

CHAPTER TWO

TRANSPORT AND REGIONAL SERVICES PORTFOLIO

Department of Transport and Regional Services

2.1 The Committee heard evidence from the Department on Monday, 14 February and Friday 18 February 2005. The hearing was conducted in the following order:

- **Corporate Group**
- **Policy and Research Group**
 - Transport and Portfolio Policy
 - Bureau of Transport and Regional Economics
- **Programmes Group**
 - Transport Programmes
- **Regulatory Group**
 - Office of Transport Security
 - Airservices Australia
 - Aviation and Airports Regulation
 - Surface Transport Regulation
 - Australian Maritime Safety Authority
- **Safety and Investigation Group**
 - Australian Transport Safety Bureau
- **Regulatory Group**
 - Civil Aviation Safety Authority
- **Programmes Group**
 - Local Government Programmes
- **Policy and Research Group**
 - Regional Policy
- **Programmes Group**
 - Regional Programmes and Territories
 - National Capital Authority

2.2 In his opening remarks to the Committee, the Secretary of the Department focussed on number of issues relating to DOTARS' twin responsibilities for transport and regional services.

2.3 DOTARS' Secretary, Mr Mike Taylor, stated that airspace reform remained a high priority for the Department and commented on the decision to transfer responsibility for airspace regulation away from Airservices Australia. He also emphasised the Department's efforts in further improving airport security, including funding initiatives to raise security at regional airports and the enabling of the Aviation Transport Security Act. He also alerted the Committee to expenditure on maritime security and engagement with the states on surface transport security. He also informed the Committee of a commitment to enable the ATSB to lift its safety investigation capacity.

2.4 The Committee was also told that a number of new road funding projects had been announced under the AusLink initiative. These relate to the Geelong bypass, Townsville ring road and various Roads to recovery and black spot programs.

2.5 On regional matters, the Secretary informed the Committee that the Department was undertaking to extend the Bank@Post program, continuing the icon program and broadening the Sustainable Regions Program. Further, the Department was administering a bushfire administration program over three years, as well as the continuation of the flood mitigation, natural disaster relief and aerial fire fighting programs.¹

2.6 The Departmental Secretary also flagged the prospect of another change to the Department's structure. On 7 March 2005, Mr Taylor wrote to the Committee indicating that he had implemented the following administrative structure:

- Corporate Services
- Regional Services
- Territories and Local Government
- Australian Transport Safety Bureau
- Office of Transport Security
- Aviation and Airports
- AusLink
- Maritime and Land Transport
- Portfolio Policy and Research

1 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 3-4

Corporate Group

2.7 The Committee began by addressing the issue of answers to questions on notice. The Committee was concerned that the late provision of answers did not enable the Committee to examine the responses in the context of the current hearings.²

2.8 The Committee discussed the Department's financial state including the \$80 million decline over the last financial year, from a surplus of \$20.1 million to a \$59.4 million deficit.³ A major contributor to the deficit was the whole-of-government asbestos related disease provisions for which the Department will contribute \$63.4 million. Through discussion, it was revealed inaccurate figures of \$3.4 million for the asbestos provision were listed in the ANAO report.⁴

2.9 On the second day of hearings (Friday 18 February), the Committee pressed officers on the issue of late answers to questions placed on notice in the Senate.⁵ Specifically the Committee queried why an answer had not been provided to question on notice no 279 relating to the 2003-04 report on the operation of the *Local Government (Financial Assistance) Act 1995*. The Department was asked to provide details of the work on the answer. The Committee also requested details of how often the Department did not reach its 30 day turn-around time for providing answers to questions on notice for Ministerial clearance.⁶

Transport and Portfolio Policy

2.10 The AusLink project has been the Department's major analysis of emerging infrastructure capacity problems. AusLink's primary focus is on the Commonwealth funding of the land transport network which links roads, rail, ports and airports. It was created in consultation with the public and state and territory governments.⁷

2.11 A major component of the AusLink White Paper is the land transport corridor studies. The Department has identified 23 corridors and is currently investigating at ways to best cater for growth in these areas by looking at a range of transport outcomes and not focusing exclusively on roads.⁸

2.12 Four pilot corridor areas have been agreed on; Sydney to Melbourne, Adelaide urban links, Perth to Adelaide and Brisbane to Cairns. The Department indicated that they would work with individual state governments to develop joint objectives for

2 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 4-5

3 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 9

4 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 10-11

5 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 10

6 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, pp. 10-11

7 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 13

8 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 14-5

federal and state governments, focussing on safety outcomes for particular routes, transit times for heavy vehicles, road and rail upgrades and technology solutions. The corridor studies seek to provide an objective mechanism for an optimal outcome for infrastructure investment.⁹

2.13 The Department outlined to the Committee that 18 projects had been approved under AusLink's Strategic Regional Projects, and that it was seeking more detailed proposals pertaining to these projects.¹⁰

2.14 The Committee sought further information in regard to the AusLink-driven change to road funding for local councils under the Roads to Recovery program. The Department explained that a division of funding was allocated between the states, with another allocation to individual councils. The allocated amount for each council is determined by legislation and not discretionary decisions by ministers.¹¹ The Department explained there has been a ten per cent funding increase per annum in the Roads to Recovery program since last year.¹² Through AusLink, councils will now receive \$300 million under the Roads to Recovery funding formula, and \$30 million a year over five years for strategic funding at a total of \$150 million.¹³

2.15 The Committee inquired about negotiation for the open skies agreement with Singapore Airlines. Beginning in September 2003, the agreement allows for unlimited Australian and Singaporean carriers to fly between the two countries. Negotiations on further liberalisation, particularly relating to flights across the Pacific, have been delayed whilst the countries wait for the aviation industry to stabilise after the September 11 terrorist attacks and the SARS outbreak.¹⁴ The Department indicated that discussion had recommenced, but that any further agreements expanding the rights of Singapore Airlines would be dependent on commensurate benefits to Australian carriers.¹⁵

2.16 The Committee discussed at length the offer of the Singapore government to lift all restrictions on Australian flights beyond Singapore. Specific attention was given to the impact of that arrangement on the trans-Pacific route and flights to North America. The Department reported that the issue was being discussed that week in official deliberations between the Singaporean Minister and the Minister for Transport and Regional Services.

9 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 14-5

10 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 18

11 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 48

12 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 49

13 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 50

14 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 21

15 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 25

2.17 The Committee also heard evidence in relation to the Department's airline usage. In July of 2003 the government announced the objective of 10 per cent of all Australian government officers' travel on the Canberra-Sydney route to go towards small airlines.¹⁶ Overall the Department spent \$1.7 million on domestic travel in 2003-04. Of this figure, 85 per cent was Qantas, 6.5 per cent was Virgin Blue, 6.4 per cent Regional Express and 2.7 per cent other carriers.¹⁷ The Department has taken on notice to provide the Committee with the exact percentage of travel given to small airlines on the Canberra-Sydney route.¹⁸ However, the Department claims to consistently have given business above the Government's 10 per cent objective to Rex Airlines.¹⁹

Transport Programmes

2.18 The Committee inquired about the Department's newly acquired Tasmanian Wheat Freight Subsidy Scheme, transferred from the Department of Agriculture, Fisheries and Forestry. The Department defined the differences between this scheme and the Tasmanian Freight Equalisation Scheme. The Subsidy Scheme deals with the subsidisation of bulk shipments of wheat to Tasmania, whereas the Freight Equalisation Scheme includes shipments of containerised wheat.²⁰ The Department explained that while the government had previously announced it was going to end the wheat subsidy scheme, with wheat eligible for the alternate Freight Equalisation Scheme subsidy, the wheat subsidy scheme covering bulk shipments of wheat had been reinstated.²¹

Office of Transport Security

2.19 Regional airport security was a major issue of interest to the Committee. Many questions regarding pilot licenses were addressed,²² as well as pilot training.²³ The Department stated that the license fee to be levied on pilots is expected to drop from the \$200 discussed in previous Estimates hearings. The Department indicated that 35,000 pilot license checks will need to be done and pilots who need to access secure airport areas will require a different ASIO security check²⁴, which generally takes

16 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 32

17 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 34

18 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 34

19 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 36

20 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 53

21 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 53

22 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 77-83

23 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 83

24 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 78-9

between 4 and 6 days.²⁵ The check to retain the Aviation Security Identity Card is undertaken every two years.²⁶

2.20 The Committee was interested to hear about the Department's security training at regional airports.²⁷ The Department responded by clarifying that DOTARS would be working with state police forces for training and anti-terror exercises.²⁸ Through extensive consultation with the state police forces, it has been ascertained that the best approach will be to customise the exercises and events based on the types of airports and jurisdictions as well as the airports' transport security programs.²⁹ In addition to this, some standard training material will be available to airport and aircraft operator staff on CD, plus a course on a secure Internet site.³⁰

2.21 Security checks for the maritime sector were also discussed. In July 2004 the Government announced that security identity cards will be issued. Policy regarding the cards is currently being explored through consultation with the relevant parties.³¹ The parameters of the card are currently being discussed by the Minister.³² Australia's unique circumstances have been taken into account for the policy, and references to countries that have similar arrangements, such as the US, Canada and the UK have been made.³³

2.22 Shipping security was also an area of interest for the Committee.³⁴ The Department discussed 'high-risk ships' which are profiled by crew, cargo and arrangements concerning the ship. Less than 5 per cent of the 11, 000 ships that visited Australian ports in the previous year were in the high-risk category.³⁵ Seventy to 80 per cent of all ships entering Australian ports are inspected by the Australian Customs Service.³⁶

2.23 The Committee questioned the Department in relation to the transport of dangerous goods. The Department considers this to be a complex issue as it deals with responsibilities under the *Maritime Transport Security Act 2003* in addition to issues

25 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 80

26 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 79

27 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 83

28 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 83

29 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 83

30 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 84

31 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 81

32 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 92

33 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 92

34 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 85

35 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 85-6

36 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 86-7

of rail, trucking, storage and distribution.³⁷ The Department's work is now linked in with a review of hazardous materials being done by The Council of Australian Governments (COAG) to ensure there is no overlap between States and governments.³⁸

2.24 When considering dangerous goods, the transport of ammonium nitrate was of particular interest to the Committee. The Department advised that five single voyage permits for ammonium nitrate have been issued since 1 July 2004 and there has been a turnover of 10, 800 tonnes in this time.³⁹ The Committee was told that COAG has made decisions on a licensing regime for ammonium nitrate, but would provide the details to the Committee on notice. The Department highlighted the fact that the complexity of securely transporting ammonium nitrate manifested itself in supply chain issues. Risk assessments are being conducted before strict regulations are set that may not achieve the desired security outcomes.⁴⁰

2.25 The Committee pursued an interest in Australia's offshore oil and gas facilities and assets. The Department noted they had given comment to a task force formed by Department of Prime Minister and Cabinet to look at the issue.⁴¹ This task force reported their findings to the Secretaries Committee on National Security who in turn made a recommendation to the National Security Committee of cabinet. The government then made an announcement in regard to this report on 15 December 2004.⁴²

2.26 A bill to extend the *Maritime Transport Security Act 2003* is expected to come before the Parliament during the winter session in order to have the security regime for offshore oil and gas facilities in place by 30 September 2005.⁴³ The bill will build on existing legislation. It will also take into account the fact that oil and gas facilities can sometimes resemble ports and sometimes resemble ships.⁴⁴ Guidance material will be developed including a risk context statement so there is a consistency across the line of some 56 varying facilities around the Australian coastline, whilst still catering to the differences between sites.⁴⁵

37 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 93

38 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 93-4

39 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 89-90

40 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 94

41 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 94-5

42 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 95

43 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 95

44 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 95

45 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 95-6

Airservices Australia

2.27 The Committee inquired about the \$150 million election promise to install 10 regional radars for airports.⁴⁶ The Committee was interested in the funding of the election promise and why an appropriation was not issued. The Department explained that the question of funding has not yet been resolved and no formal proposal has been given by the Government at this stage.⁴⁷ The Department also outlined Airservices Australia's current funding arrangements to the Committee. The radar expense would be spread over several years and the funding would consequently be staggered. Airservices Australia expects to raise over half a billion dollars in capital from private equity markets over the next five years, some of which could in effect be put towards the radar funding.⁴⁸

2.28 The Committee was interested to hear from Civil Aviation Safety Authority (CASA) about their involvement with the \$150 million towards regional radars.⁴⁹ To help the Committee understand CASA's involvement, the Department gave an outline of the agency's area of jurisdiction. CASA's role is to oversee safety standards, and to regulate procedures used in airspace.⁵⁰ CASA's advice to the Minister on various radar technologies has been that the use of radar in any airspace would enhance safety. CASA has not done a comparison between the use of regional radar and ADSB technology at this stage.⁵¹ For further information from CASA see paragraphs 2.35 and 2.36.

2.29 The Department has also been looking into Automatic Dependent Surveillance Broadcast (ADSB) technology, which could be used as an alternative to the regional radar.⁵² The cost of an ADSB unit is estimated to be one-twentieth of the cost of terminal radar and would focus on the upper airspace (over 30,000 feet). However, it would also include the lower airspace, which the radar would focus on.⁵³ For the next two years, \$14 million has been allocated to ADSB technology.⁵⁴

2.30 ADSB requires the aircraft flying in the area to have the ADSB equipment fitted.⁵⁵ ADSB is still very much under trial,⁵⁶ but in the medium term is considered to

46 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 100

47 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 102

48 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 102

49 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 118-9

50 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 119-120

51 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 120

52 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 103

53 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 103

54 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 104

55 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 104

be an effective alternative to the traditional radar systems. Should the trial prove effective, a mandate would be issued by CASA that all aircraft operating in the system have an ADSB transponder fitted and turned on.⁵⁷

2.31 The Committee queried officers about airport tower controls and was informed that the Department commenced a review of pricing arrangements for airport tower controls in August 2003.⁵⁸ The completed review was presented to the ACCC, who made a final decision before Christmas 2004 where they endorsed the pricing proposal for all terminal locations for en route services. The endorsed prices were implemented 1 January 2005.⁵⁹ A transition subsidy has been granted to 14 airports for the installation of the towers and any loss associated with each operation. \$7 million was given last financial year for the subsidy, and a further \$7 million this financial year.⁶⁰

Surface Transport Regulation

2.32 The Committee was interested to discover why the Department did not include the issue of cabotage in their submission to the Productivity Commission's review of national competition policy reforms, as cabotage was outlined in the terms of reference of the review. The Department took the questions on notice.

2.33 The Committee looked into the Department's handling of ageing bulk ships entering Australian ports.⁶¹ Based on historical measures, in Australia a high-risk ship is 15 years of age or above.⁶² The majority of the high-risk ships are bulk iron ore, coal and wheat carriers.⁶³ Eighty per cent of high-risk ships were targeted for inspection in 2004 and a 96 per cent inspection rate was achieved.

Australian Maritime Safety Authority

2.34 The Committee engaged officers from AMSA on the issue of Emergency Position Indicating Radio Beacons (EPIRBs). They were informed that there is to be a transition to digital EPIRB technology due to take place on 1 February 2009, which will provide a signal that is more effectively transmitted. AMSA indicated that an education program had already started and that the two EPIRB systems would continue to operate in tandem until 2009.

56 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 107

57 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 107-8

58 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 110

59 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 110

60 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 110

61 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 115

62 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 116

63 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 116

Civil Aviation Safety Authority

2.35 Since the arrival of their new CEO last year⁶⁴ CASA has been studying the boundaries and legislation within which CASA operates. From this information CASA has outlined a set of priorities for the agency.⁶⁵ Further, in recent years CASA has been undertaking the Regulatory Reform Program in the hope to get better outcomes for the industry.⁶⁶ The program is focused on producing a quality response rather than a timely completion. Whilst the review was nearing completion, the Department has decided there is a need to have additional consultation to ensure a careful analysis of all risks is taken into account, and the best regulations possible implemented.⁶⁷

2.36 The Committee inquired about the review of drug and alcohol testing in the wake of the Hamilton Island tragedy. The public were invited to submit a response to the Department's proposed terms of reference and a draft report is currently being considered by the Minister for Transport and Regional Services. If the Minister agrees on the report's release, it will then be considered by the industry as a final draft and returned to the Minister by the end of April 2005.⁶⁸

Local Government Programmes

2.37 On the second day of DOTARS' appearance before the Committee for additional estimates, the Committee inquired about the reform of local government financing and the House of Representatives Standing Committee on Economics, Finance and Public Administration report, *Rates and Taxes: a fair share for responsible local government* (the Hawker Report).⁶⁹ During the 2004-05 budget estimates the Committee raised the matter of the Department's response to recommendations in the report; the Department stating that there was a need for cooperation amongst the states and local government to improve assistance policies.⁷⁰

2.38 The former Minister for Territories and Local Government, Senator Campbell, stated that the Department is seeking to implement the recommendations of the Hawker Report this year, with a departmental task force established to address the recommendations.⁷¹ The Committee was interested in the amount of departmental resources used to establish and maintain the taskforce as well as who were on the

64 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 120

65 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, pp. 122-3

66 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 124

67 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 125

68 RRAT Committee Additional Estimates, *Transcript of Evidence*, 14 February 2005, p. 125

69 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 3

70 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2004, pp. 19-20

71 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 3

taskforce.⁷² The Department could not give exact details of resources used, however they indicated that there were two full time members of the taskforce⁷³ from within the Department. The taskforce consulted with other officers of DOTARS, Treasury and Finance, the Department of Health and the Department of Prime Minister and Cabinet.

2.39 Local government and the states have been consulted through the Local Government and Planning Ministers Council. Further to this, a roundtable was chaired by the Minister mid 2004. This included representatives from State and Local government associations as well as the Australian Local Government Association (ALGA).⁷⁴ There were also separate consultations with individual local and state government representatives.⁷⁵ The Local Government Joint Officers Group (LOGJOG) holds regular meetings at which discussions of the Hawker Report have remained on the agenda, which have created an avenue for further input from key stakeholders.⁷⁶

2.40 The Committee was advised that the response to the Hawker Report is currently in draft stage within the Department and it is expected that it will be given to the Minister within the calendar year for his consideration.⁷⁷ The Department indicated that they did not feel the task of producing a response to this extensive report was being restricted by a lack of resources.⁷⁸

2.41 The Committee inquired about the 52.1 per cent fall in expenditure on Regional Flood Mitigation in the budget estimate of 2003-04. The Department explained that the allocated funds are paid by the Department only when work has been completed on the projects. Funding that has been allocated but not spent carries over to 2004-05 and 2005-06 until the project is completed and paid in full.⁷⁹

2.42 The Committee queried why the dredging of Tumbi Creek (at The Entrance in New South Wales) has not received funding through the Regional Flood Mitigation Program. The Department stated that funding is granted firstly, on the basis that it meets the criteria of reducing the risk of flooding, and secondly, where an agreement between local, state and federal government on a proposal can be reached. In the case

72 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 6

73 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 5

74 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 6

75 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 7

76 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 7

77 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 10

78 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 10

79 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, pp. 13-4

of dredging Tumbi Creek, the proposal did meet the program's criteria, but there was no agreement between the State and federal governments.⁸⁰

2.43 The Committee requested information about the recent devastating bush fires in South Australia.⁸¹ The Department outlined that the responsibility for response to bushfires is a state matter; therefore the Australian Government's response has been around the natural disaster relief arrangements (NDRA). States are eligible to receive the Australian government rebate when their expenditure exceeds a certain level on specific activities.⁸² According to the Department, the recent Australian bushfires were certainly eligible for NDRA.

2.44 The Committee was advised that the South Australian Premier wrote to the Prime Minister asking for an Australian Government matching contribution to South Australia's \$6 million towards a bushfire recovery fund for the Eyre Peninsula bushfires. The Acting Prime Minister responded to the request stating that whilst there was no obligation to do so, funding would be granted through the Department and also within the criteria of the NDRA.⁸³ This correspondence was followed by a meeting between departmental officers and their South Australian counterparts to discuss the NDRA eligibility status. Contact between the two parties has been ongoing.⁸⁴

2.45 South Australia has received Federal Government assistance which includes an original \$15, 000 payment made by the Department of Family and Community Services through Centrelink. On 14 January 2005, the government announced additional ex gratia payments made by Centrelink. The approximate total in ex gratia payments was \$300, 000 at 7 February 2005.⁸⁵ Further, the Australian Tax Office has offered assistance by fast-tracking refunds and providing extension on debt repayments. The Australian Defence Force has also made recent announcements about providing a Reserve Brigade to assist with recovery efforts.⁸⁶

2.46 The Committee was told that the South Australian government must spend their bushfire recovery funding before they are eligible to receive the Government rebate. At this stage South Australia has not yet made a claim on the NDRA for the Eyre Peninsula fire. The Department recognised that the recovery process was still in its early stages and does not expect a claim for quite some time.⁸⁷

80 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 17

81 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 17

82 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 17

83 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 18

84 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 18

85 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, pp. 18-9

86 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 19

87 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 18

2.47 The Department exchanged information with the Committee on bushfire trails. The Committee was informed that the Bushfire Mitigation program announced by the Prime Minister on 8 September 2004⁸⁸ has been allocated \$5 million a year for the next 3 years, with a total of \$15 million.⁸⁹ This is used to maintain old fire trails, put in new ones, and to widen roads and signs. The Committee was informed that the program would be run along similar lines to the Natural Disaster Mitigation Program where state and local government, including agencies expert in the field of managing fire trails, are consulted. This consultation will result in a list of prioritised proposals, the funding for which will be shared between State, local and Commonwealth government.⁹⁰ The Department stressed, however, that it is important to take into consideration that under these proposals many of Australia's bushfire trails would be on state owned national parks and reserves and also private forests.⁹¹

2.48 The Committee discussed at length the COAG report, *National Inquiry on Bushfire Mitigation*.⁹² The Department indicated that it was part of the working group that developed a response to the report,⁹³ particularly in providing a secretariat to the working group.⁹⁴ The Committee was concerned at the length of time being taken to address the 29 recommendations in the report, given it was written in response to the 2002-03 bushfire season.⁹⁵

2.49 In making reference to the Prime Minister's media release of 24 January 2004, stating that eight of the report's 29 recommendations have been implemented,⁹⁶ the Committee requested details of the progress made on each individual recommendation. In summary to the Committee's questioning, Senator O'Brien stated:

I think we have identified that the recommendation in relation to more effective land use planning measures has been met; that the formalisation of agreements on broadcasts with the ABC has been met, but not with commercial broadcasts, so that has been met in part; and that the adoption of the incident control centre by all Australian fire authorities has been met. We think that the Insurance Council has been asked to review the industry's code of conduct, but you are checking that. There has not been a formalisation of the coordination and development of policy on bushfire

88 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 21

89 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 19

90 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 19

91 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 21

92 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 22

93 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 22

94 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 22

95 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, pp. 22-3

96 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 22

mitigation and management across Commonwealth departments, but it is argued that that is not necessary.⁹⁷

2.50 The Department explained that the majority of responses to the recommendations were a work in progress,⁹⁸ stating: "that is typical of a lot of this report, which is about trying to establish a more rigorous framework over a period of time."⁹⁹ The Committee also acknowledged an understanding that some of the recommendations have long-term measures.¹⁰⁰ Moreover, the Department is not responsible for responding to all the recommendations as other agencies will also be involved.¹⁰¹

Regional Programmes and Territories

2.51 The Committee sought details of COAG's indigenous community trials in the East Kimberleys.¹⁰² The Department outlined their involvement as such:

Our role as the lead agency is to garner the support, the collaboration and the cooperation of our colleagues in other Australian government departments to ensure that there is a streamlined approach to delivery in that area.¹⁰³

Close to \$1 million has been committed to the trial this financial year, which will be supplemented with funding from other departments.¹⁰⁴

2.52 The Committee then questioned the Department on the Regional Partnerships Program. The Budget allocation for the Program for the current financial year is \$103.431 million, which is an additional \$12.9 million to the budget estimates.¹⁰⁵ The Committee then made reference to the Senate Finance and Public Administration Reference and Legislation Committee inquiry into the Regional Partnerships Program and a document was provided to this committee, *Election Commitments 2004: likely to use Regional Partnerships program as mechanism, prepared for the ACC, 7 January, 2005*.¹⁰⁶ The Department indicated that the Regional Partnerships projects listed in this document did not correspond to those listed in the additional estimates. Those projects not listed may be considered in future budgetary processes.

97 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 31

98 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, pp. 24-32

99 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 24

100 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 23

101 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, pp. 24-32

102 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 33

103 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 33

104 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 33

105 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 34

106 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 35

2.53 The Committee questioned the Department over Bank@Post Regional Partnership Program, in particular the reasoning behind a \$10.7 million funding to the project over a four year period.¹⁰⁷ Ms Riggs, Acting Deputy Secretary of the Department responded;

There is quite a lot of set-up involved in this one, but it will not be much to keep it going once it is ticking over. In terms of the way in which the election commitment has been expressed, this is to roll out giroPost, to be rebadged as Bank@Post, to some 266 licensed post offices. We have to negotiate a memorandum or funding agreement with Australia Post; we have to work through to discover how many of those 266 might be able to want to benefit from the commitment. We have to agree with Australia Post on a schedule for the roll-out of those. There is an intensive chunk of work to be done in the period from the time the government was re-elected until the end of this financial year. We have been granted funding to ensure that we can do that and to provide for any legal assistance that we might need in developing the funding agreement—for example, beyond the normal departmental capability.

The Committee proceeded by asking when the Bank@Post project submitted an application for funding with the Regional Partnership Program. The Department stated that:

Governments are entitled to make judgments about how they will give effect to commitments they have made during election campaigns—indeed, they are obliged to make judgments about how they will do that. Their announcement here is that this commitment will be delivered through the vehicle of Regional Partnerships.¹⁰⁸

2.54 The Committee further queried the application processes in the Icon Projects. Announced as election commitments the Icon Projects are as follows: the Mackay Science and Technology Centre, the Buchanan rodeo park in Mount Isa, the Bert Hinkler hall of aviation, a covered arena at the Dalby Showgrounds, the RM Williams bush centre and the Tamworth Equine Centre.¹⁰⁹ The Department reasoned that although the projects had not submitted formal applications for funding with the Regional Partnerships Programs, they will all undergo risk assessments before any funding is granted.¹¹⁰

2.55 The Committee also questioned the Department in relation to whether Regional Partnership applications had been rejected on the basis that a grant could affect business competition. The Department responded that competitive neutrality is

107 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, pp. 35-6

108 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 38

109 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 39

110 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 41

a consideration for all applications, stating that private businesses may successfully apply where there is an unmet demand for the project in the relevant region.¹¹¹

2.56 The Committee showed particular interest in the Lakes Creek Meatworks. The Department explained that whilst Lakes Creeks Meatworks is a commercial enterprise, it is still included in the terms of the programs guidelines.¹¹² In most cases, funding for commercial works is less than 50 per cent of the total cost for the project.¹¹³

2.57 The Committee queried the date that Mr Kiernan was appointed the Chairman of Primary Energy.¹¹⁴

111 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 45

112 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 47

113 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p. 49

114 RRAT Committee Additional Estimates, *Transcript of Evidence*, 18 February 2005, p51