



Australian Government
**Department of Infrastructure, Transport,
Regional Development and Local Government**

File Reference: 07035-2009

Committee Secretary
Senate Foreign Affairs, Defence and
Trade References Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir/Madam

**INQUIRY INTO MATTERS RELATING TO THE TORRES STRAIT
REGION**

Attached is a submission from the Department of Infrastructure, Transport, Regional Development and Local Government to the Senate Foreign Affairs, Defence and Trade References Committee in response to the Committee's request for submissions to its inquiry into matters relating to the Torres Strait region. The submission sets out the areas of portfolio administration of programs impacting on infrastructure and services in the Torres Strait region. It provides background information for the Committee.

The Department would be happy to provide further information to the Committee if there are issues requiring further detail.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Stuart Sargent'.

Stuart Sargent
General Manager
Office of Northern Australia

23 November 2009

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Senate Standing Committee on Foreign Affairs, Defence and Trade

Inquiry into the Administration and Management of Matters Relating to Australia's Northern Air, Sea and Land Approaches in the Region of the Torres Strait

*Submission by the Department of Infrastructure, Transport, Regional Development and Local
Government*

November 2009

Introduction

The Department of Infrastructure, Transport, Regional Development and Local Government (the Department) contributes to the well-being of all Australians through the following three Outcomes:

Outcome 1: Improved infrastructure across Australia through investment in and coordination of transport and other infrastructure.

Outcome 2: An efficient, sustainable, competitive, safe and secure transport system for all transport users through regulation, financial assistance and safety investigations.

Outcome 3: Coordinated community infrastructure and services in rural, regional and local government areas through financial assistance.

Through its three outcomes, the Department is responsible for providing policy advice, delivering administered items and regulation according to the following eight programs:

- Infrastructure investment;
- Infrastructure investment coordination;
- Transport security;
- Surface transport;
- Road safety;
- Air transport;
- Regional development (including Office of Northern Australia); and
- Local Government.

This Submission seeks to assist the deliberations of the Senate Foreign Affairs, Defence and Trade References Committee on matters relating to the Torres Strait by providing information on the various programs that the Department has in the Torres Strait region.

Air transport

Air transport plays an important role in connecting the Torres Strait island communities with each other and with the Australian mainland. Due to its remote location, with Cairns being the closest mainland city located approximately 1,000 kilometres away, and the separation of the Torres Strait island communities from each other, the Torres Strait is heavily dependent on air transport for the delivery of a wide range of essential goods and services.

The primary airport in the Torres Strait is on Horn Island which serves as the regional transport hub for the Torres Strait and Northern Peninsula Area (Cape York) region. Horn Island airport is owned and operated by the Torres Shire Council, which has primary responsibility for its operation, maintenance and development. The airport is a certified aerodrome regulated by the Civil Aviation Safety Authority (CASA) and subject to the safety regulations and standards issued pursuant to the *Civil Aviation Act 1988*.

Air services in the Torres Strait are provided by commercial operators with no operating subsidy from the Queensland Government. QantasLink provides daily services between Cairns and Horn Island under a five year exclusive service contract with the Queensland Government. Inter-island air transport is currently provided by West Wing Aviation which operates services to the twelve main islands in the region. These services are not regulated or subsidised by the Queensland Government.

The Australian Government continues to have responsibility for air navigation, aviation safety and aviation security. This sees the operation and maintenance of some local and regional airports (mainly those that receive scheduled airline flights like Horn Island) being subject to the safety regulations and standards set under the *Civil Aviation Act 1988* and administered by the Civil Aviation Safety Authority (CASA). In addition, airport operators must comply with security standards set by the Office of Transport Security. However, while the Commonwealth has a critical safety and security regulatory role, it does not actually operate or manage local and regional aerodromes, and has no responsibility for regulating the provision of intrastate air services.

The Australian Government provides considerable financial assistance to the states and territories and to local councils through Local Government Financial Assistance Grants (see later section). These untied grants may be used for the maintenance or development of regional aerodromes as appropriate.

The Australian Government also provides financial assistance to support air services and aerodrome upgrades to regional and remote communities that would not otherwise be viable. Under the AirServices Australia Enroute Charges Payment Scheme, the Government provides assistance with the payment of enroute air traffic control charges to regional airlines and aeromedical operators who provide air services in regional Australia.

The Government has committed \$20 million over four years through the Remote Aerodrome Safety Program to improve the safety and accessibility of aerodromes in remote communities. This includes \$340,000 for the Horn Island runway upgrade approved under Round Three (2009-10) of the Program, contingent on agreement between Queensland DTMR and Torres Shire Council on the scope of works and funding required.

The Australian Government is also providing assistance to local councils for infrastructure upgrades through the Regional and Local Community Infrastructure Program (see later section). The Torres Shire Council received \$100,000 in 2008-09 under this program for geotechnical investigations and scoping studies for the proposed Horn Island Airport upgrade.

Transport Security Program and Initiatives

Regional Passenger Screening

Under the Australian Government's Regional Passenger Screening Program, staff at Australian non-screening security controlled airports are provided with security training and a nationally recognised Certificate II in Security Operations.

The purpose of this training is to provide a low level screening capacity in the event of heightened national security alert level. The program includes airports located within the Torres Strait region and continues to be delivered on a yearly basis.

Regional Airport Funding Program

The Australian Government's \$36.5m Regional Airport Funding Program was designed to assist regional airports in meeting their obligations under the Aviation Transport Security Program by providing regional airports with funding for basic security measures such as fencing, lighting, signage and alarm systems. The funding made available to the Torres Strait Islands in the five years to 2009 was as follows:

| | |
|---------------------|-----------|
| Badu Island | \$30,300 |
| Bamaga | \$94,050 |
| Boigu Island | \$32,280 |
| Erub/Darnley Island | \$26,400 |
| Horn Island | \$425,287 |
| Iama/Yam Island | \$49,518 |
| Kubin/Moa Island | \$25,237 |
| Murray/Mer Island | \$58,213 |
| Saibai Island | \$45,866 |
| Sue/Warraber Island | \$50,636 |

The implementation of the upgrades to the airport basic security measures for the Torres Strait Region has been completed.

Ongoing Compliance Activity and Capacity Building

The Department's Office of Transport Security (OTS) maintains ongoing compliance and capacity building activities to support the aviation and maritime preventive security

arrangements in the Torres Strait. Staff from the Brisbane office of the OTS conduct two visits each year to Thursday Island. These visits usually incorporate a range of activities including:

- maritime security compliance assessments at the Port of Thursday Island;
- ship security assessments involving passenger and fuel ships;
- aviation security compliance assessments at Horn Island airport;
- capacity building activities usually in the form of a desk top security exercise involving local airport / maritime staff and local police;
- liaison activities and desktop exercises with local police supported by representatives from the Queensland Police Service head office in Brisbane; and
- liaison and awareness activities aimed at locally based Australian Government border control agencies (Australian Customs and Border Protection Service (Customs), Department of Immigration and Citizenship, Australian Quarantine and Inspection Service and Department of Defence) to ensure that they understand the local requirements of the *Aviation Transport Security Act 2004* (ATSA) and the *Maritime Transport and Offshore Facilities Security Act 2003* (MTOFSA).

Local Government

Local Government Financial Assistance Grants (LGFAGs)

LGFAGs are provided under the *Local Government (Financial Assistance) Act 1995* (the Act). The LGFAGs are paid by the Australian Government to State and Territory Governments in quarterly instalments for immediate distribution to local governing bodies. They have a general purpose and an identified local road component, both of which are untied, allowing councils to spend the grants according to local priorities.

Local government grants commissions have been established in each State and the Northern Territory to recommend the distribution of the LGFAGs to local governing bodies in accordance with the Act and the National Principles for allocating grants. The 2009-10 total grant payment was \$1.923 billion. The quantum of the grants pool changes annually in line with changes in population and the Consumer Price Index, so as to maintain its real per capita value. One quarter of the estimated entitlement, \$480 million, was brought forward for payment in June 2009 to assist councils deal with the effects of the economic downturn.

A number of councils were amalgamated in Queensland in 2008, and this included amalgamations in the Torres Strait region. Recent LGFAGs payments to councils in the Torres Strait region are shown in the table below.

| Local Government Area | Cash Payment for 2008-09 (\$) | | | Cash Payment for 2009-10 (\$) | | | | | | Total (\$) |
|-----------------------|-------------------------------|---------|-----------|--------------------------------|--------|-----------|------------------------------|---------|-----------|------------|
| | | | | Cash Payment Made in June 2009 | | | Cash Payment Made in 2009-10 | | | |
| | General Purpose | Roads | Total | General Purpose | Roads | Sub-Total | General Purpose | Roads | Sub-Total | |
| Torres | 1,908,289 | 58,225 | 1,966,514 | 487,997 | 14,759 | 502,756 | 1,504,940 | 44,338 | 1,549,278 | 2,052,034 |
| Torres Strait Island | 5,792,882 | 142,096 | 5,934,978 | 1,480,017 | 36,048 | 1,516,065 | 4,344,214 | 107,673 | 4,451,887 | 5,967,952 |
| | 7,701,171 | 200,321 | 7,901,492 | 1,968,014 | 50,807 | 2,018,821 | 5,849,154 | 152,011 | 6,001,165 | 8,019,986 |

* A quarter of the 2009-10 LGFAGs estimated entitlement was brought forward to June 2009 to assist councils with cash flow management due to the global economic recession and consequent income pressures.

Payments to councils are also made under the Australian Government's Roads to Recovery program. Recent Roads to Recovery payments to councils in the Torres Strait region are shown in the table below.

| | Roads to Recovery | |
|---------------------------------------|--|-----------------------------|
| | Life of Program Allocation 2009-10 to 2013-14 (\$) | Allocation for 2009-10 (\$) |
| Torres Shire Council | 190,208 | 38,042 |
| Torres Strait Island Regional Council | 464,569 | 92,914 |

Local Government Reform Fund

The \$25 million Local Government Reform Fund was announced by the Prime Minister, the Hon Kevin Rudd MP, at the June 2009 meeting of the Australian Council of Local Government. The Reform Fund is aimed at improving the capacity and resilience of local government. It will produce better outcomes for communities through management of asset and financial planning processes and anticipating infrastructure needs, and encourage collaboration and partnerships within the local government sector to improve service delivery.

The Reform Fund will fund collaborative projects which focus on building capacity and resilience in critical areas, strengthen cross-sector partnerships, and support and showcase best practice. The Commonwealth has designed this program with maximum flexibility to allow funding for a variety of activities. It will accommodate differences in the needs and priorities of states/territories in the local government area.

For example, Queensland, in partnership with the local government association, will likely seek funding under the Reform Fund for 15 Aboriginal and Torres Strait Islander councils. Funding would be used to prepare asset and financial management plans for the water and sewage assets and a combined management plan to identify sharing of expertise in maintenance and to reduce costs.

Regional development

Regional and Local Community Infrastructure Program (RLCIP):

The RLCIP is a funding program designed to build and modernise community infrastructure and to support local jobs and stimulate local economies during the global financial crisis. It was announced by the Prime Minister at the Australian Council of Local Government inaugural meeting on 18 November 2008 as part of the Nation Building Economic Stimulus Plan.

Under RLCIP the Torres Strait Region has had eight Projects funded with total funding of \$300,000.00 provided. Details of these projects are outlined below.

| Council | Project Title | Project Summary | Funding provided per project |
|--|---|---|------------------------------|
| Torres Strait Island Regional Council | Warraber Essential Services Accommodation | Fit out of the Warraber Motel, a council owned accommodation facility for teachers, nurses and other community professionals. | \$25,000.00 |
| Torres Strait Island Regional Council | Erub Island Recycling Facilities | Purchase of industrial compactor for crushing aluminium and steel cans as well as plastic bottles. | \$25,000.00 |
| Torres Strait Island Regional Council | Mabuiag Essential Services Accommodation | Fit out of the Mabuiag Motel, a council owned accommodation facility for teachers, nurses and other community professionals. | \$50,000.00 |
| Torres Shire Council | Horn Island Airport Upgrade | Engineering and scoping studies, including geotechnical investigation for the extension and upgrade of runways at Horn Island Airport. | \$100,000.00 |
| Northern Peninsula Area Regional Council | Refurbishment of Bamaga Regional Aquatic Centre | Refurbishment and repair of the Bamaga Swimming Pool including the electric switchboard and filtration system, sun shade, lighting, pagodas, fencing and new barbeques. | \$70,000.00 |
| Northern Peninsula Area Regional Council | Upgrade of Injinoo Central Park Playground | Upgrade of Injinoo Central Park playground facilities including fencing, irrigation, pagodas and play equipment. | \$10,000.00 |

| Council | Project Title | Project Summary | Funding provided per project |
|--|---|---|------------------------------|
| Northern Peninsula Area Regional Council | Upgrade of Umagico Community Central Playground | Upgrade of Umagico Community Central playground facilities including fencing, irrigation, pagodas and play equipment. | \$10,000.00 |
| Northern Peninsula Area Regional Council | Upgrade of Seisia Community Playground | Upgrade of Seisia Community Central playground facilities including fencing, irrigation, pagodas and play equipment. | \$10,000.00 |

Regional Development Australia

Regional Development Australia (RDA) is a national network of committees comprising volunteers from business, the community and local government. RDA is a partnership between federal, state, territory and local governments, the private sector and local communities to strengthen regional communities and build their long-term economic, social and environmental sustainability. The new network builds on the earlier Area Consultative Committees (ACCs) and state-based regional development bodies but will have a broader, more strategic role.

RDA provides an opportunity for local communities to have a genuine voice at local, regional and national levels, and to ensure the three levels of government are responsive to local priorities.

Committees will work with local communities to build local capacity and skills to develop their own solutions to local issues, and plan for the future. RDA committees will:

- consult and engage with the community on issues, solutions and priorities;
- be a conduit of information between governments and local communities;
- support informed regional planning;
- provide communities with information about government programs, services, grants and initiatives; and
- be important contributors to business growth plans and investment strategies, environmental solutions and social inclusion strategies in their region.

The Memorandum of Understanding (MoU) establishing RDA in Queensland provides for a partnership between the Australian and Queensland governments to facilitate regional development. Under these arrangements, new incorporated associations (RDA committees) will be established.

Following Incorporation RDA in Queensland will comprise 12 committees and two outposts in remote areas. Committee boundaries are based on local government and state government regional planning boundaries. A map detailing RDA Queensland regional boundaries is at www.rda.gov.au/docs/RDA_QLD_map.pdf.

The RDA Far North Queensland and Torres Strait (FNQTS) replaces two ACCs (Far North Queensland and Torres Northern Peninsula ACC). RDA FNQTS will be based in Cairns. The issue of geographic distances and cultural diversity in the region has been addressed by establishing an outpost on Thursday Island and broad representation on the committee. Committee members were appointed in early October 2009. Over 50% of the Committee membership are women and approximately 20% of the Committee is drawn from the Torres Northern Peninsula Area.

Regional Partnerships

Regional Partnership funding in the Torres Strait region since 2005-06 has included the following:

- Horn Island Multi Use Centre: The Torres Shire Council was approved funding up to \$550,000 (GST exclusive) to undertake the construction of a multi-purpose sports and community complex at Horn Island.
- New Mapoon Multi Purpose Sport and Recreational Facility: New Mapoon Aboriginal Shire Council was approved funding up to \$700,000 (GST exclusive) for the construction of a new multi-purpose community facility that will meet the social and sporting needs of the local community.
- Masig Community Hall: Masig Island Council (now Torres Strait Island Regional Council) was approved funding up to \$680,500 (GST exclusive) to undertake the construction of a community hall on Masig (Yorke) Island. When completed, the project will enhance community infrastructure on Masig (Yorke) Island by providing an internet cafe, a facility for seniors and youth to hold cultural activities and meetings.

Office of Northern Australia

The Australian Government established an Office of Northern Australia (ONA) in March 2008, located within the Department. The ONA's key roles are to:

- provide links between the Australian Government and the people, towns, businesses, organisations and governments of northern Australia.
- Represent the interests of northern Australia in Australian Government policy forums and discussions; and
- provide policy advice to the Australian Government on sustainable development issues in, or affecting, northern Australia

The staff of the Office of Northern Australia has also taken every opportunity to improve communication and coordination across governments, business and communities on issues affecting northern Australia.

During 2009, ONA staff have also supported the Hon Gary Gray AO MP, Parliamentary Secretary for Western and Northern Australia in his regular visits to northern Australia and his engagement with a wide range of stakeholders.