

The Senate

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Rural and Regional Affairs  
and Transport  
Legislation Committee

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Budget estimates 2015–16

June 2015

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# Membership of the committee

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# Chapter 1

## Introduction

1.1 On 12 May 2015, the Senate referred the following two documents to the Rural and Regional Affairs and Transport Legislation Committee (the committee) for examination and report:

- particulars of proposed expenditure in respect of the year ending on 30 June 2016 [Appropriation Bill (No. 1) 2015-16]; and
- particulars of certain proposed expenditure in respect of the year ending on 30 June 2016 [Appropriation Bill (No. 2) 2015-16].<sup>1</sup>

1.2 The committee is required to examine the 2015-16 budget estimates contained in these two documents in relation to the Agriculture portfolio and the Infrastructure and Regional Development portfolio. Following examination, the committee is required to table its report on the 2015-16 budget estimates on 23 June 2015.<sup>2</sup>

### Budget Estimates hearings

1.3 The committee examined witnesses from both portfolios at hearings held between 25 and 28 May 2015. The hearings were conducted in accordance with the agreed agenda as follows:

- 25 and 26 May 2015—Agriculture portfolio; and
- 27 and 28 2015—Infrastructure and Regional Development portfolio.

1.4 The committee heard evidence from the following senators:

- Senator the Hon Richard Colbeck, Parliamentary Secretary to the Minister for Agriculture (representing the Minister for Agriculture); and
- Senator the Hon Michaelia Cash, Minister Assisting the Prime Minister for Women and Assistant Minister for Immigration and Border Protection (representing the Minister for Infrastructure and Regional Development).

1.5 Evidence was also provided by:

- Mr Phillip Glyde, Acting Secretary of the Department of Agriculture;
- Mr Mike Mrdak, Secretary of the Department of Infrastructure and Regional Development; and

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1 *Journals of the Senate*, No. 92, 12 May 2015, pp 2561-2562.

2 *Journals of the Senate*. No. 75, 9 February 2015, p. 2049.

- officers representing the departments and agencies covered by the estimates before the committee.

1.6 The committee thanks the parliamentary secretary, minister, departmental secretaries and officers for their assistance and cooperation during the hearings.

### **Questions on notice**

1.7 In accordance with Standing Order 26, the committee is required to set a date for the lodgement of written answers and additional information. The committee resolved that written answers and additional information be submitted by 10 July 2015.<sup>3</sup>

### **Record of proceedings**

1.8 This report does not attempt to analyse the evidence presented during the hearings. However, it does provide a summary of some of the key issues that were covered by the committee for each portfolio.

### **Note on references and additional information**

1.9 References to the Hansard transcript are to the proof Hansard; page numbers may vary between the proof and the official Hansard transcripts.

1.10 Copies of the proof Hansard transcripts, documents tabled at the hearings, and additional information received after the hearings will be tabled in the Senate and available on the committee's website.

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3 Once received, answers to questions on notice will be published at the following website address:  
[http://www.aph.gov.au/Parliamentary\\_Business/Senate\\_Estimates/rratctte/estimates/bud1516/index](http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/rratctte/estimates/bud1516/index)



## Chapter 2

### Agriculture portfolio

2.1 This chapter outlines the key issues discussed during the 2015-16 Budget Estimates hearings for the Agriculture portfolio.

#### Department of Agriculture

2.2 The committee heard evidence from the Department of Agriculture (the department) and agencies on 25 and 26 May, meeting for a total of 19 hours and 36 minutes.

2.3 On 25 May 2015, the committee heard from the divisions and agencies of the Agriculture portfolio in the following order:

- Finance and Business Support Division, Governance Branch, Information Services Division, Service Delivery Division, Office of the General Counsel;
- Biosecurity Animal Division;
- Biosecurity Plant Division (including the Australian Chief Plant Protection Officer);
- Interim Inspector-General of Biosecurity;
- Grains Research and Development Corporation;
- Fisheries Research and Development Corporation;
- Rural Industries Research and Development Corporation;
- Australian Pesticides and Veterinary Medicines Authority;
- Compliance Division;
- Exports Division (including Live Animal Exports Reform); and
- Trade and Market Access Division.

2.4 On 26 May 2015, the committee heard further from the divisions and agencies of the Agriculture portfolio in the following order:

- Horticulture Innovation Australia Limited;
- Meat and Livestock Australia;
- Australian Grape and Wine Authority;
- Australian Meat Processor Corporation;
- Forest and Wood Products Australia Limited;
- Landcare Australia Limited;

- Plant Health Australia;
- Animal Health Australia;
- Australian Fisheries Management Authority;
- Australian Bureau of Agricultural and Resource Economics and Sciences;
- Agricultural Policy Division;
- Agricultural Adaptation and Policy Division; and
- Sustainability and Biosecurity Division.

2.5 The following agency was called to appear but later released during the course of the hearing without providing evidence:

- Australian Livestock Export Corporation Limited (LiveCorp).

**Finance and Business Support Division, Governance Branch, Information Services Division, Service Delivery Division, Office of the General Counsel**

2.6 Continuing a line of questioning taken in the 2014-15 Additional Estimates hearings, the committee pursued further information relating to the department's involvement in a matter involving changes to Hansard by the Minister for Agriculture and the operation of the farm household allowance program.<sup>1</sup>

2.7 The committee sought clarification on matters relating to the potential relocation away from Canberra of the Grains Research and Development Corporation, the Fisheries Research and Development Corporation, the Rural Industries Research and Development Corporation, and the Australian Pesticides and Veterinary Medicines Authority. Specifically, the committee questioned departmental officials on the costs estimated to arise from the proposed office relocations and the consultations that have been undertaken on the proposals.<sup>2</sup>

2.8 The department provided the committee with an update on the progress of the forthcoming Agriculture White Paper, discussing the timeframe and staff costs involved.<sup>3</sup> The committee also queried officials on the review of departmental Freedom of Information (FOI) processes currently being conducted by Ernst and Young.<sup>4</sup>

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1 *Proof Hansard*, 25 May 2015, pp 6-21.

2 *Proof Hansard*, 25 May 2015, pp 22-44.

3 *Proof Hansard*, 25 May 2015, pp 46-54.

4 *Proof Hansard*, 25 May 2015, pp 54-56.

2.9 Additionally, senators requested details on the drought budget measures and the new strategic objectives and key performance indicators contained in the 2015-16 budget papers.<sup>5</sup>

### **Biosecurity Animal Division**

2.10 The committee requested information on the department's handling of a biosecurity breach in May 2015 when it was discovered that two dogs had entered Australia undetected on a private aircraft without the necessary permits. While taking care to stress the importance of maintaining the integrity of the investigation process into that particular incident, officials outlined the various frameworks designed to prevent live animals being brought undetected into Australia, and spoke about the ways in which risk levels around such incidents are determined. The committee also discussed more broadly the management of entry processes for passengers entering Australia on private aircraft, with a particular focus on enforcing quarantine regulations.<sup>6</sup>

2.11 In terms of other matters raised during this session, the committee inquired into the potential for the importation of processed beef into Australia under the Trans-Pacific Partnership (TPP) and the biosecurity risks associated with such a move.<sup>7</sup>

### **Biosecurity Plant Division**

2.12 The committee was informed about the actions being taken to control yellow crazy ant in Queensland, and received an update on banana freckle eradication in the Northern Territory and the status of Panama disease in far north Queensland. The committee also queried officials on the management of Queensland fruit fly and the Queensland outbreak of cucumber green mottle mosaic virus.<sup>8</sup>

### **Interim Inspector-General of Biosecurity**

2.13 The committee requested information on the interim arrangements under consideration pending the commencement of the statutory Inspector-General of Biosecurity position. The Interim Inspector-General also provided a brief summary of the areas currently under examination, noting in particular a review into the biosecurity risks associated with imports of plant-based stock feeds.<sup>9</sup>

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5 *Proof Hansard*, 25 May 2015, pp 56-72.

6 *Proof Hansard*, 25 May 2015, pp 72-81.

7 *Proof Hansard*, 25 May 2015, pp 81-85.

8 *Proof Hansard*, 25 May 2015, pp 88-95.

9 *Proof Hansard*, 25 May 2015, pp 95-96.

### **Grains Research and Development Corporation (GRDC)**

2.14 The committee sought details on the proposed relocation of GRDC from Canberra to Wagga Wagga, first flagged by the Minister for Agriculture in July 2014. Specifically, the committee questioned officials on the estimated costs of the move in relation to the leasing of premises, staff attitudes to the relocation, and the predicted impact on the research and development (R&D) work of the organisation. The committee also discussed the consultation process currently occurring in relation to the proposed relocation, and was informed that GRDC is still in the early stages of analysing all the potential impacts of the move.<sup>10</sup>

### **Fisheries Research and Development Corporation (FRDC)**

2.15 FRDC officials provided details on various R&D projects underway, including a new study into the broader scale impacts of salmon farms, and the work being done on improving understanding of Indigenous fisheries issues.<sup>11</sup>

2.16 The committee also questioned FRDC on the proposed relocation of the organisation to Tasmania, querying officials on matters such as building leasing arrangements and predicted staff retention rates. On this matter, FRDC noted that at this stage it has factored in a 92 percent redundancy rate based on views expressed by current staff.<sup>12</sup>

### **Rural Industries Research and Development Corporation (RIRDC)**

2.17 The committee raised matters relating to the potential relocation of RIRDC from Canberra to Albury-Wodonga. In line with questions posed to other R&D corporations appearing at the hearings, senators queried officials on the estimated costs of any move (taking into account the final location, redundancy packages, retention bonuses and lease costs), as well as the benefits to the work of RIRDC that stem from the current Canberra location. RIRDC indicated that its board is currently considering the options available to the organisation and will respond to the Minister for Agriculture in due course.<sup>13</sup>

### **Australian Pesticides and Veterinary Medicines Authority (APVMA)**

2.18 The committee pursued information in relation to the proposal to relocate APVMA from Canberra to Armidale or Toowoomba, particularly in regard to the potential costs of new leases and redundancy packages. The committee also

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10 *Proof Hansard*, 25 May 2015, pp 97-107.

11 *Proof Hansard*, 25 May 2015, pp 107-109.

12 *Proof Hansard*, 25 May 2015, pp 109-115.

13 *Proof Hansard*, 25 May 2015, pp 115-120.

questioned APVMA officials on the expected ease of finding the necessary number of suitably qualified specialist staff (such as regulatory scientists) in regional locations.<sup>14</sup>

2.19 The APVMA session also included brief discussions on red tape reduction activities and the progress of the chemical review reprioritisation process.<sup>15</sup>

### **Compliance Division**

2.20 The committee requested an update on the latest activities of the department in relation to the February 2015 outbreak of the hepatitis A virus linked to contaminated berries sourced from China. Officials discussed the follow-up testing that occurred in the aftermath of the incident, and spoke about the ongoing review process being undertaken in conjunction with other agencies.<sup>16</sup>

### **Exports Division (including Live Animal Exports Reform)**

2.21 The committee queried officials on several matters related to live exports, focusing in particular on the department's response to recent incidents in Vietnam related to Exporter Supply Chain Assurance System (ESCAS) pathway concerns. The department noted that staff members were working with affected exporters and investigations into the incidents were underway.<sup>17</sup>

### **Trade and Market Access Division**

2.22 The committee focused on the impact of the Australia-Korea and Australia-Japan Free Trade Agreements (FTA), requesting information on the perceived benefits to Australian agricultural exports. The department indicated that in the short time frame that the FTA had been in force, there had already been an improvement in trading conditions, noting in particular the increase in table grape exports to both countries. The committee also asked officials for an update on the department's involvement in the TPP negotiations.<sup>18</sup>

### **Horticulture Innovation Australia Limited (HIAL)**

2.23 HIAL officials provided the committee with an update on the recent activities of the organisation, noting in particular the ongoing process of transitioning from a peak industry body to a grower-owned organisation. The committee heard that HIAL is currently focusing on creating a comprehensive database of registered levy payers.<sup>19</sup>

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14 *Proof Hansard*, 25 May 2015, pp 120-124.

15 *Proof Hansard*, 25 May 2015, pp 124-126.

16 *Proof Hansard*, 25 May 2015, pp 126-134.

17 *Proof Hansard*, 25 May 2015, pp 134-136.

18 *Proof Hansard*, 25 May 2015, pp 137-142.

19 *Proof Hansard*, 26 May 2015, pp 5-7.

### **Meat and Livestock Australia (MLA)**

2.24 The committee sought information on the work being done by MLA in progressing the True Aussie brand project for the red meat industry. MLA reaffirmed the importance of having a unified brand for Australian red meat products and informed senators that the True Aussie logo was gaining traction in countries including Japan, South Korea, China and the United Arab Emirates.<sup>20</sup>

### **Australian Grape and Wine Authority (AGWA)**

2.25 AGWA provided details to the committee on the progress of the research and marketing arm amalgamation process, noting that the integration is progressing smoothly. AGWA also noted the organisation is focusing on building demand and further opportunities in export markets, particularly in China and Canada.<sup>21</sup>

### **Australian Meat Processor Corporation (AMPC)**

2.26 The committee received an overview from AMPC on the current R&D activities of the organisation. Officials noted that the primary investment focus of AMPC is on creating market access opportunities, and gave examples of the various programs currently being undertaken, including marketing, food safety and technology and processing systems.<sup>22</sup>

### **Forest and Wood Products Australia Limited**

2.27 The committee inquired into the R&D activities of Forest and Wood Products Australia Limited and heard details on the development of high-value wood products. The committee also requested details regarding the proportions of levy revenues generated by the various industry sectors.<sup>23</sup>

### **Landcare Australia Limited**

2.28 Landcare Australia Limited provided the committee with a summary of the work the organisation undertakes, including activities carried out in conjunction with the Green Army. The committee sought further information on the nature of the contractual arrangements between Landcare Australia Limited and labour service provider Manpower Group.<sup>24</sup>

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20 *Proof Hansard*, 26 May 2015, pp 7-12.

21 *Proof Hansard*, 26 May 2015, pp 12-14.

22 *Proof Hansard*, 26 May 2015, pp 14-16.

23 *Proof Hansard*, 26 May 2015, pp 16-19.

24 *Proof Hansard*, 26 May 2015, pp 19-26.

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## **Plant Health Australia**

2.29 The committee requested details on the new funding available for the National Fruit Fly Strategy and heard from officials about the ways in which Plant Health Australia and other stakeholders are engaging industry to ensure fruit fly is not a barrier to domestic and international market access.<sup>25</sup>

## **Animal Health Australia**

2.30 The committee questioned Animal Health Australia on a statement released in relation to apparent outbreaks of avian influenza in the Australian egg industry, and requested further information on the exact details of the outbreaks and the actions taken to handle the incidents.<sup>26</sup>

## **Australian Fisheries Management Authority (AFMA)**

2.31 The committee raised matters relating to the legislative tools available to control fishing activities in Australian oceans. Specifically, senators questioned officials on their handling of incidents involving the trawler named 'Geelong Star', and initiated a broader discussion into the regulation of catch limits and fishing methods for super trawlers.<sup>27</sup>

2.32 Additionally, the committee inquired into a range of issues in regard to small pelagic fisheries, including expenditure on research and scientific assessments, and the methods used in creating a fish stock classification system.<sup>28</sup> AFMA also provided information on recent efforts to end illegal and unregulated fishing, mentioning collaborations with partner countries in the region.<sup>29</sup>

## **Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)**

2.33 The committee discussed a statement made by the Parliamentary Secretary for Agriculture on 11 November 2014 which cited an ABARES report entitled 'Australian forest and wood products statistics: March and June quarters 2014' and submitted that employment in the forestry sector had increased by almost 10,000 jobs in the previous year. The committee questioned ABARES officials on the data contained in this report and the qualifications attached to the statistics.<sup>30</sup>

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25 *Proof Hansard*, 26 May 2015, pp 26-29.

26 *Proof Hansard*, 26 May 2015, pp 29-32.

27 *Proof Hansard*, 26 May 2015, pp 32-40.

28 *Proof Hansard*, 26 May 2015, pp 40-46.

29 *Proof Hansard*, 26 May 2015, pp 46-48.

30 *Proof Hansard*, 26 May 2015, pp 48-57.

2.34 ABARES provided information on the critical mass of the beef cattle herd and explained the forecasting work being done in relation to future beef exports to China and the potential impacts on industry any such increase would have.<sup>31</sup>

2.35 Amongst other matters discussed, the committee also heard evidence relating to ABARES input into the Agriculture White Paper, and research being undertaken on climate change issues.<sup>32</sup>

### **Agricultural Policy Division**

2.36 The committee traversed a number of issues with this division, including future trends for employment in the shearing sector, progress on the proposed implementation of a country of origin food labelling framework, and the availability of funding for research and development corporations to become members of relevant international bodies.<sup>33</sup>

### **Agricultural Adaptation and Forestry Division**

2.37 The committee queried officials on the mechanical fuel load reduction trials and accelerated depreciation measures recently announced in the 2015-16 budget papers and sought further information on both initiatives from the department.<sup>34</sup>

2.38 The committee dealt with the topic of Regional Forest Agreements (RFA), considering the timeliness of the five-year review cycle for the Victorian RFA. In addition, senators discussed the impact of forestry operations on threatened species.<sup>35</sup>

2.39 The committee pursued information on the drought programs contained in the budget papers, specifically querying officials on the application process, eligibility guidelines, take-up rates and funding availability for the Drought Concessional Loans Scheme, the Drought Recovery Scheme and the Farm Household Assistance Scheme. The committee also received details on the funding earmarked to extend and expand existing social and community support for drought-affected areas.<sup>36</sup>

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31 *Proof Hansard*, 26 May 2015, pp 59-66.

32 *Proof Hansard*, 26 May 2015, pp 66-71.

33 *Proof Hansard*, 26 May 2015, pp 71-76.

34 *Proof Hansard*, 26 May 2015, pp 76-79, 97-99.

35 *Proof Hansard*, 26 May 2015, pp 79-83.

36 *Proof Hansard*, 26 May 2015, pp 86-92, 94-97.



## **Sustainability and Biosecurity Division**

2.40 The committee posed questions on the work the department had done in investigating, auditing and reviewing the claims of fraud and noncompliance in the Tasmanian Forestry Exit Grants program.<sup>37</sup>

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37 *Proof Hansard*, 26 May 2015, pp 101-105.



# Chapter 3

## Infrastructure and Regional Development portfolio

3.1 This chapter highlights the key issues discussed during the 2015-16 Budget Estimates hearings for the Infrastructure and Regional Development portfolio.

### Department of Infrastructure and Regional Development

3.2 The committee heard evidence from the Department of Infrastructure and Regional Development (the department) and agencies on 27 and 28 May 2015, meeting for a total of 19 hours and 42 minutes.

3.3 The committee heard from the divisions and agencies of the Infrastructure and Regional Development portfolio in the following order:

- Corporate Services Division;
- Infrastructure Investment Division;
- Australian Rail Track Corporation;
- Infrastructure Australia;
- Civil Aviation Safety Authority;
- Australian Transport Safety Bureau;
- Airservices Australia;
- Aviation and Airports Division;
- Australian Maritime Safety Authority;
- Surface Transport Policy Division;
- National Transport Commission;
- Local Government and Territories Division;
- National Capital Authority;
- Policy and Research Division; and
- Western Sydney Unit.

### Corporate Services Division

3.4 The committee sought information on a number of matters during the initial session, querying officials on the attendance of departmental staff at budget night functions, the funding status of the Australian Bicycle Council, and the retainment of departmental offices in regional Australia. The committee also engaged in a discussion on the appropriate separation of duties between the department and

Infrastructure Australia in relation to evaluating and implementing potential infrastructure projects.<sup>1</sup>

## **Infrastructure Investment Division**

3.5 The committee investigated the progress of a number of infrastructure projects, seeking detailed evidence on the following:

- milestone-based payment system for projects;<sup>2</sup>
- payments to states and details on future infrastructure spends;<sup>3</sup>
- East West Link and Regional Rail Link in Victoria;<sup>4</sup>
- Perth Freight Link in Western Australia;<sup>5</sup>
- Midland Highway and Brooker Highway in Tasmania;<sup>6</sup>
- Toowoomba Second Range Crossing in Queensland;<sup>7</sup>
- asset recycling and the Goodwood-Torrens Junction project in South Australia;<sup>8</sup>
- Ipswich Motorway Rocklea to Darra upgrade in Queensland;<sup>9</sup>
- Regional Aviation Access Program, Peak Downs Highway, Bruce Highway and the Cape York Roads Package in Queensland;<sup>10</sup>
- WestConnex in New South Wales;<sup>11</sup>
- Moorebank Intermodal Company;<sup>12</sup>
- National Stronger Regions Fund;<sup>13</sup>
- Building Stronger Communities Fund;<sup>14</sup>

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1 *Proof Hansard*, 27 May 2015, pp 4-7, 10-11.

2 *Proof Hansard*, 27 May 2015, pp 12-23.

3 *Proof Hansard*, 27 May 2015, pp 30-34.

4 *Proof Hansard*, 27 May 2015, pp 34-37, 57-61.

5 *Proof Hansard*, 27 May 2015, pp 37-39, 49-50, 54-56.

6 *Proof Hansard*, 27 May 2015, pp 40-42.

7 *Proof Hansard*, 27 May 2015, pp 42-45.

8 *Proof Hansard*, 27 May 2015, pp 45-48.

9 *Proof Hansard*, 27 May 2015, pp 51-53.

10 *Proof Hansard*, 27 May 2015, pp 63-38.

11 *Proof Hansard*, 27 May 2015, pp 69-75, 96-98.

12 *Proof Hansard*, 27 May 2015, pp 77-80.

13 *Proof Hansard*, 27 May 2015, pp 81-83.

14 *Proof Hansard*, 27 May 2015, pp 84-86.

- Community Development Grants Program;<sup>15</sup>
- Murray-Darling Basin Regional Economic Diversification Program;<sup>16</sup>
- Beef Roads Fund;<sup>17</sup> and
- Northern Australia Infrastructure Facility and Northern Australia Infrastructure Projects Pipeline.<sup>18</sup>

### **Australian Rail Track Corporation (ARTC)**

3.6 The committee questioned ARTC officials on a number of issues, including work being done on the Inland Rail Project, and the perceived benefits of advanced train management systems.<sup>19</sup>

3.7 The committee also received an update on the status of the rehabilitation works on the Albury-Melbourne rail line, and discussed the differences in opinion between ARTC and the Australian Transport Safety Bureau on formation failure on that line.<sup>20</sup>

### **Infrastructure Australia**

3.8 Following on from questions asked during the 2014-15 Additional Estimates hearings, the committee sought further information on the Northern Australia Audit released on 8 May 2015. Matters discussed included the outcomes noted in the audit, the subsequent consultations now being conducted, and the ways in which the data from the audit will feed into the Northern Australia White Paper.<sup>21</sup>

3.9 The committee also discussed the Australian Infrastructure Audit released on 22 May 2015, raising some of the key findings from the document, including the prioritisation of public transport, the institutional arrangements needed to secure public and private investment in infrastructure, and issues of transparency arising from public-private partnerships. The committee also noted that consultations on the audit are now open.<sup>22</sup>

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15 *Proof Hansard*, 27 May 2015, pp 86-87.

16 *Proof Hansard*, 27 May 2015, pp 87-90.

17 *Proof Hansard*, 27 May 2015, pp 90-92.

18 *Proof Hansard*, 27 May 2015, pp 92-96.

19 *Proof Hansard*, 27 May 2015, pp 98-103, 106-107.

20 *Proof Hansard*, 27 May 2015, pp 103-105.

21 *Proof Hansard*, 27 May 2015, pp 108-120, 129-132.

22 *Proof Hansard*, 27 May 2015, pp 120-128.

3.10 Infrastructure Australia officials also provided details on the evaluation of the Perth Freight Link and WestConnex traffic modelling.<sup>23</sup>

### **Civil Aviation Authority (CASA)**

3.11 The committee inquired into CASA's regulation of recreational drone operations, and sought clarification on the potential for internationally 'black-listed' airlines to fly into Australia.<sup>24</sup> Senators also queried CASA officials on current cockpit regulations, particularly in regard to the number and type of personnel required to be present in the cockpit during flights.<sup>25</sup>

3.12 In continuation of a line of questioning from the 2014-15 Additional Estimates hearings, the committee requested detailed information on CASA's actions in response to an incident of apparent loss of separation assurance in relation to Melbourne and Essendon airports.<sup>26</sup> The committee also placed a series of questions on notice in regard to CASA's activities in relation to Land and Hold Short Operations (LAHSO) at Melbourne airport.<sup>27</sup>

3.13 The committee also discussed the consultation process, cost and implementation of the multi-crew cooperation training course.<sup>28</sup>

### **Australian Transport Safety Bureau (ATSB)**

3.14 The committee engaged in a broad discussion of ATSB safety priorities, focussing on maritime pilotage and marine work practice standards.<sup>29</sup> ATSB also informed senators of the pressures that staff reductions had placed on the ability of the organisation to publish the results of complex investigations within 12 months.<sup>30</sup>

3.15 Additionally, the committee spoke with ATSB officials about the progress of the MH370 search,<sup>31</sup> and requested an updated on the re-opened investigation into the 2009 Pel-Air matter.<sup>32</sup>

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23 *Proof Hansard*, 27 May 2015, pp 129-136.

24 *Proof Hansard*, 27 May 2015, pp 136-138

25 *Proof Hansard*, 27 May 2015, pp 141-142

26 *Proof Hansard*, 27 May 2015, pp 145-146.

27 *Proof Hansard*, 28 May 2015, pp 4-6.

28 *Proof Hansard*, 28 May 2015, pp 7-12.

29 *Proof Hansard*, 28 May 2015, pp 14-16.

30 *Proof Hansard*, 28 May 2015, pp 16-17.

31 *Proof Hansard*, 28 May 2015, pp 17, 23-24.

32 *Proof Hansard*, 28 May 2015, pp 17-19.

3.16 Similar to the questions posed to CASA, the committee queried ATSB on the actions taken in regard to the incident of apparent loss of separation assurance in relation to Melbourne and Essendon airports.<sup>33</sup>

### **Airservices Australia**

3.17 The committee put questions to Airservices Australia officials regarding the investigation into LAHSO at Melbourne airport.<sup>34</sup> The committee then focussed on acquiring further information on the relocation of the Adelaide Terminal Control Unit, a topic canvassed in detail during the 2014-15 Additional Estimates hearings. In particular, the committee requested further details on the business and safety cases for the proposed move.<sup>35</sup>

### **Aviation and Airports Division**

3.18 The committee explored matters relating to aviation cabotage regulations in Australia, and asked officials for clarification on their response to recommendations set out in the draft report of the Competition Policy Review released in September 2014.<sup>36</sup>

3.19 The committee also received information on the business case, funding and project timeline for the Hobart airport runway extension.<sup>37</sup>

### **Office of Transport Security**

3.20 The Office of Transport Security provided the committee with details on the usage and regulation of the Aviation Security Identification Card (ASIC) and Maritime Security Identification Card (MSIC) schemes, and answered questions from senators on the feasibility of continuous background checking for individuals in possession of the cards.<sup>38</sup>

3.21 The committee also discussed the ways in which the Office of Transport Security monitors security regulation compliance in the industry sectors it oversees.<sup>39</sup>

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33 *Proof Hansard*, 28 May 2015, pp 19-21.

34 *Proof Hansard*, 28 May 2015, pp 24-27.

35 *Proof Hansard*, 28 May 2015, pp 27-32.

36 *Proof Hansard*, 28 May 2015, pp 32-37.

37 *Proof Hansard*, 28 May 2015, pp 37-38.

38 *Proof Hansard*, 28 May 2015, pp 38-44.

39 *Proof Hansard*, 28 May 2015, pp 44-49.

## **Australian Maritime Safety Authority (AMSA)**

3.22 The committee requested details on the tender process that AMSA undertook to fill a contract for search and rescue services. Senators received information on the location of bases and technical specifications of the planes involved.<sup>40</sup>

3.23 The committee then moved to a discussion on coastal shipping reform, with a focus on the risk management system in place for inspecting vessels that arrive in Australian ports.<sup>41</sup>

## **Surface Transport Policy Division**

3.24 The committee engaged in a detailed examination of the impact that an increase in coastal shipping would have on the road freight industry.<sup>42</sup>

3.25 In addition, the committee heard evidence relating to the increased terminal fees applicable for the Port of Melbourne,<sup>43</sup> the Tasmanian Freight Equalisation Scheme,<sup>44</sup> expenditure on road safety (in particular the Keys-2-Drive program),<sup>45</sup> and the role of government in mandating safety standards for vehicles supplied to the Australian market.<sup>46</sup>

## **National Transport Commission**

3.26 The committee inquired into the recent work of the National Transport Commission and received an update on the development of the national performance measures for transport productivity reform.<sup>47</sup>

## **Local Government and Territories Division**

3.27 The committee asked officials for an explanation of the funding reductions and future reviews of the Regional Development Australia committees set out in the forward estimates.<sup>48</sup> Senators also engaged in a discussion with the department over

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40 *Proof Hansard*, 28 May 2015, pp 49-53.

41 *Proof Hansard*, 28 May 2015, pp 56-58.

42 *Proof Hansard*, 28 May 2015, pp 59-63.

43 *Proof Hansard*, 28 May 2015, pp 67-70.

44 *Proof Hansard*, 28 May 2015, pp 70-73.

45 *Proof Hansard*, 28 May 2015, pp 73-75.

46 *Proof Hansard*, 28 May 2015, pp 75-77.

47 *Proof Hansard*, 28 May 2015, pp 77-79.

48 *Proof Hansard*, 28 May 2015, pp 79-80.



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the impact of the recently announced indexation pause on the Financial Assistance Grants program.<sup>49</sup>

3.28 The committee then sought information on issues relating to service delivery arrangements for the Indian Ocean territories of Cocos (Keeling) Islands and Christmas Island.<sup>50</sup>

### **National Capital Authority (NCA)**

3.29 The committee canvassed a number of topics during its questioning of NCA, including the Bowen Place underpass, the proposed redevelopment of the Canberra Brickworks, and the revision of the National Capital Plan. Officials also provided information on the activities undertaken by the NCA to promote Canberra, and furnished the committee with an explanation of the Westside initiative.<sup>51</sup>

### **Policy and Research Division**

3.30 In this session the committee sought information on the work of the Office of Northern Australia (ONA). Officials provided details on the budget, staffing levels and office locations of the ONA, as well as the predicted impact of the Northern Australia White Paper on future activities.<sup>52</sup>

3.31 The committee also inquired into the status of the 'State of Australian Cities 2014' report, following on from discussions during the 2014-15 Additional Estimates hearings on the reasons behind the delay in publication of the document.<sup>53</sup>

3.32 Officials also provided an explanation of Australian Bureau of Statistics engineering construction data, as well as an update on the progress of high speed rail planning.<sup>54</sup>

### **Western Sydney Unit**

3.33 The committee questioned officials on a variety of matters relating to the proposed Badgerys Creek airport in Sydney, including the naming of the facility, the current status of negotiations with the airport corporation, recent discussions with the New South Wales government on the possibility of a rail line under the airport, and the number of jobs likely to be created through the construction of the project.<sup>55</sup>

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49 *Proof Hansard*, 28 May 2015, pp 80-84.

50 *Proof Hansard*, 28 May 2015, pp 85-88.

51 *Proof Hansard*, 28 May 2015, pp 88-94.

52 *Proof Hansard*, 28 May 2015, pp 95-97.

53 *Proof Hansard*, 28 May 2015, pp 99, 102, 104-105.

54 *Proof Hansard*, 28 May 2015, pp 102-104, 105-106.

55 *Proof Hansard*, 28 May 2015, pp 109-113.

**Senator the Hon Bill Heffernan  
Chair**

# **Appendix 1**

## **Documents tabled**

### **Agriculture portfolio**

1. Opening statement. Tabled by Mr John Harvey, Managing Director, Grains Research and Development Corporation on 25 May 2015.
2. Excerpts from a 2012 Community and Public Sector Union January submission to the Treasury. Tabled by Senator Sean Edwards on 25 May 2015.
3. Correspondence received from the Australian Chicken Meat Federation by the Rural Industries Research and Development Corporation. Tabled by Professor Daniela Stehlik, Chair, Rural Industries Research and Development Corporation on 25 May 2015.
4. Correspondence sent by the Minister of Agriculture to the Rural Industries Research and Development Corporation, the Grains Research and Development Corporation, the Fisheries Research and Development Corporation, and the Australian Pesticides and Veterinary Medicines Authority. Tabled by Mr Phillip Glyde, Acting Secretary, Department of Agriculture on 25 May 2015.

### **Infrastructure and Regional Development portfolio**

1. Four documents relating to asset recycling. Tabled by Mr Mike Mrdak, Secretary, Department of Infrastructure and Regional Development on 27 May 2015.
2. Opening statement. Tabled by Mr Mark Skidmore, Director of Aviation Safety, Civil Aviation Safety Authority on 27 May 2015.
3. Photograph of a drone. Tabled by Senator the Hon Bill Heffernan on 27 May 2015.
4. Document titled 'Response to TSB recommendations'. Tabled by Mr Martin Dolan, Chief Commissioner, Australian Transport Safety Bureau on 28 May 2015.
5. Document titled 'Target Review of Melbourne Land and Hold Short Operations (LAHSO) Safety Assurance'. Tabled by Ms Margaret Staib, Chief Executive Officer, Airservices Australia on 28 May 2015.
6. Document titled 'Airservices Response to the Review of Melbourne Land and Hold Operations (LAHSO) Safety Assurance'. Tabled by Ms Margaret Staib, Chief Executive Officer, Airservices Australia on 28 May 2015.



## **Appendix 2**

### **Additional Information received**

#### **Agriculture portfolio**

1. Correspondence received 29 May 2015 from Ms Nicola Hinder, Assistant Secretary, Pathway Compliance, Department of Agriculture, clarifying evidence given on 25 May 2015.
2. Correspondence received 11 June 2015 from Ms Raelene Vivian, First Assistant Secretary, Compliance Division, Department of Agriculture, clarifying evidence given on 25 May 2015.
3. Correspondence received 18 June 2015 from Mr Nico Padovan, Acting Deputy Secretary, Department of Agriculture, clarifying evidence given on 25 and 26 May 2015.
4. Correspondence received 19 June 2015 from Ms Anna Willock, Acting First Assistant Secretary, Agricultural Adaptation and Forestry Division, Department of Agriculture, clarifying evidence given on 25 and 26 May 2015.
5. Correspondence received 19 June 2015 from Ms Tessa Jakszewicz, Chief Executive Officer, Landcare Australia Limited, clarifying evidence given on 26 May 2015.
6. Correspondence received 19 June 2015 from Mr Richard Norton, Managing Director, Meat and Livestock Australia, clarifying evidence given on 26 May 2015.

#### **Infrastructure and Regional Development portfolio**

1. Clarification of evidence received 1 June 2015 from Mr Peter Foley, Program Director, Operational Search for MH370, Australian Transport Safety Bureau.

