



Australian Government

Department of Transport and Regional Services

**SUBMISSION 29**

File Reference: SP2006/0041  
Contact: Fred Leftwich

Mr S. Boyd  
Committee Secretary  
Standing Committee on Economics, Finance and Public Administration  
Department of the House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr Boyd

### **Inquiry into Australia's Service Industries**

Thank you for your letter of 5 June 2006 inviting the Department of Transport and Regional Services to make a submission to the Inquiry by the House of Representatives Standing Committee on Economics, Finance and Public Administration into current and future directions of Australia's service industries. I apologise for the delay in replying to you.

The Department recognises the key role the service industry sector and the substantial contribution that it makes to the Australian economy. Indeed, the wide range of activities undertaken by the Department contributes both directly and indirectly by facilitating access to the service sector. In particular, the responsibilities of the Department cover a wide range of activities that contribute to the safe and efficient operation of the transport sector.

To assist the Committee's work, I am highlighting four major areas where significant contributions are currently being made to the capacity of the transport sector and to regional communities through Australian Government policies and initiatives.

#### **AusLink**

AusLink is the Australian Government's policy for improved planning and accelerated development of Australia's land transport infrastructure. It will revolutionise the planning and funding of Australia's national roads, railways and inter-modal terminals by taking a long-term, strategic approach to future transport needs. AusLink is supported by a \$15 billion program of Australian Government investment over the five year period 2004-05 to 2008-09 together with partnering funding from State and Territory Governments and the private sector. Further information is available in the attached White Paper and the media release titled "AusLink commitment now \$15 billion following \$2.4 billion boost for road and rail".

#### **Negotiation of Air Services Agreements**

The Department is responsible for negotiating and administering air services arrangements between Australia and other countries as well as the licensing of Australian and foreign international carriers. This includes the provision of policy advice on aviation third party war and terrorism risks cover for damage on the ground to people and property, the coordination of policy advice associated with Australia's membership of the International Civil Aviation Organization (ICAO) and the operation of the International Air Services Commission (IASC). The attached media release titled "Australia to continue liberalisation of international air services" sets out the Australian Government's aviation policy objectives.

## **Regional Partnerships**

The Australian Government works in partnership with communities, government and the private sector to foster the development of self-reliant communities and regions. Through its Regional Partnerships Program, the Government seeks to strengthen growth and opportunities by investing in projects that provide greater opportunities for economic and social participation in the community; as well as assisting in structural adjustment by investing in projects that assist specifically identified communities and regions adjust to major economic, social or environmental change. Projects funded by the Government often relate to the provision of services (eg tourism development) or to infrastructure that facilitates the delivery of services. Further information is available in the attached media release titled "Changes to make Regional Partnerships stronger".

## **Transport Security**

Through its responsibility for the development of a National Transport Security Strategy, and collaboration with the other Australian Government agencies, State and Territory governments and the transport industry, the Department plays a key role in developing national threat and risk assessment strategies and practices. Its role is essential to ensuring a secure and safe transport system that can continue to provide its services efficiently. Further information is available in the attached media releases detailing Government security initiatives for the aviation and maritime sectors.

## **Other considerations**

The Committee may also wish to consider in its deliberations some general issues that have come to the notice of the Department, and that may be relevant to the Inquiry:

- Since the privatisation of government business enterprises in the maritime, air and rail sectors, it has not always been easy to obtain detailed information about operational issues, particularly performance data and key operational statistics, so that monitoring of productivity and other matters has become more difficult.
- Inquiries and studies into issues of public importance often focus on the national level. In our experience, significant regional variations can be masked within aggregated national data. To the extent that the Committee were able to obtain regional data on service industries, it would be useful to make that data publicly available.
- The availability of skilled personnel has recently become an issue in the economy generally. However, it is particularly significant in regional areas because thinner labour markets make it harder to find additional or replacement workers. This is an important factor faced by regional communities that seek to expand local economic activity through tourism-related services and other means.

While the Department will not be making a formal written submission, I would be happy to make available senior officers of the Department to provide further information on areas that can assist the committee in its deliberations. If you have any queries, Mr Fred Leftwich, Strategic Projects can be contacted on 02 6274 8061 or fred.leftwich@dotars.gov.au, and should be the first point of contact.

Yours sincerely

Mike Mrdak  
Deputy Secretary

August 2006

# MEDIA RELEASE



## The Hon Jim Lloyd MP

Minister for Local Government,  
Territories and Roads

09 May 2006

001TRS/BUDGET Joint

### Joint Media Statement

#### The Hon Jim Lloyd MP

Minister for Local Government,  
Territories and Roads

#### The Hon Warren Truss MP

Minister for Transport and Regional  
Services

## AUSLINK COMMITMENT NOW \$15 BILLION FOLLOWING \$2.4 BILLION BOOST FOR ROAD AND RAIL

The Australian Government will provide an extra \$2.4 billion for roads and rail projects (in 2005-06), bringing to \$15.0 billion its total funding commitment to land transport including AusLink, the National Land Transport Plan, for 2004-05 to 2008-09.

The Australian Government Minister for Transport and Regional Services, Warren Truss said an injection of \$2.4 billion will be paid to states, territories and local councils and the Australian Rail Track Corporation this financial year in recognition of the critical importance of transport infrastructure to the nation and is available to be spent immediately.

"This money is delivering on the Australian Government's strategic long-term vision to fund priority projects that support nation building. In implementing AusLink, we are moving Australia from a parochial and ad-hoc system for funding roads and railways towards a national plan that all governments and industry can support," he said.

### Highlights

Highlights of the additional funding include:

- \$800.0 million for the Hume Highway duplication to allow all but three short sections of the highway totalling 20 km to be converted to four lanes by the end of 2009;
- \$160.0 million extra for the Pacific Highway in New South Wales, to be matched by the New South Wales Government, increasing to \$1.3 billion the new joint programme of works for duplicating the Sydney-Brisbane coastal highway;
- a further \$48.0 million to be added to the \$80.0 million already

allocated for flood immunity works on the Bruce Highway at Tully and \$220.0 million for a range of improvements to the highway between Townsville and Cairns. This will enable the highway to withstand better the tests of nature, such as heavy rains and cyclones;

- \$323.0 million to Western Australia's Great Northern, Great Eastern and Eyre highways. The upgrades will make the roads wider and safer - suitable to the mining industry and other heavy vehicle traffic they carry;
- \$100.00 million to South Australia for upgrading the Sturt Highway between Gawler and Nurioopta to better serve movement of freight between the Riverlands and the Port of Adelaide;
- \$60.0 million to Tasmania to rehabilitate and widen the East Tamar Highway linking Launceston and Bell Bay;
- \$30.0 million to bring forward additional construction on flood mitigation works for the Victoria Highway across the Victoria River floodplain in the Northern Territory, to better enable it to withstand the tests of nature, including heavy seasonal rains or events such as Cyclone Monica;
- \$270.0 million extra to the Australian Rail Track Corporation to invest in the interstate rail network to allow heavier freight trains to operate faster and increase their competitiveness with road transport, on the Melbourne-Sydney-Brisbane corridor.

In addition to these amounts, Mr Truss said the Australian Government would provide an extra one-off \$307.5 million in 2005-06 to local, state and territory governments for investing in local roads.

"The share of funding each council receives is the same as applies already under the Roads to Recovery Programme and, in effect, doubles the amount of money the Australian Government is making available for local road improvements in 2005-06.

"It is available to be spent in the period to June 2009, together with the normal Roads to Recovery allocation councils receive. All projects for this funding will be selected by councils," Mr Truss said.

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## Media Contacts

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Kylie Butler ( Mr Truss' Office )      02 6277 7680 / 0403 141 300

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URL:

[http://www.ministers.dotars.gov.au/jl/releases/2006/May/001trs\\_budget\\_jl.htm](http://www.ministers.dotars.gov.au/jl/releases/2006/May/001trs_budget_jl.htm)



# Warren Truss

Minister for Transport and Regional Services  
Deputy Leader of The Nationals

M E D I A R E L E A S E

DOTARS06/018WT

21 February 2006

## Australia to continue liberalisation of international air services

The Australian Government will continue its policy of seeking liberalisation of international air service arrangements, Warren Truss, the Australian Minister for Transport and Regional Services, said today.

Mr Truss was announcing the Government's findings of its review of international air services policy.

"International air transport is a key driver of the Australian economy. It provides access to markets for our exports and is crucial for serving and growing the tourism industry," Mr Truss said.

"Improving our access to the world not only helps us grow the economy but also allows Australians to visit friends and family across the world.

"Given international aviation's importance to Australia and Australians I am pleased that our review found that the base policy settings we have had in place since 1999 are sound.

"We will continue these directions with some refinement to our negotiating objectives," he said.

In particular our air services policy will:

- recognise 'open skies' as an aspirational goal to be sought on a case-by-case basis, where it is in the national interest;
- negotiate capacity for air services ahead of demand, to allow airlines to make decisions and provide for competition and growth;
- maintain and expand access to a range of aviation hubs;
- recognise the contribution an Australian-based airline industry makes to the economy
- encourage major foreign carriers to commit to a long-term presence in Australia;
- address Australia's trade and economic interests;
- continue to attract more services to the regions and smaller states by offering unlimited access for airlines to all airports other than the four gateways of Sydney, Melbourne, Brisbane and Perth;
- grow the air freight market by seeking unlimited access for freight aircraft from Australian markets to and beyond the markets; and
- continue to reform the bilateral air services system by:

- o seeking to designate airlines through their principal place of business, rather than through ownership criteria; and
- o continuing to seek liberalisation through multilateral forums such as the International Civil Aviation Organisation (ICAO) and World Trade Organisation (WTO).

"Competition plays a vital role in the aviation sector, but Australia remains disadvantaged by restricted access to many key markets, particularly in Europe and Japan," he said.

Mr Truss said that on the issue of access to the Australia-USA 'Pacific route', the Australian Government may in the future negotiate access to the route on a case-by-case basis where it is in the national interest and where we can gain benefits to Australia.

"In terms of Singapore Airlines request for access to the Pacific route, the Government has decided not to grant access at the present time. If access is negotiated in the future, it will be limited and phased. We would not envisage Singapore airlines operating on the route for some years.

Mr Truss said this timeframe would allow Virgin the opportunity to develop its stated plans for the route.

"There is already plenty of scope for competition on the route, with any US or New Zealand airline, along with those of a number of countries, able to commence at any time," he said.

Mr Truss said the Australian Government had also considered Qantas' request for changes to the Qantas Sale Act in relation to its ownership rules and has decided not to make any changes.

"Our bilateral air services agreements with many countries require airlines to be substantially owned by Australian interests. Maintaining current ownership requirements provides certainty and ensures this icon company remains in Australian hands," he said.

The Australian Government believes that future mergers between major players in the international aviation industry are inevitable and considers that the Boards of Qantas and Singapore Airlines should consider the strategic advantage to be gained from such an alliance in our region.

**ENDS**



# Warren Truss

Minister for Transport and Regional Services  
Deputy Leader of The Nationals

M E D I A R E L E A S E

DOTARS05/051WT

15 November 2005

## Changes to make *Regional Partnerships* stronger

The Australian Government's delivery of regional services funding will be streamlined, and the role of local advisory committees strengthened, through changes to the *Regional Partnerships* program announced today by the Minister for Transport and Regional Services, Warren Truss.

Mr Truss said the changes were aimed at making a good program even better.

"The *Regional Partnerships* program had been running for just on two years when I became Minister [in July], so it is timely to review its operation and see how we can make it even better."

"The changes will make the application process simpler and faster, and provide clearer guidance on what kind of projects will be approved.

"Department officers in the regions will work closely with local Area Consultative Committees (ACCs) to develop quality applications, which will then go through a single assessment process in Canberra.

"This streamlining will mean that any problems with project applications can be identified locally and dealt with quickly, and final decisions on projects will be made sooner," he said.

ACCs will receive annual letters identifying the Government's *Regional Partnerships* priorities and there will be wider consultation in the development of strategic plans.

Final decisions on projects would now be made by a committee of Ministers: Mr Truss; the Minister for Local Government Territories and Roads, Jim Lloyd; and the Parliamentary Secretary to the Prime Minister, Gary Nairn.

Mr Truss said he also wanted to strengthen and develop the role of 56 Area Consultative Committees around Australia.

"The ACCs are a great resource, and we should be making more use of them to help in the delivery of a broad range of Australian Government programs, not just the *Regional Partnerships* program.

"From next year, the operational budget allocations for ACCs will be separated from the overall *Regional Partnerships* program allocation, and ACC budget will be provided as a three-year funding contract.

"This funding separation will make it easier for ACCs to attract and retain quality staff, to institute longer-term strategic plans, and to develop strategies to facilitate other Australian Government programs.

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"A review will be held into the boundaries of the ACCs and the Government will provide guidelines for the appointment of ACC members.

"These and other changes will reinforce the relationships between ACCs and local communities, improve access to a variety of government programs, and make it easier for regional communities to pursue projects to build economic and social capital.

"The *Regional Partnerships* program has already played a valuable role in building local communities, and I am confident that these changes will build on that success," Mr Truss said.

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**\*See attachment for details of changes and backgrounder for history of the *Regional Partnerships* program.**



## ***Regional Partnerships* program: measures announced on 15 November 2005**

Applications for *Regional Partnerships* program funding will no longer be assessed by Department of Transport and Regional Services (DOTARS) regional offices. DOTARS regional staff will work with local Area Consultative Committees (ACCs) to promote and facilitate the development of quality projects with local ACCs. There will be a single assessment of projects by DOTARS staff in Canberra, with a recommendation to Ministers.

ACCs will continue to rate nominated projects against the priorities identified in their strategic plans.

DOTARS will issue guidelines setting out the roles and responsibilities of regional office staff in relation to the development of RP projects, including clarification of the key criteria for project approval.

The Minister (for Transport and Regional Services) will provide written advice and guidelines each year to ACCs outlining the Government's broad policy priorities for the RP program, along the lines of that which is currently provided to the Research and Development Corporations.

Local communities and Local Members of Parliament will be consulted more extensively by ACC committees in the process of developing each ACC's strategic plan.

The Government, may from time to time, direct a pool of funds within the RP program for a specific investment priority which may not otherwise be brought forward by ACCs.

Greater emphasis will be placed on assessment of competitive neutrality issues associated with applications. Projects where assistance greater than \$25,000 is sought for a business or commercial venture will require a statement from the ACC chair that identifies any competitive neutrality risks posed by the project, prior to assessment of the project for funding approval.

Guidelines will be developed to clarify the role of Members and Senators in the development and sponsorship of projects to avoid any perception that their role reflects a political rather than electorate interest.

Funding approval will be subject to decision by a new committee comprising the Minister for Transport and Regional Services, the Minister for Local Government Territories and Roads, and the Parliamentary Secretary to the Prime Minister. The Ministerial committee will also be responsible for developing and approving program guidelines and administrative arrangements.

Funding to meet the annual operating costs of ACCs, currently met from within funds appropriated to the RP program as a whole, will be separately identified and ACCs will be allocated funds in accordance with a three-year contract. The contract will give the ACCs greater capacity to facilitate other Australian Government programs, and to retain good quality staff. The operational funding appropriation for ACCs will be indexed within existing appropriations.

The Government will appoint the chair and deputy chair of each ACC, and provide guidelines for the appointment of other members to help committees to be representative of the communities they serve.

ACC boundaries will be reviewed to ensure boundaries of rural ACCs reflect areas of common interest, and consider whether the boundaries and number of metropolitan ACCs are appropriate.

### **BACKGROUND ATTACHED**

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## BACKGROUND

### ***REGIONAL PARTNERSHIPS PROGRAM***

The *Regional Partnerships* program is based on an approach of working with local communities to support them in implementing their ideas. The program was established in 2003 to assist Australia's communities to strengthen growth and opportunities, improve access to services, support planning and provide assistance for structural adjustment.

The *Regional Partnerships* program integrated several former regional funding programs, including rural Transaction Centres, the Dairy Regional Assistance Program, the Regional Solutions Program, the Regional Assistance Program and the existing structural adjustment programs for the Wide Bay Burnett (Qld), Namoi Valley (NSW), Weipa (Qld) and the South West Forests (WA) regions.

There is \$360.9 million available under the *Regional Partnerships* program from 2005-06 to 2008-09.

Since its inception in July 2003, more than \$170 million in funding under the *Regional Partnerships* program has been approved for over 750 community projects across Australia up to October this year.

Funding has been made available for non-profit organisations such as charities, community and indigenous councils, cooperatives, local government and state-funded agencies. Funding is also open to the private sector. Organisations seeking assistance can apply at any time rather than waiting for a round of funding.

The *Regional Partnerships* program has a partnership philosophy and has successfully leveraged three dollars from others for every dollar of funding the Australian Government has contributed.

Area Consultative Committees (ACCs) are a national network of volunteer community-based committees, act as an important link between the Australian Government and rural and regional communities. The ACCs work in partnership to identify opportunities, priorities and development strategies for their regions. The 56 ACCs have a key role in promoting and assessing applications for the *Regional Partnerships* program but also have responsibilities in the delivery of other government programs.

Before today's changes a *Regional Partnerships* proponent developed an application, sometimes with the help of their local ACC. The application was then assessed by the DOTARS regional office who asked the ACC for advice. At that stage, the ACC assigned a priority to the project. The national office reviewed the application before it came before the Minister for Transport and Regional Services for a decision. The Minister took the ACC's advice into consideration in deciding whether or not to approve the applications.

**ENDS**



# BUDGET 2006-07

THE HON WARREN TRUSS MP

Minister for Transport and Regional Services

SENATOR THE HON CHRIS ELLISON

Minister for Justice and Customs

Tuesday, 9 May 2006

011TRS

## AIR CARGO SECURITY STRENGTHENED

The Australian Government, in partnership with industry, will implement new measures to further strengthen the security of domestic and international air cargo through a \$48 million package of initiatives.

This funding comes on top of the \$38 million package of air cargo measures announced by the Prime Minister in September last year.

In a joint announcement following the Treasurer's Budget speech, the Minister for Transport and Regional Services, Warren Truss and the Minister for Justice and Customs, Senator Chris Ellison, said that the funding would be allocated to the Department of Transport and Regional Services, and Customs.

The Department of Transport and Regional Services will receive \$13 million to expand the deployment of explosives trace-detection equipment for the examination of domestic air cargo at each of Australia's major airports; improve the quality of security training for cargo handlers; and partner with Customs and industry to undertake a number of trials to test a variety of existing and emerging explosives-detection technologies.

"The additional funding provided in the Budget to improve the safety and security of aircraft and airline passengers is testimony to the Government's strong commitment to counter any potential threats to the aviation sector," Mr Truss said.

Customs will receive \$35 million to implement measures to significantly increase the volume of air cargo subject to security screening.

"These new measures will enhance Customs capability to identify, inspect and respond to high-risk export air cargo. This will be achieved through the deployment of additional explosives detector-dog teams; the provision of additional mobile X-ray vans, and, in collaboration with industry, trial and evaluate communications technology to achieve real-time air cargo reporting," said Customs Minister Chris Ellison.

### Media contacts

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Australian Government

**Warren Truss**

Minister for Transport and Regional Services

**BUDGET/016TRS**

**9 May 2006**

## **\$4.7 million boost for security cards in aviation and maritime industries**

The Australian Government Minister for Transport and Regional Services, Warren Truss, today announced new measures to further tighten security at Australia's airports and ports, providing additional Australian Government expenditure of \$4.7 million over four years.

Mr Truss said the initiatives include \$2.9 million for the establishment of a regime to audit the activities of Aviation Security Identification Card (ASIC) and Maritime Security Identification Card (MSIC) issuing bodies.

"This will ensure that people have been appropriately background checked if they have a genuine need to access the secure areas of our air and seaports.

"A further \$1.8 million has been provided to enable the Department of Transport and Regional Services to undertake the assessment of ASIC and MSIC applicants' criminal history certificates for the period 1 July 2006 to 30 June 2007 when responsibility will move to the newly-created AusCheck in the Attorney-General's Department," Mr Truss said.

"The centralisation of the assessment process in my Department, in the lead up to the establishment of the Government centralised vetting agency Auscheck on 1 July 2007, will ensure ongoing consistency in decision making.

"This initiative builds on the further tightening of background checking and processing arrangements for the issue of an ASIC announced in September 2005 and demonstrates the Australian Government's commitment to strengthening our aviation and maritime security arrangements," he said.

**Media Contact:** Kylie Butler 02 6277 7680 / 0417 652 488



Australian Government

Warren Truss

Minister for Transport and Regional Services

BUDGET/017TRS

9 May 2006

## **\$11 million boost for domestic air cargo security.**

The Australian Government will focus on strengthening domestic air cargo security with a \$11 million injection in 2006-07, the Minister for Transport and Regional Services, Warren Truss, announced today.

Mr Truss said the \$11 million was part of a \$48 million package over four years to further strengthen security of both domestic and international cargo – which he announced with the Minister for Justice and Customs today.

“The \$11 million will go to the introduction of additional explosive trace detection technology at major domestic airports, bringing the checking of cargo carried on domestic passenger services in line with security for international services,” Mr Truss said.

“The funding will also provide funds to establish a quality assurance scheme to support the training of industry participants in the Regulated Air Cargo Agent Program.

“In addition the Department of Transport and Regional Services will work in conjunction with Customs and industry participants to conduct a number of trials to test a variety of existing and emerging explosives-detection technologies,” he said.

Mr Truss said that, reflecting the Government’s commitment to improving transport security, the new *Aviation Transport Security Act* came into force in March last year.

“It raised the regulation of domestic air cargo security to the same standard as international air cargo regulation.

“Subsequently, in September, the government committed \$38 million to further tighten air cargo security arrangements, including the staged introduction of technology to strengthen explosive trace detection capability.

“This first stage of initiatives was directed at strengthening the security of cargo carried on international passenger services. These policy measures were introduced as part of the government’s comprehensive response to the report by Sir John Wheeler into airport security and policing.

“The Government has moved quickly to implement the recommendations of the Wheeler Report and the \$11 million allocated in the 2006-07 Budget continues that implementation plan to domestic air cargo.

“Governments cannot afford to be complacent about security – and this second stage of initiatives will help to maintain Australia at the forefront of transport security,” Mr Truss said.

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