

The Senate

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Rural Affairs and Transport  
Legislation Committee

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Additional estimates 2010-11

March 2011

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ISBN 987-1-74229-413-1

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# Membership of the Committee

## *Members*

Senator Glenn Sterle	ALP, Western Australia	Chair
Senator the Hon. Bill Heffernan	LP, New South Wales	Deputy Chair
Senator Steve Hutchins	ALP, New South Wales	
Senator Fiona Nash	NPA, New South Wales	
Senator Kerry O'Brien	ALP, Tasmania	
Senator Rachel Siewert	AG, Western Australia	

Senator Crossin replaced Senator O'Brien as a member of the committee between 30 September 2010 and 9 February 2011.

## *Participating Members*

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Senator Abetz	Senator Cash	Senator Humphries	Senator Polley
Senator Adams	Senator Colbeck	Senator Hurley	Senator Pratt
Senator Back	Senator Coonan	Senator Johnston	Senator Ronaldson
Senator Barnett	Senator Cormann	Senator Joyce	Senator Ryan
Senator Bernardi	Senator Crossin	Senator Kroger	Senator Scullion
Senator Bilyk	Senator Eggleston	Senator Ludlam	Senator Stephens
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Senator Bushby	Senator Forshaw	Senator Moore	
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# Table of Contents

<b>Membership of the Committee .....</b>	<b>iii</b>
<b>List of Abbreviations .....</b>	<b>viii</b>
<b>Chapter 1 .....</b>	<b>1</b>
<b>Introduction .....</b>	<b>1</b>
Changes to departmental structures.....	2
Questions on Notice .....	2
Additional information .....	2
Note on references .....	3
<b>Chapter 2 .....</b>	<b>5</b>
<b>Agriculture, Fisheries and Forestry portfolio.....</b>	<b>5</b>
Department of Agriculture, Fisheries and Forestry.....	5
Corporate Finance/Corporate Policy/Corporate Services .....	5
Wheat Exports Australia (WEA).....	6
Biosecurity Services Group.....	7
Climate Change .....	9
Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES).....	11
Sustainable Resource Management.....	12
Australian Fisheries Management Authority (AFMA) .....	13
Trade and Market Access .....	15
Agricultural Productivity.....	16
Australian Pesticides and Veterinary Medicines Authority (APVMA) .....	17
Rural Industries Research and Development Corporation (RIRDC) .....	18
Wine Australia.....	18
Meat and Livestock Australia (MLA) .....	19

<b>Chapter 3 .....</b>	<b>21</b>
<b>Infrastructure and Transport portfolio .....</b>	<b>21</b>
Department of Infrastructure and Transport.....	21
Corporate Services.....	21
Major Cities Unit.....	22
Infrastructure Australia and Nation Building—Infrastructure Investment .....	23
Surface Transport Policy .....	24
Australian Maritime Safety Authority (AMSA) .....	25
Policy and Research .....	25
Office of Transport Security.....	26
Aviation and Airports .....	26
Civil Aviation Safety Authority (CASA).....	27
Airservices Australia .....	28
Australian Transport Safety Bureau (ATSB) .....	28
<b>Appendix 1 .....</b>	<b>29</b>
<b>Table of contents to proof Hansard transcripts .....</b>	<b>29</b>
<b>Monday 21 February 2011.....</b>	<b>30</b>
Agriculture, Fisheries and Forestry portfolio .....	30
<b>Tuesday 22 February 2011 .....</b>	<b>31</b>
Infrastructure and Transport portfolio .....	31
<b>Appendix 2.....</b>	<b>33</b>
<b>Tabled Documents.....</b>	<b>33</b>
Agriculture, Fisheries and Forestry portfolio .....	33
Infrastructure and Transport portfolio .....	33
<b>Appendix 3.....</b>	<b>35</b>
<b>Topic list – Agriculture, Fisheries and Forestry portfolio.....</b>	<b>35</b>

<b>Appendix 4</b> .....	<b>41</b>
<b>Topic list – Infrastructure and Transport portfolio</b> .....	<b>41</b>

## List of Abbreviations

ABARE – BRS	Australian Bureau of Agricultural and Resource Economics – Bureau of Rural Sciences
ABARES	Australian Bureau of Agricultural and Resource Economics and Sciences
ACCC	Australian Competition and Consumer Commission
AFMA	Australian Fisheries Management Authority
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
APPEA	Australian Petroleum Production and Exploration Association
APVMA	Australian Pesticides and Veterinary Medicines Authority
AQIS	Australian Quarantine and Inspection Service
ARPANSA	Australian Radiation Protection and Nuclear Safety Agency
ATSB	Australian Transport Safety Bureau
AWI	Australian Wool Innovation
BRS	Bureau of Rural Sciences
BSE	Bovine spongiform encephalopathy
BSG	Biosecurity Services Group
CASA	Civil Aviation Safety Authority
CCAMLR	Convention for the Conservation of Antarctic Marine Living Resources
CCEPP	Consultative Committee on Emergency Plant Pests
CCSBT	Commission for the Conservation of Southern Bluefin Tuna
CEO	Chief Executive Officer
COAG	Council of Australian Governments
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAFF	Department of Agriculture, Fisheries and Forestry
DFAT	Department of Foreign Affairs and Trade
EC	Exceptional Circumstances
FSANZ	Food Standards Australia New Zealand
FTA	Free trade agreement



GWRDC	Grape and Wine Research and Development Corporation
IOTC	Indian Ocean Tuna Commission
IRA	Import Risk Analysis
IUU	Illegal, unreported and unregulated
MCU	Major Cities Unit
MSIC	Maritime Safety Identification Card
NDRRA	National Disaster Relief and Recovery Arrangements
NRM	Natural resource management
NSW	New South Wales
OTS	Office of Transport Security
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PC	Productivity Commission
QLD	Queensland
R&D	Research and development
RET	Department of Resources, Energy and Tourism
RIRDC	Rural Industries Research and Development Corporation
RIS	Regulation Impact Statement
SRM	Sustainable resource management
TAS	Tasmania
US	United States
VAMPIRE	Vulnerability Assessment for Mortgage, Petroleum and Inflation Risks and Expenses (index)
VIC	Victoria
WA	Western Australia
WEA	Wheat Exports Australia



# Chapter 1

## Introduction

1.1 On 10 February 2011, the Senate referred the following documents to the Rural Affairs and Transport Legislation Committee (the committee) for examination and report in relation to the Agriculture, Fisheries and Forestry portfolio and the Infrastructure and Transport portfolio:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2011 [Appropriation Bill (No. 3) 2010-11];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2011 [Appropriation Bill (No. 4) 2010-11];
- Final budget outcome 2009-2010; and
- Issues from the advances under the annual Appropriation Acts for 2009-2010.<sup>1</sup>

1.2 The committee was required to report to the Senate on its consideration of 2010-11 additional estimates on 22 March 2011.

1.3 The committee considered the Portfolio Additional Estimates Statements 2010-11 for both portfolios at hearings on 21 and 22 February 2011. The hearings were conducted in accordance with the agreed agenda as follows:

- Monday 21 February 2011 – Agriculture, Fisheries and Forestry portfolio.
- Tuesday 22 February 2011 – Infrastructure and Transport portfolio.

1.4 The committee heard evidence from Senator the Hon Joe Ludwig, Minister for Agriculture, Fisheries and Forestry, and Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research, representing the Minister for Infrastructure and Transport. Evidence was also provided by Ms Rona Mellor, Acting Secretary of the Department of Agriculture, Fisheries and Forestry, Mr Mike Mrdak, Secretary of the Department of Infrastructure and Transport, and officers representing the departments and agencies covered by the estimates before the committee.

1.5 The committee thanks the ministers, departmental secretaries and officers for their assistance and cooperation during the hearings.

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1 *Journals of the Senate*, No. 19, 10 February 2011, p. 581.

## **Changes to departmental structures**

1.6 The committee notes that the following changes have been made to the departmental structure of the Department of Infrastructure and Transport since the 2010-11 Budget Estimates in May 2010:

- as at 14 September 2010, the department changed its name from the Department of Infrastructure, Transport, Regional Development and Local Government, with the transfer of the Local Government and Regional Development Division and the Office of Northern Australia to the new Department of Regional Australia, Regional Development and Local Government;<sup>2</sup>
- the Major Cities Unit moved from Infrastructure Australia to within the department; and
- from 1 July 2010, the Infrastructure and Surface Transport Policy Division became the Surface Transport Policy Division.

1.7 The committee also notes that a change has been made to the departmental structure of the Department of Agriculture, Fisheries and Forestry since the 2010-11 Budget Estimates round. From 1 July 2010, the Australian Bureau of Agricultural and Resource Economics (ABARE) and the Bureau of Rural Sciences (BRS) merged to become the Australian Bureau of Agricultural and Resource Economics – Bureau of Rural Sciences (ABARE–BRS). From 1 December 2010, the name was changed to the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES).

1.8 In December 2010, the Australian Wine and Brandy Corporation was renamed Wine Australia.

## **Questions on Notice**

1.9 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 requested that written answers and additional information be submitted by Tuesday 12 April 2011.

## **Additional information**

1.10 Answers to questions taken on notice at the committee's additional estimates hearings will be tabled in the Senate in separate volumes entitled 'Additional information relating to the examination of additional estimates 2010-2011, February 2011, Senate Rural Affairs and Transport Legislation Committee'. Documents not suitable for inclusion in the additional information volumes will be available on request from the committee secretariat.

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2 Commonwealth of Australia, Administrative Arrangements Order, 14 September 2010.

1.11 Answers to questions on notice received from the departments will also be posted on the committee's website at a later date.

**Note on references**

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



## Chapter 2

### Agriculture, Fisheries and Forestry portfolio

#### Department of Agriculture, Fisheries and Forestry

2.1 This chapter contains the key issues discussed during the 2010-11 additional estimates hearings for the Agriculture, Fisheries and Forestry portfolio. A complete list of all the topics discussed, and relevant page numbers, can be found at appendix 3.

2.2 The committee heard evidence from the department on Monday 21 February 2011. The hearing was conducted in the following order:

- Corporate Finance/Corporate Policy/Corporate Services
- Wheat Exports Australia
- Biosecurity Services Group
- Climate Change
- Australian Bureau of Agricultural and Resource Economics and Sciences
- Sustainable Resource Management
- Australian Fisheries Management Authority
- Trade and Market Access
- Agricultural Productivity
- Australian Pesticides and Veterinary Medicines Authority
- Rural Industries Research and Development Corporation
- Wine Australia
- Meat and Livestock Australia

#### Corporate Finance/Corporate Policy/Corporate Services

2.3 The committee was interested in the impact of recent extreme weather events on the department's budget. The department indicated that it does not see any impact on the current budget. However, it is expected there will be a minor impact in relation to levy collections of administered funds.<sup>1</sup>

2.4 The committee asked about the department's role in providing assistance to the rural sector as part of the recovery effort. The department explained that the government's response is being coordinated by the Attorney-General's Department under the National Disaster Relief and Recovery Arrangements (NDRRA) and the

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1 *Proof Estimates Hansard*, 21 February 2011, pp 5 and 6.

Department of Regional Australia, Regional Development and Local Government, the main delivery agency. DAFF is involved, through ABARES, in providing advice on the impact of the floods and cyclones on the agricultural sector as part of the whole-of-government response.<sup>2</sup>

2.5 The committee expressed concern about the potential increase in costs for Exceptional Circumstances assistance due to the recent floods. The department indicated that Exceptional Circumstances (EC) assistance is not meant to be the automatic response to a disaster. It was separated from NDRRA back in the late 1980s, as NDRRA was considered to be the best way to deal, immediately, with major disasters.<sup>3</sup> The department continued:

The flooding is very recent...If, after a period of time, it is clear that the event has resulted in a sustained income impact on the people, over and beyond what can be dealt with through the immediate response, then you might be in a situation where exceptional circumstances could be considered. But it does require two key things: a rare and severe event—a one in 20 to 25 year event—and a sustained, prolonged, downward impact on farmers' incomes.<sup>4</sup>

### **Wheat Exports Australia (WEA)**

2.6 The committee raised concerns about wheat handling during the recent harvest, including complaints about near monopoly providers such as Viterra in South Australia, and whether there is sufficient transparency in the system. The committee raised a number of issues, questioning whether they are a deterrent to fair competition.<sup>5</sup>

2.7 WEA advised that Viterra has acknowledged there have been some problems and has commissioned an independent review. WEA observed that a number of issues are 'not our bailiwick', including whether the government and the committee should give consideration to standardising the testing of wheat. WEA indicated that if it identifies a problem that falls within its responsibility, it will conduct an audit and try to change behaviour.<sup>6</sup>

2.8 Members of the committee flagged their interest in a reference to the committee to further examine these issues.<sup>7</sup>

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2 *Proof Estimates Hansard*, 21 February 2011, pp 6 and 7.

3 *Proof Estimates Hansard*, 21 February 2011, pp 8–9.

4 *Proof Estimates Hansard*, 21 February 2011, p. 9.

5 *Proof Estimates Hansard*, 21 February 2011, pp 17–22.

6 *Proof Estimates Hansard*, 21 February 2011, pp 17–22.

7 *Proof Estimates Hansard*, 21 February 2011, pp 21, 22 and 25.



2.9 The committee was interested in WEA's view of access arrangements at ports and whether the supply chain is working efficiently. WEA advised that:

The ports are operating much better than they were a couple of years ago and everyone is learning out of examples that came out of the first harvest. This is now the third harvest, and I think it is getting better and better.<sup>8</sup>

2.10 The committee asked WEA to provide more detail on the basis for this view.<sup>9</sup> WEA explained that:

In the initial year of accreditation we conducted shipping stem audits on all the bulk handlers and a number of recommendations were made by the auditor that the bulk handlers, the port operators, picked up. In the last 12 months we have audited Viterra and they have identified some issues, as did the auditor, and they have said that they will be implementing changes and those recommendations will be implemented. We are seeing less of the issues that we did in the first year of ships sitting out of port incurring huge amounts of demurrage. So I would say that ports are operating better.<sup>10</sup>

2.11 The committee sought an update on the Productivity Commission review of wheat export marketing arrangements which recommended that WEA should be abolished from September 2011. The committee was advised that the government is currently considering the Productivity Commission's recommendations. Any significant change to the current system would require amendments to the *Wheat Export Marketing Act 2008*.<sup>11</sup>

### **Biosecurity Services Group**

2.12 Continuing its interest from budget estimates, the committee raised concerns about the current import requirements for raw prawns. The department explained that raw prawns can be imported if they come from countries or zones that are free from certain diseases or if they are classified as highly processed such as breaded, battered or marinated. Otherwise, if they have their head and shell removed, they are tested for white spot and yellow head viruses. The committee asked the department to revisit the import requirements for uncooked raw prawns which have been marinated, given that the marinade is not impregnated in the prawns and can be washed off easily.<sup>12</sup>

2.13 The committee sought further details of an incident in which a Biosecurity Services Group (BSG) officer mistakenly released a consignment of raw, peeled prawns intended for human consumption that had tested positive for white spot syndrome virus. The department advised that once it became aware of the incident

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8 *Proof Estimates Hansard*, 21 February 2011, p. 18.

9 *Proof Estimates Hansard*, 21 February 2011, pp 24–25.

10 *Proof Estimates Hansard*, 21 February 2011, p. 24.

11 *Proof Estimates Hansard*, 21 February 2011, pp 23–24.

12 *Proof Estimates Hansard*, 21 February 2011, pp 25–26 and 29–30.

about three weeks later, the Interim Inspector-General of Biosecurity was requested to conduct a comprehensive review. He found that the mistake had been caused by human error. The second part of his review found that the likelihood of the virus entering a high-risk pathway was extremely low and the risk of it causing an outbreak in Australian prawns was negligible. He made seven recommendations to improve the department's processes and minimise the possibility of human error.<sup>13</sup>

2.14 The committee heard that the department also initiated a recall action and sought assistance from the importer in identifying where the prawns had been sold. Out of a total shipment of 20 tonnes, 3.5 tonnes were recalled and re-exported. The committee asked the department, on notice, to provide a list of outlets where the prawns were sold and to account for the 17 tonnes of prawns that went into the system.<sup>14</sup>

2.15 The committee was concerned about the decision of the Asian Honeybee National Management Group that it is no longer technically feasible to achieve eradication of the Asian honey bee, following consideration of advice from the Consultative Committee on Emergency Plant Pests (CCEPP). The committee was interested to know why there was a lack of consensus within the CCEPP on this issue. The department explained that three States initially had some concerns about the decision. While they agreed in the end that the bee was not eradicable, they sought a continuation for six months to gain information to provide more certainty about the decision. However, the prevailing view at the end of the meeting was that this would not provide decision-makers with any more detail.<sup>15</sup>

2.16 The committee asked if the department had done any assessment of the possible impact of the Asian honey bee on factors such as pollination, native bees, environmental biodiversity and public health. The department advised that the impact is not a feature taken into consideration in looking at whether the bee is eradicable; neither is funding. The decision is completely science based.<sup>16</sup>

2.17 The department indicated that current funding will cease on 31 March 2011. Senior Biosecurity officials and representatives of the Australian Honey Bee Industry Council will meet soon to determine any future national action beyond 31 March.<sup>17</sup>

2.18 The committee raised concerns about the use of streptomycin to control fire blight on apple trees in New Zealand and the possible risks from chemical residues on apples imported into Australia. The department advised that it has written to Food Standards Australia New Zealand (FSANZ) to seek advice on the issue. If FSANZ

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13 *Proof Estimates Hansard*, 21 February 2011, p. 26.

14 *Proof Estimates Hansard*, 21 February 2011, pp 27 and 28–29.

15 *Proof Estimates Hansard*, 21 February 2011, pp 30–31.

16 *Proof Estimates Hansard*, 21 February 2011, pp 31–33.

17 *Proof Estimates Hansard*, 21 February 2011, pp 30 and 32.

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considers that streptomycin residue presents a medium to high risk to human health, it will be risk listed and then inspections will be carried out by the Biosecurity Services Group.<sup>18</sup>

2.19 The committee briefly discussed the 'stop the clock' provision that has been invoked for the import risk analysis (IRA) processes for the importation of beef from the United States (US) and Canada. The issue was discussed in further detail below with the Trade and Market Access Division.<sup>19</sup>

2.20 The committee sought an update on the importation of apples from China. The department advised that 24 consignments have arrived in Australia and 16 import permits have been issued to date. The committee was interested to know whether the names of the importers are public. The department indicated that it is commercial-in-confidence information, explaining:

This is about competitiveness. Who is buying what is something that is about market share and market competition, so I do not think it is our business to provide information about that.<sup>20</sup>

2.21 Notwithstanding this, the department agreed to provide a response to the committee on notice.<sup>21</sup> The committee heard that all of the consignments were inspected in China by AQIS officers and verified upon arrival in Australia to confirm that the product is the same as that inspected in China. One of the consignments is currently undergoing food safety testing. If there is found to be an issue, the department will identify where the product has gone, through the importer, and provide advice to the state authority.<sup>22</sup>

## **Climate Change**

2.22 The committee was interested in DAFF's role in the development of the Carbon Farming Initiative. Officers advised that they have been working closely with the Department of Climate Change and Energy Efficiency on the design of the program. They have been involved in developing a consultation paper, released in November 2010, and they are part of the legislative drafting team. In addition, joint working groups have been set up between the two departments to develop a range of offset methodologies covering livestock emissions, forestry and soils (nitrous oxide and carbon).<sup>23</sup>

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18 *Proof Estimates Hansard*, 21 February 2011, pp 38–40.

19 *Proof Estimates Hansard*, 21 February 2011, p. 44. See also pp 110 and 111–113.

20 *Proof Estimates Hansard*, 21 February 2011, p. 45.

21 *Proof Estimates Hansard*, 21 February 2011, p. 46.

22 *Proof Estimates Hansard*, 21 February 2011, pp 46–47.

23 *Proof Estimates Hansard*, 21 February 2011, pp 51–52.

2.23 The committee asked officers to explain how the Carbon Farming Initiative will be designed, expressing particular interest in constraints or restrictions to avoid competition for water and food growing land. The department indicated that:

it will come down to a matter of demand and supply as to whether there is much of a demand in the market and what the price of those credits will be as to how many projects will actually get approved and up and running.<sup>24</sup>

2.24 The department emphasised that under the legislation there will be periodic reviews to assess the impact on local communities, security issues and natural resource management, including water. The first review is due to take place in 2014.<sup>25</sup>

2.25 The department was unable to give the committee an indication of the number of permits expected to be created under the Carbon Farming Initiative. Officers explained that 'until the market is up and running and we can see what methodologies are approved and what projects come forward, it would be hard to say'.<sup>26</sup>

2.26 The committee sought an update on the pilot of drought reform measures in Western Australia. The department indicated that it has released a detailed progress report on each component of the pilot measures. The report was a requirement under the national partnership agreement with the Western Australian government and is publicly available on the drought pilot website. The department provided the committee with a summary of progress to date for each component, including applications and allocation of funding.<sup>27</sup>

2.27 The committee heard that there is total funding of \$22.9 million for the pilot, with the Commonwealth Government contributing \$17.9 million and the Western Australian Government committing just over \$5 million. The pilot will finish on 30 June 2011, with payments under one component, Building Farm Businesses, to continue until June 2013. An assessment panel will report to both governments on the 'efficiency, effectiveness, appropriateness and preliminary outcomes of each of the pilot measures'. Performance will be measured against the aims and objectives and the key performance indicators defined in the national partnership agreement.<sup>28</sup>

2.28 The committee expressed concerns about the Tasmanian Forest Contractors Exit Assistance Program, in view of the fact that a fraud investigation has been launched within a couple of months of applications closing. The committee asked the Minister and the department to explain how this could happen, given longstanding criticisms raised by parliamentarians and the Auditor-General about the

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24 *Proof Estimates Hansard*, 21 February 2011, p. 52.

25 *Proof Estimates Hansard*, 21 February 2011, pp 52–53.

26 *Proof Estimates Hansard*, 21 February 2011, p. 53.

27 *Proof Estimates Hansard*, 21 February 2011, pp 57–58.

28 *Proof Estimates Hansard*, 21 February 2011, pp 58–60.

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mismanagement of previous Commonwealth forestry grants to Tasmania.<sup>29</sup> In response, the department indicated that:

We have had allegations reported and the fraud investigations and security team is following that up. That is as much as I think I am able to say.<sup>30</sup>

2.29 While the department did not consider it appropriate to discuss ongoing fraud investigations, officers offered to explain 'the processes around the management of the grants process'.<sup>31</sup>

2.30 The committee also discussed the following aspects of the program:

- obligations placed on successful applicants who had also received funding under a previous grant, in relation to disposal of assets purchased with proceeds from the previous grant;
- contractors claiming the exit package in Tasmania not being precluded from going to work in other states and competing against locals with no such grants;
- the impact on contractors who found their businesses stranded by the exit of other businesses upstream; and
- the appropriateness of the level of the grants, up to \$750,000, considering that the highest similar grants for farmers leaving the land due to drought are less than \$200,000.<sup>32</sup>

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

2.31 The committee was interested in ABARES' analysis of the impact of recent extreme weather events on agriculture. ABARES gave the committee an overview of its findings from several recent reports, including: its special report on *The impact of recent flood events on commodities*, released on 21 January 2011; the December 2010 *Australian Crop Report*; and the December edition of *Australian commodities*:

...all up, we are now saying that if you include the events from late November through to the end of January there was about a total impact of \$2 billion [on crop production] across the eastern states as a result of those weather events. That does not include the impact of Cyclone Yasi, though, which was on 3 February.<sup>33</sup>

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29 *Proof Estimates Hansard*, 21 February 2011, pp 63–64.

30 *Proof Estimates Hansard*, 21 February 2011, p. 65.

31 *Proof Estimates Hansard*, 21 February 2011, p. 64.

32 *Proof Estimates Hansard*, 21 February 2011, pp 64–66 and 72.

33 *Proof Estimates Hansard*, 21 February 2011, p. 76.

2.32 ABARES indicated that it has done some assessment on Cyclone Yasi, estimating the impact on crop production, including sugar and bananas, to be 'somewhere in the order of magnitude of \$300 million'.<sup>34</sup>

2.33 The committee asked about the effect of the merger of ABARE and BRS to form ABARE-BRS, then ABARES. ABARES explained that it was not done as a cost-saving measure, with corporate support functions being combined a number of years ago. Budgets and staffing levels have now been combined and it is 'really more about...scientists and economists and social scientists working on some of the common issues'.<sup>35</sup> Officers considered that the synergy between science and economics has definitely enhanced their work in a number of areas so far, including biosecurity, forestry, climate change, water and the crop report.<sup>36</sup>

2.34 The committee was advised that the Department of Resources, Energy and Tourism (RET) has decided to create its own analytical bureau within its department. ABARES is working with RET for a smooth transition, with a view to the Bureau of Resources and Energy Economics beginning operation from 1 July 2011. ABARES added that 'all questions about oil prices can then be asked of that bureau rather than this one'.<sup>37</sup> Current ABARES staff working in the resources and energy area have been offered the opportunity to move to RET or stay with ABARES.<sup>38</sup>

### **Sustainable Resource Management**

2.35 The committee asked about the mid-term review of the Caring for our Country program, including the release of a discussion paper and call for submissions. Officers explained that consultation will be a significant part of the review process, but they 'have not bedded it all down' at this stage:

We envisage holding some targeted, face-to-face consultations. We will be accepting written submissions. We will be holding consultations with key groups, such as industry groups and environment groups and state agencies, and we have also put in place a web-based discussion forum, so those people who would not normally come to a face-to-face forum—because it is too difficult or they cannot fit it in their timetable—can still engage in discussion. The experience that other people have had in doing reviews is you can reach a wider audience by using web-based tools to complement the more traditional face-to-face approaches.<sup>39</sup>

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34 *Proof Estimates Hansard*, 21 February 2011, p. 76.

35 *Proof Estimates Hansard*, 21 February 2011, p. 81.

36 *Proof Estimates Hansard*, 21 February 2011, pp 81–82.

37 *Proof Estimates Hansard*, 21 February 2011, p. 82.

38 *Proof Estimates Hansard*, 21 February 2011, p. 82.

39 *Proof Estimates Hansard*, 21 February 2011, p. 84.

2.36 The committee was interested to know why the decision was made to conduct an internal review, rather than using an external advisory panel. The department indicated that a range of options were considered, however, as this was a mid-term review:

a conclusion was reached that if a review were done in a fully consultative and open and transparent manner an outcome could be achieved via this process similar to what would be done via an external panel.<sup>40</sup>

2.37 The department added that external consultants may be used to undertake part of the review. At this stage, officers are still evaluating areas of departmental expertise and seeing where external consultants would add value.<sup>41</sup> The committee raised concerns that people may not be as forthcoming as they might be if an independent consultant was running the process, given current criticisms of the program. Officers observed that:

We see no reason why people would not be forthcoming. In fact, they are quite frank and forthcoming about the program now. If we did observe that it was a problem and they were concerned either about whether we would be taking their views on board or whether we had assessed them properly, the use of someone external to either assist with the consultation or perhaps act as an independent observer about the process and ensure that the material being brought forward was being fed into the review properly would be something we could consider.<sup>42</sup>

2.38 The committee was advised that submissions close on 20 May and will be made public unless the submitter requests otherwise. The department is expecting to report to ministers in late July 2011.<sup>43</sup>

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

2.39 The committee was interested in AFMA's assessment of current southern bluefin tuna stocks, in light of the reduced quotas set by the Commission for the Conservation of Southern Bluefin Tuna (CCSBT) in October 2009. AFMA advised that it is 'seeing a very good year' in the Great Australian Bight for two- to four-year-old fish, both in the industry aerial survey data and in the CSIRO formal structured aerial survey. However, AFMA cautioned that:

...these are two- to four-year-old fish, quite different to the adult fish which comprise the adult population, which is actually the key assessment component in the Commission for the Conservation of Southern Bluefin Tuna. It is a very good year. This is a very good sign, and we would like to think it is the sign of things to come but, just as when we have a very bad

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40 *Proof Estimates Hansard*, 21 February 2011, p. 85.

41 *Proof Estimates Hansard*, 21 February 2011, p. 86.

42 *Proof Estimates Hansard*, 21 February 2011, p. 86.

43 *Proof Estimates Hansard*, 21 February 2011, pp 84, 85 and 86.

year in the Great Australian Bight it does not mean the stock is going extinct, this year, when we are having a very good year, does not mean the stock has suddenly recovered.<sup>44</sup>

2.40 The committee heard that a new stock assessment will be conducted this year as part of the normal CCSBT process, incorporating new and improved data. The assessment is based on spawning stock, that is, fish at least ten years of age. While the current increased stocks of younger fish are considered a positive sign, officers explained that 'those fish now effectively have to go through the long-line fleets until they reach spawning age'. The assessment process will be completed in July, with recommendations to go to the CCSBT in October 2011.<sup>45</sup>

2.41 The committee was interested in AFMA's views on claims by industry about the impact of seismic testing over Bass Strait scallop beds. AFMA advised that it is taking the industry's concerns about the die-off last year very seriously:

To that end, with the help of the industry and the Tasmanian Aquaculture and Fisheries Institute, we have undertaken a survey to look at the short-term impacts of seismic testing on the beds we are managing. The results of that survey show that they could not find any detectable difference as a result of the seismic testing in the health or survival of the scallops.<sup>46</sup>

2.42 AFMA indicated that it is currently looking at how to design a program to detect the longer, more chronic effects of seismic testing. The CSIRO Animal Health Laboratory was requested to look at possible parasitological explanations, but no evidence of disease was found. AFMA is also meeting with the Australian Petroleum Production and Exploration Association (APPEA) to discuss possible action to minimise the overlap between scallop fishing areas and drilling and other exploration work, as a precautionary measure.<sup>47</sup>

2.43 The committee requested an update on illegal foreign fishing. AFMA advised that apprehension numbers in northern Australian waters have dropped down to 10 for this financial year, compared with 23 and 27 for the previous two years. Numbers peaked in 2005-06 with 360 apprehensions. In the Southern Ocean, the last vessel sighted inside Australian waters was in June 2005. However, illegal, unreported and unregulated (IUU) vessels continue to operate inside the Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR) area on the high seas. Four IUU vessels were sighted in 2009-10 and three in 2010-11.<sup>48</sup>

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44 *Proof Estimates Hansard*, 21 February 2011, p. 91.

45 *Proof Estimates Hansard*, 21 February 2011, pp 91 and 93–94.

46 *Proof Estimates Hansard*, 21 February 2011, p. 98.

47 *Proof Estimates Hansard*, 21 February 2011, p. 98.

48 *Proof Estimates Hansard*, 21 February 2011, pp 98–99.



2.44 The committee heard that the *Oceanic Viking* has been replaced by a new vessel, the *Ocean Protector*, which came on line in October 2010 and conducted a patrol to the Southern Ocean in November 2010. AFMA indicated that it is planning for fisheries officers to participate in all of the Southern Ocean patrols for this financial year, including three Australian patrols and four French patrols.<sup>49</sup>

2.45 The committee requested information about the appointment of Mr David Llewellyn as the Chair of the Recreational Fishing Advisory Committee in July 2010. In particular, the committee raised concerns about a possible conflict of interest while Mr Llewellyn is currently registered as a lobbyist with the Tasmanian Department of Prime Minister and Cabinet. The department indicated that, before responding to the committee, it would need to check the details of the appointment process, including whether Mr Llewellyn made any declaration in relation to his lobbyist role.<sup>50</sup>

### **Trade and Market Access**

2.46 The committee was interested in DAFF's response to complaints by the Australian rock lobster industry about access for exports to China. The department indicated that it has been playing a facilitative role, working with its Beijing-based councillor, AQIS, DFAT and industry to find evidence of the specific issues involved.<sup>51</sup> The department emphasised that:

We confirmed very early on that the media reported ban was, in fact, not in place. So there is no ban in place on rock lobster to China.

...We confirmed that the Shanghai quarantine and customs area, in particular, was operating 24 hours a day, and we were not given any consignment numbers or permit numbers or any other evidence to enable us to confirm that any issue had in fact occurred with the delay of a consignment entering China.<sup>52</sup>

2.47 The Minister observed that without consignment numbers or more specific information provided by industry, 'it is very hard to travel down that paper trail to establish what the issue is, quite frankly'.<sup>53</sup>

2.48 The committee requested an update on red meat exports from Australia to the Russian Federation. The department advised that Russia is currently Australia's fourth-largest export destination for beef with stronger trade over the last 12 months than the previous 12 months. Following an audit of Australia's red meat system by

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49 *Proof Estimates Hansard*, 21 February 2011, p. 99.

50 *Proof Estimates Hansard*, 21 February 2011, pp 100 and 101–103.

51 *Proof Estimates Hansard*, 21 February 2011, p. 104.

52 *Proof Estimates Hansard*, 21 February 2011, pp 104 and 105.

53 *Proof Estimates Hansard*, 21 February 2011, p. 105.

Russian veterinary authorities in October 2010, three plants have been temporarily suspended. The department is currently working on a response.<sup>54</sup>

2.49 In relation to kangaroo meat exports, the department advised that it lodged a further technical submission with the Russian authorities late last year. A response was received in December, raising a number of further questions, which were followed up at a bilateral meeting in January 2011. At this stage the department has not had any confirmation that its latest response has been accepted, so there is still no access to the Russian market for kangaroo meat.<sup>55</sup>

2.50 The committee sought an update on the import risk analysis (IRA) processes for the importation of beef from the United States (US), Canada and Japan. The department confirmed that 'the clocks have been stopped' on all three IRAs: Japan was stopped on 10 May 2010 (following an outbreak of foot-and-mouth disease); Canada on 24 November 2010; and the US on 4 February 2011. At the moment, the department is awaiting information from the US on their traceability systems. This will enable the department to do an analysis of US systems, including an inspection visit. The department has also requested information from Canada on their management, traceability and production systems. In response, Canada indicated that 'we will not provide it at this time because we do not have the resources to muster that information together'.<sup>56</sup>

### **Agricultural Productivity**

2.51 The committee expressed concern about the effect on the dairy industry of Coles' decision to price generic milk at \$1 per litre, including its lack of long term sustainability. The department stated that while it is aware of dairy industry concerns, at this stage it is difficult to know how long Coles will continue to absorb the price cut in their margins and how the situation will play out. The Minister observed that it is a matter that 'we do need to continue to watch very carefully'.<sup>57</sup>

2.52 The committee was interested in the development of the Australian Animal Welfare Standards and Guidelines. The department indicated that the purpose is to complement existing state and territory legislation for the prevention of cruelty to animals, by developing a common set of standards and guidelines for implementation on a consistent basis across the country.<sup>58</sup>

2.53 The committee raised concerns about the requirement for competency and the use of the words 'competent' and 'capable' in the draft standards. The department

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54 *Proof Estimates Hansard*, 21 February 2011, p. 105.

55 *Proof Estimates Hansard*, 21 February 2011, p. 105.

56 *Proof Estimates Hansard*, 21 February 2011, pp 110 and 111–113.

57 *Proof Estimates Hansard*, 21 February 2011, pp 118–120.

58 *Proof Estimates Hansard*, 21 February 2011, pp 120–121.

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explained that there is no intention to require formal examinations or testing as evidence of competence. The committee was advised that pig industry bodies will be key participants in a workshop convened by Animal Health Australia in early March to discuss this issue further.<sup>59</sup> However:

The formal position of the peak bodies for the sheep and cattle industries is still that they have withdrawn from participating in the standards and guidelines process, subject to the resolution of issues around consistent national implementation, particularly around ways of regulating for competence.<sup>60</sup>

2.54 The department indicated that it would try and continue with the cooperative approach between industry and government which has been used to develop the standards to this point.<sup>61</sup>

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

2.55 The committee asked about additional funding provided to the APVMA. The department indicated that the APVMA will receive \$8.75 million over four years. Part of the funding

is to undertake the reform agenda that is being put forward through the better regulation partnership. Part of that funding was a recognition that APVMA's budgetary position was unsustainable, so obviously their budget position will be enhanced by that additional funding.<sup>62</sup>

2.56 The committee sought an update on the Council of Australian Governments (COAG) reform process in relation to the new single national regulatory framework for agricultural and veterinary chemicals. Officers advised that a regulation impact statement will be released towards the end of the month for consultation. It will provide a series of options for implementation of the COAG reforms, rather than a preferred option, as this has not yet been determined by governments.<sup>63</sup>

2.57 Following on from its discussion with the Biosecurity Services Group earlier in the day, the committee raised concerns about the use of streptomycin to control fire blight on apple trees in New Zealand. The APVMA advised that streptomycin is not registered or permitted to be used for spraying on plants in Australia. The committee asked about action the APVMA would take if streptomycin residues were found on imported fruit. Officers indicated that the APVMA does not get involved in imported

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59 *Proof Estimates Hansard*, 21 February 2011, pp 121–122 and 124–125.

60 *Proof Estimates Hansard*, 21 February 2011, p. 121.

61 *Proof Estimates Hansard*, 21 February 2011, p. 121.

62 *Proof Estimates Hansard*, 21 February 2011, p. 129.

63 *Proof Estimates Hansard*, 21 February 2011, p. 130.

food issues; Food Standards Australia New Zealand (FSANZ) is the agency with responsibility for providing advice on testing for pesticide residues at the border.<sup>64</sup>

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

2.58 The committee was interested in the Productivity Commission (PC) review of Rural Research and Development Corporations and the RIRDC's view on recommendations in the draft report. The RIRDC advised that it welcomed the PC's findings on the strength of the research and development (R&D) model and its endorsement of the model in general terms. However, the RIRDC did not agree with the recommendation to create a new R&D corporation to cover public good work, as it considers that:

we are already covering a lot of those issues that they recommended the organisation would take, so we can see a case for RIRDC continuing in its current form and possibly expanding.<sup>65</sup>

### **Wine Australia**

2.59 The committee sought an update on policy changes and action taken by Wine Australia since supplementary budget estimates in relation to counterfeiting of Australian wine overseas. The Chief Executive advised that:

- as soon as allegations of counterfeiting are raised, the levy payer will be notified;
- Wine Australia has a memorandum of understanding with AQSIQ in China, which includes cooperation on counterfeiting issues;
- with the financial support of the Grape and Wine Research and Development Corporation (GWRDC), Wine Australia has undertaken a market research study into the Chinese market to understand the scale of the issue;
- levy payers have been issued with information about registering their trademarks in other markets;
- export approval control mechanisms around the export of bulk wine are in the process of being strengthened; and
- new requirements are being introduced for wine that is packaged in international markets and labelled as Australian wine.<sup>66</sup>

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64 *Proof Estimates Hansard*, 21 February 2011, pp 130–131.

65 *Proof Estimates Hansard*, 21 February 2011, p. 132.

66 *Proof Estimates Hansard*, 21 February 2011, pp 133–134.

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**Meat and Livestock Australia (MLA)**

2.60 Following on from additional estimates in February 2010, the committee discussed the beef and cattle industry's support for the then proposal to relax import restrictions for beef from countries that have had outbreaks of bovine spongiform encephalopathy (BSE). The committee was interested in lessons learned since then, in view of the current import risk analysis process.<sup>67</sup>

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67 *Proof Estimates Hansard*, 21 February 2011, pp 134–135.



# Chapter 3

## Infrastructure and Transport portfolio

### Department of Infrastructure and Transport

3.1 This chapter contains the key issues discussed during the 2010-11 additional estimates hearings for the Infrastructure and Transport portfolio. A complete list of all the topics discussed, and relevant page numbers, can be found at appendix 4.

3.2 The committee heard evidence from the department on Tuesday 22 February 2011. The hearing was conducted in the following order:

- Corporate Services
- Major Cities Unit
- Infrastructure Australia
- Nation Building—Infrastructure Investment
- Surface Transport Policy
- Australian Maritime Safety Authority
- Policy and Research (incorporating the Bureau of Infrastructure, Transport and Regional Economics)
- Office of Transport Security
- Aviation and Airports
- Civil Aviation Safety Authority
- Airservices Australia
- Australian Transport Safety Bureau

### Corporate Services

3.3 The committee confirmed the appointment of the Commonwealth Coordinator-General, Ms Lyn O'Connell, and sought details about the work and responsibilities of the role. Ms O'Connell explained that:

My role is one of coordinating and dealing with both the state and federal government agencies responsible for delivery of the programs, reporting on the delivery of the programs et cetera, and resolving any issues.<sup>1</sup>

3.4 The committee discussed the progress of projects under the Economic Stimulus Plan and expressed concerns about the prospects of completion by the

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1 *Proof Estimates Hansard*, 22 February 2011, p. 4.

delivery date on 30 June 2011. Officers advised that there is an ongoing and active monitoring of the program, with currently 97 per cent of major projects commenced and over 73 per cent completed.<sup>2</sup>

3.5 The department also provided an update on the progress of implementing the 2010 election commitment projects, including the Epping to Parramatta rail link and the Port of Townsville project.<sup>3</sup>

### **Major Cities Unit**

3.6 The committee sought clarification of the staffing, role and work plan of the Major Cities Unit following its integration into the department. Officers informed the committee that:

Our work falls into a number of streams, the most significant of which is the development of a national urban policy that we are currently out for consultation on. We also have the minister's agreement to continue to produce the *State of Australian cities* report, the first report of which was released in March last year. We also provide advice, through the department and also through Infrastructure Australia, on infrastructure proposals and their merits in terms of cities.<sup>4</sup>

3.7 The committee expressed interest in the *State of Australian cities* report and whether governments have introduced programs or policies stemming from the report. The department indicated that it was not aware of any such programs or policies, but explained the intended purpose of the report:

The *State of Australian cities* report, I believe for the first time, draws together a broad range of statistics and analysis in regards to the Australian city state as an information document. As Ms Ekelund has indicated, it was a base document that we have used to draft the national urban policy document that was released in December of last year as part of an ongoing conversation with the community in terms of the government establishing a national urban policy.<sup>5</sup>

3.8 The committee went on to discuss the National Urban Policy and heard from the department that completion of the policy framework is a priority for the Major Cities Unit in the coming months. Officers advised that the policy will be issued by the government in 2011.<sup>6</sup>

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2 *Proof Estimates Hansard*, 22 February 2011, pp 4–6.

3 *Proof Estimates Hansard*, 22 February 2011, pp 10–15.

4 *Proof Estimates Hansard*, 22 February 2011, p. 22.

5 *Proof Estimates Hansard*, 22 February 2011, p. 26.

6 *Proof Estimates Hansard*, 22 February 2011, pp 28 and 30–31.



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## Infrastructure Australia and Nation Building—Infrastructure Investment

3.9 The committee took evidence about the National Land Freight Strategy discussion paper released on 22 February 2011 and the consideration of climate change issues in the department's work. The department stated that:

...in our current work we are looking at some 80 to 100 major infrastructure projects, and part of the assessment of those projects is to deal with the potential impact of climate change in each of them. We have considered, as part of the National Ports Strategy that the Commonwealth has taken forward, the impacts of climate change. The National Land Freight Strategy discussion paper released today by Minister Albanese is designed to consider some of the impacts of climate change in terms of road versus rail and the pricing arrangements that might go to those things, and it is also present in our work on both urban and regional water strategies, both of which are out in the public domain.<sup>7</sup>

3.10 There was some discussion about the work of Infrastructure Australia following recent natural disasters. The department was questioned about deferrals to Queensland infrastructure projects to fund flood recovery, as well as assistance provided to Queensland and Victoria in restoration projects.<sup>8</sup>

3.11 The committee enquired about the high-speed rail study announced in October 2010 and heard that a formal reference group has been established.<sup>9</sup>

3.12 In addition, the department provided the committee with updates on various infrastructure projects in New South Wales, Queensland, Tasmania and Western Australia.<sup>10</sup>

3.13 The committee sought information about the Commonwealth government commitment to build new truck stops over 2010-11 and 2011-12. Officers explained the process for identifying priority truck stop areas:

...submissions are received from state and territory governments identifying priorities for funding, and are also received from interest groups, such as the Australian Livestock Transporters Association, Australian Logistics Council, Australian Trucking Association, Linfox, NatRoad Ltd, National Transport Commission, Queensland Transport Association and Toll Group. So the minister receives submissions, and approval of funding is based on the submissions and adequate project documentation and state's agreement to the terms of the funding and reporting requirements.<sup>11</sup>

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7 *Proof Estimates Hansard*, 22 February 2011, p. 36.

8 *Proof Estimates Hansard*, 22 February 2011, pp 33–34.

9 *Proof Estimates Hansard*, 22 February 2011, pp 50–51.

10 *Proof Estimates Hansard*, 22 February 2011, pp 35–36, 41–42, 45 and 49–51.

11 *Proof Estimates Hansard*, 22 February 2011, p. 52.

3.14 Further questions were asked relating to the black spot funding program and applications from regional authorities. The department explained the process for assessing applications:

In regard to the criteria that relate to it, it has to have a history of at least three casualty crashes over a five-year period at that particular point for it to be eligible for the black spot program. It needs to be able to demonstrate a benefit-to-cost ratio of at least two to one. There are some sites which are eligible for consideration as a result of a road safety audit. Road safety audits do not require a crash history or a casualty crash history, but only 30 per cent of the program can be allocated on the basis of a road safety audit, as opposed to one which has a crash history.

When those are nominated, there is a desktop review, if you like, conducted by the particular road safety authority—so, in the case of New South Wales, it is the RTA—and all of those submissions are brought to the state or territory consultative panel...They then go through a process of looking at the allocation of funding for that year. They will then produce a list of black spot projects—or potential black spot projects, really—which is then put to the minister for approval.<sup>12</sup>

### **Surface Transport Policy**

3.15 The committee requested an update on the national heavy vehicle reforms and was advised that progress is underway with a view to enact a single national heavy vehicle regulator in January 2013.<sup>13</sup> The department indicated that it is working to achieve agreement and uniformity across the Australian jurisdictions, with currently about five remaining areas of divergence in the various regulatory models.<sup>14</sup>

3.16 The committee expressed significant concern that the Regulation Impact Statement (RIS) to examine the case for adopting an international standard on pedestrian safety may include the banning of bull bars on Australian vehicles.<sup>15</sup> Officers emphasised through extensive discussions that such a ban was not envisaged:

The proposal in the RIS is emphatically not to ban bull bars. What the proposal actually does is propose standards to improve the pedestrian safety of vehicles by increasing the energy absorbency of the front of the vehicles.<sup>16</sup>

3.17 It was further clarified that under the RIS proposal, standards are to be phased in from 2013 to 2019 and will only apply to new vehicles. Moreover, the department noted that the proposal as a whole is currently still open for public comment.

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12 *Proof Estimates Hansard*, 22 February 2011, p. 54.

13 *Proof Estimates Hansard*, 22 February 2011, p. 53.

14 *Proof Estimates Hansard*, 22 February 2011, p. 55.

15 *Proof Estimates Hansard*, 22 February 2011, pp 56–61 and 70–80.

16 *Proof Estimates Hansard*, 22 February 2011, p. 57.

3.18 The committee also engaged in discussion about the draft National Road Safety Strategy and the target reduction rate for road fatalities over the next decade.<sup>17</sup>

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

3.19 The committee discussed recent incidents involving maritime transport vessels and sought clarification on the jurisdiction of AMSA over port activities. Officers explained that:

...the jurisdiction under the Navigation Act that we work is currently a voyage based jurisdiction. So, for example, we have jurisdiction over a foreign flagged vessel coming into that port from an international voyage. Should there be, for example, an incident in that port between a foreign flagged vessel and a vessel such as the tug under state jurisdiction, again we would have jurisdiction over the seaworthiness of the foreign flagged vessel, but it is generally the state authorities who have actual waterways management control within that port.<sup>18</sup>

3.20 The committee also sought specific information about the *Shen Neng 1* incident in the Great Barrier Reef and the *Pacific Adventurer* oil spill in Moreton Bay.<sup>19</sup>

### **Policy and Research (incorporating the Bureau of Infrastructure, Transport and Regional Economics)**

3.21 The committee enquired about research into regional issues following the establishment of the Department of Regional Australia, Regional Development and Local Government. Officers advised that regional research staff are still employed in the department to provide research to the new department.<sup>20</sup> The department also indicated that it is involved in discussions with the Australian Bureau of Statistics to standardise a definition of 'regional Australia'.<sup>21</sup>

3.22 The department provided the committee with road death statistics for recent years and explained the analysis of a decrease in fatality rate:

So from the data itself I guess we look at the breakdown of what is happening and there has been a decline over time, very positively, in the number of people in the 17 to 25 year age group. The number of fatalities in that group has declined over the last five years. In fact, across the whole range of different categories there has been a decline. The only real exception is people riding motorcycles and that is in part due to the fact that

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17 *Proof Estimates Hansard*, 22 February 2011, pp 62–63.

18 *Proof Estimates Hansard*, 22 February 2011, p. 65.

19 *Proof Estimates Hansard*, 22 February 2011, pp 64–68.

20 *Proof Estimates Hansard*, 22 February 2011, p. 80.

21 *Proof Estimates Hansard*, 22 February 2011, pp 80–81.

more people are riding motorcycles. We have also just published an analysis of the major things over the last 40-odd years that have had an impact on road fatalities. We have got quite a good analysis that shows cause and effect. The three biggest things that have made a difference over the last 40 years are the introduction of seatbelts, random breath testing and speed cameras.<sup>22</sup>

3.23 The department advised that further research is being undertaken to improve measures as part of the National Road Safety Strategy.<sup>23</sup>

### **Office of Transport Security**

3.24 Regarding the introduction of body scanner technology at airports, the committee noted concerns from the community on privacy issues and potential health impacts of exposure to the X-ray technology. Officers explained that, at this stage, the department is engaging with the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) to analyse the types of body scanner technology available with consideration of potential health effects. If the X-ray technology is considered further, the Radiation Health Committee will be required to make recommendations for its approval or otherwise.<sup>24</sup>

3.25 The department is also working with the manufacturers to develop the technology so that images of passengers are reduced to simplified graphic representations with an automatic threat detection capability to highlight areas on the body of potential safety concern.<sup>25</sup>

### **Aviation and Airports**

3.26 The committee questioned officers regarding the Australian Competition and Consumer Commission (ACCC) Airport monitoring report 2009-10. Specific issues discussed included monopoly pricing at Sydney airport and the allocation of landing slots for regional airlines under the Sydney Slot Management Scheme. Officers advised that the ACCC report will be considered as part of the Productivity Commission inquiry on the economic regulation of airport services which is currently in the process of inviting submissions.<sup>26</sup>

3.27 The committee also enquired about the regional airline subsidy scheme for en route navigation charges. Officers confirmed that the scheme will be phased out after 30 June 2012 but will continue for air ambulance operators.<sup>27</sup>

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22 *Proof Estimates Hansard*, 22 February 2011, pp 82–83.

23 *Proof Estimates Hansard*, 22 February 2011, p. 83.

24 *Proof Estimates Hansard*, 22 February 2011, pp 83–84.

25 *Proof Estimates Hansard*, 22 February 2011, p. 84.

26 *Proof Estimates Hansard*, 22 February 2011, pp 90–92.

27 *Proof Estimates Hansard*, 22 February 2011, p. 92.

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## Civil Aviation Safety Authority (CASA)

3.28 The committee's questioning of CASA, Airservices Australia and ATSB included a number of matters currently before the Rural Affairs and Transport References committee in its inquiry into Pilot Training and Aircraft Safety. The committee agreed to pursue these matters in greater detail at its public hearing in Canberra on 25 February 2011. Other issues considered by the committee are outlined below.

3.29 The committee followed up an issue from the previous supplementary estimates hearing regarding a potential conflict of interest in the approval of safety devices where approval authority has been delegated to a self-administering organisation. CASA assured the committee that in this particular case of delegated authority to the Australian Parachute Federation, the approval decision is made by a technical advisory group rather than an individual officer.<sup>28</sup>

3.30 CASA was questioned about the performance based navigation system trial at Brisbane airport, including aircraft operations during the Queensland floods. Officers explained that measures were put in place in some Queensland airports to enable emergency service operations, although no special provision was required for Brisbane as it is already within controlled airspace.<sup>29</sup> The committee also engaged in discussion about the transition towards new aircraft equipment such as the ADS-B surveillance technology.<sup>30</sup>

3.31 The committee revisited the evidence of Mr John McCormack, Director of Aviation Safety, at the previous budget and supplementary estimates hearings with respect to circumstances surrounding the resignation of the former Industry Complaints Commissioner, Mr Michael Hart.<sup>31</sup> Mr McCormack apologised and corrected his earlier comments to the committee to reflect that, after the hearings, he did recall receiving a letter of resignation from Mr Hart as well as a subsequent conversation with Mr Hart about it.<sup>32</sup>

3.32 Mr McCormack has since written to the committee to apologise for the delay in formally correcting his earlier comments upon realising that his advice was incorrect. He also sought to clarify aspects of his statements at the additional estimates hearing, and emphasised that he had no intention at any of the hearings to misrepresent the information provided to the committee.<sup>33</sup>

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28 *Proof Estimates Hansard*, 22 February 2011, pp 96–97.

29 *Proof Estimates Hansard*, 22 February 2011, p. 97.

30 *Proof Estimates Hansard*, 22 February 2011, p. 98.

31 *Proof Estimates Hansard*, 22 February 2011, pp 102–106.

32 *Proof Estimates Hansard*, 22 February 2011, p. 103.

33 Correspondence from Mr John McCormack, Director of Aviation Safety, CASA, to the Chair of the Senate Rural Affairs and Transport Legislation Committee, 8 March 2011.

## **Airservices Australia**

3.33 The committee received an update on the staffing situation for tower staff at Launceston Airport, following an incident a couple of years ago where aircraft landed at the airport after tower hours. Officers reassured the committee that the issue has been settled and that services are operating effectively.<sup>34</sup>

3.34 The committee was provided with information on the Airservices Australia recruitment and training program through the centralised learning academy in Melbourne.<sup>35</sup>

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

3.35 The committee made reference to the 164 stick-shaker incidents reported since 2005, and questioned the ATSB about what processes it has in place to review and reduce the incidence rate. Officers explained that the ATSB reviews the circumstances of stick-shaker incidents and investigates where there are cases of genuine and significant safety concern:

We are focusing on those where it does generally seem to indicate a potential safety issue. The majority of them are not in that category. As for the trend itself, we are thinking, given that most of them are signalled by automatic reaction to turbulence and so on, that we are not yet seeing a systemic problem.<sup>36</sup>

3.36 Other air safety issues were also explored with the ATSB, including safety education measures and the investigation of potential safety risks.<sup>37</sup>

## **Senator Glenn Sterle Chair**

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34 *Proof Estimates Hansard*, 22 February 2011, p. 108.

35 *Proof Estimates Hansard*, 22 February 2011, p. 108.

36 *Proof Estimates Hansard*, 22 February 2011, p. 109.

37 *Proof Estimates Hansard*, 22 February 2011, pp 109–110.

# **Appendix 1**

## **Table of contents to proof Hansard transcripts**

**Additional estimates 2010–2011**

*Agriculture, Fisheries and Forestry portfolio*

**Monday 21 February 2011**

*Infrastructure and Transport portfolio*

**Tuesday 22 February 2011**

## **Monday 21 February 2011**

### **Agriculture, Fisheries and Forestry portfolio**

	Hansard page
In attendance	1
Corporate Finance/Corporate Policy/Corporate Services	4
Wheat Exports Australia	17
Biosecurity Services Group	25
Climate Change	51
Australian Bureau of Agricultural and Resource Economics and Sciences	74
Sustainable Resource Management	83
Australian Fisheries Management Authority	90
Trade and Market Access	101
Agricultural Productivity	118
Australian Pesticides and Veterinary Medicines Authority	129
Rural Industries Research and Development Corporation	131
Wine Australia	133
Meat and Livestock Australia	134



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## Tuesday 22 February 2011

### Infrastructure and Transport portfolio

	Hansard page
In attendance	1
Corporate Services	3
Major Cities Unit	20
Infrastructure Australia	32
Nation Building—Infrastructure Investment <i>(appeared with Infrastructure Australia)</i>	32
Surface Transport Policy	54–64; 70–80
Australian Maritime Safety Authority	64–70
Policy and Research	80
Office of Transport Security	83
Aviation and Airports	90
Civil Aviation Safety Authority	95
Airservices Australia	107
Australian Transport Safety Bureau	108



## **Appendix 2**

### **Tabled Documents**

#### **Agriculture, Fisheries and Forestry portfolio**

##### *Documents tabled at hearing on Monday 21 February 2011*

1. Copy of news article 'Japan's food tariffs not a deal-breaker', *Sydney Morning Herald*, 11 February 2011 – tabled by Senator Fiona Nash
2. Answers to questions taken on notice during the hearing on 21 February 2011, in relation to Corporate Policy and Climate Change Division – tabled by Ms Rona Mellor, Acting Secretary, DAFF

#### **Infrastructure and Transport portfolio**

##### *Documents tabled at hearing on Tuesday 22 February 2011*

1. Media release CK004/2011 by the Hon Catherine King MP, Parliamentary Secretary for Infrastructure and Transport, 'Government will not ban bull bars', dated 8 February 2011 – tabled by Ms Lyn O'Connell, Deputy Secretary, Department of Infrastructure and Transport
2. Diagram of images shown on body scanning equipment – tabled by Mr Paul Retter, Executive Director, Office of Transport Security



## Appendix 3

### Topic list

#### Agriculture, Fisheries and Forestry portfolio

Monday 21 February 2011

<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
<b>Corporate Services/Corporate Finance/Corporate Policy</b>	<b>4–17</b>
Impact of recent extreme weather events on department's budget; National Disaster Relief and Recovery Arrangements; Exceptional Circumstances; possible budget savings to fund reconstruction efforts	4–11
Budget allocations to DAFF as a percentage of government funding	11–12
Changes to the budget or implementation of election commitments since supplementary budget estimates	12–13
Ministerial staff	13
Campaigns and advertising	13–14
Media monitoring	14–15
Draft social media policy	15
Graduate recruitment program	15–16
Use of BlackBerrys, mobile data cards and mobile phones	16–17
<b>Wheat Exports Australia</b>	<b>17–25</b>
Complaints in relation to grain handling; operations of Viterra in South Australia	17–22
Update on access arrangements at ports	23, 24–25
Notifiable matters reported by accredited exporters	23
Productivity Commission review and recommendations	23–24
Accreditation requirements	24
<b>Biosecurity Services Group</b>	<b>25–51</b>
Import requirements for raw prawns	25–26, 27–28, 29–30, 37–38
Mistaken release of imported raw prawns containing white spot syndrome virus	26–27, 28–29, 37
Asian honey bee incursion	30–33, 36–37
Risk categorisation and inspection of imported food; testing for antibiotic residues	33–36
Testing for chemical residues in New Zealand apples	35–36, 38–39
Import risk analysis for New Zealand apples; fire blight	40–43
Import risk analysis for beef from the US and Canada	44

<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
Risk of weeds being spread during distribution of emergency fodder	44
Pressure to reverse ban on the weed, <i>Jatropha curcas</i> , for growing as a biofuel	44
Incoming government brief on biosecurity reform	44–45
Importation of apples from China	45–47
Bacterial canker on kiwifruit	47–48
Zebra chip disease in potatoes	48–50
Live animal exports; animal welfare standards	50–51
Centre for new and emerging infectious diseases	51
<b>Climate Change</b>	<b>51–74</b>
Carbon Farming Initiative	51–53, 54–55
Department's work on climate change strategies	53–54
Exceptional Circumstances application for the Delungra region	55–56, 60–61
ABARES' report on the impact of the recent floods on agricultural commodities	56
Exceptional Circumstances	56–57
WA pilot of drought reform measures	57–60
Climate Commission	60
Assistance for the Mingoola-Bonshaw-Tenterfield region; National Disaster Relief and Recovery Arrangements; interest rate subsidies	61–63
Tasmanian Forest Contractors Exit Assistance Program	63–67, 71–72
Statement of principles on Tasmanian forests	67–68
Tamar Valley pulp mill	68–69
Forest industry database	69
Regional Forest Agreements	69–70
Forestry Industries Development Fund	70
Activities for the International Year of Forests	70–71
Discussions between Gunns and the Export Finance and Insurance Corporation	71, 74
Greenhouse gas emissions from forest burns in Tasmania	72
Public access to the Plenty link road in Tasmania	72–73
Impact of proposed logging in the Wellington Range on walking track from Hobart to the Snowy Range	73
Illegal logging; blockade against logging at Vanimo in Papua New Guinea	73
Incident involving woman protesting against the destruction of forests near Bermagui	73–74

<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
<b>Australian Bureau of Agricultural and Resource Economics and Sciences</b>	<b>74–83</b>
ABARES' report on environmentally sustainable diversion limits in the Murray-Darling Basin	74–75
ANAO report no. 27 of 2010-11, <i>Restoring the balance in the Murray-Darling Basin</i>	75
ABARES' analysis of the impact of recent extreme weather events on agriculture, including: Special report on <i>The impact of recent flood events on commodities</i> released on 21 January 2011; December 2010 <i>Australian crop report</i> ; December edition of <i>Australian commodities</i>	76–78
ABARES' farm survey	78
Projections of future oil prices	78–79
Socioeconomic impact of the establishment of marine parks	79
Timber demand	79–80
Timber mill survey	80
Vegetable industry survey	80
Effect of the merger of ABARE and BRS	81–82
Transfer of the energy function to the Department of Resources, Energy and Tourism	82
ABARES' project on drivers and barriers to the management of native vegetation on private land	82–83
<b>Sustainable Resource Management</b>	<b>83–90</b>
Release of discussion paper and call for submissions as part of the review of Caring for Our Country; monitoring and evaluation	83–88; 89, 90
Caring for Our Country business plan for 2011-12	88
Funding for NRM groups, including Cape York regional body, and Landcare groups	89–90
<b>Australian Fisheries Management Authority</b>	<b>90–104</b>
Selection process for new Chief Executive	90–91
Management of Southern Bluefin Tuna Fisheries; 2011 stock assessment process; CCSBT quotas; breeding and farming of southern bluefin tuna in South Australia	91–95, 96
Northern Prawn Fishery	95
Coral Sea Fishery	96
Impact of cyclones on the Eastern Tuna and Billfish Fishery and the Coral Sea Fishery	96–97
Impact of river outflows after flooding on fishing	97–98
Impact of seismic testing on Bass Strait scallop fisheries	98
Illegal foreign fishing; patrols by the <i>Ocean Protector</i> , replacement for the <i>Oceanic Viking</i>	98–99

<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
Impact of the South East Fishery buyback and harvest strategy	99
Recreational Fishing Advisory Committee; appointment of Chair, Mr David Llewellyn; current registration of Mr Llewellyn as a lobbyist	100–101, 101–103
Funding and staffing for the department's fisheries area	101
European Union catch certification process	101, 103–104
<b>Trade and Market Access</b>	<b>104–118</b>
Export access to China for Australian rock lobster	104–105
Red meat exports to the Russian Federation and continuing negotiations to resolve suspensions of kangaroo meat exports	105
Trans-Pacific Partnership free trade agreement	105–109, 113
Distortions in trade	109
Compensation case in relation to export of ram semen from Australia	109–110
Update on import risk analysis for beef from the US, Canada and Japan; stop the clock provisions	110, 111–113
Department's overseas officers dealing with live export trade	110–111
Live Trade Animal Welfare Partnership; improvements in animal welfare conditions overseas	111
Doha round negotiations	113–114
Negotiation of free trade agreement with Japan	114–116
Cargill acquisition of AWB; impact of foreign ownership on food security	116–117
Impact of cheap imports on prune growers in Young	117
<b>Agricultural Productivity</b>	<b>118–129</b>
Regional Food Producers Innovation and Productivity Program	118
Impact of Coles milk marketing strategy	118–120
Horticulture Code of Conduct	120
Development of Australian Animal Welfare Standards and Guidelines	120–122, 123, 124–126
Gemmell review of the Australian Animal Welfare Strategy	122–123
Need for a national emergency management plan for the treatment of injured or dying animals from natural disasters	123–124
Country of origin labelling, in particular, apples from China	126–128
Labelling of agricultural products imported into Australia from New Zealand, originating from third party nations	128–129
<b>Australian Pesticides and Veterinary Medicines Authority</b>	<b>129–131</b>
Additional funding for APVMA; reform agenda	129–130
Health standards for fenthion and dimethoate	130



<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
Use of streptomycin to control fire blight on apple trees in New Zealand; advice from FSANZ on the health impacts of chemical residues on imported fruit	130–131
<b>Rural Industries Research and Development Corporation</b>	<b>131–133</b>
Productivity Commission review of R&D corporations	132, 133
Impact of previous budget cuts on the RIRDC's operations	132–133
<b>Wine Australia</b>	<b>133–134</b>
Counterfeit Australian wine sold overseas; changes to Wine Australia policies in relation to notifying and supporting levy payers; changes to export approval control mechanisms	133, 134
Market research study into the Chinese market	133–134
Requirements for exports of bulk wine from Australia	134
<b>Meat and Livestock Australia</b>	<b>134–135</b>
Importation of beef from the US and Canada; lessons learned by the Australian beef industry; traceability systems for cattle in the US	134–135



# Appendix 4

## Topic list

### Infrastructure and Transport portfolio

Tuesday 22 February 2011

<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
<b>Corporate Services</b>	<b>3–20</b>
Appointment and role of Coordinator-General	4
Economic Stimulus Plan progress	4–10
Implementation of 2010 election commitments: <ul style="list-style-type: none"> <li>• Richmond Bridge planning and construction works (NSW)</li> <li>• Eden Port feasibility study (NSW)</li> <li>• Epping to Parramatta rail link (NSW)</li> <li>• Princes Highway West planning and construction (VIC)</li> <li>• Moreton Bay rail link (QLD)</li> <li>• Calliope Crossroads project (QLD)</li> <li>• Port of Townsville project (QLD)</li> <li>• Great Eastern Highway planning and construction works (WA)</li> <li>• Tasman Highway planning and construction works (TAS)</li> <li>• Inland rail preconstruction commitment work</li> <li>• Accelerated Pacific Highway works between Kempsey and Port Macquarie (NSW)</li> <li>• Shipping reform agenda</li> </ul>	10–15
Community Engagement Panel	15–17
Hospitality expenses	17–18
Discretionary grants	18
Review of Part X of the <i>Trade Practices Act 1974</i>	18
Major Cities Program	18–19
Oil and oil availability considerations in transport system planning	19
<b>Major Cities Unit</b>	<b>20–32</b>
National urban design protocol	20–22, 21
Structure, staffing and work program	22–25
<i>State of Australian Cities</i> report	25–27
National urban policy	26–27
Input of MCU in government policy for developments on the edge of cities	28, 30–31
Public transport in cities	28

<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
Energy efficiency in commercial buildings	28–29
Collaboration with COAG Reform Council	29
National planning policies portal website	29–30,32
VAMPIRE Index	31–32
<b>Infrastructure Australia and Nation Building—Infrastructure Investment</b>	<b>32–54</b>
Port of Bunbury (WA)	32–33
Deferral of QLD infrastructure projects to fund flood recovery	33–34
Assistance to QLD and VIC restoration projects	34
Future of Infrastructure Australia	34–35
Category 5 Level buildings in cyclone areas	35
Townsville ring road construction	35
Cairns cultural precinct	35–36
Burdekin Road Safety Audit Project	36
National Land Freight Strategy discussion paper	36–37
Energy infrastructure	37–39
Office accommodation of Infrastructure Australia	39
Review of water quality and security by AECOM Australia Pty Ltd	39–41
Epping to Parramatta rail line	41–42
National Ports Strategy	42–45
Kingston bypass project	45
Infrastructure Australia funding	45–46
Building Australia Fund	46
Infrastructure projects and proposals in WA and NSW	46–49
Gold Coast light rail project	49
Proposed third crossing of Fitzroy River	49
Proposed second airport on Central Coast (NSW)	50
High-speed rail study reference group	50–51
Launceston to Hobart highway project	51
Truck stop projects and funding	52–53
Black spot funding program	53–54
<b>Surface Transport Policy</b>	<b>54–64, 70–80</b>
National Heavy Vehicle reforms	53, 54–56
Regulation Impact Statement on pedestrian safety and proposed standards for bull bars on vehicles	56–61, 70–80
Bass Strait Passenger Vehicle Equalisation Scheme	62
National Road Safety Strategy	62–63
Vehicle rest stops	63–64

<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
<b>Australian Maritime Safety Authority</b>	<b>64–70</b>
Tinny to Tanker program	64
Incidents involving maritime transport vessels, including the <i>Shen Neng 1</i> and the <i>Pacific Adventurer</i>	64–68
Review of the National Plan to Combat Pollution of the Sea	68–69
Upgrade to Oracle and Solaris, IT servers and database software	69–70
<b>Policy and Research</b>	<b>80–83</b>
Research into regional issues for the Department of Regional Australia, Regional Development and Local Government	80
Definition of 'regional Australia'	80–81
Port strategy, including crane rates	81–82
Road death statistics	82–83
<b>Office of Transport Security</b>	<b>83–89</b>
Proposal to introduce body scanner technology at airports	83–85
Maritime Security Identification Cards (MSIC)	85–87
Security screening equipment at regional airports	87–89
<b>Aviation and Airports</b>	<b>90–95</b>
Proposed second airport on Central Coast (NSW)	90
ACCC Airport monitoring report 2009-10 and Productivity Commission inquiry on economic regulation of airport services	90–92
Regional airline subsidy scheme for en route charges	92–95
<b>Civil Aviation Safety Authority (CASA)</b>	<b>95–107</b>
<i>Civil Aviation Safety Regulations 1998</i> information campaign	95
CAR 38 direction to Qantas to conduct further inspection of Rolls-Royce Trent 900 engines on A380 aircraft	95
Investigation into alleged safety breaches by Qantas catering at Brisbane airport	96
Approval of safety devices	96–97
Performance based navigation system trial and transition to ADS-B technology	97–99
Pilot training and cadet programs	99
Overseas-based pilots flying into Australia	99–100
Open culture for accident reporting and investigation	100–101
Cabin crew fatigue management	101
Cabin crew safety training and English language skills	101–102
Resignation of former Industry Complaints Commissioner, Mr Michael Hart	102–106
Complaint by Captain Stan van de Wiel to former Minister the Hon Mark Vale regarding matters before CASA	106
Administrative Appeals Tribunal matter of Richard Green regarding renewal of maintenance authority	106–107

<i>Division/Agency and Topic</i>	<i>Proof Hansard page reference</i>
<b>Airservices Australia</b>	<b>107–108</b>
Long-term pricing proposal for reduction in charges	107–108
Staffing at Launceston airport	108
Recruitment and training programs	108
<b>Australian Transport Safety Bureau (ATSB)</b>	<b>108–110</b>
Review of stick-shaker events since 2005	108–109
Safety education measures	109
Investigation of potential safety risks	109–110
ATSB report on take-off performance calculation errors	110

