail Loop Authority (SRLA).

What we concluded

Business cases for 3 of the 4 projects we reviewed do not support fully informed investment decisions.

The audited agencies' business case development and oversight processes for the projects were usually consistent with DTF and agency requirements. However, 3 business cases lacked sufficient analysis of alternative project options and 2 lacked an assessment of the value for money the projects could provide under different scenarios. Agencies provided other advice but did not finalise these

3 business cases until after the government made significant financial commitments to them.

Without a comprehensive business case, decision-makers do not know whether the investments they make will maximise benefits to Victorian communities.

Our recommendations

We made 6 recommendations to DTF, DoT, MTIA and SRLA about:

- improving the ILHVHR guidelines and Gateway review process
- providing the government with a full business case for the entire SRL program of investments
- disclosing the justification for and impacts of departures from DTF's ILHVHR guidance in any published version of the MAR business case.

Key facts

Suburban Rail Loop

Integrated transport and precinct development project

Multistage investment program over decades

SRL East from Cheltenham to Box Hill expected to cost over \$30 billion

Melbourne Airport Rail

A rail link between Melbourne Airport and the CBD via Sunshine and Melbourne Metro Tunnel

Expected to cost between \$8 billion and \$13 billion

Barwon Heads Road Upgrade

Duplicates 4 km of Barwon Heads Road at a cost of \$365 million

Mickleham Road Upgrade

Adds extra lanes on Mickleham Road between Somerton Road and Dellamore Boulevard at a cost of \$220 million

Source: VAGO, based on audited agencies' information.

What we found and recommend

We consulted with the audited agencies and considered their views when reaching our conclusions. The agencies' full responses are in Appendix A.

The quality of business cases for major projects is important because they provide the basis for investment decisions. Agencies need to ensure that the information contained in business cases is timely and comprehensive so that governments can make informed decisions.

The Department of Treasury and Finance's (DTF) Investment Lifecycle and High Value High Risk Guidelines (ILHVHR guidelines) do not have the status of a statutory instrument with mandatory requirements. However, the content and presentation requirements of the ILHVHR guidance do provide a framework and basis against which DTF and decision-makers can compare and assess all standard and non-standard business cases. The guidelines state that they are applicable to any investment proposal and support the development of business cases, which are mandatory for capital investments with a total estimated investment of \$10 million or more.

We concluded that 3 out of the 4 business cases we assessed in this audit do not support fully informed investment decisions because their content was not sufficient or timely and did not meet the requirements set out in DTF's guidance.

The Department of Premier and Cabinet (DPC), DTF, Department of Transport (DoT), Suburban Rail Loop Authority (SRLA) and Major Transport Infrastructure Authority (MTIA) do not agree with our assessment of the Suburban Rail Loop (SRL) and Melbourne Airport Rail (MAR) business cases. They told us that the MAR project is a very large scale and complex project and that SRL is much more than a typical transport project because it includes an unprecedented, city-shaping and multi-generational program of integrated and precinct development works. They said our assessment of the SRL and MAR business cases against DTF's standard business case development process and guidance, which they say is typically followed for projects with a narrower scope and influence, is inappropriate and misleading.

DTF's guidance is designed to cater for large-scale investment projects and programs that have higher risks and opportunity costs than smaller scale projects. Commonly accepted better practice suggests that a well-formulated business case should precede and inform investment decisions. Circumstances where governments make commitments to projects before receiving a complete business case do not relieve

agencies from their responsibility to develop a comprehensive business case to inform subsequent government decisions.

Timing of business cases

DoT and relevant transport agencies developed the SRL, MAR and Barwon Heads Road Upgrade (BHRU) business cases between 2018 and 2021 and gave regular advice to central agencies and the government to inform progressive decision making on the projects. However, they did not give the government complete business cases in time to inform key decisions on investment commitments and project solutions for these 3 projects.

Figure A shows our assessment of whether DoT, SRLA and MTIA gave the government a business case before it committed to the project, as required by DTF's ILHVHR guidance.

Figure A: **Assessment of business case timing for the 4 projects**

	<i>Business case</i>			
	SRL	MAR	BHRU	MRU1*
Did the business case timing meet DTF's ILHVHR guidance?	A	A	R	G

Note: *MRU1 stands for Mickleham Road Upgrade.

We have used a **green (G)**, **amber (A)**, **red (R)** scale, where:

- G** = no or minor departures from relevant guidance and/or expected processes
- A** = some departures from relevant guidance and/or expected processes
- R** = significant departures from relevant guidance and/or expected processes.

Source: VAGO.

The timing of 3 of the business cases does not align with DTF's guidance:

- For SRL and MAR, the business cases came after the government made funding commitments to the projects.
- For BHRU, while DoT and MTIA completed draft versions of the business case before the government made a funding commitment in 2018, they did not complete the final version and receive government approval until August 2020.

For MRU1, DoT and MTIA provided the government with a complete business case in time to inform key decisions.

The MAR business case did not fully meet its key purpose under the ILHVHR guidance to inform key government decisions on investment commitments and project solutions. This was because it was provided too late to inform decision-making.

DoT disagrees and told us that:

- our finding does not reflect the 'progressive government decision-making' that is required for a project of its scale and complexity
- this decision-making occurred in parallel with the development of the business case to inform the planning, approval and procurement of the project.

The decisions for the MAR project (before the final business case was completed) were informed by other detailed briefings and advice from DoT, MTIA, DTF and DPC. However, this advice did not fully meet the standard expected in a business case and agencies used it to justify the limited analysis they included in the final business case.

The timing and approach adopted by DoT and SRLA for assessing the SRL investment program is also not consistent with DTF's ILHVHR guidelines. However, it does support the government's decision-making for SRL, where project development and delivery are progressing in parallel. Despite this, the government does not yet have a business case for the entire SRL program of planned investments.

Recommendation about the timing of business cases

We recommend that:

Response

The Department of Treasury and Finance	1. amends the Investment Lifecycle and High Value High Risk Guidelines to provide departments and agencies with clarity that a comprehensive business case is still required in circumstances where the government has made project-specific commitments, announcements and/or decisions before a business case is completed (see sections 2.1, 3.1 and 4.1).
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Accepted in principle

Business case content and analysis

The DTF ILHVHR guidelines indicate that a business case should provide a detailed examination of an investment proposal. They state that:

'The purpose of submitting a business case is to provide confidence to decision-makers that:

- the strategic justification for the investment is valid
- the right investment option is selected
- the agency can deliver the investment as planned'.

Figure B shows our assessment of whether the content in the business cases we examined comprehensively meets DTF's ILHVHR guideline requirements in key content areas.

We found:

- significant issues and departures from the guidance in the SRL and MAR business cases in the options assessments and economic analyses
- that the business cases for the BHRU and MRU1 roads projects largely complied with DTF's guidance requirements. However, DoT and MTIA's options assessment and analyses in the BHRU business case were too narrow.

Figure B: **Assessment of business case content for the 4 projects**

Business case content area	SRL	MAR	BHRU	MRU1
Problem definition and evidence	A	A	G	G
Case for change (benefits)	A	G	G	G
Options assessment	R	R	A	G
Economic appraisal method and presentation	R	R	G	G
Delivery case	A	A	G	G

Note: We have used a **green (G)**, **amber (A)**, **red (R)** scale, where:

G = no or minor departures from relevant guidance and/or expected processes

A = some departures from relevant guidance and/or expected processes

R = significant departures from relevant guidance and/or expected processes.

Source: VAGO.

Problem definition, evidence and benefits

Under DTF's ILHVHR guidance, business cases supporting bids for government funding need to describe and provide evidence for the problems they are trying to solve and the benefits they are trying to achieve.

The departures from the guidance that related to problem definition and evidence occurred mainly in the SRL and MAR business cases. Specifically, the problems described:

- in the SRL business case do not:
 - clearly identify how the proposed benefits flow from the problems identified
 - adequately demonstrate how some of the benefits are a direct consequence of the SRL project
 - immediately point to the need for a transport-related intervention
- in the SRL and MAR business cases are not supported with comprehensive evidence for or detailed descriptions of:
 - their root causes or underlying drivers
 - why the government needs to act now.

Options assessment

DTF's business case guidance expects an agency to explore and assess a broad range of interventions and options so it can recommend a preferred one based on evidence of relative costs and benefits. The guidance states, 'Business cases that are weakest in this area often propose just three options: do nothing, do something that is infeasible, or do what the business case is proposing'.

The SRL, MAR and BHRU business cases fall short of this standard because, although none of the options were infeasible:

- the MAR business case completes a cost-benefit analysis (CBA) only on a single option relative to the do-nothing base case
- SRL has only 2 options relative to the base case and those options only differ in the timeframe to build the rail loop and undertake related precinct initiatives
- DoT, SRLA, DPC and MTIA relied on high-level early assessments of potential strategic interventions and options to narrow their subsequent analysis of both SRL and MAR, which is not consistent with DTF's guidance
- for the BHRU, DoT and MTIA restricted their project options analysis by narrowing it to the parameters of the government's funding commitment, which preceded the full business case.

The SRL and MAR projects are large scale and complex, and their benefits are for the long term.

We expected that business cases for significant long-term transport infrastructure projects, such as the SRL and MAR projects, would consider options to defer or delay the proposed intervention to account for uncertainty. Neither did.

Given the limited number of options assessed both in the high-level early assessments and in the actual business cases, there is a risk that DoT, MTIA and SRLA have not provided the government with advice that maximises value for money.

Economic appraisal method and presentation

The economic analyses in the SRL and MAR business cases lack transparency and are not consistent with key elements of relevant guidance.

The methodology used for the economic and cost-benefit analyses in the SRL and MAR business cases creates a material risk that the economic value of these projects is overstated.

Relevant guidance for the economic appraisal of transport projects includes guidance from DTF, DoT, Infrastructure Australia and the Australian Transport Assessment and Planning (ATAP) guidance.

Specifically:

- the discount rate used in the economic appraisals in the SRL and MAR project business cases of 4 per cent was approved by the Minister for Transport Infrastructure (the minister) and accepted by the Treasurer. DTF's guidelines recommend a discount rate of 7 per cent for projects in core service delivery areas of government with benefits that are easy to monetise, such as public transport and roads
- the economic appraisal results for both projects are sensitive to small changes in the discount rate. DoT, MTIA and SRLA did not provide government decision-makers with the results of discount rate sensitivity analysis
- DoT, MTIA and SRLA included wider economic benefits (WEBs) and other non-standard benefits when presenting the primary economic analysis benefit-cost ratio (BCR) results in the SRL and MAR business cases. This materially improved the economic results for the projects. In particular:
 - for SRL, the business case highlights BCRs ranging between 1.0 and 1.7. The BCR for the project is 0.51 when calculated in line with DTF's guidance by excluding WEBs and other non-standard benefits and using a discount rate of 7 per cent
 - for MAR, the business case shows BCRs ranging between 1.1 and 1.3 when assuming that an SRL connection to the airport will be built. The BCR for the project is 0.48 when calculated in line with DTF's guidance by excluding WEBs and other non-standard benefits and using a discount rate of 7 per cent.

DTF and DoT guidance says that the primary CBA results of business cases should be shown exclusive of WEBs, with WEB-inclusive results presented separately.

DoT, MTIA and SRLA's inclusion of WEBs in primary economic analysis results and lack of discount rate sensitivity tests in the SRL and MAR business cases mean decision-makers did not have all necessary information at their disposal.

Discount rates are like interest rates. They express the value or cost of money at a particular time. Organisations use them in discounted cashflow analysis to value a project.

Wider economic benefits (WEBs) are benefits associated with changes in accessibility or land use that are not captured in traditional cost-benefit analyses. DTF and DoT guidance say WEBs should be considered separately from primary benefits and excluded from headline BCR results.

A **benefit-cost ratio (BCR)** is a number that represents the value of a project's benefits divided by its costs. Projects with a BCR of less than 1.0 do not usually proceed.

Recommendations about business case content and analysis

We recommend that:

Response

Department of Transport and the Suburban Rail Loop Authority	2. provide the government with a full business case for the entire Suburban Rail Loop program of investments that includes economic analysis results for all stages of the proposed investment program (see Section 2.1)	Not accepted by: Department of Transport or the Suburban Rail Loop Authority
	3. include updated economic analysis results in funding submissions for all future stages of the program (see Sections 2.1 and 2.2)	Not accepted by: Department of Transport or the Suburban Rail Loop Authority
Department of Transport and Major Transport Infrastructure Authority	4. disclose in any published version of the Melbourne Airport Rail business case the justification for and impacts of departures from the Department of Treasury and Finance's Investment Lifecycle and High Value High Risk Guidelines guidance for the conduct of and disclosure of results from economic analysis (see Section 3.2)	Not accepted by: Department of Transport or the Major transport Infrastructure Authority
Department of Treasury and Finance	5. amends the Investment Lifecycle and High Value High Risk Guidelines to require departments and agencies to include information in business cases to acknowledge, justify and disclose the impacts of any significant departures from the guidance (see sections 2.2 and 3.2).	Accepted in principle

Business case development processes

Project development, governance and quality assurance

Processes used by DoT and agencies to manage, oversee and quality assure the 4 audited business cases were largely consistent with DTF and agency-specific requirements and demonstrated active management of the business case development process.

However, DoT and SRLA's decision to adopt a program-level business case approach for the SRL project, which is acceptable under DTF's ILHVHR guidance, meant that they should have developed a preliminary and full business case for the entire project. They did not.

Instead, DoT and SRLA provided the government with a business case for the eastern and northern parts of the project only and funding submissions for specific components of the eastern part of the program only. This meant that they did not demonstrate the economic rationale for the entire project, and they have told us that they have no plans to do so. DoT and SRLA's approach does not fully meet DTF's guidance requirements and creates risks that their advice to government on these investments is not sufficiently comprehensive.

While not supported by a full business case for the SRL project, other advice and progressive reviews provided by DoT, SRLA, DTF and DPC to the government informed its decisions on funding submissions that have secured over \$11.5 billion.

Compliance with external assurance and review requirements

DTF's high value high risk (HVHR) project assurance process requires a project assurance plan, Gateway reviews and a DTF assessment of the deliverability of the business case for projects designated as HVHR.

When projects receive funding from the Australian Government, Infrastructure Australia also reviews the business case.

Figure C summarises our assessment of compliance with external assurance and review requirements for the 4 business cases.

Figure C: **Assessment of compliance with external assurance and review requirements**

Assurance and review requirements	SRL	MAR	BHRU	MRU1
Project assurance plan	G	G	G	N/A
Gateway reviews	A	A	A	N/A
HVHR business case deliverability assessment	A	A	G	N/A
Infrastructure Australia review of business case	To be confirmed	G	G	N/A

Note: We have used a **green (G)**, **amber (A)**, **red (R)** scale, where:

G = no or minor departures from relevant guidance and/or expected processes

A = some departures from relevant guidance and/or expected processes

R = significant departures from relevant guidance and/or expected processes.

Source: VAGO.

While DTF provided ongoing input to agencies and advice to the Treasurer on all 4 business cases, it has not fully applied the HVHR major project assurance framework to the SRL and MAR project business cases because it is yet to complete the required HVHR deliverability assessment on them.

This means that a key intent of the HVHR assurance process—to provide confidence to government that business cases are robust before they are approved—has not been fully met for 2 of the largest infrastructure projects ever undertaken in Victoria.

MRU1 is not an HVHR project and therefore it did not require Gateway reviews or an HVHR deliverability assessment of the business case.

Gateway reviews

Gateway reviews were not fully effective in making recommendations on shortcomings with the SRL and MAR business cases.

Projects are identified as **high value and/or high risk (HVHR)** by DTF or government. They are subject to more rigorous scrutiny and approval processes than other projects.

Gateway reviews are performed by a team of independent, experienced reviewers engaged by DTF at key points of the project/program life cycle as a critical check on business cases and to provide insights and learnings to assist project delivery.

Both SRL and MAR undertook combined Gate 1 and Gate 2 reviews with a stated purpose to:

‘... confirm that the business case is robust—meets the business need, is affordable, achievable with appropriate options explored, likely to achieve value for money and aligns well with the department’s overall strategy’.

The combined reviews lack evidence that due consideration was given to affordability, options assessment or value-for-money requirements. Given this, these Gateway reviews fell short of their stated scope and missed a key opportunity for crucial elements of each business case to be tested and challenged.

For the BHRU project, DoT and MTIA did not fully respond to recommendations from the Gateway review of the draft business case that related to:

- providing a stronger alignment between the project and land-use objectives
- considering a wider range of transport options
- providing a more rigorous justification for the project option assessment framework.

DTF’s deliverability assessments

A fundamental purpose of the HVHR process is for DTF to apply added scrutiny to the business cases for HVHR projects before they are approved and funded by the government. The process exists to inform the government’s deliberations on the merits of business cases.

DTF is yet to complete an HVHR deliverability assessment on the SRL and MAR business cases, even though the government has committed significant funding and begun procurement for major works packages on both projects.

However, DTF told us that:

- it has provided ongoing advice to the government on the SRL and MAR business cases that addresses the substance of the required deliverability assessments
- the HVHR deliverability assessment will be completed once the final MAR business case is ready for approval by government
- it is undertaking a business case deliverability assessment based on the SRL business case, SRL East main works funding submission and other relevant information but has not indicated when it expects to complete this.

DTF did conduct a deliverability assessment on a short-form version of the business case for the BHRU project.

Recommendation about business case development processes

We recommend that:

Response

Department of Treasury and Finance	6. amends the template for Gateway review reports to require review teams to explain any departures from the recommended scope for each review gate (see sections 2.1 and 3.1).
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Accepted

Victorian Parliamentary Budget Office – 27 Aug 2022

In brief

The Suburban Rail Loop (SRL) is a multi-stage infrastructure project that the Victorian Government first announced in 2018. Planning and initial works for the project commenced in 2019–20, with construction of SRL East commencing in 2022. The government plans to deliver the SRL in 3 sections over several decades – SRL East, SRL North and SRL West.

In this advice, we assess the value of continued investment in SRL East and North (Option A) by calculating the benefit-cost ratio (BCR). This ratio is calculated by discounting estimated future costs and benefits into today's dollars, and then dividing the value of discounted benefits by the value of discounted costs. To do this we:

- used the future cost estimates included in our advice, [Suburban Rail Loop East and North – Building and operating costs](#), which we publicly released on 18 August 2022.
- compared them to the benefits assessed in a February 2021 KPMG economic appraisal that the Victorian Government commissioned, which we accepted at face value, and updated to today's dollars.

As a result of this approach, our evaluation is more indicative of whether it is in the social interest to continue to build and operate the SRL, rather than an assessment of whether it is financially or economically viable.

A BCR greater than 1 indicates an expected net benefit to society. However, governments may target a higher BCR to deliver their policy objectives, or when choosing between potential projects.

Using a 7% real social discount rate – the central case rate in Infrastructure Australia's assessment framework requested by the Hon. Matthew Guy, Leader of

the Opposition – we estimate the BCR for the SRL East and North (Option A) is between 0.6 and 0.7.

This means that continued investment in SRL East and North (Option A) is likely to result in a net social cost.

Released under FOI Act by DITRDCA

Victorian Parliamentary Budget Office – 18 Aug 2022*In brief*

The Suburban Rail Loop (SRL) is a multi-stage infrastructure project that the Victorian Government first announced in 2018 as a Labor election commitment. The government plans to deliver SRL in 3 sections over several decades:

1. SRL East – Cheltenham to Box Hill
2. SRL North – Box Hill to Melbourne Airport
3. SRL West – Melbourne Airport to Werribee.

The Victorian Government first allocated funding to the SRL project in the 2019–20 budget. Initial and planning works for the project commenced in 2019–20 and construction on SRL East commenced in 2022.

The Victorian Government has committed \$11.8 billion for SRL to date, covering:

- development and planning costs
- initial and early works
- a provision towards main works.

The Australian Government has indicated that it will contribute \$2.2 billion.

We independently estimate that to build SRL East to 2034–35 will cost \$36.5 billion. We expect that asset expenses will comprise 91% of total SRL East expenses over this period.

The government outlined 2 options for delivery of SRL North:

- Option A – Box Hill to Reservoir segment opening for services in 2043, and the Reservoir to Melbourne Airport segment opening for services in 2053.
- Option B – Box Hill to Reservoir segment opening for services in 2038, and Reservoir to Melbourne Airport segment opening for services in 2043.

The economic appraisal conducted for the government indicated Option A was likely to have a higher benefit to cost ratio.

We independently estimate that to build and operate SRL East and North to 2084–85 under Option A will cost \$200.3 billion.

In the 2022–23 budget, the Victorian Government indicated that it expects SRL East, the first section only, to cost between \$30 to \$34.5 billion, and it expects first trains will be running in 2035.

Released under FOI Act by DITRD

Executive summary

The SRL is intended to provide a fixed rail, underground orbital link through Melbourne's middle suburbs from Cheltenham to Werribee. Its main function is to provide public transport options for the residents living near an SRL station.

The SRL is based on two population assumptions.

One is that Melbourne's population will grow at past rates to reach around 9 million by the year 2050 (from 5.1 million currently). The other is that a significant share of this increased population will locate in the middle suburbs served by the SRL.

This report argues that the SRL is not needed. Why?

First, the population and public transport demand assumptions are overstated.

Second, the SRL is not fit for purpose. There are cheaper options to provide public transport to the middle suburban activity centres.

Third, the cost of the SRL will be enormous, at least \$34.5 billion for the East section from Cheltenham to Box Hill. The State is already heavily indebted. The Victorian Government is concurrently pursuing a renewable energy transformation and the modernization of the State's economy. These should have a much higher funding priority than the SRL.

The SRL is not needed

As indicated, the SRL is being justified by the forecast that Melbourne will reach the 9 million level by 2050.

Melbourne's population has, until recently, grown faster than other Australian capital cities. This is because it has retained its comparative advantage in housing affordability relative to other potential locations in Australia.

No longer.

By the fourth quarter of 2021, Melbourne was ranked the fifth most expensive city in the Anglo world as measured by the median housing price to median household income metric. Only Hong Kong, Sydney, Vancouver and San Jose were more expensive.

Melbourne reached a ratio of 12.1 on this metric, up from 9.7 in 2015 and 8.3 in 2013. By 2021, except for Sydney, Melbourne was far more expensive than any other Australian capital city, including Brisbane at 7.4 and Perth at 7.1 and way above that of most regional centres in Victoria and elsewhere in Australia.

Our analysis of the factors shaping the supply and demand for housing, indicates that this situation is unlikely to change.

On the supply side, buyers seeking a separate house in established suburbia in Melbourne face a median price of around \$1.1 million. Their choice is limited because around half the stock is held by households aged 50 plus, few of whom show any inclination to move.

Our projection for the growth of demand for separate housing over the decade 2012-2022 (Table 2) indicates that the share of the established separate housing stock occupied by households aged 50+ will increase. This is because the baby boomer cohort is replacing a much smaller cohort born before 1945.

Also on the supply side, fringe housing used to provide a safety valve. But, not any more. The State Government's planning strategy for Melbourne, which prioritises higher-density residential development in established areas and which limits fringe expansion, is biting. Buyers on the fringe must locate some 50 kilometres from the CBD. By the first quarter of 2022, once there, they faced a median price for a block of \$370,000. This bought a tiny block, averaging just 357 square metres.

On the demand side, there is no relief in sight. The size of the millennial cohort of households has grown rapidly, mostly because of expansion in the number of migrant households locating in Melbourne during the past decade who are now in this age group (aged 25-39) – see Table 2. Millennial households are the most interested in purchasing a separate house because they are entering the peak years of family building aspiration.

This is a recipe for sustained housing scarcity and sustained high prices. Consolidation will not relieve the situation. The price of units and town houses is also accelerating because the site costs for higher-density housing are so high.

The migrant impact is being ignored

Governments and business interests have expressed concern about the consequences for younger families of this housing affordability crisis. These interests are at the same time the strongest advocates for a rapid expansion of the migrant intake. There is minimal acknowledgement that such a revival will make the housing crisis in Melbourne (and Sydney) worse.

Housing prices, locational decisions and the SRL

The implications of the housing affordability crisis for the assumptions used to justify the SRL are profound. Given the importance of home ownership in Australia for financial security, Melbourne is likely to lose more of its residents than in the past as they vote with their feet to find affordable locations elsewhere. Migrants too, are less likely to be attracted to Melbourne.

It is highly unlikely that Melbourne will reach 9 million people by 2050 upon which the SRL planning is based. A figure of near 7 million is more plausible.

There are also doubts about the scale of the presumed higher-density settlement in the suburbs to be served by the SRL. Separate housing, and thus development sites in these suburbs already cost \$1 million plus. These suburbs are unlikely to provide the affordable housing sought by the younger households who are likely to work or visit the SRL activity centres.

The SRL is not fit for purpose

Even if the State Government's forecast of 9 million by 2050 were to eventuate, is fixed rail the best option to provide public transport options to the proposed Activity Centres? Bus links, in particular, would be a far cheaper option for delivering a dispersed suburban population to these centres.

This case is spelled out in Infrastructure Victoria's proposed infrastructure priorities. It states that:

Buses are the closest option to home. Buses do not require large, expensive, immovable infrastructure investments and can operate on most roads. The relatively low capital cost of buses means they can respond quickly to changes in population, technology, policy and behaviour.¹

Furthermore, why build an expensive, immovable fixed rail system when there are growing doubts about use of the system. These derive from the increased post-Covid preference for working at home.

A debt bomb

The Victorian State Government cannot even cover the costs of providing services for its rapidly growing population from current tax and other revenues. For 2022-23, the Budget forecast is that there will be a net borrowing requirement of \$14.3 billion.

The vastly larger borrowing requirement for infrastructure is additional.

Net debt from these borrowings was \$60 billion in 2019-20. It doubled to reach \$119.4 billion in 2021-22. According to the 2022-23 Budget Papers, net debt will reach \$162.9 billion in 2023-24 and \$182.3 billion in 2024-25. This debt is far larger, relative to the State's economic size than is the case for the other large States (NSW, Queensland and WA). The debt required to finance the SRL will be additional (very little private sector involvement is expected).

The Victorian Government must make choices if its renewable energy and economic modernization aspirations are to be achieved. The SRL is a third order priority.

The renewable transition

We show that the renewable energy transition will be far more costly than is assumed in the State Government's current assessments. The State's confidence is based on the rise in the share of renewables in electricity production in Victoria from 10 per cent in 2014 to 26.6 per cent in 2020. This achievement was based on householder installation of solar panels. The State's investment contribution was minimal.

This relatively cheap public cost phase is ending. Huge investment will be needed to cover the withdrawal from base load coal power, which cannot compete in price with renewable sources. Firming power will be needed to cover times when renewable energy is not

available. It will be a major task and the public costs will be high, especially if the Victorian State Government pursues its stated objective of de-gassing the State's energy system.

If this firming power is to come from renewables it will require investment in the transmission system to bring renewables from dispersed sources to the metropolitan market. It will also require massive investment in electric power storage. The State Government is assuming that the private sector will take up the challenge. We argue that this is unlikely, except at a high cost.

Economic modernization

Victorian governments have long promised that with the demise of Victoria's manufacturing industries (following the removal of tariff protection in the 1980s and 1990s) they would create the conditions for the emergence of new knowledge intensive and internationally competitive manufacturing industries.

This expectation has not been met, as our data on Victoria's international trade position illustrates in spades. Figure 2 shows the value of Victorian imports and exports of elaborately transformed manufactures (ETMs) for selected years over the period 1990 to 2021. Exports have virtually flatlined at a low level (under \$10 billion) since about 2000. By contrast, over the same period, the value of ETMs imported to Victoria has skyrocketed from just over \$10 billion to over \$60 billion.

The Victorian Government is asserting that the renewable transition will open a promising source of new industries for the State. This is an alluring prospect. However, it won't happen without a targeted industry policy in which the State provides concerted direction and finance.

For this to occur the Victorian Government will need to make choices.

Conclusion

Victoria is a people servicing economy, driven by population expansion in Melbourne. The problem is that the costs of providing for these extra people are growing faster than State revenues.

Meanwhile, the capital costs of providing for the health, education and particularly the transport infrastructure needed for the growing population have escalated. These costs too, are being covered by debt.

Victoria is mendicant state.

It does not possess the industry base (like the commodity rich states of Queensland and WA) to provide the revenues needed to cover Victoria's operational and infrastructure costs without massively increasing the State's debt.

As a result, the Victorian Government has had to continually browbeat the Commonwealth for more funds and resort to ever more desperate measures to sell off State assets.

A breathtaking example of the latter was the State Government's sale of an 80 per cent share of its VicRoads vehicle registration and licensing operations to a private consortium for \$7.9 billion.

The sale was well publicised, but not its implications. It was justified as facilitating the modernization of the registration and licensing functions. Nevertheless, the Government acknowledged that the funds will go to a Future Fund aimed at 'reducing the debt burden on future generations'.² Sounds fine, but what was not acknowledged was the scale of the annual revenues that will be lost. According to the 2022-23 Budget Papers, revenue from the vehicle registration operations alone in 2022-23, were expected to yield \$2 billion.³

There are opportunities to break this cycle. One is the renewable energy transition and the other a targeted industry policy focusing on knowledge intensive industries, including those stemming from the renewable transition. However, these opportunities are unlikely to be achieved while the State pursues its capital widening *Big Build* priority.

A rescue of sorts is imminent. Housing costs in Melbourne are now so expensive that people are voting with their feet – away from – not to Melbourne, as in the past.

The likely slowdown in Melbourne's population growth will diminish the State Government's cost and infrastructure burdens. The SRL, in particular, will not be needed. This will allow the State to focus on the far more important tasks of the renewable energy and knowledge intensive industry transformations.

Attachment B

Further background

Victorian Auditor-General's Office Assurance Report

- A Victorian Auditor-General's Office independent assurance report on the quality of major transport infrastructure Project business cases was tabled in Victorian Parliament on 21 September 2022 (see **Attachment A**).
 - This examined four transport infrastructure business cases, including the SRL Business and Investment Case (BIC), against Victorian Government Department of Treasury and Finance's Investment Lifecycle and High Value High Risk (ILHVHR) guidelines.
- The audit found that the BIC does not support fully informed investment decisions. It specifically found that (amongst other things) it:
 - Lacked sufficient analysis of alternative project options.
 - Had lower a return on investment when calculated in-line with Department of Treasury and Finance guidelines (a BCR of 0.51 – excluding wider economic benefits (WEBs) and other non-standard benefits, and using a 7 per cent discount rate).
 - Came after the Australian Government made a funding commitment to the project.
- The audit recommends that:
 - A full business case be undertaken for the entire SRL program of investments that includes economic analysis results for all stages of the proposed investment program.
 - Updated economic analysis results be included in funding submissions for all future stages of the program.
- The report states that the Victorian Government's Department of Premier and Cabinet, Department of Treasury and Finance, Department of Transport, Suburban Rail Loop Authority and Major Transport Infrastructure Authority do not agree with the Victorian Auditor-General's Office's assessment of SRL – contending the use of standard business case development process and guidance is inappropriate and misleading, as these are typically followed for projects with a narrower scope and influence.

Victorian Parliamentary Budget Office Advice

- The Victorian Parliamentary Budget Office (PBO) on 18 August 2022¹ released an independent cost estimate of SRL East and North that indicated it will cost:
 - **\$36.5 billion** to build SRL East (6-22 per cent higher than the Business and Investment Case estimate).
 - **\$200.3 billion** to build and operate SRL East and North over 50 years (including **\$125.0 billion** in asset cost).
- The Victorian PBO on 27 August 2022² released further advice on the value of continued investment in SRL East and North, calculating the benefit-cost ratio of SRL East and North to be between 0.6 and 0.7 (at a 7 per cent discount rate).

¹ <https://pbo.vic.gov.au/response/2820>

² <https://pbo.vic.gov.au/response/2945>

Independent assessment of SRL BIC demand modelling

- In October 2021, Shape Transport was engaged by the Department to undertake an independent, focussed assessment of the demand modelling of the SRL Business and Investment Case.
- The Shape Transport study was (by design) a narrowly focused assessment that applied a demand modelling lens, and was limited to publicly available information in the Business and Investment Case.
- The findings of the Shape Transport study (finalised 12 November 2021) addressed five themes:
 - Urban Form – forecast outcomes do not achieve the objective to reduce urban sprawl;
 - Uncertainty – the analysis requires further scrutiny of the assumptions used in the risk analysis to produce a range of demand forecasts, economic benefits and benefit-cost ratios;
 - Optimism bias – there are questions around some elements of the business case being overly optimistic;
 - Associated works – cost breakdowns for associated works are not provided; and
 - Funding – further scrutiny is required to support the Business and Investment Case’s proposed airport station levy over alternative models.

Project status

- Early works on SRL East commenced on 2 June 2022.
- On 5 August 2022, the Hon Lily D’ambrosio MP, Minister for Environment and Climate Action issued her assessment of SRL East under the Environment Effects Act 1978, concluding the environment effects statement (EES) process.
 - This found that the environmental effects of the project can be acceptably managed, subject to recommendations made by the Minister.
- On 6 September 2022, the Victorian Government announced shortlisted bidders for the delivery of Suburban Rail Loop East’s (SRL East) two tunnelling contracts. The first contract is expected to be awarded in 2023.
- SRL East is due to be operational by 2035.

Media Coverage Summary

- There has been media criticism of the level of consultation, transparency and rigour in the development of the project (see The Age media article on 15 August 2021 in **Attachment A**).
 - This includes criticism that early works on SRL East have commenced despite the SRL BIC only being a Stage 1 Early Stage Submission under Infrastructure Australia’s processes (see The Age media article on 29 July 2022 in **Attachment A**).

- In light of advice released by The Victorian Parliamentary Budget Office, the Hon Matthew Guy MP, Leader of the Victorian Opposition has made an election commitment to 'shelve' the project and divert funding to health priorities (see ABC media article on 17 August 2022 in **Attachment A**).
 - In response to the Opposition Leader's commitment, the Hon Daniel Andrews MP, Premier of Victoria stated the PBO's estimate of SRL East is in line with the Victorian Government's estimate, and '*the one sure way that a critically important rail project costs more than it should is if you put it on hold or if you scrap it.*' (see ABC media article on 18 August 2022 in **Attachment A**).
- There has been media criticism of the project following the tabling of the Victorian Auditor-General's Office independent assurance report entitled *Quality of major transport infrastructure project business cases* (see The Guardian media article on 21 September 2022 in **Attachment A**).
 - The Victorian Auditor-General's Office independent assurance report, the status of the project under Infrastructure Australia processes and status under the National Land Transport Act (not yet approved), are key criticisms surrounding the commitment of the \$2.2 billion to SRL East 'early works' in the 2022-23 Federal Budget (see AFR media article on 16 October 2022 in **Attachment A**).
- There have also been recent calls for the project to be deferred in favour of other priorities due to concerns of SRL monopolising market capacity. This includes a call from the Rail Futures Institute to defer the project to focus on the East-West rail proposal to cater for demand in Melbourne's West (see The Age media article on 12 July 2022 in **Attachment A**).
- A report published by The Australian Population Research Institute (dated 20 July 2022), titled '*The Suburban Rail Loop: not needed, not fit for purpose and a debt bomb*', contends:
 - the population and demand assumptions of the SRL BIC are overstated;
 - the SRL is not fit for purpose,
 - Victoria should pursue other priorities given fiscal constraints (namely, renewable energy transformation and the modernization of the State's economy).
- Reportedly, Mayors from the City of Monash, the City of Kingston and the City of Whitehorse have requested that the Andrews government redesign parts of its flagship Suburban Rail Loop project amid concerns that poor connections to existing Metro train lines and other public transport could undermine the project (see The Age media article on 4 July 2022 in **Attachment A**).
- There were also media reports about the Victorian Government's windfall gains tax as a result of the SRL Authority powers to rezone the land up to 1.6km around each proposed station (see AFR media article on 1 September 2022 in **Attachment A**).
- It was reported that federal funding of \$11.5 billion over 10 years for the Suburban Rail Loop was sought from the former Government which was rejected (see The Age media article on 1 April 2022 in **Attachment A**).

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead contact: Joe Castellino

SB22-000065

SUBJECT: Regional Policy**Talking Points (All figures are as at Budget Night, 25 October 2022)**

- The 2022-23 October Budget committed \$5.4 billion over seven years to the following investments, including:
 - \$1 billion over three years from 2023-24 (five years with ASL) for the **Growing Regions Program** – which will provide new opportunities for regional councils and not-for-profit organisations through an open, competitive grants process, and the **Regional Precincts and Partnerships Program** – which will provide a strategic, nationally consistent mechanism for funding and coordinating larger-scale projects that transform a place, to the benefit of communities in regional cities and wider rural and regional Australia.
 - \$349.9 million over five years from 2022-23 for the **Investing in our Communities Program**, to deliver election commitments under \$5 million.
 - \$1 billion over five years from 2022-23 for the **Priority Community Infrastructure Program**, to deliver election commitments over \$5 million.
 - \$672.7 million over 7 years from 2022-23 towards **enabling infrastructure in the Pilbara, Hunter and central Queensland regions** to support emerging industries and economic transition (previous allocation).
 - \$1.9 billion in planned equity investment for marine infrastructure in **Middle Arm and new regional logistic hubs** in Katherine, Alice Springs and Tennant Creek.
 - \$200 million over 6 years from 2023-24 towards the **Cairns Marine Precinct and Central Queensland University, Cairns campus** (election commitment).
 - \$118.9 million over four years from 2022-23 for the **Trailblazers Universities Program**, to be appropriated to the Department of Education (previous allocation).
 - \$22.6 million over four years from 2022-23 for the **Australian Apprenticeships Incentive System**, to be appropriated to the Department of Employment and Workplace Relations (previous allocation).
 - \$22 million over three years from 2022-23 toward enabling infrastructure for the **Lansdown Eco-Industrial Precinct** in Townsville (previous allocation).
 - \$5 million over three years from 2022-23 for the **Regional Australia Institute** (election commitment).
- In addition to the above measures, \$32 million will be provided for **strategic planning and water security with the Queensland Government**, with funding transferred for this purpose to the National Water Grid Fund in the Water portfolio.
- The **‘Responsible Investment to Grow Our Regions’** measure will redirect \$10.2 billion in funding from:
 - \$7.1 billion from the **Energy Security and Regional Development Plan**.
 - \$2 billion from the **Regional Accelerator Program**.
 - \$251.9 million from the **Building Better Regions Fund** Round Six. Contracted projects from Rounds One to Five will be honoured.

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- \$920.2 million from the **Community Development Grants Programme**. Contracted projects will be honoured. Funding has also been retained to deliver commitments the former government made before the Pre-Election Economic and Fiscal Outlook (PEFO). If these cannot be contracted within six months, the funds will be returned to Budget.
- Other **continuing** regional measures from previous Budgets include:
 - Building Resilient Regional Leaders Initiative
 - Investments in Northern Australia delivered via the Northern Australia Infrastructure Facility
 - Regional Co-operative Research Centres Projects Program
 - Regional Recovery Partnerships
 - Rebuilding Regional Communities Program
 - Securing Raw Materials Program
 - Stronger Communities Programme

Key IssuesGrowing Regions Program

Under the Growing Regions program, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts will openly consult on program guidelines with peak bodies and increase accountability of ministerial discretion in decision-making, recommendations and decisions, including increasing the visibility of recommendations and decisions. Assessment of applications will be split between a Grants Hub and Independent Panel, while delivery will be undertaken by the department. The change in approach to regional grant delivery has also been informed by independent reviews conducted by the Australian National Audit Office.

Regional Precincts and Partnerships Program

The regional Precincts and Partnerships Program will allow the Australian Government, State and Local Governments to jointly invest in a longer-term and targeted way to meet their respective priorities via a precinct-focused, Partnerships model. A precinct is defined as a constrained geographic area or cluster, with initiatives shaped around a specific use or theme.

s47B - Commonwealth-State relations

Departmental funding for Regional Initiatives

The department will receive \$67.8 million over seven years in departmental funding to support the delivery of the following new programs:

- non-land transport infrastructure election commitments over \$5.0 million (\$9.3 million);
- non-land transport infrastructure election commitments under \$5.0 million (\$7.8 million);

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- retained non-land transport projects under the Energy Security and Regional Development Plan (\$25.4 million);
- the Growing Regions Program and the regional Precincts and Partnerships Program (\$25.3 million with final funding to be determined post Budget).

Funding over the forward estimates (\$ millions):

	22-23	23-24	24-25	25-26
DITRDCA	-10.1	-17.5	-17.7	-10.9

BackgroundRegional Accelerator Program

The former government committed \$2 billion for individual programs under the Regional Accelerator Program (RAP) in the March 2022-23 Budget. This has been returned to Budget from the regional portfolio. Funding for two programs previously announced under the RAP have been included in the October 2022-23 Budget based on alignment with the Government's focus areas for regional investment and suitability for Government support:

Trailblazers Universities Program - \$118.9 million

Funding will be appropriated to the Department of Education to deliver this program. The program will support select universities to boost prioritised research and development and drive commercialisation outcomes with industry partners to grow Australia's regional industries and businesses.

Australian Apprenticeships Initiatives - \$22.6 million

Funding will be appropriated to the Department of Employment and Workplace Relations to fund additional In-Training Support Places. The program will provide an additional incentive to regional employers and will increase the pipeline of skilled workers in regional and remote communities.

The regional streams of the following RAP individual programs are not continuing:

- \$500 million Regionalisation Fund (DITRDCA);
- \$500 million Modern Manufacturing Initiative (DISR);
- \$200 million Critical Minerals Accelerator Initiative (DISR);
- \$200 million Supply Chain Resilience Initiative (DISR);
- \$142.7 million Education Infrastructure in Regional Australia Program (Education)
- \$121.5 million Australian Apprenticeships Initiatives (DEWR);

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- \$100 million Export Market Development Grants (Austrade);
- \$30.3 million Recycling Modernisation Fund (DCCEEW);
- \$30 million National Centre for Digital Agriculture (DAFF);
- \$25 million Capability Improvement Grants (Defence)
- \$9 million Sovereign Industrial Capability Priorities Grant (Defence)

Investing in the Regional Australia Institute (RAI) - \$5 million

Funding will be provided through a one-off grant to the Regional Australia Institute over three years to bolster the RAI's research and policy capacity, extend activation and local impact initiatives, and develop new education programs to extend knowledge and best practice across regional Australia.

The department is negotiating a funding agreement that includes agreed milestones with the RAI, with funding expected to commence in 2022-23.

Former Government's Energy Security and Regional Development Plan

Based on the Minister's review of the former Government's ESRDP, the Government has committed to fund a number of projects that were announced under ESRDP. These projects will have the greatest impact nation-wide and align with Government's priorities – to help lower carbon emissions, support clean energy production and export, improve First Nations employment opportunities, and deliver public benefits for our regions.

Funding will not be committed to the following projects:

Central and North QLD

- \$483 million for Urranah Dam
- \$80 million for Bowen Water Pipeline
- \$70 million for a Townsville Hydrogen Hub (an election commitment to be delivered through the energy portfolio)
- \$3.3 million for the Burdekin Shire Council to expand the Ayr Industrial Estate;
- \$10 million for Rockhampton Airport Apron
- \$25 million for Central Queensland Inland Port
- \$7.3 million for the Richmond Agricultural Project
- \$15 million for Agvet Chemicals and Technologies Innovation Centre of Excellence at the University of New England
- \$40 million for a Chemical Manufacturing Plant.

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- \$25 million for a magnesium processing plant (Stanwell)
- \$5 million Gracemere Sale yards

NT

- \$200 million for further enabling infrastructure for the Middle Arm Sustainable Development Precinct
- \$300 million for low emissions LNG, hydrogen and carbon capture and storage in the NT
- \$10 million for Darwin Airport infrastructure upgrades

Pilbara

- \$200 million for low emissions manufacturing facilities
- \$100 million for private investment in firm generation and grid infrastructure
- \$200 million for onshore processing and low emissions steel production

Hunter

- \$2.7 million for the NSW Hunter Regional Livestock Exchange
- \$15 million for the Bulga-Mibrodale Water Supply Project

Further information for the programs appearing in this brief is available at the following:

Program	Background
Growing Regions Program	Program information available at SB22-000074.
regional Precincts and Partnerships Program	Program information available at SB22-000223.
Investing in Our Communities	Program information available at SB22-000074.
Priority Community Infrastructure	Program information available at SB22-000074.
Energy Security and Regional Development Plan	Program information available at SB22-000173.
Community Development Grants Programme	Program information available at SB22-000071.

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Program	Background
Building Better Regions Fund	Program information available at SB22-000072.
Continuing measures	Program and financial information for the Northern Australia Agenda available at SB22-000172. Program and financial information for the Northern Australia Infrastructure Facility available at SB22-000168.

Rural and Regional Affairs and Transport

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SB22-000065

Financial Information for measure description: *Responsible Investment to Grow our Regions*, Budget Paper 2, page 163-164

Responsible Investment to Grow our Regions		2022-23 (\$m)	2023-24 (\$m)	2024-25 (\$m)	2025-26 (\$m)	2026-27 (\$m)	2027-28 (\$m)	2028- 29 (\$m)	Total cost of proposal - measure (\$m)
Equity Investment in NT	Administered	TBC	TBC	TBC	TBC	TBC	TBC	TBC	-1900.00
	Departmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Priority Community Infrastructure Program	Administered	-62.25	-202.00	-295.00	-300.00	-158.00	0.00	0.00	-1017.25
	Departmental/Capital IT	-3.49	-1.52	-1.71	-1.66	-0.90	0.00	0.00	-9.29
Growing Regions Program and Regional Precincts and Partnerships Program*	Administered	0.00	-150.00	-350.00	-500.00	0.00	0.00	0.00	-1000.00
	Departmental	-1.77	-9.30	-9.94	-3.15	-1.16	0.00	0.00	-25.32
Enabling infrastructure in Qld, WA and NSW*	Administered (excl. NWGA)	-7.70	-79.00	-131.00	-115.00	-215.00	-105.00	-20.00	-672.70
	Departmental/Capital	-3.19	-4.97	-4.34	-4.24	-3.40	-3.22	-2.00	-25.35
Investing in Our Communities	Administered	-22.93	-108.94	-128.01	-59.70	-30.28	0.00	0.00	-349.86
	Departmental/Capital IT	-1.64	-1.68	-1.71	-1.83	-0.96	0.00	0.00	-7.82
Regional Development in Cairns	Administered (Treasury)	0.00	-10.00	-46.00	-46.00	-56.00	-36.00	-6.00	-200.00
	Departmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trailblazer University Program	Administered	-40.00	-25.70	-26.30	-26.90	0.00	0.00	0.00	-118.90
	Departmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Australian Apprenticeships Incentive System	Administered	-5.65	-5.65	-5.65	-5.65	0.00	0.00	0.00	-22.60
	Departmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lansdown Eco-Industrial Precinct	Administered	-8.00	-8.00	-6.00	0.00	0.00	0.00	0.00	-22.00
	Departmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investing in the Regional Australia Institute	Administered	-1.00	-2.00	-2.00	0.00	0.00	0.00	0.00	-5.00
	Departmental	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURE#		-157.61	-608.76	1007.67	-1064.13	-465.71	-144.22	-28.00	-5376.09
	Total administered	-147.53	-591.29	-989.96	-1053.25	-459.28	-141.00	-26.00	-5308.31
	Total departmental / capital	-10.09	-17.47	-17.70	-10.88	-6.42	-3.22	-2.00	-67.78
	Total equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1900.00

*Indicative only. Final funding details are to be settled after Budget.

A total of \$30.4 million is also included in this measure for the Departments of Home Affairs, Health and Aged Care, Veterans' Affairs, the Attorney's Department, the Australian Communications and Media Authority and the National Indigenous Australians Agency. Details are not specified in the measure description.

Financial Information for DITRDCA component of measure: *Responsible Investment to Grow our Regions*, Budget Paper 2, page 163 and PBS page 32

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Responsible Investment to Grow our Regions - DITRDCA measures BP2 page 163, PBS Page 32									
DITRDCA 2022-23 PBS Line Item	Admin Type	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	Total over 4 Years	Comment
Community Development Programme - savings	Administered	3.1	-	(411,600)	(340,000)	(142,000)	(26,553)	(920,153)	Confirmed
Building Better Regions Fund - savings	Departmental	3.5	-	-	(992)	(749)	(147)	(1,888)	Confirmed
	Administered	3.1	-	(100,000)	(75,000)	(75,000)	-	(250,000)	Confirmed
Regional Accelerator Program - savings	Administered	3.1	-	(416,904)	(540,600)	(508,295)	(268,931)	(1,734,730)	RAP return minus the \$60.3m returned by DCCEEW (Recycling Modernisation Fund) and DAFF (Digital Agriculture and Innovation and Adoption Hubs). Confirmed by External Budgets
Energy Security and Regional Development Plan - savings	Departmental	3.5	-	(11,121)	(11,019)	(10,822)	(9,967)	(42,929)	Confirmed
	Administered	3.1	-	(103,380)	(187,008)	(456,097)	(585,516)	(1,332,001)	This is total return (\$7.1bn) minus \$32 million going to Water Portfolio.
Northern Australia Projects and Supporting Clean Energy in the Hunter	Departmental	3.5	-	3,186	4,967	4,337	4,242	16,732	Confirmed - this is enabling infrastructure in Qld, WA and NSW
	Administered	3.1	-	7,700	79,000	131,000	115,000	332,700	Confirmed
Community Infrastructure Program	Departmental	3.5	-	3,879	9,101	9,503	2,803	25,286	Outdated program name - figures equal costs for the Priority Community Infrastructure Program and Growing Regions Program.
	Administered	3.1	-	62,250	227,000	470,000	600,000	1,359,250	
Precincts and Partnerships Program (Regional Stream) – Strategic Priorities	Departmental	3.5	-	1,378	1,717	2,145	2,012	7,252	Outdated program name.
	Administered	3.1	-	-	125,000	175,000	200,000	500,000	Confirmed
Supporting The Regional Australia Institute	Administered	3.1	-	1,000	2,000	2,000	-	5,000	Confirmed
Investing in Our Communities Program	Departmental	3.5	-	1,643	1,682	1,713	1,828	6,866	Confirmed
	Administered	3.1	-	22,927	108,940	128,014	59,700	319,581	
Shortland Terrestrial Television Transmission	Departmental	5.2	-	61	22	14	-	97	Noted
	Administered	5.1	-	-	1,351	595	-	1,946	
	DITRDCA Total		-	(938,981)	(593,839)	(268,642)	94,471	(1,706,991)	
Additional regional/city measures listed in measure description for 'Responsible Investment to Grow our Regions'									
Equity Investment in NT	\$1.9 billion in equity investment, no impact on underlying cash								
Regional Development in Cairns	\$200 million appropriated to Treasury, as per payment line								
Trailblazer University Program	\$118.9 appropriated to Department of Education, with \$15m in 2022-23 paid Commonwealth Scientific and Research Industrial Research Organisation (CSIRO) as per payment lines								
Australian Apprenticeships Incentive System	\$22.6 million appropriated to Department of Employment and Workplace Relations, as per payment line								
Lansdown Eco-Industrial Precinct	\$22 million funded from existing allocation								

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Rural and Regional Affairs and Transport

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SB22-000067

SUBJECT: Regional Development Australia Committees**Talking Points**

- The Australian Government has committed to revitalising the Regional Development Australia (RDA) Committee program's structure and purpose, including through stronger engagement with local government. The value of the RDAs has again been demonstrated during the flood, bushfire and COVID-19 pandemic crises where they provided valuable regional intelligence and advice to Government about the impacts to their region's businesses and communities.
- The current funding arrangements for the RDA program are in place from 1 January 2021 to 30 June 2025 via funding agreements.
- The RDA Charter provides a clear focus on growing strong and confident regional economies that harness their competitive advantages, seize on economic opportunity and attract investment. Any changes to the RDA model as a result of the reinvigoration of the program will be reflected in a revised RDA Charter.
- The capital city RDAs in Sydney, Melbourne, Brisbane, Perth and Adelaide focus on supporting economic development through a whole-of-state role that connects regional RDAs with capital city stakeholders and advocates for regional development across their state. In South Australia we have seen RDA Adelaide Metropolitan delivering an annual Summit for all South Australian RDAs; creating a joint Strategic Plan known as 'The Regional Blueprint'; and collaboratively developing strategies to help alleviate issues common across RDA regions.
- With the exception of the six Victorian RDAs, which are independent non-incorporated advisory bodies of the Victorian Government, all RDAs are incorporated associations responsible for their own activities and employment arrangements, in line with their funding obligations and Rules of Association.
- The Victorian RDAs receive their funding via a single agreement between the Department of Infrastructure, Transport, Regional Development, Communications and the Arts and the Victorian Government. This allows for close alignment between the objectives of both levels of Government.
- All Chairs, except in Victoria, have been appointed from 1 January 2021 to 30 June 2025. The Victorian Chair terms are from 1 January 2022 to 30 June 2025. There are currently three vacant Chair positions (RDA Tropical North, RDA Greater Whitsundays and RDA Tasmania), vacancies have not yet been advertised.

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Key Issues

Each committee is made up of local volunteer leaders who work with all levels of government, business and community groups to drive the economic development of their region. Each RDA has a slightly different staffing profile, depending on the involvement of the state/territory and local government sector, but all have a paid Director of Regional Development or CEO, plus administrative support funded by the Government.

State/ Territory	No of RDAs	Funding per jurisdiction p.a. (2021-2025)	Short description
NSW	14	\$21,275,102	RDAs are incorporated associations. RDA funding provided by Australian Government only.
VIC	5	\$11,957,161	RDAs are unincorporated advisory committees administered by State Government under the auspice of Regional Development Victoria (RDV), part of the Department of Jobs, Precincts and Regions. RDAs receive funding from Australian Government and State government. There is a single funding contract between Australian Government and Victorian Government. Decisions regarding appointment of RDA Chairs and Deputy Chairs are required to be made jointly by both Federal and State Government Minister.
Qld	12	\$18,935,477	RDAs are incorporated associations. RDA funding provided by Australian Government only.
WA	10	\$14,385,718	RDAs are incorporated associations. RDA funding provided by Australian Government only.
SA	8	\$8,788,853	RDAs are incorporated associations. RDAs receive funding from Australian Government, State and Local Government. Decisions regarding appointment of RDA Chairs and Deputy Chairs are required to be made jointly by both Australian and State Government Ministers, along with the

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State/ Territory	No of RDAs	Funding per jurisdiction p.a. (2021-2025)	Short description
			President of the Local Government Association of South Australia.
TAS	1	\$3,024,060	RDAs are incorporated associations. RDA funding provided by Australian Government only.
NT	1	\$2,828,147	RDAs are incorporated associations. RDAs receive funding from Australian and State government.
ACT	1	\$1,237,146	RDAs are incorporated associations. RDA funding provided by Australian Government only.
IOT, JBT & NI	1	\$3,159,552	Indian Ocean Territories (IOT) Regional Development Organisation (RDO) is an incorporated association and is contracted to provide RDA program services. IOT RDO delivers services via project officers managed by the IOT RDO. The Chair of the IOT RDO is the IOT Administrator. RDA Far South Coast is engaged to provide a Regional Investment Officer (RIO) for Jervis Bay Territories (JBT), who is dedicated to facilitate regional development in the JBT. RDA Mid North Coast delivers services for Norfolk Island (NI) via project officers managed by the RDA Mid North Coast Director of Regional Development (DRD). No other RDA program funding is provided to these Territories.

The four elements of the charter are:

- Facilitate regional economic development, investment, local procurement and jobs.
- Promote greater regional awareness of and engagement with government policies, programs and research.
- Improve Government regional policy making by providing intelligence and evidence-based advice to the Government on regional development issues.
- Co-ordinate the development of a strategic regional plan, or utilise suitable existing regional plans that align with the Government's regional priorities.

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Key governance responsibilities of the Government and RDAs are summarised below:

Australian Government Responsibilities	RDA Responsibilities
Appointment, extension and removal of Chair*.	
Agreement to the appointment, extension and removal of Deputy Chairs*.	Appointment, extension and removal of Deputy Chair after seeking Minister's agreement*.
Enforcing disciplinary action against a Chair for breaches of the Code of Conduct and Ethics for Committee Members and Personnel (the Code)*.	
Agreeing to disciplinary action against a Deputy Chair for breaches of the Code*.	Abiding by the Code, and enforcing disciplinary action against the Deputy Chair (after consulting the Minister*), members and staff if necessary.
	Engagement and management of staff, including a Director of Regional Development (DRD).
	Appointment, extension and removal of members.
Directing an RDA to remove a staff member from working on Funding Agreement activities.	Management of day-to-day affairs, including ensuring there are effective governance arrangements.
Reviewing information provided by RDAs to validate performance and acquit program funding.	Provision of certain information to the Department.
Conducting audits where necessary.	Ensuring compliance with relevant laws.
Take action to terminate the Funding Agreement with or without default by an RDA, if required.	
Making payments to RDAs.	

* Note: In Victoria and South Australia (SA), appointment decisions are made in conjunction with the State Minister for Regional Development. In SA, decisions are also in conjunction with the President of the Local Government Association of SA.

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Version Number: 1

Date: 20/9/22

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Sarah Nattey / s47F

SB22-000067

Financial Information as at 31 August 2022

Program/Project Start Date:	July 2009						
Program/Project End Date:	Ongoing						
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget	18.9	19.1	19.9	21.0	21.6	22.0	122.5
Less:							
Actual Expenditure YTD at 31 August 2022	18.9	19.0	5.7				43.6
Total Committed Funds at 31 August 2022 ¹	0.0	0.0	14.2	21.0	21.6	22.0	78.8
Total Uncommitted Funds (balance)	0.0	0.1 ²	0.0	0.0	0.0	0.0	0.1

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

¹ RDA Funds are committed to existing RDA arrangements or associated support activities. Minor variations may occasionally occur as a result of pricing fluctuations or delivery delays.

² This unspent amount will lapse as part of the in-built expiration of appropriation bills.

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Rural And Regional Affairs And Transport

Lead/Support contact: Sarah Nattey /s47F

SB22-000068

SUBJECT: Local Government Financial Assistance Grant Program

Talking Points

- In 2022-23, the Australian Government will provide \$2.9 billion in untied funding to local governing bodies under the Financial Assistance (FA) Grant program. This amount is subject to a final adjustment, as initial allocations are estimates and adjusted by Treasury once actual Population and CPI figures are formalised at the end of each financial year.
- This includes \$2.1 billion (75 per cent) paid early (11 April 2022) to help local governments recover from COVID-19 and successive natural disasters.
- The Government has provided over \$64 billion under the FA Grant program to local government since 1974–75 (including 2022-23).
- The Australian National Audit Office audits the program annually as part of the financial statements audit. There have been no findings regarding the program.

Key Issues

- The funding is provided under the *Local Government (Financial Assistance) Act 1995* (the Act):
 - A general purpose component, distributed according to population and CPI; and
 - a local road component, distributed according to fixed historical shares.
- In late June of each year, the Minister for Local Government writes to state and territory counterparts and provides the proposed allocations for that financial year.
- The state and Northern Territory ministers are advised by their Local Government Grants Commissions on the appropriate distribution of funds in accordance with the Act.
 - The Queensland Local Government Grants Commission recently made a number of changes to its distribution methodology, impacting the amount of FA Grant funding received by certain councils. More information is at **Attachment B**.
- The ACT receives a single allocation to provide local government services in lieu of a system of local government.
- A chronology of key events for the FA Grant program is provided at **Attachment C**.
- In addition to its FA Grant entitlement, for most of the period since 2004-05—excluding the indexation freeze in place between 2013 and 2016—South Australia has received supplementary funding for local roads. This is to correct an anomaly in the initial calculations, which under-represented the percentage of local roads for which South Australia has responsibility. The legislated percentage is 5.5 per cent of all national roads. The correct figure is 11.7 per cent of all national roads.
- The 2021-22 Budget continued the Supplementary Funding to South Australia for Local Roads program with \$20 million per year for a further two years to 30 June 2023.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Sarah Nattey /s47F

SB22-000068

Background

The FA Grant program has a general purpose component, distributed according to population; and a local road component, distributed according to fixed historical shares.

- Both components of the grant are untied, allowing councils to spend the funds according to local priorities, and they are provided to all local governing bodies as defined under the Act.
- The quantum of the grant pool changes annually in line with changes in population and the Consumer Price Index (the Act provides discretion to the Treasurer to alter this annual indexation).
- The indexation rate for this program is set according to Act which considers population and the Consumer Price Index. This formula has been used since 2001.
- The grant is paid in quarterly instalments to state and territory governments for immediate distribution to local governing bodies.

Additional information - early payments (bring forward)

In May 2009, the Act was amended to allow early payment of funding from the next financial year in the current financial year. Early payments were made from 2009-10 to 2012-13, and 2016-17 to 2022-23. (There was an indexation freeze from 2013-14 to 2015-16).

Additional information - local road component distribution

The local road component of the Financial Assistance Grant program is distributed to states and territories based on fixed historical shares as agreed at a Special Premiers' conference in 1990. This methodology has not changed since the local roads component was rolled into the Financial Assistance Grant legislation in 1991-92.

Additional information - possible review of the Financial Assistance Grant program

The Government has not made any decision to review the program. The last review occurred in 2012 and was undertaken by the Commonwealth Grants Commission. It was not publicly released.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Sarah Nattey /s47F

SB22-000068

Financial Information as at 31 August 2022

Program/Project Start Date:	1 July 1974					
Program/Project End Date:	Ongoing					
<u>Financial Assistance Grants</u>	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget*	3,530.3	821.5	3,052.3	3,170.5	3,294.4	13,869.0
Less:						
Actual Expenditure YTD at 31 August 2022	3,530.3	197.4	0	0	0	3,727.7
Total Committed Funds at 31 August 2022	0	624.1	3,052.3	3,170.5	3,294.4	10,141.3
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

*Appropriation as per the 2022-23 Budget – Refer page 56, and is subject to a final factor adjustment.

Program/Project Start Date:	1 July 2004					
Program/Project End Date:	Currently 30 June 2023					
<u>Supplementary funding for South Australian Roads</u>	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget	20.0	20.0	0	0	0	40.0
Less:						
Actual Expenditure YTD at 31 August 2022	20.0	20.0	0	0	0	40.0
Total Committed Funds at 31 August 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Attachments

- Attachment A – Cash payments to states and territories 2022-23
- Attachment B – Queensland methodology changes to FA Grant distribution.
- Attachment C – Chronology of key events in the FA Grant program payment and distribution

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Date: 25/10/2022

SB22-000068

Attachment A - Cash payments to States and Territories


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

GENERAL PURPOSE AND LOCAL ROAD FINANCIAL ASSISTANCE GRANT

Australian Capital Territory

Local Government Area	Cash Payments to be made in 2022-23		
	General Purpose	Local Roads	Total
Australian Capital Territory	\$11,569,832	\$7,781,373	\$19,351,205
Totals	\$11,569,832	\$7,781,373	\$19,351,205

GENERAL PURPOSE AND LOCAL ROAD FINANCIAL ASSISTANCE GRANT

New South Wales

Local Government Area	Cash Payments to be made in 2022-23		
	General Purpose	Local Roads	Total
Albury City Council	\$1,373,039	\$480,320	\$1,853,359
Armidale Regional Council	\$1,371,430	\$843,497	\$2,214,927
Ballina Shire Council	\$950,715	\$477,466	\$1,428,181
Balranald Shire Council	\$976,543	\$425,728	\$1,402,271
Bathurst Regional Council	\$1,225,133	\$698,724	\$1,923,857
Bayside Council	\$1,225,492	\$416,070	\$1,641,562
Bega Valley Shire Council	\$1,553,776	\$590,845	\$2,144,621
Bellingen Shire Council	\$933,219	\$318,274	\$1,251,493
Berrigan Shire Council	\$1,099,794	\$458,996	\$1,558,790
Blacktown City Council	\$3,693,972	\$1,200,642	\$4,894,614
Bland Shire Council	\$1,483,110	\$895,656	\$2,378,766
Blayney Shire Council	\$587,864	\$284,247	\$872,111
Blue Mountains City Council	\$2,042,771	\$417,486	\$2,460,257
Bogan Shire Council	\$975,320	\$458,880	\$1,434,200
Bourke Shire Council	\$1,422,837	\$632,669	\$2,055,506
Brewarrina Shire Council	\$1,082,038	\$407,035	\$1,489,073
Burwood Council	\$281,465	\$98,718	\$380,183
Byron Shire Council	\$641,221	\$392,473	\$1,033,694
Cabonne Shire Council	\$946,031	\$656,445	\$1,602,476
Campbelltown City Council	\$2,147,964	\$551,186	\$2,699,150
Canterbury-Bankstown Council	\$2,189,170	\$837,148	\$3,026,318
Carrathool Shire Council	\$1,233,644	\$749,104	\$1,982,748
Central Coast Council (NSW)	\$5,852,675	\$1,386,954	\$7,239,629
Central Darling Shire Council	\$1,397,927	\$509,361	\$1,907,288
Cessnock City Council	\$1,525,540	\$514,953	\$2,040,493
City of Canada Bay Council	\$610,354	\$209,317	\$819,671
City of Lithgow Council	\$1,116,299	\$407,515	\$1,523,814
City of Parramatta Council	\$1,912,932	\$652,905	\$2,565,837
Clarence Valley Council	\$2,134,485	\$1,000,884	\$3,135,369
Cobar Shire Council	\$1,342,620	\$550,580	\$1,893,200
Coffs Harbour City Council	\$1,454,600	\$737,849	\$2,192,449
Coolamon Shire Council	\$828,726	\$465,058	\$1,293,784
Coonamble Shire Council	\$994,711	\$471,083	\$1,465,794
Cootamundra-Gundagai Regional Council	\$1,183,878	\$495,548	\$1,679,426
Council of the City of Broken Hill	\$1,529,355	\$141,453	\$1,670,808
Council of the City of Ryde	\$872,630	\$316,923	\$1,189,553
Council of the City of Shellharbour	\$1,176,743	\$358,475	\$1,535,218
Council of the Municipality of Woollahra	\$319,021	\$129,805	\$448,826
Cowra Shire Council	\$1,071,835	\$473,571	\$1,545,406
Cumberland Council	\$2,196,214	\$479,453	\$2,675,667
Dubbo Regional Council	\$2,228,480	\$1,180,786	\$3,409,266
Dungog Shire Council	\$539,639	\$287,456	\$827,095
Edward River Council	\$1,299,887	\$499,060	\$1,798,947

Eurobodalla Shire Council	\$1,546,706	\$543,046	\$2,089,752
Fairfield City Council	\$1,937,256	\$532,144	\$2,469,400
Federation Council	\$1,347,291	\$713,157	\$2,060,448
Forbes Shire Council	\$1,185,361	\$623,101	\$1,808,462
Georges River Council	\$1,033,062	\$320,706	\$1,353,768
Gilgandra Council	\$910,217	\$478,533	\$1,388,750
Glen Innes Severn Council	\$949,864	\$413,137	\$1,363,001
Goulburn Mulwaree Council	\$1,063,594	\$552,938	\$1,616,532
Greater Hume Shire Council	\$1,098,386	\$686,290	\$1,784,676
Griffith City Council	\$1,304,103	\$497,625	\$1,801,728
Gunnedah Shire Council	\$980,919	\$506,088	\$1,487,007
Gwydir Shire Council	\$1,048,759	\$625,872	\$1,674,631
Hawkesbury City Council	\$708,226	\$543,549	\$1,251,775
Hay Shire Council	\$855,670	\$259,544	\$1,115,214
Hilltops Council	\$1,676,821	\$896,983	\$2,573,804
Hornsby Shire Council	\$820,026	\$392,017	\$1,212,043
Hunter's Hill Council	\$96,495	\$28,336	\$124,831
Inner West Council	\$1,094,556	\$435,158	\$1,529,714
Inverell Shire Council	\$1,311,343	\$576,789	\$1,888,132
Junee Shire Council	\$632,060	\$311,829	\$943,889
Kempsey Shire Council	\$1,345,897	\$467,679	\$1,813,576
Kiama Municipal Council	\$362,694	\$196,594	\$559,288
Ku-Ring-Gai Council	\$740,830	\$343,777	\$1,084,607
Kyogle Council	\$980,083	\$463,324	\$1,443,407
Lachlan Council	\$1,853,942	\$1,078,612	\$2,932,554
Lake Macquarie City Council	\$3,697,649	\$909,860	\$4,607,509
Lane Cove Municipal Council	\$261,137	\$94,194	\$355,331
Leeton Shire Council	\$1,145,570	\$326,518	\$1,472,088
Lismore City Council	\$1,256,725	\$605,029	\$1,861,754
Liverpool City Council	\$1,701,520	\$783,352	\$2,484,872
Liverpool Plains Shire Council	\$823,936	\$441,380	\$1,265,316
Lockhart Shire Council	\$797,107	\$432,598	\$1,229,705
Lord Howe Island Board	\$103,008	\$0	\$103,008
Maitland City Council	\$1,545,212	\$482,472	\$2,027,684
Mid-Coast Council	\$3,553,097	\$1,753,521	\$5,306,618
Mid-Western Regional Council	\$1,343,888	\$812,832	\$2,156,720
Moree Plains Shire Council	\$1,710,818	\$923,117	\$2,633,935
Mosman Municipal Council	\$199,227	\$68,642	\$267,869
Murray River Council	\$1,726,307	\$855,575	\$2,581,882
Murrumbidgee Council	\$1,013,676	\$493,613	\$1,507,289
Muswellbrook Shire Council	\$823,153	\$275,910	\$1,099,063
Nambucca Valley Council	\$868,912	\$391,357	\$1,260,269
Narrabri Shire Council	\$1,585,380	\$744,097	\$2,329,477
Narrandera Shire Council	\$1,088,361	\$508,727	\$1,597,088
Narromine Shire Council	\$997,251	\$459,279	\$1,456,530
Newcastle City Council	\$2,562,121	\$444,525	\$3,006,646
North Sydney Council	\$401,073	\$142,253	\$543,326
Northern Beaches Council	\$1,595,089	\$706,356	\$2,301,445
Oberon Council	\$605,301	\$264,567	\$869,868
Orange City Council	\$1,050,278	\$364,745	\$1,415,023

Parkes Shire Council	\$1,368,118	\$720,570	\$2,088,688
Penrith City Council	\$2,221,994	\$727,298	\$2,949,292
Port Macquarie Hastings Council	\$1,747,106	\$991,144	\$2,738,250
Port Stephens Council	\$1,495,078	\$405,258	\$1,900,336
Queanbeyan-Palerang Regional Council	\$1,016,868	\$815,230	\$1,832,098
Randwick City Council	\$915,985	\$304,244	\$1,220,229
Richmond Valley Council	\$1,116,061	\$491,631	\$1,607,692
Shoalhaven City Council	\$2,448,701	\$1,225,585	\$3,674,286
Silverton Village Committee Incorporated	\$11,445	\$0	\$11,445
Singleton Council	\$754,785	\$433,798	\$1,188,583
Snowy Monaro Regional Council	\$2,038,917	\$905,107	\$2,944,024
Snowy Valleys Council	\$1,357,087	\$429,059	\$1,786,146
Strathfield Municipal Council	\$334,231	\$102,271	\$436,502
Sutherland Shire Council	\$1,379,064	\$643,017	\$2,022,081
Tamworth Regional Council	\$1,809,933	\$1,362,901	\$3,172,834
Temora Shire Council	\$811,148	\$505,709	\$1,316,857
Tenterfield Shire Council	\$1,116,858	\$521,818	\$1,638,676
The Council of Camden	\$706,800	\$558,253	\$1,265,053
The Council of the City of Sydney	\$1,699,171	\$485,300	\$2,184,471
The Hills Shire Council	\$1,159,998	\$582,497	\$1,742,495
Tibooburra Village Committee Incorporated	\$22,971	\$0	\$22,971
Tweed Shire Council	\$2,147,961	\$921,395	\$3,069,356
Upper Hunter Shire Council	\$1,027,172	\$620,041	\$1,647,213
Upper Lachlan Shire Council	\$973,724	\$603,342	\$1,577,066
Uralla Shire Council	\$540,063	\$283,597	\$823,660
Wagga Wagga City Council	\$1,942,411	\$1,084,285	\$3,026,696
Walcha Council	\$554,836	\$301,452	\$856,288
Walgett Shire Council	\$1,543,603	\$622,036	\$2,165,639
Warren Shire Council	\$713,666	\$330,873	\$1,044,539
Warrumbungle Shire Council	\$1,537,585	\$791,633	\$2,329,218
Waverley Council	\$392,800	\$126,413	\$519,213
Weddin Shire Council	\$652,969	\$326,422	\$979,391
Wentworth Shire Council	\$1,288,880	\$325,504	\$1,614,384
Willoughby City Council	\$480,217	\$187,437	\$667,654
Wingecarribee Shire Council	\$903,523	\$623,836	\$1,527,359
Wollondilly Shire Council	\$658,686	\$461,018	\$1,119,704
Wollongong City Council	\$4,437,649	\$813,032	\$5,250,681
Yass Valley Council	\$544,011	\$441,702	\$985,713
Totals	\$166,237,131	\$70,406,653	\$236,643,784

GENERAL PURPOSE AND LOCAL ROAD FINANCIAL ASSISTANCE GRANT

Northern Territory

Local Government Area	Cash Payments to be made in 2022-23		
	General Purpose	Local Roads	Total
Alice Springs Town Council	\$82,725	\$290,686	\$373,411
Barkly Regional Council	\$464,198	\$143,678	\$607,876
Belyuen Community Government Council	\$7,219	\$10,120	\$17,339
Central Desert Regional Council	\$454,302	\$369,311	\$823,613
City of Darwin	\$564,936	\$688,398	\$1,253,334
City of Palmerston	\$277,942	\$264,418	\$542,360
Coomalie Community Government Council	\$12,589	\$151,641	\$164,230
East Arnhem Regional Council	\$1,112,824	\$380,376	\$1,493,200
Katherine Town Council	\$112,888	\$213,080	\$325,968
Litchfield Council	\$209,667	\$837,377	\$1,047,044
Local Government Association of the Northern Territory Inc	\$0	\$586,548	\$586,548
MacDonnell Regional Council	\$705,174	\$335,833	\$1,041,007
Roper Gulf Regional Council	\$757,717	\$346,307	\$1,104,024
Tiwi Islands Regional Council	\$129,331	\$298,355	\$427,686
Victoria Daly Regional Council	\$147,119	\$223,814	\$370,933
Wagait Shire Council	\$8,180	\$16,943	\$25,123
West Arnhem Regional Council	\$377,171	\$283,834	\$661,005
West Daly Regional Council	\$172,830	\$243,819	\$416,649
Totals	\$5,596,812	\$5,684,538	\$11,281,350

GENERAL PURPOSE AND LOCAL ROAD FINANCIAL ASSISTANCE GRANT

Queensland

Local Government Area	Cash Payments to be made in 2022-23		
	General Purpose	Local Roads	Total
Aurukun Shire Council	\$1,076,071	\$39,517	\$1,115,588
Balonne Shire Council	\$2,331,006	\$895,707	\$3,226,713
Banana Shire Council	\$2,231,738	\$1,623,910	\$3,855,648
Barcaldine Regional Council	\$2,186,831	\$921,071	\$3,107,902
Barcoo Shire Council	\$1,382,303	\$387,372	\$1,769,675
Blackall-Tambo Regional Council	\$1,724,667	\$602,681	\$2,327,348
Boulia Shire Council	\$1,718,364	\$330,140	\$2,048,504
Brisbane City Council	\$7,959,447	\$1,670,914	\$9,630,361
Bulloo Shire Council	\$1,676,273	\$460,810	\$2,137,083
Bundaberg Regional Council	\$4	\$4	\$8
Burdekin Shire Council	\$1,658,246	\$549,727	\$2,207,973
Burke Shire Council	\$1,683,417	\$315,109	\$1,998,526
Cairns Regional Council	\$1,076,542	\$4	\$1,076,546
Carpentaria Shire Council	\$2,177,220	\$468,492	\$2,645,712
Cassowary Coast Regional Council	\$735,425	\$797,280	\$1,532,705
Central Highlands Regional Council	\$454,513	\$1,632,232	\$2,086,745
Charters Towers Regional Council	\$1,419,000	\$1,725,086	\$3,144,086
Cherbourg Aboriginal Shire Council	\$990,216	\$11,002	\$1,001,218
Cloncurry Shire Council	\$1,974,090	\$563,855	\$2,537,945
Cook Shire Council	\$2,182,298	\$1,124,833	\$3,307,131
Croydon Shire Council	\$1,407,306	\$403,900	\$1,811,206
Diamantina Shire Council	\$1,635,912	\$181,163	\$1,817,075
Doomadgee Aboriginal Community Council	\$1,274,899	\$18,923	\$1,293,822
Douglas Shire Council	\$1,266,924	\$360,218	\$1,627,142
Etheridge Shire Council	\$1,561,231	\$533,627	\$2,094,858
Flinders Shire Council	\$1,847,544	\$731,434	\$2,578,978
Fraser Coast Regional Council	\$622,076	\$4	\$622,080
Gladstone Regional Council	\$487,530	\$1,690,150	\$2,177,680
Gold Coast City Council	\$4,319,887	\$805,430	\$5,125,317
Goondiwindi Regional Council	\$1,588,165	\$867,541	\$2,455,706
Gympie Regional Council	\$278,685	\$1,326,717	\$1,605,402
Hinchinbrook Shire Council	\$1,243,805	\$375,779	\$1,619,584
Hope Vale Aboriginal Shire Council	\$1,347,432	\$19,368	\$1,366,800
Ipswich City Council	\$1,625,732	\$98,738	\$1,724,470
Isaac Regional Council	\$1,927,054	\$1,079,016	\$3,006,070
Kowanyama Aboriginal Shire Council	\$1,155,152	\$58,208	\$1,213,360
Livingstone Shire Council	\$315,399	\$710,655	\$1,026,054
Lockhart River Aboriginal Shire Council	\$1,221,569	\$33,830	\$1,255,399
Lockyer Valley Regional Council	\$63,123	\$1,744,666	\$1,807,789
Logan City Council	\$2,244,918	\$580,621	\$2,825,539
Longreach Regional Council	\$2,402,172	\$834,809	\$3,236,981
Mackay Regional Council	\$721,271	\$4	\$721,275
Mapoon Aboriginal Council	\$1,103,347	\$9,377	\$1,112,724
Maranoa Regional Council	\$1,608,485	\$2,141,197	\$3,749,682

Mareeba Shire Council	\$1,392,392	\$761,255	\$2,153,647
Mackinlay Shire Council	\$1,220,629	\$669,628	\$1,890,257
Moreton Bay Regional Council	\$3,170,012	\$198,032	\$3,368,044
Mornington Shire Council	\$1,186,635	\$25,823	\$1,212,458
Mount Isa City Council	\$1,804,456	\$698,487	\$2,502,943
Murweh Shire Council	\$1,968,105	\$1,056,004	\$3,024,109
Napranum Aboriginal Shire Council	\$1,316,477	\$29,200	\$1,345,677
Noosa Shire Council	\$352,391	\$4	\$352,395
North Burnett Regional Council	\$779,511	\$1,428,762	\$2,208,273
Northern Peninsula Area Regional Council	\$1,311,519	\$61,809	\$1,373,328
Palm Island Aboriginal Council	\$1,849,105	\$4	\$1,849,109
Paroo Shire Council	\$1,888,294	\$723,748	\$2,612,042
Pormpuraaw Aboriginal Shire Council	\$1,192,395	\$28,125	\$1,220,520
Quilpie Shire Council	\$1,705,686	\$466,063	\$2,171,749
Redland City Council	\$1,018,298	\$56,564	\$1,074,862
Richmond Shire Council	\$1,392,731	\$530,849	\$1,923,580
Rockhampton Regional Council	\$139,831	\$4	\$139,835
Scenic Rim Regional Council	\$276,167	\$1,040,566	\$1,316,733
Somerset Regional Council	\$18,019	\$982,022	\$1,000,041
South Burnett Regional Council	\$442,355	\$987,713	\$1,430,068
Southern Downs Regional Council	\$322,877	\$1,343,412	\$1,666,289
Sunshine Coast Regional Council	\$2,463,249	\$51,521	\$2,514,770
Tablelands Regional Council	\$133,919	\$1,033,627	\$1,167,546
Toowoomba Regional Council	\$466,104	\$4	\$466,108
Torres Shire Council	\$2,322,303	\$180,044	\$2,502,347
Torres Strait Island Regional Council	\$3,403,049	\$605	\$3,403,654
Townsville City Council	\$1,171,981	\$4	\$1,171,985
Western Downs Regional Council	\$364,915	\$2,753,791	\$3,118,706
Whitsunday Regional Council	\$530,041	\$717,849	\$1,247,890
Winton Shire Council	\$1,261,451	\$898,004	\$2,159,455
Woorabinda Aboriginal Council	\$1,269,842	\$8,874	\$1,278,716
Wujal Wujal Aboriginal Council	\$1,203,862	\$2,763	\$1,206,625
Yarrabah Aboriginal Shire Council	\$1,201,431	\$7,491	\$1,208,922
Totals	\$110,447,321	\$45,467,772	\$155,915,093

GENERAL PURPOSE AND LOCAL ROAD FINANCIAL ASSISTANCE GRANT

South Australia

Local Government Area	Cash Payments to be made in 2022-23			
	General Purpose	Local Roads	Special Roads	Total
Adelaide Hills Council	\$268,971	\$52,652	\$0	\$321,623
Adelaide Plains Council	\$379,519	\$67,457	\$0	\$446,976
Alexandrina Council	\$625,387	\$166,518	\$0	\$791,905
Anangu Pitjantjatjara Inc	\$413,743	\$27,413	\$0	\$441,156
Barunga West Council	\$24,400	\$30,770	\$0	\$55,170
Berri Barmera Council	\$738,416	\$59,757	\$0	\$798,173
City of Burnside	\$316,039	\$89,716	\$0	\$405,755
City of Charles Sturt	\$828,606	\$192,419	\$0	\$1,021,025
City of Holdfast Bay	\$238,583	\$25,940	\$0	\$264,523
City of Mitcham	\$458,282	\$113,149	\$0	\$571,431
City of Mount Gambier	\$905,972	\$83,216	\$0	\$989,188
City of Onkaparinga	\$1,656,221	\$328,180	\$787,000	\$2,771,401
City of Playford	\$3,599,225	\$312,991	\$983,000	\$4,895,216
City of Port Adelaide Enfield	\$864,145	\$192,521	\$150,000	\$1,206,666
City of Port Lincoln	\$505,633	\$9,327	\$0	\$514,960
City of Prospect	\$145,328	\$23,077	\$0	\$168,405
City of Salisbury	\$2,705,565	\$293,058	\$0	\$2,998,623
City of Victor Harbor	\$114,602	\$29,908	\$0	\$144,510
City of West Torrens	\$404,802	\$90,596	\$0	\$495,398
Clare & Gilbert Valleys Council	\$357,414	\$81,001	\$0	\$438,415
Coorong District Council	\$645,666	\$121,762	\$1,750,500	\$2,517,928
Copper Coast Council	\$589,922	\$62,715	\$0	\$652,637
Corporation of the City of Campbelltown	\$351,021	\$64,762	\$0	\$415,783
Corporation of the City of Marion	\$668,620	\$190,197	\$142,500	\$1,001,317
Corporation of the City of Norwood Payneham & St Peter	\$225,772	\$24,393	\$0	\$250,165
Corporation of the City of Port Augusta	\$943,043	\$15,955	\$0	\$958,998
Corporation of the City of Tea Tree Gully	\$711,203	\$194,443	\$0	\$905,646
Corporation of the City of Unley	\$247,848	\$40,302	\$0	\$288,150
Corporation of the City of Whyalla	\$1,350,506	\$15,760	\$0	\$1,366,266
Corporation of the Town of Walkerville	\$56,260	\$16,787	\$0	\$73,047
District Council of Ceduna	\$521,301	\$71,841	\$0	\$593,142
District Council of Cleve	\$328,660	\$81,574	\$0	\$410,234
District Council of Coober Pedy	\$251,781	\$5,212	\$0	\$256,993
District Council of Elliston	\$227,377	\$85,945	\$0	\$313,322
District Council of Franklin Harbour	\$310,477	\$47,864	\$1,063,000	\$1,421,341
District Council of Grant	\$480,497	\$61,404	\$0	\$541,901
District Council of Karoonda East Murray	\$370,403	\$76,322	\$0	\$446,725
District Council of Kimba	\$308,299	\$58,729	\$0	\$367,028
District Council of Lower Eyre Peninsula	\$190,745	\$118,988	\$0	\$309,733
District Council of Loxton Waikerie	\$1,102,494	\$159,758	\$0	\$1,262,252
District Council of Mount Barker	\$443,638	\$169,372	\$0	\$613,010
District Council of Mount Remarkable	\$515,410	\$73,364	\$0	\$588,774
District Council of Orroroo Carrieton	\$297,463	\$57,239	\$0	\$354,702
District Council of Peterborough	\$357,362	\$48,567	\$0	\$405,929
District Council of Robe	\$9,758	\$17,060	\$0	\$26,818
District Council of Streaky Bay	\$450,110	\$79,928	\$0	\$530,038
District Council of Tumby Bay	\$131,774	\$65,864	\$0	\$197,638
District Council of Yankalilla	\$100,819	\$64,461	\$0	\$165,280
Gerard Reserve Council Inc	\$16,148	\$3,653	\$0	\$19,801
Kangaroo Island Council	\$524,888	\$88,103	\$1,340,000	\$1,952,991
Kingston District Council	\$28,118	\$56,464	\$0	\$84,582
Light Regional Council	\$406,003	\$70,434	\$721,000	\$1,197,437
Maralinga Tjarutja	\$35,184	\$9,811	\$0	\$44,995
Mid Murray Council	\$1,104,879	\$150,679	\$0	\$1,255,558

Municipal Council of Roxby Downs	\$175,292	\$2,662	\$0	\$177,954
Naracoorte Lucindale Council	\$973,283	\$106,221	\$0	\$1,079,504
Nipapanha Community Incorporated	\$10,358	\$3,633	\$0	\$13,991
Northern Areas Council	\$434,695	\$85,158	\$0	\$519,853
Outback Communities Authority	\$522,885	\$0	\$0	\$522,885
Port Pirie Regional Council	\$1,265,878	\$80,985	\$0	\$1,346,863
Regional Council of Goyder	\$594,015	\$26,149	\$200,000	\$820,164
Renmark Paringa Council	\$778,081	\$77,103	\$0	\$855,184
Rural City of Murray Bridge	\$1,136,394	\$96,166	\$0	\$1,232,560
Southern Mallee District Council	\$351,150	\$74,830	\$0	\$425,980
Tatiara District Council	\$1,190,574	\$117,522	\$0	\$1,308,096
The Barossa Council	\$400,574	\$132,780	\$0	\$533,354
The Corporation of the City of Adelaide	\$160,719	\$22,502	\$0	\$183,221
The Flinders Ranges Council	\$374,934	\$64,821	\$0	\$439,755
Town of Gawler	\$647,328	\$74,614	\$0	\$721,942
Wakefield Regional Council	\$597,713	\$106,154	\$0	\$703,867
Wattle Range Council	\$948,995	\$138,508	\$0	\$1,087,503
Wudinna District Council	\$367,755	\$80,687	\$0	\$448,442
Yalata Anangu Aboriginal Corporation	\$58,121	\$7,888	\$0	\$66,009
Yorke Peninsula Council	\$235,381	\$161,689	\$0	\$397,070
Totals	\$41,078,427	\$6,199,450	\$7,137,000	\$54,414,877

GENERAL PURPOSE AND LOCAL ROAD FINANCIAL ASSISTANCE GRANT

Tasmania

Local Government Area	Cash Payments to be made in 2022-23		
	General Purpose	Local Roads	Total
Break O'day Council	\$518,938	\$529,909	\$1,048,847
Brighton Council	\$712,289	\$210,856	\$923,145
Burnie City Council	\$357,815	\$393,858	\$751,673
Central Coast Council	\$791,751	\$591,195	\$1,382,946
Central Highlands Council	\$373,012	\$453,903	\$826,915
Circular Head Council	\$450,046	\$586,519	\$1,036,565
Clarence City Council	\$476,970	\$574,141	\$1,051,111
Derwent Valley Council	\$530,526	\$192,721	\$723,247
Devonport City Council	\$446,376	\$470,695	\$917,071
Dorset Council	\$500,052	\$565,621	\$1,065,673
Flinders Council	\$296,443	\$242,234	\$538,677
George Town Council	\$470,310	\$353,714	\$824,024
Glamorgan Spring Bay Council	\$39,228	\$347,684	\$386,912
Glenorchy City Council	\$378,271	\$518,590	\$896,861
Hobart City Council	\$427,127	\$586,035	\$1,013,162
Huon Valley Council	\$787,581	\$531,974	\$1,319,555
Kentish Council	\$540,290	\$274,505	\$814,795
King Island Council	\$295,960	\$200,696	\$496,656
Kingborough Council	\$311,487	\$482,028	\$793,515
Latrobe Council	\$305,609	\$241,710	\$547,319
Launceston City Council	\$537,763	\$1,043,545	\$1,581,308
Meander Valley Council	\$833,132	\$681,831	\$1,514,963
Northern Midlands Council	\$484,205	\$748,357	\$1,232,562
Sorell Council	\$507,722	\$199,458	\$707,180
Southern Midlands Council	\$709,113	\$507,945	\$1,217,058
Tasman Council	\$156,876	\$145,314	\$302,190
Waratah-Wynyard Council	\$664,311	\$420,265	\$1,084,576
West Coast Council	\$568,874	\$343,141	\$912,015
West Tamar Council	\$979,141	\$421,436	\$1,400,577
Totals	\$14,451,218	\$12,859,880	\$27,311,098

GENERAL PURPOSE AND LOCAL ROAD FINANCIAL ASSISTANCE GRANT

Victoria

Local Government Area	Cash Payments to be made in 2022-23		
	General Purpose	Local Roads	Total
Alpine Shire	\$671,927	\$337,537	\$1,009,464
Ararat Rural City Council	\$1,149,292	\$744,287	\$1,893,579
Ballarat City Council	\$2,892,127	\$893,221	\$3,785,348
Banyule City Council	\$590,515	\$282,945	\$873,460
Bass Coast Shire Council	\$1,245,731	\$431,255	\$1,676,986
Baw Baw Shire Council	\$1,673,872	\$850,112	\$2,523,984
Bayside City Council	\$560,048	\$105,268	\$665,316
Benalla Rural City Council	\$875,237	\$438,850	\$1,314,087
Borough of Queenscliffe	\$8,394	\$18,690	\$27,084
Brimbank City Council	\$3,280,763	\$538,413	\$3,819,176
Buloke Shire Council	\$1,121,746	\$799,833	\$1,921,579
Campaspe Shire Council	\$2,417,513	\$1,233,775	\$3,651,288
Cardinia Shire Council	\$3,036,679	\$769,273	\$3,805,952
Casey City Council	\$6,397,824	\$958,364	\$7,356,188
Central Goldfields Shire Council	\$907,362	\$385,294	\$1,292,656
City of Boroondara	\$938,896	\$273,776	\$1,212,672
City of Darebin	\$765,225	\$279,779	\$1,045,004
City of Glen Eira	\$858,520	\$194,323	\$1,052,843
City of Greater Dandenong	\$2,813,766	\$508,467	\$3,322,233
City of Greater Geelong	\$5,375,634	\$1,125,355	\$6,500,989
City of Knox	\$1,984,123	\$351,592	\$2,335,715
City of Maribyrnong	\$566,843	\$152,892	\$719,735
City of Port Phillip	\$570,727	\$129,532	\$700,259
City of Whittlesea	\$3,970,156	\$798,362	\$4,768,518
Colac Otway Shire	\$1,475,371	\$808,845	\$2,284,216
Corangamite Shire Council	\$1,305,965	\$1,087,194	\$2,393,159
East Gippsland Shire Council	\$3,031,588	\$1,555,676	\$4,587,264
Frankston City Council	\$1,907,593	\$378,265	\$2,285,858
Gannawarra Shire Council	\$1,211,844	\$619,148	\$1,830,992
Glenelg Shire Council	\$1,645,529	\$1,095,142	\$2,740,671
Golden Plains Shire Council	\$1,180,891	\$627,776	\$1,808,667
Greater Bendigo City Council	\$3,836,438	\$1,071,761	\$4,908,199
Greater Shepparton City Council	\$2,896,895	\$1,010,256	\$3,907,151
Hepburn Shire Council	\$889,143	\$419,925	\$1,309,068
Hindmarsh Shire Council	\$695,022	\$466,817	\$1,161,839
Hobsons Bay City Council	\$535,987	\$250,728	\$786,715
Horsham Rural City Council	\$1,482,531	\$686,037	\$2,168,568
Hume City Council	\$4,906,231	\$960,730	\$5,866,961
Indigo Shire Council	\$1,063,250	\$593,127	\$1,656,377
Kingston City Council	\$942,483	\$490,490	\$1,432,973
Latrobe City Council	\$2,350,169	\$772,416	\$3,122,585
Loddon Shire Council	\$1,697,817	\$1,102,838	\$2,800,655
Macedon Ranges Shire Council	\$1,699,280	\$662,832	\$2,362,112
Manningham City Council	\$753,210	\$257,596	\$1,010,806

Mansfield Shire Council	\$451,309	\$285,042	\$736,351
Maroondah City Council	\$910,297	\$233,769	\$1,144,066
Melbourne City Council (City of Melbourne)	\$1,105,119	\$223,436	\$1,328,555
Melton City Council	\$4,911,175	\$745,030	\$5,656,205
Mildura Rural City Council	\$2,834,573	\$1,286,650	\$4,121,223
Mitchell Shire Council	\$1,887,915	\$573,709	\$2,461,624
Moir Shire Council	\$2,106,494	\$1,232,382	\$3,338,876
Monash City Council	\$1,081,312	\$418,924	\$1,500,236
Moonee Valley City Council	\$736,217	\$217,689	\$953,906
Moorabool Shire Council	\$1,400,936	\$697,481	\$2,098,417
Moreland City Council	\$846,429	\$272,532	\$1,118,961
Mornington Peninsula Shire Council	\$1,060,939	\$763,360	\$1,824,299
Mount Alexander Shire Council	\$995,939	\$519,712	\$1,515,651
Murrindindi Shire Council	\$884,579	\$500,409	\$1,384,988
Nillumbik Shire Council	\$369,139	\$327,121	\$696,260
Northern Grampians Shire Council	\$1,394,006	\$936,572	\$2,330,578
Pyrenees Shire Council	\$1,190,638	\$662,437	\$1,853,075
Shire of Moyne	\$1,574,733	\$1,414,518	\$2,989,251
Shire of Strathbogie	\$1,064,934	\$712,107	\$1,777,041
Shire of Towong	\$1,088,216	\$576,892	\$1,665,108
South Gippsland Shire Council	\$1,609,280	\$1,017,823	\$2,627,103
Southern Grampians Shire Council	\$1,378,612	\$992,442	\$2,371,054
Stonnington City Council	\$617,290	\$136,080	\$753,370
Surf Coast Shire	\$925,064	\$470,787	\$1,395,851
Swan Hill Rural City Council	\$1,344,411	\$749,131	\$2,093,542
Wangaratta Rural City Council	\$1,560,303	\$706,130	\$2,266,433
Warrnambool City Council	\$1,248,656	\$229,747	\$1,478,403
Wellington Shire Council	\$2,917,932	\$1,678,155	\$4,596,087
West Wimmera Shire Council	\$874,489	\$737,968	\$1,612,457
Whitehorse City Council	\$984,186	\$345,414	\$1,329,600
Wodonga City Council	\$1,486,427	\$274,608	\$1,761,035
Wyndham City Council	\$6,038,144	\$809,572	\$6,847,716
Yarra City Council	\$591,807	\$123,460	\$715,267
Yarra Ranges Shire Council	\$2,628,601	\$940,131	\$3,568,732
Yarriambiack Shire Council	\$1,071,312	\$700,100	\$1,771,412
Totals	\$133,351,570	\$50,030,114	\$183,381,684

GENERAL PURPOSE AND LOCAL ROAD FINANCIAL ASSISTANCE GRANT

Western Australia

Local Government Area	Cash Payments to be made in 2022-23			
	General Purpose	Local Roads	Special Roads	Total
City of Albany	\$712,796	\$456,545	\$0	\$1,169,341
City of Armadale	\$650,658	\$505,331	\$0	\$1,155,989
City of Bayswater	\$462,087	\$184,353	\$0	\$646,440
City of Belmont	\$309,943	\$133,545	\$0	\$443,488
City of Bunbury	\$209,380	\$213,436	\$0	\$422,816
City of Busselton	\$329,121	\$360,577	\$0	\$689,698
City of Canning	\$603,970	\$329,699	\$0	\$933,669
City of Cockburn	\$924,214	\$650,601	\$0	\$1,574,815
City of Fremantle	\$239,715	\$78,874	\$0	\$318,589
City of Gosnells	\$889,159	\$440,921	\$0	\$1,330,080
City of Greater Geraldton	\$1,564,207	\$495,323	\$0	\$2,059,530
City of Joondalup	\$1,110,000	\$486,403	\$0	\$1,596,403
City of Kalamunda	\$434,692	\$270,962	\$0	\$705,654
City of Kalgoorlie-Boulder	\$119,593	\$299,529	\$213,333	\$632,455
City of Karratha	\$735,062	\$40,268	\$0	\$775,330
City of Kwinana	\$418,491	\$276,100	\$0	\$694,591
City of Mandurah	\$640,366	\$329,509	\$0	\$969,875
City of Melville	\$699,027	\$284,448	\$0	\$983,475
City of Nedlands	\$153,626	\$63,666	\$0	\$217,292
City of Perth	\$269,461	\$16,898	\$0	\$286,359
City of Rockingham	\$1,047,790	\$591,588	\$0	\$1,639,378
City of South Perth	\$283,808	\$112,848	\$0	\$396,656
City of Stirling	\$1,499,977	\$568,879	\$0	\$2,068,856
City of Subiaco	\$118,332	\$44,615	\$0	\$162,947
City of Swan	\$1,232,478	\$723,095	\$600,000	\$2,555,573
City of Vincent	\$223,746	\$91,120	\$0	\$314,866
City of Wanneroo	\$1,677,574	\$1,161,127	\$0	\$2,838,701
Shire of Ashburton	\$464,009	\$40,654	\$0	\$504,663
Shire of Augusta Margaret River	\$98,277	\$266,428	\$0	\$364,705
Shire of Beverley	\$222,151	\$116,412	\$0	\$338,563
Shire of Boddington	\$21,584	\$52,258	\$0	\$73,842
Shire of Boyup Brook	\$360,781	\$157,828	\$0	\$518,609
Shire of Bridgetown Greenbushes	\$313,533	\$171,939	\$0	\$485,472
Shire of Brookton	\$227,290	\$80,369	\$0	\$307,659
Shire of Broome	\$585,639	\$373,494	\$0	\$959,133
Shire of Broomehill-Tambellup	\$344,884	\$142,888	\$0	\$487,772
Shire of Bruce Rock	\$572,715	\$127,501	\$182,000	\$882,216
Shire of Capel	\$395,303	\$159,963	\$0	\$555,266
Shire of Carnamah	\$325,085	\$45,878	\$0	\$370,963
Shire of Carnarvon	\$1,368,283	\$347,131	\$0	\$1,715,414
Shire of Chapman Valley	\$118,611	\$133,526	\$160,000	\$412,137
Shire of Chittering	\$295,862	\$159,142	\$186,000	\$641,004
Shire of Collie	\$478,419	\$150,245	\$0	\$628,664
Shire of Coolgardie	\$198,993	\$131,534	\$0	\$330,527
Shire of Coorow	\$242,396	\$137,884	\$0	\$380,280
Shire of Corrigin	\$376,741	\$168,201	\$0	\$544,942
Shire of Cranbrook	\$236,284	\$142,615	\$0	\$378,899
Shire of Cuballing	\$191,670	\$82,694	\$0	\$274,364
Shire of Cue	\$521,664	\$233,997	\$0	\$755,661
Shire of Cunderdin	\$346,146	\$145,116	\$0	\$491,262
Shire of Dalwallinu	\$551,831	\$273,775	\$0	\$825,606
Shire of Dandaragan	\$317,308	\$37,696	\$0	\$355,004
Shire of Dardanup	\$222,385	\$175,160	\$0	\$397,545
Shire of Denmark	\$157,629	\$135,746	\$0	\$293,375

Shire of Derby-West Kimberley	\$1,787,278	\$376,852	\$286,667	\$2,450,797
Shire of Donnybrook-Balingup	\$392,651	\$179,767	\$0	\$572,418
Shire of Dowerin	\$287,023	\$132,762	\$0	\$419,785
Shire of Dumbleyung	\$332,955	\$217,321	\$0	\$550,276
Shire of Dundas	\$468,600	\$137,624	\$0	\$606,224
Shire of East Pilbara	\$1,418,310	\$478,697	\$760,000	\$2,657,007
Shire of Esperance	\$745,306	\$837,451	\$0	\$1,582,757
Shire of Exmouth	\$450,838	\$111,901	\$0	\$562,739
Shire of Gingin	\$345,836	\$184,852	\$350,061	\$880,749
Shire of Gnowangerup	\$246,791	\$109,599	\$0	\$356,390
Shire of Goomalling	\$141,458	\$94,800	\$244,000	\$480,258
Shire of Halls Creek	\$1,196,743	\$237,692	\$346,667	\$1,781,102
Shire of Harvey	\$614,715	\$232,843	\$258,000	\$1,105,558
Shire of Irwin	\$27,909	\$83,370	\$0	\$111,279
Shire of Jerramungup	\$240,458	\$210,336	\$0	\$450,794
Shire of Katanning	\$553,873	\$105,844	\$0	\$659,717
Shire of Kellerberrin	\$491,144	\$137,045	\$0	\$628,189
Shire of Kent	\$440,846	\$183,126	\$0	\$623,972
Shire of Kojonup	\$228,469	\$177,131	\$0	\$405,600
Shire of Kondinin	\$496,760	\$198,209	\$0	\$694,969
Shire of Koorda	\$444,889	\$151,984	\$0	\$596,873
Shire of Kulin	\$534,721	\$272,060	\$0	\$806,781
Shire of Lake Grace	\$590,049	\$326,319	\$0	\$916,368
Shire of Laverton	\$615,775	\$184,638	\$166,364	\$966,777
Shire of Leonora	\$172,975	\$171,622	\$0	\$344,597
Shire of Manjimup	\$835,355	\$340,012	\$0	\$1,175,367
Shire of Meekatharra	\$962,765	\$543,584	\$0	\$1,506,349
Shire of Menzies	\$522,112	\$337,522	\$160,000	\$1,019,634
Shire of Merredin	\$566,606	\$204,978	\$0	\$771,584
Shire of Mingenew	\$97,410	\$74,266	\$533,334	\$705,010
Shire of Moora	\$301,964	\$181,541	\$0	\$483,505
Shire of Morawa	\$392,567	\$139,968	\$0	\$532,535
Shire of Mount Magnet	\$518,712	\$85,944	\$0	\$604,656
Shire of Mount Marshall	\$453,523	\$208,704	\$0	\$662,227
Shire of Mukinbudin	\$386,876	\$128,169	\$0	\$515,045
Shire of Mundaring	\$557,559	\$280,620	\$0	\$838,179
Shire of Murchison	\$998,722	\$217,085	\$0	\$1,215,807
Shire of Murray	\$372,979	\$232,939	\$1,866,001	\$2,471,919
Shire of Nannup	\$319,535	\$120,885	\$0	\$440,420
Shire of Narembeen	\$451,582	\$193,014	\$0	\$644,596
Shire of Narrogin	\$497,713	\$142,506	\$0	\$640,219
Shire of Ngaanyatjaraku	\$1,343,932	\$118,480	\$693,333	\$2,155,745
Shire of Northam	\$789,269	\$179,760	\$514,000	\$1,483,029
Shire of Northampton	\$280,291	\$173,134	\$0	\$453,425
Shire of Nungarin	\$353,965	\$68,958	\$0	\$422,923
Shire of Peppermint Grove	\$14,309	\$4,861	\$0	\$19,170
Shire of Perenjori	\$383,426	\$126,924	\$0	\$510,350
Shire of Pingelly	\$326,628	\$92,894	\$0	\$419,522
Shire of Plantagenet	\$260,871	\$214,575	\$0	\$475,446
Shire of Quairading	\$431,940	\$125,615	\$0	\$557,555
Shire of Ravensthorpe	\$373,628	\$186,997	\$800,000	\$1,360,625
Shire of Sandstone	\$539,456	\$103,156	\$0	\$642,612
Shire of Serpentine-Jarrahdale	\$492,437	\$190,912	\$300,000	\$983,349
Shire of Shark Bay	\$541,634	\$87,969	\$0	\$629,603
Shire of Tammin	\$297,893	\$74,321	\$0	\$372,214
Shire of Three Springs	\$304,294	\$132,480	\$0	\$436,774
Shire of Toodyay	\$280,519	\$168,168	\$0	\$448,687
Shire of Trayning	\$411,009	\$108,173	\$0	\$519,182
Shire of Upper Gascoyne	\$1,108,674	\$323,093	\$0	\$1,431,767
Shire of Victoria Plains	\$226,403	\$150,954	\$0	\$377,357

Shire of Wagin	\$341,574	\$119,618	\$0	\$461,192
Shire of Wandering	\$85,058	\$66,233	\$0	\$151,291
Shire of Waroona	\$321,572	\$94,782	\$0	\$416,354
Shire of West Arthur	\$148,083	\$124,251	\$0	\$272,334
Shire of Westonia	\$257,589	\$122,280	\$0	\$379,869
Shire of Wickepin	\$298,721	\$116,650	\$186,001	\$601,372
Shire of Williams	\$62,829	\$80,117	\$0	\$142,946
Shire of Wiluna	\$607,147	\$239,768	\$0	\$846,915
Shire of Wongan-Ballidu	\$420,892	\$196,089	\$0	\$616,981
Shire of Woodanilling	\$201,831	\$74,635	\$0	\$276,466
Shire of Wyalkatchem	\$428,563	\$104,056	\$0	\$532,619
Shire of Wyndham-East Kimberley	\$951,150	\$191,319	\$360,000	\$1,502,469
Shire of Yalgoo	\$646,398	\$188,424	\$0	\$834,822
Shire of Yilgarn	\$682,016	\$387,838	\$0	\$1,069,854
Shire of York	\$342,002	\$159,080	\$0	\$501,082
Town of Bassendean	\$108,611	\$59,594	\$0	\$168,205
Town of Cambridge	\$215,268	\$70,876	\$0	\$286,144
Town of Claremont	\$70,800	\$26,079	\$0	\$96,879
Town of Cottesloe	\$49,341	\$36,312	\$0	\$85,653
Town of East Fremantle	\$61,545	\$18,998	\$0	\$80,543
Town of Mosman Park	\$64,621	\$23,800	\$0	\$88,421
Town of Port Hedland	\$175,605	\$240,253	\$103,333	\$519,191
Town of Victoria Park	\$239,792	\$97,362	\$0	\$337,154
Totals	\$64,158,684	\$27,835,754	\$9,269,094	\$101,263,532

Notes

The 2022-23 cash payment consists of the 2022-23 estimated entitlement and the adjustment created from the difference between the 2021-22 final entitlement and 2021-22 estimated entitlement.

ATTACHMENT B

REVIEW INTO QUEENSLAND FINANCIAL ASSISTANCE GRANT ALLOCATION

All local governments in Australia receive a Financial Assistance Grant allocation as determined by State and Territory Grants Commissions, noting that each Commission needs to provide advice in writing to the Federal Minister for Local Government that its decision follows the principles prescribed by the Australian Government as the funder.

The Queensland Local Government Grants Commission (the Commission) has completed a major review of both components of the Financial Assistance (FA) Grant allocation methodology. It has been approximately 10 years since a major methodology review has been completed in Queensland. The key highlights of the review are:

- The need for a review was supported through feedback received by the Commission from Queensland councils and is in-line with a resolution of the 2020 Local Government Association of Queensland Annual Conference.
- The review included significant consultation with councils and was focused on delivering a more equitable distribution of the FA Grant in accordance with the Australian Government's rules.
- The Commission considers that a more equitable funding distribution has been achieved as a result of the review, with more funding recommended to be distributed under the new model to councils with a greater need (predominantly small and Indigenous councils).

The impact of the recommended allocations will mean that 74 per cent (57) of QLD councils will receive an increased FA Grant allocation in 2022-23. 26 per cent of councils will receive a reduced allocation a, at an average annual reduction of approximately 0.3% of their operating revenue.

The Commission has recommended a further four councils become minimum grant councils—that is, receive only the base minimum allocation from the FA Grant distribution. This is because these councils were deemed to have an increased ability to raise revenue when compared to other Queensland councils. These four councils (and the difference in their FA Grant allocation between 2021-22 and 2022-23) are:

- Bundaberg Regional Council (-17.3%)
- Fraser Coast Council (-17.6%)
- Rockhampton Regional Council (-21.9%)
- Toowoomba City Council (-17.9%)

Treating these four councils as ‘minimum grant’ will result in **an additional \$28 million** of funding will be redistributed to smaller, remote and indigenous councils.

These councils have raised concerns with their new classification to the Commission, the former Minister for Local Government, the Hon Kevin Hogan MP, and the current Minister for Regional Development, Local Government and Territories, the Hon Kristy McBain MP.

The Commission plans to stage the implementation of the outcomes of the methodology review over a period of three years as it recognises that councils need time to prepare for the new distribution approach.

Chronology of key events in the Financial Assistance Grant (FA Grant) program calculation and payment processes**By 30 June**

- The Treasurer determines and provides the Final Factor. The Final Factor determines whether the Financial Assistance Grant program (FA Grant) allocation changes and if so by how much. The Final Factor finalises the current year's FA Grant allocation and the Estimated Factor estimates the next year's allocation.
- The Australian Bureau of Statistics (ABS) provides population estimates to the Department to determine the breakdown of the general purpose component of the FA Grant to calculate each jurisdiction's allocations.
- The funding difference between the Final allocation and the Estimated allocation determines the adjustment required for the next financial year's cash payment. The cash payment is paid quarterly.

July

- In early July, the Department calculates the general purpose allocations for the states and territories using the ABS population estimates. The identified road allocation are also calculated according to fixed historical shares.

The Minister responsible for Local Government approves jurisdictional allocations, comprising the general purpose and identified road components. The Minister then writes to State and Northern Territory Ministers and Treasurers providing them with their state and territory allocations, and requests their recommendations for the distribution of funding to local governing bodies within their jurisdictions. The Minister also approves the allocation to the Australian Capital Territory.

- In mid July, State and Northern Territory Local Government Grants Commissions make recommendations to their local government Ministers on the funding allocations to be distributed to local governing bodies. These recommendations are based on their methodologies made against the seven FA Grant National Principles including horizontal equalisation. State and Northern Territory Ministers then forward their recommendations for individual allocations to local government bodies, to the Minister responsible for Local Government.
- In late July/early August, the Department confirms the Local Government Grants Commission recommendations meet the requirements of the *Local Government (Financial Assistance) 1995 Act* (such as the 30 per cent minimum grant principle). The Minister responsible for Local Government approves the individual allocations to local governing bodies.

August

- On or after 15 August, the Department processes the first quarter payment to states and territories.

November

- On or after 15 November, the Department processes the second quarter payment to states and territories.

February (following year)

- On or after 15 February, the Department processes the third quarter payment to states and territories.

April (following year)

- Budget Update: Treasury provides the Department with estimated factors for Budget purposes. These are point-in-time estimates based on the latest projections. The Department applies these factors to the program allocation of the forward estimates in the Budget process.

May (following year)

- On or after 15 May, the Department processes the fourth quarter payment to states and territories.

June (following year)

- If the Australian Government decides to make a Bring Forward payment (a portion of the next financial year's funding), the Department calculates local government allocations based on the current year's allocations, seeks Ministerial approval of the state and territory allocations, and a breakdown of the jurisdictional allocation to local governing bodies. Payment is made in the current financial year.
- Funding in the next financial year is adjusted by the amount of the Bring Forward.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Sarah Nattey/s47F

SB22-000069

SUBJECT: Local Government**Talking Points**

- In his State of the Nation address on 8 September 2022, the Prime Minister reaffirmed the Government's commitment to direct engagement between national and local government, saying "One of the things we will be re-establishing is the Australian Council of Local Government, a body that brings together every local government... in Australia, together with the national government to talk about how those priorities and programs can best be delivered."
- At the National Cabinet meeting of 17 June 2022, the Prime Minister confirmed that a representative of local government will be invited to National Cabinet and the Council on Federal Financial Relations once a year.
- Minister McBain, as the Minister responsible for local government, will hold a meeting of local government ministers in November 2022.
- The Australian Government will provide \$2.9 billion in Financial Assistance Grant funding to local government in 2022-23, 75 per cent of which (\$2.1 billion) was paid early in April 2022.
- Specific questions about other Australian Government programs, including how local government has been factored into program design and implementation, are best addressed to the Minister with responsibility for that specific program.

Key Issues

- Minister McBain is responsible for another three programs delivered by the local government sector—Roads to Recovery, Bridges Renewal, and the Local Roads and Community Infrastructure programs—which provided approximately \$1.562 billion in funding in 2021-22.
- The department provided a further \$456 million to local councils under programs that are open to local councils as well as other entities.
- Ten other Commonwealth portfolios approved funding of at least \$197.3 million in grants to local governments in 2021-22.
- Many Commonwealth departments and agencies are well connected with local government on issues including environment, employment, health and education, and value the local government sector as a delivery partner.
- Where appropriate, the responsible ministers will consult with the Minister responsible for local government about the design and delivery of their funding programs. Similarly, the Department of Infrastructure, Transport, Regional

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Sarah Nattey/s47F

SB22-000069

Development, Communications and the Arts offers advice to other departments from its knowledge of the local government sector to assist them in designing and implementing their policies and programs.

- The department does not have a central coordination role for other Commonwealth portfolios' programs or decisions that involve local governments, or act as an advocate for local government with other Commonwealth or state agencies.

Other Commonwealth Programs Financial Information as at 2021-2022 ¹

Department/Agency Program	Amount (\$)
Australian Trade and Investment Commission (Austrade)	\$7,211,600.00
Enhancing National Tourism Icons	\$6,800,000.00
Regional Tourism Bushfire Recovery Grant Program	\$44,000.00
Regional Tourism Bushfire Recovery Grants Program	\$176,000.00
Supporting Australia's Exhibiting Zoos and Aquariums program	\$191,600.00
Department of Foreign Affairs and Trade	\$125,400.00
Australia-Japan Foundation	\$27,500.00
National Foundation for Australia-China Relations 2021-22	
Competitive Grants Program	\$97,900.00
Department of Home Affairs	\$1,283,998.00
Regional and Remote Airport Security Awareness Program	\$7,862.00
Safer Communities Fund - Home Affairs	\$1,276,136.00
Department of Veterans' Affairs	\$627,151.00
Saluting Their Service Commemorations Grants	\$627,151.00
National Indigenous Australians Agency	\$12,586,768.94
Children and Schooling	\$3,008,317.55
Culture and Capability	\$108,018.00
Jobs, Land and Economy	\$1,658,487.04
Jobs, Land and the Economy	\$5,247,913.18
Remote Australia Strategies	\$1,454,791.67
Safety and Wellbeing	\$1,109,241.50
National Recovery and Resilience Agency	\$148,355,561.00
Black Summer Bushfire Recovery Grants	\$81,988,612.00
Preparing Australia Program	\$66,366,949.00
Department of Industry, Science and Resources	\$250,000.00

¹ Source, grants recorded in Grants Hub as approved within the financial year 2021-22. Note only grants to the main ABNs associated with a local governing authority are included in these figures, therefore a wholly council-owned entity such as a childcare centre that has a separate ABN will not be identified in this report.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Sarah Natteys47F

SB22-000069

Department/Agency Program	Amount (\$)
Incubator Support Programme	\$250,000.00
Department of Health and Aged Care	\$4,026,099.72
Business Improvement Fund	\$270,000.00
CHSP Transport	\$87,106
COVID-19 Aged Care Industry Support	\$916,145
COVID-19 Aged Care Workforce Bonus Pymts	\$434,880
Disability Support for Older Australians	\$1,054,797
Domestic Assistance	\$379,622
Implement Improved Payment in Home Care	\$155,000
Meals	\$3,500
National Aboriginal and Torres Strait Islander Flexible Aged Care	\$396,712
Nursing	\$46,437
Rural Regional and Other Special Needs Building Fund	\$281,900
Department of Agriculture, Fisheries and Forestry	\$8,747,344
Australian Heritage Grants Program	\$473,148
Bushfire Recovery for Species and Landscapes	\$43,500
Murray-Darling Basin Economic Development Program Round 3	\$4,892,000
Murray-Darling Basin Healthy Rivers Program	\$17,000
Ranger Capability Building	\$132,705
Planting Trees for the Queens Jubilee	\$824,267
Indigenous Rangers Coastal Clean Ups Project - Coordination and Equipment Support Grant	\$125,124
Blue Carbon Ecosystem Restoration Grants	\$2,239,600
Department of Education	\$14,108,048
CCCF Open Competitive Capital Support	\$658,075
CCCF Open Competitive Community Support	\$2,677,989
CCCF Open Competitive Sustainability Support	\$10,021,570
INNOVATIVE SOLUTIONS SUPPORT	\$63,533
National Careers Institute	\$268,841
Special Circumstances - Special Appropriation	\$418,041
Total	\$197,321,970

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Meghan Hibbert (s47F)

SB22-000071

SUBJECT: Community Development Grants**Talking Points**

- On 25 October 2022, the Australian Government announced that under the 2022-23 Budget it would close the Community Development Grants programme. Funds will be retained to enable projects to be contracted within a six-month period (28 April 2023). After this period, offers of funding will be withdrawn.
- The Community Development Grants (CDG) Programme provides funding for projects identified by the former Australian Government, including 2013, 2016 and 2019 election commitments and the former Government's priority commitments (from 2013, 2016, 2019, 2020, 2021 and 2022).
- The program objective is to support needed infrastructure that promotes stable, secure and viable local and regional communities.
- As at 31 August 2022, there were **1523** approved projects in the CDG Programme with Government funding of **\$2.4 billion**, including 44 PEFO projects totalling \$116.6m to be transferred to other programs.
- The CDG Programme is a national program and projects can be delivered around Australia – in cities, regions, and rural and remote areas.
- The ANAO audited the CDG Programme in 2018 and found that its design and delivery were appropriate and largely consistent with the Commonwealth Grants Rules and Guidelines.
- Projects receiving a funding commitment under the CDG Programme are required to undergo a value-with-relevant-money assessment before funding is recommended for approval.

Community Development Grants Programme (Actual expenditure as at 31 August 2022)			
Program start	December 2013	Program end	June 2026
Total appropriation	\$2.4b	Expenditure to date	\$1.4b for 1,397 projects
Administration arrangements	The program is a closed and non-competitive grants program with projects identified by the former Australian Government. The Department of Infrastructure, Transport, Regional Development, Communications and the Arts works directly with grantees to administer the program.		

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Lead/Support contact: Meghan Hibbert (s47F)

SB22-000071

Status (as at 31 August)	Total Project Numbers	2020, 2021 and 2022 AG Commitments	2019 Election Commitments	2019 AG Commitments	Pre 2019 Election and AG commitments ¹
Waiting for Project Information	126	84	17	16	9
Under Assessment	0	0	0	0	0
Contracted - In Progress	254	38	66	103	47
Completed ²	1,143	13	127	193	810
Total	1,523	135	210	312	866
¹ The 2013 election commitments, 2016 election and 2016 former Australian Government priority commitments for identified projects ² Completed projects include terminated projects.					
Progress since last Senate Estimates (data previously reported as at 31 January 2022) <ul style="list-style-type: none"> 167 projects have been completed (from 1 February 2022 to 31 August 2022) 72 projects have been contracted (1 February 2022 to 31 August 2022) 					

Key Issues

New projects:

- 61 projects were announced in the period 1 February 2022 to 31 August 2022 and are included in the figures above.

Media Announcement	Project	State	AG funding
3/03/2022	Bennettswood Reserve	VIC	\$100,000
3/03/2022	Aspley Rugby Club Kirby Park facilities upgrade	QLD	\$1,000,000
3/03/2022	Centre of Excellence in Vision and Hearing at Macquarie University	NSW	\$12,500,000
24/03/2022	Laurel Palliative Care Foundation	SA	\$2,000,000
25/03/2022	Hero's Hill Community Centre	NSW	\$2,000,000
25/03/2022	Ensay Recreation Reserve Revitalisation	VIC	\$2,300,000

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Media Announcement	Project	State	AG funding
25/03/2022	Sarsfield Recreation Reserve and Community Hall Upgrade	VIC	\$3,600,000
25/03/2022	Yarrawonga Multisport Stadium	VIC	\$3,300,000
28/03/2022	Normanby Hill Remembrance Park Veteran's Memorial	QLD	\$1,800,000
28/03/2022	Maryborough Military & Colonial Museum Expansion	QLD	\$700,000
29/03/2022	Noosa Golf Club Carpark expansion	QLD	\$1,300,000
29/03/2022	Biggara Recreation Reserve Master Plan Implementation	VIC	\$900,000
30/03/2022	Whitton Oval Redevelopment (stage 2)	VIC	\$15,000,000
31/03/2022 via Budget process	Kew-Walmer Street Bridge Upgrade 2	VIC	\$1,000,000
28/03/2022 Via Budget process	Port Macquarie Hastings Hockey Association Clubhouse	NSW	\$200,000
Via Budget process	Removal and Rebuild of Collinsville Queensland Country Women's Association	QLD	\$100,000
Via Budget process	Truck Washes at King Island, Smithton, Devonport and Burnie	TAS	\$700,000

Pre-election Economic and Fiscal Outlook 2022

Media Announcement	Project	State	AG funding
20/04/2022	Volunteer Marine Rescue Whitsunday Club Extension	QLD	\$700,000
20/04/2022	Macedon Ranges Sports Precinct Stage 2 Redevelopment	VIC	\$15,000,000
20/04/2022	Scheyville Veterans Wellbeing Centre Upgrades	NSW	\$5,000,000
20/04/2022	Sebastopol Community Facilities Upgrades	VIC	\$4,500,000
20/04/2022	North Western Kart Club Upgrades	TAS	\$300,000
20/04/2022	Anam Cara House - Secure Shelter and Storage Area	VIC	\$400,000

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Media Announcement	Project	State	AG funding
20/04/2022	Bennett Park Recreation Space Upgrades	NSW	\$600,000
20/04/2022	Boronia Hawks Football Club New Pavilion	VIC	\$5,000,000
20/04/2022	Boyne Tannum Sharks Football Club Clubhouse Facilities	QLD	\$1,300,000
20/04/2022	Brothers Rugby Club Facilities Upgrade	QLD	\$2,500,000
20/04/2022	Cabarita Park Playground Soft Ball Installation	NSW	\$200,000
20/04/2022	Cairns Cricket Association's Griffith Park Stage 2 Redevelopment	QLD	\$1,700,000
20/04/2022	Cullen Point Barge Ramp Rock Wall	QLD	\$600,000
20/04/2022	East's Football Club upgrades	QLD	\$900,000
20/04/2022	Exeter Showground Redevelopment	TAS	\$1,500,000
20/04/2022	Flinders Island Safe Harbour - additional funding	TAS	\$600,000
20/04/2022	Frankston Basketball Stadium Redevelopment	QLD	\$15,000,000
20/04/2022	Giant Steps Facility Upgrades - additional funding	VIC	\$4,200,000
20/04/2022	Glenbrook Oval Facilities Upgrades	NSW	\$2,500,000
20/04/2022	Harold Rossiter Park Upgrades	WA	\$400,000
20/04/2022	Hub Gymnastics Expansion	SA	\$1,000,000
20/04/2022	Ipswich Showgrounds Upgrade	QLD	\$2,000,000
20/04/2022	Jewish Community Centre	WA	\$2,500,000
20/04/2022	Kensington Gardens Clubrooms Upgrade	SA	\$3,600,000
20/04/2022	Lakes Entrance Krautungalung Walk	VIC	\$3,600,000
20/04/2022	Marino Community Hall Upgrade	SA	\$3,000,000
20/04/2022	Max McMahon Oval Upgrades	NSW	\$3,000,000
20/04/2022	Moreton Bay Central Sports Complex Upgrades	QLD	\$3,500,000
20/04/2022	Mount Waverley Reserve Redevelopment	VIC	\$4,000,000
20/04/2022	Nebo Showgrounds Stage 1 Masterplan Redevelopment	QLD	\$2,800,000
20/04/2022	Neerim South Age Care Facility Upgrades	VIC	\$5,000,000

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Rural and Regional Affairs and Transport

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SB22-000071

Media Announcement	Project	State	AG funding
20/04/2022	Noranda City football Club Upgrades	WA	\$800,000
20/04/2022	Ocean Grove Memorial Recreation Reserve Upgrades	VIC	\$800,000
20/04/2022	Phoenix Park Community Centre Upgrades	VIC	\$300,000
20/04/2022	Pine Rivers Netball Association Upgrades	QLD	\$1,500,000
20/04/2022	Pioneer River (Fursden Creek) Levee	QLD	\$6,100,000
20/04/2022	Redleaf Access Project - accessibility upgrade	NSW	\$500,000
20/04/2022	Renown Park Field upgrades	NSW	\$600,000
20/04/2022	South East Jobs Hub, Sorrell Tasmania	TAS	\$1,500,000
20/04/2022	South Mitchell Road and Pormpuraaw Road – Concrete Causeway	QLD	\$500,000
20/04/2022	Swan Valley Sporting and Community Club upgrades	WA	\$800,000
20/04/2022	Up River Road Causeway	QLD	\$300,000
20/04/2022	Wanneroo Districts Cricket Club new club facilities	WA	\$2,000,000
20/04/2022	Wynnum Wolves Carmichael Park Upgrades	QLD	\$4,000,000

BackgroundLists of projects

- All contracted CDG projects up to 31 December 2017, can be found on the Department of Infrastructure, Transport, Regional Development, Communications and the Arts Grants Reporting web page.
- Projects contracted post 1 January 2018, can be found on the Whole of Government website GrantConnect.
- Projects that are not yet contracted do not appear on these websites.
- Changes to projects requiring a material change (in scope, value or time), require a variation to the Funding Agreement which is published within 21 days of the change taking effect.

Application and approval process

- The former Government decided which projects were to be delivered through the CDG Programme and announced the project.

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BUDGET ESTIMATES 2022 - 2023

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- The department asks the grantee to submit a Request for Information form which provides sufficient project information for the department to undertake a value-with-relevant-money assessment.
- Following the assessment of the project, the department makes a recommendation to the delegate as specified in the program guidelines.
- If approved, the grantee and the Australian Government MP or Senator responsible for the commitment are advised of the project approval by the delegate as specified in the program guidelines.
- Successful grantees are then required to enter into a formal funding agreement with the Commonwealth of Australia upon receiving advice of a successful funding decision. The agreement establishes the obligations of both parties.

Financial Information as at 31 August 2022

Program/Project Start Date:	2013-14					
Program/Project End Date:	2025-26					
	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m
Appropriation Budget	272.9	418.0	253.5	226.1	177.3	1,347.8
Less:						
Actual Expenditure YTD at 31 August 2022	272.8	66.6				339.4
Total Committed Funds at 31 August 2022	0.1	363.0	293.5	268.1	202.2	1,126.9
Total Uncommitted Funds (balance)	0.0	(11.6)	(40.0)	(42.0)	(24.9)	(118.5)

Notes: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient. Total column may contain rounding variances.

Committed funds includes PEFO commitments to be transferred to other programs.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000072

SUBJECT: Building Better Regions Fund**Talking Points**

- The total appropriation for the BBRF is \$1.13 billion across five rounds with 1,293 projects awarded funding from 2017-18 to 2024-25.
- The previous Government committed \$250 million in the 2021-22 Budget to deliver BBRF Round Six. This was returned to Budget as part of the Australian Government's decisions on budget repair.
- The Government decided to not proceed with Round Six of the Building Better Regions Fund following publication of the Australian National Audit Office (ANAO) Performance Audit of the program on 28 July 2022.
- A total of 821 applications were received for BBRF Round Six, 626 in the Infrastructure Projects (IP) stream and 195 in the Community Investments (CI) Stream. The applications sought approximately \$1.5 billion in grant funding with total project costs of \$3.1 billion.
- A total of 4,320 applications were received under five rounds of the BBRF, seeking total grant funding of \$6.3 billion with total project cost of over \$12 billion.

Key Issues

- On 28 July 2022 the ANAO published their Performance Audit Report: The Award of Funding under the Building Better Regions Fund.
- The ANAO's audit report into this program described the award of funding as 'partly effective' and 'partly consistent with the Commonwealth Grants Rules and Guidelines'.
- As part of the ANAO's Performance Audit of the BBRF, the Auditor-General made one recommendation to the department, and four to the Department of Finance aimed at improving the grants administration framework.
- Recommendation four in the report was directed to the Department, recommending:
 - That the Department of Infrastructure, Transport, Regional Development, Communications and the Arts:
 - Put appropriate processes in place to ensure that where more than one minister, such as a ministerial panel, performs the role of grants decision-maker its written advice on the merits of proposed grants is provided to all panel members prior to funding decisions being taken; and
 - Improve record-keeping practices so that the basis for decisions is clear, including in circumstances where the decision-maker has not agreed with the assessment of candidates undertaken by officials.

Contact: Meghan Hibbert**Cleared by First Assistant Secretary:** Janet Quigley**Phone:** 02 6393 4030**Version Number:** 01**Date:** 19/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Meghan Hibbert /s47F

SB22-000072

- The department agreed to implement this recommendation.
- The department will recommend the provision of secretariat services by the relevant grants hub (under the Streamlining Government Grants Administration program), or by the department itself, where more than one minister (such as a ministerial panel) performs the role of grants decision-maker. This will include options for transmitting electronic or hard copies of the department's full briefing materials to all panel members prior to their panel meetings. The provision of these secretariat services should lead to written records that clearly set out the basis for the panel's decisions and comply with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), Commonwealth Grants Rules and Guidelines (CGRGs) and the Department of Finance's *Australian Government Grants – Briefing, Reporting, Evaluating and Election Commitments*: Resource Management Guide No 412.
- BBRF has five concurrent funding rounds in progress. The majority of projects are on track for completion by the end of the appropriation period for their respective rounds.
 - As at 31 August 2022, \$610.34 million has been paid under the program. There are 442 projects underway; 783 completed projects; 29 terminated projects; 35 withdrawn projects; and 4 uncontracted projects (**Attachment A**).

BackgroundANAO Audit

- The ANAO Audit of the BBRF formed part of the ANAO's Performance Audit work program for 2021-22, and commenced in August 2021.
- Although the ANAO concluded that the BBRF was well designed in some respects, it also noted there were deficiencies in important areas, including that:
 - Appropriate funding recommendations were provided for only three of five completed rounds.
 - Funding decisions were not appropriately informed by departmental advice, and the basis for the funding decisions not appropriately documented.
 - The fact that the award of funding was only partly consistent with the guidelines reflected "the extent to which the ministerial panel has increasingly relied upon the 'other factors' outlined in the published program guidelines when making funding decisions".

BBRF Rounds

- BBRF Rounds 1, 2 and 3 end dates have been extended to address delays.
 - Rounds One and Two are close to full completion with some projects delayed due to issues beyond the grantees' control including regulatory approval delays.
 - Round Three has been extended from 30 June 2022 to 31 March 2023 due to projects affected by COVID restrictions and supplier/contractors delays.

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- Applications for BBRF Round Six opened on 13 December 2021 and closed on 10 February 2022. The Business Grants Hub's eligibility and merit assessment of Round Six applications was completed and its advice was provided to the department.

Financial Information as at 31 August 2022.

Program/Project Start Date:	2017-18					
Program/Project End Date:	2024-25					
	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m
Appropriation Budget	184.6	307.7	174.2	0	0.0	666.5
Less:						
Actual Expenditure YTD at 31 August 2022	125.2	18.8				144.0
Total Committed Funds at 31 August 2022	0.0	330.8	144.8	0.0	0.0	475.6
Total Uncommitted Funds (balance) ¹	59.4	-41.9	29.4	0	0.0	46.9

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

Attachments

- Attachment A – Building Better Regions Fund (Actual expenditure as at 31 August 2022)

¹ Anticipated project delays mean that overcommitted funding in the 2022-23 year will be funded from 2023-24 appropriation.

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Attachment A

Building Better Regions Fund (Actual expenditure as at 31 August 2022)						
Date Program Round opened for Applications	Round	Date	Program Round end dates	Original Date	Latest Possible Date	
	One	18/01/2017		30/06/2020	R1: 31/12/2021	
	Two	07/11/2017		30/06/2021	R2: 31/01/2023	
	Three	27/09/2018		30/06/2022	R3: 31/03/2023	
	Four	14/11/2019		30/06/2023	Projects have also been extended beyond original dates on a case by case basis	
	Five	12/01/2021		30/06/2024		
	Six	13/12/2021		30/06/2025		
Total appropriation	\$1.13b*		Expenditure to date	\$610.34m (1,293 approved projects**)		
	*Total appropriation figure does not include funds transferred from BBRF to other programs over time. **Not all approved projects have received a payment to date.					
Administration arrangements	The program is an open, competitive and merit-based grants program administered through the Business Grants Hub (the Hub), Department of Industry, Science and Resources (DISR) on behalf of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department).					
Current Status						
BBRF Round	Complete, Acquitted	Underway	Uncontracted	Terminated	Withdrawn	Total
Round One	241	3	0	12	1	257
Round Two	219	15	0	9	2	245
Round Three	249	68	0	7	6	330
Round Four	64	91	1	1	6	163
Round Five	10	265	3	0	20	298
	783	442	4	29	35	1293

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Meghan Hibbert

SB22-000074

SUBJECT: Regional Programs - Budget 2022 (new programs)**Talking Points**

- The Australian Government's new regional community infrastructure programs will deliver grants with transparency, integrity and fairness.
- Regional programs enable the Government to support local communities to grow their economies and improve liveability.
- In the 2022-23 October Budget the Government introduced two new regional programs valued at \$1.0 billion:
 - **Growing Regions** is a competitive grants program that seeks to drive growth, improve equity, enhance amenity and support social inclusion in regional Australia, and
 - A **regional Precincts and Partnerships** program that will deliver place-based regional partnerships to help transform regions and pave the way towards net-zero emissions, a decarbonised economy and sustained regional growth.
- The Government has also established two new election commitment programs:
 - The **Investing in our Communities Program** (\$349.9 million) will deliver the Government's local community, sports and infrastructure election commitments valued under \$5 million.
 - The Government's election commitments over \$5 million for community infrastructure, and smaller election commitments as specified by the Minister will be delivered through the **Priority Community Infrastructure Program** (\$1.02 billion). This program will have two streams to administer regional and urban projects.
- PEFO commitments of the former government under the Community Development Grants Programme will be delivered through the new election commitment programs.
- All election commitments, no matter their value, will be delivered with enhanced integrity and transparency through a program design that includes proportional processes and robust assessment criteria for all projects.
- The Growing Regions Program will open in May 2023 and will be run as an open competitive program.
- The new community infrastructure program will deliver a higher standard of integrity in regional program delivery by:
 - awarding grants on a merit basis;
 - separating capacity building, assessment and delivery; and
 - increasing the accountability of ministerial discretion in decision-making, recommendations and decisions.

Key Issues

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Lead/Support contact: Meghan Hibbert

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- The new suite of programs will replace the previous government's suite of regional grant programs, including the Building Better Regions Fund and Community Development Grants Programme, which have both been the subject of significant public scrutiny.
- The election commitment programs will open for applications to invited applicants by the end of 2022.
- Projects under the Priority Community Infrastructure Program are being merit reviewed prior to contacting proponents with an invitation to apply.
- A list of election and PEFO commitments, itemised by the program they are being delivered under is available at **Attachment A**.

Background

Program Eligibility and Merit Criteria – Growing Regions

- Guidelines are not yet approved by the Minister; however, it is anticipated that:
 - Local government entities, state and territory governments and not-for-profit organisations that are located outside metropolitan areas under the Australian Bureau of Statistics' Greater Capital City Statistical Areas (GCCSA) will be eligible to apply for funding under the **Growing Regions** stream; and
 - Partnerships between smaller organisations and local government entities will be eligible to apply. Private enterprise and for-profit entities will be ineligible to apply. Applications must have co-funding in order to secure funds under this program.
- To be successful under this new program, applicants will be required to demonstrate:
 - an identified gap or need in their community for the infrastructure;
 - how the infrastructure project will affect social and economic benefits in the community;
 - strategic alignment with regional priorities (such as consultation with state development plans and local First Nations priorities); and
 - project viability and sustainability and grantee capacity and viability.

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SB22-000074

Financial Information as at 25 October 2022

Investing in Our Communities

Program Start Date:	December 2023 (TBC)						
Program End Date:	30 June 2027						
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Appropriation Budget	0	22.9	108.9	128.0	59.7	30.3	349.9
Less:							
Actual Expenditure YTD at 31 August 2022	0	0					
Total Committed Funds at 31 August 2022	0	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	22.9	108.9	128.0	59.7	30.3	349.9

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient

Priority Community Infrastructure Program (Combined with Growing Regions in PBS)

Program Start Date:	January 2023 (TBC)						
Program End Date:	30 June 2027						
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Appropriation Budget	0	62.3	202	295	300	158	1017.3
Less:							
Actual Expenditure YTD at 31 August 2022	0	0					
Total Committed Funds at 31 August 2022	0	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	62.3	202	295	300	158	1017.3

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

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SB22-000074

Growing Regions* (Combined with Priority Community Infrastructure Program in PBS)

Program Start Date:	May 2023 (TBC)				
Program End Date:	30 June 2027				
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget	0	TBC	TBC	TBC	TBC
Less:					
Actual Expenditure YTD at 31 August 2022	0				
Total Committed Funds at 31 August 2022	0	0	0	0	0
Total Uncommitted Funds (balance)	0	TBC	TBC	TBC	TBC

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient. The Government committed \$1 billion over three years to the Growing Regions Program and regional Precincts and Partnerships Program with final funding details to be settled post the Budget.

Attachments

- Attachment A – List of Election Commitments included within the new programs

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Version Number: 01 Date: 26/10/2022

Attachment A: List of Election Commitments included within the new programs

Note: Some projects may need to be settled with other portfolios once eligibility is assessed.

Investing in our Communities

State/ Territory	Project title	Who is the money going to	Cost
	Chung Wah Association Chinese and Family Community Centre	TBC	\$1,750,000.00
	Greek Centre Community Hubs	TBC	\$1,800,000.00
	Aboriginal Community Elders Services	TBC	\$2,100,000.00
	Australia India House	TBC	\$3,500,000.00
ACT	New & Upgrade Courts Weston Creek Tennis Club	Tennis ACT	\$800,000.00
NSW	Lighting over Estella Crossing	Wagga Wagga City Council	\$15,000.00
NSW	Upgrade of the James Browne Oval car park in Woy Woy	Central Coast Council	\$30,000.00
NSW	Improvements to Gibson Park for shelters including installation and concreting work.	Thirroul Rugby League Club	\$40,000.00
NSW	Upgrade and refurbishment of Spencer Waterfront Toilets	Central Coast Council	\$50,000.00
NSW	New van and fitout for work with community food distribution programs	Iman Foundation	\$50,000.00
NSW	Resurfacing Hillcrest Road in Empire Bay	Central Coast Council	\$50,888.00
NSW	Construction of ex-HMAS Adelaide memorial at Terrigal Haven	Central Coast Council	\$63,952.00
NSW	Edgeworth FC - fencing, lighting and dish drainage	TBC	\$65,000
NSW	Partial roof replacement of the Copacabana Surf Life Saving Club	Central Coast Council	\$66,000.00
NSW	New roofing for client workspace	Greenacres	\$70,000.00
NSW	New fencing	Helensburgh Netball Club	\$75,000.00
NSW	Upgrade of Brady's Gully Park reserve and cemetery in North Gosford	Central Coast Council	\$77,620.00
NSW	Replacement of the roof of the Woy Woy Peninsula Child Care Centre	Central Coast Council	\$80,000.00
NSW	Client Transport bus for clients with disabilities	Cram Foundation	\$83,500.00
NSW	Sports Club Winter Preparedness	Snowy Monaro Regional Council	\$90,000.00
NSW	Retrofitting homeless and at-risk youth housing services with solar panels and water tanks.	Southern Youth and Family Services	\$90,000.00

NSW	Refurbishment of carpark, fencing, refurbishment of education room and painting	Wollongong PCYC	\$100,000.00
NSW	New toilets	Bulli PCYC	\$100,000.00
NSW	Resurfacing and upgrades of tennis and basketball court	Ngaramura Project Coomaditchie United Aboriginal Corporation	\$100,000.00
NSW	Ground expansion to provide training space to accommodate growing female player numbers	Corrimal Rugby League Football Club	\$100,000.00
NSW	New toilets including disability access at two properties	Interchange Illawarra	\$100,000.00
NSW	Refurbishing current café and outdoor area which is not operating as it doesn't meet Council standards	Bellambi Neighbourhood Centre	\$100,000.00
NSW	New cricket nets	Cricket NSW - Hollymount Park Woonona	\$120,000.00
NSW	New flooring and carpark refurbishment	Portuguese Association	\$120,000.00
NSW	Drainage works for Coledale Football Club, Wollongong Olympic Club and Russell Vale Club and fencing for Helensburgh Football Club	Football South Coast	\$150,000.00
NSW	GROW: Guiding Rural and Outback Wellbeing in partnership with LeaderLife	Dubbo	\$165,000.00
NSW	Refurbishment of senior rugby league playing field facilities at Cahill Oval, Belmont	Lake Macquarie City Council	\$184,000.00
NSW	Werriwa Parks Package	Liverpool City Council	\$200,000.00
NSW	Water Fountains and Fencing for Dogs Across the Blue Mountains	Blue Mountains City Council	\$200,000.00
NSW	Canada Bay Pedestrian Road Safety Improvements	Canada Bay Council	\$200,000.00
NSW	Construction of lighting at Terrigal BMX park at Duffy's Reserve	Terrigal	\$200,000.00
NSW	Construction of new lights and drainage facilities at popular cricket and soccer destination Patrick Croke Oval	Central Coast Council	\$210,000.00
NSW	Central Coast Mountain Bike Club Upgrades	Central Coast Council	\$225,000.00
NSW	Installation of new lighting at Bexley Oval, Donnan Street, Bexley	Hurstville United Junior Rugby Football Club	\$250,000.00
NSW	Mum's Cottage Upgrade	Mum's Cottage	\$250,000.00
NSW	Heritage Stained Glass Windows of St Peter and Paul's Old Cathedral	St Peter and Paul's Old Cathedral Goulburn	\$250,000.00
NSW	George Brown Memorial Oval Eden	Eden Tigers Rugby Club	\$250,000.00

NSW	Acceleration of Albury City Council footpath and public toilet renewal projects	Albury City Council	\$250,000.00
NSW	Redeveloping the women's change rooms at the Albury Thunder Rugby League Club ground at Sarvas Park	Albury Thunder Rugby League Club	\$250,000.00
NSW	Singleton Rugby Club - fit our amenities and women's change rooms	TBC	\$250,000
NSW	Installation of an in-ground irrigation system at the Wallsend No1 Oval (George Farley Oval) & Wallsend No2 Oval	Wallsend District Cricket Club	\$285,000.00
NSW	The Entrance Revitalisation and Entrance Foreshore	Central Coast Council	\$288,000.00
NSW	Canteen, changeroom, disabled access and storage at Hammond Park	Inner West Council	\$300,000.00
NSW	Dudley Redhead United Senior Football Club: Amenities upgrade to gender neutral and extension for accessible toilet and pathway	Northern NSW Football Federation	\$320,000.00
NSW	Homebush Lighting & Safety Measures	Strathfield Council	\$350,000.00
NSW	Baker Park Masterplan and redevelopment Phase 1	Central Coast Council and Wyong District Tennis Association	\$350,000.00
NSW	Ashfield Aquatic Centre Upgrades	Inner West Council	\$355,000.00
NSW	Cessnock Goannas Rugby League Club Lighting	Cessnock Goannas Rugby League Club	\$373,000.00
NSW	Construction of lighting at James Browne Oval, Woy Woy	Central Coast Council	\$390,000.00
NSW	Bligh Park Playground Upgrade	Hawkesbury City Council	\$400,000.00
NSW	Garden Suburb FC Upgrades	Garden Suburb FC	\$400,000.00
NSW	Construction of footpath at Pozieres Avenue in Umina Beach	Central Coast Council	\$425,000.00
NSW	Various smaller sporting upgrades	Penrith Council	\$450,000.00
NSW	Solar Power System for Gallery	Southern Highlands Regional Art Gallery (Ngununggula)	\$450,000.00
NSW	Construction of secure housing for staff members of Wilcannia Safe House	Domestic Violence Services Management	\$450,000.00
NSW	South Windsor Inclusive Playground	Hawkesbury City Council	\$500,000.00
NSW	Sapphire Coast Skatepark Association	Sapphire Coast Skatepark Association	\$500,000.00
NSW	Phillips Park Playground Upgrades	Cumberland Council	\$500,000.00
NSW	Hudson Park West Conversion	Strathfield Council	\$500,000.00
NSW	Education Centre at the growing Southern Highlands Botanic Gardens	Southern Highlands Botanic Garden	\$500,000.00
NSW	Kariong Sporting Precinct Upgrade	TBC	\$500,000

NSW	BMX Facility upgrade at Carmichael Park	TBC	\$500,000
NSW	Early Learning Centre at St Mary's Catholic School in Toukley	TBC	\$600,000.00
NSW	Newcastle Olympic FC Upgrades	Newcastle Olympic Football Club	\$625,000.00
NSW	New all ability playground for Murrumbateman	Yass Valley Council	\$750,000.00
NSW	Upgrades to the Kincumber Roos Soccer Clubhouse	Kincumber Roos Football Club	\$750,000.00
NSW	White Box Enterprises social enterprise 'Lighthouse Laundry'	White Box Enterprises 'Lighthouse Laundry'	\$750,000.00
NSW	The Entrance Revitalisation inc Ocean Baths and Foreshore	Central Coast Council	\$947,000.00
NSW	Animal Pound in Murwillumbah	Tweed Shire Council	\$1,000,000.00
NSW	Leichhardt Park Aquatic Centre Splash and Play and family BBQ area	Inner West Council	\$1,000,000.00
NSW	Cooks Square Park Amenities Upgrade	Maitland Football Club	\$1,000,000.00
NSW	Monaro rail trail	Monaro Rail Trail (Inc.)	\$1,000,000.00
NSW	Freebody Oval in Queanbeyan Upgrades	Queanbeyan-Palerang Regional Council	\$1,000,000.00
NSW	Kurri Kurri Sports Ground facilities upgrade	Cessnock City Council	\$1,000,000.00
NSW	Snape Park Sports Facility Upgrade	Randwick City Council	\$1,000,000.00
NSW	Beautification of Haldon St, Lakemba	Canterbury-Bankstown Council	\$1,000,000.00
NSW	Cessnock Regional Skate Park	TBC	\$1,000,000
NSW	Updating of the Illinden Sports Centre, Bicentennial Park, Rockdale	Illinden Sports Centre	\$1,300,000.00
NSW	Tuggerawong Pathway	Central Coast Council	\$1,500,000.00
NSW	The Lennox Village Vision Project	Ballina Shire Council	\$1,500,000.00
NSW	Bill Delauney Reserve (Revesby Heights) - New Amenities Building	Canterbury-Bankstown Council	\$1,500,000.00
NSW	St Luke's Oval (Concord) redevelopment	Canada Bay Council	\$1,500,000.00
NSW	Safer Roads for Hawkesbury Heights	TBC	\$1,800,000
NSW	Central Coast Civic Infrastructure	Central Coast Council	\$2,500,000.00
NSW	Googong Sports & Social Club	Googong Sports and Recreation Club	\$2,500,000.00
NSW	Alroy Oval Sports Precinct	Singleton Council	\$3,000,000.00
NSW	Improving Active Transport Routes - Canterbury Bankstown Council	Canterbury-Bankstown Council	\$3,000,000.00
NSW	Development of the "Little India" precinct around Wigram street in Harris Park	City of Parramatta	\$3,500,000.00
NSW	Disaster Recovery and Preparation funding for Macquarie Emergency Services	Small grants to each RFS (43 in total)	\$4,950,000.00

NSW	Eurobodalla Regional Integrated Emergency Services Precinct	Eurobodalla Shire Council	\$5,000,000.00
NSW	Youth and Community Centre in Padstow	TBC	\$5,000,000
NT	Peppimenarti Community Hub Feasibility Study	TBC	\$100,000.00
NT	Upgrading the Brown Street Youth Centre in Alice Springs	Brown Street Youth Centre	\$150,000.00
NT	A commitment for an ablution block in Borroloola	Mabunji Aboriginal Resource Corporation	\$200,000.00
NT	Ablution block in Borroloola	Mabunji Aboriginal Resource Corporation	\$300,000.00
NT	Upgrades to Palmerston Parks Adult Equipment and Public Amenities	Palmerston Council	\$450,000.00
NT	Civic Centre for Yuendumu	TBC	\$500,000.00
NT	Funding to shift the Reeling Veterans space from the Elizabeth River Game Fishing Club to the Palmerston Scout Hall	Palmerston Scout Hall	\$500,000.00
NT	Refurbishment of netball courts in Alice Springs	Alice Springs Netball Association	\$1,000,000.00
NT	Remote Shade Shelters	MacDonnell Regional Council	\$1,040,000.00
NT	Five 4WD Buses for Remote Sports	Various community councils and the Thamarurr Rangers	\$1,100,000.00
NT	Boat Ramp Upgrade used by the Ngukurr Community	Roper Gulf Regional Council	\$2,000,000.00
NT	Palmerston Game Fishing Club Headquarters	Palmerston City Council	\$2,500,000.00
QLD	Solar Power for our Sports Clubs - \$10,000 to install solar panels for Brisbane City FC	Various Sports Clubs	\$10,000.00
QLD	Solar Power for our Sports Clubs- \$10,000 to install solar panels for Red Hill Bowls Club	Various Sports Clubs	\$10,000.00
QLD	Solar Power for our Sports Clubs- \$10,000 to install solar panels for Brothers Rugby Club	Various Sports Clubs	\$10,000.00
QLD	Solar Power for our Sports Clubs- \$10,000 to install solar panels for Windsor Royals Baseball	Various Sports Clubs	\$10,000.00
QLD	Milton Community Garden rebuild following flood	Milton Community Garden	\$10,000.00
QLD	Brisbane Arts Theatre and PIP Theatre	Brisbane Arts Theatre and PIP Theatre	\$15,000.00
QLD	The Centenary Suburbs Men's Shed New Ute	Centenary Men's Shed	\$20,000.00
QLD	Newmarket Soccer Club rebuild after floods	Newmarket Soccer Club	\$20,000.00

QLD	Centenary Dolphins Swimming Club Touch Pads	Centenary Dolphins Swimming Club	\$22,000.00
QLD	Darra Cementco Bowls Club outdoor BBQ area which will be protected from the weather. This area will be available for use by local community groups, club players, and families. Specific details are below: 1 . Outdoor Timber BBQ table and Chairs 3 x \$1350.00 + gst 2. 6 Burner BBQ 1 x 3000.00 +gst 3. Weather shields *8 x \$994.00 + gst 4. Concreting \$10000	Darra Cementco Bowls Club	\$25,000.00
QLD	St Mark's Inala Upgrade	St Mark's Catholic Parish, Inala	\$25,000.00
QLD	The Springfield Camira Men's Shed Development	Springfield Camira Men's Shed	\$25,000.00
QLD	\$25,000 towards the club house for Bulimba Cricket/Hockey (a similar commitment was made at the 2019 election).	TBC	\$25,000.00
QLD	Barron River Trinity Bulls Facility Upgrade	Barron River Trinity Bulls	\$30,000.00
QLD	Norths Hockey Club repair of fields following flood	Norths Hockey	\$30,000.00
QLD	Cairns City Lions AFL Digital Scoreboard	Cairns City Lions AFL/Council	\$40,000.00
QLD	Inspire Youth and Family Services (IYS) Improvements	Inspire Youth and Family Services	\$40,000.00
QLD	Bushcare groups replanting creeks following floods	Various Bushcare Groups	\$40,000.00
QLD	Reallocate \$2,219,000 worth of previously approved projects to be directed to the following: • \$50,000 towards an automated packaging machine at FareShare Australia.	TBC	\$50,000.00
QLD	Competition level lights for Valleys Cricket	Brisbane City Council	\$150,000.00
QLD	Competition level lights OR car park for Bardon LaTrobe Football Club	Brisbane City Council	\$150,000.00
QLD	Commitment to \$150,000 to refurbish a building to improve existing services and attract, recruit and retain new GPs.	TBC	\$150,000.00
QLD	Centenary Netball Club Resurfacing	Centenary Netball Club	\$200,000.00
QLD	\$200,000 towards developing a ¾ oval at the Coorparoo Roos AFC, which can also be used by other community groups and the adjacent school.	TBC	\$200,000.00

QLD	\$200,000 towards improving the facilities at the Morningside Panthers AFC, which is also used by the neighbouring Lourdes Hill College (a Catholic girls school) and other community groups.	TBC	\$200,000.00
QLD	AFL Park Ridge Pirates New Facilities	Park Ridge Pirates	\$250,000.00
QLD	Cairns City Lions AFL Lighting	Cairns City Lions/Council	\$250,000.00
QLD	Phoenix Netball Upgrades at the Ferny Grove Facility	Phoenix Netball	\$250,000.00
QLD	Caxton Street Road upgrades for parking, traffic movement and night-time economy	Brisbane City Council	\$250,000.00
QLD	Rebuilding Scout Hall at St Johns Wood as it continues to flood and needs to be rebuilt and flood mitigated	St Johns Wood Scouts	\$250,000.00
QLD	Gladstone Bowling Club renovations	Gladstone Bowling Club	\$250,000.00
QLD	Hinterland Community Care Expansion	TBC	\$250,000.00
QLD	Underwood Road Bus Turnaround	Logan Council	\$357,500.00
QLD	\$400,000 towards flood recovery and mitigation at Eastern Suburbs Tigers FC (you have already approved this change and this commitment was announced in early March).	TBC	\$400,000.00
QLD	Water Play Park	Brisbane City Council	\$500,000.00
QLD	Ipswich Hockey Grounds Upgrade - Tower lighting, automatic irrigation & field reconfiguration	Ipswich Hockey Association	\$500,000.00
QLD	Centre for Women & Co Expansion	The Centre for Women and Co	\$500,000.00
QLD	Virginia United Upgrades and Expansion	Virginia United Football Club	\$500,000.00
QLD	\$575,000 towards improved facilities at Whites Hill Reserve, supporting the Brisbane Metro Touch Football Association, the Holland Park Juniors Cricket Club, and the Holland Park Hawks FC, among others.	TBC	\$575,000.00
QLD	Upgrade change rooms at Biloela Valleys Rugby/Soccer Club	TBC	\$600,000.00
QLD	Upgrades to the field lights for Redlands local sporting clubs	Redlands Touch Football, Redlands Rays Baseball, & Capalaba Warriors	\$700,000.00

QLD	\$750,000 towards redeveloping the Spartans basketball facilities at the Clem Jones Centre, with a focus on improving disability access as the club has a close association with the sporting wheelies, and the centre is considered the venue of choice for wheelchair basketball games and training.	TBC	\$750,000.00
QLD	New CCTV Safety Cameras	Logan City Council	\$800,000.00
QLD	Wilbur Street Youth Hub, Logan Central	Logan City Council	\$840,000.00
QLD	The Labrador Tigers AFL Club Upgrades	Labrador Tigers AFL Club	\$900,000.00
QLD	Hammel Park Facilities Upgrade	Logan City Council	\$1,000,000.00
QLD	Upgrade of facilities at the Ripley Valley Football Club	Ripley Valley Football Club	\$1,000,000.00
QLD	Toombul District Cricket Club Facility Master Plan	Toombul Cricket Club, Mayne Junior AFL Club	\$1,300,000.00
QLD	Pine Rivers Netball Association Clubhouse Redevelopment	Pine Rivers Netball Association	\$1,500,000.00
QLD	Stage 3B of the Biloela Raedon Street Industrial Estate	Banana Shire Council	\$2,000,000.00
QLD	Sunnybank Dragon Bridge	Brisbane City Council	\$2,000,000.00
QLD	Infrastructure expansion of the Macleay Island Arts Centre	Macleay Island Arts Centre	\$2,000,000.00
QLD	Ipswich Basketball court extension	Ipswich Basketball Association	\$2,000,000.00
QLD	Davies Park Community Space	Brisbane City Council	\$2,000,000
QLD	Stage 3 of Ipswich Showground upgrade.	Ipswich Show Society	\$2,500,000.00
QLD	Brisbane Netball Association Clubhouse at Bradbury Park	Brisbane Netball Association	\$3,000,000.00
QLD	NEW Splash park at Centenary Lakes Park in Caboolture	Moreton Bay Regional Council	\$3,000,000.00
QLD	Caboolture Snakes	TBC	\$3,000,000.00
QLD	New clubhouse for the Narangba Eagles Football (Soccer) Club	Narangba Eagles FC	\$3,000,000.00
SA	Upgrade to equipment and facilities at the William Kibby VC Veterans Shed	William Kibby VC Veterans Shed	\$40,000.00
SA	Redeveloping facility on the carpark adjacent to current building for the Blackwood RSL	Blackwood RSL	\$45,000.00
SA	The Blackwood Lions Club Bargain Centre Expansion	Blackwood Lions Club	\$50,000.00
SA	Coromandel Cricket Club - New nets	Mitcham Council	\$75,000.00
SA	Karingal Reserve Upgrades	TBC	\$90,000
SA	The Adelaide Bowling Club kitchen refurbishment	Adelaide Bowling Club	\$160,000.00

SA	Weigall Oval Community Facilities Upgrade	City of West Torrens/Omonia Soccer Club	\$200,000.00
SA	Kenilworth Football Club Upgrades	Kenilworth Football Club	\$263,000.00
SA	Warradale Park Tennis Club Redevelopment	Warradale Park Tennis Club	\$272,410.00
SA	Pasadena Community Centre	Mitcham Council	\$300,000.00
SA	Eden Hills Scouts, Blackwood Rotary Group new a Community Hall	Mitcham Council	\$330,000.00
SA	Lighting upgrade, kitchen fitout, new fence and new electronic scoreboard	Sturt Lions	\$350,000.00
SA	Batting Tunnels for the Baseball club	Mitcham Council	\$400,000.00
SA	Seaford Recreation Ground Facilities Upgrades	City of Onkaparinga	\$500,000.00
SA	Upgrade to ageing clubrooms and a training pitch for juniors	North East Zulus Hockey Club	\$500,000.00
SA	Blackwood football club upgrades	Mitcham Council	\$614,000.00
SA	Mema Court Reserve and Hessing Crescent Reserve Upgrades	City of Marion Council	\$616,000.00
SA	Greening our streets - investment in various public spaces in the Marion Council Area	Marion Council	\$671,500.00
SA	Forestville Hockey Club (FHC) Synthetic Surface	Forestville Hockey Club	\$1,021,000.00
SA	Upgrade Surrounding the Blackwood Community Hub	Mitcham Council	\$1,600,000.00
SA	New childcare facility in Kingston	TBC	\$1,800,000
SA	West Beach Surf Life Saving Club Clubroom Redevelopment	West Beach SLSC	\$2,050,000.00
TAS	Deloraine Junior Football Club Upgrades	Deloraine Junior Football Club	\$8,000.00
TAS	Ravenswood Skate Park Fencing	City of Launceston	\$15,000.00
TAS	CWA Lindisfarne Upgrades	CWA Tasmania	\$62,000.00
TAS	Glenorchy Basketball - for facility upgrades	Glenorchy Basketball Association	\$70,000.00
TAS	Feasibility Study into an 8-10 bed Dementia Unit	Campbell Town Area Community Services Board Inc. or Northern Midlands Council	\$100,000.00
TAS	Short Walks Strategic Plan for Kentish and Meander Valley Council	Kentish Council	\$125,270.00
TAS	Campbell Town & Districts Men's Shed Expansion	Northern Midlands Council	\$150,000.00
TAS	Port Dalrymple Yacht Club Slipway Environmental Upgrade	Port Dalrymple Yacht Club	\$150,000.00
TAS	2 years funding for Community Response to Eliminating Suicide	Kentish Council	\$200,000.00
TAS	Invest in Devonport's Loaves and Fishes Tasmania	TBC	\$200,000

TAS	The Hobart Community Shed Project	City of Hobart	\$260,000.00
TAS	Workers Commemorative (Memorial) Park	TBC	\$290,000.00
TAS	Welding simulators, automation and next gen technology training	Tasmanian Minerals, Manufacturing and Energy Council	\$293,000.00
TAS	Sorell Memorial Hall Extension and Upgrade	Sorell Council	\$310,000.00
TAS	Public toilets at Dial St bike facility/walking track	Central Coast Council	\$430,000.00
TAS	Latrobe Recreation Ground Redevelopment	Latrobe Council	\$500,000.00
TAS	Prospect Park Upgrades	TBC - Football Tasmania or Meander valley Council	\$500,000.00
TAS	Revitalising St Helens RSL Club	St Helens RSL	\$500,000.00
TAS	McKenna Park Regional Hockey Centre Upgrades	McKenna Park/Burnie City Council	\$500,000.00
TAS	South East Regional Development Association Jobs Hub	Sorell Council	\$1,000,000.00
TAS	Byard Park upgraded facilities	Devonport Council	\$1,200,000.00
TAS	Playground & Open Space Upgrades	West Coast Council	\$1,200,000.00
TAS	Child Care centre expansion	Waratah/Wynyard Council	\$1,300,000.00
TAS	Warawyn Early Learning Centre	Waratah/Wynyard Council	\$1,300,000
TAS	Refurbished and New Play Spaces for Glenorchy	Glenorchy City Council	\$1,500,000.00
TAS	Northern Tasmanian Migrant Resource Centre	TBC	\$2,000,000.00
TAS	Dial Range Eco-friendly Rest Stop Facilities	TBC	\$2,000,000
TAS	Seymour St Ground Upgrade	Football Tasmania	\$2,300,000.00
TAS	Training Centre of Excellence for Aged and Disability Services	TBC	\$2,800,000.00
TAS	The Kingborough Lions Upgrades	Kingborough Lions Club/Football Tasmania	\$3,030,000.00
VIC	Mindful Makings Men's Workshops	Mindful Makings Inc.	\$5,160.00
VIC	Fitout of State-Funded Womens Wellness Centre	Aborigines Advancement League	\$50,000.00
VIC	Domestic Violence and Kids at Risk Case Management Space	Preston Mosque	\$50,000.00
VIC	Energy-saving Blinds and a Cool Room for the Bonbeach Sporting Club	Bonbeach Sports Club	\$70,000.00
VIC	Construct Interim Library Kalkallo	Hume City Council	\$75,000.00
VIC	Purchase and installation of an electronic scoreboard for the Omega Cricket Club	Omega Cricket Club	\$85,000.00
VIC	Electronic Scoreboard	Dingley Dingoes Cricket Club	\$85,000.00

VIC	Building of Yarra Valley Equestrian Park	Yarra Valley Equestrian Park	\$100,000.00
VIC	Queenscliff Recreation Reserve lighting upgrade and cricket pitch cover	Borough of Queenscliffe	\$160,000.00
VIC	Langwarrin Skate Park Upgrade	Frankston City Council	\$170,000.00
VIC	Dingley Sports and Recreation Club Extended Deck	Dingley Sports and Recreation Club	\$177,000.00
VIC	Disaster-proof Power Supply for Monbulk Sporting and Community Pavilion	Monbulk Sporting and Community Pavilion	\$177,100.00
VIC	South Yarra-Prahran-Windsor Indigenous Heritage Walk Rewilding Project	Rewilding Stonnington	\$250,000.00
VIC	CCTV installation for Box Hill	TBC	\$250,000.00
VIC	Ligar Street Upgrade	Hume Council	\$250,000.00
VIC	Play Space renewals	Yarra Ranges Council	\$280,000.00
VIC	Father Bob 'Bobkeeper' Injection	Father Bob Foundation	\$300,000.00
VIC	Construction of a Pavilion at Greenvale Tennis Club	Hume City Council	\$315,000.00
VIC	Bannockburn Female Friendly Netball Pavilion Upgrade	Golden Plains Shire Council	\$340,000.00
VIC	Officer Tennis Club Accessibility Upgrade	Officer Tennis Club	\$350,000.00
VIC	Upgrade Bannockburn Football Netball Club changerooms	Golden Plains Shire	\$350,000.00
VIC	Toomuc Recreation, Reserve Northern Pavilion, Second Storey upgrade	Cardinia Shire Council	\$386,000.00
VIC	Federation Park Upgrade Darley	Moorabool Shire Council	\$400,000.00
VIC	Lighting upgrades for Murrumbena Park	Glen Eira City Council	\$416,500.00
VIC	Expand Bannockburn Family Services Centre's childcare services	TBC	\$450,000
VIC	Huntly Strauch Reserve Junior Oval redevelopment	City of Greater Bendigo	\$460,000.00
VIC	Williamstown FC Pavilion Redevelopment	Williamstown Football Club	\$500,000.00
VIC	Fawkner Leisure Centre Refurbishment	Moreland City Council	\$500,000.00
VIC	Mobile CCTV Community Safety Initiative	Victoria Police / Cardinia Shire / Casey Council	\$500,000.00
VIC	Redevelopment of Soccer Pavilion	North Bendigo Football Netball Club	\$500,000.00
VIC	Galvin Park Reserve Sexton Pavilion Redevelopment – Werribee Centrals	Wyndham City Council	\$500,000.00
VIC	New sports field lighting at Croydon Park Oval	Maroondah Council	\$500,000.00

VIC	Upgrade package for the Wurdì Baierr Stadium (Basketball) in Torquay North	Surf Coast Shire	\$500,000.00
VIC	The Greenhill Recreation Reserve Upgrades	Mitchell Shire	\$515,000.00
VIC	Portarlington Reserve Masterplan stage 1	City of Greater Geelong	\$600,000.00
VIC	Upgrade Grinter Reserve netball courts	City of Greater Geelong	\$600,000.00
VIC	Golden Plains Shire Sporting Facility Upgrades	Golden Plains Shire Council	\$700,000.00
VIC	Kitchen and Community Centre for Sikh Volunteers Australia	Sikh Volunteers Australia	\$700,000.00
VIC	Torquay Tigers Football and Cricket Club Spring Creek pavilion upgrade	Surf Coast Shire	\$700,000.00
VIC	Inverleigh Active Youth Space	Golden Plains Shire Council	\$700,000.00
VIC	Improved lighting and upgraded clubrooms for the Ocean Grove Football Club	Ocean Grove Football Club	\$750,000.00
VIC	Albanian Community Centre	Australian-Albanian Community Association	\$750,000.00
VIC	Upgrades for Local Sporting Clubs	Various	\$1,000,000.00
VIC	Clean up Merri and Darebin Creeks	Merri Creek Management Committee and Darebin Creek Management Committee	\$1,000,000.00
VIC	Max Pawsey Reserve (Fountain Gate) play-space and car park	City of Casey	\$1,000,000.00
VIC	Saxon Street Community Precinct	Moreland City Council	\$1,000,000.00
VIC	Forest Hill Reserve Redevelopment	Whitehorse Council	\$1,000,000.00
VIC	Barwon Heads Football Netball Club	Barwon Heads FNC	\$1,200,000.00
VIC	Carrum Downs Regional Park	Frankston City Council	\$1,300,000.00
VIC	Linton Oval Reconstruction and Woody Yaloak Rec Reserve Lighting	Golden Plains Shire Council	\$1,330,000.00
VIC	Design and upgrade of local and district level parks and playgrounds	City of Casey	\$1,475,000.00
VIC	Barbecue, Playground and Water Based Activity Park	City of Whittlesea	\$1,500,000.00
VIC	Science, Technology and Creativity Innovations Centre of Excellence for Mount Eliza Secondary and Primary Schools	TBC	\$1,500,000.00
VIC	Hindu Community Hub at the Sri Vakrathunda Vinayagar Temple in The Basin	TBC	\$1,500,000.00
VIC	Diamond Creek Pool Upgrade	Diamond Creek Outdoor Pool	\$1,500,000.00
VIC	Pavilion upgrade for the Caulfield Carnegie Cycling Club	TBC	\$1,530,000.00

VIC	Hepburn Shire Sporting and Recreation Facility Upgrades	Hepburn Shire Council	\$1,600,000.00
VIC	New club rooms including women's change rooms, and social community facilities	South Barwon Cricket Club	\$1,600,000.00
VIC	Brighter and Safer Maribyrnong	Variety of sporting clubs including but not limited to - Moonee Valley Cricket Club, Cross Keys Reserve and Essendon Baseball Club	\$1,900,000.00
VIC	Mirrabooka Reserve Pavilion Redevelopment	Blackburn Newhope Football Club and Blackburn South Cricket Club	\$2,000,000.00
VIC	Greening Hotham	Various local councils	\$2,000,000.00
VIC	Eltham Lower Park Upgrade	Nillumbik Shire Council	\$2,000,000.00
VIC	Frankston Regional Arts Trail and Nairn Marr Djambana Building Upgrade	Frankston City Council	\$2,850,000.00
VIC	North Heidelberg Sporting Club Pavilion Upgrade, Shelley Reserve	North Heidelberg Sporting Club	\$3,000,000.00
VIC	Pavilion and facility upgrade at Mount Waverley Reserve Fleet Street	Waverley Blues (football netball club)	\$3,000,000.00
VIC	Leopold Sports Precinct Upgrades	City of Greater Geelong	\$3,250,000.00
VIC	Maronite Community and Youth Centre and Maronite Heritage Centre	TBC	\$4,000,000.00
VIC	Contribution to the Vietnamese Museum Australia in Footscray	TBC	\$4,500,000.00
VIC	Albert Park Sports Precinct Masterplan	Parks Victoria and the Victorian State Government	\$5,000,000.00
WA	Funding for a computer for the members' office as well as comfortable furniture for the games room	Wanneroo Senior Citizens	\$5,500.00
WA	Scoreboard and amenities upgrade at the Warwick Bowling Club	Warwick Bowling Club	\$10,000.00
WA	Purchase of equipment, uniforms and sunshades for Kardinya Red Sox teeball/baseball club	Kardinya Red Sox	\$10,000.00
WA	New kitchen at Hepburn Centre	Hepburn Centre	\$20,000.00
WA	Amenities upgrade at West Coast Gymnasts Inc	West Coast Gymnasts	\$20,000.00
WA	Repurpose old vet clinic to office and staff amenities at the RSPCA WA	RSPCA WA	\$20,000.00
WA	Spray booth, filter and fume exhaust system and a surface planer machine to safely repurpose and recycle waste timber	Northern Suburbs Men's Shed	\$20,000.00

WA	Funding for upgrades to electrical equipment in kitchen and clubrooms	Kingsway Football and Sporting Club Inc	\$20,000.00
WA	New storage shed to enable better use of clubrooms	Winthrop Netball Club	\$20,000.00
WA	New storage shed, also can be used by All Saints Soccer Club	Melville Cricket Club	\$20,000.00
WA	South Lake Ottey Centre Kitchen Upgrade	TBC	\$20,000
WA	A buggy to drag the covers for the wickets, move shade items, carry drinks for players	Wanneroo Districts Cricket Club inc	\$24,000.00
WA	Balga Football club Fee Free Soccer	Balga Football Club	\$30,000.00
WA	Funding to develop educational resources to support school visits	Wanneroo RSL	\$30,000.00
WA	Funding for internal upgrades at the Limelight Theatre	Limelight Theatre	\$30,000.00
WA	Stirling Adriatic Club - netball courts installation assistance	Stirling Adriatic Club	\$50,000.00
WA	Patio installation for the Canning Vale Senior Football Club	Canning Vale Senior Football Club	\$50,000.00
WA	New cricket nets	Applecross Cricket Club	\$50,000.00
WA	New cricket nets	Murdoch University Melville Cricket Club	\$50,000.00
WA	Clubroom infrastructure upgrades at Booragoon (junior) clubrooms	Murdoch University Melville Football Club	\$50,000.00
WA	Tiered seating to enable watching of matches	Blue Gum Tennis Club	\$70,000.00
WA	Lighting upgrades at the Melville City Hockey Club	Melville City Hockey Club	\$85,000.00
WA	Assist in expansion of female changerooms at Reserve for use of clubs in the association	Brentwood Karoonda Sporting Association	\$100,000.00
WA	Upgrading the Men's Tribal Centre in Halls Creek	The Olabud Doogethu Aboriginal Corporation	\$100,000.00
WA	PV and Batteries at Local Primary Schools in the Burns Beach State Electorate.	Currambine Primary School, Kinross Primary School and Kinross College	\$100,000.00
WA	New Cricket Nets and Lighting	Wanneroo Cricket Club Inc.	\$120,000.00
WA	Melville Community Mens Shed	Melville Community Shed	\$135,000.00
WA	Dug out seating on the diamonds and provide back nets	North Coast Ball Club Inc	\$140,000.00
WA	Court and lighting upgrades to enable more games and more night games	Tingara Netball Club	\$145,000.00

WA	A New Bus	Integration and Empowerment Services - a disability and aged care service provider in Ellenbrook	\$150,000.00
WA	Funding for a Juniors club building to build on existing club ground	North Beach Tennis Club	\$150,000.00
WA	Melville Community Mens Shed, Canning Community Mens Shed and Riverton RSL Upgrades	TBC	\$150,000.00
WA	Bayswater Urban Forest	City of Bayswater	\$200,000.00
WA	A new playground for the Bassendean Town Square	Bassendean Town Council	\$200,000.00
WA	Upgrade to the Kingsley Annex and Playground	City of Joondalup	\$200,000.00
WA	The Perth Soccer Club's facilities upgrade	Perth Soccer Club	\$200,000.00
WA	Lighting upgrades at Forrest Park	City of Joondalup	\$221,000.00
WA	Redcliffe Junior Football Club Lighting	City of Belmont	\$250,000.00
WA	Funding to support a new synthetic bowling green	Quinns Rocks Sports Club	\$250,000.00
WA	Undercover area and clubroom upgrade	Lynwood United Football Club	\$250,000.00
WA	Upgrades for Wanneroo Sports and Social Club	Wanneroo Sports and Social Club	\$300,000.00
WA	Seeking funding towards upgrades and expansions to facilities	Wanneroo Amateur Football Club	\$300,000.00
WA	Equipment and amenity upgrades for remote community pools	Royal Life Saving WA	\$360,000.00
WA	Harold Rossiter Park Lighting	Town of Victoria Park	\$390,000.00
WA	Joondanna Reserve Upgrade	City of Stirling	\$500,000.00
WA	John Connell Reserve Development Project	City of Melville	\$650,000.00
WA	Women's changerooms for Morley Noranda Recreation Club	Morley Noranda Recreation Club	\$750,000.00
WA	Upgrading main viewing area at Lightning Park in Noranda	City of Bayswater	\$750,000.00
WA	Light up Perth - \$1 million for community lighting and brightening projects	Various City Councils across Perth	\$1,000,000.00
WA	Wanneroo BMX Club upgrades	Wanneroo BMX Club	\$1,000,000.00
WA	Perth Hindu Temple	TBC	\$1,000,000.00
WA	Sikh Association of WA community centre	TBC	\$1,000,000.00
WA	Fremantle Creative Hub	Fremantle Arts Centre / City of Fremantle	\$1,257,000.00
WA	Construction of Cultural Centre for local Vietnamese community	Vietnamese Community of WA	\$1,500,000.00

WA	Swimming Pool Facilities Upgrade		\$2,000,000.00
WA	Kingsway Sports Complex Master Plan	City of Wanneroo	\$2,000,000.00
WA	Redevelopment of the Wilson Park Precinct	City of Belmont	\$2,000,000.00
WA	Ellenbrook Community Centre	City of Swan	\$2,000,000.00
WA	A new Roleystone-Karragullen Bushfire Brigade station in Canning	City of Armadale	\$2,000,000.00
WA	Thomas Oval Facilities Redevelopment	City of Kwinana	\$2,400,000.00
WA	McCallum Park Active Area	Town of Victoria Park	\$2,500,000.00
WA	Trade Training Centre	State Gov/Direct school funding	\$3,000,000.00
WA	Langford Indoor Netball Courts Upgrades	Langford Netball Association	\$4,000,000.00

Investing in our Communities – PEFO commitments

State	Project Title	Grantee	Funding
NSW	Cabarita Park Playground Soft Ball Installation	City of Canada Bay Council	\$200,000
NSW	Redleaf Access Project - accessibility upgrade	Council of the Municipality of Woollahra	\$500,000
NSW	Bennett Park Recreation Space Upgrades	Penrith City Council	\$600,000
NSW	Renown Park Field upgrades	Georges River Council	\$600,000
NSW	Glenbrook Oval Facilities Upgrades	Blue Mountains City Council	\$2,500,000
NSW	Max McMahon Oval Upgrades	Maitland City Council	\$3,000,000
NSW	Scheyville Veterans Wellbeing Centre Upgrades	Hunter Anzac Memorial Ltd	\$5,000,000
QLD	Up River Road Causeway	TBC	\$300,000
QLD	South Mitchell Road and Pormpuraaw Road – Concrete Causeway	TBC	\$500,000
QLD	Cullen Point Barge Ramp Rock Wall	TBC	\$600,000
QLD	Volunteer Marine Rescue Whitsunday Club Extension	Volunteer Marine Rescue Whitsunday Inc	\$700,000
QLD	Easts Football Club upgrades	Brisbane City Council	\$900,000
QLD	Boyne Tannum Sharks Football Club Clubhouse Facilities	Boyne Tannum Sharks Football Club	\$1,300,000
QLD	Pine Rivers Netball Association Upgrades	Pine Rivers Netball Association	\$1,500,000
QLD	Cairns Cricket Association's Griffith Park Stage 2 Redevelopment	Cairns Cricket Club Association	\$1,700,000
QLD	*Ipswich Showgrounds Upgrade	Ipswich Show Society	\$2,000,000
QLD	Brothers Rugby Club Facilities Upgrade	Brothers Rugby Club	\$2,500,000

QLD	Nebo Showgrounds Stage 1 Masterplan Redevelopment	Isaac Regional Council	\$2,800,000
QLD	Moreton Bay Central Sports Complex Upgrades	Moreton Bay Regional Council	\$3,500,000
QLD	Wynnum Wolves Carmichael Park Upgrades	Brisbane City Council	\$4,000,000
SA	Hub Gymnastics Expansion	City of Onkaparinga	\$1,000,000
SA	*Marino Community Hall Upgrade	Corporation of the City of Marion	\$3,000,000
SA	Kensington Gardens Clubrooms Upgrade	Burnside Council	\$3,600,000
TAS	North Western Kart Club Upgrades	North Western Kart Club	\$300,000
TAS	Flinders Island Safe Harbour - additional funding	Flinders Island Council	\$600,000
TAS	Exeter Showground Redevelopment	Exeter Showground Society	\$1,500,000
TAS	South East Jobs Hub, Sorrell Tasmania	Sorrell Council	\$1,500,000
VIC	Phoenix Park Community Centre Upgrades	City of Stonnington	\$300,000
VIC	Anam Cara House - Secure Shelter and Storage Area	Anam Cara House Geelong Ltd	\$400,000
VIC	Ocean Grove Memorial Recreation Reserve Upgrades	City of Greater Geelong	\$800,000
VIC	Lakes Entrance Krautungalung Walk	East Gippsland Shire Council	\$3,600,000
VIC	Mount Waverley Reserve Redevelopment	Monash City Council	\$4,000,000
VIC	Giant Steps Facility Upgrades - additional funding	TBC	\$4,200,000
VIC	*Sebastopol Community Facilities Upgrades	Ballarat City Council	\$4,500,000
VIC	Boronia Hawks Football Club New Pavilion	Knox City Council	\$5,000,000
VIC	Neerim South Age Care Facility Upgrades	Neerim District Health Service	\$5,000,000
WA	*Harold Rossiter Park Upgrades	Victoria Park Soccer Club	\$400,000
WA	*Noranda City Football Club Upgrades	Noranda City Football Club	\$800,000
WA	Swan Valley Sporting and Community Club upgrades	Swan Valley Sporting and Community Club	\$800,000
WA	*Wanneroo Districts Cricket Club new club facilities	Wanneroo Districts Cricket Club	\$2,000,000
WA	Jewish Community Centre	TBC	\$2,500,000

Priority Community Infrastructure Program

State/ Territory	Project title	Who is the money going to	Cost
ACT	ACT Infrastructure Package	ACT Government	\$20,750,000
NSW	Beef Week 2024 contribution	TBC	\$2,000,000
NSW	Henson Park Upgrade	Inner West Council	\$2,500,000
NSW	Gerringong Surf Lifesaving Club New Clubhouse	Kiama Municipal Council	\$5,500,000
NSW	Muswellbrook Olympic Park	TBC	\$5,500,000
NSW	Macquarie Parks and Reserves Upgrades	Blue Mountains City Council and Hawkesbury City Council	\$5,800,000
NSW	Campsie Cultural Hub	City of Canterbury-Bankstown	\$6,000,000
NSW	Belmore Park (Richie Benaud Oval) Upgrade	City of Parramatta	\$6,200,000
NSW	Chain Valley Bay to Mannering Park Shared Pathway	Central Coast Council	\$7,000,000
NSW	Kurri Kurri Netball Precinct	Cessnock City Council	\$7,500,000
NSW	Sanctuary Point District Library	Shoalhaven City Council	\$7,500,000
NSW	Blenheim Park Masterplan	City of Ryde	\$8,000,000
NSW	Cook Park Upgrade	Penrith City Council	\$8,500,000
NSW	West Dapto Sport and Community Facilities	Wollongong City Council	\$9,000,000
NSW	University of Wollongong Energy Futures Skills Centre (BFT)	TBC	\$10,000,000
NSW	Invest in Muswellbrook Town Centre	Muswellbrook Shire Council	\$10,500,000
NSW	Improve Local Living for Greenway Families	Blacktown City Council	\$12,800,000
NSW	New Energy Skills Hub at the University of Newcastle	University of Newcastle	\$16,000,000
NSW	Western Sydney University Agritech Hub	Western Sydney University	\$16,700,000
NSW	Hunter Economic Development Package	TBC	\$20,000,000
NSW	Unlocking the North-West Lake Macquarie Catalyst Area	TBC	TBC
NT	Remote Communities Sport and Recreation Package (RGF)	Various NT Local Gov authorities	\$4,050,000
NT	Paul Fitzsimmons Oval	TBC	\$5,000,000
NT	Darwin Northern Suburbs Youth Hub	Department of Infrastructure, Planning and Logistics	\$6,000,000
NT	Casuarina Pool Upgrade	City of Darwin	\$7,500,000
NT	Katherine Aquatic Centre	Katherine Town Council	\$10,000,000
NT	Freds Pass	TBC	\$10,000,000
NT	Central and Remote Territory Sports Facilities Upgrades	Various NT Local Gov authorities	\$10,500,000

NT	Central Australia Plan - Invest in National Aboriginal Art Gallery	Department of Infrastructure, Planning and Logistics	\$120,000,000
QLD	Brighton Foreshore Upgrade	Brisbane City Council	\$5,000,000
QLD	Police and Community Youth Centre in Caboolture	Moreton Bay Regional Council	\$5,000,000
QLD	Electric Vehicle and Energy Training Centre	Central Queensland University	\$9,000,000
QLD	Gladstone Regional Indoor Sports Complex (RGF)	Gladstone Amateur Basketball Association	\$10,000,000
QLD	Aquatic Centre for Boyne Island and Tannum Sands	Gladstone Regional Council	\$15,000,000
QLD	North Ipswich Sport and Entertainment Precinct	Ipswich City Council	\$20,000,000
QLD	Torres Strait Marine and Access Infrastructure	Torres Strait Island Regional Council	\$40,000,000
SA	Marino Hall Redevelopment	City of Marion	\$2,500,000
SA	City of Marion Upgrades	City of Marion	\$6,000,000
SA	Upgrade Jetty Road from the Corner of Colley Terrace to Partridge Street	City of Holdfast Bay	\$10,000,000
TAS	FermenTas Facilities Upgrade	FermenTas	\$3,400,000
TAS	Boat Harbour Beach Redevelopment	Waratah-Wynyard Council	\$4,500,000
TAS	Boyer Oval Derwent Valley	Derwent Valley Council	\$5,000,000
TAS	Main Road and High Street Upgrade in Perth and Campbell Town	North Midlands Council	\$8,000,000
TAS	Project Far North West	West by Northwest	\$12,500,000
TAS	Burnie Arts and Function Centre	Burnie City Council	\$13,000,000
TAS	Aquatic, Health and Wellbeing Centre for George Town	George Town Council	\$15,000,000
TAS	Royal Flying Doctor Service in Tasmania	George Town Council	\$15,000,000
TAS	Derwent Ferry Expansion	Greater Hobart Strategic Partnership	\$20,000,000
TAS	Devonport Sporting Facilities Upgrade	Devonport City Council	\$25,000,000
TAS	Launceston Airport TRANSLINK Facility	North Midlands Council	\$35,000,000
VIC	Ligar Street Upgrade	Hume Council	\$250,000
VIC	Coburg North Sports Hub Masterplan	Moreland City Council /Merribek City Council	\$2,000,000
VIC	Sebastopol's Community Facilities Upgrade	City of Ballarat	\$4,500,000
VIC	Yarra Valley Trail Stage 2A	Yarra Ranges Shire	\$4,900,000
VIC	Croydon Community Wellbeing Precinct Development	Maroondah City Council	\$5,000,000
VIC	Armstrong Creek Regional High Ball Centre	City of Greater Geelong	\$6,000,000
VIC	Elsternwick Park Upgrade & Flood Mitigation Project	Bayside City Council	\$10,000,000

VIC	Northcote Greek Cultural Precinct	Northcote Greek Cultural Complex	\$10,000,000
VIC	New Facilities for Box Hill City Oval	Whitehorse City Council	\$13,600,000
VIC	Carnegie Memorial Swimming Pool Redevelopment	Glen Eira City Council	\$15,000,000
VIC	District Basketball Facility at the Frankston Basketball Stadium	Frankston City Council	\$15,000,000
VIC	Emil Madsen Reserve Upgrade	Mornington Peninsula Shire Council	\$15,000,000
VIC	Macedon Ranges Regional Sports Precinct Stage 2	Macedon Ranges Shire Council	\$15,000,000
VIC	City of Kingston Aquatic Centre	City of Kingston	\$20,000,000
VIC	Drysdale Sporting Precinct – Pool Complex (RGF)	City of Greater Geelong	\$20,000,000
VIC	Greenline Project	City of Melbourne	\$20,000,000
VIC	Major Upgrades for Swimming Centres in South East Melbourne	City of Greater Dandenong	\$20,000,000
WA	Wanneroo Cycling Plan	City of Wanneroo	\$1,500,000
WA	Ellenbrook Sports and Recreation Centre	City of Swan	\$5,000,000
WA	Southern Ocean Surf Reef in Albany	City of Albany	\$5,000,000
WA	Queens Park Open Spaces	City of Canning	\$5,300,000
WA	Hartfield Park Masterplan & colocation (GSF)	City of Kalamunda	\$5,400,000
WA	Outdoor Pool in Kalgoorlie	City of Kalgoorlie-Boulder	\$8,000,000
WA	Peel Regional Trails Project	Peel Regional Leaders Forum Inc	\$8,000,000
WA	Alkimos Aquatic and Recreation Centre	City of Wanneroo	\$25,000,000
WA	High Wycombe Community Hub	City of Kalamunda	\$30,000,000
WA	Aboriginal Cultural Centre in Perth	WA - Department of Local Government, Sport and Cultural Industries	\$50,000,000

Priority Community Infrastructure Program – PEFO commitments

State	Project Title	Grantee	Funding
QLD	Pioneer River (Fursden Creek) Levee	TBC	\$6,100,000
VIC	*Frankston Basketball Stadium Redevelopment	Frankston City Council	\$15,000,000
VIC	*Macedon Ranges Sports Precinct Stage 2 Redevelopment	Macedon Ranges Shire Council	\$15,000,000

Projects noted with * denote a possible duplicate with projects committed by the current Government

Totals by state:

State/Commitment	liOC	liOC - PEFO	PCIP	PCIP - PEFO	Total
ACT	1		1		2
NSW	91	7	20		118
NT	12		8		20
QLD	59	13	7	1	80
SA	22	3	3		28
TAS	30	4	11		45
VIC	68	9	17	2	96
WA	63	5	10		78
TBC	5				5

Released under FOI Act by DITROCA

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Meghan Hibbert

SB22-000075

SUBJECT: Delivery of legacy regional programs**Talking Points**

- The legacy regional programs are those programs which have now ceased and no further rounds will be funded.
- There are four programs: Regional Growth Fund (RGF), National Stronger Regions Fund (NSRF), Regional Jobs and Investment Packages (RJIP), and the Community Development Grants Programme (CDG).
- The CDG, RGF and NSRF programs are managed in their entirety by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.
- The RJIP program is administered by the Department of Industry, Science and Resources (DISR) through the Business Grants Hub (Hub) on behalf of the department.
- The department is working with grantees to ensure projects can be delivered within the program appropriation period (which ends 30 June 2022 for NSRF; 31 December 2022 for RJIP; 30 June 2023 for RGF; and 30 June 2026 for CDG).

Key Issues

- Many of the individual projects across the four programs have had difficulties in completing their projects within the initial timeframes due to a range of factors including the impacts of COVID-19 and natural disasters.
- It is the intention of the department to hand over the management of the remaining CDG projects to the Department of Social Services – Community Grants Hub in early 2023.

Background

- The program objective of CDG is to support needed infrastructure that promotes stable, secure and viable local and regional communities. As at 31 August 2022, there were 1,523 approved projects with total funding of \$2.5 billion. This includes 44 projects totalling \$116.6 million which will be transferred to other programs.
- The program objective of RGF is to support major transformational projects, which support long-term economic growth and create jobs in regions, including those undergoing structural adjustment. The \$247.2 million RGF program provided grants of \$10 million or more for major transformational 'common use' infrastructure projects that create jobs and support long-term economic growth across Australia. As at 31 August 2022, there were 15 approved projects with total funding of \$247.2 million.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Meghan Hibbert

SB22-000075

- The program objective of RJIP is to provide matched funding for projects that help grow regional economies and provide sustainable employment. As at 31 August 2022, there were 233 approved projects with total funding of \$206.4 million.
- The program objective of NSRF is to fund investment ready projects which support economic growth and sustainability of regions across Australia, particularly disadvantaged regions, by supporting investment in priority infrastructure. As at 31 August 2022, there were 225 approved projects with total funding of \$607.9 million.

Community Development Grants Programme (Actual expenditure as at 31 August 2022)					
Program start	December 2013	Program end	June 2026		
Total appropriation	\$2.4b	Expenditure to date	\$1.4b		
Administration arrangements	The program is a closed and non-competitive grants program with projects identified by the former Australian Government. The department works directly with grantees to administer the program.				
Progress since last Senate Estimates (from 1 February 2022 to 31 August 2022)					
<ul style="list-style-type: none">• 167 projects have been completed• 72 projects have been contracted					
Current Status					
Status (as at 31 August)	Total Project Numbers	2020, 2021 and 2022 AG Commitments	2019 Election Commitments	2019 AG Commitments	Pre 2019 Election and AG commitments ¹
Waiting for Project Information	126	84	17	16	9
Under Assessment	0	0	0	0	0
Contracted - In Progress	254	38	66	103	47
Completed ²	1,143	13	127	193	810
Total	1,523	135	210	312	866
1 The 2013 election commitments, 2016 election and 2016 former Australian Government priority commitments for identified projects					
2 Completed projects include terminated projects.					

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Meghan Hibbert

SB22-000075

- Regional Growth Fund (Actual expenditure as at 31 August 2022)

Program start	March 2018	Program end	Original: 30 June 2022 Current: 30 June 2023
Total appropriation	\$247.2m	Expenditure to date	\$127.3m
Administration arrangements	The program is an open, competitive grants program. The department works directly with grantees to administer the program.		

Progress since last Senate Estimates

- No projects have completed from 1 February 2022 to 31 August 2022.

Current Status

Project Summary	Number
Applications submitted	337
Approved projects	17
Completed	0
Underway	15
Terminated/withdrawn	2

- The Mossman Mill Transition Project was also funded as a one-off ad hoc grant from the underspend of the program.
- Any unspent funds will be returned to Budget

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SB22-000075

Regional Jobs and Investment Packages (Actual expenditure as at 31 August 2022)			
Program start	31 May 2017	Program end	Original: 30 June 2020 Revised: 30 June 2022
Total appropriation	\$206.4m	Expenditure to date	\$180.3m
Administration arrangements	The program is a targeted, competitive grants program. The program is administered by the Department of Industry, Science and Resources (DISR) through the Business Grant Hub on behalf of the department.		
Progress since last Senate Estimates			
<ul style="list-style-type: none">The program appropriation finished 30 June 2022. The funding agreements of three incomplete projects terminated at the end of the program and unspent funds were decommitted.Two projects were extended to allow the grantees to provide completion reports by 31 December 2022.			
Current Status			
Project Summary		Number	
Applications submitted		1,398	
Approved projects		233	
Declined offer		2	
Completed		209	
Underway		2	
Terminated/withdrawn		20	

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000075

National Stronger Regions Fund (Actual expenditure as at 31 August 2022)			
NSRF Program start	October 2014 (round 1 application opened)	Program end	Original: 30 June 2020 Current: 30 June 2022
NSRF Total appropriation	\$607.9m	Expenditure to date	\$581.4m
Administration arrangements	The program was an open, competitive grants program. The department works directly with grantees to administer the program.		
Progress since last Senate Estimates			
<ul style="list-style-type: none">Completion payments were made for one project.			
Current Status			
<ul style="list-style-type: none">There are four projects the department continues to finalise so that the program can be closed.No further payments will be made under this program.Any unspent funds will be returned to Budget.			
Project Summary as at 31 August 2022		Number	
Applications submitted		1,398	
Approved projects		225	
Approved funding		\$607.9m	
Completed		207	
Underway		4	
Terminated/withdrawn		14	
Total number of projects		225	

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Meghan Hibbert

SB22-000075

Financial Information as at 31 August 2022

CDG

CDG Program Start Date:	2013-14					
CDG Program End Date:	2025-26					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget	272.9	418.0	253.5	226.1	177.3	1,347.8
Less:						
Actual Expenditure YTD at 31 August 2022	272.8	66.6				339.4
Total Committed Funds at 31 August 2022	0.1	363.0	293.5	268.1	202.2	1,126.9
Total Uncommitted Funds (balance)	0.0	(11.6)	(40.0)	(42.0)	(24.9)	(118.5)

RGF

RGF Program Start Date:	2018-19					
RGF Program End Date:	2022-23					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget	63.2	132.6	0.0	0.0	0.0	195.8
Less:						
Actual Expenditure YTD at 31 August 2022	63.2	12.7				75.9
Total Committed Funds at 31 August 2022	0.0	110.8	0.0	0.0	0.0	110.8
Total Uncommitted Funds (balance)	0	9.1	0.0	0.0	0.0	9.1

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BUDGET ESTIMATES 2022 - 2023

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SB22-000075

NSRF

NSRF Program Start Date:	2015-16				
NSRF Program End Date:	2021-22				
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget	8.6	0.0	0.0	0.0	8.6
Less:					
Actual Expenditure YTD at 31 August 2022	2.3	0.0			2.3
Total Committed Funds at 31 August 2022	0.0	0.0		0.0	0.0
Total Uncommitted Funds (balance)	6.3	0.0		0.0	6.3

RJIP

RJIP Program Start Date:	2017-18					
RJIP Program End Date:	2021-22					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	16.1	4.1	0.0	0.0	0.0	20.2
Less:						
Actual Expenditure YTD at 31 August 2022	10.1	0.0				10.1
Total Committed Funds at 31 August 2022	0.0	0.0	0.0	0.0	0.0	0
Total Uncommitted Funds (balance)	6.1	4.1	0.0	0.0	0.0	10.1

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Sarah Vandenbroek/Kim Forbes

SB22-000076

SUBJECT: Indian Ocean Territories Key Issues**Talking Points**

- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts delivers state-type services and infrastructure to Christmas Island (CI) and the Cocos (Keeling) Islands (CKI).
- The department has total funding of \$158.2 million in FY2022-23 to deliver services to the Indian Ocean Territories (IOT).
- Services are delivered by the WA Government under Service Delivery Arrangements, contracted private sector organisations and directly by the Australian Government.
- The department has 39 arrangements with the WA Government agencies to deliver 55 state-type services at a cost of \$47.1 million in 2021-22 and \$43.9 million in 2022-23.

Key IssuesAir Services

- The Australian Government subsidises airline services to the IOT as regular services are not commercially viable. Virgin Australia is contracted to provide a twice-weekly passenger service and a fortnightly freighter. Additional services are scheduled subject to demand, budget and operational availability.
- An additional 21 passenger and 26 freight flights were provided in the two years from 27 September 2020.

Christmas Island Port Crane and Moorings

- Approaches to the market to replace the crane and moorings have been unsuccessful. The department is now focussing on replacing the mooring system as a matter of priority due to the unexpected failure of the Smith Point mooring.
- The procurement process has commenced to purchase components and engage specialist contractors. This work will be completed by April 2023.

Christmas Island Stormwater System and Rockfall Fence Infrastructure

- The upgrade to the barrier fence behind the Boat Club carpark is complete with certification finalised in March 2022.
- Planning has commenced to replace the stormwater system (with design at 90 per cent completion), construct two new basins, replace one fence.
- In September 2021, the Parliamentary Standing Committee on Public Works approved a \$28.9 million project for the replacement of remaining rockfall fences and stormwater system upgrade.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000076

Christmas Island Strategic Assessment (CISA)

- In partnership with the Department of Climate Change, Energy, the Environment and Water the department is completing a Strategic Assessment under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).
- If approved by the Australian Government Environment Minister, CISA will provide regulatory certainty by identifying permitted activities and where they can occur on Christmas Island over the next 30 years. This will help inform future strategic land use planning.
- A draft Sustainable Development Plan and Strategic Impact Assessment Report, will be publicly released for comment in early 2023.
- The CISA will be submitted to the Environment Minister in late 2023.

Changes to IOT Fishing Regulations

- New Territory specific Fishing Ordinances were registered for Christmas Island on 22 March 2022 and the Cocos (Keeling) Islands on 5 April 2022. The Fishing Ordinances take into consideration the local physical environment and for CKI, cultural practices.
- The department is working collaboratively with IOT community fisheries management committees to implement the Ordinances and develop a new fisheries management framework.

Cocos (Keeling) Islands (CKI) Coastal Risk Management Project

- The Government is working in partnership with the WA Department of Planning, Lands and Heritage (DPLH), and the Shire of Cocos (Keeling) Islands to progress risk management planning to address coastal hazard risks.
- In 2021, the CKI Coastal Vulnerability Study was completed. Its final report is informing the development of a Coastal Hazard Risk Management and Adaptation Plan (CHRMAP). The CHRMAP is expected to be completed by the end of December 2023 and will guide future land-use planning on CKI.
- Stakeholder and community consultations commenced in late August 2022 and will assist in determining the risk tolerance levels and possible mitigation and adaptation strategies.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000076

Christmas Island Summit tank to Drumsite tank water main replacement

- The 5.7 kilometre section of water main between the Summit tank and Drumsite tank on Christmas Island is being replaced. Leaks from the water main are resulting in losses of between 25 per cent to 40 per cent of the community's drinking water supply annually.
- Project works are expected be completed in August 2023.
- Project funding is \$11.9 million.
- Pipeline leaks are caused by pipe vibration in the bedding material from heavy vehicles using Murray Road, a major traffic route on Christmas Island.

BackgroundService Delivery Arrangements and contracts

- The department directly delivers power, health, housing, emergency management and minor maintenance services.
- The department contracts private sector organisations to manage infrastructure such as the ports, airports and a recreation centre, and deliver services such as the ferry and school bus.
- The Shires of CI and CKI deliver local government-type services to their communities.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

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SB22-000077

SUBJECT: Territories COVID Response**Talking Points**

- While COVID-19 risk is easing around Australia, the Department of Infrastructure, Transport, Regional Development and the Arts continues to have a role in managing a COVID-19 response for Australia's non-self-governing territories.
- The external territories (Norfolk Island, Christmas Island and the Cocos (Keeling) Islands) are extremely remote, and the on-island health services have limited capacity to treat COVID-19 patients.
- All non-self-governing territories, which includes the Jervis Bay Territory, have vulnerable populations at risk of serious outcomes from COVID-related disease. This includes aging populations, people with chronic health conditions and people living in crowded and multi-generational households.
- Public Health Emergency Declarations are still in force in Norfolk Island and the Jervis Bay Territory. Some COVID-19 restrictions still apply in the Jervis Bay Territory.
- While Public Health Authorisations have concluded in Christmas Island and the Cocos (Keeling) Islands, communities in those locations continue to show high levels of compliance with COVID-safe recommendations.

Key Issues*Indian Ocean Territories (IOT) - Christmas Island and the Cocos (Keeling) Islands*

- The State of Emergency ended in the IOT on 13 August 2022.
- As at 15 August 2022 over 95 per cent of the population have received two doses of COVID vaccination, and over 80 per cent have received their booster.

Norfolk Island

- A Declaration of Public Health Emergency is in force in Norfolk Island. The current declaration ends on 31 October 2022.
- As at 20 September 2022, over 90 per cent of people over the age of 12 have received two doses of vaccine. Over 35 per cent of people under 12 have received two doses of vaccine.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

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SB22-000077

Jervis Bay Territory (JBT)

- A Public Health Emergency Declaration is in place in the JBT. The current Declaration expires on 12 January 2023. It provides the department with the appropriate regulatory framework to actively manage the ongoing community risk of COVID-19. This framework includes making Public Health Directions as and when required.
- Public Health Directions are in force in the JBT. These are broadly consistent with relevant laws in force in NSW and primarily relate to the restrictions required in high-risk environments.
- Health and vaccination statistics for the JBT are aggregated with the Shoalhaven Local Government Area (LGA). JBT residents access health services primarily in the Shoalhaven LGA, including COVID-19 testing, GP services and hospital services.
- As at 30 September 2022, 95 per cent of Shoalhaven residents (including JBT) had received two doses of the vaccination. 73 per cent of Shoalhaven residents have received a booster vaccination.

Background

The department has taken an active role throughout the pandemic in supporting COVID-19 response in the non-self-governing territories. This has included facilitating the declaration of a State of Emergency in each territory for much of 2020 into 2022, and supporting the development of Public Health Directions and COVID restrictions in response to changing threat levels.

The department has also provided support through supplementing supplies of Personal Protective Equipment (PPE) and Rapid Antigen Tests (RATs) to the territories, and by ensuring appropriate local support services are available for those isolating. For example, when the first COVID-19 cases were confirmed in Wreck Bay in the JBT in October 2021, the department worked with NSW Health to provide supported motor homes to the community for those who were required to isolate, but were unable to do so safely at home. The Department has also helped facilitate vaccination clinics in partnership with local communities, the Department of Health and the Royal Flying Doctors Service.

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Rural And Regional Affairs And Transport

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SB22-000078

SUBJECT: Jervis Bay Territory Key Issues

Talking Points

- The Australian Government, through the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, is responsible for administering the Jervis Bay Territory (JBT), including COVID-19 response activities.
- \$9.1 million is appropriated to the department in 2022-23 for the delivery of services and infrastructure to the JBT.
- State and local government type services are delivered to JBT residents through agreements with the ACT and NSW Governments, and other private and non-government providers.
- The department owns and manages the majority of critical infrastructure across the JBT, including water, wastewater, some roads and the power network.
- The Government has committed \$15.8 million to fund the connection of JBT to the Shoalhaven City Council's water system and is exploring options for improving the processing of wastewater for the JBT in the future.

Key Issues

Service delivery arrangements

- A refreshed service delivery arrangement is being negotiated with the ACT Government for the next five years. The ACT Government has expressed its intention to cease service delivery to JBT from 2030.

Telecommunications

- At the 2022 Federal election, \$750,000 was committed to upgrade telecommunications in the JBT. The Hon Michelle Rowland MP, Minister for Communications, is responsible for matters relating to the delivery of this commitment.

Critical infrastructure

- Water network: The JBT water treatment plant and mains are at their end of serviceable life. The Australian Government has committed \$15.8 million to connect the JBT to the Shoalhaven City Council water supply. This will create a sustainable, long-term solution to providing high quality potable water to the JBT.
- Wastewater treatment: The JBT wastewater treatment plant is at its end of serviceable life. The asset is costly to maintain and carries the risk an adverse environmental event if it fails. The department is exploring long-term solutions for managing waste water generated in the JBT, which will reduce or eliminate the risk of any ocean outfall.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Sarah Vandenbroek/Jane Christie

SB22-000078

Background

JBT COVID-19 response activities

- The department issues public health directions as necessary for the JBT that cover matters including COVID-safe behaviours, border control and stay-at-home orders.
- The department works with state and local government partners to ensure JBT residents have access to COVID relief measures when needed.

PFAS (per- and poly-fluoroalkyl substances) in the JBT drinking water

- Defence has detected low levels of PFAS in the JBT. This is likely to be from the historical use of fire-fighting equipment at the Jervis Bay Range Facility. These levels are many times lower than the levels prescribed by the Australian Drinking Water Guidelines.
- Since September 2020, monthly testing of JBT drinking water has been conducted by an independent laboratory, accredited by the National Association of Testing Authorities. The results of the water testing are released to the community monthly as a newsletter and uploaded onto the Department's website.
- There is an ongoing class action regarding PFAS in JBT. This is being managed by the Department of Defence.

Jervis Bay Territory Budget

- The department derives revenue from consumers of JBT's essential services, including power, water and rent from Government properties. This revenue is paid into the JBT Special Account and is primarily used to deliver essential services and infrastructure in JBT.

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Rural And Regional Affairs And Transport

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SB22-000079

SUBJECT: ACT and NT Key Issues**Talking Points***ACT and NT: Voluntary assisted dying*

- The Australian Government supports open debate on the rights of the ACT and NT governments to consider their own legislation for voluntary assisted dying, consistent with the states.
- The *Restoring Territory Rights Bill 2022* (Bill) allows the ACT and NT to consider and debate voluntary assisted dying legislation.
 - The Bill was introduced by the Member for Solomon, Mr Luke Gosling OAM MP, and the Member for Canberra, Ms Alicia Payne MP, on 1 August 2022.
 - The Bill passed the House of Representatives and was introduced in the Senate on 3 August 2022.

ACT: National Capital Authority (NCA)

- The Government is undertaking a merit-based selection process to appoint a new National Capital Authority Board member following the end of Mr Dennis Richardson's appointment on 17 September 2022.
 - The position was advertised on 5 October 2022 and a selection panel has been established to determine a list of suitable candidates for Government consideration.
 - The new Board member is expected to be in place in early 2023.
- Questions relating to the National Capital Authority should be referred to the National Capital Authority.

Key Issues*ACT and NT: Voluntary assisted dying*

- The Attorney-General, the Hon Mark Dreyfus KC MP, is responsible for matters relating to the intersection of the Commonwealth Criminal Code and state or territory voluntary assisted dying legislation.
- All state voluntary assisted dying schemes have residency eligibility requirements. This means residents of Australian Government non-self-governing territories – Norfolk Island, Indian Ocean Territories and Jervis Bay Territory – cannot access voluntary assisted dying. We are looking at the legal implications of state schemes for the non-self-governing territories.

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Date: 19/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Sarah Vandenbroek/Jane Christie

SB22-000079

ACT: National Capital Authority (NCA)

- The ACT Government is progressing Canberra Light Rail Stage 2 in two stages: Stage 2A: City to Commonwealth Park and Stage 2B: Commonwealth Park to Woden. The NCA has approved ACT Government work packages for the raising of London Circuit to facilitate Stage 2A. NCA is considering Stage 2A and Stage 2B design and construction proposals from the ACT.
- The Government has confirmed its commitment to invest \$38.5 million (over four years) for the NCA to deliver renewal works to extend the life of the Scrivener Dam for 100 years.
- The NCA continues the development and planning phase of delivery of the previous Government's \$137 million investment to upgrade Commonwealth Avenue Bridge.
- On 17 August 2022, the NCA announced it was returning the former Russian embassy construction site in Yarralumla back into the pool of land available for diplomatic purposes. On 14 September 2022 the Russian Federation commenced legal action against the Government and the NCA. The NCA advised media outlets it has agreed the Russian Federation can remain in occupation of the site as legal action commences.
- The Australian National Audit Office performance audit report on NCA procurement was tabled on 2 June 2022. Key findings include: insufficient use of open and competitive processes; non-compliance with the Commonwealth Procurement Rules; poor transparency and record keeping; and decision-making not sufficiently accountable and transparent. The NCA has developed a plan to address the recommendations.
- The *Australian Capital Territory National Land (Lakes) Ordinance 2022* deals with the management and use of National Lakes (Lake Burley Griffin) in the ACT.
 - The Ordinance came into force on 1 April 2022 and is currently being considered by the Senate Scrutiny of Delegated Legislation Committee.
 - The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is currently addressing Committee comments with a response by the Minister for Regional Development, Local Government and Territories, the Hon Kristy McBain MP, due 9 November 2022.
 - The Ordinance provides for the grant of permits to use the Lake for various activities; regulates boating and other activities on the Lake and in the surrounding area; includes requirements for the safe operation of boats, including drug and alcohol offences; provides for the reporting and investigation of boating accidents; and enables closure of the Lake area for safety and maintenance, and for approved events.

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Rural And Regional Affairs And Transport

Lead/Support contact: Sarah Vandenbroek/Jane Christie

SB22-000079

Background*ACT and NT: Voluntary assisted dying*

- All jurisdictions, except the NT and the ACT, have voluntary assisted dying legislation.
- Section 122 of the Australian Constitution applies to the ACT and NT and allows the Government to make laws for the territories, including to override territory laws.
- The Restoring Territory Rights Bill repeals provisions inserted by the *Euthanasia Laws Act 1997* in the self-government Acts of the ACT (the *Australian Capital Territory (Self-Government) Act 1988*) and NT (the *Northern Territory (Self-Government) Act 1978*) that preclude the ACT and NT legislative assemblies from making laws relating to voluntary assisted dying.

ACT: National Capital Authority (NCA)

- The NCA is an independent statutory authority established under the *Australian Capital Territory (Planning and Land Management) Act 1988* (PALM Act).
- The PALM Act gives the NCA a wide range of planning and regulatory functions relating to the planning and development of the national capital.
- NCA Board members and the Chief Executive are appointed by the Governor-General in accordance with the PALM Act, for a period not exceeding five years.
- Currently, three of the four Board members are male. The upcoming vacancy provides an opportunity to meet the Government's 40 per cent gender target for boards.
 - The Board is able to achieve quorum with only three members in the interim.
- The Chief Executive, Ms Sally Barnes, was appointed on 11 February 2018 and her term ends on 10 February 2023. No Government decision has been made about the Chief Executive position beyond the current term.

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Released under FOI Act by DITRDCA

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Sarah Vandebroek/Aaron O'Neill

SB22-000080

SUBJECT: Norfolk Island Key Issues**Talking Points**

- Sea freight remains a key priority for the Australian Government. The Government is subsidising a short-term barge service from November 2022 to February 2023.
- Minister McBain is holding a community shipping forum on 14 November, following a Have Your Say process, to seek community input into long-term initiatives.
- Norfolk Island's traditional lighterage arrangements were used for the last time in January 2022.
- New modern lighter vessels were introduced, improving the safety of unloading arrangements.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts underwrites passenger flight services from mainland Australia to Norfolk Island. The current contracted provider is Qantas, until February 2023. The department is currently managing a procurement process for this service longer-term.
- The department is working with the Norfolk Island community to determine improvements that may be made to governance and local decision making on Norfolk Island. This process is underpinned by recognition that there will be no return to self-government.

Services to Norfolk Island Program funding allocation (\$ million)

	2021-22	2022-23	2023-24	2024-25	2025-26
Total Funding	88.6	95.4	75.2	72.8	63.6

Budget funding extracted from the Portfolio Budget Statements 2022-23.

Key Issues**New funding provided in the 2022-23 Budget**

- In the 2022-23 Budget, the Government provided an additional \$118.0 million over four years and an additional \$9.2 million in ongoing funding from 2026-27 to support the provision of fit-for-purpose infrastructure and essential services to Norfolk Island. This includes:
 - \$31.2 million over four years for critical infrastructure including: design of a new wastewater treatment plant, critical upgrades to the sewer network, infrastructure to enable the delivery of containerised freight, and improvements to the electricity network.
 - \$56.4 million for the delivery of education and health services.

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Lead/Support contact: Sarah Vandenbroek/Aaron O'Neill

SB22-000080

- \$12 million over four years for improved internet speed.
- \$18.4 million for essential service delivery including court and legal proceedings, the annual audit of the Norfolk Island Regional Council, biosecurity and Argentine ant eradication, and tourism marketing.

Air Services

- Norfolk Island's regular air passenger services and air freight services are underwritten by the Government, and are currently provided by Qantas and Toll respectively.
- These services ensure that essential transport and supply links are maintained for the benefit and health of the Norfolk Island community and visitors.
- Between 2012 and late January 2021, Air New Zealand provided passenger air services to Norfolk Island. In January and February 2021, COVID-19 outbreaks led to the suspension of the trans-Tasman quarantine free travel bubble.
- As an interim arrangement, the Government engaged Qantas to deliver replacement flights to Norfolk Island.
- A tender process for a long-term arrangement is currently underway.

Sea freight

- The continued availability of sea freight services to Norfolk Island is a key priority of the Government.
- Norfolk Island's current shipping service is not meeting demand for sea freight, and voyages are heavily dependent on favourable weather conditions and vessel commitments elsewhere.
- The Government is working closely with the Norfolk Island Regional Council to improve the safety and efficiency of lighterage operations. Norfolk Island's traditional lighter craft were used for the last time in January 2022 to unload freight from the sea freight vessel. New lighter vessels were introduced, which meet modern marine safety standards and enable continued sea freight deliveries while more permanent maritime infrastructure upgrades are put in place.
- In 2021 the Government facilitated additional freight barge voyages, in collaboration with the shipping company currently serving Norfolk Island (Neptune Pacific Direct Line (NPDL)) and temporarily increased the frequency of air freight flights to six per month.
- In September 2022 the Government agreed to provide financial support to NPDL to run a short-term barge service from Brisbane to Norfolk Island.
- This service will reduce the need for the Government to subsidise air freight of critical supplies, and provide greater value for money while increasing the supply of sea freight for the community.

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- The contract is for four voyages, with an extension option for a further five voyages, at a maximum contract value of \$1.25 million.
- If the extension option is exercised, the agreement will deliver approximately 8100 revenue tonnes of sea freight, compared with approximately 234 revenue tonnes of air freight for the same cost.

Governance Modernisation / Empowering Local Communities

- In March 2022, the Council of Elders and Norfolk Island People for Democracy provided the department with a proposal to modernise the governance of Norfolk Island and establish a mutually agreed and sustainable funding model.
- The proposal presents significant complexities that require careful consideration and testing.

Background

Since 1 July 2016, Norfolk Island residents have had access to Government support payments and services including Medicare, the age pension, disability pension, child support and Newstart Allowance (now Jobseeker).

The Government has responsibility for delivering state-type services to Norfolk Island.

- The Government provides policing through the Australian Federal Police.
- The Queensland Government provides health support and education services. *[Further information on state service provision by Queensland is in SB22-000081.]*
- Child protection and family wellbeing services, worker's compensation, ambulance and education support services are provided under contracts by private sector organisations.
- Health and aged care services are delivered through a Service Delivery Agreement with the Norfolk Island Health and Residential Aged Care Service.
- Coronial and tribunal services are delivered by a statutory office holder.
- A number of state-type services are provided through a Service Delivery Agreement with the Norfolk Island Regional Council, including courts and legal services and port management. *[Further information on the Council is in SB22-000082.]*

The Government has made significant progress since 2016 on improving infrastructure and delivering essential services to the Norfolk Island community.

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Rural And Regional Affairs And Transport

Lead/Support contact: Aaron O'Neill

SB22-000081

SUBJECT: Norfolk Island State Services**Talking Points**

- The Australian Government has responsibility for delivering state-type services to Norfolk Island.
- The Queensland Government commenced delivering state-type services to Norfolk Island on 1 January 2022.
 - Service Schedules have been agreed for the delivery of education services, health support services and regulation of apprenticeships and traineeships.
 - Students returned to Norfolk Island Central School classrooms in February 2022.
 - Feedback from the community on the transition to Queensland has been overwhelmingly positive.
- The necessary legislation is in place to support the delivery of Queensland services.
- The agreement with Queensland establishes an enduring partnership that provides stability and certainty for the Norfolk Island community for essential service delivery.
 - It also allows for the extension of state services beyond health and education to provide rights and protections to Norfolk Island comparable with mainland Australia.
- Queensland is a strong fit to provide state services to Norfolk Island, with extensive experience in delivering high quality state services in remote and island settings.
- Queensland also has strong existing ties with the people of Norfolk Island through family, community, work and services connections.

Key IssuesEducation services

- Operation of the Norfolk Island Central School (NICS) has been transferred from the NSW Department of Education to the Queensland Department of Education.
- The majority of teaching positions have been filled, with a number of last year's staff taking leave from the NSW Department of Education to remain teaching on Norfolk Island, providing a level of stability to the students and school community.
- The Government signed a license agreement with the NSW Education Standards Authority for use of the NSW curriculum in 2022 and 2023. This enables the current senior secondary cohort to complete the NSW Higher School Certificate (HSC).

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SB22-000081

Health support services

- The Norfolk Island Health and Residential Aged Care Service continues to coordinate care for those seeking health services on Norfolk Island.
- Queensland Health and the Metro North Hospital and Health Service are providing advice and support to the on island health service.

Regulation of apprenticeships and traineeships

- The Queensland Department of Employment, Small Business, and Training registers and monitors apprenticeship and traineeship contracts on Norfolk Island that commenced on or after 1 January 2022.
- This arrangement supports Norfolk Island residents to train or retrain in a vocation, and businesses who need more skilled workers.

Additional services

- Work is underway to identify and negotiate additional services that Queensland may deliver to Norfolk Island in the future.

Background

- The Government is responsible for the delivery of state-type services and the management of essential community infrastructure in the non-self-governing territories.
- On 1 July 2016, self-government was removed by a bi-partisan act of Parliament and the Government assumed responsibility for the delivery of state-type services for Norfolk Island.
- Initially, this was achieved through limited service delivery agreements with the NSW Government for direct management of essential education and health support services. The agreement with NSW ended on 31 December 2021.
- On 26 October 2021 it was announced that the Deputy Prime Minister and Premier of Queensland signed the Inter-Governmental Agreement securing Queensland as the new state partner for Norfolk Island.

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Rural And Regional Affairs And Transport

Lead/Support contact: Sarah Vandenbroek/Aaron O'Neill

SB22-000082

SUBJECT: Norfolk Island Regional Council**Talking Points**Norfolk Island Regional Council (Council) and its Responsibilities

- Following a Public Inquiry held in 2021, elected councillors were dismissed and an Administrator Mr Mike Colreavy was appointed for a 3-year term until December 2024.
- The Administrator has all the functions of the council, including all the functions of a councillor and the mayor.
- During this period, the Council is expected to undertake reforms to strengthen its operations, performance and financial sustainability.
- No date has been set for when Council elections will be held. Should the circumstances allow, the administration period could be reduced, and an election could be held earlier than December 2024.
- The Australian Government and Council remain committed to working together for the long-term, sustainable governance of the Norfolk Island community.

Rates and Waste Management Charges

- On 5 July 2022, in response to community feedback, the Minister for Regional Development, Local Government and Territories and the Council agreed to stagger increases in rates and waste management charges over multiple financial years.
- The Government will provide \$1 million of additional funding in 2022-23 to support this staged introduction.
- Council are planning the community engagement arrangements for 2023-24 and future rates and waste management charges.

Service Delivery Agreement (SDA)

- On 25 July 2022, the Government and Council signed a new SDA schedule for 2022-23.
- The 2022-23 SDA supports the delivery of Government-funded improvements in infrastructure, including electricity, shipping, waste and recycling. It also continues Government funding for the delivery of services including tourism marketing and the Argentine ant eradication program.

Key IssuesThe Council and its responsibilities

- The Council provides a broad range of local government services, such as road maintenance and waste management.

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SB22-000082

- The Council also provides some state-type services, such as the operation of the Norfolk Island International Airport, telecommunications services, and the electricity generation and distribution service.
- The Council expects to run a surplus of \$0.5 million in 2022-23. This will assist in restoring working capital of \$8 million, as recommended in the 2020 independent audit of the Council's financial performance.

Rates and Waste Management Charges

- The proposed increases in rates and waste management charges were released for public comment on 24 May 2022.
- Revenue raised through rates in 2022-23 will be limited to a 25 per cent increase on the previous year. The introduction of rating sub categories means that rates will now be distributed in a more equitable and sustainable way.
- Most residential properties will see a decrease in rates. Businesses will be able to plan for increases and to pass them on to customers as needed.

BackgroundDismissal of elected members and appointment of Administrator

- In late 2020 the Government received independent audit reports from Nexia Australia and Grassroots Connections Australia making over 100 recommendations related to the Council's governance, financial performance, financial sustainability, and operations.
- On 3 February 2021, with regard to the two audit reports and submissions made by Council, the then Assistant Minister for Regional Development and Territories suspended the elected members.
- On 9 February 2021, Ms Carolyn McNally was appointed as commissioner to conduct a Public Inquiry into the Council. The Public Inquiry report, presented on 4 November 2021, identified significant instances where the Council did not manage its finances in accordance with the principles of effective financial and asset management.
- On 6 December 2021, having regard to the Public Inquiry report, the then Assistant Minister for Regional Development and Territories dismissed the elected members of Council. Also, on 6 December 2021, Mr Michael Colreavy was appointed as Council Administrator until December 2024.
 - Mr Colreavy, has served in local government and financial management roles for more than 37 years, including 12 years as a council general manager and 20 years as a member of a council executive management team.
- A detailed timeline is at **Attachment A**.

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SB22-000082

Council Rates and Waste Charges

- Rates and waste management charges are an important mechanism for the council as an equitable revenue source. They support service provision and maintenance of critical infrastructure.
- Until 2016-17, Norfolk Island property owners did not pay land rates. Since being introduced, rates have increased at an average of 2.8 per cent per year. Initially, rates were non-value-based property levies and from 2018-19 an ad valorem component was added.
- Rates and charges are increasing from a very low base and the additional costs imposed on the community are critical for the ongoing financial sustainability of the Council. A review of land values under the Land Valuation Act 2012 (NI) was undertaken in early 2022. Regardless of changes to rating arrangements, rates on individual properties will change in line with new valuations.
- Some in the Norfolk Island community are strongly opposed to revenue raising through rates. They claim that rates are not appropriate for Norfolk Island due to cultural views that land is not owned by individuals but rather handed down through generations. Council are planning the community engagement arrangements for 2023-24 and future rates and waste management charges.
- As at 20 September 2022, a total of \$1,789,369 remains unpaid for the 2022-23 rates and waste management charges.
 - Of the 1897 rates notices issued to residents, 659 properties are yet to make any payments for the 2022-23 financial year, equating to \$839,396.
 - Council has previously supported payment plans for those experiencing hardship. Rebates also apply to eligible pensioners.
 - If rates continue to remain unpaid, there will be impacts to Council service delivery and the remediation of External Audit Findings. The financial impacts to council will be significant and may hinder Council's transition to sustainability.

Attachment

- Attachment A – Norfolk Island Regional Council / DITRDC Events

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Attachment A

TIMELINE - NORFOLK ISLAND REGIONAL COUNCIL / DITRDC EVENTS

Date	Activity
15/12/2020	Assistant Minister Nola Marino, under the powers of s438I of the <i>Local Government Act 1993 (NSW) (NI)</i> issued a notice of intention to suspend the Norfolk Island Regional Council (NIRC) for a period of three months, following the findings and recommendations of the independent audit of the NIRC's governance, operations, financial performance and financial sustainability.
8/01/2021	Assistant Minister Marino received a submission from the Mayor, Ms Robin Adams.
3/02/2021	Assistant Minister Marino suspends the Norfolk Island Regional Council and agrees to appoint Interim Administrator Michael Colreavy. NIRC formally advised of suspension and appointment of administrator initially for three months.
4/02/2021	Media Release - Suspension Decision by Assistant Minister Marino.
4/02/2021	Interim Administrator Michael Colreavy formally accepts appointment with letter to Assistant Minister Marino.
8/02/2021	Initial meeting between Interim Administrator and NIRC General Manager Andrew Roach.
10/02/2021	Public inquiry into the Norfolk Island Regional Council announced. https://minister.infrastructure.gov.au/marino/media-release/public-inquiry-norfolk-island-regional-council
17/02/2021	Assistant Minister Marino phone meeting with interim Administrator Mike Colreavy.
15/04/2021	Assistant Minister Marino issues notice to extend the suspension of NIRC until for an additional three months (August 2021).
16/06/2021	Assistant Minister Marino issues Notice of Intention to extend suspension of the Norfolk Island Regional Council and the appointment of interim administrator Michael Colreavy, while the public inquiry is under way.
04/11/2021	Commissioner Carolyn McNally submitted her final report on the Public Inquiry into the Norfolk Island Regional Council.
06/12/2021	Elected members of Norfolk Island Regional Council (NIRC) were dismissed by Assistant Minister Marino and Mr Colreavy appointed as the NIRC Administrator for three years until 2024.

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000152****SUBJECT: City Deal: Geelong****Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deal commitments.
- The Geelong City Deal was agreed in March 2019. The total funding for projects is \$502.48 million, of which Australian Government funding is \$183.8 million. Payments of \$26.6 million have been made to date.
- Eight of the 24 projects have been completed, construction is underway on a further three projects, and 13 are in the planning, design or contracting phase.

Geelong City Deal			
Deal Announced	17 January 2018	Total Deal Value \$m	502.48
Deal Signed	11 March 2019	AGC \$m	183.8
Deal Length	10 years	State contribution \$m	292.0
3 year review due	2022	Other contribution \$m	City of Greater Geelong: 14.43 Other: 12.25
Deal Partners	Victorian Government and City of Greater Geelong		
Jobs supported	Over 100 new jobs created to date.		
Current status: Implementation			

Key Issues

Australian Government commitments include:

- \$115.65 million towards tourism infrastructure projects along the Great Ocean Road and including the 12 Apostles precinct.
- \$30 million towards construction of the Geelong Convention and Exhibition Centre.
- \$20.85 million towards public realm improvement projects under the Revitalising Central Geelong Action Plan.
- \$10 million towards a new ferry terminal at Queenscliff.
- \$3.8 million towards road upgrades at Deakin University's Geelong Future Economy Precinct.
- \$3.5 million for the Geelong Waterfront Safe Harbour project.

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000152**

Some of the recent key achievements in delivering these commitments are outlined below.

Geelong Convention and Exhibition Centre (GCEC)

- The GCEC is expected to support 600 jobs during construction and an additional 270 ongoing jobs once complete.
- Funding for the GCEC initially included \$141 million from the Victorian Government, \$30 million from the Australian Government, and \$3 million from the City of Greater Geelong. In December 2021 the Victorian Government committed an additional \$120 million to the project, taking the total funding to \$294 million.
- The Victorian Government is funding the purchase of the land at the waterfront site from Deakin University. Agreement has been reached to allow access to the site for environmental and geotechnical investigations.
- In May 2022 the Melbourne Convention and Exhibition Trust, who manage the Melbourne Convention and Exhibition Centre were announced as the operator.
- The GCEC will be delivered as a Public Private Partnership. On 26 August 2022 a shortlist of three consortia bidders was announced. Following a comprehensive tender process, involving extensive community and stakeholder consultations, the successful bidder is expected to be announced in mid-2023, with construction due to commence late 2023 and opening in 2026.

Revitalising Central Geelong Action Plan

- Green Spine Block 1 (\$5 million) – Work on the north side between Gheringhap and Moorabool streets now complete. It features 3000 new trees and shrubs, bluestone paving, seating and tables, improved stormwater drainage and filtration and a single-lane bike path.
- Green Spine Block 3 (\$7 million) – The design and construction of the Yarra Street to Bellerine Street Section will build upon the work in Block 1. The design tender and the construction tender were both released in 2021. Investigation works have commenced that include feature surveys and pavement investigations.
- Geelong Train Station Upgrade (\$3 million) – Work includes upgrading CCTV, heritage style seating, Passenger Information Displays (PIDs), Replacement of skylights, and Myki ticketing system, replacement of LED lighting in Latrobe Street carpark.
- Arts and Culture Precinct Public Realm Improvements (\$5 million) – detailed designs are completed and community consultation is underway.

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000152**Queenscliff Ferry Terminal

- This is a \$10 million contribution from the Australian Government, co-funded by Searoad Ferries with a further \$5.9 million.
- The tender for the new terminal building was awarded in 2021 to Kane Construction P/L.
- Construction of the new ferry terminal building structure and roofing is nearing completion and is expected to be opened to the public in December 2022.

Deakin University's Geelong Future Economy Precinct

- Work at the Waurn Ponds campus is in the final stages, involving the extension of Epworth Place road to provide external access to a Precinct to expand opportunities for industry and education, with a project cost of \$3.8 million.
- Practical completion has been achieved and final approvals are being undertaken, with the opening up of the road imminent.

Great Ocean Road Infrastructure Projects

- Four projects along the Great Ocean Road have reached a point where the scope and/or budget and/or timeframe is not able to be delivered as agreed between the Victorian and Australian Governments and discussions are underway to resolve a way forward.
- The projects in focus are:
 - Redevelopment of Apollo Bay Harbour (total funding \$12 million)
 - Apollo Bay to Skenes Creek Coastal Trail (total funding \$5 million)
 - Tourism Infrastructure at Kennett River (total funding \$1.9 million)
 - Point Grey, Lorne Redevelopment (total funding \$10.45 million)
- The Victorian Government has initiated consultation with the Australian Government to discuss these projects.

Priority Projects under the Shipwreck Coast Masterplan

- Total funding for this commitment is \$108.15 million (\$88.15 million: Australian Government, \$20 million: Victorian Government).
- The Twelve Apostles Precinct includes a new Visitor Experience Centre (VEC), park and ride facility, transport entry access road, landscaping works and walking trails.
- The site for the new VEC is contingent upon sensitive land acquisition being undertaken by the Victorian Government with the private land owners. The Victorian Government is funding the land acquisition.

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000152**

- Whilst the Main Works at the precinct are contingent on completion of the land acquisition a number of Coastal Works have also been identified that have progressed to the design phase. These include a new Twelve Apostles viewing deck and amphitheatre, safer beach access and a lookout at Gibson Steps, improved walking trails, revegetation of Loch Ard Gorge, and works at Loch Ard Gorge.
- Grimshaw Architects (Grimshaw) were appointed as the Head Designer for the Coastal Works in November 2021. Grimshaw is currently working closely with the Eastern Maar Aboriginal Corporation, and other key stakeholders in the region to develop the designs for the Coastal Works package.
- The Australian Government funding of \$88.15 million includes \$23.4 million to support business enablement and activate private investment opportunities along the Shipwreck Coast through the delivery of a grants process for the Private Sector Business Enablement Fund (PSBEF). Further information regarding the process and next steps for the PSBEF is at **Attachment A**.

Geelong City Deal Three-Year Review

- The Three-Year Review is currently underway and is being managed by a Review Working Group (RWG), including officers from the Department and the Victorian Department of Jobs, Precincts and Regions. The RWG will report to the Implementation Committee on the draft outcomes of the Review in October 2022.

Background

The Geelong City Deal was announced on 11 March 2019. On 8 October 2019, the Implementation Plan was released by the three levels of government.

Australian Government's commitments

- \$88.15 million for Priority Projects under the Shipwreck Coast Masterplan
- \$30.00 million for the Geelong Convention and Exhibition Centre
- \$27.50 million for infrastructure projects along the Great Ocean Road
- \$20.85 million for Revitalising Central Geelong Action Plan projects
- \$10.00 million for the Redevelopment of Queenscliff Ferry Terminal
- \$3.80 million for road infrastructure at Deakin University Geelong Future Economy Precinct
- \$3.50 million for the Wave Attenuator at the Geelong Waterfront Safe Harbour Precinct

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000152**Stakeholder Meetings

Date	Meeting Description	Department Officials	Stakeholders
5 April 2022	Geelong City Deal Implementation Committee Meeting	Assistant Secretary	Victorian Government and City of Greater Geelong
23 June 2022	Geelong City Deal Implementation Committee Meeting	A/g Assistant Secretary	Victorian Government and City of Greater Geelong
July – August 2022	Geelong City Deal Three Year Review Stakeholder Interviews	N/A	Various Victorian Government agencies, local authorities, peak bodies, Traditional Owners, project delivery agencies, community representatives
18 August 2022	Department meeting with G21 (Geelong Region Alliance) in Canberra following their request to meet with the Department's Secretary (who was on leave)	Deputy Secretary (Transport), Aviation, Cities, IID	Local government CEOs in Geelong Region & CEO of G21
12 October 2022	Geelong City Deal Implementation Committee Meeting	A/g Assistant Secretary	Victorian Government and City of Greater Geelong

Attachments

- Attachment A - Further information regarding the process and next steps for the Private Sector Business Enablement Fund

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000152****Financial Information as at 25 October 2022**

Program/Project Start Date:	March 2019					
Program/Project End Date:	March 2029					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	10.091	12.425	32.643	62.551	60.840	178.550
Less:						
Actual Expenditure YTD at 25 October 2022	10.091	12.425				
Total Committed Funds at 25 October 2022	10.091	12.425	32.643	62.551	60.840	178.550
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

** \$1.450 million was expended in 2019-20 taking total under Project Agreement to \$180 million*

***A further \$3.80 million attributed to the Geelong City Deal is administered by another program (Infrastructure Investment Division), taking the total to \$183.80 million (with \$2.66 million of that project paid to date and the remaining \$1.14 million to be paid in 2022-23).*

Contact: s47F**Cleared by First Assistant Secretary:** Matthew Roper**Phone:** (02) 6274 s47F**Version Number:** 01**Date:** 30/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000152

Australian Government, State/Territory, Local Government, Other, Total Deal Value, Cwth 20-21, Beyond 2024, Cwth 21-22, Cwth 22-23, Cwth 23-24, Total AG Spend

BY NAME

Name	Australian Government	State/Territory	Local Government	Other	Total Deal Value	Cwth 20-21	Cwth 21-22	Cwth 22-23	Cwth 23-24	Beyond 2024	Total AG Spend
Deakin University Future Economy Precinct	\$3.80M	\$3.80M		\$3.90M	\$11.50M			\$1.14M			\$2.66M
Geelong Convention and Exhibition Centre	\$30.00M	\$261.20M	\$3.00M		\$294.20M	\$0.00M	\$0.00M	\$3.00M	\$7.00M	\$20.00M	
Geelong Waterfront Safe Harbour	\$3.50M				\$3.50M	\$3.50M					\$3.50M
Great Ocean Road Infrastructure	\$27.50M			\$2.45M	\$29.95M	\$0.80M	\$1.88M	\$2.60M	\$11.51M	\$9.26M	\$4.13M
Queenscliff Ferry Terminal upgrade	\$10.00M			\$5.90M	\$15.90M	\$3.20M	\$3.75M	\$3.04M			\$6.96M
Revitalising Central Geelong Action Plan	\$20.85M	\$7.00M	\$10.28M		\$38.13M	\$1.81M	\$6.74M	\$6.05M	\$6.25M		\$8.55M
Shipwreck Coast Master Plan	\$88.15M	\$20.00M			\$108.15M	\$0.78M	\$0.05M	\$17.95M	\$37.79M	\$31.58M	\$0.83M
Smart City Initiatives			\$1.15M		\$1.15M						
Total	\$183.80M	\$292.00M	\$14.43M	\$12.25M	\$502.48M	\$10.09M	\$12.43M	\$33.78M	\$62.55M	\$60.84M	\$26.63M

* Note that the \$1.14 million to be paid in 2022-23 for the completion of the Deakin University Future Economy Precinct Commitment (total Australian Government funding for the commitment is \$3.80 million) is administered by the Infrastructure Investment Division. The commitment sits under the Geelong City Deal, but is not part of the \$180.00 million Project Agreement between the Australian Government and the Victorian Government.

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Attachment A**Geelong City Deal – Private Sector Business Enablement Fund**

- The Australian Government funding of \$88.15 million includes \$23.4 million to support business enablement and activate private investment opportunities along the Shipwreck Coast through the establishment of a grants process for the Private Sector Business Enablement Fund (PSBEF).
- The PSBEF seeks to fund public infrastructure projects with broad public benefit that can also support the activation of significant private sector investment in the Shipwreck Coast and surrounding region along the Great Ocean Road.
- Successful applicants are required to enter into a grant agreement with the Victorian Government.
- An Assessment Committee was established for assessing project applications in mid-2021 for an initial round of the PSBEF. The membership of the Assessment Committee consists of two representatives from the Australian Government, two representatives from the Victorian Government, and the Chair of Regional Development Australia, Barwon South West. The assessment process for the initial round of applications was completed in October 2021.
- In November 2021, upon the recommendations of the Assessment Committee, the Geelong City Deal Implementation Committee endorsed five projects to receive a combined funding of \$15.68 million from the total \$23.4 million available. The funding will support up to 360 new jobs in the Shipwreck Coast region, with potential to stimulate over \$150 million in private capital investment.
- In December 2021, the former Minister for Communications, Urban Infrastructure, Cities and the Arts and the former Victorian Minister for Regional Development approved funding for the projects, in their capacity as members of the Geelong City Deal Leadership Group.
- A second round of the PSBEF was opened on 4 April 2022 and closed on 16 May 2022. Applications are currently being assessed and Ministerial approval will be sought for those applicants recommended for funding, upon completion of the assessment process.

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000153****SUBJECT: City Deal: South East Queensland****Talking Points**

- The Australian Government's contribution across 11 local government areas in South East Queensland is valued at \$667.77 million [including a \$100 million in-principle loan].
- The Australian Government is working with the Queensland Government and local councils to negotiate and finalise implementation arrangements for 31 proposed commitments.

Key Issues

- Officials from the three levels of government are working to agree implementation arrangements for the 31 commitments by the end of 2022. These arrangements will outline more detail about scope, delivery milestones and funding.
- Once implementation arrangements are settled, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts will seek agreement to a schedule to the Federation Funding Agreement – Infrastructure that will administer the majority of funding to the Queensland Government for the commitments.
- Six commitments are proposed for administration under the National Partnership Agreement on Land Transport Infrastructure Projects led by the Infrastructure Investment Division.

Membership of Council of Mayors (SEQ)

- In October 2021, Noosa Council joined the Council of Mayors (SEQ).
- At the time of signing the City Deal in March 2022, the Gold Coast City Council was not a member of the Council of Mayors (SEQ). The Gold Coast City Council withdrew from the Council of Mayors (SEQ) in June 2021.

Successful Olympic and Paralympic Games Bid

- Commitments under the SEQ City Deal and the 2032 Olympic and Paralympic Games are separate, but complementary, initiatives. A number of the commitments in SEQ will support the region to develop and deliver a successful Olympic and Paralympic Games.

Promotional costs

- The department incurred \$952.44 (GST inclusive) in costs in 2021-22 for promotional materials. This was \$385 to purchase a licence for the use of an image of SEQ and \$567 for three pull-up banners and delivery.

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000153****Background**

- The Council of Mayors (SEQ) represents 11 local councils participating in the SEQ City Deal: Brisbane City Council; Ipswich City Council; Lockyer Valley Regional Council; Logan City Council; Moreton Bay Regional Council; Noosa Council; Redland City Council; Scenic Rim Regional Council; Somerset Regional Council; Sunshine Coast Council; and Toowoomba Regional Council.
- On 21 March 2022, the Australian Government, Queensland Government and Council of Mayors (SEQ), signed the trilateral \$1.8 billion SEQ City Deal to deliver 31 commitments, focused on supporting industry and businesses, improving connectivity, and enhancing the region's liveability.
- Officials are negotiating a way forward on a small number of outstanding commitments: Water Initiatives in the Lockyer Valley, the Regional Freight Movement Study, the Blue Heart commitment on the Sunshine Coast, and investment options for the Growth Area Compact at Caboolture West.
- On the 1 March 2022, a Freedom of Information request was submitted to the department from a Courier Mail journalist, requesting formal correspondence and documents to and from the Queensland Government concerning the negotiation of the South East Queensland City Deal. On 19 August 2022, the Department released one document in full and three documents in part, which included correspondence between former Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP, and the Deputy Premier of Queensland, the Hon Steven Miles MP.

Australian Government commitments:

- \$50 million to invest in the SEQ Innovation Economy
- \$0.25 million to identify a Smart Region Digital Plan
- \$40 million to support Local Digital Priority Projects
- \$20 million to deliver SEQ Rail Corridor Digital Connectivity
- \$190.2 million to deliver the Kangaroo Point Green Bridge
- \$150 million to co-invest in Brisbane Metro – Woolloongabba Station
- \$0.3 million to co-fund Brisbane Metro – South Bank Transport Study
- \$18.4 million to support infrastructure in Loganlea-Meadowbrook
- \$10 million to upgrade the Dunwich Ferry Terminal
- \$0.11 million to provide investment for Road Safety Mapping

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000153**

- \$1 million to deliver an options analysis for a public transport corridor between Ipswich and Springfield
- \$0.7 million to deliver a Regional Freight Movement Study
- \$0.4 million to deliver corridor planning for a proposed Southern Gateway transport corridor (Park Ridge Connector)
- \$20 million to deliver safety upgrades on the Brisbane Valley Highway
- \$100 million for Liveability projects in SEQ.
- \$35 million to support Resource Recovery Infrastructure
- \$10 million to invest in the Resilient Rivers Initiative
- \$10 million deliver Public Art Initiatives
- \$5 million to support and expand the existing Blue Heart Sunshine Coast partnership
- \$1 million to co-invest in a detailed business case for a First Nations Cultural Centre
- \$5 million to invest in delivering a Strategic Approach under EPBC Act
- \$10 million to invest in Water Initiatives in the Lockyer Valley
- \$2 million to develop a business case for the Bromelton State Development Area
- \$100 million loan (in-principle) to establish a pilot Growth Area Compact for Caboolture West
- \$10 million to deliver affordable housing outcomes within the Toowoomba Railway Parklands Priority Development Area
- \$2 million to develop a plan for Future Region Shaping Infrastructure

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000153**Stakeholder Meetings (AS-level or above) held since February 2022 Estimates

Date	Meeting Description	Department Officials	Stakeholders
18 February	South East Queensland City Deal Leadership Group	Deputy Secretary, First Assistant Secretary, Assistant Secretary	QLD Government, Council of Mayors (SEQ)
3 March, 18 July, 9 August	South East Queensland City Deal Executive Board	Deputy Secretary, First Assistant Secretary, Assistant Secretary	QLD Government, Council of Mayors (SEQ)
21 March	South East Queensland City Industry Reference Group	Deputy Secretary	Representatives from industry, research institutions and the community in SEQ
28 April	South East Queensland City Deal Implementation Workshop	Deputy Secretary, First Assistant Secretary, Assistant Secretary	QLD Government, Council of Mayors (SEQ)
7 September	Council of Mayors SEQ meeting with Minister Catherine King's Office (and other ministerial offices)	nil	Council of Mayors (SEQ)

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000153****Financial Information as of 25 October 2022**

- The former Australian Government committed \$680.6 million in the March 2022 Budget to support the delivery of the SEQ City Deal from 2022-23.
- The Government has committed \$680.6 million in the October 2022-23 Budget to support the delivery of commitments in SEQ from 2022-23.
 - This includes **\$567.77** million in administered funding (\$392.66 million under the Federation Funding Agreement (FFA) – Infrastructure which will provide funding towards 20 commitments and \$175.108 million for six (6) transport commitments under the National Partnership Agreement on Land Transport Infrastructure), plus an in-principle \$100 million loan.
 - This loan may be delivered through the Housing Australia subject to the agreement and approval of the Board (and further decisions about Housing Australia arising in the October Budget).
 - \$12.9 million in departmental funding is available to support the delivery of the commitments.
 - A detailed breakdown across projects is at **Attachment A**.
- The agreed funding profile below includes \$205.1 million in administered funding between 2025-26 and 2028-29; as well as \$12.9 million in departmental funding. These figures are inclusive of GST.

Program/Project Start Date:	2021-22					
Program/Project End Date:	2032-33 (last year of projected expenditure)					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	0	-61.0	-155.8	-148.6	-365.38
Less:						
Actual Expenditure YTD at 25 October 2022	0	0				
Total Committed Funds at 25 October 2022	0	0	0	0	0	0
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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Financial Costs Across the Forward Years

Costs across forward years	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m			\$m
Administered costs per year (without indexation)	s47B - Commonwealth-State relations												567.768
Departmental Costs per year													12.858
Total *plus \$100m loan													580.626

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Lead/Support contact: Alex Wilson

SB22-000153

South East Queensland City Deal - Financial Profile

Name	Australian Government	State/Territory	Local Government	Other	Total Deal Value	Cwth 20-21	Cwth 21-22	Cwth 22-23	Cwth 23-24	Beyond 2024	Total AG Spend
Blue Heart Sunshine Coast	\$5.00M	s47B - Commonwealth-State relations			\$35.30M			s47B - Commonwealth-State relations			\$5.00M
Brisbane Metro - South Bank Transport Study	\$0.33M				\$1.00M						\$0.33M
Brisbane Metro - Woolloongabba Station	\$150.00M				\$450.00M						\$150.00M
Brisbane Valley Highway Safety Upgrades	\$20.00M				\$40.50M						\$20.00M
Bromelton State Development Area Business Case	\$2.00M				\$5.00M						\$2.00M
Dunwich Ferry Terminal Upgrade	\$10.00M				\$41.00M						\$10.00M
First Nations Cultural Centre Business Case	\$1.00M				\$3.00M						\$1.00M
Green Urban Infrastructure					\$20.00M						
Growth Area Compact	\$100.00M				\$210.00M						
Ipswich-Springfield Public Transport Corridor Options Analysis	\$4.38M				\$6.63M						\$1.00M
Kangaroo Point Green Bridge	\$63.20M				\$190.20M						\$63.20M
Local Digital Priority Projects	\$40.00M				\$40.00M						\$40.00M
Loganlea-Meadowbrook Infrastructure	\$18.40M				\$45.00M						\$18.40M
Open Level Crossing Prioritisation					\$2.00M						
Planning for Future Region Shaping Infrastructure	\$2.00M				\$5.00M						\$2.00M
Public Art Initiatives	\$10.00M				\$10.00M						\$10.00M
Regional Freight Movement Study	\$0.70M				\$2.10M						\$0.70M
Regional Waste Management Strategy					\$0.50M						
Resilient Rivers Initiative	\$10.00M				\$40.00M						\$10.00M
Resource Recovery Infrastructure	\$35.00M				\$105.00M						\$35.00M
Road Safety Mapping	\$0.11M				\$0.11M						\$0.11M
SEQ Innovation Economy Fund	\$50.00M				\$200.00M						\$50.00M
SEQ Liveability Fund	\$100.00M				\$285.79M						\$100.00M
SEQ Rail Corridor Digital Connectivity	\$20.00M				\$30.00M						\$20.00M
Small Business Friendly Region											
Smart Region Digital Plan	\$0.25M				\$0.75M						\$0.25M
Southern Gateway Business Case	\$0.40M				\$1.00M						\$0.40M
Strategic Approach under EPBC Act	\$5.00M				\$10.00M						\$5.00M
Toowoomba Railway Parklands	\$10.00M				\$30.00M						\$10.00M
Water Initiatives in the Lockyer Valley	\$10.00M				\$13.30M						\$10.00M
Wellcamp Entertainment Precinct					\$40.00M						
Total	\$667.77M	\$618.78M	\$501.62M	\$75.00M	\$1,863.17M			\$60.110M	\$154.833M	\$352.825M	\$587.768M
	*including \$100.00M loan										

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BUDGET ESTIMATES 2022 – 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000154

SUBJECT: City Deal: Townsville**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deals commitments until completed.
- Total funding through the Townsville partnership is \$983.6 million, comprising 22 commitments, of which 13 are finalised.
- Of the \$195 million in Government funding originally allocated to the Haughton Pipeline Stage 2, \$67.86 million has been reallocated to five projects announced by the former Government in 2021:
 - Upgrade and expansion of the Reef HQ Aquarium (\$40 million).
 - Construction of a Royal Flying Doctor Service (RFDS) Super Hub (\$15 million).
 - Construction of enabling infrastructure for the Lansdown Eco-Industrial Precinct (\$12 million).
 - A detailed business case for a concert hall (\$0.8 million).
 - A review of a business case for a tropical aquaculture accelerator (\$0.06 million).
- The department is leading the development of the business case for a concert hall in consultation with the Queensland Government and Townsville City Council.
- Over the next six months:
 - \$127.2 million remaining (from \$195 million) will be reallocated to new commitments, including an election commitment of a further \$22 million for the Lansdown Eco-Industrial Precinct.
 - Completion of 50 per cent of dredging of the main channel for the Port of Townsville channel upgrade.
 - Finalisation of the detailed business case for a concert hall.

Townsville City Deal			
Deal Announced	13 June 2016	Total Deal Value \$m	983.58
Deal Signed	9 December 2016	AGC contribution \$m	379.17
Deal Length	15 years	State contribution \$m	552.33
3-year review due	Released January 2022	Other contribution \$m	0.08 (TCC) 52.00 (Port of Townsville Ltd) 0.01 (Study Townsville)
Partners	Australian Government, Queensland Government, Townsville City Council (TCC)		
Jobs supported	North Queensland Stadium: 2300 jobs Haughton Pipeline Stage 1: 1000 jobs Port of Townsville Channel Upgrade: 1700 jobs		

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Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000154

Projects delivered by other Divisions within DITRDC:*Infrastructure Investment Division*

- North Queensland Stadium (completed)
- Townsville Eastern Access Rail Corridor preservation

Projects delivered by other Australian Government agencies:*Department of Industry, Science and Resources*

- Cooperative Research Centre for developing Northern Australia (completed)

Department of Climate Change, Energy, the Environment and Water

- Townsville Water Security Taskforce (completed)

Department of Defence

- Defence industry consultation (completed)

Progress since last Senate Estimates

- The concert hall business case is currently progressing through a site options analysis, with the full detailed business case to be undertaken following identification of a preferred site.
- An election commitment of \$22 million for the Lansdown Eco-Industrial Precinct was made by the current Government, bringing the total Australian Government committed investment to \$34 million.

Current Status: Implementation (13 of 22 commitments finalised)**Key Issues**\$195 million re-allocation

- In August 2020, the Queensland Government withdrew its undertaking to facilitate the pass-through of Australian Government funding of \$195 million for the Haughton Pipeline Stage 2. This decision was predicated on the Queensland Government's inability to secure a guarantee that the Stage 2 funding would be exempted from horizontal fiscal equalisation (HFE). The Queensland Government will fully fund Stage 2 itself.
- On 9 July 2021, the former Australian Government announced \$55 million for two new projects: \$40 million for the Reef HQ expansion and \$15 million for the construction of a new RFDS Super Hub at Townsville airport.
- On 28 September 2021, the former Australian Government announced a further \$16 million for three projects: \$12 million for the Lansdown Eco-Industrial Precinct; up to \$2 million for a detailed business case for a concert hall in Townsville; and up to \$2 million for a feasibility study into recycled water infrastructure in Townsville.
- In December 2021, Townsville City Council progressed its own program of work for the design and construction of the Cleveland Bay recycled water treatment plant. Commitment Partners agreed to cease the feasibility study as the need for the project had been overtaken by Townsville City Council's own developments.

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BUDGET ESTIMATES 2022 – 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000154

Status of key commitments

Build the North Queensland Stadium, commencing in May 2018 and completed in February 2020.

- COMPLETED.
- The stadium is now officially known as the Queensland Country Bank Stadium.
- Over 2300 people were employed during construction. Over 1.1 million construction hours were completed, with 83.4 per cent performed by local subcontractors and 11.6 per cent by Aboriginal and/or Torres Strait Islander workers. 121 apprentices worked on the project.
- The \$293.5 million Stadium was funded by \$100 million from the Australian Government and \$193.5 million from the Queensland Government. Townsville City Council provided the land and enabling infrastructure.

The Port of Townsville Channel Upgrade (PTCU) business case was approved by the Queensland Government shareholding ministers in 2017.

- ONGOING.
- The PTCU will allow the Port to accommodate larger vessels, including cruise ships, and ensure its critical role in the North Queensland supply chain is maintained. The project is the first stage of a broader (proposed) \$1.63 billion upgrade of the Port of Townsville.
- The project officially commenced in March 2020, with over 600,000 tonnes of rock being used to construct a rock wall for land reclamation. The rock wall was completed in July 2021, and channel dredging commenced in January 2022.
- The project completion date has been delayed by around 12 months due to labour shortages, supply chain disruptions and unforeseen engineering challenges. The project is now expected to be completed by the end of 2024.
- As at June 2022, the project has provided employment to more than 1600 people, comprising more than 90 per cent Queenslanders, 6 per cent First Nations people and 10 per cent trainees and apprentices.
- In 2021, the Queensland Government announced that the total project cost has increased from \$193.5 million to \$232 million. The Australian Government's contribution of \$75 million is capped under an agreement with Queensland.

BUDGET ESTIMATES 2022 – 2023

Rural and Regional Affairs and Transport

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SB22-000154

Upgrade the Reef HQ aquarium.

- ONGOING.
- The Great Barrier Reef Marine Park Authority (GBRMPA) is considering options to deliver the best value for money in upgrading the Reef HQ aquarium. After more than 30 years in a harsh tropical climate, physical deterioration has reached the point where serious risks are emerging and supporting infrastructure is not compliant with current Australian standards.
- GBRMPA has recently received an options submission from its principal contractor, Paynters, consisting of:
 - A. refurbish the existing aquarium;
 - B. demolish the existing and build a new aquarium with the original scope; or
 - C. demolish the existing and build a new aquarium to deliver GreenStar/sustainability and accessibility outcomes.
- GBRMPA is currently considering the opportunities and risks of each option. A decision on a preferred option is expected to be made by the end of 2022.

Develop the Townsville Eastern Access Rail Corridor (TEARC).

- ONGOING.
- The TEARC Business Case, completed by Building Queensland in late 2017, did not support construction of the rail corridor, but recommended it be preserved for possible future construction.
- The Australian and Queensland Governments have each committed up to \$5 million to support the preservation of the TEARC, including necessary environmental assessments. The Australian Government is awaiting confirmation from the Queensland Government of a completion timeframe for this work.

Three-Year Review

- The Australian Government, Queensland Government and Townsville City Council have completed a formal three-year review to evaluate the delivery of commitments.
- Using Australian Government procurement processes, AECOM was selected to conduct the review at a cost of up to \$68,181 (ex GST). The three levels of government have shared this cost.
- The findings of the formal review were released publicly in conjunction with the fourth annual progress report in January 2022.

Background

The Townsville City Deal was signed by the Australian and Queensland Governments with the Townsville City Council on 9 December 2016.

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An Implementation Plan for the Deal was released by all levels of government on 24 April 2017 and detailed how commitments would be delivered.

The 2021 annual progress report is currently under consideration by the three levels of government and is expected to be released in the coming months.

Australian Government's commitments:

- \$100 million for the Queensland Country Bank Stadium (complete).
- \$75 million to support the Port of Townsville channel upgrade.
- \$40 million for upgrades to the Reef HQ aquarium.
- \$15 million to support construction of the Royal Flying Doctor Service Super Hub.
- \$34 million for enabling works for the Lansdown Eco-Industrial Precinct.
- \$6.7 million towards the Townsville Eastern Access Rail Corridor project.
- \$0.7 million for a detailed business case for a concert hall.
- \$2.5 million for the Haughton Pipeline Stage 2 business case (complete).
- \$105.2 million still to be reallocated (originally allocated to construction of the Haughton Pipeline Stage 2).

Stakeholder meetings (since previous Estimates):

Nil

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000154****Financial Information as at 25 October 2022****Movement of Funds**

TSV CD	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Appropriation	0	0	0	5.0	55.0	140.0	50.0	20.0			270.0
Movements/decisions				-5.0	-20.0	20.0	5.0				0
Movements/decisions					-35.0	15.0	20.0				0
Movements/decisions						-100.0	100.0				0
Movements/decisions						-60.0	-97.0	70.0	69.0	18	0
Movements/decisions							-40.0				-40
Movements/decisions							-2.5				-2.5
Movements/decisions							-15.5	-19.0	22.0	12.5	0
Current Appropriation	0	0	0	0	0	15.0	20.0	71.0	91.0	30.5	227.5

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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Australian Government, State/Territory, Local Government, Other: Total Deal Value Cwth 2021, Beyond 2024, Cwth 21-22, Cwth 22-23, Cwth 23-24, Total AG Spend

Name	Australian Government	State/Territory	Local Government	Other	Total Deal Value	Cwth 2021	Cwth 21-22	Cwth 22-23	Cwth 23-24	Beyond 2024	Total AG Spend
Acceleration of the State Development Area (SDA)		\$12.50M			\$12.50M						
CRC for Developing Northern Australia											
Defence Industry Consultation											
Development Corporation for Townsville											
Health and Knowledge Development Strategy											
International Education and Training Destination		\$0.08M	\$0.08M	\$0.01M	\$0.17M						
Landsown Eco-Industrial Precinct	\$12.00M	\$0.00M	\$0.00M		\$12.00M			\$0.00M	\$0.00M		
Managing Energy Cost and Boost Energy Productivity											
Public Transport Solutions		\$4.00M			\$4.00M						
Queensland Country Bank Stadium	\$100.00M	\$193.50M			\$293.50M	\$5.00M					\$100.00M
Reef HQ Expansion	\$40.00M				\$40.00M		\$7.44M	\$27.33M	\$5.23M		\$25.6M
Review and Deliver preferred water supply solutions	\$129.76M	\$225.00M			\$354.76M		\$0.00M	\$41.74M	\$60.00M	\$25.50M	\$25.53M
RFDs Super Hub	\$15.00M				\$15.00M			\$5.00M	\$5.00M	\$5.00M	
Smart City Strategy											
Townsville Eastern Access Rail Corridor	\$6.70M	\$7.25M			\$13.95M	\$0.40M	\$0.87M	\$4.00M			\$2.67M
Townsville Entertainment and Convention Centre	\$0.71M				\$0.71M		\$0.14M	\$0.57M			\$0.28M
Townsville Industrial Development Board											
Townsville Port Channel Capacity Upgrade	\$75.00M	\$105.00M		\$52.00M	\$232.00M	\$15.00M	\$20.00M	\$20.00M	\$20.00M		\$35.00M
Townsville water security supply and use strategy											
Townsville Workforce Development Plan											
Woodstock Intersection Upgrade		\$5.00M			\$5.00M						
Total	\$379.17M	\$552.33M	\$0.08M	\$52.01M	\$983.58M	\$20.40M	\$28.21M	\$104.66M	\$96.23M	\$30.50M	\$143.04M

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000155

SUBJECT: City Deal: Adelaide**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deals.
- The Adelaide City Deal was agreed in March 2019. The total funding for projects is \$698 million, of which Australian Government funding is \$174 million.
- Payments of \$28.78 million have been made from this portfolio and a further \$15 million has been paid from other agencies for commitments.
- 24 of the 41 projects have been completed with the remaining projects either underway or in the detailed design or planning stage.

ADELAIDE CITY DEAL			
Deal Announced	12 December 2018	Total Deal Value \$m	698.6
Deal Signed	19 March 2019	AG contribution \$m	174.0
Deal Length	10 years	State contribution \$m	512.0
3 year review due	March 2022	Other contribution \$m	12.6 (CoA)
Deal Partners	Government of South Australia (SA) and the City of Adelaide (CoA)		
Jobs supported	Approximately 466 direct, FTE positions, including 173 start-up jobs		
Current status: Implementation			

Key Issues

The Government has committed \$174 million in funding for specific commitments under the Adelaide City Deal:

- \$20 million to deliver an Innovation Hub within the Entrepreneur and Innovation Centre at Lot Fourteen.
- \$85 million towards Tarrkarri: Centre for First Nations Cultures at Lot Fourteen. This facility will provide an immersive experience of Indigenous arts and cultures to local and international audiences. Tarrkarri is scheduled to open to the public in 2025.
- \$30 million towards construction of the Digital Technologies Academy at Lot Fourteen to attract national and international students and enable stronger industry connections.
- \$10 million to support the delivery of smart infrastructure and products throughout the city centre which includes the establishment of Adelaide Free Wi-Fi; upgrades to CCTV systems; and delivery of Experience Adelaide, an immersive visitor experience.
 - The Adelaide Free Wi-Fi project has commenced and will be marketed as 'ADL Free – powered by TPG'.

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Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000155

- \$9 million to deliver the Heysens Gallery at Hahndorf in the Adelaide Hills as a dedicated permanent space to display art by renowned Australian artists Hans and Nora Heysen, as well as enable other Australian and international exhibitions.
- \$3 million to support the construction of a pavilion at Carrick Hill to provide amenities such as an information centre, retail outlets and a functions area.
- \$2 million for upgrades to natural, cultural and heritage sites along the Mitcham Hills Trail and Glenthorne Loop, as well as digital tools and wayfinding to encourage residents and tourists to navigate and experience Adelaide's natural and cultural landscape.
- \$3 million to deliver The Circle – First Nations Entrepreneur Hub at Lot Fourteen to support Indigenous innovation and business.
- \$6 million for the Australian Space Agency's Mission Control Centre at Lot Fourteen to provide a platform for small and medium-sized enterprises to observe satellite missions, provide access to space-enabled data and support public engagement with Australia's space capabilities.
- \$6 million to deliver the Australian Space Discovery Centre at Lot Fourteen to provide Science, Technology, Engineering and Mathematics (STEM) education for young Australians.

Some key achievements in implementing these commitments are outlined below.

Lot Fourteen – Space initiatives (led by Department of Industry, Science and Resources).

- All projects are now complete. The Australian Space Agency headquarters was officially opened on 19 February 2020, and the Australian Space Discovery Centre and Mission Control Centre were launched on 31 March 2021.

Lot Fourteen – The Circle - First Nations Entrepreneur Hub (led by National Indigenous Australians Agency).

- The Circle – First Nations Entrepreneur Hub opened on 27 August 2021. The Hub supports First Nations entrepreneurship and business sector to connect to opportunities for engagement, growth and business success in South Australia.

Mitcham Hills and Glenthorne Loop

- Works are complete at Wittunga Botanic Garden, Old Government House, Belair National Park, Colebrook Blackwood Reconciliation Park, Kingston House, Hallett Cove, Marino Conservation Park, O'Halloran Hill Recreation Park, Glenthorne Farm, Glenthorne Precinct Open Spaces and the Glenthorne nature playspace. The Mitcham Hills wayfinding app is live.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000155

- Some final works on historic munitions huts at Glenthorne Farm and the digital wayfinding app for Glenthorne are due to be finalised in coming months.

The Innovation Hub

- The Innovation Hub will be the central part of the ground floor collaborative space within the Entrepreneur and Innovation Centre at Lot Fourteen. Fostering the convergence of academics, industry and the public to support greater commercialisation of ideas and technology. Site works have now commenced with an estimated time of completion anticipated mid-2024.

The Digital Technologies Academy

- The commitment is jointly funded by the Australian and South Australian Governments who are each contributing up to \$30 million towards development of the project. In December 2021, by agreement of the Deal partners, the Centre for Food, Hospitality and Tourism project within the Lot Fourteen precinct was replaced by the Digital Technologies Academy. Business case work is underway to determine the appropriate delivery strategy and operational model. The Project Agreement will be updated in the next version to reflect milestones, once determined.

Heysen Gallery in Hahndorf

- Construction is due to commence in the coming months with an estimated completion date mid-2024.

Pavilion at Carrick Hill

- Concept designs have been released. Construction is due to commence in the coming months.

Background

The 10 year Adelaide City Deal was signed on 19 March 2019 between the Australian Government, the South Australian Government and the City of Adelaide.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000155

Australian Government's commitments:

- \$20.0 million in funding to deliver an Innovation Hub within the Entrepreneur and Innovation Centre at Lot Fourteen.
- \$85.0 million towards Tarrkarri – Centre for First Nations Cultures at Lot Fourteen.
- \$30.0 million towards construction of a Digital Technologies Academy.
- \$10.0 million in funding to support delivery of smart infrastructure and products.
- \$9.0 million for the construction of Heysens Gallery at Hahndorf.
- \$3.0 million towards construction of a pavilion at Carrick Hill.
- \$2.0 million for upgrades to natural, cultural and heritage sites along the Mitcham Hills Trail and Glenthorne Loop including digital tools and wayfinding.
- \$3.0 million to deliver The Circle – First Nations Entrepreneur Hub at Lot Fourteen.
- \$6.0 million for the Australian Space Agency's Mission Control Centre at Lot Fourteen.
- \$6.0 million to deliver the Australian Space Discovery Centre at Lot Fourteen.

Stakeholder meetings:

Date	Meeting Description	Department Officials	Stakeholders
16-18 August	Departmental officials met with project delivery agencies in Adelaide and undertook site visits	Director, team members	Delivery agencies from SA Government, Adelaide City Council

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000155

Financial Information as at 25 October 2022

Program/Project Start Date:	March 2019					
Program/Project End Date:	March 2029					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	9.57	13.01	28.72	36.00	68.50	155.80
Less:						
Actual Expenditure YTD at 25 October 2022	9.57	13.01	3.00			3.00
Total Committed Funds at 25 October 2022			25.72	36.00	68.50	152.80
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

*\$3.2 million expended in 2019-20 taking total under Project Agreement to \$159 million

**A further \$15 million attributed to the Adelaide City Deal was administered by other agencies, taking total to \$174 million.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000155

Adelaide City Deal – Financial Profile											
Name	Australian Government	State/Territory	Local Government	Other	Total Deal Value	Cwth 20-21	Cwth 21-22	Cwth 22-23	Cwth 23-24	Beyond 2024	Total AG Spend
Tarrkarni - Centre for First Nations Cultures	\$85.00M	\$115.00M			\$200.00M	\$4.00M	\$7.50M	\$12.00M	\$20.00M	\$41.50M	\$14.50M
Digital Technologies Academy	\$30.00M	\$30.00M			\$60.00M		\$0.00M	\$4.00M	\$6.00M	\$20.00M	
Innovation Hub	\$20.00M				\$20.00M	\$2.00M	\$4.00M	\$4.00M	\$3.00M	\$7.00M	\$6.00M
Smart Technology	\$10.00M		\$12.60M		\$22.60M	\$1.00M	\$1.10M	\$4.20M	\$3.70M		\$2.10M
Heysen Gallery in Hahndorf	\$9.00M				\$9.00M	\$0.00M	\$0.00M	\$3.00M	\$3.00M		\$3.00M
Australian Space Discovery Centre	\$6.00M				\$6.00M	\$5.09M					\$6.00M
Mission Control Centre	\$6.00M	\$2.30M			\$8.30M	\$2.00M	\$1.00M				\$6.00M
Carrick Hill	\$3.00M	\$0.50M			\$3.50M	\$1.50M	\$0.00M	\$1.20M	\$0.30M		\$1.50M
The Circle - First Nations Entrepreneur Hub	\$3.00M				\$3.00M	\$0.50M	\$1.00M				\$3.00M
Mitcham Hills Trail and Glenelg Loop	\$2.00M	\$0.00M			\$2.00M	\$1.07M	\$0.41M	\$0.32M			\$1.68M
Australian Space Agency Headquarters											
Deliver 30-year plan for Greater Adelaide											
Designated Area Migration Agreement											
Infrastructure SA 20-Year State Infrastructure Strategy											
Integrated Plan for Digital Service Delivery											
Lot Fourteen Development		\$364.00M			\$364.00M						
Marketing Strategies											
Pilot Reforms in the Planning, Development and Infrastructure Act 2016											
Plan for Urban Renewal											
Protecting Defence Precincts											
Strategies for Innovation and Entrepreneurship											
Supporting Innovation in South Australia (SISA) Visa											
Total	\$174.00M	\$512.00M	\$12.60M		\$698.60M	\$17.16M	\$15.01M	\$28.72M	\$36.00M	\$68.50M	\$43.78M

Note: * \$7.59 million in 2020-21 and \$2.0 million in 2021-22 attributed to the Adelaide City Deal was administered by other agencies.

** At 25 October 2022 \$3.00 million has been paid from the 2022-23 funds

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000156

SUBJECT: City Deal: Western Sydney**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deals commitments until completed.
- Delivery of the 38 commitments is ongoing with 15 commitments complete and 23 remaining commitments on track for delivery.
- The Government has committed \$5.325 billion to the \$10.9 billion total investment in Western Sydney, and has spent \$1.037 billion to date.

WESTERN SYDNEY CITY DEAL			
Deal Announced	20 June 2016	Total Deal Value \$m	10,914
Deal Signed	4 March 2018	AG contribution \$m	5,325
Deal Length	20 years	State contribution \$m	5,498 Approx.* *does not inc \$1.15b Bradfield City funding
3 year review due	March 2021	Other contribution \$m	90.48
Deal Partners	NSW Government and eight local councils (Blue Mountains, Camden, Campbelltown, Fairfield, Hawkesbury, Liverpool, Penrith, Wollondilly)		
Jobs supported The City Deal commits to creating 200,000 jobs in the Western Parkland City by 2038.	Jobs are being created through the Liveability Program, the Investment Attraction Office, Indigenous Business Hub, the National Disability Insurance Scheme Quality and Safeguards Commission and the Sydney Metro – Western Sydney Airport Rail. The Western Sydney Airport, the Aerotropolis and development of the City of Bradfield will be major drivers of jobs growth into the future. Over 3500 jobs have been created to date (NDIS Commission, Liveability Program and Western Sydney Airport).		
Progress since last Senate Estimates			
<ul style="list-style-type: none">• In July 2022 the University of Newcastle submitted the Three Year Evaluation final report.• Since March 2022, four Liveability Program projects have been completed.			
Current Status: Implementation			

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000156

Key Issues

The Government has committed a total of \$5.325 billion to commitments under the Western Sydney City Deal, including:

- \$5.25 billion for Sydney Metro – Western Sydney Airport [refer detailed questions to Infrastructure Investment Division]
- \$60 million for the Western Parkland City Liveability Program
- \$15 million for the Housing Package

Some of the recent achievements in implementing the Western Sydney City Deal are outlined below:

Western Parkland City Liveability Program

- The Western Parkland City Liveability Program is providing over \$210 million in funding for 28 projects across the Western Parkland City.
- To date, 12 projects are complete, including the Lurnea Community Hub (completed July 2022), the Narellan Sports Hub (June 2022), a new playground at Glenbrook Park (April 2022) and the Springwood Town Centre Rejuvenation project (April 2022).
- Delivery of a number of projects has been delayed due to the impacts of floods, bushfires and COVID-19 on Western Sydney.
 - Officers are working to determine the impact of these delays on the delivery of all remaining projects.

Three Year Evaluation

- The three levels of government committed to undertake a review after three years of implementation and in July 2021, officials engaged the University of Newcastle to undertake the *Three-Year Evaluation*.
- Officials across the three levels of government are currently reviewing the evaluation recommendations and will consider them in line with government policy.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000156

BackgroundStatus

- Of the 38 commitments:
 - 15 are complete
 - 15 are on track to meet their milestones and end delivery dates
 - Eight are behind schedule, including three commitments with Australian Government involvement and/or funding:
 - J7b: Surplus land to drive jobs growth (Defence-owned multi-use depot site, Penrith – refer questions to Defence)
 - P5 and P7: Growth Infrastructure Compacts and Transport and Infrastructure Models (commitments under the Housing Package).
- Australian Government officials are working with New South Wales (NSW) and Councils to progress these commitments.
- Some projects under the Liveability Program have also been delayed due to flood, bushfire and COVID-19 impacts. The Department is working with New South Wales (NSW) and Councils to progress these projects.

Jobs

- The Western Sydney City Deal committed to creating 200,000 jobs in the Western Parkland City by 2038.
 - Sydney Metro – Western Sydney Airport will support 14,000 jobs during construction, including over 250 apprentices.
 - Western Sydney International (Nancy-Bird Walton) Airport (WSI) - within five years of opening (2031) is expected to support nearly 28,000 direct and indirect jobs.
 - Western Sydney Airport project is expected to support over 11,000 direct and indirect job years during construction (3231 direct/8115 indirect).
 - The Western Sydney Aerotropolis Plan sets out a vision to support creation of up to 71,000 jobs in the Aerotropolis Core and Badgerys Creek precincts (two of the five planned precincts). The whole Aerotropolis is expected to support creation of 100,000 jobs.
- The Deal has created approximately 3546 jobs to date.
 - WSI – 2,901 job years created to 31 July 2022 (direct construction and professional services).
 - Liveability Program - almost 350 jobs (348.8) generated to April 2021.
 - NDIS Quality and Safeguards Commission (Penrith) - has created up to 295 jobs.

BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000156**Stakeholder Meetings (AS-level or above) held since February 2022 Estimates

Date	Meeting Description	Department Officials	Stakeholders
1 April	Western Sydney City Deal Leadership Group	Assistant Secretary (in support of the Minister)	NSW Government, partner local councils
11 March, 2 May, 19 August	Western Sydney City Deal Implementation Board	Secretary, Deputy Secretary, First Assistant Secretary, Assistant Secretary	NSW Government, partner local councils
25 May, 14 Sept	Western Sydney City Deal Coordination Committee	First Assistant Secretary, Assistant Secretary	NSW Government, partner local councils
20 April, 26 May, 22 June, 2 August, 6 September	South West Sydney Community and Justice Precinct Steering Committee	Assistant Secretary	NSW Government, Campbelltown City Council, Attorney-General's Department (Cth)

History

- 4 March 2018 - Western Sydney City Deal signed by the then Prime Minister, the Hon Malcolm Turnbull MP, the then NSW Premier, the Hon Gladys Berejiklian MP and eight Western Parkland City councils.
- July 2020 – Western Parkland City Authority (formerly Western City & Aerotropolis Authority) established with an expanded remit to bring a new focus on collaboration between the three levels of government across the entire Western Parkland City.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000156

Financial Information as at 31 August 2022*DITRDCA Component*

Program/Project Start Date:	March 2018					
Program/Project End Date:	March 2038					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	.1	.3	.1	.1		.6
Less:						
Actual Expenditure YTD at 31 August 2022	.1	1.73				
Total Committed Funds at 31 August 2022		.3	.1			0
Total Uncommitted Funds (balance)						0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

Note: Appropriation funding includes annual contribution towards employment of Western Parkland City Executive Director. 2021-22 appropriation also reflects \$0.2 for the three-year review of the City Deal.

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Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

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Financial Information – Full Program Envelope

- The Australian Government is investing \$5.325 billion in commitments currently under the Western Sydney City Deal. Funding (\$5.25 billion) for the Sydney Metro – Western Sydney Airport is administered under the Infrastructure Investment Program. Deal funding administered by Cities and Northern Australia Division over forward estimates is:

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Appropriation	0	0	0	7.75	32.25	30.0	5.0	0	0	0	75.0
Movements/decisions					-25.95	12.81	13.14				0
Movements/decisions						-19.143	19.143				0
Movements/decisions							-14.941	14.941			0
Current Appropriation	0	0	0	7.75	6.3	23.667	22.342	14.941	0	0	75.0

Note – 2021-22 and 2022-23 funding does not reflect Movement of Funds request from March 2022.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000156

Australian Government, State/Territory, Local Government, Other, Total Deal Value, Cwth 20-21, Beyond 2024, Cwth 21-22, Cwth 22-23, Cwth 23-24, Total AG Spend

Name	Australian Government	State/Territory	Local Government	Other	Total Deal Value	Cwth 20-21	Cwth 21-22	Cwth 22-23	Cwth 23-24	Beyond 2024	Total AG Spend
5G Strategy											
Agribusiness precinct		\$0.50M			\$0.50M						
An authority to masterplan the Aerotropolis		\$24.47M			\$24.47M						
Centre of Innovation in Plant Sciences		\$60.00M			\$60.00M						
Deliver Rail for the Western City	\$5,249.80M	\$5,250.00M			\$10,499.80M	\$248.12M	\$828.79M	\$1,357.21M	\$1,058.00M	\$1,704.00M	\$985.30M
Education partnership											
Establish jobs in the region											
Fast-track local housing strategies	\$7.50M	\$7.50M			\$15.00M	\$7.50M					\$7.50M
Growth Infrastructure Compacts & Transport and water infrastructure models	\$5.00M	\$10.00M			\$15.00M		\$1.00M	\$2.00M			\$3.00M
High-value employment precincts											
Housing targets for the Western Parkland City											
Indigenous Business Hub											
Indigenous small business and skills package		\$8.00M			\$8.00M						
Indigenous, social and local participation targets											
Investment Attraction Fund		\$5.00M			\$5.00M						
J7A Surplus government land to drive jobs growth	\$0.52M	\$0.40M	\$0.40M		\$1.32M		\$0.52M				\$0.19M
J7B Surplus government land to drive jobs growth											
Key performance metrics											
Long-term governance											
New Growth Area for the Greater Penrith to Eastern Creek corridor	\$1.25M	\$1.25M			\$2.50M			\$1.25M			
New public high school focused on the aerospace and aviation industries											
Openly available data sets											
Rapid bus service for the Western City		\$6.53M			\$6.53M						
Restore and protect South Creek		\$9.30M			\$9.30M						
Smart Western City Program		\$1.00M			\$1.00M						
STEM University											
Strategic assessment under the EPBC Act											
TAFE Skills Exchange near Western Sydney International (Nancy-Bird Walton) Airport											
Uniform local government engineering design standards and telecommunications planning	\$1.25M				\$1.25M	\$0.25M					\$1.25M
VET facility in the Aerotropolis											
Western City Digital Action Plan			\$0.16M		\$0.16M						
Western Parkland City Liveability Program	\$60.00M	\$60.00M	\$90.00M		\$210.00M	\$15.91M	\$13.14M	\$19.90M			\$40.10M
Western Sydney Aerotropolis		\$53.00M			\$53.00M						
Western Sydney City Deal implementation plan											
Western Sydney Health Alliance		\$0.04M	\$0.14M		\$0.18M						
Western Sydney Investment Attraction Office		\$1.00M			\$1.00M						
Western Sydney Planning Partnership		\$0.60M	\$0.10M		\$0.70M						
Work with Indigenous organisations to maximise opportunities											
Total	\$5,325.32M	\$5,498.59M	\$90.80M		\$10,914.71M	\$271.78M	\$843.45M	\$1,380.36M	\$1,058.00M	\$1,704.00M	\$1,037.34M

Note – funding reflects Movement of Funds request through the October 2022-23 Budget (as at 25 October 2022).

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000157

SUBJECT: Regional Deal: Albury Wodonga**Talking Points**

- The Australian Government has committed to provide \$80 million for projects in the Albury Wodonga region.
- On 25 March 2022, the previous Government announced funding for projects under the proposed Albury Wodonga Regional Deal. The Regional Deal was not signed and funding was not appropriated at that time.
- The Government is reviewing past funding announcements, and decisions on projects will be a matter for Government.

ALBURY WODONGA REGIONAL DEAL			
Deal Announced	20 March 2019	Total Deal Value \$m	\$83.2 million
Deal Signed	N/A – Deal unsigned	AG contribution \$m	\$83.2 million
Deal Length	N/A – Deal unsigned	State contribution \$m	TBC
3 year review due	N/A – Deal unsigned	Other contribution \$m	TBC
Deal Partners	New South Wales Government, Victorian Government (through Federal Financial Relations arrangements)		

Key Issues

- The previous Government announced \$80.0 million in funding towards projects in Albury Wodonga. There was no appropriation following the March 2022 Budget and contractual arrangements have not yet progressed to deliver projects.
- A further \$3.2 million had been appropriated and contracted for the development of projects and associated business case work.
- There is a \$1.08 million payment scheduled to be made to the Victorian Government in 2022-23 to finalise this work.

Background

The proposal for an Albury Wodonga Regional Deal was announced by the former government in 2019 with the intention of the Australian, New South Wales and Victorian Governments, Albury City Council and the City of Wodonga to agree a series of shared investments.

\$3.2 million in funding was allocated to development work, which has been focused on feasibility studies, business cases and an early demonstration project of “Tracks and Trails” on either side of the Murray River. These business cases are being delivered by the Victorian Government and are due to be finished by the end of 2022.

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Alex Wilson****SB22-000157**

The following projects were announced in March 2022 and are in a mature state of readiness and/or have co-funding dependencies:

- \$22.0 million towards the Wodonga TAFE Logical Innovation Precinct Stage 1 (Heavy Technology Program) which is part of a broader project valued at up to \$75.0 million. We understand Stage 1 is viable to proceed as a stand-alone project and the Victorian Government has Stage 2 in their consideration pathway.
- \$10.0 million towards the Albury Entertainment Centre Redevelopment. This was proposed as a tri-laterally funded \$30 million project, shared across three levels of Government.
 - The New South Wales Government has not announced any funding under the Deal banner but has proceeded with funding the Albury Entertainment Centre under other state program funding.
- \$5.0 million towards the Albury Airport Expansion. This proposal is focused on emergency management and aeromedical to enhance regional resilience. The master-planning work to inform construction is underway and the Albury City Council has committed \$20 million in funding.
- \$5.0 million towards Gateway Island and the Murray River Experience. These projects are on either side of the Murray River and have great potential to make use of currently under-developed land. The Australian Government has recently divested a crown land parcel to Wodonga Council to consolidate land ownership in anticipation of this project.

Other previously announced projects (less advanced in development):

- \$20.0 million towards Enabling or other infrastructure projects to support better health outcomes. This funding was originally allocated in anticipation of decisions being made by state governments following a clinical services review and master-planning exercises. No decisions have yet been made.
- \$15.0 million towards Housing and accommodation for essential workers. We understand state governments and councils are currently working on land/housing consolidation exercises.
- \$1.0 million towards Supporting the Aboriginal community. A consultancy is reviewing the local strategic plan, along with other previous feasibility studies, to determine investments/projects for future funding opportunities that could be progressed by a range of proponents.
- \$2.0 million towards Accelerating the region's economic development. One of the business cases under development is for proposing projects that could feed into future funding opportunities.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000157

Stakeholder Meetings

There have been no formal stakeholder meetings since the last Estimates hearing.

Financial Information as at 25 October 2022

Program/Project Start Date:	1 July 2022							
Program/Project End Date:	30 June 2027							
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	TOTAL \$m
Appropriation Budget	1.50	0.62	20.08	20.00	21.00	15.00	5.00	83.2
Less:								
Actual Expenditure YTD at 31 August 2022	1.50	0.62						
Total Committed Funds at 31 August 2022	1.50	0.62	1.08	0	0	0	0	3.20
Total Uncommitted Funds (balance)	0	0						80.00

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

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Version Number: 02

Date: 20/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000158

SUBJECT: Regional Deal: Hinkler**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deals commitments until completed.
- Four out of the fourteen projects have been completed and the remainder are at various stages of implementation.
- The Queensland Government is not a party to the Regional Deal.
- A total of \$72.05 million has been spent to date, comprising \$40.39 million by the Australian Government, \$31.30 million by Fraser Coast Regional Council and \$0.36 million by Bundaberg Regional Council.

HINKLER REGIONAL DEAL			
Deal Announced	13 November 2018	Total Deal Value \$m	296.9
Deal Signed	Implementation Plan 30 January 2020	AG contribution \$m	172.9
Deal Length	5 years	State contribution \$m	14.6
3 year review due	2023	Other contribution \$m	108.1
Deal Partners	Bundaberg Regional Council, Fraser Coast Regional Council		
Jobs supported	Deal projects have supported at least 570 jobs in the Hinkler region.		
Projects delivered by other Divisions within DITRDC			
<u>Regional Development, Local Government and Regional Recovery Division</u>			
<ul style="list-style-type: none">• Hervey Bay Airport redevelopment (Building Better Regions Fund) [completed]• RFDS training facility (Community Development Grants Programme)• Hervey Bay city centre redevelopment – not yet commenced (Community Development Grants Programme)			
<u>Infrastructure Investment Division</u>			
<ul style="list-style-type: none">• Quay Street upgrade• Pialba Torbanlea Road upgrade• Bargara Road upgrade• Urraween / Boundary Road extension• Childers Road overtaking lanes• Buxton Road intersection			

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Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

SB22-000158

Projects delivered by other Australian Government Agencies:

Department of Health and Aged Care

- Fraser Coast Hospice (Community Health & Hospitals Program)

Progress since last Senate Estimates

- Construction of the multi-use conveyor project at the Port of Bundaberg commenced in July 2022.
- Concept design and site investigation work for the Hervey Bay city centre redevelopment project was completed in June 2022.
- The flight simulator has been ordered and design specification for the Royal Flying Doctor Service Flight Simulation Training Facility began in June 2022.

Current Status

Implementation phase.

Key Issues*Australian Government Commitment*

- The Government commitment includes \$85.7 million for road upgrades, \$9.2 million for the redevelopment of the Hervey Bay Airport and \$7 million for establishing a new hospice in Hervey Bay. Other commitments include:
 - \$40 million towards the redevelopment of the Hervey Bay city centre;
 - \$10 million to support construction of a multi-use conveyor for the Port of Bundaberg;
 - \$15 million for a Royal Flying Doctor Service training facility in Bundaberg;
 - \$5 million for an Agricultural Technology facility in Bargara; and
 - \$750,000 for a feasibility study for an outer harbour at the Port of Bundaberg.

Implementation

- Four projects have been completed:
 - Fraser Coast Hospice;
 - Childers Road (Isis Highway) Overtaking Lanes;
 - Ag-Tech Facility at Bargara; and
 - Hervey Bay Airport Redevelopment.
- Implementation of commitments is largely proceeding according to the Implementation Plan, although there have been some delays:
 - The Queensland Government advised that construction of the multi-use conveyor was delayed due to the need for additional value engineering to ensure optimal design within the limits of the project budget, and the pre-feasibility study was delayed due to the need to conduct a turtle monitoring survey.
 - The multi-use conveyor is now due for completion in April 2023 and the pre-feasibility study is due for completion by the end of 2022.

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Lead/Support contact: Alex Wilson

SB22-000158

- The Queensland Government is progressing the Bundaberg Integrated Transport Study – which will inform the de-maining of Quay Street and the Bargara Road/Princess Street upgrade. This is expected to be completed by the end of 2022.
- Through the Queensland Government is not a partner to the Regional Deal, it has committed to assist with the administration of projects already announced and honour its \$11.5 million in budget commitments.

Jobs numbers

Projects have supported at least 570 jobs in the region. Approximately:

- 50 people are employed at the Ag-Tech Hub at Bargara.
- 118 people have been employed during the construction and ongoing operations of the Fraser Coast Hospice.
- 150 people were employed during the construction of the Hervey Bay Airport redevelopment project.
- 90 people have been employed on the Hervey Bay city centre redevelopment project thus far.
- 121 people have been employed on the multi-use conveyor project at the Port of Bundaberg.
- 41 people have been employed on the pre-feasibility study project at the Port of Bundaberg.

Publications

- An annual progress report on the first 12 months of delivery was released in October 2021. The next annual progress report is expected to be completed by the end of 2022.

Background

- The Regional Deal was announced on 13 November 2018 by the then Deputy Prime Minister, the Hon Michael McCormack MP, and the Member for Hinkler, the Hon Keith Pitt MP, as one of three pilot Regional Deals committed to by the Australian Government.
- On 7 August 2019, the then Queensland Deputy Premier, the Hon Jackie Trad MP, wrote to the then Deputy Prime Minister advising that Queensland was not prepared to sign the Hinkler Regional Deal in its current form due to concerns about the Hinkler Regional Deal boundary. The Queensland Government has advised it would like the boundary to include Maryborough.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Alex Wilson

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Australian Government's commitments:

- \$5 million for an Agricultural Technology facility in Bargara [complete];
- \$9.2 million towards the redevelopment of the Hervey Bay Airport [complete];
- \$4 million to construct the Childers Road overtaking lanes [complete];
- \$7 million to build a palliative care facility on the Fraser Coast (Fraser Coast Hospice) [complete];
- \$40 million towards the redevelopment of the Hervey Bay city centre;
- \$10 million to support construction of a multi-use conveyor for the Port of Bundaberg;
- \$750,000 for a feasibility study for an outer harbour at the Port of Bundaberg;
- \$15 million for a Royal Flying Doctor Service training facility in Bundaberg;
- \$10 million to upgrade the Bruce Highway and Buxton Road intersection;
- \$7.7 million to upgrade Urraween and Boundary Roads;
- \$24 million to upgrade Torbanlea Pialba Road;
- \$8 million towards the Bargara Road and Princess Street upgrade;
- \$32 million towards upgrading bypass routes surrounding Quay Street; and
- \$0.3 million to invest in projects to enhance regional tourism.

Stakeholder meetings (since previous Estimates):

Nil

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Alex Wilson

SB22-000158

Financial Information as at 25 October 2022

Program/Project Start Date:	2018-19					
Program/Project End Date:	Post 2024-25 ^A					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	12.29	16.80	36.44	16.23	48.75	130.51 (of 172.89)
Less:						
Actual Expenditure YTD at 25 October 2022	12.29	16.80 ^B	0.92 ^C			
Total Committed Funds at 25 October 2022	12.29	16.80	36.44 ^D	16.23	48.75	130.51 (of 172.89)
Total Uncommitted Funds (balance)	0	0	0	0	0	0

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

^A Some funding is profiled in years beyond the currently scheduled end date of the Hinkler Regional Deal (January 2025).

^B \$4m was paid in June 2022 for the RFDS flight simulator and \$2m was paid in June 2022 for the Hervey Bay city centre redevelopment project.

^C \$0.92m was paid in October 2022 for the Hervey Bay Airport redevelopment.

^D Expenditure for the remainder of 2022-23 is expected to comprise: Torbanlea-Pialba Road upgrade (\$11.23m); Urraween/Boundary Road extension (\$2.31m); Hervey Bay city centre redevelopment (\$4.0m); Port of Bundaberg multi-use conveyer (\$7.0m); Port of Bundaberg outer harbour pre-feasibility study (\$0.45m); RFDS flight simulator (\$10.28m); and regional tourism enhancement (\$0.25m).

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Tiffany Karlsson

SB22-000159

SUBJECT: Cities Policy**Talking Points**

- The Australian Government is committed to investing in Australian cities and suburbs to make them more productive, sustainable and liveable.
- The Government has committed to honouring existing City and Regional Deal commitments. In the October 22-23 Budget the Government committed funding to deliver agreed initiatives under signed Deals, including SEQ and Perth.
- As part of the Government's plan for cities and suburbs, it will:
 - transform existing Deal approaches into genuine Partnerships,
 - revitalise CBDs,
 - review Infrastructure Australia (IA) through the creation of a Cities and Suburbs Unit (CSU),
 - produce an annual state of the cities report,
 - deliver a new National Urban Policy framework,
 - give local government a voice in a National Cabinet process.
- The Government is considering options to transform Regional and City Deal approaches into a genuine Partnerships model – promoting genuine collaboration on longer-term place-based planning between the three levels of government, business and the community.
- The review of IA is underway which will inform next steps for the CSU.
- The production of an annual state of the cities report and development of a new National Urban Policy Framework will be considered in the context of the review of IA.
- National Cabinet agreed to invite a representative of Local Government to future meetings of National Cabinet and the Council on Federal Financial Relations once a year to ensure all levels of Government are represented.
- The Government has also agreed to re-establish the Australian Council of Local Government, to ensure the Prime Minister and Commonwealth Cabinet Ministers have a direct connection to local governments and their mayors.
- The Australian Government also made a number of election commitments in relation to supporting CBD precincts and projects.

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Lead/Support contact: Tiffany Karlsson

SB22-000159

Key IssuesCBD commitments

- The Australian Government has also made a number of commitments across our CBDs. These include commitments in Hobart, Perth and Melbourne, such as:
 - In Hobart, an election commitment of \$20 million towards assisting the expansion of the Derwent River Ferry service supporting infrastructure.
 - In Perth, an election commitment of \$50 million towards an Aboriginal Cultural Centre to celebrate First Nations cultures in Western Australia.
 - In Melbourne, an election commitment of \$20 million towards finalising planning work and construction commencement on the Greenline project along the Yarra River between Birrarung Marr and the Bolte Bridge.

Urban Policy Forum

- The Government announced reconstituting an Urban Policy Forum, to be made up of experts including academics and bodies such as the Property Council, Architects, Engineers Australia, the Planning Institute, the Heritage Council, and the Australian Conservation Foundation.
- The establishment of the Urban Policy Forum is a matter for Government.

Existing City and Regional Deals

- The Government committed to honour existing City and Regional Deals commitments.
- Under the previous Government, nine City Deals and 2 Regional Deals were agreed.
- Initial discussions commenced towards a North West Melbourne City Deal and South East Melbourne City Deal in 2019; however, these deals were not signed.
- On 25 March 2022, the intended project allocations and funding envelope for the Albury Wodonga Regional Deal were announced; however, a deal was not signed.
- Over 50 commitments under City and Regional Deals have been completed, and more than 120 are underway.
- Some of the major commitments include the Woolloongabba Metro station in Brisbane, the new Launceston campus for the University of Tasmania, the Sydney Metro - Western Sydney Airport line, the new Charles Darwin University building and a new Convention and Exhibition Centre precinct in Geelong.
- Existing Deal commitments will continue to be implemented by Deal partners.

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SB22-000159

Background

City Deal Funding Overview

City Deal	State	Start date (signing)	Length (years)	End date	Cth funding \$m	State Govt funding \$m	Local Gov. Funding \$m	Other \$m	Total Deal value \$m (all funding combined)
Townsville	Qld	2016	15	2031	379.2	552.3	0.1	52.0	983.6
Launceston	Tas	2017	10	2027	266.4	126.4	27.96	149.3	570
Western Sydney	NSW	2018	20	2038	5,325.5	5,498.6	90.8	-	10,914.8
Darwin	NT	2018	10	2028	109.1	207.1	10.4	-	326.6
Hobart	Tas	2019	10	2029	1,662.6	806.4	69.4	-	2,538.37
Geelong	Vic	2019	10	2029	183.8	292.0	14.4	12.3	502.5
Adelaide	SA	2019	10	2029	174.0	512.0	12.6	-	698.6
Perth	WA	2020	10	2030	487.13	567.0	44.0	405.0	1503.13
South East Qld	QLD	2022	20	2042	667.77*	618.78	501.62	75	1863.17
Total contribution of each level of government					8,587.73	9,180.58	771.28	693.6	19,900.77

* SEQ funding is \$567m + \$100m in-principle loan subject to NHFIC board approvals.

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City Deal Jobs Overview

City Deal	Total jobs expected from Deal	Number of jobs created to date	Additional number of jobs to be created	Deal length (years)	Timeframe
Adelaide	2,000	466	1,534	10	2019-2029
Darwin	1,673	1,028	645	10	2018-2028
Geelong	1,956	100	1,856	10	2019-2029
Hobart	1,400	1,289	111	10	2019-2029
Launceston	1,150	213	937	10	2017-2027
Perth	10,000	101	9,899	10	2020-2030
Townsville	4,011	3,270	741	15	2016-2031
Western Sydney	200,000	3,546	196,454	20	2018-2038
SEQ	2245	0	2245	20	2022-2042
Total	224,435	10,013	214,442		

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Other Urban Policy matters

- The Government established the Infrastructure and Commercial Advisory Office which is located in Treasury (was previously established under the name Infrastructure and Project Finance Agency). ICA has provided advice in relation to commercial and financial matters under certain Deals, including in relation to value capture opportunities in Western Sydney.
- In 2018, the previous Government completed two rounds of the Smart Cities and Suburbs Program.
 - This was a grants program with grants of \$250,000 to \$5 million available to local government agencies and bodies to support projects that apply solutions to urban challenges to improve to the liveability, productivity and sustainability of Australian cities, suburbs and towns.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000160

SUBJECT: Cities and City Deals: Stakeholder Engagement**Talking Points**

- The Australian Government engages with urban sector stakeholders through:
 - the implementation of existing City Deal commitments
 - the Heads of Planning forum of state and territory planning senior officials
 - bilateral engagement between Australian Government, state, territory, and local government officials
 - infrastructure planning and major projects
 - meeting with sector experts, peak bodies and associations.
- The Heads of Planning forum supports cooperation between planning officials, and meets approximately every six weeks to share experiences, information and priorities for urban and land use planning. It is next scheduled to meet in mid-November.
- Further engagement will be informed by outcomes of the Infrastructure Australia review.

Key Issues

- The Government is considering engagement strategies moving forward to deliver better outcomes for Australian cities and suburbs.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts' broad focus during the Heads of Planning forum has been on maintaining close working relationships with other officials to continue the implementation of existing City Deals commitments, in addition to assisting with pandemic and emergency responses and recovery.
- The housing supply situation and housing affordability were the key topics of discussion at the last Heads of Planning forum meeting on 21 September 2022.

Urban Policy Forum

- An Urban Policy Forum (UPF) was announced by the Prime Minister at his address to the Australian Financial Review's Business Summit in March 2021.
- The UPF is proposed to be made up of experts including academics and bodies such as the Property Council of Australia, Australian Institute of Architects, Engineers Australia, the Planning Institute of Australia, the Australian Heritage Council, and the Australian Conservation Foundation.
- The establishment of the UPF is a matter for Government.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000160

BackgroundHeads of Planning forum

- The Heads of Planning forum supports the Planning Ministers' Meeting, and its membership consists of the heads of planning functions in relevant state and territory departments.
- The Queensland Department of State Development, Infrastructure, Local Government and Planning chairs and provides the secretariat for the forum. The Department is a member of the forum.
- It met approximately once a month in 2021 to share experiences, information and priorities for urban and land use planning.
- The Heads of Planning forum last met on 21 September 2022, and the next meeting is scheduled for November 2022.
- At the last meeting the forum indicated a preference for reducing the frequency of meetings, such as to two times a year.

Planning Ministers' Meeting (PMM)

- The PMM sits above the Heads of Planning forum and was previously chaired by the Minister responsible for Cities.
- Its membership includes planning Ministers from the Australian, State and Territory Governments.
- The PMM last met in October 2021, and future arrangements are being considered by the Australian Government.

Cities Reference Group (CRG)

- The CRG provided advice during the development stage of the previous Government's cities policy agenda.
- The CRG comprised members drawn from academia, industry, the research community and non-government groups.
- The CRG met five times since its establishment in April 2017.
 - 26 April 2017 in Canberra
 - 11 August 2017 in Canberra
 - 8 December 2017 in Canberra
 - 14 June 2018 in Sydney; and
 - 25 February 2019 in Western Sydney.
- The CRG was chaired by the Minister responsible for Cities under the previous Government.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

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SB22-000161

SUBJECT: City Deal: Hobart**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deal commitments.
- Under the Deal, two commitments are completed and the remaining 19 are underway.
- On 7 July 2022, international flights between Hobart and Auckland resumed, with the Government continuing to provide support for border services, customs, immigration and biosecurity.
- Work is progressing on next steps for an Antarctic and Science Precinct at Macquarie Point.

Hobart City Deal			
Deal Announced	16 January 2018	Total Deal Value \$m	2537.8
Deal Signed	24 February 2019	AG contribution \$m	1,662
Deal Length	10 years	State contribution \$m	806.4
3-year review	Anticipated to be ready to be published in Q1 2023	Other contribution \$m	69.4
Deal Partners	Australian Government; Tasmanian Government; Clarence, Glenorchy, Hobart and Kingborough Councils		
Jobs supported	1,289 jobs created to date with 1,400 jobs expected to be created		
Progress since last Senate Estimates			
<ul style="list-style-type: none">Under the Australian Government’s \$30 million commitment to increase social and affordable housing, an additional 19 new dwellings are now tenanted in the Greater Hobart region, totalling 122 new dwellings. This funding is now expended.			
Deal Status: Implementation			

Key IssuesActivating the Northern Suburbs Transit Corridor (i.e. Hobart Congestion Package)

- The Condition Assessment Report (released 15 February 2022) found that the preliminary cost estimate for remediation work for 9km of the Corridor would be \$161 million, including a caveat that more accurate cost estimates are needed.
- The Infrastructure Investment Program (IIP) has been reviewed, to determine whether all projects are productive, and contribute to the Government's objectives. As a result of this review, several projects have been reprofiled out of the forward estimates.
- The funding available for NSTC has moved to financial year 2025-26.

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Lead/Support contact: Tiffany Karlsson

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- There were about 18 projects in Tasmania where the government decided to re-profile the funds.
- Further questions should be referred to the Infrastructure Investment Division.

Antarctic and Science Precinct for Macquarie Point

- An Antarctic and Science Precinct is expected to bring together key science and research institutions to expand Hobart's capacity as a premier gateway to Antarctica and further develop Antarctic education, diplomacy and business in the region.
- Further works are underway to refine expected costs and delivery arrangements.
- This commitment is led by the Department of Climate Change, Energy, the Environment and Water (DCCEEW). Further questions should be directed to DCCEEW.

AFL Stadium for Tasmania

- In September 2022, the Tasmanian Government stated it would build a 23,000-seat stadium at the Macquarie Point Site.
- The Premier reaffirmed the Tasmanian Government's commitment to establishing an Antarctic and Science Precinct at Macquarie Point.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is not aware of, or been involved in, discussions on the proposal.

New Bridgewater Bridge

- The Government has committed up to \$628.8 million towards this project through the Infrastructure Investment Program. The bridge is a key transport and freight link for Hobart and the northern and southern regions of Tasmania.
- Early works have commenced on site and the new bridge is expected to be open to traffic by early 2025.
- Further questions should be referred to the Infrastructure Investment Division.

South East Traffic Package

- The Government has committed \$280 million towards three projects.
- Hobart Airport to Sorell Southern Bypass (\$92.9 million) consists of three components. Construction commenced in November 2020 and is expected to be complete by mid-2025.
 - Sorell Southern Bypass – commenced May 2021 and opened to traffic July 2022.
 - Midway Point Intersection – commenced November 2020 and opened to traffic August 2022.
 - Duplicate the Tasman Highway – construction is expected to commence late 2022 and be complete by mid-2025.

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- Hobart to Sorell Corridor – Hobart Airport Interchange (\$37.1 million) – construction commenced December 2020 and is expected to be complete by mid-2023. The overpass at the new Hobart Airport Interchange opened in May 2022.
- Hobart to Sorell Corridor – Midway Point Causeway (including McGees Bridge) and Sorell Causeway (\$150 million) – construction is expected to commence in late 2023 and be complete by mid-2026.
- Further questions should be referred to the Infrastructure Investment Division.

Affordable housing and urban renewal

- Improving Social Housing Outcomes is a \$30 million Government commitment to provide over 100 new social housing dwellings in Greater Hobart in partnership with community housing providers.
- As of 31 August 2022, the program has built and tenanted 122 dwellings.
- The \$30 million Government commitment has been expended.
- The Government will continue to work with community housing providers until all contracts have been fulfilled, with completion expected by June 2023.

Background

- The Deal was signed in February 2019 between the Australian and Tasmanian Governments, and the Clarence, Glenorchy, Hobart and Kingborough councils.

Australian Government's commitments

- \$628.8 million for the New Bridgewater Bridge project
- \$523.5 million for Australian Antarctic research stations
- \$280.0 million to improve access as part of the South East Traffic Package
- \$82.3 million for border services to facilitate international flights at Hobart Airport
- \$65.0 million for the Tasman Bridge Upgrade
- \$30.0 million for social and affordable housing
- \$11.5 million for the Tasman Highway Intelligent Transport Solutions
- \$1.3 million for a business case process to facilitate an Antarctic and Science Precinct
- \$1.0 million for the Entrepreneurship Facilitator program (up to 30 June 2022)
- \$0.7 million for active transport solutions.

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BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Tiffany Karlsson****SB22-000161**Stakeholder Meetings held since February 2022 Estimates

Date	Meeting Description	Department Officials	Stakeholders
14 February 2022	Macquarie Point and Wharf Steering Committee	Assistant Secretary – City Deals	Tasmanian Govt, AAD, CSIRO, City of Hobart, Macquarie Point Corporation, TasPorts, Institute for Marine and Antarctic Studies (IMAS)
14 February 2022	Hobart City Deal Implementation Board Meeting	Assistant Secretary – City Deals	Tas Govt, Greater Hobart Councils
16 May 2022	Macquarie Point and Wharf Steering Committee	Assistant Secretary – City Deals	Tasmanian Govt, AAD, CSIRO, UTas, City of Hobart, Macquarie Point Corporation
17 May 2022	Hobart City Deal Implementation Board Meeting	Assistant Secretary – City Deals	Tas Govt, Greater Hobart Councils
27 May 2022	Hobart City Deal – Transport and Housing Project Steering Committee	Director – City Deals	Tasmanian Govt, Infrastructure Tasmania, Greater Hobart Councils, Dept of Social Services
14 July 2022	Hobart City Deal – Transport and Housing Project Steering Committee	Director – City Deals	Tasmanian Govt, Infrastructure Tasmania, Greater Hobart Councils, Dept of Social Services
9 August 2022	Macquarie Point and Wharf Steering Committee	Assistant Secretary – City Deals	Tasmanian Govt, AAD, CSIRO, City of Hobart, Macquarie Point Corporation, TasPorts, IMAS
9 August 2022	Hobart City Deal Implementation Board Meeting	Assistant Secretary – City Deals	Tas Govt, Greater Hobart Councils
13 October 2022	Hobart City Deal – Transport and Housing Project Steering Committee	Director – City Deals	Tasmanian Govt, Infrastructure Tasmania, Greater Hobart Councils, Dept of Social Services, Infrastructure Investment Division

Contact: s47F**Cleared by First Assistant Secretary: Matthew Roper****Phone: s47F****Version Number: 2****Date: 17/10/2022**

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Tiffany Karlsson

SB22-000161

Financial Information as at 25 October 2022

Movement of Funds

HOBART	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Appropriation	0	0	0	0	1.0	0	0	0			1.0
Movements/decisions					-0.155	0.155					0
Movements/decisions						-0.155	0.155				0
Current Appropriation	0	0	0	0	0.845	0	0.155	0	0	0	1.0

Contact: s47F

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Version Number: 2

Date: 17/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Tiffany Karlsson

SB22-000161

Australian Government, State/Territory, Local Government, Other, Total Deal Value, Cwth 20-21, Beyond 2024, Cwth 21-22, Cwth 22-23, Cwth 23-24, Total AG Spend

BY NAME											
Name	Australian Government	State/Territory	Local Government	Other	Total Deal Value	Cwth 20-21	Cwth 21-22	Cwth 22-23	Cwth 23-24	Beyond 2024	Total AG Spend
Activating the Northern Suburbs Transit Corridor	\$38.50M	\$0.00M	\$5.94M		\$44.44M	\$0.00M	\$2.00M	\$8.00M	\$9.00M	\$6.00M	\$1.00M
Border Services including Immigration, Customs and Biosecurity at Hobart International Airport	\$82.32M	\$10.00M		\$7.50M	\$99.82M		\$7.39M	\$9.10M			\$0.49M
Central Hobart Precinct Plan		\$0.13M	\$0.22M		\$0.35M						
Creating a smart, liveable and investment ready city	\$1.07M	\$128.45M	\$28.19M		\$157.71M	\$0.36M	\$0.24M				\$0.98M
Deliver social and affordable housing	\$30.00M		\$1.35M	\$16.50M	\$47.85M	\$15.99M	\$8.67M	\$0.65M			\$27.91M
Derwent Ferry Services		\$20.85M			\$20.85M						
Establishment of an Antarctic and Science Precinct	\$1.30M	\$100.43M	\$0.23M	\$100.00M	\$201.95M	(\$0.42M)	\$0.88M				\$0.87M
Greater Hobart Act		\$4.21M	\$2.05M		\$6.26M						
Hobart Transit Centre		\$4.75M			\$4.75M						
Improve Access - South East Traffic Package	\$280.00M	\$69.50M			\$349.50M	\$53.50M	\$23.97M	\$27.01M	\$56.48M	\$109.64M	\$86.87M
Improve Access - Southern - fifth transit lane on the Southern Outlet, road access and connections to the Channel Highway and Southern Outlet		\$72.30M	\$4.64M		\$76.94M						
Infill housing report		\$0.18M			\$0.18M						
Investing in Australia's Antarctic Research Station network	\$523.46M				\$523.46M	\$30.14M	\$47.94M	\$45.24M	\$50.67M	\$257.83M	\$89.92M
Land for redevelopment		\$13.50M			\$13.50M						
Modernise and integrate public & active transport system	\$0.69M	\$66.58M	\$26.73M		\$93.99M						
New Bridgewater Bridge	\$628.80M	\$157.20M			\$786.00M	\$6.00M	\$30.80M	\$208.40M	\$224.40M	\$159.20M	\$96.80M
Northern Suburbs Transit Corridor Growth Strategy	\$0.00M	\$0.45M			\$0.45M						
Smart traffic management (also known as Tasman Highway Intelligent Transport Solutions)	\$11.50M	\$15.77M	\$0.03M		\$27.30M	\$3.00M	\$7.00M	\$1.50M			\$3.00M
Tasman Bridge upgrade	\$65.00M	\$65.00M			\$130.00M			\$25.00M	\$20.00M	\$20.00M	
Total	\$1,662.64M	\$729.29M	\$69.37M	\$124.00M	\$2,585.29M	\$108.57M	\$128.90M	\$324.89M	\$360.55M	\$552.67M	\$307.85M

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Version Number: 2

Date: 17/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000162

SUBJECT: City Deal: Darwin**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deal commitments.
- Under this Deal, five commitments are completed and the remaining 18 are underway.
- Construction of the Charles Darwin University (CDU) Education and Community Precinct, is underway and the campus is expected to be operational in early 2024.
- Work on the Larrakia Cultural Centre project is progressing. The Development Agreement between Northern Territory (NT) Government and Larrakia Development Corporation (LDC) was executed on 21 July 2022.

DARWIN CITY DEAL			
Deal Announced	26 May 2017	Total Deal Value \$m	320.8
Deal Signed	16 November 2018	AG contribution \$m	109.1
Deal Length	10 years	State contribution \$m	207.02
3 year review due	Review process is underway having commenced in November 2021.	Other contribution \$m	4.7
Deal Partners	NT Government, City of Darwin.		
Jobs supported	Projected to support 1,673 jobs.		
Progress since last Senate Estimates			
<ul style="list-style-type: none">As of October 2022, the Australian Government has paid \$105.74 million for milestones achieved.			
Current Status: Implementation			

Key IssuesCDU Education and Community Precinct

- The Government has provided \$97.3 million to the project. CDU's financial contribution is via a \$125 million Northern Australia Infrastructure Facility (NAIF) loan.

s47G

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Version Number: 02

Date: 19/10/2022

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000162

s47G

Larrakia Cultural Centre

- The National Indigenous Australians Agency (NIAA) are supporting the Larrakia Development Corporation to undertake detailed design and planning for the proposed Larrakia Cultural Centre. This includes \$2 million through the Indigenous Advancement Strategy for the design phase, which is currently underway.

Darwin Living Lab [CSIRO]

- The Darwin Living Lab is testing and evaluating heat mitigation measures, and informing tropical urban design for Darwin by using real world experiments. The program of work is on track.

Background

- The Deal was announced by the Australian and Northern Territory Governments and the City of Darwin on 16 November 2018.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000162

Australian Government commitments:

- \$97.3 million in funding for the Education and Community Precinct
- \$4.8 million over 10 years to support the CSIRO-led Darwin Living Lab
- \$5.0 million for the Switching on Darwin project under the Smart Cities and Suburbs Program [complete]
- \$2.0 million to the Larrakia Development Corporation to support the design of the Larrakia Cultural Centre.

Stakeholder Meetings

Date	Meeting Description	Department Officials	Stakeholders
4 August 2022	Darwin City Deal Implementation Board meeting	Assistant Secretary	NT Government and City of Darwin
3 August 2022	Darwin Living Lab 2022 Symposium	Assistant Secretary	CSIRO, NT Government, City of Darwin and industry stakeholders
20 July 2022	Darwin Living Lab Management Committee Meeting	Assistant Secretary	CSIRO, NT Government and City of Darwin

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Date: 19/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000162

Financial Information as at 26 October 2022**Movement of Funds**

Darwin	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2024-25	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Appropriation	0	0	0	0	2.3	5.0	10.0	15.0	20.0	20.0	25.0	97.3
Movements/decisions					22.7	40.0	17.3	-15.0	-20.0	-20.0	-25.0	0
Current Appropriation	0	0	0	0	25.00	45.0	27.3	0	0	0	0	97.3

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000162

Australian Government, State/Territory, Local Government, Other, Total Deal Value, Cwth 20-21, Beyond 2024, Cwth 21-22, Cwth 22-23, Cwth 23-24, Total AG Spend

Name	Australian Government	State/Territory	Local Government	Other	Total Deal Value	Cwth 20-21	Cwth 21-22	Cwth 22-23	Cwth 23-24	Beyond 2024	Total AG Spend
Career and Education Pathways											
City Activation and Promotion		\$3.20M			\$3.20M						
Civic and State Square Master Plan		\$15.00M			\$15.00M						
Council led projects			\$5.70M		\$5.70M						
Darwin Living Lab	\$4.80M	\$1.00M	\$1.00M		\$6.80M	\$0.48M	\$0.48M	\$0.48M	\$0.48M	\$2.40M	\$1.44M
Designated Area Migration Agreement											
Develop a Tropical Design Guide											
Digital Economy											
Education and Community Precinct	\$97.30M		\$0.00M		\$97.30M	\$45.00M	\$27.30M				\$97.30M
Future use of Frances Bay - Ship Lift		\$100.00M			\$100.00M						
Heat Mitigation Trials		\$8.00M			\$8.00M						
Indigenous Employment and Supplier Use Targets											
Integrated city-wide planning											
Laneways and Small Streets		\$3.00M			\$3.00M						
Larrakia Cultural Centre	\$2.00M	\$0.25M			\$2.25M						\$2.00M
Larrakia Hosts Program		\$2.00M			\$2.00M						
Re-development of Stokes Hill											
Relocate the Office of the Registrar of Indigenous Corporations											
State Square Art Gallery		\$47.00M			\$47.00M						
State Square Underground Carpark		\$23.27M			\$23.27M						
Supporting Indigenous Economic Development											
Switching on Darwin	\$5.00M	\$2.50M	\$3.70M		\$11.20M						\$5.00M
Trial Skills Recognition Hub		\$1.80M			\$1.80M						
Total	\$109.10M	\$207.02M	\$10.40M		\$326.52M	\$45.48M	\$27.78M	\$0.48M	\$0.48M	\$2.40M	\$105.74M

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Date: 19/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Tiffany Karlsson

SB22-000163

SUBJECT: City Deal: Launceston**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deal commitments.
- Under the Deal, 15 commitments are completed and the remaining 22 are underway.
- The University of Tasmania (UTas) relocation and redevelopment project has opened new outdoor spaces for the community in Inveresk.
- TasWater awarded the contract for the Margaret Street Sewer Diversion Project to Tasmanian-based company BridgePro Engineering as part of the Tamar Estuary River Health Action Plan.

Launceston City Deal

Deal Announced	September 2016	Total Deal Value \$m	570.0
Deal Signed	20 April 2017	AG contribution \$m	266.4
Deal Length	10 years	State contribution \$m	126.4
3 year review	Published on 19 November 2021	Other contribution \$m	177.2
Deal Partners	Australian Government, Tasmanian Government, Launceston City Council		
Jobs supported	200 jobs created to date. Over 1,000 jobs anticipated to be created across the 37 commitments		

Progress since last Senate Estimates

- On 26 September 2022, TasWater awarded the contract for the Margaret Street Sewer Diversion Project to Tasmanian-based company BridgePro Engineering. Infrastructure upgrades to the combined stormwater and sewerage system are part of the Tamar Estuary River Health Action Plan.
- On 20 September 2022, new community gardens and activity spaces were opened. These are part of the broader relocation and redevelopment project at UTas' Inveresk campus.
- On 17 July 2022, the Tasmanian Government endorsed the Tamar Estuary Management Taskforce 10-year vision for the kanamaluka/Tamar Estuary.
- On 24 March 2022, designs for the upgrade for the Albert Hall Redevelopment were released.

Deal status: Implementation**Key Issues**Improving the health of the Tamar Estuary – River Health Action Plan

- The \$140.7 million River Health Action Plan is working to improve the long-term health of the Tamar Estuary.
- The Government has committed \$49 million to deliver the Plan.

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Version Number: 1

Date: 07/10/2022

BUDGET ESTIMATES 2022 - 2023**Rural And Regional Affairs And Transport****Lead/Support contact: Tiffany Karlsson****SB22-000163**

- The delivery of the catchment actions is underway. As at 30 June 2022:
 - 366 kilometres of fencing has been completed on grazing and dairy farms to exclude stock from waterways;
 - 1566 hectares of riparian area has been managed for regeneration outcomes; and
 - 1317 hectares of improved effluent management has been completed across dairy farms.
- Work to upgrade the sewerage and stormwater system commenced in 2020.

Relocation of the University of Tasmania's Launceston Campus

- The project is on track for completion in early 2024.
- Construction of the second and third new buildings continues with slight delays due to the impacts of supply chain shortages and COVID-19. Completion for the River's Edge and Willis Street buildings is now expected in February 2023 and December 2023.
- The broader redevelopment project includes:
 - Urban Realm – a series of interconnected outdoor spaces providing flexible space for learning, events and gatherings, including for the wider community.
 - Renovations of existing buildings to provide new headquarters for over 300 professional staff, and a new creative hub with purpose-built studios for architecture and design, creative arts and media and information communication technology.

Australian Defence Force (ADF) Cadet Facility and Divestment of Paterson Barracks

- The Government approved the delivery of an ADF Cadet Multi-User-Depot in North Launceston in May 2021.
- Stakeholders continue to progress the settlement of land at Newnham and land transfer processes, with construction able to commence once this occurs.
- The Newnham facility, and redevelopment works at Youngtown (not part of the Deal), need to be completed before the Paterson Barracks can be divested.

Northern Suburbs Community Recreation Hub

- The Government has committed \$15 million to the Northern Suburbs Community Recreation Hub.
- The Hub, to be built in Mowbray, will be a multi-purpose community facility for indoor sport and recreation, social programs and other activities identified via consultation.

Background

- The Deal was announced in April 2017 by the Australian and Tasmanian Governments and the City of Launceston.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Tiffany Karlsson

SB22-000163

Australian Government's commitments

- \$130.0 million for the relocation of the University of Tasmania's main Launceston campus from Newnham to Inveresk, closer to the CBD;
- \$49.0 million to improve the health of the Tamar Estuary;
- \$30.2 million to develop a Defence and Maritime Innovation and Design Precinct;
- \$15.7 million towards a new Defence Force cadet facility in Launceston;
- \$15.0 million towards the Northern Suburbs community recreation hub;
- \$11.0 million to contribute to the Albert Hall Renewal project;
- \$7.5 million to rejuvenate Launceston's CBD through the City Heart project;
- \$4.0 million towards the Greater Launceston Transformation Project;
- \$2.0 million to Launceston Hub of the National Institute for Forest Products Innovation (NIFPI); and
- \$1.4 million to support an Entrepreneurship Facilitator Position to 2022.

Stakeholder Meetings held since February 2022 Estimates

Date	Meeting Description	Department Officials	Stakeholders
4 April 2022	Launceston City Deal Executive Board meeting	Assistant Secretary	Tasmanian Government and City of Launceston
8 August 2022	Launceston City Deal Executive Board meeting	Assistant Secretary	Tasmanian Government and City of Launceston

Contact: s47F

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Version Number: 1

Date: 07/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Tiffany Karlsson

SB22-000163

Financial Information as at 25 October 2022

Movement of Funds

LAUNCESTON	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Appropriation	0	0	0	0	8.8	8.8	10.25	14.2	5.45		47.5
Movements/decisions					-6.3		2.1	2.1	2.1		0
Movements/decisions						-4.9	4.9				0
Movements/decisions							-15.2	-2.3	12.95	4.6	0
Current Appropriation	0	0	0	0	2.5	3.9	17.25	16.3	7.55	0	47.5

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Version Number: 1

Date: 07/10/2022

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ADCA

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000164

SUBJECT: City Deal: Perth**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deals commitments until completed.
- Under the Deal, two commitments are completed and the remaining 12 are underway.
- Delivery of Edith Cowan University's Cultural and Creative Industries City Campus, is due to begin main works construction in late 2022.
- Works on other commitments have commenced on:
 - Western Australia Cricket Association (WACA) Redevelopment project; and
 - Roe Street Enhancement under the CBD Transport Plan project.

PERTH CITY DEAL			
Deal Announced	27 April 2018	Total Deal Value \$m	1,503.13
Deal Signed	20 September 2020	AG contribution \$m	487.13
Deal Length	10 years	State contribution \$m	567.00
3 year review due	Not yet agreed	Other contribution \$m	449.00
Deal Partners	Australian Government; Western Australian Government; and the City of Perth		
Jobs supported	Projected to produce 7,540 construction jobs and 2,327 ongoing jobs.		
Progress since last Senate Estimates			
<ul style="list-style-type: none">On 17 May 2022, the Australian Government announced a \$50 million commitment to the Perth Aboriginal Cultural Centre, matching the Western Australian Government’s commitment. The Deal supported a pre-feasibility study into the Centre.On 16 May 2022, early works commenced on the Edith Cowan University’s City Campus.On 14 June 2022, the Perth Cultural Centre completed a Schematic Design Report.On 11 July 2022, the \$2.8 million Trinity Shared Path Upgrade and Foreshore stabilisation project in East Perth was completed.On 15 August 2022, the selection of a Terrace Road site as the preferred location for the new Perth Aboriginal Cultural Centre was announced.As of 1 September 2022, the Australian Government has paid \$125.33 million for milestones achieved.			
Current Status: Implementation			

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000164

Key IssuesEdith Cowan University (ECU) Cultural and Creative Industries City Campus (ECU City Campus)

- The Government has committed \$294.0 million in total to ECU.
- Early works commenced on 16 May 2022.
- The project has been impacted by the local infrastructure construction market with increased costs in labour and materials. In response, in early 2022, the ECU (\$60 million) and the Australian and Western Australian Governments (\$49 million each) committed an additional \$158 million.

WACA Redevelopment

- The Government committed \$30 million from the Community Development Grants programme to the WACA Ground Improvement Project component of the WACA Redevelopment.
- Early works and an early contractor involvement procurement process is underway to better understand the project delivery timeframe and costs within the Western Australian infrastructure construction environment.
- Work is progressing on the scope and timeframe for delivery of the project.

Perth Concert Hall

- The Government has committed \$12 million to this \$52.4 million project to refurbish and extend Perth's Concert Hall.
- On 10 March 2022, WITH Architecture Studio and OMA were appointed as lead architects for the project.
- This project was originally slated to start in 2022; however, further consideration of building compliance and maintenance issues by the WA Government and the City of Perth has delayed commencement of the project.

Homelessness Housing Projects

- The Government committed \$8.0 million to provide housing and support services to vulnerable people in need who are experiencing homelessness and rough sleeping in Perth.
- The Homelessness Housing Projects commitment funds the East Perth Common Ground facility which is a longer-term initiative funded by Australian and Western Australian Governments.
- On 27 July 2022, the Western Australian Government announced the State had declined offers received in response to a request for tender to build the East Perth Common Ground facility and that the State would be returning to market as soon as possible.

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Version Number: 01

Date: 19/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000164

Murdoch University

- The Government has no financial contribution to this project.
- On 9 May 2022, the Western Australian Government wrote informing the Australian Government that the Murdoch University had decided not to proceed with its Vertical Inner City Campus project. The Australian Government noted the development.
- This was due to COVID-19 pandemic creating financial challenges for the university and that there was now uncertainty around predictions for increasing numbers of international students.

Background

- The Deal was announced by the Australian and Western Australian Governments and the City of Perth on 20 September 2020.

Australian Government's commitments

- \$294.0 million for the Edith Cowan University Cultural and Creative Industries CBD Campus
- \$72.5 million for the CBD Transport Plan
- \$30.0 million for the WACA Redevelopment
- \$24.7 million for the Digital Environmental Assessments Program
- \$20.0 million for Recycling Infrastructure
- \$12.0 million for the Perth Concert Hall Redevelopment
- \$10.0 million for the Waalitj Hub
- \$10.0 million for the Perth Cultural Centre Rejuvenation
- \$8.0 million for the Homelessness Housing Projects
- \$4.5 million for the Australian Space Automation, AI and Robotics Control Complex (SpAARC)
- \$2.0 million for the Perth Aboriginal Cultural-Centre pre-feasibility study.

Stakeholder Meetings held since February 2022 Estimates

Date	Meeting Description	Department Officials	Stakeholders
28 July 2022	Perth City Deal Implementation Board (sixth meeting)	Assistant Secretary	Western Australian Government City of Perth

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Version Number: 01

Date: 19/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000164

Financial Information as at 26 October 2022

Movement of Funds

PERTH	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening Appropriation	0	0	0	0	0	36.793	77.786	63.671	59.0	55.0	292.25
Movements/decisions						-9.0	9.0				0
Movements/decisions								15.0	15.0	19.0	49.0
Movements/decisions							-17.856	16.456	1.4		0
Current Appropriation	0	0	0	0	0	27.793	86.786	78.671	74.0	74.0	341.25

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Date: 19/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000164

Australian Government, State/Territory, Local Government, Other, Total Deal Value, Cwth 20-21, Beyond 2024, Cwth 21-22, Cwth 22-23, Cwth 23-24, Total AG Spend

BY NAME

Name	Australian Government	State/Territory	Local Government	Other	Total Deal Value	Cwth 20-21	Cwth 21-22	Cwth 22-23	Cwth 23-24	Beyond 2024	Total AG Spend
Australian Space Automation AI and Robotics Control Complex (SpAARC)	\$4.50M	\$3.50M		\$10.00M	\$18.00M	\$3.00M	\$1.28M	\$0.23M			\$4.28M
CBD Transport Plan	\$72.50M	\$72.50M	\$12.00M		\$157.00M	\$2.79M	\$6.75M	\$29.26M	\$23.70M	\$10.00M	\$2.79M
Curtin University expansion of campus		\$50.00M		\$20.00M	\$70.00M						
Digital transformation to support environmental approvals	\$24.70M	\$29.20M			\$53.90M	\$3.00M	\$21.70M				\$24.70M
East Perth Power Station		\$39.50M			\$39.50M						
Edith Cowan University campus	\$294.00M	\$199.00M		\$360.00M	\$853.00M	\$25.00M	\$55.00M	\$70.00M	\$70.00M	\$74.00M	\$80.00M
Homelessness Housing Projects	\$8.00M	\$37.40M	\$3.00M		\$48.40M	\$0.00M	\$2.40M	\$4.53M	\$1.07M		\$2.40M
Perth Aboriginal Cultural Centre	\$2.00M	\$2.00M			\$4.00M		\$0.60M		\$1.40M		\$0.60M
Perth Concert Hall Redevelopment	\$12.00M	\$36.40M	\$4.00M		\$52.40M	\$0.00M	\$3.60M	\$6.80M	\$1.60M		\$3.60M
Perth Cultural Centre Rejuvenation	\$10.00M	\$25.00M			\$35.00M	\$0.00M	\$7.33M	\$1.33M	\$1.33M		\$7.33M
Recycling waste infrastructure	\$20.00M	\$20.00M			\$40.00M		\$10.00M	\$10.00M			\$3.28M
Strategic Plan											
WA Indigenous Business and Employment Hub	\$9.43M				\$9.43M	\$3.00M	\$3.00M				\$6.93M
WACA Redevelopment	\$30.00M	\$52.50M	\$25.00M	\$15.00M	\$122.50M		\$0.00M	\$18.00M	\$12.00M		
Total	\$487.13M	\$567.00M	\$44.00M	\$405.00M	\$1,503.13M	\$36.79M	\$111.66M	\$140.15M	\$111.10M	\$84.00M	\$135.91M

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Version Number: 01

Date: 19/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000165

SUBJECT: City Deals: Melbourne**Talking Points**

- The Australian Government is focused on delivering its plan for cities and suburbs.
- The plan also includes delivering a new National Urban Policy Framework to guide the Government's direction to improving the productivity, sustainability and liveability of major urban centres.
- The Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP, is taking the opportunity to meet with stakeholders at state and local government levels, and outside of Government, to discuss future priorities, including for Melbourne.
- In the 2022-23 October Budget, the Government made a number of infrastructure investments across the Melbourne region.
- As part of the Government's plan for cities and suburbs, the Government is considering options to move from City Deal approaches into a genuine partnerships model – collaboration on longer-term place-based strategic-planning between the three levels of government, business and the community.
- The new Regional Precincts and Partnerships Program will be a new program providing a strategic, nationally-consistent mechanism for regional infrastructure investment and will be the mechanism for assessing and delivering all future regional partnerships (**SB22-000223**).
- Under the Program, relevant stakeholders located outside metropolitan areas under the Australian Bureau of Statistics' Greater Capital City Statistical Areas will be eligible to apply for funding.

Melbourne City Deals			
Deals Announced	24 May 2019	Total Deal Value \$m	N/A
Deal Signed	N/A	Australian Government contribution \$m	N/A
Deal Length	N/A	State contribution \$m	N/A
3 year review due	N/A	Other contribution \$m	N/A
Deal Partners	N/A		
Jobs supported	N/A		
Update since last Senate Estimates			
<ul style="list-style-type: none"> • In April 2022, a stakeholder workshop was held in Melbourne with key North West Melbourne City Deal stakeholders including State and Local Government officials, convened by the former Minister for Communications, Urban Infrastructure, Cities and the Arts. 			

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

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SB22-000165

- In August 2022, North West Melbourne stakeholders wrote to Minister Catherine King requesting a public commitment from the Australian Government to progress a 'North and West Melbourne City Partnership'. A response has not yet been provided.

Current Status: N/A

Key Issues

The Australian Government's urban policy plan

- The Government has announced six measures as part of its Cities and Suburbs Plan:
 1. Transform City Deals into genuine Partnerships – promoting genuine collaboration between the three levels of government, business and the community.
 2. Revitalise our CBDs.
 3. Renew the independent role of Infrastructure Australia – through the creation of an Australian Cities and Suburbs unit.
 4. Produce an annual state of the cities report to inform policy-making with evidence.
 5. Deliver a new National Urban Policy Framework.
 6. Give local government a voice in a meaningful National Cabinet process.
- The Government is continuing to engage with capital city lord mayors and other stakeholders about the revitalisation of CBDs.
- The review of Infrastructure Australia is underway and due to report by end of 2022, which will inform next steps for the Government's commitment to establish a Cities and Suburbs Unit.
- The production of an annual state of the cities report and development of a new National Urban Policy Framework will be considered within the context of the Infrastructure Australia Review and the establishment of a Cities and Suburbs Unit.
- National Cabinet agreed on 17 June 2022 to invite a representative of Local Government to future meetings of National Cabinet and the Council on Federal Financial Relations (CFFR) once a year to ensure all levels of Government are represented.

CBD commitments

- The Government has made a number of commitments across CBDs.
- These include the election commitment in Melbourne of \$20 million towards finalising planning work and construction commencement on the Greenline project along the Yarra River between Birrarung Marr and the Bolte Bridge.
- The Government is continuing to engage with capital city Lord Mayors and other stakeholders about the future of CBDs.

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000165

Background

- While initial discussions commenced towards a North West Melbourne City Deal and South East Melbourne City Deal by the previous Government in 2019, these deals were not signed.

s47E(d)

- In August 2022, North West Melbourne stakeholders wrote to Minister Catherine King requesting a public commitment from the Government to progress a 'North and West Melbourne City Partnership'.

North West Melbourne stakeholder background

- Councils, peak bodies and universities of the North and West Melbourne regions prepared and released a prospectus – *North and West Melbourne City Deal Plan 2020-2040*.
- On 24 August 2020, the prospectus was publicly announced by former Victorian Premiers, together with the President of the Senate and Senator for Victoria.
- The prospectus lists 66 projects which amounts to over \$200 billion in investment.

South East Melbourne stakeholders and background

- The Greater South East Melbourne Group (GSEM Group), comprised of eight local councils, have been working collaboratively to determine priorities for the South East Melbourne region.
- The GSEM Group have publicly launched their proposal at a high level and have been working together to continue developing priority projects for the region.

North West Melbourne profile

- Prior to the COVID-19 pandemic, the North West Melbourne region was undergoing rapid population growth, with the region was estimated to grow from 2.02 million in 2018 to just over 3 million people by 2036.

South East Melbourne profile

- The South East Melbourne region is home to one-fifth of Melbourne's population and is estimated to grow from 1.2 million to almost 1.5 million people by 2030.

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BUDGET ESTIMATES 2022 - 2023**Rural and Regional Affairs and Transport****Lead/Support contact: Tiffany Karlsson****SB22-000165**

- Based on its current rate of population growth, it is expected to outstrip employment growth over the next 20 years, with residents needing to leave the region to find employment, contributing to congestion issues and creating pockets of unemployment.

Key Stakeholder Meetings held since February 2022 Estimates

Date	Meeting Description	Department Officials	Stakeholders
9 Feb 2022	Meeting with the North West Melbourne Alliance Steering Group	First Assistant Secretary; Assistant Secretary	VIC Government; Members of the North West Melbourne Alliance Steering Group (representatives from the Victorian Government, local governments, La Trobe and Victoria Universities and advocacy groups)
16 Feb 2022	Meeting with Outer West (Wyndham & Melton) Melbourne Mayors	Director	Local Government
4 April 2022	Meeting with North and West Melbourne Mayors and Business Groups for City Deal post-Budget Workshop	First Assistant Secretary	VIC Government; Members of the North West Melbourne Alliance Steering Group (representatives from the Victorian Government, local governments, La Trobe and Victoria Universities and advocacy groups)
21 June 2022	Meeting with Melton City Council, Wyndham City Council and Brimbank City Council at the Australian Local Government Association National Conference, Canberra	Assistant Secretary	Local Government
24 August 2022	Meeting with the North West Melbourne City Deal Working Group	Assistant Secretary	VIC Government; Members of the North West Melbourne City Deal Working Group
24 August 2022	Meeting with the North West Melbourne City Deal Working Group	Assistant Secretary	VIC Government; Members of the North West Melbourne City Deal Working Group (representatives from the Victorian Government, local governments, La Trobe and Victoria Universities and advocacy groups)

Contact: s47F**Cleared by First Assistant Secretary:** Matthew Roper**Phone:** (02) 6274 s47F**Version Number:** 03**Date:** 24/10/2022

SUBJECT: Regional Deal: Barkly**Talking Points**

- The Australian Government has committed to honouring existing City and Regional Deals.
- Under this Deal, three commitments are completed, the remaining 25 are underway.
- In the March 2022-23 Budget, an additional \$6.3 million was committed for the Tennant Creek Boarding Facility, increasing the construction budget to \$16 million.
- In May 2022, in-principle agreement received for Indigenous Land Use Agreement (ILUA) for Youth Justice Facility site.

BARKLY REGIONAL DEAL

Deal Announced	23 July 2018	Total Deal Value \$m	84.7
Deal Signed	13 April 2019	AG contribution \$m	51.7
Deal Length	10 years	State contribution \$m	30.0
3 year review due	December 2022	Other contribution \$m	3.0 (BRC)
Deal Partners	Northern Territory Government and Barkly Regional Council (BRC)		
Jobs supported	Local and Indigenous employment measurements are being established as construction works escalate.		
Projects delivered by other Divisions within DITRDC			
Regional Development Local Government and Regional Recovery (Building Better Regions Fund)			
Youth infrastructure – \$7.62 million agreement with BRC			
Domestic Aviation (Remote Airstrips): Alpururulam Airstrip – nearly \$0.5 million			
Projects delivered by other Australian Government Agencies:			
Bureau of Meteorology: Tennant Creek Weather Radar (\$15.4 million)			
Australian Sports Commission: Community Sport Hub (\$0.8 million)			
Progress since last Senate Estimates			
<ul style="list-style-type: none">● In the March 2022-23 Budget, an additional \$6.3 million was committed for the Tennant Creek Boarding Facility, increasing the construction budget to \$16 million.● In April 2022, approval was received for the sub-division and rezoning of the Tennant Creek Visitor Park site.● In May 2022, in-principle agreement was received for Indigenous Land Use Agreement (ILUA) for the Youth Justice Facility site.● In August 2022, ILUA was received for the Weather Radar site and the Aboriginal Areas Protection Authority has also provided in-principle approval (for site use).			
Current Status: Implementation			

Key Issues

Community Governance Table

- The consensus-based Community Governance Table oversees the implementation of initiatives.
- Table representatives include three tiers of government, Traditional Owners, Land Councils, Aboriginal leaders, local business leaders, non-government organisations, young people, other community stakeholders and representatives from the Barkly Aboriginal Alliance (Alliance).
- The Alliance was established as a stand-alone Aboriginal representative body for Aboriginal communities outside of Tennant Creek and occupy four seats at the Community Governance Table.
- The establishment of the Governance Table, employment of local people in the Backbone Team (the Backbone Team provides secretariat, advisory and support services to the Governance Table) and a continued focus on genuine engagement has been designed to improve trust between all stakeholders and increase ownership by communities for implementation.

Progress to date

- Delivery is in accordance with the deliberate staging of projects to maximise local participation and skills development, with key achievements including:
 - Three initiatives fully delivered, including the upgrade of Alpururulam airstrip; Elliott Arts Centre feasibility study; and an affordability trial at Aboriginal Hostels Limited's Tennant Creek facility.
 - A number of other initiatives are underway.
 - The Alpururulam Skate Park has been opened, and the youth centre in Tennant Creek is 80 per cent complete and anticipated to be completed before the end of 2022.
 - Seven projects in the Local Community Projects Fund (\$1.3 million) have been endorsed by the Community Governance Table.
 - Data collection for the Government Investment & Service System Reform (GISSR) project, and a local Systems Change Design Team holding model development and consultation workshops has been completed.
 - Remote Strategy Plus, a majority owned Indigenous group based in Alice Springs, has been engaged to lead local workshops and drafting on an Economic Growth Strategy. The Barkly Economic Growth Strategy 2030 document is finalised awaiting approval by the Governance Table in late 2022.
 - A construction tender for the Youth Justice Facility has been awarded with the site selected and co-design of the facility by local residents. Service works and offsite fabrication of construction materials have commenced. In May 2022 –

Rural and Regional and Transport Committee

Lead/Support contact: Tiffany Karlsson

SB22-000166

In principle approval for the Indigenous Land Use Agreement (ILUA) was attained.

- The site for the Bureau of Meteorology Weather Radar has been finalised. In August 2022, the ILUA was received and the Aboriginal Areas Protection Authority has provided in-principle approval. Parts of the weather radar imported from overseas has arrived in Australia, remaining structure assembled locally.
- Some projects have taken more time than originally anticipated to deliver, to ensure community engagement and involvement in decision-making and approval processes, and due to labour and supply chain impacts from COVID-19 on accessibility to remote Australia.
- Other projects have been deliberately slowed by the Community Governance Table to ensure full community consultation and involvement in decision-making, such as the location of the Visitor Park and the design of the Youth Justice Facility.
- While detailed engagement has created minor delays to these projects, the Community Governance Table is updated on these, noting the importance of community needs and concerns being properly considered so facilities are utilised upon completion.

Housing

- Overcrowding, housing shortages and housing quality are issues across the Barkly region that continue to be raised by the local community.
- The Australian Government has committed \$22.2 million for housing initiatives under the Deal:
 - \$5.0m towards the Tennant Creek Visitor Park
 - \$0.25m for an Affordability Trial by Aboriginal Hostels Limited
 - \$16.0m towards the Student Boarding Accommodation
 - \$0.95m towards the Social and Affordable Housing Public Private Partnership
- In addition, ten new Government employee houses have been constructed in Tennant Creek, and another 12 houses are scheduled to be completed in 2023. These will allow existing houses to be returned to the public housing stock.

Community involvement

- The Barkly Backbone Team maintains social media platforms and advertising, encompassing 11 Aboriginal languages where possible and appropriate. They assist to develop Community Plans to inform other Deal work such as the GISSR initiative and Community Projects Fund.
- Community members are invited to be part of initiatives like the We Al-li trauma-informed care workshops and to be members of the GISSR Systems Change Design Team.

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Version Number: 02 Date: 20/10/2022

- The several Working Groups scoping multiple initiatives for approval by the Governance Table are made up of community members.
- The Barkly Aboriginal Alliance represent 11 language groups across the Barkly region. Four members sit at the Governance Table representing Aboriginal communities and homelands outside of Tennant Creek.

Background

Expenditure of allocated funding (as at 31 August 2022)

- The Australian Government has committed \$51.7 million to the Deal. Of this, \$15.5 million has been expended (including \$3.4 million expended by the Bureau of Meteorology).
- An overview of initiatives is at **Attachment A**.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts oversees a Project Agreement with the Northern Territory Government for \$11.4 million covering seven of the Deal initiatives and \$5.66 million has been provided for completed milestones (**Attachment B**).
- Two other elements are funded separately by the Government: a \$7.6 million Building Better Regions Fund (BBRF) project (youth infrastructure); and \$15.4 million from the Bureau of Meteorology for the Tennant Creek Weather Radar.
 - The first three BBRF payments, totalling \$4.73 million were provided to BRC in 2021 and 2022.
 - The Bureau of Meteorology has expended \$3.4 million for the Weather Radar to date.
- Additional expenditure administered by the department includes:
 - \$0.8 million paid to the Australian Sports Commission for the Barkly Community Sports initiative.
 - \$0.25 million paid to Aboriginal Hostels Limited for the housing affordability trial.
 - \$0.3 million to support the development of an Economic Growth Strategy, with \$0.18 million fully expended (and a process for expending the balance underway).
 - Nearly \$0.5 million expended on resealing and line-marking Alpururulam airstrip.

Attachments

- Attachment A - Overview of initiatives
- **s47B**

2022 – 2023 Senate Estimates – October 2022

Lead/Support contact: Tiffany Karlsson

SB22-000166

<i>Treasury</i>	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Opening Appropriation	0	0	0	0	1.265	8.08	7.155	10.8			27.3
Movements/decisions						-4.28	-10.935	10.935			0
Current Appropriation	0	0	0	0	1.265	3.8	11.435	10.8	0	0	27.3

<i>Department</i>	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Opening Appropriation	0	0	0	0	0.55	0.7	0.1	0	0	0	1.35
Movements/decisions						-0.286	-0.207	0.207			0
Current Appropriation	0	0	0	0	0.55	0.414	0.386	0	0	0	1.35

* This table does not include \$7.62m allocated to the 'youth infrastructure' initiative as this is captured in Building Better Regions Fund totals. It also does not include \$15.4 million allocated to the Bureau of Meteorology for the weather radar initiative as this is reported by the Bureau. It does not reflect funds provided by the Northern Territory Government or Barkly Regional Council.

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Version Number: 02 Date: 19/10/2022

Senate Estimates – October 2022

BARKLY REGIONAL DEAL FACTSHEET

Attachment A

Initiatives		Total funding	Funding contribution			Funding mechanism
			Australian Government (AG)	Northern Territory Government (NTG)	Barkly Regional Council (BRC)	
ECONOMIC DEVELOPMENT—\$37.97M						
1	Regional Workforce Strategy	\$1M		\$1M		NTG-led project (no AG funding)
2	Youth infrastructure	\$7.62M	\$7.62M		In-kind	Provided through the Building Better Regions Fund
3	Barkly Business Hub	\$2.2M	\$2.2M	Existing		Project Agreement between the AG/NTG
4	Construction of a new alternative to detention secure accommodation facility	\$5.55M		\$5.55M		NTG-led project (no AG funding)
5	New housing builds	Ongoing		Ongoing		NTG-led project (no AG funding)
6	Justice infrastructure investments	\$3.4M		\$3.4M		NTG-led project (no AG funding)
7	Upgrade Alpururulam airstrip	Ongoing	Ongoing	Ongoing		Provided through the Remote Airstrip Upgrade Program
8	Economic growth strategy	\$0.3M	\$0.3M			Administered by the Department (AG)
9	Maximising Aboriginal employment	Ongoing	Ongoing	Ongoing	Ongoing	Utilises existing Departmental resources (AG)
10	Barkly Mining and Energy Services Hub	Ongoing		Ongoing		NTG-led project (no AG funding)
11	Weather radar	\$17.9M	\$15.4M	\$2.5M		Provided through the Bureau of Metrology
12	Improvements to the delivery of the Community Development Program (CDP)	Ongoing			Ongoing	BRC-led project (no AG funding)
SOCIAL DEVELOPMENT—\$31.75M						
13	Tennant Creek Visitor Park	\$9.5M	\$5M	\$4.5M	In-kind	Project Agreement between the AG/NTG
14	Government investment services system reform	\$0.6M	Ongoing	\$0.6M		Utilises existing Departmental resources (AG)
15	Crisis youth support—safe places and accommodation	\$3M		\$3M		NTG-led project (no AG funding)
16	Trauma informed care	\$3M		\$3M		NTG-led project (no AG funding)
17	Multi-purpose accommodation facility	\$0.25M	\$0.25M			Memorandum of Understanding between the Department and Aboriginal Hostels Limited
18	Student boarding accommodation	\$19M	\$16M	\$3.0M		Project Agreement between the AG/NTG
19	Social and affordable housing private-public partnership	\$1.9M	\$0.95M	\$0.95M		Project Agreement between the AG/NTG
20	Community sports	\$0.8M	\$0.8M			Memorandum of Understanding between the Department and Sports Australia (<i>to be finalised</i>)
21	Aged care services in the Barkly region	Ongoing	Ongoing	Ongoing		Utilises existing AG resources
22	Childcare places	Ongoing	Ongoing	Ongoing	Ongoing	Utilises existing AG resources
CULTURE AND PLACE-MAKING—\$8.65M						
23	Barkly local community projects fund	\$6M	\$1.5M	\$1.5M	\$3.0M	Project Agreement between the AG/NTG
24	Local Community Governance	\$1M	\$1M	Ongoing	Ongoing	Project Agreement between the AG/NTG for the first year of funding (2019-20). Funding for Years 2 and 3 funding to be settled between
25	Community mediation	\$1.65M	\$0.65M	\$1.0M		Project Agreement between the AG/NTG
26	Arts Centre in Elliott – Feasibility Study	Ongoing		Ongoing		NTG-led project (no AG funding)
27	Update Council website about Aboriginal history	Ongoing			In-kind	BRC-led project (no AG funding)
28	Marketing and promotion	Ongoing			In-kind	BRC-led project (no AG funding)
TOTAL		\$784.7M	\$51.7M	\$30.0M	\$3.0M	

S47B

BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Linda Lee

SB22-000167

SUBJECT: Indigenous Reference Group**Talking Points**

- The Northern Australia Indigenous Reference Group (IRG) provides policy advice on practical measures that will assist in unlocking the Indigenous estate and enhance the economic prosperity of Indigenous Australians in Northern.
- The Minister for Northern Australia affirmed her commitment to working with the IRG and met with IRG in July 2022.
- The approach to the review of the Northern Australia Indigenous Development Accord (the Accord) is being considered through the Northern Australia Ministerial Forum.

Key Issues

- The IRG met in Broome on 11-13 October 2022 to consolidate its priorities for providing advice on systemic barriers to Indigenous economic development in Northern Australia, to be presented to the Minister for Northern Australia.
- The Minister for Northern Australia and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts will work with the relevant portfolios to progress these priorities over the next 12 months.
- The Accord is an intergovernmental agreement signed by First Ministers for Northern Australia in December 2019. It provides an authorising framework for jurisdictions to work together and individually to advance Indigenous economic development. The Northern Ministerial Forum will consider the Accord review on 31 October 2022.

Background

The IRG was established in 2017 and in December 2021 its membership and Terms of Reference were refreshed by the then Minister for Northern Australia.

IRG members are appointed for a period of two years to December 2023. The seven members of the refreshed IRG are:

- | | |
|-----------------------------------|----------------------------|
| • Mr Colin Saltmere (Qld) - Chair | • Ms Gillian Mailman (QLD) |
| • Ms Tara Craigie (NT) | • Mr Peter Jeffries (WA) |
| • Mr Jerome Cubillo (NT) | • Ms Cara Peek (WA) |
| • Mr Troy Fraser (QLD) | |

IRG members are well-credentialed Indigenous Australians from Northern Australia with demonstrated business acumen and economic development expertise. The selection of members also considered geographical spread, gender diversity and industry representation. The department's Office of Northern Australia provides secretariat services to support the IRG.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Matthew Roper/Katrina Kendall

SB22-000168

SUBJECT: NAIF Governance**Talking Points**

- As part of the 2022-23 October Budget, the Government confirmed an additional \$2 billion for the Northern Australia Infrastructure Facility (NAIF), bringing the total capital appropriation for the NAIF to \$7 billion through to 30 June 2026.
 - The additional appropriation will be reflected in amendments to the *Northern Australia Infrastructure Facility Act 2016* (NAIF Act), the timing of which will be determined by the Government's forward legislation program.
- As at 30 September 2022, investment decisions by the NAIF totalling \$2.6 billion have reached contractual close, with around \$900 million having been drawn down.
- The NAIF is overseen by an independent Board which, under the NAIF Act, is to consist of a Chair, between 4 and 6 other members, and an ex officio member (the Secretary (or alternate) of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts).
 - Board members are appointed by the Minister for Northern Australia (Minister). There is currently one vacancy on the NAIF Board and processes to fill the vacancy are underway.
- The Board appoints the Chief Executive Officer (CEO) of NAIF.
 - CEO candidates are considered by the Minister and Prime Minister prior to appointment.
 - The current NAIF CEO is Mr Craig Doyle, who commenced in the role on 20 June 2022. His term concludes on 30 June 2026.
- Under the NAIF Act, all NAIF financing proposals are subject to consideration by the Minister.
 - The NAIF Act provides (s11) that the Minister can reject a financing proposal in only limited circumstances.
- The *Northern Australia Infrastructure Facility Investment Mandate Direction 2021* provides that the facility will primarily seek to provide financial assistance through grants of financial assistance to a State or Territory (see s12(1)). Amendments to the NAIF Act in 2021 allow NAIF to also provide financing directly to proponents.
- The *Climate Change Act 2022* and related consequential amendments Act made changes to a range of Commonwealth Acts, including the NAIF Act.
 - The amendments clarify projects that contribute to the achievement of Australia's greenhouse gas emissions targets ambitions can be financed by the NAIF.
 - The amendments do not impact existing NAIF contracts.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Matthew Roper/Katrina Kendall

SB22-000168

Key Issues

Note: Questions related to specific NAIF projects and selection/investment processes should in the first instance be directed to the NAIF CEO to answer.

If asked about the NAIF Appropriation

- As part of the 2022-23 October Budget, the Government has confirmed an additional appropriation of \$2 billion into the NAIF, bringing the total capital appropriation for the NAIF to \$7 billion through to 30 June 2026.
 - As at 30 September 2022, the NAIF had made investment decisions totalling around \$3.9 billion.
 - With the additional \$2 billion capital appropriation, this brings the NAIF's total uncommitted funding to around \$3.1 billion (pending legislative change to reflect the additional appropriation).
- The Government will continue to work with the NAIF in ensuring its investments are aligned with whole-of-government priorities for the north.

If asked about impacts of the Climate Change (Consequential Amendments) Act 2022

- The *Climate Change (Consequential Amendments) Act 2022* (Consequential Amendments Act) came into force on 14 September 2022.
- The Consequential Amendments Act amended the NAIF Act to clarify that projects that contribute to the achievement of Australia's greenhouse gas emissions targets ambitions can be financed by the NAIF.
- The Consequential Amendments Act does not change other eligibility criteria for the NAIF under the NAIF Act, nor amend any power or function of the NAIF.
- The amendments do not impact existing contracts between the NAIF and project proponents.
- The NAIF will now undertake further consideration of any impacts on projects currently in its pipeline as a result of the passage of the climate change legislation.
- *Detailed questions on the actions NAIF will undertake in response to the consequential amendments to the Act should be directed to the NAIF CEO to answer.*

If asked about the Minister's power to veto NAIF Projects

- Under Part IV of the NAIF Act, all NAIF financing proposals are subject to the consideration of the Minister for Northern Australia.
- Under section 11(3) of the NAIF Act, the receipt of a proposal notice triggers the 21-day consideration period. This may be extended to 60 days by issuing a written notice to the NAIF.

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BUDGET ESTIMATES 2022 - 2023

Rural And Regional Affairs And Transport

Lead/Support contact: Matthew Roper/Katrina Kendall

SB22-000168

- The Minister can only issue a rejection notice during the legislated consideration period or advise the NAIF that the Minister is not issuing a rejection notice.
- Under section 11(5) of the NAIF Act, a proposal can be rejected only if the Minister is satisfied that providing financial assistance would:
 - be inconsistent with the objectives and policies of the Commonwealth; or
 - have adverse implication for Australia's national and domestic security; or
 - have an adverse impact on Australia's international reputation or foreign relations.

If asked about NAIF Board Appointments

- Appointments to the NAIF Board are a matter for the Minister.
- NAIF Board members are identified as significant appointments under the Cabinet Handbook (s116b). All significant appointments are considered by the responsible Minister and Prime Minister, and at his discretion Cabinet, as required prior to formal appointment.
- There is currently one vacancy on the NAIF Board. Processes are underway in regard to filling that vacancy.

If asked about NAIF operating budget and staffing

- NAIF is not directly appropriated as it is a Corporate Commonwealth Entity. Appropriations are made to the Department of Infrastructure, Transport, Regional Development and Communications and the Arts, which are then paid to NAIF and are considered 'departmental' for all purposes.
- Resourcing from the Australian Government for NAIF in 2022-23 is approximately \$21 million.
- The Average Staffing Level for NAIF is 1.0. This represents the Chief Executive Officer of NAIF.
- Total staffing for NAIF is 37 full time equivalents as at June 2022, with the additional specialist staff engaged under contract, noting NAIF is a Corporate Commonwealth Entity legally separate from the Government.
- *Detailed questions on NAIF staffing and operating budgets should be directed to the NAIF CEO.*

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BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead: Linda Lee

SB22-000169

SUBJECT: Office of Northern Australia**Talking Points**

- The Office of Northern Australia (ONA) is the Australian Government's centre of expertise for Northern Australia.
- ONA is headquartered in Darwin and currently has 20 staff located in Darwin, Cairns, Townsville, Brisbane, Perth and Canberra.
- ONA coordinates the implementation of the Government's Northern Australia agenda for sustainable and resilience economic growth in the north. ONA's functions include:
 - Providing policy advice and input on issues affecting Northern Australia.
 - Coordinating whole-of-government reporting relevant to the Northern Australia agenda.
 - Providing secretariat for the Northern Australia Ministerial Forum and the Northern Australia Working Group.
 - Supporting First Nations inclusion and economic participation, including secretariat support for the Northern Australia Indigenous Reference Group.
 - Representing the Department at regional meetings and events and maintaining local networks.
 - Developing data products and key economic information for the north.
 - Supporting Ministerial stakeholder engagements.
- ONA supports the Minister for Northern Australia and is located within the Department's Cities and Northern Australia Division.

Key Issues

- ONA is supporting the Minister for Northern Australia in establishing the priorities for the Northern Australia agenda.
- The Government has reinvigorated the Northern Australia Ministerial Forum to work cooperatively with States and Territories in progressing key priorities for the north. The first meeting is scheduled to be held on 31 October 2022 in Darwin.
- The Minister for Northern Australia continues to meet with regional stakeholders to discuss challenges and opportunities for the Northern Australia agenda.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead: Linda Lee

SB22-000169

At 25 October 2022, ONA had two consultancies:

WSP Consultants

- In March 2022, WSP Consultants were contracted to provide economic analysis and project services, including to help develop the Regions of Growth Master Plans and to undertake extensive consultation. The contract was valued at \$700,260 (GST inclusive), commencing 28 March 2022, with an end date of 12 September 2022.
- As per Caretaker Conventions during the Federal Election, public consultation on master planning was deferred. The contract has not yet been concluded.
- WSP has delivered draft economic analyses reports into supply chains, drivers of growth and socio-economic status in relevant regions, with final reports to be delivered early November.
- \$226,400 (GST inclusive) of the contract budget has been expended.
- In implementing the Northern Australia agenda, the Minister for Northern Australia is considering the approach, including how to best consult with stakeholders potentially utilising WSP's specialist consultation skills.

Ernst & Young

- In October 2022, Ernst and Young was contracted to develop a Monitoring, Evaluation and Reporting Framework (MERF). The contract to complete this work is valued at \$420,310. The MERF and the first evaluation report is due to be delivered in February 2023.
- The MERF will quantify and communicate progress with the Northern Australia agenda and assist future policy development.

Background

The Government has committed to leading an agenda for developing Northern Australia that will focus on social infrastructure and community-led development, while supporting industry to expand and create regional jobs.

Meeting the aspirations of First Nations Peoples and communities is critical to the Northern Australia agenda. This is consistent with the Government's commitment to implementing the Uluru Statement from the Heart.

Driving resilient and sustainable growth in Northern Australia requires collaboration with jurisdictions and a whole of government approach at the Government level with cooperation from a range of portfolios including defence, climate change and energy, industry and science, agriculture, and environment.

Contact: Linda Lee**Cleared by First Assistant Secretary:** Matthew Roper**Phone:** s47F**Version Number:** 01**Date:** 30/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead: Linda Lee

SB22-000169

The previous Government announced the *Our North, Our Future: 2021-2026* next five-year plan for Northern Australia in May 2021, which included funding administered by ONA:

- \$9.3 million over the next two years from 2021-22 to undertake master planning for Regions of Growth.
 - The Minister for Northern Australia is still considering positioning on continuing this work.
- \$111.9 million over five years from 2021-22 to support northern Australian businesses to scale-up and diversify through grant funding and a business advisory service
 - \$100.6 million is administered – \$80.0 million for grants and \$20.6 million for advisory services.
 - \$11.3 implementation costs including program design, IT build, application assessment and ongoing management of grant agreements.
 - The grants programs were fully subscribed following the first round and closed in April 2022. Business advisory services are being provided to eligible businesses.
- \$68.5 million over two years from 2021-22 years for mobile and digital connectivity initiatives.
 - This work is implemented by the Regional Communications Branch.
 - The Mobile Black Spots Program funding stream was combined into Round 2 of the Regional Connectivity Program (RCP) funding stream.

Rural and Regional Affairs and Transport

Lead: Linda Lee

SB22-000171

SUBJECT: Northern Australia Grants Programs

Talking Points

- The Northern Australian Grants Programs – Northern Australia Development Program (NADP) and the Northern Australia Business and Community Growth Program (NABCG) – were fully subscribed after a first round and closed in April 2021.
- The purpose of the grants was to assist northern based businesses, including Indigenous businesses, and community organisations, to scale up, diversify and create jobs.
- In total, 30 grants across Northern Australia valued at nearly \$80 million were awarded by the former Government across a range of sectors.
- All funding for the program was exhausted and no further funding was made available by the former Government.

Key Issues

- The successful grants are estimated to generate over 900 jobs with close to 100 of these being for Indigenous employment (based on applicant information).
- Eligible NADP applicants (121) have access to business advisory services providing face-to-face advice to build long-term resilience and business strength.
- The funding for this program has been exhausted. There are no current plans to provide additional funding for further rounds of the program.
- A recent media item (*NewDaily* 19 October) criticised the NADP as providing grants to select businesses who would have undertaken projects without government assistance. It also linked the NADP to the Northern Australia Infrastructure Facility.
 - The grants program has no relationship to NAIF investments.
 - All eligible NADP applications were assessed by an independent committee against grant eligibility and assessment criteria.

Background

Key dates for the Grants Program

NADP:

- Announced on 30 September 2021.
- Opened for applications on 4 November 2021.
- First batch for assessment closed on 10 December 2021.
- 187 applications were received valued at over \$460 million.

Contact: Linda Lee

Cleared by First Assistant Secretary: Matthew Roper

Phone: s47F

Version Number: 02

Date: 18/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead: Linda Lee

SB22-000171

NABCGP:

- Announced and opened for applications on 6 December 2021.
- First assessment round closed 13 January 2022, for the first 20 eligible applications.
- 9 applications valued at over \$7 million were received.

Grants were approved in March 2022.

Assessment Committee

The Assessment Committee comprised of six members (including the Chair) who were appointed in January 2022:

- Ms Glenys Schuntner (Qld), Chair
- Mr Scott Anderson (Qld)
- Mr Jeff Gooding (WA)
- Mr Chris Rees (Qld)
- Ms Angela Tomazos (NT)
- Ms Emma White (WA)

Members were selected by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts based on their demonstrated experience in regional economic development in Northern Australia and governance. Industry diversity, Indigenous business experience, geographic and gender diversity were also taken into account. Terms of Reference for the Assessment Committee were approved by the then Minister for Northern Australia in January 2022.

The members were approved by the Deputy Secretary and appointed by the Business Grants Hub, Department of Industry, Science and Resources (DISR).

The Assessment Committee was managed by the Business Grants Hub within DISR. It assessed applications for both of the programs.

Business Advisory Services

Business Advisory Services have been established through AusIndustry's Entrepreneur Programme operations (within DISR). This is a partnership model with a national network of private sector delivery partners.

Service providers selected include the Ai Group in Western Australia, Darwin Innovation Hub in the Northern Territory and Deloitte in Queensland and for the digital delivery specialists. There are currently 7 facilitators and 3 digital specialists providing services in the north.

Contact: Linda Lee**Cleared by First Assistant Secretary:** Matthew Roper**Phone:** s47F**Version Number:** 02**Date:** 18/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead: Linda Lee

SB22-000171

Delivery costs

The delivery costs for the NADP include program and application management through the DISR Business Grants Hub, establishment of the business advisory services through AusIndustry, and the establishment and operation of the Assessment Committee.

The NABCG delivery costs included the Business Grants Hub administration fees for establishment and management of the program.

The total program cost of \$111.9 million includes:

- \$79.6 million allocated to grants between:
 - \$77.4 million NADP:
 - \$59.7 million Northern Australia Industry Transformation Grants (grants between \$3 million and \$10 million); and
 - \$17.7 million Northern Australia Business Development Grants (grants between \$50,000 and \$2 million).
 - \$2.2 million NABCG.
- \$20.6 million for business advisory services.
- \$11.3 million allocated for implementation of the program (note revised to \$9.8 million with DISR 2021-22).

Financial Information as at 31 October 2022

Program Start Date:	2021-22					
Program End Date:	2025-26					
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	TOTAL \$m
Appropriation Budget		38.41	40.31	4.72	4.72	100.6
Less:						
Actual Expenditure YTD at 31 August 2022	12.4	4.7				17.1
Total Committed Funds at 31 August 2022	0	33.71	37.00			70.7
Total Uncommitted Funds (balance)			3.34	4.72	4.72	12.78

Note: Table does not include the departmental funding of \$9.8m.

Contact: Linda Lee

Cleared by First Assistant Secretary: Matthew Roper

Phone: S47F

Version Number: 02

Date: 18/10/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Linda Lee

SB22-000172

SUBJECT: Northern Australia Agenda**Talking Points**

- Developing Northern Australia is critical to the prosperity, security and future of our nation as a whole.
- The Australian Government has committed to leading an agenda for developing Northern Australia that will focus on resilient and sustainable growth.
- The Minister for Northern Australia has signalled her intention to place a greater focus on social infrastructure and community-led development, while supporting industry to expand and create sustainable regional jobs.
- First Nations people make up sixteen percent of the Northern Australian population. Meeting the aspirations of First Nations people and communities is essential to the Northern Australia agenda and will help deliver on the Government's commitment to implementing the Uluru Statement from the Heart.
- The Government has established the Northern Australia Ministerial Forum to work cooperatively with States and Territories in progressing key priorities for the north. Strengthening the institutional arrangements for the Northern Australia agenda will create an enduring framework for cooperation.
- Outcomes from the Government's Jobs and Skills summit will have positive effects in addressing the skills and jobs shortages being experienced in regional Australia, including the north.

Key Issues

- Indigenous engagement is key to progressing Northern Australia development.
 - The Northern Australia Indigenous Reference Group (IRG) advises the Government on northern development, maximising benefits and implementation outcomes for Indigenous Australians (refer **SB22-000167** – Indigenous Reference Group). The IRG last met on 11-13 October 2022.
- Economic development in Northern Australia continues to be supported by the Northern Australia Infrastructure Facility (NAIF), encouraging private investment in infrastructure to support government priorities (refer **SB22-000168** – NAIF Governance).
- As part of the 2022-23 October Budget, the Government confirmed an additional \$2 billion for the Northern Australia Infrastructure Facility (NAIF), bringing the total capital appropriation for the NAIF to \$7 billion through to 30 June 2026.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Linda Lee

SB22-000172

Background

The bi-partisan 2015 *Our North, Our Future: White Paper on Developing Northern Australia* sets out the 20-year strategic framework for growth through policy and initiatives delivered by a whole of government approach.

The White Paper established Northern Australia's value proposition for the nation and laid the foundations for success by identifying 51 measures. All 51 measures have been delivered or closed for reporting purposes.

The Minister for Northern Australia is consulting with her government colleagues, jurisdictional counterparts, and stakeholders on priorities for Northern Australia.

The Minister for Northern Australia will continue to take a whole of government approach to the Northern Australia agenda, including the transition to net zero by 2050 as it relates to her resources portfolio.

Regions of Growth

In November 2021, the previous Minister for Northern Australia announced that the \$9.3 million Regions of Growth initiative was being accelerated through the development of three regional Master Plans, focussing on locations within the following corridors:

- Mount Isa to Townsville (QLD);
- Beetaloo Basin to Katherine to Darwin (NT); and
- Broome to Kununurra to Darwin (WA and NT).

In March 2022, WSP Consultants were contracted to provide economic analysis and project services, including to help develop the Regions of Growth Master Plans and to undertake extensive consultation.

The contract was valued at \$700,260.00 (GST inclusive), commencing 28 March 2022, with an end date of 12 September 2022. As per Caretaker Conventions during the Federal Election, public consultation as part of the Master Planning process was deferred. The contract has not yet been concluded.

WSP has delivered draft economic analyses reports into supply chains, drivers of growth and socio-economic status in relevant regions, with final reports to be delivered early November. \$226,400 (GST inclusive) of the contract budget has been expended.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Linda Lee

SB22-000172

The Minister for Northern Australia is currently considering the Regions of Growth Initiative and how best to use material developed through consultation, by consultants, and the department to inform her priorities for Northern Australia. This also includes how to best undertake further stakeholder consultation potentially utilising WSP's specialist consultation skills.

Connecting Northern Australia Initiative

Round 2 of the Regional Connectivity Program is providing up to \$137.2 million (GST inclusive) for 93 telecommunications projects in regional and remote Australia. This funding includes \$69.6 million (GST inclusive) of dedicated funding towards 34 projects in Northern Australia under the Connecting Northern Australia (CNA) initiative.

The Government is committed to investing \$200 million (as part of the \$656 million Better Connectivity Plan for Rural and Regional Australia) over the next five years to improve connectivity for regional communities.

The arrangements for the \$200 million Regional Connectivity Program were announced in the October Budget (refer to **SB22-000127** – Regional Connectivity Program).

Whole of government reporting on Northern Australia

In October 2023, Ernst and Young was contracted to develop a Monitoring, Evaluation and Reporting Framework (MERF). The MERF will quantify and communicate progress with the Northern Australia agenda and assist future policy development.

The contract commenced on 17 October 2022 and is valued at \$420,310 (GST inclusive). The MERF, and the first evaluation report are scheduled to be completed by February 2023.

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Linda Lee

SB22-000172

Budget information as at 30 September 2022 – Regions of Growth (departmental only)

Program/Project Start Date:	2021/22					
Program/Project End Date:	2022/23					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget	0	2.9	6.4	0	0	9.3
Less:						
Actual Expenditure YTD at 30 September 2022			0.04			
Total Committed Funds at 30 September 2022			0.5	0	0	0.5
Total Uncommitted Funds (balance)	0		5.9	0	0	5.9

Note: There is approximately \$1.7 million forecast to be spent in 2022-23 on Regions of Growth activities; however, this remains uncommitted as procurement processes are ongoing.

Budget information as at 25 October 2022 – Connecting Northern Australia Initiative

Program/Project Start Date:	April 2021					
Program/Project End Date:	June 2024					
	2020-21 \$m	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	TOTAL \$m
Appropriation Budget		0	44.5	22.0	0	66.5
Less:						
Actual Expenditure YTD at 30 September 2022		0	0			0
Total Committed Funds at 30 September 2022			1.2	0	0	1.2
Total Uncommitted Funds (balance)			43.3	22.0	0	65.3

Note: Committed funds relate to funds committed under a Funding Agreement, Contract or Program of Works where the Project, Profile and Conditions have been agreed to, or a formal offer has been made pending agreement, by the recipient.

Contact: Linda Lee

Cleared by First Assistant Secretary: Matthew Roper

Phone: s47F

Version Number: 01

Date: 30/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Linda Lee

SB22-000172

Regions of Growth- Full program envelope

	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Appropriation	2.985	2.124	1.904	1.361	0.906	9.281
Movements/decisions	-0.084	4.256	-1.904	-1.361	-0.906	-0
Current Appropriation	2.901	6.380	-	-	-	9.281

Figures are exclusive of GST

Contact: Linda Lee

Cleared by First Assistant Secretary: Matthew Roper

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Version Number: 01

Date: 30/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: s47F s47F

SB22-000173

SUBJECT: Energy Security and Regional Development Plan**Talking Points**

- The Australian Government has reviewed and redirected funding from the former government's *Energy Security and Regional Development Plan* (ESRDP) as part of its Review of March Budget Measures.
- The Government has identified a number of projects that it will commit to funding because they meet Government priorities such as decarbonisation, support clean energy and provide a clear public benefit.
 - For example, funding is being redirected to public infrastructure projects that will provide enabling support for emerging industries and help create sustainable regional jobs.
 - Funding will also be redirected to projects that match Government election commitments.
- Remaining projects will not be progressed, with funding redirected for Budget repair and offsetting new programs of work.
 - No projects were contracted under the former government, with the announced projects subject to further investigation and business cases.
- The Department of Infrastructure, Transport, Regional Development, Communications and the Arts is now working with relevant jurisdictions and project proponents to further scope projects and determine timeframes for delivery.

Key Issues

The Energy Security and Regional Development Plan (ESRDP) was announced by the former Government at the March 2022-23 Budget. It provided \$7.1 billion of funding across four regions:

- Northern Territory (\$2.6 billion);
- the Pilbara in WA (\$1.5 billion);
- Central and North Queensland (\$1.7 billion);
- the Hunter in NSW (\$750 million);

The \$7.1 billion also included \$870 million in unallocated funding and \$112 million in departmental funding.

The full list of ESRDP projects, announced at the March Budget and during the Federal election campaign, including current status, is at **Attachment A**.

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Cleared by First Assistant Secretary: Matthew Roper

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Version Number: 02

Date: 30/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: s47F s47F

SB22-000173

The Government reviewed the ESRDP through the October 2022-23 Budget process, and made the decision to commit to the following enabling infrastructure projects that support Government objectives and have the potential to create significant public goods:

Projects committed to at 2022-23 October Budget (indicates related Government election commitment):**

Northern Territory

- \$1.5 billion in planned equity for marine infrastructure in Middle Arm**
- \$440 million in planned equity for logistic hubs in the Northern Territory
- \$110 million for upgrades to the Tanami Road, to be taken forward as part of the Infrastructure Investment Program (IIP)**

Central and North Queensland

- \$70 million for a Townsville Hydrogen Hub, to be taken forward by the Energy Portfolio**
- \$7.7 million for Port of Bundaberg Common User facility, part of the Budget's \$672.7 million regional measure for enabling infrastructure
- \$11.5 million for Strategic Water Infrastructure Planning: Burdekin (transferred to the Water Portfolio)
- \$8 million for further construction of Big Rocks Weir (transferred to the Water Portfolio)
- \$12.5 million for groundwater improvement in the Lower Burdekin (transferred to the Water Portfolio)
- \$400 million for sealing of partially unsealed roads (457km) and extending heavy vehicle corridors along the Dawson, Leichardt and Burnett Highways (also known as 'beef roads'), to be taken forward as part of the Infrastructure Investment Program (IIP)
- \$400 million for upgrading the Inland Freight Route as an alternative north-south route to the Bruce Highway and North Coast rail line, to be taken forward as part of the Infrastructure Investment Program (IIP)

Pilbara

- \$285 million for Dampier port to provide additional common user infrastructure, part of the Budget's \$672.7 million regional measure for enabling infrastructure
- \$280 million for Lumsden Point port to provide additional common user infrastructure, part of the Budget's \$672.7 million regional measure for enabling infrastructure
- \$400 million for upgrades to the Tanami Road, to be taken forward as part of the Infrastructure Investment Program (IIP)**

Contact: s47F

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Version Number: 02

Date: 30/09/2022

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: s47F s47F

SB22-000173

Hunter

- \$100 million for the Port of Newcastle to support making it hydrogen ready, part of the Budget's \$672.7 million regional measure for enabling infrastructure
- \$55 million for upgrades to Newcastle Airport, to be taken forward by the Aviation division**
- \$56 million for upgrades to the Mandalong Road, to be taken forward as part of the Infrastructure Investment Program (IIP)**
- \$269 million for upgrades to Muswellbrook Road, to be taken forward as part of the Infrastructure Investment Program (IIP)**

Contact: s47F

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Version Number: 02

Date: 30/09/2022

Northern Territory			
Project	Amount committed at March Budget	Description	Status
Marine Infrastructure – Middle Arm	\$1,500.0m	Building new common use marine infrastructure, such as a wharf, an offloading facility and dredging of the shipping channel – to enable establishment of new industries across renewable and energy sectors, including green hydrogen.	Confirmed at October Budget. (also an election commitment)
Logistics Hubs - Alice Springs - Katherine - Tennant Creek	\$160.0m \$63.2m \$216.8m	Building new transport hubs in key regional locations to support movement of goods and resources – includes a rail loop/siding, utilities and roads for a shared industrial precinct.	Confirmed at October Budget.
Tanami Road Upgrade	\$110.0m	Contribution to the Australian Government's ongoing commitment to complete the upgrade of the Tanami Road to a two lane, sealed standard.	Confirmed at October Budget. (also an election commitment)
Enabling infrastructure for Middle Arm Sustainable Development Precinct	\$200.0m	Deliver the land transport components of the Middle Arm precinct including upgrades of existing road network, new roads for the industrial subdivision and a rail spur.	Cease Project
Low emissions LNG, hydrogen and carbon capture and storage	\$300.0m	Low emissions LNG and hydrogen production in Darwin and associated carbon capture and storage infrastructure. The following projects were announced as part of the funding: <ul style="list-style-type: none"> Up to \$70m to develop a clean hydrogen industrial hub \$1m to support Inpex Operations Australia Pty Ltd's early-stage Clean Hydrogen Hub – Market Development Study at Middle Arm. Up to \$100m to support Darwin LNG Pty Ltd and Santos Ltd to construct an Integrated Northern Australia Carbon Capture and Storage Hub. Up to \$30m for Inpex Browse E&P Pty Ltd to assess the Petrel sub-basin's suitability for permanent, safe and low-cost CO2 storage. Up to \$3.43m for CSIRO to develop a NT low emissions CO2 utilisation industrial hub business case and associated technical studies. \$96m for future clean energy projects. 	Cease Project

Darwin Airport Infrastructure Upgrade	\$10.0m	Construction of \$8m manufacturing plant/hangars, and \$2m road and taxiway upgrades for Amphibian Aircraft Holdings.	Cease Project
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Pilbara			
Project	Amount committed at March Budget	Description	Status
Additional infrastructure at Lumsden Point	\$280.0m	Funding for additional common use infrastructure, to support forecast growth in demand for minerals key to the battery and electric vehicle markets and the import of equipment required to grow the hydrogen industry and renewable energy. Funding will also enable Lumsden Point to service other general cargo trades.	Confirmed at October Budget
Upgrades to port infrastructure in Dampier	\$285.0m	Funding for additional common use infrastructure, to support forecast growth in demand for minerals key to the battery and electric vehicle markets, and the hydrogen sector. Funding can support replacing and strengthening Dampier Cargo Wharf; strengthen approach bridge and construction of an additional Multi-Purpose Bulk Liquids Berth.	Confirmed at October Budget
Sealing of the Tanami Road	\$400.0m	Funding to seal the 330km Tanami Road in WA, the majority of which is unsealed.	Confirmed at October Budget (also an Election Commitment)
Low emissions manufacturing facilities	\$200.0m	Funding to establish a low emissions manufacturing hub for high demand domestic and export goods.	Cease Project
Supporting private investment in firm generation and grid infrastructure	\$100.0m	Funding for the upgrade of power grid infrastructure in the Pilbara and attract more private sector investment.	Cease Project
Onshore processing to support low emissions steel production	\$200.0m	Investment in new iron ore processing facilities in the Pilbara to increase the iron ore processing using renewable energy sources.	Cease Project

Hunter Region			
Project	Amount committed at March Budget	Description	Status
Port of Newcastle 'hydrogen-ready'	\$100.m	Funding for a feasibility study and detailed engineering design works for the Port of Newcastle to make it hydrogen-ready for private sector investment	Confirmed at October Budget
New England Highway – Muswellbrook Bypass	\$268.8m	Funding for a New England Highway bypass of Muswellbrook.	Confirmed at October Budget (also an Election Commitment)
Newcastle Airport upgrade	\$55.0m	Funding to upgrade and expand the Newcastle Airport terminal to better accommodate future international passenger services. This is in addition to an existing \$66m investment to upgrade the runway.	Confirmed at October Budget (also an Election Commitment)
Mandalong Road upgrades	\$56.0m	Funding to upgrade road and replace two roundabouts with traffic lights.	Confirmed at October Budget (also an Election Commitment)
NSW Hunter Regional Livestock Exchange	\$2.7m	Funding to upgrade the Hunter Regional Livestock Exchange, expanding the holding yards and feeding areas for cattle, new carpark facilities, improving gates and flooring, and increasing water storage capabilities.	Cease Project
Bulga-Mibrodale Water Supply Project	\$15.0m	Funding for provision of reticulated water mains in Bulga served by a transfer water main connecting to the existing water supply network at Broke. Also includes a water carter filling station that may be accessed by commercial operators to provide water to properties outside the water supply area.	Cease Project

Central and North Queensland			
Project	Amount committed at March Budget	Description	Status
Strategic planning work for water infrastructure	\$11.5m	A package of strategic planning work to help determine the optimal mix of water infrastructure investment in the Burdekin and Central Queensland.	Confirmed at October Budget Transfer to Water portfolio
Additional contribution to Big Rocks Weir	\$8.0m	Additional contribution to the Big Rocks Weir project pending finalisation of pre-construction activities – contribution is intended to co-fund any cost increases arising from preconstruction work on the Weir.	Confirmed at October Budget Transfer to Water portfolio
Groundwater improvement in the Lower Burdekin	\$12.5m	Funds the extraction of additional water from bores and reducing channel seepage in the lower Burdekin.	Confirmed at October Budget Transfer to Water portfolio
Port of Bundaberg – new common user infrastructure	\$7.7m	Funding to deliver common user infrastructure at the Port of Bundaberg, building on the \$10m already committed under the Hinkler Regional Deal.	Confirmed at October Budget
Inland Freight Route	\$400.0m	Upgrading the Inland Freight Route as an alternative north–south route to the Bruce Highway and North Coast rail line. Funding is additional to the existing project being funded by the Australian Government (\$400m).	Confirmed at October Budget
Northern Australia Roads Program (Queensland Beef Corridors)	\$400.0m	Sealing of partially unsealed roads (457km) and extending heavy vehicle corridors along the Dawson, Leichardt and Burnett Highways.	Confirmed at October Budget
Townsville hydrogen hub	\$70.0m	Funding to establish a clean hydrogen hub in Townsville.	Confirmed at October Budget Taken forward by Energy portfolio – Minister Bowen (also an Election Commitment)
Urannah Dam	\$483.0m	Funding towards the construction of Urannah Dam.	Cease Project
Bowen Pipeline	\$80.0m	Proposed pipeline to transfer 100GL of water p.a. from the Burdekin River to supply water users in the Bowen region.	Cease Project
Rockhampton Airport apron	\$10.0m	Funding of an airport apron.	Cease Project
Ayr Industrial Estate	\$3.3m	Funding to the Burdekin Shire Council to expand the Ayr Industrial Estate – establishing 23 fully serviced allotments on 7.5 hectares of land adjoining the existing estate.	Cease Project
Gracemere Saleyards	\$5.0m	Funding to upgrade the Central Queensland Livestock Exchange in Rockhampton.	Cease Project
Central Queensland Inland Port	\$25.0m	Funding towards the Emerald to Yamala Enterprise Area Water Pipeline; funding to	Cease Project

		construct new intake and pump station at Selmas Weir; and 24km pipeline from Nogo River (at the Selma weir) to the Yamala Enterprise Area.	
Richmond Agricultural Project	\$7.3m	Investment towards a large-scale water diversion and storage facility just outside of Richmond.	Cease Project
Agvet Chemicals and Technologies Innovation (ACTI) Centre at UNE	\$15.0m	Establishment of a regional node of the ACTI Centre of Excellence to work in partnership with researchers, regulators, farmers, industry, exporters and community.	Cease Project
Magnesium Processing Plant (Stanwell)	\$25.75m	Funding to Magnium Australia to build and commission the first module of a magnesium plant in Stanwell.	Cease Project
Enabling public infrastructure to support chemical manufacturing plant	\$40.0m	Funding to build a new inline blending plant in Gladstone, including infrastructure to attract private investment to support the agricultural supply manufacturing industry.	Cease Project

Released under FOI Act by DITRD

BUDGET ESTIMATES 2022 - 2023

Rural and Regional Affairs and Transport

Lead/Support contact: Tiffany Karlsson

SB22-000223

SUBJECT: Precincts and Partnerships Program (PPP)**Talking Points**

- The Australian Government is committed to building genuine partnerships with regional areas across the country, which promote real collaboration on longer-term place-based strategic planning between governments, businesses and communities.
- In the October 2022-23 Budget, the Government committed \$1 billion for two new Regional programs: the Regional Precincts and Partnerships Program and the Growing Regions Program.
- The Regional Precincts and Partnerships Program (Program) will be a new program providing a strategic, nationally-consistent mechanism for regional infrastructure investment and will be the mechanism for assessing and delivering all future regional partnerships.
- Unlike a grant program, the Program will create partnerships between governments, stakeholders and communities to strategically invest in areas of need and secure co-investments at a variety of scales.
- The Program will create opportunities to transform regions and regional cities, including paving the way for the transition to net zero emissions, and create social as well as economic infrastructure, by including education, cultural arts and sporting precincts, for example.
- It will focus on investment in precincts – ‘places with purposes’, which are constrained geographic areas with initiatives shaped around a specific use or theme.
- Subject to the consultation process on the grant opportunity guidelines, the Program will open for applications in Q2 2023, with funding for the first Precinct Partnership to start in 2023-24.
- The Program supports the Government’s broader regional policy and investment approaches (**SB22-000065**).

Key IssuesReplacing the previous government’s City and Regional Deals program

- The Government has committed to honour existing deal commitments until these are completed. No new commitments will be added to existing deals.
- The Program presents a new approach to supporting place-based priorities. The Australian Government, State and Local Governments will be able to jointly invest at a precinct level, allowing targeted, and place-based delivery on Government priorities.
- Where applicable, existing deal stakeholders with additional new activities to propose would be able to apply for the Program to be considered for a Precinct Partnership.

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Lead/Support contact: Tiffany Karlsson

SB22-000223

If asked about future investments in Australia's urban areas, refer to the Government's six-point plan for cities and suburbs (**SB22-000159**).

Proposed timing for the Program

- The Program will start with a consultation process on elements of the grant opportunity guidelines, which will test interest for the new Program with State and Local Governments, First Nations people, the not-for-profit sector, universities, industry and community.
- The consultation process will also help inform design and delivery of the Program, ensuring accountability, transparency and fairness.
- The consultation process will be undertaken between late 2022 and early 2023, prior to public release of the finalised grant opportunity guidelines.
- The Program will then be open for applications in Q2 2023.
- It will invite proposals nationally from State, Territory and Local Governments, as well as not-for-profit organisations, including securing co-investments from other parties where possible.
- Funding for the first Precinct Partnership will start in 2023-24.
- The value of each grant is anticipated to range between \$5 million and \$50 million, tailored to the individual needs of each proposal.
- Further details on the Program and next steps will be announced later in 2022.
- The Program is expected to end on 30 June 2026.

Background

- The Program will be open for all outside metropolitan areas to ensure that no one misses out on the opportunity to be considered for a Precinct Partnership.
- The Program aims to create economic opportunities and improve the social inclusion and accessibility, liveability and sustainability of regional areas nationally by supporting precinct-based projects.
- Regional precincts can exist at a variety of scales, from Business Districts, renewal areas, and growth areas in regional centres, regional cities, as well as smaller town centres that serve as service hubs in more remote communities.
- Purposes that precincts funded under the Program could include:
 - renewable energy and supporting the transition to net zero emissions,
 - the circular economy,
 - transforming and diversifying Australian industries and the economy,
 - smaller-scale infrastructure to support the delivery of health services,
 - education,

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- arts and culture,
 - sport,
 - innovation, and/or
 - integrated transport services.
- The Program will offer flexibility by supporting initiatives at multiple stages of readiness, and better responsiveness as it can adaptively leverage investments and new and existing precinct arrangements in places that are experiencing economic and social need.
- The Government will engage in genuine collaboration on new Precinct Partnerships – emphasising a better partnership approach overall.

Financial Information as at 25 October 2022

- \$1 billion in administered funding will be committed over three years for two new Regional programs: the Regional Precincts and Partnerships Program and the Growing Regions Program to support community and place-based investment in rural and regional Australia, through both a collaborative partnerships program and competitive grants program.
- Final funding details for the Regional Precincts and Partnerships Program will be settled in the coming weeks.