



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Estimates

(Public)

TUESDAY, 25 MAY 2021

CANBERRA

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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Tuesday, 25 May 2021

Members in attendance: Senators Antic, Carol Brown, Canavan, Chisholm, McCarthy, McDonald, McKenzie, Patrick, Rennick, Rice, Roberts, Sheldon, Steele-John, Sterle, Watt, Whish-Wilson.

INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS PORTFOLIO

In Attendance

Senator Reynolds, Minister for Government Services, Minister for the National Disability Insurance Scheme

Executive

Mr Simon Atkinson, Secretary
Dr Stephen Arnott PSM, Acting Chief Operating Officer
Dr Rachel Bacon, Deputy Secretary
Mr Brendan McRandle PSM, Deputy Secretary
Mr David Hallinan, Deputy Secretary
Ms Christine Dacey, Deputy Secretary
Mr Richard Windeyer, Deputy Secretary

Airservices Australia

Mr Jason Harfield, Chief Executive Officer
Mr Paul Logan, Chief Financial Officer
Mr Peter Curran, Chief Customer Experience and Strategy Officer

Australian Maritime Safety Authority

Mr Mick Kinley, Chief Executive Officer
Ms Sachi Wimmer, Deputy Chief Executive Officer
Mr Allan Schwartz, Executive Director, Operations
Mr Michael Drake, Acting Executive Director, Policy and Regulation
Ms Cherie Enders, Chief Operating Officer

Australian Rail Track Corporation

Mr Mark Campbell, Chief Executive Officer and Managing Director
Mr Richard Wankmuller, Chief Executive Officer, Inland Rail Program
Ms Rebecca Pickering, Director Environment, Engagement and Property, Inland Rail Program
Mr Simon Ormsby, Group Executive Strategy and Corporate Development

Australian Transport Safety Bureau

Mr Greg Hood, Chief Commissioner
Mr Colin McNamara, Chief Operating Officer
Mr Patrick Hornby, Head of Legal, Governance and International
Dr Stuart Godley, Director Transport Safety
Mr Stuart Macleod, Director Transport Safety
Ms Kerri Hughes, Acting Director Transport Safety

Cities

Mr David Mackay, First Assistant Secretary
Ms Kim Forbes, Assistant Secretary, City Deals
Mr Michael Heard, Acting Assistant Secretary, City Deals and Policy

Civil Aviation Safety Authority

Ms Pip Spence PSM, Chief Executive Officer and Director of Aviation Safety
Mr Graeme Crawford, Group Executive Manager Aviation
Dr Jonathan Aleck, Executive Manager Legal, International and Regulatory Affairs
Mr Rob Walker, Executive Manager Stakeholder Engagement
Ms Philippa Crome, Executive Manager Corporate Services
Mr Simon Frawley, Chief Financial Officer

Ms Leanne Yannopoulos, Executive Manager Group Transformation and Safety Systems

Mr Craig Martin, Executive Manager Regulatory Oversight Division

Mr Chris Monahan, Executive Manager, National Operations and Standards

Domestic Aviation and Reform

Ms Janet Quigley, First Assistant Secretary

Mr Phil McClure, Assistant Secretary, Airports

Mr Jason Dymowski, Assistant Secretary, Domestic Policy and Programs

Ms Clare Chapple, Assistant Secretary, Regional Policy and Programs

Ms Natalie Broughton, Acting Assistant Secretary, Regional Policy and Programs

International Aviation, Technology and Services

Mr Richard Wood, First Assistant Secretary

Mr Mitchell Dunn, Acting Assistant Secretary, Safety and Future Technology

Mr Jim Wolfe, Assistant Secretary, International Aviation

Mr David Jansen, Assistant Secretary, Western Sydney Regulatory Policy

Surface Transport Policy

Ms Maree Bridger, First Assistant Secretary

Mr Andrew Johnson, Assistant Secretary, Maritime and Shipping

Ms Gabby O'Neill, Assistant Secretary, Office of Road Safety

Ms Paula Stagg, Assistant Secretary, Land Transport Policy

Ms Anita Langford, Assistant Secretary, Vehicle Safety Policy and Partnerships

Data, Analytics and Policy

Ms Gayle Milnes, First Assistant Secretary

Dr Louise Rawlings, Head of Bureau, Bureau of Infrastructure and Transport Economics

Ms Stephanie Werner, Assistant Secretary, Transport Market Reform and Technology

Ms Leonie Holloway, Chief Economist, Bureau of Communications, Arts and Regional Research

Infrastructure Australia

Ms Romilly Madew, Chief Executive Officer

Mr Peter Colacino, Chief Policy and Research

Mr Robin Jackson, Chief Infrastructure Prioritisation

Infrastructure Investment

Mr Phil Smith, First Assistant Secretary

Mr Daniel Caruso, Assistant Secretary, Programs, Policy and Budget

Ms Shona Rosengren, Assistant Secretary, Queensland, Northern Territory and Western Australia Branch

Ms Robyn Legg, Assistant Secretary, New South Wales, Australian Capital Territory and Targeted Roads

Ms Lisa La Rance, Assistant Secretary, Investment Advisory and Business Improvement Branch

Ms Melony Czajor, Acting Assistant Secretary, Victoria, Tasmania and South Australia Branch

Major Transport and Infrastructure Projects

Ms Jessica Hall, First Assistant Secretary

Mr Mitch Pirie, Assistant Secretary, Inland Rail Operations Branch

Mr Greg Whalen, Assistant Secretary, Western Sydney Airport Program and Shareholder Management

Mr Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery Branch

Mr Adam Stankevicius, Assistant Secretary, Western Sydney Airport Program and Shareholder Management Branch

Mr Drue Edwards, Director, Flood Modelling and Alignment

Ms Ruth Wall, First Assistant Secretary, Assurance Taskforce

National Capital Authority

Ms Sally Barnes, Chief Executive
Mr Andrew Smith, Chief Planner
Mr Lachlan Wood, Chief Operating Officer

National Faster Rail Agency

Mr Barry Broe, Chief Executive Officer
Mr Andrew Hyles, General Manager

National Transport Commission

Mr Michael Hopkins, Acting Chief Executive Officer; Executive Leader, Strategy and Engagement
Mr Paul Davies, Executive Leader, Productivity
Mr Marcus Burke, Executive Leader, Future Technologies
Mr Michael Hopkins, Executive Leader, Strategy and Engagement

National Water Grid Authority

Mr Mark Darrough, Assistant Secretary, Infrastructure Framework and Delivery Branch
Mr Malcolm Southwell, Assistant Secretary, Policy, Science and Engagement Branch

North Queensland Water Infrastructure Authority

Dr Peter Wallbrink, Acting Chief Executive Officer
Mr Matthew Squire, Chief Operating Officer

People, Governance, Parliamentary and Communication

Ms Justine Potter, First Assistant Secretary
Ms Stephanie Bourke, Assistant Secretary, Human Resources and Property
Ms Susan Charles, Assistant Secretary, Communication
Ms Liz Caelli, Acting Assistant Secretary, Assurance and Risk
Ms Rebecca Rush, Assistant Secretary, Governance and Parliamentary

Portfolio Strategy and Coordination

Ms Vicki Middleton, First Assistant Secretary
Ms Sarah Leeming, Assistant Secretary, Portfolio Strategy and International Engagement
Ms Naa Opoku, Assistant Secretary, Transition and Internal Coordination
Ms Sally Todd, Assistant Secretary, Policy Coordination

Finance, Legal and IT

Mr Brad Medland, Chief Finance Officer

Regional Development, Local Government and COVID Regional Recovery

Ms Marisa Purvis-Smith, First Assistant Secretary
Ms Meghan Hibbert, Assistant Secretary, Regional Programs
Mr Chris Faris, Assistant Secretary, Regional Intelligence and Local Government
Ms Karly Pidgeon, Assistant Secretary, Program Implementation and Drought

Significant Project Investment Delivery Office

Ms Diana Hallam, First Assistant Secretary
Mr Stephen Sorbello, Assistant Secretary, Project Strategy and Inception

Territories

Ms Sarah Vandenbroek, First Assistant Secretary
Mr Aaron O'Neill, Assistant Secretary, Indian Ocean Territories
Dr Oliver Holm, Assistant Secretary, Norfolk Island Branch
Ms Megan Scott, Assistant Secretary, Mainland Territories Branch

Western Sydney Airport Co

Mr Simon Hickey, Chief Executive Officer

Ms Shelley Turner, Chief Financial Officer

Committee met at 09:01

CHAIR (Senator McDonald): Good morning. I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The Senate has referred to the committee the particulars of proposed expenditure for 2021-22 and related documents for the infrastructure, transport, regional development and communications portfolio excluding communications. All questions on communications go to the department's appearance before the Environment and Communications Legislation Committee. The committee may also examine the annual reports of the departments and agencies appearing before it. The Senate has before it a program listing agencies relating to matters for which senators have given notice. The proceedings today will begin with an examination of Infrastructure Australia. The committee has fixed Friday, 16 July 2021 as the date for the return of answers to questions taken on notice. Senators are encouraged to provide any written questions on notice to the committee secretariat by the close of business on Friday, 25 June 2021.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the follow test of relevance of questions at estimates hearings. Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate from 13 May 2009 specifying the process by which a claim of public interest immunity should be raised:

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

CHAIR: Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

An officer called to answer a question for the first time should state their full name and the capacity in which they appear. Witnesses should speak clearly and into the microphones to assist Hansard to record proceedings. I remind everyone present to please switch off their mobile phones or render them inaudible. Senators, departments and agencies have been provided with advice on the arrangements in place to ensure the budget estimates 2021-22 hearings are conducted in a safe environment. This guidance is also available from the secretariat. The committee appreciates the cooperation of all attendees in adhering to these arrangements.

Infrastructure Australia

[09:05]

CHAIR: I now welcome Senator the Hon. Linda Reynolds, Minister for the National Disability Insurance Scheme and Minister for Government Services, Mr Simon Atkinson, secretary of the Department of Infrastructure, Transport, Regional Development and Communications, and officers of Infrastructure Australia. Minister Reynolds, do you or other witnesses wish to make an opening statement?

Senator Reynolds: Good morning, Chair. No, I do not.

Ms Madew: Good morning, Chair. No, I do not.

CHAIR: Terrific. What an excellent start and contribution to the efficiency and effectiveness of the RRAT committee!

Senator WATT: I have not too many questions from us today. Mine mostly focus on Infrastructure Australia's role in relation to Northern Australia infrastructure, which I know has taken a renewed focus. Can you tell us in general terms what has changed in terms of how Infrastructure Australia is looking at infrastructure projects in Northern Australia?

Ms Madew: There is a number of ways. The first way is the assessment framework that we use in how we assess early investment decisions when it comes to our infrastructure priority list. That is problems or opportunities. The second way is also on the funding side as well. In looking at our assessment framework, where we're about to release the refresh, we've taken a different approach. We're looking at strategic intent, societal impact and deliverability. We specifically in our assessment framework call out that remote and regional Australia should be thought of in a different lens. The approach that may be used in an urban environment may not be right in the remote or regional environment. In creating our updated assessment framework, we had a cross-jurisdictional working group. The Northern Territory, Western Australia and Queensland all had officials sitting on our working group. The Northern Territory was really able to provide feedback into how projects could be considered by Infrastructure Australia. To give you a good example, earlier this year, a number of projects from the Northern Territory were included on the infrastructure priority list because of this new way of working with the jurisdictions, where we are taking a more open and pragmatic approach.

Senator WATT: How would you describe in general terms how the approach has changed? You were saying that what works in Northern Australia doesn't necessarily work in an urban environment in terms of the assessment. What are the key changes?

Ms Madew: Key changes are taking, in some cases, a more qualitative outlook. It could be strategic. I will give you an example. Remote communities in the Northern Territory use diesel in some communities. We put on the priority list a proposal around turning that into renewables for health and safety reasons as well as environmental reasons. We're looking at the big picture on the opportunities for those communities. We're taking a different strategic lens to that. That is not an economic view or lens. It is more a societal and strategic view. It is really in working with all the jurisdictions, because they are all very different. It is tailoring our response to them and guiding them when they are putting their proposals together. It is still being transparent and accountable, but it is guiding them when they are putting in these proposals. They do early engagement with Mr Jackson's team. We help guide them in the material that they can put together to meet our assessment framework. There is other work that we're doing on Northern Australia as well. We don't take a jurisdictional lens; we take a geographic lens. So in all the work we do, if you look at the priority list, we actually say whether it is a fast growing city, a regional centre, Northern Australia or remote Australia. Our priority list actually geographically highlights where it is sitting.

Senator WATT: It has often been said to me in different parts of Northern Australia that people are critical of the approach Infrastructure Australia was taking previously because it didn't recognise the social and community value of things that can be done in Northern Australia. It sounds like you're trying to address that. The criticism was also that the same sort of economic lens applied to projects in urban environments was being used in Northern Australia. A highway upgrade or something like that will not necessarily generate the same return on investment as a bypass in an urban environment just because of the relative number of users. But that kind of investment would make a massive difference in a remote area. The formulas and things like that that were previously used don't adequately recognise that. Is that one of the things you're trying to deal with?

Ms Madew: That's exactly right. The new assessment framework will literally be released in June. We call it beyond BCR. We've taken a different approach when looking at some of these projects. We look at quality of life, sustainability and resilience in some cases, and enabling infrastructure. In some of these communities, enabling infrastructure will unlock a whole lot of economic benefits, be it education, health, jobs, employment and a whole lot of things. We also have in there specific areas on how to engage with our First Nations people and the importance of doing that when you're putting a business case together. The Northern Territory government has given us positive feedback in response to the new approach and support where we've moved the assessment framework. It was basically completely rewritten.

Senator WATT: These changes will be put into effect via the new assessment framework?

Ms Madew: Assessment framework.

Senator WATT: You expect that to be released when?

Ms Madew: On 1 July.

Senator WATT: Were you saying that there have already been changes made as well?

Ms Madew: Yes. To our approach. Our approach started to change at the end of last year. When Mr Jackson was working with the Northern Territory, because we knew these changes were coming into place, we started working closely with the jurisdictions on the new way of thinking and our new approach. That is why we had a number of Northern Territory proposals and submissions included in this year's priority list. We had already started including that in our approach. We were briefing the board at every board meeting. The board were approving and supportive of the new approach. Another thing we are doing is we specifically internally created a Northern Australia working group. We looked at it across all our work—our policy and research work and our business evaluation work. We made sure that internally that is how we think of it and they are our principles that we are working to. That started last year.

Senator WATT: Can you remind me of the threshold in dollar or other terms that a project needs to meet?

Ms Madew: There is no threshold to get on to the infrastructure priority list. It is national and strategic. National significance is what we're looking for. There are 163 proposals on the priority list at the moment. The key is nationally significant. In the refreshed assessment framework, we've clearly outlined if you're remote and regional what that means for you when it comes to national significance. We've taken a broader approach. To get on the priority list, it is just national significance. For funding from the federal government, it's \$250 million. National cabinet changed that last year. We look at business cases and undertake evaluation where it is above \$250 million.

Senator WATT: A project doesn't necessarily have to meet a certain dollar figure to qualify as nationally significant?

Ms Madew: That's right.

Senator WATT: It needs to meet certain other criteria—

Ms Madew: That's correct.

Senator WATT: which will be set out in the assessment framework?

Ms Madew: Yes. Strategic, societal impact and deliverability.

Senator WATT: What is the benefit to a project in being classified as nationally significant?

Ms Madew: Look at the last budget and the 15 projects funded above \$250 million. Thirteen were on our priority list. There are actually 31 projects in the budget from our priority list. The importance of being on the priority list is that it is investment ready. They are all the unfunded projects from the priority list now. It is investment ready for not only the federal government but also the Northern Territory government. I will give you an example. I was talking about diesel to renewables in the Northern Territory. We put it on the priority list in February. The Northern Territory government funded it a couple of weeks later. We are drawing it to attention. It doesn't necessarily have to be for the federal government's attention. It can be for the states and territories. We say, 'We think this is really worth your consideration.' So it was given funding.

Senator WATT: There are obviously a large number of projects that the federal government funds that are below \$250 million in value. So it is not as if a project needs to meet these criteria to qualify for federal funding, does it?

Ms Madew: Projects below \$250 million will go through their own state processes as well as the department process. What we have done with the assessment framework is we've made sure we've harmonised our approach with the states and territories.

Senator WATT: With the changes that are coming, what types of projects would you expect to see qualify for federal funding that haven't been able to get there so far in Northern Australia?

Ms Madew: Great question. Maybe social infrastructure projects we bring to their attention. One of the projects we put on there at the beginning of this year was Beetaloo. We look at both social and economic infrastructure. The priority list is really evolving, so it's not just transport. It's evolving in a number of ways. Another project we put on last year was to link together all the Indigenous cultural centres around Australia. That program may have been of interest to the federal government. There are a number of different programs and projects on there. Another one we put on there this year is improving telecommunications in regional areas. That is another one we included this year. They are all very different. The way we receive proposals is either through our own research—they are called an Infrastructure Australia identified initiative—or through submissions from the states and territories, industry or community.

CHAIR: When you are using examples of projects across the north, and you used Indigenous—

Ms Madew: It is diesel going over to renewables.

CHAIR: Indigenous museums or art galleries.

Ms Madew: Yes.

CHAIR: Each project couldn't be \$250 million?

Ms Madew: No.

CHAIR: So as a coordinated project, you would raise it?

Ms Madew: Program. We are recognising that with Aboriginal and Torres Strait Islander people we have a number of plans, cultures and languages around Australia. If we said one in one state, it would be very different to another in the Northern Territory. They are made up of different peoples. We suggested in the priority list that it is a program across all the different museums to make sure that we are highlighting the opportunity.

CHAIR: I understand. Terrific.

Ms Madew: We talk about programs or projects.

CHAIR: I hadn't understood that. That is terrific. Thanks, Senator Watt. Sorry to interrupt.

Senator WATT: Correct me if I am wrong. Is the connection between that and federal funding that for the federal government to agree to funding over \$250 million, the project needs to be on your priority list?

Ms Madew: No. That is not correct. Under our act, our role is to provide advice to government and to do an evaluation of the business case. If a project is funded and we still review the project, they need to use our assessment framework to put their business case together. We provide advice. It is all public on our website. From April this year, we've taken all funded projects off the priority list. The priority list is just an investment ready

priority list. It is a priority list of unfunded projects. But we still under our act review funded projects. We undertake an evaluation summary that goes through our board. That is put on our website.

Senator WATT: So the federal government can still decide to fund an infrastructure project of any dollar value, be it small or well above \$250 million, without it necessarily being on your priority list or having gone through your assessment process?

Ms Madew: They can.

Senator WATT: With this new assessment framework that will deal with some of the issues in Northern Australia, there is the Ministerial Forum on Northern Development. I'm not sure if you are across that. You mentioned that there is—

Ms Madew: I have attended the Northern Australia ministerial forum.

Senator WATT: Has that forum been involved in the development of this? What role will that forum have on an ongoing basis with the new assessment framework?

Ms Madew: With the assessment framework we have done engagement across all the jurisdictions and with a number of our federal colleagues. Whilst we wouldn't have engaged specifically with the forum, we would have engaged with members of the forum. The Northern Territory was very heavily involved in the development of the assessment framework, as were a number of others. You know how I mentioned we had a working group? We had federal colleagues sit on that working group as well.

Senator WATT: Obviously one of the government's main funding vehicles for infrastructure in Northern Australia is the NAIF. Can you remind me what connection Infrastructure Australia has with proposals for NAIF funding?

Ms Madew: We have our own engagement with NAIF. It is called the engagement protocol with NAIF. We specifically look at the economic side of a proposal and provide advice to their board.

Senator WATT: As I understand it, the NAIF's investment mandate requires the NAIF to consult with Infrastructure Australia if a proposed NAIF loan is to be more than \$100 million. Is that right?

Ms Madew: That's correct, yes.

Senator WATT: So with any potential project, be it infrastructure or anything else, that is seeking NAIF funding of more than \$100 million, Infrastructure Australia reviews it?

Ms Madew: We review the proposal. It is more of a consultation process. It is not decision making on our side. It is for investment decisions. We just review the cost-benefit analysis side of that and provide advice. It is purely to provide advice back into NAIF. We don't look at the whole of the project. We literally look at, say, whether they meet their own criteria on their cost-benefit analysis. We provide advice on that. It is not a 'yes' or 'no' or whatever. We are just saying that we believe it is—

Senator WATT: Right. A proponent is seeking a NAIF loan of more than \$100 million. Infrastructure Australia reviews the cost-benefit analysis of that project and provides advice to NAIF?

Ms Madew: To NAIF, which then goes to their board.

Senator WATT: And they may or may not go along with what you say. But the advice is provided?

Ms Madew: That's correct.

Senator WATT: Essentially your role is to advise the NAIF on whether a project stacks up or not?

Ms Madew: Economically. We've got a way of how we respond to them which is in line with their criteria. It is like a second process for them just to have someone oversee the economic side of their proposals.

Senator WATT: You don't look at the broader merits of the project or anything like that?

Ms Madew: The engagement protocol we have clearly sets out principles of our consultation. I'm not sure the word is right, but the advice we give back to them is narrow.

Senator WATT: There has been a bit of media recently about a particular NAIF loan sought for a wind farm in Far North Queensland in the Atherton Tablelands. Are you familiar with that project?

Ms Madew: I am.

Senator WATT: Was Infrastructure Australia involved in assessing or commenting on that proposal?

Ms Madew: We would have provided advice back to NAIF.

Senator WATT: Is there anyone you have with you who was directly involved? Mr Jackson, was it you?

Ms Madew: The work we do with NAIF is commercial-in-confidence because of our agreement with NAIF. Whilst Mr Jackson was involved on that one, we would have reviewed it and given our feedback to NAIF.

Senator WATT: Rather than saying you would have, I suppose my question is: did Infrastructure Australia review that proposal?

Ms Madew: We reviewed the proposal.

Senator WATT: And provided comment to the NAIF?

Ms Madew: Just our normal advice.

Senator WATT: On the cost-benefit analysis regarding that proposal?

Ms Madew: It would have been in the principles of our response. We would have provided that to NAIF.

Senator WATT: What was Infrastructure Australia's view on that proposal?

Ms Madew: We're not in a position through the agreement with NAIF. You would have to refer that to NAIF. The way of our agreement with NAIF is commercial-in-confidence. Unless they make something public, we can't talk about it. You would have to check with NAIF on that. We don't advise on the merits of a proposal. We really just look at the cost-benefit analysis of it.

Senator WATT: Were there any concerns that Infrastructure Australia had?

Ms Madew: You will have to refer that. As I said, our feedback is literally quite narrow.

Senator WATT: Another big investment the government has announced recently that has had a bit of media is the gas-fired power plant in the Hunter. Did Infrastructure Australia comment on that proposal?

Ms Madew: That is not a proposal.

Senator WATT: So the government hasn't sought Infrastructure Australia's advice about that?

Ms Madew: It's not a proposal that we've currently reviewed.

Senator WATT: Even though it is well over \$250 million. That is a Snowy Hydro—

Ms Madew: Snowy Hydro is slightly different because it is a GBE. We see proposals through the investment lens coming through budget that are going to the jurisdictions. Because it is a GBE, we may not review that. It is up to the government. It is a matter for the government.

Senator WATT: Are there other instances that you can recall where the government has announced an infrastructure investment of over half a billion dollars and Infrastructure Australia has not been asked to comment?

Ms Madew: Well, the Snowy would be one, but that is a GBE, as I've said. I would have to check with Mr Jackson. We'll take that on notice.

Senator WATT: That is it for us.

CHAIR: I have a question on the period of time that infrastructure projects are assessed over. I often think of the ex-mayor of the tablelands, Tom Gilmore, who said that the Tinaroo Dam wouldn't have been built under current assessments under a 30-year program. We now know that after 50 years the dam is generating about half a billion dollars worth of agricultural product in the Mareeba tablelands. What is the timeframe that infrastructure projects are assessed over?

Ms Madew: As part of our assessment framework review—we also work closely with the jurisdictions—we significantly reduced the time for projects. Mr Jackson will give you an example of the average time. It has gone from months to weeks now in how long it takes for us—

CHAIR: I didn't mean how long it takes. I mean the period that you consider a project to provide a return.

Mr Jackson: We typically look at the benefits and costs over the life of the asset, so it depends on the type of asset that is being considered. A rail project would typically be in the order of 30 to 50 years. A dam project, as you mentioned, could be longer than that. It could be in the order of 50 plus years.

CHAIR: I do not need to identify any specific projects. It would be reasonable, I would assume, if you were assessing a water project, to be looking at it over that longer term?

Mr Jackson: That's right. Obviously the benefits and costs become more uncertain as we go that far into the future. But we can look at scenarios and sensitivity tests to understand what the boundaries of those might look like over that longer term period.

CHAIR: Do you feel comfortable that you're getting a broad range of products? Senator Watt mentioned some renewables. I've mentioned dams. Is there an open platter of projects that you're considering? Do you feel you are prioritising some types of projects over others?

Ms Madew: The infrastructure priority list is quite broad now. It has really moved from just being mostly transport to the economic and social. The reason is that we seek submissions from industry and community as well as local, state and federal government. At the same time, Infrastructure Australia is doing its own research through our policy and research team. If we feel that there is a project that a jurisdiction might not have put forward as a submission, we ourselves—I mentioned the museums—will put it on as an IA identified initiative. I will give you an example. We have airport corridors, education, energy, freight, health, ports, public transport, telecommunications, tourism, culture and waste water. It is quite a broad range across 163 proposals. It is a very broad range. With the work that Mr Colacino's team is doing in policy and research, it keeps broadening, especially with COVID as well, when you think about telecommunications and some pivoters. We undertook research in December last year around the impacts of COVID on infrastructure. So we really take in all this research. If we believe that we're not getting submissions in that area, we'll put our own proposal on the list.

CHAIR: Terrific. It's rare that Senator Watt and I are so in agreement on anything. Building infrastructure in Northern Australia is certainly one that we both are furiously in agreement on. We have another senator who wanted to ask questions of this section, but unfortunately they are no longer here. I'm going to have to excuse you and thank you very much for a terrific presentation.

Ms Madew: Thank you very much.

Mr Jackson: Thanks.

National Faster Rail Agency

[09:31]

CHAIR: Good morning, Mr Broe. I haven't seen you for a while.

Mr Broe: Good morning, Chair. Thank you for the invitation.

Senator McCARTHY: Good morning.

Mr Broe: Good morning.

Senator McCARTHY: A couple of years ago, we were promised an expert panel to advise the National Faster Rail Agency, but your website still talks about the panel in the future tense. Do you in fact have any plans to appoint an expert panel?

Mr Broe: Thank you for your question. In the national faster rail plan that was released in 2019, there was a proposal to establish an expert panel, which is the responsibility of the minister and the department. An expert panel at this point has not been established. We have built up the expertise of the agency, I think, very well in terms of its capability, its people and its expertise. We tap into all the state transport agencies, which have an enormous expertise in transport. We also have a faster rail forum that involves all the states and New Zealand, which also brings in expertise, as well as all the consultancies. I would suggest that we are providing the expert advice that the minister requires at this stage. My own personal view is that there is no need for an expert panel, but I fully respect the government's desire to appoint one if they so wish.

Senator McCARTHY: Mr Broe, does that mean there won't be an expert panel appointed by the minister?

Mr Broe: It's the minister's choice as to whether he does want to appoint one at this point in time. It's entirely his call. It is supported by the department. As an agency, we're getting on with the job that we've been appointed to do under the Governor-General's order, which has seven functions. We're cracking on with that and working closely with the states to get as much funding as possible for projects and get as many faster rail projects actually built.

Senator McCARTHY: I might put the question to you, Minister. Will there be an expert panel?

Senator Reynolds: I will take that on notice and get back to you.

Senator McCARTHY: Today?

Senator Reynolds: I will endeavour to get back to you today.

Senator McCARTHY: And perhaps an explanation as to what the hold-up is as well, Minister, given that this was announced in 2019. Mr Broe, what has happened to the business cases that have been submitted by CLARA?

Mr Broe: CLARA is the Consolidated Land and Rail Authority. A business case was done by a private sector consortium looking at two new megacities between Melbourne and Shepparton. That business case was completed to our satisfaction. We jointly funded it with the consortium. It was done of high quality and met our

expectations. The CLARA consortium themselves are moving into the next stages of looking at their planning and what they do. So the business case itself met its purpose. It hasn't been released publicly.

Senator McCARTHY: Why is that?

Mr Broe: It's not general practice to release such business cases publicly. It is not our practice at this stage. They contain commercial-in-confidence information and intellectual property that could jeopardise future commercial tendering processes. It hasn't been released at this point, but it has served its purpose in looking closely at how you could develop two mega cities of over 400,000 people linked in by high-speed rail. It is a very visionary project, obviously, which contains its own risk and aspirations. But they are proceeding to see if they can take it to the next stages.

Senator McCARTHY: What if any due diligence have you conducted on CLARA given reports that it has surrendered options on the land corridor near Shepparton that it had previously acquired?

Mr Broe: Sure. There was significant due diligence done in audits by both ourselves and the department. Andrew has more detail on the actual processes because he was there before I came.

Mr Hyles: When CLARA completed its business case, we worked with IPFA and other Commonwealth government agencies to review the business case. We provided formal advice to the government about the outcomes of that process. Obviously in establishing the relationship with CLARA, we had a contractual relationship with them as well. It contained provisions around audited statements and those sorts of things. So we've certainly got those audited statements pertaining to the expenditure of the money that we provided to the consortium.

Senator McCARTHY: Thank you, Mr Hyles.

Mr Broe: I will add to that quickly. One advantage of CLARA being done at that time was there were three business cases actually done that originated from the faster rail prospectus put out in 2017-18. We were able to benchmark, I guess, CLARA against it and make sure that their standard and quality was appropriate and effective for what we want it to be. We set out pretty clear guidelines and scope for what they had to cover, which is consistent with the Infrastructure Australia framework for how business cases had to be conducted.

Senator McCARTHY: Can you please tell us how many staff you still have and what your budget is?

Mr Broe: We have 13 people. It is a lean, mean agency, I would like to suggest. There are 11 full-time staff and two labour hire contractors. Our budget this year was \$3.5 million. That is the budget going forward. Sixty per cent goes on salaries. We do have some consultancies as well, which we've used to do some international benchmarking and best practice work and a survey of clients on customer preferences to see if they would move to regional centres. But it is an executive agency as part of the portfolio.

Senator McCARTHY: How many people of the 13 that you have do you have focused on very fast rail?

Mr Broe: Separate from faster rail, do you mean?

Senator McCARTHY: Yes.

Mr Broe: If you mean very fast rail in terms of high-speed rail, are you talking about the east coast high-speed rail proposal connecting to cities or just fast rail in general?

Senator McCARTHY: In general.

Mr Broe: Well, all the business cases done look at a range of options to improve the speed. I guess faster rail generally means trying to improve the rail speeds up to a speed of 160 kilometres an hour. That is generally what can be achieved in existing corridors. Beyond that, you typically need a new alignment and a separate corridor to run trains safely. All the business cases have looked at some options for higher speed rail and high-speed rail. The key is to have corridors. For example, the Brisbane-Sunshine Coast faster rail project has a corridor protected up on the Sunshine Coast between Beerwah and Maroochydore. It has been protected for many, many years. If a rail line went in there, it would be an ideal place to achieve a speed of 200 kilometres an hour plus. In general, there isn't a section that looks at faster rail or high-speed rail. The continuum of what we can achieve to make rail faster is looked at in all the business cases. Some can achieve higher speeds than others. If you look at some of the alignments, such as Sydney to Wollongong and Sydney to Newcastle, you see that they are very historical, curvy alignments up and down. It is very hard to achieve high speeds in that sort of historical alignment without finding a new corridor. Some of the business cases have looked at potentially some deviations.

Senator McCARTHY: I'm very envious when looking at the southern states. What about the Northern Territory, Mr Broe?

Mr Broe: We work with the Northern Territory.

Senator McCARTHY: And maybe even Townsville.

Mr Broe: We have what I am optimistically calling an international faster rail forum because it includes New Zealand. We have all the agencies involved in this forum, including the Northern Territory and South Australia. We would be very happy to consider any proposals they have.

Senator McCARTHY: Have you had any proposals before from the north?

Mr Broe: Not as yet. You normally have to have not a long but some established rail network in place before you start talking about making it faster. We would certainly be interested in talking to them about what we can do and working with the department on whatever we can do to improve public and passenger transport, which is what faster rail is ultimately all about.

Senator McCARTHY: I would be interested to know if that happens too, Mr Broe. Thank you very much for your evidence this morning.

CHAIR: What an exciting part of the world you live in. I too look forward to a very fast train between Townsville and Darwin. Thank you for your evidence this morning. We look forward to seeing you at the next estimates.

Mr Broe: Thanks very much. We look forward to being here.

Australian Rail Track Corporation

[09:42]

CHAIR: I now welcome representatives from the Australian Rail Track Corporation.

Senator CHISHOLM: I want to start with the evidence given to the Senate committee in Melbourne regarding Acacia Ridge being under review. Can you provide a bit of detail? I wasn't there in person. The transcript indicated that Acacia Ridge has always been under review. That is the evidence provided on the transcript. Could you provide a bit more context around that?

Mr Campbell: Thank you for the question. Chair, I did have an opening statement, if you wouldn't mind.

CHAIR: I do apologise. Senator Chisholm, perhaps it might be the best place to start. We will do your opening statement and then we'll move to questions.

Mr Campbell: If I could. I will introduce the team and we'll come straight back to that question. Thank you, Chair. The Australian Rail Track Corporation welcomes the opportunity to be here today and answer questions from the committee. Firstly, I would like to introduce the team here from ARTC. I have Richard Wankmuller, CEO of Inland Rail; Simon Ormsby, group executive of interstate network; and Rebecca Pickering, director of planning, communications, stakeholder relations at Inland Rail.

ARTC is one of the largest freight rail network owners in Australia, employing more than 1,800 people across our operations in five states. We maintain and operate 8½ thousand kilometres of the national rail network, which facilitates the transportation of agricultural products and commodities, general freight and passenger services. Over the past 15 years, we've invested more than \$7 billion to deliver key transport infrastructure projects essential to Australia's economy.

ARTC's current performance is buoyed by a strong operating performance across our interstate and Hunter Valley networks. We've seen freight volumes across a range of various commodities as well as general freight and passenger services remain consistent or grow. The COVID-19 pandemic has reminded us of the important role that freight plays in our lives delivering the essential goods, medical supplies and food to supermarket shelves and stores across the country. An efficient freight network that supports resilient supply chains is vital to meet the needs of our growing population. We have some significant projects being delivered to support freight and improve supply chains across Australia. Australia's future freight capacity and capability will help us meet the growing freight task, which is expected to grow by 35 per cent between now and 2040.

Our vision is to provide a safe, reliable and sustainable network. We are achieving this through advancements in safety, such as the advanced train management system, which allows for the safer movement of trains with more trains on track and more efficient journeys. We're doing it through major infrastructure projects, such as Inland Rail, which will deliver a stepped change in the freight rail sector, supporting the fast, reliable and cost competitive movement of goods and resources.

Across three states, we have over \$1.7 billion in contracted works currently live, bringing the contracted amount spent or contracted to date on Inland Rail to \$2.2 billion. On top of this, we have another circa \$8 billion worth of procurement in the market right now. So Inland Rail is well and truly happening, with work well

underway on the construction of the Narrabri to North Star project to complement the Parkes to Narromine section that is already operational.

It is very important to recognise across three different states we have different processes to follow, be they environmental processes, planning processes and, of course, consultation with communities. ARTC continues to work through each of these processes across Victoria, New South Wales and Queensland. There are different speeds to this work across the various alignments. In Victoria specifically, where a hearing was held for the inquiry into Inland Rail recently, I'm pleased to report that we've continued to work with the community and local councils. Our goal is to have the communities heard, acknowledged, responded to and valued. We're currently progressing a draft planning scheme amendment, as is the process in Victoria, for complex projects of major significance. This recognised planning process will deliver the Inland Rail project efficiently and reduce pressure on councils and other approval authorities.

As part of the planning scheme amendment process, we're currently undertaking consultation with land owners that could be affected by Inland Rail about potential land impacts and to understand their views. We voluntarily displayed the draft planning scheme amendment key documents to allow community to comment on the documentation. Our consultation has included recent meetings with community groups, such as Glenrowan Improvers, in addition to community information sessions in Glenrowan, the Benalla working group and meetings of the Euroa stakeholder group.

In New South Wales, the Australian and New South Wales governments are collaborating on a complementary program to build more grade separations along Inland Rail. In Queensland, we've actively provided additional information on our flood modelling and design solutions to support the work of the international panel of experts in giving confidence to people that Inland Rail will be designed and built safely in flood prone areas. Once again, thank you for the opportunity for ARTC to discuss its operations. We welcome questions this morning.

CHAIR: Thank you very much for that, Mr Campbell. Senator Chisholm.

Senator CHISHOLM: That gave me time to bring up the transcript from Melbourne. Mr Hallinan was there.

Mr Hallinan: Yes.

Senator CHISHOLM: Your evidence before that committee was around Acacia Ridge, where you said:

There has always been a question mark, while I've been in this role, as to what it will be.

You say that it had always been under review. That was the first that I have heard that that was the case. Could you provide a bit more context to the committee about what that actually means? What process is the authority going through as to how they are going to sort out the termination point in Brisbane?

Mr Hallinan: Sure. I think I arrived in the department in late March, early April last year. It was 23 March. There was a business case looking at terminal options and terminus options in Victoria. It has been looking at a whole range of sites. We are talking about Brisbane. It is looking at a range of sites, including Acacia Ridge, Bromelton, Ebenezer and two in Toowoomba. It is about identifying the most appropriate location for a double stack terminal or even multiple double stack terminals at the top end of the Inland Rail.

Senator CHISHOLM: Where is that process up to now?

Mr Hallinan: It is probably about midway through. I think towards the end of the year we're anticipating seeing some results from it, which will give us the evidence base on which to make a judgement about the final locations.

Senator CHISHOLM: In terms of the work that is going into that, is that based on a cost-benefit analysis or is it based on an impact on the local community?

Mr Hallinan: It will be both. There will be a cost-benefit analysis, and usually local impacts or negative externalities we try to quantify as a disbenefit in a cost-benefit analysis. I'm not sure how they've gone about that or whether it is happening in this case. But it certainly is a mechanism where we consult with the sector and we consult with communities to the extent we can and identify the most effective location.

Senator CHISHOLM: So you are saying that Acacia Ridge being under review started 14 months ago?

Mr Hallinan: I don't think I have a precise date on it.

Mr Wankmuller: I think I can help. Acacia Ridge was under review when the business case was done because it was the only intermodal in Brisbane in 2015. In 2017, the private sector, through SCT, opened up a new terminal at Bromelton, so that gave two options. There is also land available for a third terminal, if applicable. Then the government stepped forward to do the business case with the state to look at a fourth potential site. So it is really not one or the other. There could be four or more sites in Brisbane. That will greatly

disperse the load throughout the city and make a very different change in traffic patterns to the good in terms of concentration.

Senator CHISHOLM: So the train could still terminate at Acacia Ridge?

Mr Wankmuller: It could.

Senator CHISHOLM: There may be Ebenezer or—

Mr Wankmuller: It may be only one of 12 that terminate at Acacia Ridge. There may be two of 12 and three in Bromelton and six somewhere else.

Senator CHISHOLM: In terms of Acacia Ridge itself, I asked a question on notice on the environmental impact studies undertaken on the increased number of trains traveling from *Kagaru* to Acacia Ridge in the Bromelton section of the inland track. In ARTC's answer, they said they were undertaking detailed assessments of the impacts. Could you give me a bit more detail of what that actually means?

Mr Wankmuller: It is a good question because it is confusing. All we could do at the time we did the EIS was to go with the one terminal we had available to us. The results of this business case informed us as to other EISs. It will change the impact at each of the locations. My understanding is that the business case has been done by the federal government and the state government. My understanding is that it is meant to be available at the end of next year. That is why we are just using the data we have available to us today.

Senator CHISHOLM: In terms of the discussion of how it gets to the port of Brisbane, I know previously you've said—I don't want to put words in your mouth—that it is not anything that the ARTC or Inland Rail have been engaged with. Is that still the case?

Mr Wankmuller: Yes. To clarify, there is another separate business case, again funded through the Commonwealth and the state—they are the leaders; we're not the proponents of that—which is long-term access to the port. I would have to turn to my colleagues in terms of the dates. That one is into the future. They may have dates on that. They are looking at the potential of having, like there is in many cities, dedicated port access some time in the future. But that is a very expensive proposition and a separate business case.

Senator CHISHOLM: There is no engagement with the Inland Rail authority on that at all? It is completely separate?

Mr Wankmuller: Correct. We give a bit of technical advice, but we're not leading the study.

Mr Hallinan: It is a separate study to Inland Rail.

Senator CHISHOLM: I thought it would be relevant. It would make sense for that to start where you guys finish.

Mr Wankmuller: Yes. There is a bit of a misnomer about us finishing. It is where we're finishing the upgrades. Where we finish our upgrades, you can still get to the port. There are existing lines. They only have to go in a single stack mode. You can continue, as they do today, every day. It is a misnomer that we finish at a location. The train can continue on. It is just where our upgrades are finishing. The line continues.

Senator CHISHOLM: I suppose running counter to that, though, is a group such as National Trunk Rail, who are out there advocating for a particular course of action.

Mr Wankmuller: Yes. Do it separately.

Senator CHISHOLM: In terms of that impact on Acacia Ridge, will that also look at the impact on local roads?

Mr Wankmuller: Yes. All of them will. Each of the individual EISs will look at the impacts as part of that planning approval process.

Senator CHISHOLM: At Gowrie down the range into Ebenezer, where is that process at?

Mr Wankmuller: Which one?

Senator CHISHOLM: From Gowrie near Toowoomba down the range into Ebenezer.

Mr Wankmuller: It is going to be delivered by a PPP, which is a public-private partnership. You will often hear us refer to it as the PPP. That is presently still in the planning approval stages. Public exhibition of the planning documents has closed on one of the segments. The other two are set to close within the next few months. What that means is we'll get EIS and federal approval about mid to late 2022. That is the planning side of it. In parallel, we're doing the procurement side of it, bringing on very large, very competent firms to actually do the work when we get the planning approvals. We're set to receive the proposals of three global entities here next

month. We're going to get them in June. We're going to select the preferred provider from those three at the end of this year in the fourth quarter. We expect to actually contract them up by about the third quarter of next year.

Senator CHISHOLM: I will move to some of the issues in rural Victoria. What engagement have you had with those affected communities through regional Victoria?

Mr Wankmuller: ARTC's CEO has been directly involved in some of that in the last few months.

Mr Campbell: In a broad sense, there has been significant interaction with the communities over about three years now.

Senator McKENZIE: Did they debate that?

Mr Campbell: I think it is a good question, which is about what is good consultation.

Senator McKENZIE: Rather than information sessions, yes.

Mr Campbell: Each of the communities is different. We've had an approach in each one of those communities over a long period of time now. There are people in those communities who would say they have been consulted. There are others who feel like they've not been listened to. Part of the work that we are doing is to improve that situation so that we get the consultation right. For example, in Euroa right now, we're working with the Strathbogie council and the department of transport as a tripartite group to try to work through the next step of the process. We found that the Euroa working group, for example, wasn't functioning as well as it should. I think we've come to the conclusion with working groups that they can be very effective if a community is relatively behind a proposal. The working groups are really good at working out some of the detail. But in Euroa—I think Senator Sterle heard first hand from the mayor at the inquiry—the community is completely split. I'm not sure it is fifty-fifty, but it is completely split in terms of whether they would prefer a bridge or an underpass. A working group can't function in a dysfunctional community. I don't mean the community is dysfunctional, but it has polarised views about what the best way forward is. In other communities, working groups have worked well.

Senator CHISHOLM: I am obviously more familiar with the work that has gone on in Queensland. I think I have met more people who are disappointed with the consultation process than I have who are happy with it. At any stage over the last 12 months, have you reviewed your consultation process? It seems to me that it is extremely lacking. People feel as though they are being treated like mushrooms rather than having genuine consultation. It is all one-way traffic.

Mr Campbell: I think that talks to a broader community issue. We did in fact do a review before I joined the ARTC.

Mr Wankmuller: Just as I was joining. We did do a review because we were quite concerned about it. There were a number of findings. Rebecca Pickering can help me out if I miss any of the key findings. When I first got involved in Inland Rail and we were still beginning to implement the program, a number of things weren't done as well as they could have been done in the consultation. The key findings were that we didn't have enough direct employees. We were relying too heavily on consultants. What happens when you rely on consultants is that they show up and then they go to another job, so there is a lack of consistency. The other was that we didn't have members from that community as part of our engagement teams. They were flying in from Brisbane or Sydney. That is obviously a problem. It is a bit hard to get people in those communities hired. It took us about a year to get to that point. We've now dramatically changed that.

The other was ongoing training. Some of them you are hiring locally and they do need some training and help in terms of how to engage with the community in an effective way going forward. So we've completed turned the situation around. We're almost 90 employees now. We're not relying on consultants. We've gone from about five people in the local communities to almost 40. We have ongoing training programs for our people. So we made what we think is a significant difference. I'm told when I go into the communities, particularly with any elected officials and the councils, that they can really feel that difference and they have somebody to talk to now.

Senator CHISHOLM: Do you have figures on how many people have resigned from those consultative committees?

Mr Wankmuller: Resigned? I would have to take that on notice. It wasn't significant. We've had a couple.

Mr Campbell: With the exception of Euroa, where five people resigned earlier this year.

Mr Wankmuller: That was on the committee, not employed. Are you asking about our employees?

Senator CHISHOLM: No. From those consultative committees, the community ones.

Mr Campbell: That would be Victoria.

Senator CHISHOLM: Take it on notice.

Mr Campbell: We'll take it on notice.

Senator CHISHOLM: Where are you setting up noise stations? What type of noise monitors will you be using to measure noise levels?

Mr Wankmuller: I will turn to Rebecca Pickering.

Senator STERLE: While you're doing that, I might ask something. Mr Wankmuller, did you and Ms Pickering come in the same car?

Mr Wankmuller: Did we come up here in the same car?

Senator STERLE: Surely you could fit on the table. We're not that ridiculously stupid.

Mr Wankmuller: We thought it was critical.

Senator STERLE: I know it is not you. Surely, Ms Pickering, instead of sitting back there, pull your chair up.

Senator McKENZIE: Sit closer.

Senator STERLE: Sit closer in the smoko hut back there at ARTC. Sorry to interrupt.

Mr Wankmuller: Ms Pickering reports directly to me on a number of things. One of the things she directly handles is engagement, particularly on the noise issues. The question was about the particular type of equipment and location of the noise monitoring.

Ms Pickering: In terms of noise monitoring, we set up specialist equipment generally in or proximate to the rail corridor to essentially establish a baseline of noise in the area depending upon whether it is a brownfield—an existing operational train line—or a greenfield area that is part of our impact assessment studies as part of our EES process and our planning approvals processes. We take background noise levels and use that to inform modelling about what we anticipate operational noise levels will be. We do determinations for the construction period as well so that we can determine appropriate mitigations for the noise levels.

Senator CHISHOLM: Specifically, what type of noise monitors will you be using?

Ms Pickering: I will have to take that on notice. I think I have a photo of one in my bag, but I couldn't name the specific piece of equipment. I can get back to you on that.

Senator CHISHOLM: How will you be conducting vibration assessments? Who will you be using to conduct these?

Ms Pickering: We have specialist technical consultants that do our noise and vibration studies. They are done as a combined assessment. The actual technical consultant varies depending upon what part of the alignment it is. We have different consultants along the 1,700 kilometres doing that piece of work, but I can get you that detail and take it on notice.

Senator CHISHOLM: Can you guarantee that no homes or properties will be damaged by the vibrations the rail line will bring?

Ms Pickering: We're in the phase at the moment where we're doing a lot of those impacts assessments to understand the current prevailing levels of noise and vibration and what we anticipate they will be. We do full surveys on properties to understand that. If there are going to be risks or impacts, we work with the individual property owners to put in place mitigations. In the most extreme case, if there are impacts where we would struggle to mitigate, we consult with the landowner or the property owner about potential acquisition of their property.

Senator CHISHOLM: What sort of protocols do you have to go through? Is there a threshold that you meet? Is it a data thing?

Ms Pickering: In terms of the noise level, do you mean?

Senator CHISHOLM: Or the impact on properties from vibration. Who makes that judgement? How is that judgement made?

Ms Pickering: There are guidelines and regulations that ARTC follows when assessing noise impacts and the thresholds at which we deploy mitigations. That is all set out. We make that visible through our EIS process.

Mr Wankmuller: There are state regulations. They are set by each state, such as New South Wales and Queensland.

Senator CHISHOLM: Is there any internal process within the ARTC that you have to follow?

Ms Pickering: Yes. Certainly we have internal guidelines about the application of those policies and compliance with them.

Senator CHISHOLM: Who is responsible for that? Who at the end of the day would make the decision whether to acquire someone's land, for instance?

Ms Pickering: That goes through our internal governance process. We have a delegation of authority process. Depending upon the impact and the course of action we are recommending, that would go through a decision-making process internally. The scale and the type of decision we're making will determine who within our organisation makes that decision.

Senator CHISHOLM: How important to the organisation is it to preserve landholders' rights to enjoy their land? How significant is that for the organisation?

Ms Pickering: Extremely important. The reality we're dealing with is that a major infrastructure project does come with impacts. Through our design process we do seek to balance up all of the impacts and seek to minimise impacts where we can. But they are unavoidable. That is where we need to consult and collaborate with land owners about how we can mitigate and reduce the level of impact. Ultimately, where we can't remove the impact, we discuss compensation or other mechanisms.

Senator McKENZIE: Thank you very much, ARTC. It is great to see you all again. As a senator for the great state of Victoria and a resident of north-eastern Victoria, I have a series of questions around the north-east rail alliance engagement with the ARTC and specifically around the Euroa, Benalla and Glenrowan issues. I think Senator Chisholm has already canvassed some of the concerns around consultation. I have heard from these community groups over a long period of time. ARTC has not been up to scratch in its consultation. I will read an article from the *Border Mail* on 25 May. We have people saying that the ARTC had up to date not engaged with the communities in good faith. I need some reassurance of how my communities can perceive your consultation as not in good faith. What led us to that statement? What changes have you made internally to ensure that my communities feel you are engaging in good faith around quite significant developments?

Mr Campbell: Thank you, Senator. Where to start with that?

Senator McKENZIE: I have all day.

Mr Campbell: I think it is always disappointing when we read of people in the communities who express views in that way—that they haven't felt that ARTC has been operating in good faith. From the word go, I think with the original concept of upgrading the line in north-east Victoria there was an outlined program that included various improvements at 12 different locations. There was a base idea about what was going to be done in each one of those 12 locations.

Senator McKENZIE: How did we come up with those 12 base ideas?

Mr Campbell: Basically, through the original design, at each of the locations where it wasn't possible for a double stack train to go through because of height or clearance issues, an assessment of what it would take to enable that was done and a design was put in place.

Senator McKENZIE: Just on that: so no consultation would have been done at that point with anyone in the community? This is an engineering decision?

Mr Campbell: At this point, we're probably talking about—I couldn't say exactly—seven or eight years ago.

Senator McKENZIE: I know that. You are saying that at Benalla we can't get it through. What are we going to do? We didn't have three different options. We just went with a massive overpass.

Mr Campbell: In the case of Benalla, there is already a bridge.

Senator McKENZIE: Yes. I grew up there. I am a proud graduate of Benalla East Primary School.

Mr Campbell: Right. The basic design said that we can't fit a double stack train through there. What will it take for us to be able to do that? The answer was that you could either lower the track or replace the bridge with a higher bridge. I can't recall exactly why lowering the track wasn't—

Senator McKENZIE: On notice provide me why.

Mr Campbell: Okay. But it was for a very long period of time the assumed minimum that we could do in order to get the trains through.

Senator McKENZIE: I'm assuming that is for the whole 12 solutions. It was the assumed solution?

Mr Campbell: They are all very different.

Senator McKENZIE: Yes. I know that.

Mr Campbell: Some of them are not as simple as just raising one bridge. Many of them are much more complicated than that, such as at Wangaratta. The more complication means obviously more cost. Take the case

of Benalla. I certainly became aware of community sentiment in Benalla not long after I started a year ago. Unfortunately, due to COVID, it wasn't possible to visit. When I did earlier this year, I met members of the Benalla working group. I went to the station. I met the station master, who showed me his preferred plans for Benalla.

Senator McKENZIE: Was that the first time you were aware that there were concerns with the assumed design?

Mr Campbell: No. I became aware of that probably late last year. I can't remember exactly, but about September or October. I had two trips planned, both of which had to be cancelled.

Senator McKENZIE: And there was COVID, yes.

Mr Campbell: When I finally got there and talked to our team about what we were doing and what—

Senator McKENZIE: What were they doing? I realise you have only been here X amount of time. I read in my local paper that the ARTC has not consulted in good faith. For a long period of time these assumed options have been on the table; as you say, it is seven or eight years. You conducted a review. You know something is wrong. I want to know what led to not just the public saying it is not in good faith but you as an organisation recognising you weren't engaging in consultation in good faith.

Mr Campbell: Well, I think at Benalla I wouldn't go so far as to say that. We had the Benalla working group that was—

Senator McKENZIE: What about the north-east rail alliance? It is not just Benalla. There is Euroa. There are issues at Glenrowan right along with this.

Mr Campbell: In those different communities, we've consulted over a long period of time in different ways. Some of that consultation undoubtedly has been very successful. In other areas, particularly where people have got strong views about one solution or another, often people will say they have not been consulted with. That may be the case. I would also argue from time to time people want you to take a certain point of view which is their view. That is the case in Euroa.

Senator McKENZIE: I'm very aware of that. Mr Campbell, it sounds like you're actually blaming the local residents.

Mr Campbell: No. Not at all.

Senator McKENZIE: Are you going to take any responsibility for the fact that it is not just the disgruntled—those saying they want an overpass, an underpass or a roundabout—saying you consulted poorly and that they feel dictated to rather than actually bought on a journey with and listened to? Sometimes their ideas might actually be better, because local knowledge often is. Are you honestly not taking any responsibility as an organisation for what is quite a common assessment of how you engage with communities?

Mr Campbell: I think we take full responsibility. At the end of the day, we are here to deliver the Inland Rail program. It is not the only reason we're here. We're here to deliver the Inland Rail program. We are trying to deliver it on time and on budget. We have to make decisions along the way in consultation with the asset owners and the community. I think what we need to do when we get feedback that says people are not feeling consulted is to consult more and to talk more and to understand why they feel that way. I would like to think that is what we are doing. That is why I went.

Senator McKENZIE: You have changed how you are engaging. Has anything changed? That is the question, I guess.

Mr Campbell: Well, I think if you take the north-east Victorian community, I visited, I listened. I am going again in two weeks. I will meet various people and listen again. I'm looking forward to going back to meet the same people I met before to understand whether they feel like we're making progress.

Senator McKENZIE: Danny Claridge, who I met last week on a variety of issues—he is very passionate about this—is the mayor of Benalla. He said there is virtually no support for an overpass or an underpass. He is looking forward to a realignment of the track, which would then allow the station to become part of the town again. Is that something that the ARTC is now examining rather than just the assumed design that has been on the table for seven years?

Mr Campbell: Yes. I mentioned that when I met Danny earlier this year; I think it was February. I also made the same comments, I think, at estimates in March and, again, at the Senate inquiry when we were in Victoria.

Senator STERLE: You did.

Senator McKENZIE: Yes. I have that *Hansard*. During that, you did actually outline how many consultations? You conducted 124 community consultation sessions, 2,800 face-to-face briefings and 28 industry briefings. This was in the context of Victoria. My question is: were they specifically in Victorian communities or are they related to the whole inland project as a total?

Ms Pickering: Is that over a certain period of time?

Senator McKENZIE: This is the evidence provided to this committee on Thursday, 22 April.

Mr Wankmuller: Does it say in a particular year?

Senator McKENZIE: It states:

In Victoria, specifically ... I visited some of the communities ... Our team has been working with communities along the alignment since 2018. They've conducted 124 community consultation sessions, 2,801—

Is that specifically in Victoria?

Ms Pickering: Specific to Victoria, yes.

Senator McKENZIE: Thank you. Has there been any update on those figures or improvements made in how the ARTC conducts their consultation? It is an expansion, I think, of Senator Chisholm's earlier question?

Mr Campbell: We can provide an update. I don't have one with me. Recently, for example, we had a meeting with the Glenrowan Improvers on 11 May. The Benalla working group met on 3 May. We had a community information session at Glenrowan on 11 May. We have had three Euroa stakeholder group meetings, which is again between Strathbogie council, the Victorian Department of Transport and the ARTC. The reason why we haven't yet recommenced community consultation in Euroa is that we, the council and the Department of Transport in Victoria feel like we need to do some tripartite work. That will include coming up with a joint strategy among the three of us, particularly with ourselves and the council. That is due to what you might call the failure of the Euroa working group to be functional. Rather than just start another Euroa working group, we're standing back and saying, 'Okay, that worked for a while, but it wasn't working. How best now to liaise with a community that is very polarised about what the solution should be in their community?'

Senator McKENZIE: Okay. I will love an update next time. On notice—I know it is a miracle how ahead RRAT is at the moment—which communities in Victoria did you specifically consult with? When we talk about 2,800 face-to-face briefings, is that individual meetings, or have you just added up the faces in all the rooms? I want to know whether they were in Melbourne, Geelong or Bendigo. Were they situated in communities so people could actually attend? I'm happy for you to give that on notice. I need to understand who waived the requirement for an environmental offset statement?

Mr Campbell: Again in Victoria?

Senator McKENZIE: Yes.

Mr Campbell: We're talking about an EES?

Senator McKENZIE: Yes.

Mr Campbell: That is a Victorian government process.

Senator McKENZIE: You are telling me that the state Labor government waived the requirement for an environmental offset statement?

Mr Campbell: Well, yes.

Senator McKENZIE: Right. It is okay to be frank in these sessions, Mr Campbell.

Mr Campbell: We put forward the project to the Victorian government. They assessed the project as not requiring an environmental effect statement.

Senator McKENZIE: Right.

Mr Campbell: We are now going through the Victorian process.

Senator McKENZIE: Did the ARTC support this decision?

Mr Campbell: Well, I don't think we either supported or didn't support it. We applied and were told that one wasn't required.

Senator McKENZIE: What about other states you are operating in? Did they require environmental effects statements? Queensland? New South Wales?

Mr Wankmuller: Across the alignment, we applied for certain planning approvals. The state regulator tell us what we're going to get.

Senator McKENZIE: Absolutely. What did the other states say?

Mr Wankmuller: It has happened in other states. There is Queensland.

Senator McKENZIE: Does the Queensland Labor government require an environmental effects statement?

Mr Wankmuller: On most of the projects, yes, and on one of the projects, no.

Senator McKENZIE: On notice, which project was no?

Mr Wankmuller: K2ARB.

Senator McKENZIE: Sorry?

Mr Wankmuller: Kagaru to Acacia Ridge.

Senator McKENZIE: Thank you. Do you know why?

Mr Wankmuller: A lot of these decisions are made on the scale of the project. We tend to replicate the more stringent process anyhow, even if the regulator tells us we don't have to do it. In Brisbane, in the K2ARB, we're going to emanate the EIS process. We're going to do everything we would have done under the EIS. They are not going to call it an EIS or a coordinated project, but we're going to replicate it. They call it a different process.

Senator McKENZIE: But they've got a problem with the Acacia Ridge section, did you say?

Mr Wankmuller: They don't have a problem with it. It's just such a small project. Some of these are scaled.

Senator McKENZIE: Does the New South Wales government require them?

Mr Wankmuller: In New South Wales, it is mostly greenfields. They were certainly coordinated projects. Depending on the size of the brownfield, the existing ones, once again, when it gets small, they don't make it a coordinated project because it is a lot of work on the state. They say, 'No. You do it on your own.' When they say, 'You do it on your own', we replicate more stringently.

Senator McKENZIE: And so Victoria said for the whole track. 'Do it on your own?' You're nodding.

Ms Pickering: It is the planning scheme amendment process that we're following.

Mr Campbell: I've actually got the documentation with me, which is the decision and the reason for the decision. The reason for the decision that the Victorian government gave was that there were no practical alternatives for the location of the project. It was basically being built in an existing corridor.

Senator McKENZIE: I might get you to table those documents.

Mr Campbell: They list various things that we need to focus on. Obviously we need to do an environmental assessment. It isn't to the same rigour as the EES. There are other things, such as Aboriginal heritage and cultural heritage. There are a host of things that we now must consider in our planning scheme amendment.

Senator McKENZIE: This is my final question. A colleague of mine, Steph Ryan, deputy leader of the Nationals in the state opposition, has written to the state government concerned about the decision to waive requirements for environmental effects statements and to call in planning approvals along the corridor. It doesn't actually change, though, the importance of ensuring that locals have a say in how the project impacts on, and is delivered in, the community. Despite the processes regarding an environmental impact study, can you guarantee that locals will be consulted about all these things and it will still be undertaken through your own internal processes?

Mr Campbell: Absolutely we will. As part of the planning scheme amendment, we will be consulting with the communities as we work through that process.

Senator McKENZIE: Thank you.

Senator ROBERTS: Thank you for attending. Good to see you again. Can you list Inland Rail's social media accounts? How much was spent on social media, including Instagram, in the last financial year, please?

Mr Wankmuller: We'll probably have to take it on notice. We can give you some idea quickly. We found social media to be extremely effective and to have greatly improved some of our engagement that was asked about earlier. We find that we have interactive dialogues on a real-time basis with people. They don't have to come to us and we don't have to go to them. We can provide very technical information, including maps. They can post questions on those maps. So the social media interaction has been extremely effective. Do you want to provide any additional detail, Rebecca?

Ms Pickering: No. I think we're finding that it is a good value for money medium. We have multiple channels, as you would expect. Again, we can confirm them. They are all the ones you would expect—Facebook, Instagram, LinkedIn and YouTube, those sorts of things. We can get you the details.

Senator ROBERTS: Thank you. The business case lists 87 coal trains going into Brisbane every week all the way through to 2050. I understand that coal reserves that would come down that line run out in 2030. Is that true? If so, what does that do to your business case?

Mr Wankmuller: The first part we would be speculating on. We would have to take it on notice because we don't control the coalmining, obviously.

Senator ROBERTS: I'm happy to do that.

Mr Wankmuller: On the second part, we have testified previously that even if coal volumes were to go to zero—I'm going to ask Mr Campbell and Mr Ormsby to correct me if I am wrong—the business case still stacks up and still has a benefit to cost ratio over two.

Senator ROBERTS: Thank you. The Queensland government only allows 10 million tonnes of coal to be sent to Brisbane port. Currently, the port handles seven million tonnes. Is this limit of 10 still in place? Rather than 87 trains a week, how many will the remaining three million tonnes generate if we make it about seven trains a week, not 87?

Mr Wankmuller: Again, we would have to take that on notice. I'm not sure of the limitations of the port of Brisbane.

Senator ROBERTS: Is it true that the port of Brisbane can only unload trains for 49 hours a week, being 8.30 am to 5.00 pm Monday to Friday, 10.00 am to 2.00 pm on Saturday and closed all day Sunday? If so, how long does it take to unload a train? How many trains can the port of Brisbane actually service as against the business case?

Mr Campbell: The business case was primarily a terminal to terminal activity from Melbourne to Acacia Ridge. As far as I am aware, the business case didn't really cater for or talk to traffic to and from the port.

Senator ROBERTS: How then can we assess the viability?

Mr Campbell: Of?

Senator ROBERTS: Providing the Inland Rail if you don't know the service port to port?

Mr Campbell: The Inland Rail is being built as a terminal to terminal. As we heard earlier, there may be more than one terminal in Brisbane. There is a separate business case analysis looking at that link to the port, which is not part of the Inland Rail project.

Senator ROBERTS: So if the port of Brisbane is not modelled in that, how do we know the constraint of the port on the Inland Rail?

Mr Ormsby: We can come back with the details behind the modelling. We will take that on notice. In broad terms, the number of trains assumed is broadly similar to the number of trains that pass through today, but they are longer trains in the business case. So Inland Rail and the investments enables longer coal trains and heavier coal trains to be run than today. The assumptions aren't broadly different in the business case to what happens today. We can come back and take it on notice and come back with further detail on that.

Senator ROBERTS: I'm interested in the impact of the restricted hours at Brisbane port.

Mr Ormsby: We'll come back on that.

Senator ROBERTS: Is it true that passing loops at Kingsthorpe and Fisherman Island can only handle a train with a length of 670 metres yet your trains are 1,600 metres? How do you propose to get your trains in and out of the port?

Mr Campbell: It's not intended at this point that longer trains than currently operate to the port today will operate to the port in the future. Our 1.8km trains will terminate at a terminal outside of Brisbane or on the edges of Brisbane over at Acacia Ridge. There would need to be a different arrangement for those trains that would take it to the port.

Senator ROBERTS: It is quite complex, isn't it.

Mr Ormsby: I can't validate the length of those crossing loops. What I can say is that, as part of the business case, extensive capacity modelling was undertaken and assumed different lengths of trains. Because you have a crossing loop or two crossing loops at 600 metres doesn't mean that every train is limited to 600 metres. There is quite a bit of double track, particularly if you are running a narrow gauge train. Some of those coal trains may just have a through run without actually utilising the crossing loop.

Mr Wankmuller: I can help a bit. What he is saying is that you can give priority to longer trains, so the ones using the passing loops are the shorter trains. It doesn't have to actually match the length of the train that uses the line, but you can give that priority.

Senator ROBERTS: Got it. Thank you. Brisbane trains have a curfew which limits Inland Rail services to 19 hours a day, which means that the times a train can leave Melbourne needs to adjust to avoid that curfew. There will be a corresponding window in Melbourne and all along the route. Have you modelled how this will affect loads once Inland Rail is fully operational?

Mr Ormsby: There is no curfew for trains outside Acacia Ridge. I'm not aware of a curfew.

Senator ROBERTS: So you haven't modelled it?

Mr Ormsby: No. We've assumed there is no curfew. There is unlimited access between the Melbourne terminals and the Brisbane terminals.

Senator ROBERTS: Thank you. The new tunnel ARTC will have to build down from Toowoomba has a gradient of one to 64. A train would need to do 30 kilometres an hour down the tunnel. Once the train exits the tunnel, the limit is 80 kilometres per hour all the way to the port. Can you demonstrate that has been factored into the 24-hour transit time?

Mr Wankmuller: Yes.

Mr Ormsby: Yes.

Mr Wankmuller: We can give you the train modelling data.

Senator ROBERTS: If you could, please, thank you. The project cost of \$14.8 billion does not include anything to do with the tunnel through the Great Dividing Range outside Toowoomba. Is that correct?

Mr Wankmuller: No, it doesn't.

Senator ROBERTS: What is the cost?

Mr Wankmuller: Of the tunnel?

Senator ROBERTS: Yes.

Mr Wankmuller: Projects, as we have testified a few times now, are commercial-in-confidence. We're into procurement right now so we're not disclosing project budgets. But the total cost of Inland Rail does include the cost of the tunnel down the Toowoomba Range.

Senator ROBERTS: Australian Economic Consultants and the peer review by Professor Rolfe put the cost of the tunnel at \$5 billion plus \$3 billion for a new rail line between Acacia Ridge and the port of Brisbane and \$1 billion of other work. This puts the current cost of Inland Rail at \$24 billion. How can it possibly recoup the expense?

Mr Wankmuller: Senator Roberts, I would have to expand on those comments. That is, I believe, the cost of a tunnel to go to the port and the improvements to get to the port, which are subject to that separate business case. It wouldn't be additive to the cost of Inland Rail. It is a separate project with a separate business case.

Senator ROBERTS: How can it still stack up? That is a heck of a cost.

Mr Wankmuller: That is a matter for government and the business case.

Mr Hallinan: The port connection work isn't part of the Inland Rail project and hasn't been committed to by any government for them to do the study.

Senator ROBERTS: It is an additional cost.

Mr Hallinan: We're doing a study on what is viable and what would work with the Queensland government. Whether or not a port connection is built will be a matter for future government decision making.

Senator ROBERTS: Let's move on. In the original discussions around what was then called the north-south rail corridor, there was a route that came over the border into Queensland where it does now near Goondiwindi. It then headed north to Moonie before crossing the mountain range at a lower elevation through Marmadua on to Dalby and then down to Toowoomba. This allows for a junction at Dalby. Coal and bulk grains would go to Gladstone and the freight hub for Brisbane would be located at Toowoomba. The rest of the trip would be by road using the new \$1.6 billion Second Range Crossing, which is actually built. Do you have any information on that alignment via Moonie?

Mr Wankmuller: Yes. That was looked at some time ago and found not to be economically feasible as an alternative to meet the business case requirements. Maybe I can address the broader question there, which is Gladstone and truncating at Toowoomba. The biggest thing about Inland Rail we have to remember is the actual business case. The business case was developed over a long period of time between the Commonwealth, the states and ARTC. They all agreed that the way to meet the business case, which was terminal to terminal to meet the growth demands in south-east Queensland and Victoria for domestic goods, was broadly the alignment we're on

today. It was not meant to get to port. If it were a different business case—getting to the most efficient port or about coal—then maybe Gladstone would make a lot more sense. The terminal is very important, particularly when we look at some of the growth rates in Queensland. Look at what has been released in the last month or so. South-east Queensland is growing from 2½ million people to five million people. They are going to have a lot of needs for a lot of products, goods and services. That is what the supply chain is all about. That is what Inland Rail is all about. It is getting them the furniture they need, the food they need, the beer they need and the toilet paper they need.

Senator STERLE: Hear, hear!

Mr Wankmuller: Trying to divert now to go to Gladstone can be an 'and', but an 'or' doesn't make sense. We have to be true to the business case and deliver on that business case. That is what we're doing.

Senator ROBERTS: There are a lot of complexities. In a major project, we learn as we start the project and as we implement the project. There seem to be more and more questions coming up.

Mr Wankmuller: You are exactly right. It is a major project. What you have to do is respond to the learnings and improve as you go and have a process that allows you to account for them.

Senator ROBERTS: Could it be that the original business case was not done in sufficient depth and quality?

Mr Wankmuller: I think it is one of the better business cases I've seen. It has certainly had a very good benefit to cost ratio compared to other projects. It is pretty high quality.

Senator ROBERTS: Based on early assumptions.

Senator CANAVAN: What is that benefit-cost ratio?

Mr Wankmuller: It was 2.6 originally.

Senator ROBERTS: The AEC found that a route that terminated in Toowoomba and sent coal and grain to Gladstone, including the cost of the extra leg to Gladstone, would cost \$12 billion total on a return of \$1.58 billion as against the current route, including tunnels and links, which is now at \$24 billion on a return of investment at \$1.01 billion. Will you refer the AEC Gladstone alignment with Toowoomba termination to the Rural and Regional Affairs and Transport Committee Inland Rail inquiry for a full review?

Mr Wankmuller: I have to correct the statement that Inland Rail is not \$24 billion. We talked about that earlier. They are two different business cases. The second thing about being cheaper to go to Gladstone is that if it doesn't accomplish the business case, it doesn't really matter whether it is cheaper. I have this discussion with my family all the time. When they buy something on sale that they don't need, it doesn't do us any good.

Senator ROBERTS: If it is more productive. Isn't the issue really about value?

Mr Wankmuller: It is about value. I have mentioned this a few times. One of the great things about Australia as opposed to other countries I have dealt with on large infrastructure is large infrastructure projects are justified based on the business case. We have to be true and honest to that business case. It is disingenuous to deliver something different from that business case without going back and changing it.

Senator CANAVAN: My questions follow from Senator Roberts's, and they won't take long, I think. You mentioned before the cost-benefit ratio. Was more efficient coal transport to the port of Brisbane on the benefit side of that calculation? Was that included in the business case?

Mr Wankmuller: There were a lot of benefits. We can get you a list of all the benefits.

Senator CANAVAN: Was coal freight part of the benefits that added up to that?

Mr Wankmuller: Coal was part of the revenue, so it was part of the benefits.

Senator CANAVAN: So it was part of the benefits?

Mr Wankmuller: Yes.

Senator CANAVAN: What happens to those benefits, then, if the New Acland Coal Mine shuts? Have you looked at that at all?

Mr Wankmuller: We addressed that a few minutes ago. We went all the way to the case of supposing there was no coal, not just one mine shutting.

Senator CANAVAN: Yes. That is probably what would happen.

Mr Wankmuller: The business case still stacks up. It still is on the order of magnitude above two.

Mr Ormsby: There are specific numbers. Coal contributes seven per cent of the benefit, and the BCR would go from 2.62 to 2.5 without coal.

Senator CANAVAN: Would this project make a commercial rate of return? I presume in your BCR you have a lot of non-commercial benefits that aren't recoverable through charges.

Mr Hallinan: It's being funded through equity, so, yes, it is making a commercial return for government. It is on the balance sheet.

Senator CANAVAN: What is the return?

Mr Hallinan: I don't have the number off the top of my head, but I can get that for you.

Senator CANAVAN: When I say commercial, I mean for a commercial investor. Looking today, would you stump up for how many billion? Would you raise capital?

Mr Hallinan: The obvious test would be whether or not the private sector has done it themselves. They haven't. It is certainly something that government has taken the risk on.

Senator CANAVAN: Surely you would have a ballpark figure of what the return on equity is for government.

Mr Hallinan: I will have to take it on notice.

Senator CANAVAN: You don't even have a ballpark figure? This is a big project. There surely would be one headline number that you would have at the tip of your fingers.

Mr Wankmuller: Maybe broadly let the government answer it. To be specific to your question about investors, private equity probably wouldn't invest in it, but a pension fund out of the US might. It sounds like you might know what those numbers are.

Senator CANAVAN: Have you been asked to look at extending the Inland Rail to Gladstone or provide any feedback to government on that?

Mr Wankmuller: Recently? We did so originally.

Senator CANAVAN: Forever and a day.

Mr Wankmuller: It was looked at originally. I will take on notice the date. I think it was around 2010, but I will have to get back to you. It was some time ago originally.

Senator CANAVAN: It is a long time ago. Have you been asked recently, then?

Mr Campbell: I'm not aware, Senator.

Senator CANAVAN: You haven't been asked recently to look at that at all?

Mr Campbell: No.

Senator CANAVAN: So that is not something you're pursuing? You would have to have—

Mr Campbell: From an ARTC perspective, no.

Senator CANAVAN: Thank you.

Senator RICE: I want to start in the same area in terms of coal and Inland Rail. You say that coal provided seven per cent of the benefits. The BCR goes down to 2.1 without coal.

Mr Ormsby: It is 2.5. It is 2.62 to 2.5.

Senator RICE: Thank you for that. Can we get a copy of the modelling for that?

Mr Ormsby: That is the 2015 business case.

Senator RICE: Does that 2015 business case explicitly talk about what the BCR is and the economics of Inland Rail without coal?

Mr Ormsby: I know it is one of the sensitivities, but we'll make sure that you get the information that explains it. We will point you to the area in the business case.

Senator RICE: I can't hear you very well, I'm sorry, Mr Ormsby.

Mr Ormsby: It is a sensitivity in the business case, but we can make sure that the full details are provided to you.

Senator RICE: I would like to get clarity on the business case if coal were excluded. I particularly want to go to the Kagaru to Acacia Ridge section. That is as yet unfunded?

Mr Wankmuller: That is funded.

Senator RICE: Just in terms of the viability of that section if coal were excluded?

Mr Wankmuller: That speaks to the broader business.

Mr Campbell: That section itself is part of the alignment. If coal weren't operating, there would be a seven per cent reduction in benefit. But the assumption would be that trains with containers are still running through that section to Acacia Ridge.

Senator RICE: Right. It clearly goes to the issue of what is happening at the Brisbane end. You are saying that even if coal were excluded, that segment is funded and it would still as the overall project have a positive BCR. What consultations have been had with First Nations peoples impacted by Inland Rail overall?

Mr Wankmuller: I will quickly pass to Rebecca because she is in charge of that. There has been quite a number of conversations and quite a bit of high-level involvement, particularly from an economic impact standpoint.

Ms Pickering: There are two distinct aspects that we can start with regarding First Nations peoples. From an infrastructure construction perspective, we have what are called cultural heritage management plans in place with the traditional owners that sit along the line. We work with them to identify artefacts and deal with them. That is one element that we deal with in terms of impact management. The other aspect is looking at opportunities for Indigenous employment during the construction phase and sourcing from Indigenous businesses. We have had some terrific outcomes on the Parkes to Narromine section, where there was over \$10 million spent with Indigenous businesses just on that one project alone. We've got a lot of other courses that we're running. There are Indigenous business capability building courses that have been running more recently in the Narrabri and Moree area, where we have a new section of the project just commencing construction. It is to ensure that those businesses are ready to participate in opportunities to supply to the project.

Senator RICE: Are the First Nations communities that you are working with all on the public record? Can you provide a list of all of the First Nations communities that you're working with right throughout the whole corridor?

Ms Pickering: Yes. Absolutely.

Senator RICE: And, if it is straightforward, the nature of the work with each of those communities. I will go back to the Kagaru to Acacia Ridge project. It is funded. I want to go back to the issue of environmental impact statements or effect statements. Is there an EIS that is being conducted for that section?

Mr Wankmuller: For Kagaru to Acacia Ridge?

Senator RICE: Yes.

Mr Wankmuller: It has been determined that an EIS coordinated project is not required for that section. So we're presently discussing with TMR and the state regulator what the planning approval process will be. We're going to replicate the EIS process regardless of what the planning process is.

Senator RICE: You're going to replicate the EIS process even though the Queensland government have said it is not required?

Mr Wankmuller: Correct.

Senator RICE: What level of consultation and fieldwork will be done as part of that?

Mr Wankmuller: The same as the EIS requirement.

Senator RICE: I will move on to Victoria. Can you confirm that you've chosen the final design for the bridge on Beaconsfield Parade in Glenrowan?

Mr Campbell: There isn't a final design for that bridge yet, no. There is a schematic on our website that shows what an open span bridge might look like.

Senator RICE: Can you confirm that you've made a decision on that bridge on Beaconsfield Parade?

Mr Campbell: Have we made a decision? That is what we are proposing. It is a bridge adjacent to the existing bridge.

Senator RICE: That is what you are proposing. What is the status of that? Has a final decision been made on that bridge?

Mr Campbell: No. To my understanding, it hasn't. It will now be assessed as part of the planning scheme amendment. There will be—

Senator RICE: That is pretty far down the track, though. If you are putting that bridge up under your planning scheme amendment, it would be extremely rare for planning approval not to be given for that.

Mr Campbell: I think we are at the very early stages of working through what that bridge will exactly look like, if it is approved that that bridge will go there. We're at very early stages. There will be a whole design

process required and consultation in terms of the way it looks, what are the materials and all of those things. It is very early days in that process.

Senator RICE: So what is the process, then, for furthering the decision-making on that bridge?

Mr Campbell: That will be part of the planning scheme amendment. The Victorian government—

Senator RICE: Usually with infrastructure like this, you actually do all of that consultation separately. What is required under the planning scheme amendment is actually pretty limited consultation over a pretty limited time period. Are you doing further consultation above and beyond what is required by a planning scheme amendment process?

Mr Campbell: Yes is the answer. We have been consulting in Glenrowan for some time now—many years. The original concept for Glenrowan was actually a track lowering. During the early consultation, it became evident that that could have a detrimental effect on the siege site. We and others involved moved to replacing the existing bridge adjacent to but slightly farther away from the siege site. That's what we've been proposing. That's what we believe is the most sensible solution. There are some members of the community—I can't say how many—who would prefer that bridge to be completely relocated somewhere else in town. It's our understanding that they are fewer in number than those who support replacing the existing bridge adjacent to it. That's what we've proposed. That's what we've been talking to Wangaratta council about. That's what we are working towards.

Senator RICE: Can you take on notice, then, your process of consultation with the community as part of that process from here on?

Mr Campbell: Absolutely.

Senator RICE: I want to go to the proposed bridge in Euroa. Where are things at? I understand that there's a big concern in Euroa about the bridge originally proposed.

Mr Campbell: In Euroa, quite some time ago, there were six possible solutions put forward as part of the consultation process with the Euroa working group. At a point in time, it was agreed by the existing working group and the existing council that the bridge solution was probably the best on balance. However, since then, the council has changed. The community has voiced its disagreement with the bridge—or at least half the community.

Senator RICE: I understand that the very first Euroa working group that was held there had concerns about the bridge.

Mr Campbell: The fact is that, in Euroa, the rail track divides the town. A bridge over the rail track makes it feel more divided than if it weren't there. So some members of the community are keener on an underpass rather than a bridge because visually it would look more open. So we're now almost back to square one with the community in Euroa. We've got the stakeholder group that has been formed between Strathbogie council, ourselves and the Department of Transport. We have in our mind two possible solutions—a bridge and an underpass. We are working through what each of those might look like. We're also working through what a community engagement process would be in order to get the views of the community.

CHAIR: You just discussed this at length with Senator McKenzie. There might be some more information you can look at in the *Hansard*.

Senator RICE: I want to go to the mutual confidentiality agreement that I understand you have signed with some councils in Victoria.

Mr Campbell: I'm not aware of that.

Senator RICE: So you are not aware that there is one?

Mr Campbell: I think Rebecca is.

Ms Pickering: I'm not very familiar with them, but we have them in place. We have agreements with them around how we interface with their infrastructure. We put in place those agreements to facilitate the conversations as we progress our designs.

Senator RICE: Which councils have you signed them with? What do they require in terms of confidentiality with the council? Do they stop the council sharing information with the community? That is what I want to ask.

Ms Pickering: We'll take that on notice. It's not the intent.

Mr Wankmuller: Just to clarify, it's not an agreement specific to Benalla. It is a standard practice with each of the councils.

Ms Pickering: Across the whole line.

Mr Wankmuller: Across the line.

Senator RICE: I want to know what councils in Victoria you have requested to sign. How were those agreements drafted? Where did the text come from? What dates did you sign them? I want to go to FOI requests. Have you received FOI requests under either federal or state legislation?

Mr Wankmuller: We'll take it on notice. I'm sure we have. I don't know.

Senator RICE: I have been told that under state legislation you failed to fully cooperate in FOI inquiries made to VicRoads, claiming privilege for material on the basis of commercial implications and commercial-in-confidence.

Mr Campbell: I will answer. I have no detail of that here with me, but we'll certainly take that on notice.

Senator RICE: What is the current status of the contracting for the north-east rail line maintenance?

Mr Campbell: We are still negotiating with the Victorian government to reach a conclusion. I think at last estimates I said that we hope to have that concluded by the end of June. That is still the case.

Senator RICE: Last is the program for evaluating noise attenuation in Victorian towns that you are passing through with double stack rolling stock.

Mr Campbell: That will be part of the environmental assessments that we do.

Mr Wankmuller: We enjoy talking to you all so much, it sometimes feels formal. It is a somewhat formal process. I need to correct the record on one thing. We've been going back and forth between people. There was a direct question asked. I have informed the minister's office about Gladstone and whether it accomplishes the business case. I have done that as part of our normal briefings. We indicated that we might not have, and so I need to correct the record accordingly.

CHAIR: Thank you very much, Mr Wankmuller.

Mr Hallinan: I will add to that. There was also a pre-feasibility study into a link to Gladstone from Toowoomba in 2017. It was released last year in March. It found a BCR for that project of 0.67 at a four per cent discount rate. It recommended that we look at the option of a Toowoomba connection in the future once there's better demand or a greater benefit side to the equation.

Senator PATRICK: I have only two minutes. I won't finish in that time frame. Do you want me to stretch across the break?

CHAIR: See how you go.

Senator PATRICK: Okay. I want to understand the plan for the rail connection between Tarcoola and Kalgoorlie. It has been talked about. It's obviously the natural extension. We're doing an upgrade to Tarcoola at the moment. Has anyone got any information on that?

Mr Campbell: We don't have any firm plans to do anything specific at the moment.

Mr Ormsby: I assume you're talking about re-railing?

Senator PATRICK: Yes.

Mr Ormsby: No. There are no plans to do anything other than the normal course of business re-railing that we would do.

Senator PATRICK: What is ARTC's demand for rail steel over the next five years?

Mr Campbell: We would have to take that on notice to give you the exact amounts.

Senator PATRICK: I think you mentioned last time you have stockpiled rail. Is that correct?

Mr Campbell: We do. We have rail stockpiled for the N2NS part of Inland Rail and for a few months of other supply.

Senator PATRICK: That is Narrabri to North Star. Is that right?

Mr Campbell: Yes. That's correct.

Senator PATRICK: I will go to Inland Rail. I note that it doesn't go to Adelaide yet. You are projecting 16,000 jobs in the 2019-20 corporate plan. It grew to 21,500 in the 2021 corporate plan. What is the job projection now?

Mr Wankmuller: That's work that has been done by the government and the Commonwealth. I might refer the question to them. That update was part of the work they did.

Mr Hallinan: Could you repeat the question?

Senator PATRICK: In the 2019-20 corporate plan, you indicated you were projecting 16,000 jobs. In 2020-21, you were projecting 21,500. It did say direct and indirect jobs. I wonder what the update is to those figures.

Mr Hallinan: We're still projecting 21½ thousand.

Senator PATRICK: Thank you. I note that there is an item in your corporate plan entitled 'Close out program wide enabling procurement for steel, sleepers and turnouts' to be completed, I think, in Q1 of 2021. What is the status of that particular milestone? There was an Inland Rail KPI.

Mr Wankmuller: Yes.

Senator PATRICK: Under program delivery you've got program wide enabling procurement for steel, sleepers and turnouts.

Mr Wankmuller: I will have to take it on notice and get you the exact number.

CHAIR: You're going to take that question on notice. We'll take a break. Senator Patrick, you will have five minutes when we come back. Senator Sterle will finish. Thank you. We will be back at 11.15 am.

Proceedings suspended from 11:01 to 11:17

CHAIR: I want to make a small community service announcement. We will be expecting to hear from the North Queensland water agency about 11.45 am. If you are waiting for ATSB and AMSA, they will follow on. Western Sydney Airport Corporation has been delayed by fog. We expect them after lunch.

Senator PATRICK: I think we were talking about the status of the procurement for steel sleepers and turnouts milestone in your plan.

Mr Wankmuller: I checked during the break. The turnouts is complete. The sleepers will be completed next month in June. The steel is underway. We're thinking it will be about August or so.

Senator PATRICK: That is a bit late in terms of the original plan. Does that have any flow-on schedule impact at all?

Mr Wankmuller: Not yet. We are good on them. We have what we call an owner supplied materials strategy. We stockpiled some steel from Narrabri to North Star, so we're in pretty good shape at present.

Senator PATRICK: I want to go to your answer to question 125 on notice. Thank you for this. You detailed the steel you purchased from Whyalla. You said that you had steel for P2N and N2NS—that is, Parkes to Narromine and Narromine to North Star. What is not in that answer causes me to ask this question: what about all the other segments? Is it only those segments that are getting Whyalla steel? Where is the other steel coming from?

Mr Campbell: We're still negotiating with Liberty Steel to sign a contract which is for three years plus two additional two-year periods for ARTC steel supply for the existing network and for Inland Rail. That is our intention. We are working with Liberty to finalise some of the details on that contract at the moment.

Senator PATRICK: I have no issue with you doing that. Have you got alternative steel suppliers that you have gone to that are not either BlueScope or Liberty?

Mr Campbell: We do have relationships outside of Liberty. We would have conversations at various times. In good faith, we're working towards signing a contract with Liberty. That would be our desired outcome.

Senator PATRICK: Sure. I appreciate you need to maintain competitive tension. I think that is a healthy thing. I also recognise that value in procuring stuff from Whyalla is different to price. It seems that you are doing that. I congratulate you on that. I note that your corporate plan does give the milestones for 2020-21. Could you provide the committee, perhaps on notice, with the milestone dates for 2021-22 and 2022-23? It is obviously very useful for the committee to track your progress. If you could perhaps on notice provide that, I would be grateful.

Mr Wankmuller: Specific to which KPIs?

Senator PATRICK: Just as you've done for the corporate plan, give the Senate a bit of forewarning as to what your expectations are. You would understand that one of our roles is oversight. One of the better ways to ensure that you are progressing in accordance with the plan is to understand what your milestones are and then later ask you whether you have hit them and if you haven't hit them. It's just a useful tool for us; that's all. I don't need down to the nth degree, but the key milestones, as you have done for your corporate plan.

Mr Campbell: We'll take that on notice and look at what we can provide.

Senator PATRICK: Thank you very much.

Senator STERLE: I want to go through a few things, Mr Campbell. Mr Wankmuller, you've never looked so relaxed in all the years you've been coming to Senate estimates.

Mr Wankmuller: There's a good reason.

Senator STERLE: You have your leg up on the chair. You have that laidback, ready-to-get-out-of-here look about you. I am envious at times. I want to go, Mr Campbell, to your opening statement. Before I go to your opening statement, Mr Wankmuller, I will come to the point when you were being questioned by Senator Chisholm. You were talking about looking at other options than just Acacia Ridge when we get to Brisbane. I'm fully aware of what has been talked about. I support it. You said options other than Acacia Ridge have been around since 2015. Is that what you said?

Mr Wankmuller: In 2015, there was Acacia Ridge. In 2017, SCT built the terminal at Bromelton. There is also a land parcel in Bromelton.

Senator STERLE: Okay. This latest round was announced at the Senate inquiry in Melbourne. That is above all that?

Mr Wankmuller: Yes.

Senator STERLE: Before I go any further, I want to say thank you, Mr Wankmuller, for mentioning the growth from 2½ million to five million people in south-east Queensland. A lot of my colleagues—not the ones sitting around the table now—believe this is all about moving freight between the port of Melbourne and the port of Brisbane, which couldn't be further from the truth. We do know that there will be requirements through horticultural and grain demands. That will be an opportunity. The majority of this freight we're talking about that the government wants to get off road and on to rail—which I have no argument about—will not be stuff destined for overseas export.

Mr Wankmuller: Correct.

Senator STERLE: The majority of it will be redistribution through Queensland or Victoria. That is good. Mr Campbell, on top of that, I will come to your opening statement before I get into some other questions. I was listening intently until something piqued my interest and I had to make some notes. I got lost with what you said after that. You will help me out. You did say that rail freight has remained competitive or growing. Can you remember that part of your opening statement?

Mr Campbell: Yes.

Senator STERLE: Firstly, I would like to know over what period rail freight has been competitive and/or growing. What timeline did you use for that statement?

Mr Campbell: It was a short timeline, as in during this last 12 months with COVID.

Senator STERLE: That is what I thought. That is what I really want to get out on to the record.

Mr Campbell: I should have been more specific, thank you.

Senator STERLE: Yes. I will say this: I have been very, very consistent in the last 12 months or so of saying that ARTC has been the punching bag for a lot of the anger up and down the proposed route. The truth of the matter is you serve a political master and you're not going to say anything. I'm making this statement for everyone to hear. You have a job to do. You have to deliver a project. All of a sudden, you have to deal with blowouts and angry people and all sorts of stuff like that. I get all that. I have been very consistent on that. When we talk about the rail freight, we need to go into this a bit more for those who are listening out there. Believe me, there are quite a few people listening. The competitiveness of rail freight has been growing over the last 12 months of COVID. We know that overseas with the Chinese—you don't have to comment, but you can if you want—the flow of empty containers coming into this nation has just about dried up. We've seen the pressure put back on the rail companies. I would love to hear your comments, Mr Campbell; you may not have any because you have been in the seat only for 12 months. I have been very vocal about this. Rail freight has been very strongly supported by FORG, on which the ARTC sits. Mr Ormsby, I think you sit on that. You are the representative.

Mr Ormsby: I attend. Mr Campbell is the representative.

Senator STERLE: You attend. I don't know what you've been discussing. I did ask some questions of you last time. You didn't know what was going on. You have the opportunity to correct that if you now know what is going on. The rail industry has been extraordinarily critical of the government's lack of plans for transport in this nation. That has come down, Mr Campbell, to the exploitation of flags of convenience and foreign flagged vessels exploiting foreign crews. Freight has been ripped off rail and gone on to these ships. There is also the exploitation of the foreign visa system. Are you well aware of that? You should have heard me go on about that or something along those lines.

Mr Campbell: I've heard various commentary on those issues.

Senator STERLE: Sure. This is not a criticism, Mr Campbell. I want to say that I'm not going to let go of this. I have been on this bandwagon for many years. I'm now getting great support from the rail industry, which has made it extraordinarily clear. If this nonsense continues where the government puts both its hands over its eyes and puts its head in the sand, Australian companies will be decimated because of the flags of convenience and foreign flagged vessels exploiting our visa system. You may need to be very mindful of that in your opening statements when you are quoting those figures. While we're on that, Mr Campbell, I am hoping to wrap up the Senate inquiry. I can talk about it here because we're the committee that has been doing it. I would like you to come back to me with where you got those figures. I would also like you to come back to the committee on the last, say, 10 years of movement in what was previously rail freight. Have you got that information, or do you have to go to the department to get that? It is probably the department, but I will ask you. Ms Hall is shaking her head in the background. I am making that formal request, Mr Hallinan. You are there too. I will present it to the committee. Outside estimates, you can come to our normal RRAT meetings. Even if we have to call you back in to go through the figures, I think it would help this committee immensely.

Mr Hallinan: We can do that.

Senator STERLE: Thanks very much. I want to do a couple of other things. I want to talk about a letter that you have written to me, Mr Campbell, as the chair. I see you as a decent, straight, upfront, honest, knockabout bloke who will defend your employees to the nth. I expect a CEO to do that. It would be unfair of me to dismiss this letter that you have penned in terms of your displeasure. It's not a crack. I'm going to give you the opportunity to get it out here in the open because we're grown-ups. You said that I had said the Senate committee had been misled. I said it on a number of occasions. I'm happy to give you the opportunity to go further on that. I'm not a man who likes to write letters. I would rather talk to people. You said:

In the Melbourne hearing on 22 April, Senator Steele made the statement—

I am quoting you—

that the Senate committee has been misled by ARTC Inland Rail in an answer provided on 24 February 2021 by ARTC Inland Rail to a question on notice from Senator McDonald. He made this claim on a number of occasions earlier in the day's hearings.

Please jump in if there is anything you need to get off the chest or sort out, because I would rather you walk out of here. If we need to address something and fix something, we'll do it. If there are some misunderstandings, we'll get to the bottom of them too. You said that you stated clearly at the hearing on 22 April:

I wouldn't—

this is your writing—

knowingly mislead the Senate committee nor would any ARTC staff member.

I respect that comment. I have to keep asking this. I asked the ARTC officers on a number of occasions through the committee process who they consulted with in the transport industry. My claim was that the success of the Inland Rail project was predicated on some falsehoods that all freight would come off road and on to rail if there was 24-hour delivery. I am giving you an opportunity, because no-one gave me a name. No-one told me. No-one—you can check all the *Hansard* that you need to—said, 'Dear, Glen, this is who we consulted.' I never got an answer until Senator McDonald's question on notice. The answer came back. It stated that it was members of the ARTC and others. I'm not hanging you. I'm giving you the opportunity. Everyone is being upfront here with hands on the table.

Mr Campbell: I think it referred to comments that Richard had made about consultation with the trucking industry. I thought we provided that in the response.

Senator STERLE: You did further coming down. I am working my way through it.

Mr Campbell: I think it was in the response in terms of who it was and what the dates were.

Senator STERLE: Yes.

Mr Campbell: I think at the end we put that we were reaching out, if we haven't already, to a range of other transport organisations.

Senator STERLE: Sure. Mr Campbell, I didn't just ask this the morning of the inquiry in Melbourne. I have been asking this question on a number of occasions. I think we're getting up around 18 months in this inquiry. COVID shuffled us for a while. Tell me who you have consulted with so I know. You did answer further on. Could you see my frustration, Mr Campbell?

Mr Campbell: If we hadn't provided you with that before, yes.

Senator STERLE: No-one at the table said who you were meeting with.

Mr Campbell: Yes.

Senator STERLE: I appreciate that. I don't want you walking out of here with the horries. I want you to be able to defend yourself and your people. So that is a slip-up in itself. I am thinking that if this information had been provided to me from the very first, second, third or fourth time I had asked the question, you would have the right to say that I am out of order in saying that I have been misled by the ARTC.

Mr Wankmuller: I would also point out that we committed to reaching out further to specific individuals and we will get back to you on that.

Senator STERLE: You did. That's right. I'm going to give you a clip on the ear and bring you back and say, 'Good on you.' You know how I work. I am so annoyed that this was never forwarded to this committee at all times. You know that I have some links to the Australian road transport industry. I go out as part of the Senate inquiry and I visit and have conversations with industry leaders who are personal friends of mine, which is on the record. We organised visits to Acacia Ridge and the trucking industry. I will let you go into it now. When I'm in a state and I want to talk to experts in that state, my belief is that the experts are the state organisation. I think there are a lot of federals who like to think they are the experts. The truth is that they wouldn't have a clue if their backside was on fire because they have to rely on the states to tell them. When I am in Victoria, I seek guidance from the Victorian Transport Association.

I will give you this opportunity. If Mr Anderson has misled, I want Mr Anderson to answer. You do raise this, as I am working through your letter, Mr Campbell. I will give you an opportunity. You do say that ARTC consulted regularly with the VTA. Our information came clearly that there had been no consultation at all. I am going to say that I think there needs to be a right of reply. We will have to put this to the Victorian Transport Association and Mr Anderson. This is how we always operate. The same will go to Mr Gary Mahon, who I also have the greatest respect for, from the Queensland Trucking Association. Jump in at any stage, Mr Campbell. Just so you understand, I visited Queensland early this year when I raised with Mr Mahon, who I have worked closely with for a number of years, whether he was aware of what was going on with Acacia Ridge. He, being the head honcho of the trucking association, had no idea.

Further down your letter, you say that you have consulted with the ALC, the Australian Logistics Council. Under Coningham's leadership, I have great respect for it. I have absolutely no problem. But, Mr Campbell, they don't represent the transport industry. I am giving you some more background. They certainly represent the big end of town. They also sit in cahoots with the clients—being Coles, Woolies, the port of Melbourne, BlueScope Steel and all this. Ladies and gentlemen, good on you for going out there and consulting. You only got one tiny bit of the picture. Please raise some questions with me if that gives you some more food for thought.

Mr Campbell: That is all very clear, Senator. Thank you.

Senator STERLE: Mr Wankmuller, is there anything you want to add? It is penned under Mr Campbell. If I have missed something, put me on the straight and narrow. We will give you the opportunity to come back and do that sort of thing. That wasn't all that hard. Are you comfortable?

Mr Campbell: Very comfortable, thank you.

Senator STERLE: I come back to QON86. I have to ask this, Mr Campbell, because, as I said to you, I reckon you're straight and upfront. I will also say this—I am not blowing wind up your kilt—very clearly: on the work that has now been done to re-engage with what we saw down in Victoria a couple of months ago, congratulations. Fantastic. Congratulations to the ARTC. I'm not giving any kudos to the minister's office because I still think he is in gaga land. Don't bite. Don't anyone bite. Congratulations now on taking my concerns about Acacia Ridge seriously. I know I will be backed up by other senators in this committee.

Mr Campbell, I asked you about your remuneration. I don't know if you have QON86 in front of you. I am not out to embarrass you. I have spent a lifetime defending people to get paid properly, get paid more, get paid tomorrow, get paid the day in front or get paid the week's wages a month in advance. Let's not get it wrong. I did ask about your remuneration. You were straight and upfront with me, where you said, 'I believe I am on slightly less than John was on.' Then you said, 'It's in the ballpark, but slightly. Yes, we can give you those numbers.' I had no doubt you would. I'm not going to let you cop it. If it falls at the feet of the minister, the minister needs to be responsible. The answer that came back to the committee added insult to our intelligence. Everyone knows what we get paid, and so they should; it's taxpayer dollars. I know you have some other things where you drag money in. It states:

The ARTC CEO position is classified as a Principal Executive Office (PEO), Band E under the Principal Executive Office - Classification Structure and Terms and Conditions determination made by the Remuneration Tribunal—

which does ours as well. It continues:

The ARTC Board is able to set remuneration for the position within the parameters of the Tribunal's determination.

Fantastic. It continues:

Further questions regarding the PEO remuneration structure should be directed to the Remuneration Tribunal.

Who wrote that crap? Seriously. Not you.

Mr Campbell: I did not personally write that piece. I think that would have come from within our team.

Senator STERLE: Mr Campbell, you don't need this embarrassment. Somebody has thought that they would be smart and withhold from a constituted committee of the Senate in estimates that is asking a more than fair question about how taxpayers funds are directed. Let's go one step further. Was there any interference or contribution from the minister's office or a minister's staffer to that answer? Did that have to get checked off with them? Did they interfere with it? Did they change it? Did they give you advice to say, 'Be as hazy as possible?'

Mr Campbell: Sorry, Senator. Is the question that you want to know the numeric amount?

Senator STERLE: Yes.

Mr Campbell: Okay. So the answer to the first part of the question is no. I don't believe that anybody had any involvement in that answer.

Senator STERLE: Anybody?

Mr Campbell: Anybody outside the ARTC. What is missing is a numeric amount. Again, because these things are in annual reports, I think people just assume that the information is available. My salary is \$735,000 in terms of the base. There is an at-risk component on top of that.

Senator STERLE: What does that mean?

Mr Campbell: In other words, there is a potential for me to earn a further 60 per cent in terms of an at-risk component.

Senator STERLE: Good on you, Mr Campbell. Thank you for that. But I'm still insulted that someone thinks that they can stick this up the senators' noses.

Mr Campbell: I don't think that was the intention. It was just trying to spell out where the salary comes from and what the process is rather than what the actual amount is.

Senator STERLE: Mr Campbell, whoever wrote this—I won't go on any further—has just given you one swift kick up the bum when you have sat here being straight and upfront with your hands on the table. I quoted your words because you actually meant those words. You don't have a bent bone in the body, the way I've seen you operating lately.

Mr Campbell: Thank you, Senator.

Senator STERLE: We will not be insulted by someone further down the chain who thinks that they can just brush off senators' questions around taxpayer dollars. I would like you to spread that down the chain if you could, please. It doesn't make me any happier, but I will leave it at that. I have another issue I want to raise with you. It is QON126. It was a question taken on notice from Senator O'Neill. I don't want to bore you, but I have to read it:

...give me a sense of what's going on and where—something for a normal Australian who doesn't pay a whole lot of attention, but is trying to get a sense of how many trains will be on this thing. What's current usage of the network? I know that you're using large chunks of the current network, and you're adding in additional sections. How many, roughly, by comparison—51, 70, 100—

Mr Ormsby said:

What if we take that on notice—

There is a bit there, and that is fine. The answer came back:

Train movements vary widely across the current ARTC network and will also vary in future along Inland Rail, driven by the traffic mix across particular sections of the network, reflecting a section's geographic location and the nature of any regional rail traffic using part of the overall Inland Rail line.

Blah, blah, blah. No wonder we get confused. When those sort of answers keep coming back, it just reiterates people saying, 'Here they go. Not answering.' There is a lot more to the answer that is going on. It talks about Queensland bits and pieces. Mr Campbell, I think this could be one of the greatest projects this nation has done for many, many years—you have heard me say this—if it is done properly. Under your leadership, I am starting to get a bit more excited. If we are asked simple questions, can we simplify the answers so that those who ask the questions don't end up being all bitter and twisted like me half the time?

Mr Campbell: Senator, we can have another go at that question and see whether we can make it clearer and simpler. We will certainly take that on notice.

Senator STERLE: As I say, Mr Campbell, the pressure is coming from the top down. I know that your toes are being trodden on and stomped on. I know that you have said that you are trying to deliver. I believe every single one of the officers that have always been in front of us. You are trying to do the best. But the project started at \$4 billion. It is now \$14.6 billion. Thank god someone has woken up in that office down there in McCormack land. You are the ones at the end getting your nails squeezed. I am starting to soften now.

CHAIR: Thank you, Senator Sterle.

Senator STERLE: Keep up the good work. We continue to look forward to this project actually coming to fruition and everyone along the line clapping.

Mr Campbell: Thank you, Senator.

CHAIR: Senator Chisholm has one last question.

Senator CHISHOLM: I was reading the *Courier Mail* today, Mr Wankmuller, and I saw a nice picture of you. Is that arrangement a commercial one? It has the Inland Rail logo there as part of it.

Mr Wankmuller: With many of the media agencies, we have an open door policy. We think it is better to inform them than not inform them. We try to meet with them on a regular basis and give them accurate information. Otherwise they report what they are hearing and it doesn't necessarily represent the facts.

Mr Campbell: We don't have a commercial arrangement with the *Courier Mail*; that is the answer.

Mr Wankmuller: Well, we do.

Ms Pickering: That was part of the *Courier Mail*? Is it Build QLD?

Senator CHISHOLM: Sorry, I can't hear.

Ms Pickering: I think that is part of a Build QLD plan. I think Inland Rail and a number of other corporations quoted in that article were partly sponsoring it.

Mr Wankmuller: It was a conference.

Senator CHISHOLM: How much money did you pay for that?

Mr Wankmuller: I will take that on notice and get you the exact number.

Senator CHISHOLM: So you paid money?

Mr Wankmuller: It was to help sponsor the conference so everybody would come together and they could cater it and people could talk.

Senator CHISHOLM: I notice that you have an ad in there as well.

Mr Wankmuller: We probably took out an ad; that's correct.

Senator CHISHOLM: Was it just a one-off thing, or is it ongoing?

Mr Wankmuller: I believe it was just a one-off. I will have to get back to you on the details of it.

Senator CHISHOLM: Thanks. I appreciate that.

CHAIR: Thank you very much, ARTC. Please go with our thanks. We will now move to the North Queensland Water Infrastructure Authority.

North Queensland Water Infrastructure Authority

[11:45]

CHAIR: Good morning to you all. Senator McCarthy is going to start with questions. Do you have an opening statement? I am quite remiss this morning.

Dr Wallbrink: Thank you so much. Yes, we do have an opening statement. The former CEO of the North Queensland Water Infrastructure Authority, Mr Richard McLoughlin, recently retired. I have been appointed from my usual role within the authority as the chief science adviser to act as the interim CEO for a period of three months. I look forward to returning to the science adviser role when the process to appoint the new CEO is complete. The department is managing the process for the ongoing role. The position was recently advertised in the print media. I think it was in the *Australian*, the *Financial Review* and the *Townsville Bulletin* at least as well as the online media. I think that went live on the weekend on Saturday.

In terms of projects, we are close to finalising a bilateral schedule with the Queensland government to undertake preconstruction activities associated with the Big Rocks Weir project near Charters Towers. The business case development for the Hughenden irrigation and Hells Gates Dam projects are on track for milestones and delivery. The authority currently has three positions based in Townsville and three positions based in Canberra. I am happy to answer any questions that the committee might have.

CHAIR: Thank you very much, Dr Wallbrink.

Senator McCARTHY: Thank you for that. I will go through some of the staffing positions. Firstly, were there any announcements in the budget related to 2021-22? There was no additional funding for water infrastructure in North Queensland. Is that how you saw the budget?

Mr McRandle: Thank you for the question. There was no additional appropriation for funding of projects managed by the North Queensland Water Infrastructure Authority. There were some broader project announcements made by the government for projects managed under the National Water Grid, which will appear at estimates on Friday.

Senator McCARTHY: What is the total budget for NQWIA?

Dr Wallbrink: I think it is around \$20 million.

Senator McCARTHY: Is that more or less than the October 2020 estimates?

Dr Wallbrink: I think it is the same.

Mr Squire: For 2020-21, the total budget of the organisation is \$3.306 million. That represents no change from the budget last year, although in last year's budget there was an additional appropriation given to the authority of \$3 million over two years to undertake work associated with the Upper Burdekin irrigation scheme research project.

Senator McCARTHY: How much is allocated over the forward estimates?

Mr Squire: Over the forward estimates, we have a budget for 2021-22 of \$3.3 million. For 2022-23, our budget is \$2.3 million. At the end of 2022-23, the budget for the authority ceases.

Senator McCARTHY: How much is allocated to staffing?

Mr Squire: Of the \$3.3 million for next year, it is around \$1.5 million allocated for staffing, with around \$1.8 million allocated to suppliers.

Senator McCARTHY: Is this more or less than the previous budget in terms of staffing?

Mr Squire: It's around the same. For the previous budget, it was \$1.49 million.

Senator McCARTHY: For staffing?

Mr Squire: For staffing. It was around \$1.49 million. For the coming 2021-22, it is \$1.5 million.

Senator McCARTHY: So the agency is funded beyond 2021-22?

Mr Squire: Yes. The agency is funded to 2022-23.

Senator McCARTHY: How many employees of the agency are presently based in North Queensland by a head count? I think you said three positions?

Dr Wallbrink: Correct.

Senator McCARTHY: And three in Canberra?

Dr Wallbrink: Correct.

Senator McCARTHY: There were four in Canberra in March. What happened to that fourth position?

Dr Wallbrink: That was the retirement of the CEO.

Senator McCARTHY: So there will be four again once you get the new CEO?

Mr McRandle: The advertisement went out last Friday in major press and online. The advertisement notes that the location of the position could be in Queensland rather than the ACT. But that will be a decision formed based on who the successful candidate might be. We are certainly open to having a Queensland based role for the CEO. But that will be something that needs to be worked out post recruitment.

Senator CANAVAN: Hopefully it will be in North Queensland. You would think so.

Senator McCARTHY: Are you applying, Senator Canavan? In March, you said that there were three full-time positions in Canberra and two and a half in Townsville. What is the status of whether it is full time or part time?

Dr Wallbrink: In North Queensland, there are 2.5 FTEs. In Canberra, it is effectively 2.8 at the moment.

Senator McCARTHY: How much did the North Queensland Water Infrastructure Authority spend on travel in 2019-20 and 2020-21? How much is expected to be spent in 2021-22?

Mr Squire: We actually provided that answer with regard to travel in a previous estimates. I'm happy to drag it out again. I can say that, as at the end of April 2021, the authority has spent \$27,904 on travel and accommodation.

Senator McCARTHY: How much is expected to be spent going forward for 2021-22?

Mr Squire: It depends on the arrangements of the new CEO as to how that funding is spent. It would probably be in the order of \$40,000.

Senator McCARTHY: You say you have provided that information previously. I think I wasn't here for the previous one. I will ask you to table again those previous ones, thank you. Does the agency have a conflict of interest register?

Dr Wallbrink: Yes, we do.

Senator McCARTHY: Are staff required to make a conflict of interest declaration?

Dr Wallbrink: Certainly, yes.

Mr Squire: Yes.

Senator McCARTHY: How many staff have declared a perceived or actual conflict of interest?

Mr Squire: Zero.

Dr Wallbrink: How many have declared an interest or a conflict? I think the answer is zero.

Senator McCARTHY: Declared a perceived or actual conflict of interest?

Mr Squire: Nil.

Dr Wallbrink: The answer is nil.

Senator McCARTHY: Zero?

Dr Wallbrink: Yes.

Senator McCARTHY: I will go to the Bradfield Scheme. I understand that the CSIRO have written a report on the Bradfield Scheme. Is that correct?

Mr McRandle: That is a project that is being managed out of the National Water Grid Authority. Again, on Friday, at the cross-portfolio estimates we could answer more questions on that. While I am here, it is correct; CSIRO has been commissioned to do a study of Bradfield's original concepts and further variations on that theme as part of work that the government has committed to.

Senator McCARTHY: When was that report completed?

Mr McRandle: The report is still being completed. It hasn't been finished yet. They've done it through a number of stages, looking at the 1938 and 1941 variations and then some of the more contemporary models on variations around Bradfield's original concept. The work will be completed around the middle of the year at this stage. The National Water Grid advisory body has been asked by the Deputy Prime Minister to bring their views forward to the government on the Bradfield question. That will—

Senator McCARTHY: Sorry, bring forward to?

Mr McRandle: So after CSIRO complete their final phase of work, that will be considered by the National Water Grid advisory body. They will—

Senator McCARTHY: And then to the government?

Mr McRandle: provide that advice to the government.

Senator McCARTHY: What is the status of the additional project that was assigned to the authority in May 2020 to investigate further potential irrigation opportunities in the Upper Burdekin Basin?

Dr Wallbrink: That is a project now titled the Western Queensland irrigation and agricultural scheme. That effectively is looking at various elements of the Bradfield Scheme that is complementary and related to the CSIRO project.

Senator McCARTHY: When do you expect it to be completed?

Dr Wallbrink: The due date for completion is December this year, 2021.

Senator McCARTHY: Did Deb Frecklington or anyone from the Queensland LNP request that the authority be assigned this additional project of the Bradfield Scheme?

Dr Wallbrink: Not that I'm aware.

Senator McCARTHY: How many reviews of the Bradfield Scheme have been undertaken since it was first proposed?

Dr Wallbrink: I believe there was a review in 1984 or a review and a slight update. The two bodies of work that we've just discussed will represent probably the most recent look at the scheme overall or aspects of the scheme.

Senator McCARTHY: How much has been spent on the Western Queensland irrigation and agricultural scheme assessment project to date?

Dr Wallbrink: The total budget is \$3 million.

Mr Squire: Out of that we've spent approximately \$1.45 million.

Senator McCARTHY: So those figures are not correct?

Dr Wallbrink: The total project value is \$3 million. Expenditure to date is—

Mr Squire: It is \$1.45 million.

Senator McCARTHY: What is the total amount expected to be spent on this project? You said \$3 million. You expect it will be that?

Mr Squire: Yes.

Senator McCARTHY: Does it exceed the contract amount for the tender with GHD?

Mr Squire: No. It won't.

Senator McCARTHY: Is the government aware that Dr Daniel Connell, a research fellow at the Australian National University, is reported as having said the Bradfield Scheme would only be possible with massive government subsidies that far exceed the value of what would be produced? Does the government agree, Minister?

Senator Reynolds: I'll have to take that one on notice, Senator McCarthy.

Senator McCARTHY: Has the project considered the cost of the Bradfield Scheme?

Dr Wallbrink: The NQIAS? Not as yet.

Mr Squire: No.

Senator STERLE: No? Two bob each way?

Mr McRandle: I might jump in there. There are a few studies. There is the work that the North Queensland Water Infrastructure Authority is conducting, as they've discussed. There is the work that we're commissioned of CSIRO, which is looking at the technical aspects around the feasibility of the Bradfield Scheme. There is also work that the Queensland government has commissioned just prior to the last state election, where Professor Garnaut and a panel are working through the economic modelling of Bradfield. We're all working together to collaborate and share our views as that work is done. I think we'll probably need to see where the Queensland government lands on the Garnaut report, our own technical study around CSIRO as well as the work of North Queensland Water Infrastructure Authority to bring together, I think, a truly comprehensive picture of what may be possible up there and what the cost-benefit assessment would be.

Senator McCARTHY: Thank you for that, Mr McRandle. I will put these questions, though. What are the potential productivity gains of the scheme and do they outweigh the likely costs? Has the project considered that? How is this being measured?

Dr Wallbrink: This is in terms of the project that is NQIAS? It is looking at aspects of the Bradfield Scheme, particularly capturing water between the Tully and the Herbert and the Upper Burdekin and potentially transferring that into the Flinders. There will be an economic assessment of that.

Senator McCARTHY: What about the ecological impact of the scheme, if implemented?

Dr Wallbrink: The hydrology and the potential of the movement of water is being undertaken in anticipation of the current regulatory environment. So that means the existing water resource plans in the Flinders, Tully and the Herbert and the Upper Burdekin systems. That will involve compliance with the necessary EFO conditions, or environmental flow conditions.

Senator McCARTHY: If constructed, will the scheme be consistent with the National Water Initiative?

Dr Wallbrink: The plans are constructed with NWI principles. It is the brief of the project to assess the scheme within the context of what is compliant.

Senator McCARTHY: Will an explicit assessment of the project against the NWI criteria be released to the public?

Dr Wallbrink: That particular question has not been put to the project. As I said, almost by definition, it will be a part of the assessment process.

Senator McCARTHY: Dr Wallbrink, I take you back to my question earlier about whether Deb Frecklington or anyone from the LNP requested that the authority be assigned this additional project of the Bradfield Scheme. You said no.

Dr Wallbrink: Not to my knowledge.

Senator McCARTHY: Not to your knowledge. Could it have been made without your knowledge?

Dr Wallbrink: I'm sure things happen without my knowledge.

Senator McCARTHY: Could this be one of them?

Mr McRandle: We will seek a response on notice for you on that. We're not aware. Neither I or Dr Wallbrink is aware of requests from Ms Frecklington in Queensland, but we're very happy to go back and see if any request has been made.

Senator McCARTHY: Or anyone in the LNP.

Senator Reynolds: I think that is very wise. It is hard to answer something that you aren't aware of.

Dr Wallbrink: Thank you.

Senator McCARTHY: You could check on that, though, couldn't you?

Senator WATT: I want to ask a follow-up question on that. How did it come about, then, that this additional project was referred to the authority? Was it at the request of a minister or the minister's office? Did the department come to it of its own volition?

Dr Wallbrink: I believe it came from the minister's office.

Senator WATT: Is that Minister Pitt?

Mr McRandle: No. The Deputy Prime Minister.

Senator WATT: Was that request made directly by the Deputy Prime Minister or by his office?

Dr Wallbrink: I don't know the answer.

Mr McRandle: Given that Dr Wallbrink is interim CEO with the retirement of the previous CEO, it might be best if they take that on notice and come back with advice about how that was commissioned.

Senator McCARTHY: In checking that and taking that on notice, could you also provide any documentation that may have been sent to you in relation to the request for this by the Deputy Prime Minister?

Dr Wallbrink: We'll take that on notice.

Senator McCARTHY: Thank you. I take you to the National Water Initiative, which is a bit further on. In the 2021 estimates, Mr McLoughlin was asked whether a project was consistent with the National Water Initiative, to which you replied:

Yes, it would be consistent with the National Water Initiative. Everything we do dictated by me, in fact, must be.

Is the National Water Initiative dictated by Mr McLoughlin?

Mr McRandle: I'm not sure that's the interpretation he would want of what he was saying in response to that question. The National Water Initiative, as I'm sure you are aware, is an agreement between the states and the federal government. It is guidelines managed by the Department of Agriculture, Water and Environment on behalf of the Commonwealth. We consult with that department on our projects to look at the question of compatibility or consistency with the National Water Initiative. I am interpreting Mr McLoughlin's response to you on this. I think the work that the North Queensland Water Infrastructure Authority is doing is being done in a way that is consistent with the NWI.

Senator McCARTHY: How does the agency ensure that all projects are aligned with the NWI?

Dr Wallbrink: In the development of the business case, which is effectively our core business, we ensure that the NWI principles are considered in terms of the different aspects of the case, such as the cultural heritage assessment, environmental EIS statements and compliance with the relevant water plans and so forth.

Senator McCARTHY: Does the agency publish an assessment of all projects against the NWI criteria? If not, why not?

Dr Wallbrink: We don't publish formal compliance. As I said, almost from first principles, the business case is undertaken within the broader premise of being NWI compliant.

Senator McCARTHY: How can the public be assured that work undertaken by the agency is in line with the NWI?

Mr McRandle: I think the work of the North Queensland Water Infrastructure Authority to date that has been completed has been published on their website, so there is full transparency around that report. The elements of NWI are implicit in the work that they've commissioned for those business cases. If there was a decision on any of those projects to move to the construction phase, there would be some further work, including environmental approvals and so on, before construction could start. So I think there would be further steps to be followed. What I would say at this stage is that the work that North Queensland Water Infrastructure Authority have conducted, when it's been completed, it has been published I think on their website consistently.

Senator McCARTHY: Will the agency agree to publish an assessment of each project against the NWI criteria? Is that what you are saying there?

Mr McRandle: What I was saying is that the work completed to date and published is the commissioned work, which is the business case analysis and the technical feasibility studies. There will be elements in that around the NWI guidelines. But if there were a decision to move forward to a construction phase to put capital into projects, there would need to be some further work, including around environmental approvals on these projects. That would include aspects of compliance with the NWI.

Senator McCARTHY: How much of the National Water Infrastructure Development Fund has gone to North Queensland Water Infrastructure Authority projects?

Dr Wallbrink: At this stage, my understanding is that it is \$24 million for the Hells Gates business case development. It is \$30 million allocated towards Big Rocks should it proceed past the preconstruction—

Senator McCARTHY: So \$30 million for?

Dr Wallbrink: Big Rocks. I believe there is \$10 million to Hughenden as a part of the business case development there.

Mr McRandle: This may assist you as well. The North Queensland Water Infrastructure Authority is budgeted to cater for its staff costs, travel and some overheads. The programs of work that they undertake, such as business cases and moving into construction phase in the case of Big Rocks Weir, which both Queensland and the federal governments have committed to, would be funded out of what you refer to as the National Water Infrastructure Development Fund, which was renamed in the budget the National Water Grid Fund.

Senator McCARTHY: Yes.

Mr McRandle: You will see both those terms around for a little while. The National Water Grid Fund is the source of funding for the feasibility studies, business cases and construction projects. Dr Wallbrink's agency is largely funded for staff, travel and those sort of supplier expenses.

Senator McCARTHY: I will come to that. What is the authority's relationship with the department officials working under the National Water Grid?

Dr Wallbrink: Can I understand the question?

Senator McCARTHY: Do you have meetings to discuss priority projects? If so, where are those meetings held? Who attends those meetings?

Dr Wallbrink: Well, I have a meeting with the deputy secretary every week at that level. I also meet with the assistant secretaries. I have certainly given a briefing to the work group staff around that.

Mr McRandle: Again, it may assist to know that the North Queensland Water Infrastructure Authority staff that are Canberra based are co-located on the same floor in the same building as the National Water Grid Authority, so there is a very close day-to-day working relationship along with regular scheduled meetings.

Senator McCARTHY: What projects, aside from Hells Gates, Big Rocks and Hughenden is NQWIA working on?

Dr Wallbrink: There is the Western Queensland irrigation project that we just discussed before. There are two other projects. One of them is a supply chain readiness project, which aims to assess, if Hells Gates were to proceed, the readiness of the industry, effectively, or the Townsville region to be able to proceed. That is in terms of concrete, steel, transport and the workforce and what the gaps might be in that readiness to proceed. The other project is a scan of effectively other projects across sectors—the mining sector, energy sector, resources sector. It looks at other big initiatives happening in the Mount Isa to Townsville region that might be either a competitor or

a collaborator in terms of supply chains. That is so we can put that together into a mix of advice to government when the business case goes forward around Hells Gates in April next year.

Senator McCARTHY: Does the authority undertake any work relating to the modernisation of existing water infrastructure?

Dr Wallbrink: No. It does not.

Senator McCARTHY: Why is that the case?

Dr Wallbrink: It is not within our brief as laid out.

Mr McRandle: You will appreciate that it is not a large team. It is a small team of around six staff. The Deputy Prime Minister commissions them to undertake certain studies. The studies that have been outlined today are the ones that they currently have been asked to complete.

Senator McCARTHY: How many feasibility studies and business cases are afoot? How are they funded?

Dr Wallbrink: There is the Hughenden irrigation project. There is the Hells Gates project. They are still underway. In terms of feasibility studies, there was also a business case for Big Rocks Weir. That was submitted in August or September last year. There was a feasibility study for a pumped hydro scheme that is being developed as part of the Hells Gates larger business case. That was submitted in January or so of this year, I believe.

Senator McCARTHY: I might go into a bit more detail when I come to each of those projects. Does the authority utilise funding outside the National Infrastructure Development Fund or grid?

Dr Wallbrink: No.

Senator McCARTHY: Are any urban water supply options other than water storage projects being explored?

Dr Wallbrink: In terms of Big Rocks Weir, there is an urban supply for Charters Towers as part of that business case. Beyond that, no.

Senator McCARTHY: In the March 2021 estimates, the agency said that you are undertaking a project via external procurement to help de-risk and provide advice on supply chain issues associated with the Hells Gates Dam project. What is this project formally called?

Dr Wallbrink: That was the project I described a few minutes before.

Senator McCARTHY: How much has been allocated to that project?

Dr Wallbrink: In terms of the total budget, I think it is \$1.3 million. The administration is being run by AEC. Thus far, we would expect \$113,000.

Senator McCARTHY: What kind of risks have been identified?

Dr Wallbrink: We're not at that stage. We're in the information gathering phase. We're still designing work packages.

Senator McCARTHY: What kind of supply chain issues is this project seeking to resolve? This is going on from evidence in March. It is just following on some questions in relation to your answers then.

Dr Wallbrink: I was not there in March. The dimensions of the supply chain project effectively ask: if Hells Gates were to proceed, what would be the necessary parts of the supply chain that would have pressure applied on them to serve up and complete the project? That is looking at all aspects of the physical construction of the dam itself as well as an irrigated infrastructure network downstream. Some road alignments, bridge raising and so forth is also required in terms of the inundation area.

Senator McCARTHY: In the March estimates, the authority said it is exploring potential new irrigation based opportunities in regional, northern and western Queensland. What other opportunities have been identified?

Dr Wallbrink: That is the Western Queensland project.

Senator McCARTHY: Which you have already spoken about?

Dr Wallbrink: Yes.

Senator McCARTHY: I will go to Hells Gates for a moment. Let's talk a bit more about the feasibility study there. I understand that there is one into Hells Gates to be completed in 2022. Who is conducting that feasibility study?

Dr Wallbrink: That is the major business case. That is being overseen by Townsville Enterprise Limited. They've subcontracted SMEC, KPMG and GHD.

Senator McCARTHY: Is that on track?

Dr Wallbrink: It is.

Senator McCARTHY: How much money has been allocated to Hells Gates? I think you said \$1.3 million.

Dr Wallbrink: The total business case development is \$24 million. I believe we're at about \$10 million at the moment. That is the total cost of delivery of the business case. We're at \$10.9 million expenditure.

Senator McCARTHY: That is to be completed in 2022. Have you got a date in 2022?

Dr Wallbrink: I believe it is 15 April.

Mr McRandle: Probably just April.

Senator McCARTHY: How much is it for the business case for the Big Rocks Weir subproject?

Dr Wallbrink: As a subcomponent?

Mr Squire: We calculated the Big Rocks Weir component to cost around \$2.3 million to \$2.4 million of that \$24 million that was allocated.

Senator McCARTHY: That is absolutely included in the Hells Gates Dam business case, right?

Mr Squire: Yes. It is.

Senator McCARTHY: How much water is available for this proposal under the current Burdekin water plan?

Dr Wallbrink: At the moment, there is no line item that says Hells Gates Dam irrigation in the existing water plan. I note that the plan was put together in 2007 and is due for refresh in 2023.

Senator McCARTHY: So when will the NQWIA know how much water is available for this project?

Dr Wallbrink: There are two aspects to that. Effectively, you're somewhat constrained by how much water is available in the Upper Burdekin system. It is a supply question. There is cost effectiveness in terms of the demand. It is how much of that water can be used effectively in an irrigation setting at a cost effective rate. There is meeting the environmental flow conditions in the basin. There is the request from other users in the basin, effectively. Burdekin Falls, Lake Dalrymple, Urannah Dam, and Big Rocks are all effectively applicants for water in the plan.

Senator McCARTHY: The authority commissioned GHD to do a concept review and cost estimate update of a previously analysed element of the proposed Bradfield Scheme involving the large-scale diversion of water from the potential Hells Gates dam of the Upper Burdekin River south to an assumed terminal storage in the immediate environs of Webb Lake. In that regard, has the government responded to that report and cost update?

Dr Wallbrink: We've received the report.

Mr McRandle: I think the report was published in late 2019. It didn't require the government to make a decision. It was there as an information piece to understand one element of a larger project. Until all the other elements are completed, it wouldn't make sense for the government to form a view about that distribution system to Webb Lake until it understands the other work around the Hells Gates Dam. As I mentioned earlier, the work we're doing collaboratively with the Queensland government will help inform positions not just of the federal government but also of the Queensland government.

Senator McCARTHY: So they didn't have to take any action in response to that report?

Mr McRandle: No.

Senator McCARTHY: Are there any plans for a project to effect this diversion in any way?

Dr Wallbrink: No.

Senator McCARTHY: What is the cost effectiveness of this project?

Dr Wallbrink: Which one in particular?

Mr McRandle: Webb Lake.

Dr Wallbrink: The Webb Lake project?

Senator McCARTHY: Yes.

Dr Wallbrink: I would have to go back to the report. When you say cost effectiveness, is it in terms of dollar per megalitre delivered?

Senator McCARTHY: That's right.

Dr Wallbrink: Can we get back to you on that?

Senator McCARTHY: Sure.

Dr Wallbrink: I could give you a number, but I'm not sure. I'm happy to provide the exact number.

Senator McCARTHY: What is the status of any additional work to look at diversions from the Tully or Herbert rivers irrigation pipelines or hydropower generation related to this project?

Dr Wallbrink: So in terms of the Western Queensland one, that is one that is relevant. In terms of the work that has been completed, we've got the water balance models, the hydrology models, for the Tully, the Herbert and the Upper Burdekin complete. I believe GHD is putting together the model for the Flinders system that will enable assessment, which I think is due towards the end of June, around what the water balance effectively looks like.

Senator McCARTHY: How much funding has the Commonwealth committed for the Big Rocks Weir project?

Dr Wallbrink: The headline figure is \$30 million. We're looking to co-invest with the Queensland government \$3 million each to fund the preconstruction activities.

Senator McCARTHY: Has construction started?

Dr Wallbrink: No. It has not. We're in the middle of working with the Queensland government to pull together the bilateral schedule.

Senator McCARTHY: When will it start?

Mr McRandle: At the moment, there is a schedule being developed, which is the way that all these projects get funded. There is a bilateral schedule under the national partnership arrangement with the Queensland government. We're hopeful that in the coming weeks we'll have a document that is capable of being signed. Because that project is in Queensland, and with the announcement of another project in the budget in Warwick in south-east Queensland, we're looking to wrap both those projects into the funding agreement and get them both signed by the relevant ministers at state and federal level. When that is done, that will set out the milestones, including the start of construction.

Senator McCARTHY: Thank you. I will go to the Hughenden project. What is the progress of the detailed business case for the Hughenden irrigation project?

Dr Wallbrink: That is due by the end of the year. Thus far, they've—

Senator McCARTHY: The end of this year?

Dr Wallbrink: The end of this year, correct. They have begun conversations or they have a cultural heritage agreement with the relevant Indigenous group. They've undertaken a preliminary demand assessment from potential investors around what the likely demand is. At this stage, that demand looks like it will exceed available supply.

Senator McCARTHY: Do you have a timeframe for when the cultural heritage agreement is going to be completed?

Dr Wallbrink: It will all be due for completion by the end of this year.

Senator McCARTHY: The agency commissioned Innovative Groundwater Solutions to undertake an independent evaluation of the sustainable extraction limits of the resource located under Glendalough station north-west of Hughenden. The purpose of the assessment was to better understand the scale of water availability and the potential to support the development of a Hughenden irrigation project. What are the findings there?

Dr Wallbrink: The findings, to crystallise them into a short outcome, in terms of the use of that aquifer were that there was no opportunity to extract additional volumes than was currently being extracted.

Senator McCARTHY: What about the status of negotiations with the owners of Glendalough station in relation to any extraction from the resource located under the station?

Dr Wallbrink: That is beyond our remit. In fact, there was no additional opportunity there. I'm aware there's no conversation to be pursued from our point of view anyway.

Senator McCARTHY: Mr Squire, you have a different look on your face. Is that a look of agreement?

Mr Squire: I absolutely agree. We were asked to undertake the work. The result suggested that there was far less aquifer based water available than was originally supposed. At the conclusion of that project, we've published the results. But we have left it there.

Senator McCARTHY: I will take you to Urannah Dam.

Mr McRandle: Urannah Dam is outside the scope of North Queensland Water Infrastructure Authority.

Senator McCARTHY: Well, then I won't take you there.

Senator STERLE: You'll be going on your own.

Dr Wallbrink: It's a Friday adventure.

Senator McCARTHY: Is that for you, Mr McRandle?

Mr McRandle: Yes. I don't have a lot of detail with me, but I'm happy to—

Senator McCARTHY: Why don't we give it a go anyway.

Mr McRandle: We'll try, yes.

Senator McCARTHY: How much has the government committed to the planning of the Urannah scheme altogether?

Mr McRandle: At this stage, the government has committed \$10 million to the business case development. That work is currently underway. I don't have any figures in front of me to tell me what the expenditure to date is. Like all these projects, they're managed through a national partnership agreement, so our agreement is in fact with the Queensland government, which manages the transfer of funds on our behalf.

Senator McCARTHY: Of that work, how much is undertaken by the agency?

Mr McRandle: The work is being undertaken by—I can't remember exactly the name—Bowen Resources, which is effectively the proponent for the project. At this stage, the work on the business case is the focus. A decision on any capital investment to actually construct a project would depend on the outcomes of that business case and its assessment by both the state government, which would need to make the relevant water allocations, and the federal government.

Senator McCARTHY: You mention \$10 million. What is the progress of that \$10 million business case and approvals?

Mr McRandle: I believe that that work is on track. I would need to take on notice any further detail at this stage.

Senator McCARTHY: When is it due to be completed?

Mr McRandle: I believe it's—

CHAIR: I am not trying to put you off, but this isn't part of North Queensland Water Infrastructure Authority. These are good questions on an important project. I would prefer not to hear 'I believe'. Could we do this on Friday, which is when we're doing water? This is not part of the North Queensland Water Infrastructure Authority. This is the bigger water piece.

Mr McRandle: It is being managed by the National Water Grid Authority rather than North Queensland Water Infrastructure Authority. I just don't have the detail in front of me. As the chair suggests, I will take that on notice with a view to getting back on Friday with answers.

Senator McCARTHY: Chair, if that is the case, I have quite a few other schemes here. I am wondering if it is relevant now or for Friday.

Senator Reynolds: Do you want to run through them?

Senator McCARTHY: The Lakeland irrigation scheme and the Flinders and Gilbert River irrigation schemes.

Mr McRandle: These are projects that we can come to you on Friday with.

Senator McCARTHY: Has the agency done any research on the cumulative impacts of the current water infrastructure projects in North Queensland?

Dr Wallbrink: No.

Senator McCARTHY: Why is that?

Dr Wallbrink: Part of the Hells Gates business case will look at the totality for a range of anticipated water uses within the context of the existing water resource plan and any amended plan. It will have to, by its nature, encompass the other potential users within the basin.

Mr McRandle: This is something that we will take up with the Queensland government, which makes the water allocations. I think that question of the cumulative impacts is an important one. Until we get all of the project business cases lined up to do a comparison and look at the choices that the governments might want to make around investments and what the water allocation would be, we couldn't provide you any advice at this stage.

Senator McCARTHY: Is the agency looking into potential reductions in flow regimes across North Queensland?

Dr Wallbrink: The business cases would look to be compliant within the EFO conditions. That means that whatever reductions there are would be consistent within the stated EFO conditions within either the Flinders water plan—

Mr McRandle: That is the environmental flow.

Dr Wallbrink: They are the environmental flow conditions—and/or the Burdekin water plan, as it stands, or any revised plan.

Senator McCARTHY: Chair, you might have to come back to me.

CHAIR: Thanks, Senator McCarthy. I want to clarify the situation with the Big Rocks Weir. How much is the water allocation that is required for that project?

Dr Wallbrink: It is between 10,000 to 20,000 megalitres per year.

CHAIR: Is that water available in the Queensland water resource plan?

Dr Wallbrink: There is a line item within the plan that speaks to that. It is about 10,000 megalitres.

CHAIR: And that will provide water security for Charters Towers?

Dr Wallbrink: Correct.

CHAIR: So the federal government has provided \$30 million and matched \$3 million with the state government. That is what you said earlier.

Dr Wallbrink: For the preconstruction phase, correct.

CHAIR: Has the state government allocated water for the construction of this project? I seem to recall something before the last state election.

Mr McRandle: You are correct. There was an announcement around the time of the state election, where the Queensland government committed \$30 million. But \$3 million of that is allocated to preconstruction works. The remainder would then be available for the main works construction.

Dr Wallbrink: Subject to successful completion of the preconstruction phase.

CHAIR: Where are you up to with the preconstruction phase?

Mr McRandle: We need to get the funding agreement signed with the Queensland government. We're looking to settle the details around the milestones for that very soon. That would then free up the flow of funds that would allow the project to get underway.

CHAIR: So the preconstruction works have not yet commenced?

Mr McRandle: No. They are all covered under the funding agreement through the national partnership arrangements. So we need to get that settled. Then we've got a basis for getting that work underway.

CHAIR: The Queensland government has now referred this project to the Coordinator-General. Is that right?

Dr Wallbrink: They have. It has got full status, as I understand it.

CHAIR: How does that change the project from previously when it was being considered, given that the Queensland state government had made an announcement before the state election saying that they were going to commit \$30 million to building this?

Dr Wallbrink: I would have thought it is a sign of good faith.

CHAIR: Excellent. How long do you think this process is now going to take to go through the Coordinator-General?

Dr Wallbrink: I can't speak for that process. What sits behind it, though, is an EIS process. I saw that it has also come under the wing of the EPBC Act. These things will take the time that they do. I think it is anticipated a minimum of 12 months, possibly 12 to 18 months.

CHAIR: From now? You think it will be another 12 to 18 months?

Mr McRandle: Usually an environmental impact statement under the EPBC Act will take that period of time because you have to go through each season to see what the different flora and fauna impacts are going to be. So it will be 12 months. I would assume it would be at least 12 months from the time it starts the assessment. That assessment will start as part of the preconstruction work. That is when the funding agreement is signed.

CHAIR: So we can't start that until the funding agreement is signed? What I'm trying to understand is when the preconstruction works will be able to commence. That can't happen until the bilateral is signed.

Mr McRandle: That's correct, yes.

CHAIR: And we don't have any visibility on that?

Mr McRandle: I will come back on Friday with a bit more information, if I can, around some of those questions you have.

CHAIR: There was an announcement to build this project from the Queensland Labor government. The community is desperate to have it built. It's only been waiting since 1982, I think the plans were done. It is moving apace. Traffic. Thank you. We look forward to seeing you again on Friday.

Mr McRandle: Thank you.

Australian Transport Safety Bureau

[12:38]

CHAIR: We are now hearing from the Australian Transport Safety Bureau. After that, we will hear from AMSA, the Australian Maritime Safety Authority. After that we will hear from Western Sydney Airport Co.

Senator Reynolds: They've been able to get into Canberra airport.

CHAIR: I am assuming that after lunch they will be here. But you are quite right; if there has been a problem, we will have to continue holding off until they arrive.

Senator Reynolds: What time are Airservices Australia and the Civil Aviation Safety Authority? What time are you anticipating that they will come on?

CHAIR: We have allowed an hour each for the next two witnesses. I suspect that we won't need that long. I would ask all the agencies to remain alert and start moving towards Parliament House if you're not here already.

Senator Reynolds: Thank you very much.

Senator WATT: Hopefully we can get to Airservices Australia not that long after lunch potentially.

Senator Reynolds: For the benefit of the officials listening, Airservices Australia will be ready to come on after lunch.

Senator WATT: Probably not immediately after lunch, but I'd say in the afternoon.

Senator Reynolds: Thank you.

CHAIR: And obviously the same with CASA. Mr Hood, I understand that this is the last time we're going to see you.

Mr Hood: Yes. After appearing in front of this committee for 14 years since 2007, I humbly regret that I won't be appearing again.

Senator STERLE: Stop smiling.

CHAIR: Do you wish to make an opening statement?

Mr Hood: I have one. I have a page and a half. What I would like to do, if it is alright with the committee, is read out a truncated version that is about a page. If you are happy with that, I will proceed with that.

CHAIR: What a good idea. Thank you very much.

Mr Hood: Senators, in the interests of time, I am happy to table the full brief and read this truncated version. In summary, the full brief states that I first appeared in front of this committee in October 2007. I will be retiring as chief commissioner of the ATSB on 30 June this year. My 41-year professional career has included almost a decade of service in the Royal Australian Air Force and then a number of operational and leadership roles within Airservices Australia and CASA. I have always endeavoured to make a positive contribution towards keeping Australia and Australians safe.

Leading the ATSB for the past five years has been a humbling experience. I am grateful to the Australian government for entrusting me with this privileged position. Every one of the ATSB's 100 staff or so comes to work to make a difference to the safety of all Australians. In my time as chief commissioner and CEO of the ATSB, we have concluded and published more than 500 final investigation reports. These have identified numerous safety issues which led to many safety actions that have improved the aviation, rail and marine transport industries across Australia and internationally.

If I may, I would like to touch briefly on our role of dealing with the families and friends of those who would have lost their lives in transport accidents. I have met with many next of kin of those who have lost their lives in the most tragic of circumstances. I would like to assure them and this committee of our continuing determined commitment to conduct transport safety investigations into those accidents of the highest quality to best minimise the chance of similar accidents occurring in the future.

Today, the ATSB currently has 89 active investigations. We're continuing to progress them. They include a number of significant transport safety accidents that occurred in 2020 and, more recently, in 2021. These include the C130 Hercules large air tanker, which collided with terrain at Peak View near Cooma on 23 January 2020. It resulted in the loss of life of three American air crew on board conducting aerial firefighting operations in support of Australia. There is the mid-air collision between two twin engine training aircraft near Mangalore, Victoria on 19 February 2020 in which the instructor and trainee pilots on both aircraft were killed. There is the derailment of the XPT passenger train near Wallan, Victoria, just a day later on 20 February, in which the train driver and assisting qualified worker were fatally injured. There is the collision with terrain of a Cessna 404 charter aircraft on approach to land at Lockhart River in Queensland on 11 March 2020 in which the pilot and four passengers on board lost their lives. There is the fire on board the MPV *Everest* multirole vessel while on charter to the Australian Antarctic Division in the Southern Ocean on 5 April this year. On board was a crew of 37 and 72 expedition staff. Fortunately, there were no injuries.

I would also like to acknowledge the ATSB commissioners Chris Manning, Gary Prosser and Catherine Scott for their professional expertise in aviation, maritime and rail and for providing comprehensive expertise in the governance of the ATSB. Finally, I am so very proud of our staff at the ATSB, who have time and time again proven themselves resilient and adaptable during this period of uncertainty. Like all Australians, ATSB staff across the nation have had to adapt to changing circumstances during the pandemic. At a professional level they have remained committed to their work, be it working from the office, working from home or, with the appropriate risk assessments, deploying to transport accident sites across state borders throughout Australia. I would like to thank you, Senators. As always, we are pleased to answer any questions that you may have for the ATSB.

CHAIR: Thank you, Mr Hood. We're going to hear from Senator Sterle.

Senator STERLE: No wonder you can't wipe the smile off your face. It seems like only yesterday we were first kicking off our careers in this area. I wish you all the very best. Firstly, Mr Hood, there is a belief from quite a few people that the ATSB should be investigating truck accidents as well. I am one of the supporters of that. That would require a quadrupling of your staff and a quadrupling of the budget. Sadly, we lose over 50 truck drivers a year and this nation seems to just brush it off as a motor vehicle accident. It is nothing further from the truth. Anyway, on saying that, the ATSB has been on a journey of cultural change under your leadership. Can you outline for the committee the processes you adopted to achieve that change and what you would regard as the successes and highlights of that process?

Mr Hood: Thanks very much for the question. I had no grey hairs before I started this position. It's been an absolute privilege, as I said. When I first started at the ATSB, I set about having a look at the skills of the staff that are required to produce quality transport safety investigations. We conducted a skills mapping exercise and a competency mapping exercise. Then we worked with Randstad to put some cognitive tests around those people that we recruit for the ATSB. Traditionally, we had taken people straight out of industry with very few tests, if you like, for how we were going to employ them. We've also signed a partnership agreement with the RMIT. RMIT university now trains all of Australia's transport safety investigators for the ATSB and for industry. We're on our third graduate certificate in transport safety investigation run by RMIT. The ATSB has put all of our staff up to gain that qualification. Later this year, we'll be delivering the first, in conjunction with RMIT, graduate diploma in transport safety investigation and then a pathways to master's.

Thank you to the Australian government. We also arrested the decline in numbers. Ten years ago, we had about 135 employees in the organisation. Small agencies were subject to the efficiency dividend, so we lost about three employees a year. It went from 135 to 132 to 129. Thanks to the intervention by the minister at the time, we were able to get back up from about 93 to 110. We've been pretty stable at that for the last few years. We've increased the number of women in the organisation and improved diversity in other areas. We've improved our timeliness and our key performance indicators. We've changed our management practices.

We've had basically five years of transformation. This last 12 months, we've renewed all of our IT systems. That includes the finance system, the EDRMS, the web content management system and the core enterprise system that we use for ATSB investigations. We've also renewed our property portfolio, with new offices in Perth and Adelaide, Melbourne, Sydney and Canberra. I am very proud of the agency and where we've come.

With regard to your remarks about heavy vehicles, we've also looked more strategically. We have a vision now. We have also done some preliminary work. Should a policy decision be made that the ATSB step into the investigation of heavy vehicle accidents, we have an outline of how we might go about that.

Senator STERLE: That's great news. As much as we would like you to have nothing to do, that is good news. Thank you. Did the ATSB allow for working from home during the pandemic this year? I know you touched on it.

Mr Hood: In March, during the height, I suppose, of the commencement of the pandemic, we met with our staff. We took a decision that the staff would have the option to work from home or work from the office. Everybody had their own individual circumstances. I took the view that the management of workplace health and safety is a joint responsibility between the organisation and the individual. About 90 per cent of the staff in March elected to work from home.

Senator STERLE: Ninety per cent?

Mr Hood: Ninety per cent, and 10 per cent from the office, myself included. One of the first agencies to reassess the situation in August, the ATSB decided that the risk was appropriately low and we were continuing to deploy during this period to all sorts of accident sites throughout the country, across state borders with the appropriate permissions anyway. We took the decision that the ATSB could safely return to work in the majority of locations throughout Australia, Melbourne being the exception. We decided that we would permit staff to have two days at home during the week subject to their manager's approval and subject to the work that they were doing at the time. That's continued as a trial for the remainder of this year. So we have a requirement that people must be in the office three days. They have the option of working from home for two days subject to their manager's concurrence.

Senator STERLE: How was productivity and morale during the COVID period when the worst of the worst was here and subsequently now?

Mr Hood: I will start with productivity. It has increased. We can demonstrate that through the reports published during the COVID pandemic period. As it relates to morale, I can also demonstrate through the APSC's staff satisfaction survey that we've improved about 18 per cent on most areas within that survey.

Senator STERLE: Eighteen per cent?

Mr Hood: Eighteen per cent.

Senator STERLE: Wow. Did working from home create any challenges for the operations of the organisation?

Mr Hood: The way in which the ATSB works is that all of technical infrastructure includes Surface Pros. We contract with Telstra because that provides us with the greatest coverage throughout the country. We use the Apple iPhone. Our workforce is uniquely set up to work remotely from anywhere at any time on an accident site. Staff were required to complete a WH&S checklist to work from home. The transition was remarkably easy. We provided them with a larger screen on loan to the home premises if they wanted or needed one. Apart from that, our staff are pretty much set up to work from anywhere in any case.

Senator STERLE: Reflecting on your successful leadership career, particularly in CASA, Airservices Australia and now ATSB, what in your view are the big cultural and public policy challenges that need to be addressed?

Mr Hood: Obviously I have been reflecting on the Airservices Australia Elizabeth Broderick review. I was the executive general manager of air traffic control for four years—

Senator STERLE: You were.

Mr Hood: immediately prior to this position. I have to say that the results of the Elizabeth Broderick review were surprising for me. It made me reflect really on how much I was in touch with the distributed workforce. I fully accept the fact that if Ms Broderick has said the things she said in her report, they must exist in the organisation. I personally didn't see it myself. That was an aha moment for me as a senior manager.

Senator STERLE: This committee is no stranger to the Broderick report and why it came about. I always give credit where credit is due. It is good to see that Airservices Australia has stepped up to the plate and is doing everything it can. It's good to see that you've kept an eye on that too, Mr Hood. You were saying that you are investigating the MPV *Everest* incident. I would rather flick to my colleague Senator Brown, who has the shadow portfolio for shipping and all things about Tasmania.

Senator CAROL BROWN: Thank you, Senator Sterle. Mr Hood, I notice that you put out an interim report. The fire on the *Everest* that you are reporting into wasn't the first fire on the *Everest*, was it?

Mr Hood: That's correct. There have been a number of other fires on board that vessel in the past.

Senator CAROL BROWN: How many?

Mr Hood: The team of the director of transport safety, Stuart Macleod, has been looking into the MPV *Everest*, I will ask if he is able to answer that question for me.

Mr Macleod: With regard to past occurrences, there is only one other one that I'm aware of other than the one you referred to, which we recently released the preliminary report on. We conducted a brief investigation into a battery fire on the same vessel, which was very much less severe than the one that occurred more recently. In essence, it was around inadequate stowage of the batteries leading to shorting and a fire. It was readily contained to within that battery area. That is the only other one I'm aware of on that vessel.

Senator CAROL BROWN: When did the *Everest* arrive to take over from the *Aurora Australis*?

Mr Macleod: I'm not sure when this was done. We've got a reference to the preliminary report, which makes mention of the Antarctic Division's use of this.

Senator CAROL BROWN: This was the first journey? This was their first voyage down to Antarctica?

Mr Macleod: Yes. It was chartered by the Australian Antarctic Division to undertake two voyages to Antarctica to resupply and effect personnel changes at the Australian research stations Casey, Davis and Mawson. I understand that this was the second.

Senator CAROL BROWN: So we had a fire in, I think, February this year.

Mr Macleod: I'm not sure of the date. Yes, that is around the right time.

Senator CAROL BROWN: You have investigated that. There is a report on that?

Mr Macleod: Correct. With regard to how we investigate, if you like, it was the lowest of categories in terms of an ATSB investigation. It is what we call an occurrence brief. So it was a brief review into that occurrence and about the dissemination of the facts of it and any learnings from it. It was an investigation undertaken.

Senator CAROL BROWN: You mentioned that it was essentially because the battery had been stored incorrectly. That was the finding?

Mr Macleod: Yes. They weren't secured correctly. That's correct.

Senator CAROL BROWN: So how does that come about? Was that a crew error? How does it come about?

Mr Macleod: Again, just for context, with regard to that brief, the way they had done it is largely reporting on provided information. So there was not extensive analysis done of it. In essence, there were two mechanisms to secure the batteries. Both those mechanisms were not applied to all of the batteries.

Senator CAROL BROWN: The crew of the *Everest* are all foreign crew, are they?

Mr Macleod: As I understand, yes.

Senator CAROL BROWN: I am assuming we ensure that they have the appropriate safety training?

Mr Macleod: Obviously, Senator, with that investigation underway, we are limited in terms of detail of it. With regard to the preliminary report we released and areas for further investigation, it is common that, in terms of qualifications and training et cetera of the crew, that is an aspect that would be looked at.

Senator CAROL BROWN: Is the investigation of the larger, more serious fire still ongoing?

Mr Hood: It is. I might add that we have thrown a great deal of resources at this because this is a serious incident. Obviously there was a fire such as this one on board a vessel on the Antarctic that allowed very little room to go ashore, if you like. We've sent our finest marine investigators. We also seconded a fire expert from Airservices Australia as a subject matter expert. He deployed with the team. We also sent two electronic data specialists to ensure that the information recorded from the CCTV on the ship and the voyage data recorder was appropriately secured. We also conducted extensive interviews with the crew on board the vessel. So all of that will now enter the analysis phase. We'll complete the investigation as soon as we can and ensure that any of those safety learnings that need to be had are published publicly.

Senator CAROL BROWN: You are hoping for that to happen before you depart, Mr Hood?

Mr Hood: I don't think so, Senator, sadly. Certainly if the investigation ends up being more protracted than the end of the year, we'll issue an interim investigation report. Certainly the team is working pretty much full time because it is a serious incident.

Senator CAROL BROWN: Have you been able to identify any shortcomings in the investigation you've done so far?

Mr Hood: Rather than comment specifically on the findings so far, what we do in the preliminary report is list the areas for further investigation. I think you will find that the training is certainly a big focus for the investigation team.

Senator CAROL BROWN: So there are issues around training. I know you did observe that from your initial investigation. You were looking at training experience and resourcing in terms of undertaking the Antarctic voyages. I am trying to get an understanding of what shortcomings you have seen. I could go back and read the report, but I would like you to give me a brief overview now.

Mr Hood: Certainly in a preliminary report we wouldn't be venturing into the shortcomings thus far. We will be identifying the facts as we know them and then looking at those areas in which—I suppose if you like to read between the lines—have some concerns. We have listed them in the report.

Senator CAROL BROWN: How long was the fire going before they were able to extinguish it?

Mr Macleod: I'm just having a look. The actual duration I don't have to hand. The fires commenced about an hour after the fuel transfer happened. A lot of automated systems were activated. In terms of the fighting of the fire, it happened immediately because these automatic systems deployed with that. The response was quick. In essence, it really involved securing and shutting down these areas and allowing that automated stuff to do its work and to monitor it in terms of the temperature. As far as the specifics of it, I don't have that. It is detailed in the preliminary report. I want to emphasis another aspect with regard to your question about areas of concern. While the preliminary report really details the scope, which is the areas we will be looking at, the other key statement is about identifying a critical safety issue. The key point—it is common, but it is more than just words—is that if we have a critical safety issue, there will be immediate action taken to remedy it. While the investigation itself is proceeding and at this stage is due for completion in the second quarter of next year, at any stage during the course of it if we identify anything critical, there will be action taken immediately to remedy it.

Senator CAROL BROWN: So where is the *Everest* now?

Mr Macleod: I understand the vessel from Fremantle was to be taken to Singapore for repair. Where it actually is at the moment I'm not sure.

Senator CAROL BROWN: Has it finished its contract in terms of being a replacement for the *Aurora Australis*?

Mr Macleod: Again, I'm not sure in terms of that. My understanding was that the replacement vessel was not going to be available until towards the end of this year. I'm not sure on dates.

Mr Hood: The Australian Maritime Safety Authority is on after us. They may well be able to answer some of those questions.

Senator CAROL BROWN: They probably should have just kept the *Aurora Australis* for a bit longer.

Mr Hood: That is rhetorical.

Senator Reynolds: I think you are asking for a personal opinion there, Senator Brown.

Senator CAROL BROWN: Do you have a personal opinion on it, Minister?

Senator Reynolds: I do not. I can take it on notice, if you like, Senator Brown.

Senator CAROL BROWN: We have a beloved vessel down in Hobart, the 'Orange Roughy'. It did its job. It had a great crew, an Australian crew. We bought in the *Everest* from overseas. There is no Australian crew. They were all left hanging. You might want to take on notice, Minister, what the government is—

Senator Reynolds: Senator Brown, I will. We'll get something back to you formally.

Senator CAROL BROWN: How is that gap going to be filled? I'm not sure how long the *Everest* is out of action for. Do you know, Mr Hood?

Mr Hood: No. I don't.

Senator CAROL BROWN: I think that is probably all I need to ask about that subject. I did email you about the fire on the *Everest*. I think from what Mr Macleod is telling me now, you take into account all those safety and crewing issues when you look at the investigation.

Mr Hood: As I said, this is a very serious incident. We are throwing a great deal of resources at it with the appropriate qualifications. As Mr Macleod said, for example, with any of those issues, we're gathering further information and examining the evidence. If they become critical safety issues, we will notify the industry and the regulator immediately.

Senator CAROL BROWN: When you put together your terms of reference, do you take into account views from the maritime unions? Are their views put forward and taken into account?

Mr Hood: If their input is considered pertinent to the investigation, we would certainly interview members of the union, yes. I'm not sure whether we have. We certainly interviewed a number of people in Perth. I haven't got the list of who we interviewed.

Senator CAROL BROWN: Thank you, Mr Hood. Thank you, Mr Macleod.

CHAIR: Thank you very much, Senator Brown. Can I check that is the end of your questions?

Senator CAROL BROWN: That is it for me.

CHAIR: Thank you.

Senator STERLE: Good luck, Mr Hood.

Mr Hood: Thanks, Senator. It's great to see you.

Senator Reynolds: Chair, on behalf of the minister and the government, I want to thank Mr Hood for his service over the past five years. Mr Hood, the list of achievements under your leadership that you went through is incredibly impressive. The organisation has done an incredibly important role for our nation, as you said, on 500 investigations with 89 ongoing. They are important investigations and lessons learned to make traveling in Australia safer. Thank you also for your previous military service and everything else you did in your career. On behalf of the Australian government, thank you for a life of great service, most notably in the last five years.

Mr Hood: Thanks, Minister.

Senator Reynolds: You obviously have a great team, but a great team always needs a great leader. Good luck. Thank you for an incredibly productive five years.

Mr Hood: Thank you, Minister.

CHAIR: Thank you, Minister. Well said! I'm sure all of the committee joins with me in endorsing those words. You will be missed. I hope you enjoy the next phase of your career or life.

Senator CAROL BROWN: Will Mr Hood miss us?

CHAIR: Let's not ask.

Senator Reynolds: I think the smile on his face may give you an answer.

CHAIR: With that, we will let the ATSB go with our thanks. Senator Sterle, shall we bring forward AMSA or go to lunch early?

Senator STERLE: We have a fair bit for AMSA.

CHAIR: Alright. We're going to break for lunch early and return in an hour, which will be six minutes past two. Thank you.

Proceedings suspended from 13:06 to 14:09

Australian Maritime Safety Authority

CHAIR: We'll now go to the Australian Maritime Safety Authority. Mr Kinley, welcome. Do you have an opening statement?

Mr Kinley: No.

Senator CAROL BROWN: Can you give me some information as to your role around *Everest* and the fire on board?

Mr Kinley: We inspected the MPV *Everest* on 5 February 2021 in Hobart. There were no significant deficiencies identified during that inspection. During that inspection, we did verify that the batteries which had come adrift during that previous voyage had been secured with better securing arrangements.

Senator CAROL BROWN: Was the fire in February to do with the batteries—

Mr Kinley: It was a small battery fire.

Senator CAROL BROWN: Was that after your inspection?

Mr Kinley: That was before. We inspected the vessel following the later fire, when she arrived in Fremantle. Of course, the AMSA response centre was also in receipt of the alerts from the vessel when the fire happened. We were in communications with the vessel. When the vessel arrived in Fremantle on 14 April, we inspected it from a seaworthiness perspective and confirmed that the fire had caused considerable damage to two of the four diesel generators on board. We detained because it was unseaworthy until the arrangements were put in place to safely take the vessel to Singapore, where she was bound to undertake repairs.

Senator CAROL BROWN: Had any concerns about the MPV *Everest* been raised with AMSA prior to those fires?

Mr Kinley: No.

Senator CAROL BROWN: I am trying to understand the process. You inspected it after the first small fire in February. When it arrived, was there no inspection taken out to ensure that the vessel was up to spec?

Mr Kinley: From our perspective, it was subject to a normal port state control inspection, as any vessel would be. AMSA was not engaged in the chartering or those arrangements for the vessel. You would have to ask the Antarctic Division about the process there.

Senator CAROL BROWN: Do you know whether vessels such as this would be required under the port authority to be inspected? Is that something that you don't have knowledge of?

Mr Kinley: Not that I am aware of. I expect the charters may have had requirements for that. But from our perspective, it was subject to a normal port state control. Being quite a new ship, I don't think it was in a particular high risk category for our port state control.

Senator CAROL BROWN: How old is the *Everest*?

Mr Kinley: My understanding is that it was built in 2017.

Senator CAROL BROWN: Where was it built?

Mr Kinley: I am going off memory. I think it was built in Singapore.

Senator CAROL BROWN: Is the *Everest* still licensed to operate between Australia and Antarctica?

Mr Kinley: I'm not aware of any licensing requirements. From our point of view, the vessel was certified to undertake international voyages. From our perspective, the vessel had the certificates that it was required to have and arrangements to undertake international voyages from Australian ports.

Senator CAROL BROWN: Are those certificates still current?

Mr Kinley: I expect at the moment they would be conditional because before the vessel was allowed to leave, the classification society would have been involved and the vessel, of course, with half of its generators down, would have had to have conditions on some of those certificates. I expect she is up in the shipyard now having repairs done to bring her back up to the specifications for those voyages.

Senator CAROL BROWN: Are you aware whether the *Everest* is still contracted to the AAD?

Mr Kinley: I'm not aware of that.

Senator CAROL BROWN: Other than the two fires that have been in the public arena, are you aware of any other emergencies or safety breaches that have occurred on the *Everest*?

Mr Kinley: Not that I am aware.

Senator CAROL BROWN: Who are the operators of the *Everest*, do you know?

Mr Kinley: Maritime Construction Services is the name of the company.

Senator CAROL BROWN: They operate out of where? Where is the ship flagged?

Mr Kinley: The Bahamas. I would have to take on notice where the company is operating out of. I think it might be Singapore, but I would have to check.

Senator CAROL BROWN: Is AMSA aware of any action taken against the operators of the *Everest* internationally?

Mr Kinley: I'm not aware of any actions.

Senator CAROL BROWN: Good.

Senator STERLE: Mr Kinley, I want to go to the Australian government response to the Senate Rural and Regional Affairs and Transport Legislation Committee report on the performance of the Australian Maritime Safety Authority. What input did AMSA have into the government's response to the committee's report on the performance of AMSA?

Mr Kinley: We certainly worked with the portfolio department. We were aware of the final response they were proposing.

Senator STERLE: They?

Mr Kinley: Which the department was working on for the minister to come back as the response.

Senator STERLE: To the report?

Mr Kinley: The government response.

Senator STERLE: I thought you meant the recommendations. Can you tell us why it took almost 12 months for the government to respond to the committee's report?

Mr Kinley: No. I can't. You would have to ask.

Senator STERLE: For anyone listening, there is history to this report. I know that this was a very passionate inquiry. I was ably backed up. I want to thank my colleagues, particularly Senator Brockman, Senator Patrick and Senator Rice. In the closing stages, Senator McDonald joined in. That is not because she was late to the party; it is that Senator McDonald came into the new parliament and just joined the committee. I still can't understand why it took 12 months, but you don't know why it took 12 months. The Australian government response, in the third paragraph—I don't expect you to have it in front of you—states:

The government joins the committee in commending AMSA's actions to improve passenger safety on Australian commercial vessels.

I've taken offence to that. I will not go over old ground too much. I will not get all carried away. Your officials and me blued. We had sleeves up. The only thing we weren't doing was boxing on. I was getting so frustrated with the lack of action coming from AMSA. The government was missing in action. There were cover-ups running left, right and centre. If anyone wants to take offence, jump in and please feel free.

The only reason this got up—I will say this, Mr Kinley; I will give AMSA the opportunity to defend—is that I would not let go of this. I was backed by my committee members, because of the terrible circumstances around Mr Mills's death and the suffering that his wife and children and parents still suffer today. AMSA's response was that you would do one body count. That was AMSA's contribution to improving marine order 504—one body count. I remember saying, 'At the beginning of the journey or after the journey?' AMSA sat there on their hands. You didn't move for 18 months. That is how long it went on for. It was probably even longer.

I think the government response is just a load of crap. It is insulting to the work of the committee and it is insulting to the family. Does anyone want to comment? Okay. Can you now outline the process for the implementation of the recommendations made by the committee, given that they are all supported by the government?

Mr Kinley: I don't think that's for me to outline. I think that is for the—

Senator STERLE: You don't have a clue? Okay.

Mr Kinley: It is for the government to outline.

Senator STERLE: It falls back into place. I will tell you while other people are listening. I ran around this building with the support of some of the government senators, who had gone through the pain of listening to the grief coming out of this inquiry. When I got the cross bench to agree to a private senator's bill, which was voted down, I went across to the House of Representatives and got every one of the independents over there. Minister McCormack and AMSA had a road to Damascus event. All of a sudden, it all just fell into place and they're back slapping each other. I tell you that it wouldn't have happened if this committee had not let go.

Mr Kinley: All I will say on the implementation is that the recommendations go to the legislation. AMSA is not the people that amend the legislation. We certainly are looking forward to having input.

Senator STERLE: Yes. I understand.

Mr Kinley: We've made our views known. We are looking forward to that process.

Senator STERLE: I understand, Mr Kinley, that it is the government that makes it. When we were insulted and the family were insulted, you got the fix, being one head count per voyage. I'm gobsmacked. I'm absolutely gobsmacked. Government members can slap each other on the back. The truth of the matter is finally, thank god, it got done. Could you tell us when we can expect all the recommendations to be fully implemented, Mr Kinley?

Mr Kinley: Again, that's a question for government and if there are legislative amendments for this house.

Senator STERLE: Help me out. They make the rules, but they will decide when they will tell you? They were backslapping when going through reports, because you gave them all the information. The pressure got that high in Mr McCormack's office that he had to do something because of the fear of losing a vote on the floor. They don't tell you? They just say, 'Thank you very much. Great job done?'

Ms Dacey: Perhaps I could help.

Senator STERLE: Ms Dacey, help me out. I tell you what: the fire is still burning in this belly here.

Ms Dacey: I recall well some of the hearings that we have had on these matters. I note your comments about the timeliness of this response. I can only commit to you that the department is well aware of the need to implement these recommendations. The government's decisions are made. Their intent is clear. We will work in

as timely a fashion as we can, including consulting with our AMSA colleagues on the way through. I can't give you a specific date. I don't want to pretend that I can.

Senator STERLE: Okay.

Ms Dacey: The commitment we have is that these things always get worked up. Once the government has made their decisions, it's our job to get them done as quickly as we can.

CHAIR: At the end of that, after Senator Sterle's private senator's bill wasn't passed, didn't the minister put in place regulations? There was a response at that time.

Senator STERLE: There was a response after, Senator McDonald, because I went and knocked on all the crossbenchers' doors in the lower House. They all said they would support me in putting it through the House. Then he did something.

Mr Kinley: Amendments were made to marine orders 504.

CHAIR: Yes. That's it. Thank you.

Mr Kinley: And again after consulting with industry. I understand what the senator says about one head count versus two and how we could deal with that without bringing ferries and commuter ferries and those things to a halt. I won't go over all that. Those amendments were made. We've been continuing to work with industry on the implementation of those issues. So the recommendations of the Senate inquiry about legislation and those other issues are issues, as I've said, about this House changing the legislation. On issues such as grandfathering, we are continuing to work with industry on—

CHAIR: I am sorry to interrupt. I will go back. SeaLink in Queensland is doing head counts on and off for 400 people. This is not about the ferry in Manly or any of that Sydney stuff. This is what we've been doing in Queensland for years. Are people not counting people on and off these leisure craft going out to sea? Is that not happening yet? I thought that was the result of 504?

Mr Kinley: That is indeed happening. Queensland have had their own state legislation in place, as they're entitled to, ever since the Lonergan tragedy. They've been dealing with this issue for a long time. That remains in place.

CHAIR: But in WA, for example?

Mr Kinley: WA has codes of practice and things as well. Marine order 504 is under the domestic commercial vessel national law, which again further enhances those requirements. We have been working with industry on how that works. Of course, the future is how you get technology that can actually do this, because head counts—we've gone through a lot of this—are a very imperfect process.

CHAIR: If I were to go out on a converted cray boat off Perth this weekend, somebody would count me on and somebody would count me off?

Mr Kinley: Yes.

Senator STERLE: Every single voyage?

Mr Kinley: As far as I am aware. We are not standing there checking every single voyage. As I said, we have been working with industry and having workshops and audits.

Senator STERLE: When did this become law?

Ms Wimmer: I will help out here.

Senator STERLE: Yes, you can.

Ms Wimmer: The marine order was amended on 28 February last year. Those changes commenced in May. It specifically requires operators of certain vessels to count all passengers on board a vessel at any point where one or more passengers embark or disembark from the vessel, including at a landing point or to undertake a water activity. There is also an additional safety check where recordings of those disembarkations and embarkations must happen in the vessel logbook. There are also procedures for passenger monitoring so that the master must know the number of passengers on board at any time.

Senator STERLE: Tremendous. That is the answer I wanted to hear. Thank you very much. When do we expect the recommendations will be implemented? There were four.

Ms Dacey: That was the point I was making to you before. I can't give you a specific date. It will depend on when we can get slots and we can get drafters for the regs. The commitment is that having the response in front of us gives us the government's clear intention. We will work as quickly and as expeditiously as we can. I can't give you a date.

Senator STERLE: You said that. What I was trying to allude to the senators and anyone else is that this took two years and a very impassioned inquiry. It was two years of obstinance from AMSA pushing back. There were two years where the minister was so completely disengaged that it had to get to the floor here to start a private senator's bill. That was 12 months ago. Now we've got one very important recommendation that is now law. That's great. The other recommendations still aren't. Get my drift, Senator McDonald, on where I'm getting the frustration? That is all I am saying. As you said, this is not new to the Queensland operators. It is not new to the Sydney ferries. It is not new to the Rottneest Island ferry. When was AMSA first approached about amending marine order 504? Thank you, Ms Wimmer, for that answer. I mean that. Does anyone know?

Mr Kinley: I think we had lots of ongoing discussions about this through the inquiry into the performance of AMSA. I would have to go back.

Senator STERLE: Was the Deputy Prime Minister's office involved in the decision to amend marine order 504? Was it just entirely AMSA that did that work?

Ms Dacey: I think the Deputy Prime Minister is the minister responsible. He would have a role in all of these. The split of policy and operational is a well-established hallmark of how we work with our agencies. Yes, we would have had a role. The Deputy Prime Minister would have had a role.

Senator STERLE: Good. Did the department provide any input in amending the marine order?

Ms Dacey: I'll have to take that on notice.

Senator STERLE: Does anyone at AMSA know?

Ms Wimmer: I can't tell you definitively. When we did, we were absolutely talking in the department about how we are going to implement it.

Senator STERLE: I have no doubt—you won't comment on this; it is not hypothetical—you would have been having a lot of conversations for the two years it was going on. You said you were talking to all the stakeholders. Do you have a list of all the stakeholders you spoke to outside the inquiry? You had a ministerial advisory body or something, didn't you? It is not a set-up question. I can't remember.

Mr Kinley: There were consultative forums. We consulted on marine order changes. We can give you the consultation report from that marine order and the amendments.

Senator STERLE: That is what I would like to do. Take that on notice and provide us with that. I think I've made my point, Chair, so I will leave it at that.

CHAIR: Thank you very much, Senator Sterle.

Senator CAROL BROWN: I want to go now to some questions on foreign flagged ships. In the past 12 months, how many welfare inspections on foreign flagged vessels has AMSA undertaken?

Mr Kinley: Again, I will get you exact numbers. Last calendar year, for example, there were 3,021 port state control inspections. All of those inspections cover the elements of the Maritime Labour Convention. Crew welfare is one of those elements.

Senator CAROL BROWN: That is December last year? Did you say December last year?

Mr Kinley: That was the calendar year last year, 2020.

Senator CAROL BROWN: Do you have anything more up to date? How often do you report?

Mr Kinley: We provide a port state control inspection report every year. We provide a Maritime Labour Convention report every year.

Senator CAROL BROWN: At one point in time?

Mr Kinley: Well, the one for last calendar year is about to be published. I can tell you how many inspections there have been so far this year, if you let me know exactly what it is you want to know. A welfare inspection is not really a thing. We do inspections for port state control for the Maritime Labour Convention. That covers the titles under the Maritime Labour Convention, which are living and working conditions and those things.

Senator CAROL BROWN: That is probably what I am talking about—living and working conditions. If you can take that on notice and give me the most up to date information, that would be great.

Mr Kinley: Yes.

Senator CAROL BROWN: How many have been initiated by AMSA and how many have been carried out as a result of a request from an external party?

Mr Kinley: Again, I will get that on notice for you.

Senator CAROL BROWN: Do you keep that information?

Mr Kinley: We keep the information of how many complaints we get.

Ms Wimmer: I have some figures here. Between June 2020 and 30 April this year, we had 214 complaints. They covered a range of issues. Some of those were welfare related.

Mr Kinley: With COVID we certainly saw an uptick in the number of complaints because of the time seafarers were having to stay on board ships.

Senator CAROL BROWN: So the 214 complaints were from external people and organisations?

Ms Wimmer: That's right. We received them all externally.

Senator CAROL BROWN: When you provide me information on notice, are you able to tell me the result of those inspections from those external complaints?

Ms Wimmer: For each of those complaints?

Senator CAROL BROWN: Yes.

Ms Wimmer: We can. In fact, I can tell you that 209 of them have been investigated and they've been resolved. We have only five that are ongoing investigations. I could not tell you off the top of my head all 214 and what they were about and how we resolved them.

Senator CAROL BROWN: I am not expecting you to tell me that here. On notice, that would be excellent.

Ms Wimmer: We can give you some categories of what the complaints were and how we resolved them, absolutely.

Senator CAROL BROWN: Sure. That's fine. So there are 214. I will use the welfare inspection terminology. How many up to that 30 April date had you carried out? You have 214 from external parties.

Ms Wimmer: That's right. We'll have to take that on notice and let you know up to that date. We'll use the same date, though, so you have the comparative figures.

Senator CAROL BROWN: Were there repeated breaches by ships owned by a particular entity?

Ms Wimmer: I would have to take that on notice. Generally, though, if we see something systemic that happens more times, we will take more action. It might be a detention or a banning.

Mr Kinley: It is the ships that are usually getting banned. The most recent one was the *Movers 3*.

Senator CAROL BROWN: Can you take it on notice that I would like that information around the breaches and what measures AMSA take to ensure compliance?

Ms Wimmer: Sure.

Senator CAROL BROWN: You have that one recent ban. In the previous 12 months, is that the only one?

Mr Kinley: No. There is more than that. We can give you all of them.

Senator CAROL BROWN: If you could, that would be great. How many Australian registered ships remain as regulated Australian vessels?

Mr Kinley: I will see if we actually have that number here. We might have to take that on notice again.

Senator CAROL BROWN: I will ask another question while you are having a look. How many domestic commercial vessels over 50 metres in length are registered?

Mr Kinley: I will have to take that on notice as well. Domestic commercial vessels over 50 metres?

Senator CAROL BROWN: Yes. What is the mechanism by which ships have been able to transfer from under the Navigation Act jurisdiction to the national law jurisdiction?

Mr Kinley: The way the two acts work is that if a vessel has a certificate that allows for international operations under the Navigation Act, it stays under the Navigation Act. They would have to give up those international certificates to be able to operate under the domestic commercial vessel law. So they cannot hold those international certificates.

Senator CAROL BROWN: If a vessel does transfer, do they have to give a reason as to why they want to transfer?

Mr Kinley: No. They don't have to. They just have to be prepared to effectively give up those certificates which would allow it to trade internationally.

Senator CAROL BROWN: How many regulated Australian vessels under the Navigation Act have been issued with minimum safety manning documents that include domestic qualifications under the national law act?

Mr Kinley: That will have to be taken on notice.

Senator CAROL BROWN: I will put the rest on—

Ms Wimmer: Would you like me to come back to the registered Australian vessels? We have 45 vessels certified for unrestricted operations.

Senator CAROL BROWN: They are the Australian registered ships?

Ms Wimmer: Yes.

Senator CAROL BROWN: Do you know the domestic commercial vessels over 50 metres?

Ms Wimmer: No. Sorry, I don't have that.

Senator CAROL BROWN: If you take that on notice, that would be great. What is your current average staffing level, Mr Kinley?

Mr Kinley: Right now, I think in the budget papers it is 448. That is what we are intending to have for the next financial year.

Senator CAROL BROWN: Has that gone up or down?

Mr Kinley: It is going up from where it is currently.

Senator CAROL BROWN: By how many?

Mr Kinley: In the order of 20. We are currently below that 448 by about 20.

Senator CAROL BROWN: So you are getting some more staff?

Mr Kinley: We have vacancies we are looking to fill.

Senator CAROL BROWN: How many people are working under labour hire arrangements for AMSA?

Mr Kinley: I will ask Ms Cherrie Enders to come to the table. She is my chief operating officer.

Ms Enders: We can only have 88 staff working under labour hire arrangements. That is about 17 per cent of our workforce.

Senator CAROL BROWN: What is AMSA Connect?

Ms Enders: AMSA Connect is our contact centre.

Senator CAROL BROWN: So of those 88 staff, how many are working in AMSA Connect?

Ms Enders: Of the labour hire?

Senator CAROL BROWN: Yes.

Ms Enders: There are approximately 22 to 25 labour hire staff in Connect.

Senator CAROL BROWN: How many staff actually work there?

Ms Enders: And 18 ASL, or payroll staff.

Senator CAROL BROWN: How many labour hire staff have been working on casual contracts with regular hours for more than one year?

Ms Enders: For more than one year? The exact number I couldn't tell you. It is in the order of about 15 to 16 staff who have had 12-month labour hire contracts that have been rolled over on one or two occasions. Their contracts go for 12 months.

Senator CAROL BROWN: Some have got potentially, at the end of it, three-year contracts?

Ms Enders: Correct.

Ms Wimmer: We have one-year contracts.

Senator CAROL BROWN: I wasn't trying to slip anything past you, I can assure you. It is still three years employment. Have you sought any legal advice on whether staff still meet the definition of 'casual'?

Ms Enders: We haven't sought legal advice for that purpose. The reason that we have these staffing arrangements is that AMSA Connect was set up to provide service delivery for the national system that AMSA commenced in July 2018. It was established as a transitional arrangement. AMSA is awaiting some government decisions around our funding; we are in an interim funding arrangement. We have inherited a number of service delivery models from each of the states and cost recovery arrangements. We're in the process of harmonising, if you like, a service delivery model for the whole of Australia. That process has taken a lot longer than we expected. We have steadily increased the number of ASL positions in Connect over that time. Our intention is, as I have explained to the Connect team, over the next 12 months to expand that further so that we have an absolute core, with labour hire used where we have surge capacity. But we're just not there yet.

Senator CAROL BROWN: When do you expect that harmonisation to be completed?

Ms Enders: We've explained to the team that it's going to take the next 12 to 18 months. AMSA is going to be subject to the legislative review, which was flagged earlier, as well as a cost recovery review. We've yet to establish our funding basis for the national system.

Senator CAROL BROWN: Have you done an exercise on the costs of labour hire with the costs of direct APS employment? Have you done that exercise?

Ms Enders: We're aware of the margin payments, I guess, that go to labour hire companies. Given that we have engaged these staff on 12-month contracts, we've been able to achieve considerable savings in those arrangements. Given that we haven't had the ability to really confirm permanent arrangements for all staff, it was deemed an appropriate and responsible approach.

Senator CAROL BROWN: I just really want to know whether you have actually done the exercise of comparing labour hire.

Ms Enders: Yes, we have.

Senator CAROL BROWN: Am I able to get a copy of that information?

Ms Enders: I can provide you with the information that compares the costs for a permanent employee versus labour hire.

Senator CAROL BROWN: That would be great.

Ms Enders: Yes. We can do that.

Senator CAROL BROWN: You are obviously keen to go down the path of putting more people who are currently on labour hire into the APS?

Ms Enders: Yes.

Senator CAROL BROWN: That is your intention?

Ms Enders: Yes. It's underway.

Senator CAROL BROWN: Absolutely. Have you entered into a contract with the new labour hire provider Manpower?

Ms Enders: I don't think it is Manpower. I would have to check that.

Senator CAROL BROWN: But you have entered?

Ms Enders: Just recently. That commenced in April this year for a 12-month period until April next year.

Senator CAROL BROWN: Is that to get you through this harmonisation period? Is that why you've done that, or is there another reason?

Ms Enders: Yes. What we've explained is that by the end of this contract we will have a lot more clarity about the underpinning arrangements around funding and so forth. In the meantime, we have committed to increase the number of permanent positions in the Connect team.

Senator CAROL BROWN: This is a 12-month contract?

Ms Enders: Yes.

Senator CAROL BROWN: The previous contract was for a longer period?

Ms Enders: They are 12-month contracts, yes.

Senator CAROL BROWN: Are you planning to move current call centre operations away from the regional centres they currently operate in?

Ms Enders: We have two hubs, if you like. One is based in Canberra and one based in our regional headquarters in Coffs Harbour. As part of the transitional arrangements, there are some positions based in our regional offices to service particular stakeholders that wanted to walk into the office and deal with a face-to-face service person. We have approximately eight positions based around the country at the moment. They are also on temporary employment arrangements for the most part. That is part of our assessment going into the cost recovery review—to demonstrate our efficiency in service delivery. We will need to make some decisions about the future of those positions. So we won't be moving them away, because our regional centre is in Coffs Harbour.

Senator CAROL BROWN: So the centres will remain in Canberra and Coffs Harbour?

Ms Enders: Canberra and Coffs Harbour.

Senator CAROL BROWN: The staffing levels may change. Is that what you are saying?

Ms Enders: The staffing in those key hubs is probably going to increase. There's a question mark in the next 12 months as to what we will do with our regional one-off positions that are based in those remote offices.

Senator CAROL BROWN: How many people are in Coffs Harbour?

Ms Enders: I believe we have about six or seven at the moment.

Senator CAROL BROWN: And Canberra?

Ms Enders: Canberra is in the order of 30 to 32. We are actually recruiting at the moment.

Ms Wimmer: I will clarify. You were asking about the Connect staff in those regional centres.

Ms Enders: That was the basis of my answer.

Senator CAROL BROWN: Are there any anywhere else? No? Just them.

Ms Enders: We have some staff—they are single positions—in Cairns, Airlie Beach and Hobart. I think we have a list that we can provide.

Senator CAROL BROWN: You certainly won't want to move the Hobart one or the Cairns one.

Ms Enders: I can provide you with the list.

Senator CAROL BROWN: If you could do that, it would be much easier.

Ms Enders: Yes. No problem.

Senator CAROL BROWN: Thank you, Ms Enders.

CHAIR: What do you consider the remote locations? You just said that for the one or two officers who are remote.

Ms Wimmer: I think all Ms Enders was referring to was that they are different offices. There is a single person in them. That is opposed to whether they are in a regional or a city based office.

Senator CAROL BROWN: Hobart.

Ms Wimmer: It is just remote from the team.

CHAIR: Remote from the team?

Ms Enders: Yes. Remote from our hubs.

CHAIR: Thank you. I think they are all the questions we have for AMSA this afternoon. Thank you very much for your time and your attendance this afternoon. Please go with the committee's thanks. We will now call the Western Sydney Airport Co. We will suspend while we get them in.

Proceedings suspended from 14:48 to 14:49

Western Sydney Airport

CHAIR: Thank you very much for your attendance this afternoon. I understand that you've had quite a journey to get to Canberra.

Mr Hickey: Indeed.

CHAIR: We were delighted to wait for you. We have been hanging on your evidence. I welcome you this afternoon. Do you wish to make an opening statement?

Mr Hickey: Yes. Thank you. I thank the committee for the opportunity to address you today. I'd like to begin by paying my respects to the Ngunnawal people, the traditional owners of the land we're meeting on today. I'd also like to acknowledge the Gadigal people of the Darug nation, the traditional owners of the land on which we are building Western Sydney International (Nancy-Bird Walton) Airport. I'm pleased to report that in the past 12 months we've made significant progress towards the development of Western Sydney International Airport. In terms of the infrastructure delivery, the project remains on track for the airport to begin operations in late 2026.

In March this year, we passed the halfway point in what is one of the biggest earthmoving projects in Australian history. We have to move more than 26 million cubic metres of earth around the site to prepare it for construction. In fact, at the moment, our major earthworks contractor is moving more than 500,000 cubic metres of earth every week.

However, more important than the scale is the fact that we are undertaking this massive task with a strong commitment to safety. Safety is our highest priority at Western Sydney Airport. We will only work with contractors who share our unwavering commitment to the health and wellbeing of our workforce and the community. So far, the project's safety performance has been encouraging. We're currently tracking at a total recordable injury frequency rate of 0.71 compared to an industry benchmark of five. While even one minor injury in a workplace is too many, our performance to date demonstrates the strong safety culture on the project. Every member of the team understands that there is never an opportunity to relax our vigilance when it comes to safety.

Construction on our terminal is on track to begin, with early works at the end of the year and with runway construction due to begin by the middle of 2022. By the end of next year, the remaining major works contract—landside civil and building works—will also get underway. It is at this point when we reach peak construction, when there will be thousands of people directly employed by the project and even more jobs created by the incredible flow-on effects that this massive infrastructure project will create.

We're building Western Sydney International Airport to serve as a catalyst for job creation and socio-economic uplift across Western Sydney and beyond. Our project's workforce targets are an important way that we ensure that socio-economic uplift begins now. We take our workforce targets seriously. I'm pleased to say that we are comfortably exceeding each of them on the project so far. In terms of local employment, we have a target of 30 per cent of the project's workforce living in Western Sydney. The target is to increase to 50 per cent when the airport is operational. So far, 50 per cent of our workforce are Western Sydney locals. We are not only exceeding the construction target but already meeting our more ambitious operational target. Twenty per cent of our workforce must be learning workers, which includes apprentices, trainees and employees upskilling on the project. To date, 28 per cent of our workforce are learning workers.

Our diversity target meets a range of categories, including people from disadvantaged backgrounds, cultural diversity and women in non-traditional roles, such as engineering and construction. To date, we are tracking at 36 per cent against a target of 10 per cent. Importantly, this includes a target of 2.4 per cent of our workforce being Aboriginal and Torres Strait Islander. So far, 4.3 per cent of the project's workers are Aboriginal people, which is particularly pleasing considering Western Sydney has one of the largest populations of First Australians in the country.

Importantly, our role is not just to build an airport but to build a world leading airport business. Our commercial development is gaining momentum. From an airline perspective, we have MOUs signed with Qantas, Virgin Australia and Jetstar and strong interest from overseas airlines. In terms of air cargo, we recently called for registrations of interest from air cargo operators to establish a presence in our air cargo precinct, with a unique opportunity to grow with global markets over coming decades.

We continue to work closely with a large number of stakeholders who are supporting the airport's development from all levels and all sides of government—local councils, business chambers, industry groups and, importantly, the Western Sydney community. As the CEO of Western Sydney Airport, a government business enterprise, I am fully aware of and respect our obligations to the Parliament of Australia. Thank you for inviting us to appear before the committee today. We welcome your questions.

CHAIR: Thank you, Mr Hickey. What an exciting project—a brand new airport. For those of us who spend a lot of time in airports, I look forward to all sorts of good things. That is terrific.

Senator WATT: Thanks, Mr Hickey, to you and your team for coming along. I know it was a pretty circuitous route to get here, so we appreciate your efforts. Could you in brief terms explain to the committee the engagements you have had with land owners in the area around the planned airport?

Mr Hickey: Yes. We engage with the community in general. We have a community engagement team. The community engagement team meets with local land owners. They meet with the local community in general. Generally, that is to give progress updates of where the project is at and to solicit any of their feedback and to work through any problems or issues they might have to help to resolve those issues. That is our engagement with local land owners.

Senator WATT: In particular, can you detail for the committee the engagements you have had with the Perich family?

Mr Hickey: I've had no engagement with the Perich family personally. I don't believe that our community engagement team has met with the Periches. I don't think we've had any engagement with the Perich family.

Senator WATT: So no-one from your organisation has had any contact with them?

Mr Hickey: I can take that on notice. I'm not aware of any engagement with the Perich family.

Senator WATT: Or the Perich family's agents or anyone acting on behalf of them?

Mr Hickey: Anyone acting on behalf of them. I'm not aware of that, but I can take it on notice.

Senator WATT: What about the Medich family?

Mr Hickey: No. Again, I'm not aware of any engagement with the Medich family. Again, I can take it on notice to provide any specific engagement from the community engagement team.

Senator WATT: I would like your answer to cover more than the community engagement team, please.

Mr Hickey: Anyone within our organisation who has met with those two families.

Senator WATT: I realise that that team may handle the bulk of it, but there may be other officers who have as well.

Mr Hickey: Of course.

Senator WATT: And the Waterhouse family?

Mr Hickey: Again, the same. I believe I met Louise Waterhouse at a conference I was making a speech at. I said hello.

Senator WATT: And no-one else you have here has had any contact with any of those families who obviously have land in the area? That is the reason we're asking about it.

Mr Hickey: Again, I will take it on notice. I'm not aware of that. None of that has come to my attention.

Senator WATT: When you come back to us on notice, if it turns out that there has been some contact, could you provide a bit of detail as well—dates of meetings, what was canvassed—rather than just say, 'Yes, there has been some contact', in which case we'll just have to ask you again?

Mr Hickey: I'm happy to do so, Senator.

Senator WATT: Are you aware if any of those families have sought contact with your organisation to discuss matters such as road zoning or related issues?

Mr Hickey: Again, I am not aware of that personally. Again, I can take it on notice. We are very, very aware of probity within our organisation. In any community engagement, we don't talk about zoning other than in relation to potential developments around the airport, in which case we have an obligation to talk about appropriate levels et cetera around the airport and what would be appropriate for all land owners. That is available on our website.

Senator WATT: Thanks. Again, take on notice whether there have been any such approaches.

Mr Hickey: I will. Absolutely.

Senator WATT: I have a handful of questions about some recent media reports to do with the purchase of environmental offsets for the airport. You are probably aware there was an article in the *Guardian Australia* recently about this. As I understand it, some of the New South Wales government agencies have referred the purchase of environmental offsets in Western Sydney to their corruption commission. You are familiar with that media coverage?

Mr Hickey: I have read the media reports.

Senator WATT: Before I get into detailed questions, are you aware of any similar concerns that exist in relation to Western Sydney Airport?

Mr Hickey: The biodiversity offsets are being handled by the department. I'm not aware of that.

Senator WATT: I know that a couple of different senators canvassed the issue yesterday. I think we thought it would be wise to put them to you as well in case there had been any connection with your organisation. Is there anything you would like to add to what we heard yesterday, Mr Hallinan?

Mr Hallinan: No. I can confirm that the biodiversity offsets is a matter for the department. WSA Co will have had no role to play.

Senator WATT: Forgive me if some of the issues I am going to go over were addressed yesterday. I wasn't the one handling that questioning yesterday afternoon. Transport for New South Wales has referred more than \$50 million in offset credits that it purchased from properties linked to consultants who provided advice on development in Western Sydney, including the Western Sydney infrastructure plan. Those matters have been referred to the New South Wales ICAC. The New South Wales environment department has launched an independent investigation into credits that it has purchased from those properties. I think I am right in saying that the federal department of infrastructure purchased \$37.5 million in offset credits from these properties for the airport. Are those transactions being investigated?

Ms Dacey: What I could confirm to you is that there were some purchases through the New South Wales scheme. They are the ones we are getting a process run over just to make sure that everything is as it should be. You asked for the specific amount of money. Is that right?

Senator WATT: No. My understanding is that your department has purchased \$37.5 million in offset credits from these properties for the airport. Whatever the figure actually is, I suppose I am asking whether those transactions are being investigated. It sounds like they are.

Ms Dacey: Anything that we purchase through the New South Wales scheme will be part of our investigation, yes.

Senator WATT: I am sorry if you answered this yesterday. Who is conducting that investigation?

Ms Dacey: We're in the process of procuring someone to do it right now.

Senator WATT: But it will be an external group?

Ms Dacey: Correct. Yes.

Senator WATT: When do you expect to have a report from them by?

Ms Dacey: We're right at the beginning of the procurement process. It will take us a little while to procure someone and get the work done—I would imagine a couple of months. We said last night at the committee that we would be certainly in good time for the next estimates hearing.

Senator WATT: Mr Hickey and your team, have any of you sought advice from New South Wales state bureaucrats since the publication of this investigation in the *Guardian*? Is there any advice from them about what went on and how they are handling it? Has there been any contact at all with the New South Wales state government?

Mr Hickey: Not from WSA Co, Senator.

Senator WATT: Ms Dacey, from the department? Any interaction with the New South Wales state government?

Ms Dacey: Not to my knowledge. But I'm happy to take it on notice.

Senator WATT: No-one else knows anything?

Mr Hallinan: Presumably at officer level there have been some discussions just as a general interest matter. But we will take it on notice if there has been anything more substantive.

Senator WATT: Again, come back to us on the general nature of what those interactions have been. What exactly were the steps that the department took to source credits for the airport? Who was engaged? What were the steps along the chain?

Ms Dacey: As I said last night, we worked through our biodiversity offsets delivery plan, which is one of the requirements under the airport plan. The biodiversity offset delivery plan was developed in consultation with the biodiversity experts group. It was approved in August 2018 by the then Commonwealth Department of the Environment and Energy. As part of that, the process for implementation to meet our offset obligations was set out. There were a number of mechanisms. Some of these included the restoration and conservation of Department of Defence land at Orchard Hills; offsets obtained through the New South Wales biodiversity offset scheme, which are the ones we are talking about here; and contributing funds to a native seed production program and propagation trials for seeds collected from the airport site.

Senator WATT: Was contacting consulting firms to seek information about available properties with credits part of the process?

Ms Dacey: I will take it on notice. I just don't have that level of—

Senator WATT: Could you also advise which firms were contacted, if any were?

Ms Dacey: Yes.

Senator WATT: And which properties they recommended?

Ms Dacey: Yes.

Senator WATT: What probity processes did the department have in place around these purchases to ensure there would be no conflicts of interest?

Ms Dacey: We did get some probity advice early on in the piece. It was a two-pass process, as I recall. I'm trying to get the information. In September 2018, the department approached the market seeking expressions of interest.

Senator WATT: December 2018?

Ms Dacey: Yes. That's right. For vendors who might hold biodiversity credits, notification of that EOI process occurred through newspaper advertising and was then followed up. The EOI closed in October 2018. We evaluated those expressions of interest. Following this process, as part of that, we had to make considerations about probity. Following that EOI process, all EOI vendors were cleared to submit tenders for the sale of biodiversity credits. We received 21 individual offers from 13 vendors. The tender closed in November 2018. We

proceeded and accepted offers based on the evaluation of the tendering use the set of criteria developed in consultation with that biodiversity experts group.

Senator WATT: And the probity advice?

Ms Dacey: I think it was AGS advice. If you let me take that on notice, I'll get it for you.

Senator WATT: So advice was obtained to avoid conflicts of interest?

Ms Dacey: Yes.

Senator WATT: Were there any processes put in place by them as a result of that advice or otherwise?

Ms Dacey: I would like to take it on notice, because I think I have it right. I want to make sure that I give you the absolutely right advice.

Senator WATT: Okay. Was anyone at either Western Sydney Airport corp or the department aware of Ecological Australia's role over more than a decade in providing offset advice to government for development in Western Sydney, including the infrastructure plan which supports the airport?

Mr Hickey: I can take that on notice. I'm not aware of it.

Ms Dacey: I will take it on notice because I don't know what officers at the time were aware of.

Senator WATT: Okay. Did the department consider whether the consultants involved in the properties gained a strategic advantage in land acquisitions and offset sales as a result of their consulting roles?

Ms Dacey: I think from our point of view that is exactly the issue that we want to assure ourselves of now.

Senator WATT: So the answer is you are not really sure? That is the best we did—

Ms Dacey: That's the bit that we're investigating.

Senator WATT: Okay. Has the management of the offset at Orchard Hills commenced?

Ms Dacey: I will have to take it on notice. I don't have that level of detail.

Senator WATT: No-one here knows?

Ms Dacey: Perhaps Mr Wood will be able to give you a bit more detail.

Mr R Wood: Yes. The department has a memorandum of understanding in place with the Department of Defence, which is delivering the biodiversity offsets. There is a 10-year process through which the Department of Defence and its contractors will improve the quality of biodiversity for the Cumberland Plain Woodland and associated offsets at the Orchard Hills site over the next decade.

Senator WATT: What are they actually doing? Is it planting trees?

Mr R Wood: It is a variety of activities. Our consultants, GHD, provide advisory services across it. We also have an auditor who provides an audit of those services so we can have some assurance that there is the appropriate provision of those biodiversity improvements. That is a transparent process. There will be an annual report. The one for 2019-20 will be published, or a summary at least, in around August. It is just being finalised at the moment.

Senator WATT: So your department has engaged the Department of Defence to deliver this?

Mr R Wood: So the Department of Defence is the owner and manager of the Orchard Hills arrangement. We have an MOU with the Department of Defence. Essentially, this is the Commonwealth contracting within itself, so it is not a procurement of land as such. But they are undertaking that activity on behalf of the Commonwealth, which we are funding.

Senator WATT: Do you know whether Defence has engaged any other contractors or assistants to help deliver this?

Mr R Wood: I think they will have. Perhaps we can get a full listing of that on notice.

Senator WATT: If you could, thanks. I would be interested to know the cost of both your department engaging Defence, if there has been any sort of transfer of funds, and the cost of Defence then engaging anyone else to actually do the work.

Mr R Wood: Yes. Certainly we can provide full details on notice.

Senator WATT: My understanding is that Defence was already doing some level of management of biodiversity at the site. What additional management is now occurring as a result of this contract?

Mr R Wood: That is the purpose of the works that are being undertaken—to improve the quality of the land at Orchard Hills. The reason we have an ongoing report and audit of that activity is to ensure that it is providing an appropriate level of environmental outcome. If for any reason the level of biodiversity increase is not what was

expected and does not provide the benefit that is required under the biodiversity offset plan, there is a process where that could be increased. In the worst case, you could buy additional offsets. More likely would be a change in management process.

Senator WATT: Could you come back on notice with a bit more detail about what is actually being done—

Mr R Wood: Yes.

Senator WATT: to improve biodiversity?

Mr R Wood: Certainly by the next estimates the annual report on that activity will be available as well.

Senator WATT: On notice, could you provide all departmental correspondence regarding inputs to the offsets guide for Orchard Hills?

Mr R Wood: Yes. We will look into that.

Senator WATT: Thanks. That is it for us.

CHAIR: Thank you very much, Senator Watt. I don't believe we have any additional questions for you. Good luck. We're looking forward to that new experience.

Mr Hickey: I can share with the senators that we're building a category 3B airport, so actually we won't be fogged in if we come from Western Sydney.

CHAIR: Gloater.

Senator WATT: Seriously, can you build an airport in the way that fog isn't an issue?

Mr Hickey: For us, yes.

Senator WATT: Because of the location you're in?

Mr Hickey: Only Melbourne airport and Western Sydney airport have that category. In that instrumentation, you can land in any weather.

CHAIR: Every airport in the land will now want that instrumentation.

Senator WATT: Definitely Canberra.

CHAIR: Charters Towers airport is looking to upgrade its facilities. I will certainly be suggesting to them that they get that in. Thank you very much. Please go with that.

Mr Hickey: Thank you very much.

CHAIR: We will suspend for a moment.

Airservices Australia

[15:15]

CHAIR: Welcome back. We now have representatives from Airservices Australia. Do you wish to make an opening statement?

Mr Harfield: No.

Senator WATT: I am really asking for a bit of indulgence from the committee to ask this because there is a developing story in Queensland. Ms Dacey, while you are here, I don't know if you are aware, but one of the main power stations in Queensland has had a very large explosion which has taken out power, I think, across a lot of at least south-east Queensland, if not regional Queensland. It is apparently impacting Brisbane airport in a pretty major way.

Ms Dacey: No.

Senator WATT: Would you mind getting your officers to find out a bit and put on the record what the situation is and what is being done? I actually don't know much about what the impact has been on the airport. It sounds like there might not be any flights. If we could get a bit of information, that would be great.

Ms Dacey: Let me see what I can find out for you.

Senator WATT: Thanks.

Mr Harfield: We're just trying to find out what operational impact is occurring.

Senator WATT: Yes. It would be affecting your team obviously as well.

CHAIR: Senator Watt, are you going to ask questions?

Senator WATT: No. I am leaving it in the capable hands of my colleagues.

Senator SHELDON: I understand that there are plans to relocate up to 65 air traffic controllers from Sydney terminal control unit to the facility at Melbourne airport within the next 24 months. Has a final decision been made about this proposal, Mr Harfield?

Mr Harfield: No. A final decision has not been made.

Senator SHELDON: When is a decision likely to be made?

Mr Harfield: I will call it the full decision. It will be probably in the next couple of months. We're in consultation at this moment in time, particularly with staff. We're taking that consultation, and that consultation will have to be considered before making a final decision.

Senator SHELDON: Do you have any indication of how many of those 65 air traffic controllers are willing to uproot their lives and families to relocate to Melbourne?

Mr Harfield: At this moment in time, what we have offered is that if anyone wants to stay in Sydney, they can stay in Sydney. We would factor in training extra people down in Melbourne if we made the decision. So we are not totally reliant on people moving. At this stage, the indications, if my memory serves me correctly, would be that between five and 10 would be willing to move. A range would be happy to go on a temporary basis down to Melbourne to train others.

Senator SHELDON: With the five to 10, that leaves 40 per cent of the workforce still staying in Sydney. What is the intention of that workforce? The basis is that people are carrying out their normal employment responsibilities in that area as air traffic controllers. Do those who decide to stay in Sydney have a hard mark where the Sydney jobs won't exist?

Mr Harfield: No. In fact, one of the reasons we are considering this transfer of services in the airspace in the Sydney basin to Melbourne is that we will need to increase our staffing footprint in Sydney for the Sydney basin with the International Western Sydney Airport. We're going to have to put in a new air traffic control tower at Western Sydney Airport. There is the air traffic control tower at Sydney Airport; that still remains. There is movement there with staff all the time as well. Furthermore, there are other roles that we have in Sydney that people may choose to do as well. If someone wants to stay in Sydney as an air traffic controller, they will be employed as an air traffic controller doing air traffic control in Sydney.

Senator SHELDON: Just so I am clear—not that you haven't been clear—if there are 55 to 60 people, and we work on the basis that five to 10 said they would transfer, their jobs as air traffic controllers at Sydney airport would be secure?

Mr Harfield: Yes. I will put a clarification. A number of those controllers have put up their hand for redundancy due to their age and where they are in their cycle, which they would be eligible for as well. If people want to stay as a controller working in Sydney, they will be able to do so.

Senator SHELDON: How many redundancies have been offered across the group?

Mr Harfield: At this stage, because we're in consultation, these are people who put up their hand and said they would consider it. My understanding is that—I will correct this if I have the number wrong—it is in the order of about 20.

Senator SHELDON: Is there a concern about losing all that skill?

Mr Harfield: These are controllers who will be getting close to retirement anyway. We would be having to factor in refreshing that workforce with trainees anyway over a period of time. It is always something that we would consider, but it is not a significant risk because the staff we have all have to be trained to a certain level of competency. It is a requirement. After a couple of years, they will have a commensurate level of experience.

Senator SHELDON: An article from the ABC News website from 26 April described the proposal as a cost cutting measure. The *Sydney Morning Herald* on the same day reported it as a controversial plan partly aimed at cutting costs. Is the relocation a cost cutting exercise?

Mr Harfield: No. There is some cost avoidance that will occur with the replacement of the current facility that the controllers are housed in at Sydney airport. It is a building that I think is 50 plus years old that is coming to the end of its useful life. We have to build a new facility. In putting in the new air traffic control system, we would avoid that cost. As we have to put in infrastructure into Western Sydney Airport—a new air traffic control tower as well as a new fire station—that balances out that we'll avoid putting that extra cost in. However, it is not a cost cutting exercise to transfer.

One of the main reasons for transferring—it is one of the things we learned through COVID in putting in our controllers and service delivery—is that we have a greater staffing base. At our Melbourne centre, we have 450 air traffic controllers controlling the southern half of Australia and even into the Indian Ocean and Southern

Ocean. To keep the resilience of that service provision, having more controllers around and making sure is better than having a smaller staffing base, particularly where, if we have COVID or some infection, we have to shut down that service. So we are looking at it from a service resilience point of view first and foremost. We are making sure our Brisbane centre and our Melbourne centre can provide and give resilience to our services. On top of that, we get the added benefit of avoiding probably around \$50 million worth of costs that the industry has to afford by putting in the infrastructure into Sydney, particularly the Western Sydney Airport.

Senator SHELDON: Is this the first time Airservices Australia has considered relocating these jobs?

Mr Harfield: This is not the first time we have considered relocating the services we provide in the airspace around Sydney to Melbourne. It was considered in 2003. It was considered briefly in about 2015.

Senator SHELDON: On those occasions, ultimately why was the decision made not to relocate?

Mr Harfield: In the first instance, in 2003, that was also timed with consolidating the services in Cairns as well as Adelaide. It was put off and deferred until 2008. In 2008, due to circumstances, it was decided not to proceed at that stage. In 2015 or thereabouts when it was considered, the decision was made to go ahead with Cairns and Adelaide but leave Sydney in situ at that time.

Senator SHELDON: I will move to safety considerations. What are the safety considerations in the reasons for the move? What contingency plans have you got? You mentioned, of course, a potential pandemic, such as COVID, as part of the explanation. Is there anything else you want to add to that?

Mr Harfield: For all of our services, we have contingency plans in place in the advent of equipment failure, industrial action and a range of different things to ensure that we can provide the level of service. When that does occur, if we enter into our contingency plans, we slow the system down to ensure that safety is never compromised. You may have been involved in Sydney when it gets delays because we don't have enough staff or we've had an equipment failure. Everything slows down for the day while we maintain the safety levels. In relocating the Sydney services to Melbourne, we would have to consider the safety of the move in doing the change management. There is no change to the service level that we are providing. We make it more resilient because we have more staff and redundancy with the system. There is no impact to safety at all. The mode of operation we are going to with Sydney is no different to what we did here in Canberra. When you take off here in Canberra or are about to land in Canberra, you are being controlled from Melbourne. That has been done since the late 1990s. It is the same with Coolangatta out of Brisbane, Cairns out of Brisbane and Adelaide out of Melbourne. This is not just an Australian thing. This is also something that is done worldwide. If you are flying in and out of London or the London terminal areas—Gatwick, Stansted, Luton or Heathrow—you're being controlled from Southampton in the south of England. It's not new. This is standard air traffic control practice.

Senator SHELDON: Can you provide on notice whatever internal memo or document Airservices Australia would have drafted which would have provided a rationale on the previous occasions when this relocation was considered but ultimately rejected?

Mr Harfield: Yes. We can.

Senator SHELDON: Thank you. When evaluating this decision, how does Airservices Australia quantify the value of safety against the value of cutting costs? Have they been considered in your decision?

Mr Harfield: First of all, this is not a cost cutting exercise so it is not a consideration. First and foremost, the safety of air navigation is the most important consideration. This decision to do this, when we make it, will be ensuring that there is no impact to safety at all.

Senator SHELDON: Correct me if I am wrong. There is a zero net reduction in the capability of our air traffic control systems. I just want to be clear. If the 65 ultimately decide to remain in Sydney, they do have secure jobs?

Mr Harfield: Yes.

Senator SHELDON: I want to turn to another matter regarding the recruitment of a fire station manager. As you are aware, Airservices Australia has recently advertised 12 AA LOM positions—fire station managers—without having to comply with aviation regulations and MOS. Is that correct?

Mr Harfield: I would have to take that on notice. I am unaware of that.

Senator SHELDON: Thank you for taking it on notice. Why would Airservices Australia allow or want the most senior officers on a fire station to be unqualified?

Mr Harfield: We wouldn't. I think it is related to your first question. I need to make sure of this. Anyone we recruit for a fire station manager would have to meet the requirements for that role. If there are regulatory

requirements, they would do so. We would ensure that. I'd have to educate myself on what those regulatory requirements are, so I wonder if I can take that on notice.

Senator SHELDON: You can take it on notice if there is no-one here to assist us now.

Mr Harfield: No. There is no-one here to assist now.

Senator SHELDON: When Airservices Australia asked for an exemption, CFO Glenn Wood from the fire stations made it clear to the committee that it would allow for a better COC arrangement. Is that correct? I understand that when Airservices Australia were asked for an exemption, CFO Glenn Wood made it clear to this Senate committee that it would allow for a better COC arrangement.

Mr Harfield: Do you mind if I take that on notice? I can speculate on a couple of those things. However, I want to confirm what that exemption is about and what exemption we're talking about. I am speculating that it is to do with the qualifications of a fire station manager. I'm just not quite sure. There are a number of acronyms. The acronym of COC could mean a number of things.

Senator SHELDON: I might give you some more questions on notice. I will ask you a couple more questions.

Mr Harfield: I just don't want to speculate.

Senator SHELDON: That's fine. Has CASA been made fully aware regarding these 12 AA LOM positions, or is that again something you need to take on notice?

Mr Harfield: I assume that we would be talking to CASA, but I'll take it on notice to confirm what we have done.

Senator SHELDON: I'll move to another subject. There are some other questions I'll have on notice. I will relay them to you. In May 2020, there was a release of the review of culture at Airservices Australia, as you are aware. We've talked about that on previous occasions here. We are aware that you've done some follow-up surveys of the Broderick review. What can you tell us about these results?

Mr Harfield: We introduced late last year what we call a culture pulse check, where we can check our culture and ask a set of questions on a regular basis. We were starting to do that on a monthly basis. What they were telling us is that we were making very incremental progress in the time. However, there's further work to do. A number of things that came out of those is that it is very much still in line with the results of the Broderick review. There is still a fair bit of work to do. The organisation is not as inclusive as we would like it to be. The fact is that local teams are quite supportive of each other. However, their mistrust of the rest of the organisation is there. There is criticism about the leadership of the organisation. It is not too much materially different to what came out of the Broderick review. We have actioned the recommendations out of the Broderick review. It has been nearly 12 months since the Broderick review was released. We are now conducting what we call a post implementation review of those actions, including that culture pulse check, to ensure that we're getting the right information out of them and we're making the right progress with it rather than just banging around on some actions. One thing we did find out with the culture pulse check is that doing it monthly means we're getting fatigue with people. We're only getting about 30 per cent of the population, about 1,300 employees, regularly contributing when we have 3,600. How do we get the penetration? We are bringing in a person to do that. Are we asking the right questions? How do we do this on a regular basis to ensure that we get the outcome we are trying to get out of the culture review, not just put a tick in the box and say we've completed the actions?

Senator SHELDON: Mr Harfield, that sounds very logical. You should be congratulated on continuing to look at improved practice. Are we able to get a copy of the report and a copy of the survey results?

Mr Harfield: You mean the Broderick report?

Senator SHELDON: We've got the Broderick review. Is there a report attached to the survey results?

Mr Harfield: We publish the survey results to staff as well as the leaders. We can provide a copy of that.

Senator SHELDON: Have you got a copy of a report that assesses that? Is it all the same thing?

Mr Harfield: We started, I think, in January, if I remember correctly. We did January and then we did February and March. We can show you January, February and March. You can see that the shift is incremental at best. That is one of the things we're assessing—whether you need to leave a bit more time, such as doing it once a quarter, for example. One of the questions we ask is: do you believe you'll see material change as a result of this survey? Material change is a big change. If you are not seeing it, you're not always going to get it. Are we targeting it right? We can show that over those reports.

Senator SHELDON: Thank you, Mr Harfield. Can we have a report back on how long it's taking to conduct investigations regarding the safe place? We talked about this on previous occasions. Where are we up to now? Have some of them dragged on as long as 14 months?

Mr Harfield: I'll take that on notice to give you the exact figures. There have been a couple that have dragged on.

Senator SHELDON: Give us an update on that. What are the consequences of the drag? Can you give me a broad insight into why some of those ones are going for 14 months or longer?

Mr Harfield: Some of the time, the individuals that need to be interviewed are on sick leave and cannot necessarily be accessed for a variety of different reasons. That is usually one of the reasons why they do sometimes drag on. Information is not necessarily provided. Sometimes other things can get opened up in the investigation that also need to be looked at. It is not always the most efficient, but there are sometimes some factors that do warrant it. However, it is not a preference because the longer they go on, the longer the uncertainty is there.

Senator SHELDON: Mr Harfield, in the various inquiries regarding the culture within the service, there was some critical commentary about a various levels of staff and management roles. Are any of those people in management who are negatively dealing with culture still in their role? Is there an ongoing program of testing management's attitude to culture change as well?

Mr Harfield: Absolutely. One of the things that was introduced as a result of the Broderick review is about leadership. We have introduced a leadership standard, which is based around ensuring that our leaders are much more humanistic. It is really around basic standards that your leader knows you and values you et cetera. That standard is used as the base assessment for selecting our leaders and managing their performance. I have made it quite clear within the organisation that managing and leading staff from a culture aspect is first and foremost for all leaders. If they don't feel that they have a role in leading the right culture in the organisation, this is not the organisation for them.

Senator SHELDON: I think one of my colleagues wanted to ask questions now. You can break in. I have more questions.

Senator McCARTHY: I might ask a couple of questions on PFAS. I know that Airservices Australia put out a press release in 2018 about the research being done by the University of Queensland and the work Airservices Australia was doing with them. You provided a significant amount of money towards the study. Could someone give me an update as to how that is going?

Mr Harfield: If my memory serves me correctly, I think either the interim report has been delivered or the final report, which I can provide on notice.

Senator McCARTHY: Which final report is that? I had a briefing with the University of Queensland. They are still in the process of their studies. Are you—

Mr Harfield: This is where it may be wrong. There may have been some interim findings of the longitudinal health study that we had.

Senator McCARTHY: That is the ANU one? Are you talking about the ANU one?

Mr Harfield: I will have to take it on notice.

Senator McCARTHY: There was one significant study, and that was the ANU PFAS epidemiological study, which is probably what you are referring to.

Mr Harfield: Yes. We were doing the longitudinal testing of the firefighters with their blood sampling, if that is the one that you are talking about.

Senator McCARTHY: That's right.

Mr Harfield: I thought it was with the University of Queensland. Before I continue talking about something that may not be on the correct theme, I will take on notice to provide you what information we have about that.

Senator McCARTHY: Sure. Are you able to provide information as to how many firefighters have taken up the study?

Mr Harfield: Yes, we can. How many were done previously that did it the second time as well?

Senator McCARTHY: That's right. Have you got that information with you?

Mr Harfield: Not with me. I can provide that on notice.

Senator McCARTHY: What is the situation at Yulara, Alice Springs and Darwin airports? I know that PFAS, the foam, had ceased being used in 2010, according to previous evidence you have provided. I would like an update on what is actually happening in those respective airports.

Mr Harfield: We're about to conduct a review at Yulara airport. In Alice Springs, I have to take it on notice. I tried to refresh myself with it prior to coming here, but it has left my memory right at this moment in time. With Darwin, there is a review being done by Defence because it is a Defence estate in Darwin.

Senator McCARTHY: That's right.

Mr Harfield: We no longer use the PFAS related foam. That was transitioned out about a year or so ago, if my memory serves me correctly.

Senator McCARTHY: What about the communications deal with the firefighters that Airservices Australia employs? What occurs now in terms of awareness around PFAS or any ongoing impacts?

Mr Harfield: We have an ongoing program and awareness. I will provide the details on notice of what we do.

Senator McCARTHY: Thank you.

Senator SHELDON: I will move to surveillance flight information services, SFIS, you are introducing at Ballina and Mangalore. Does the SFIS adhere to a standard ICAO practice, or are you creating a brand new standard while also trying to implement the ICAO practice?

Mr Harfield: The surveillance flight information service is a service that we provide today in that type of airspace. You will hear it being called outside controlled airspace or class G airspace. The obligation that air traffic services provide is for what are called instrument flight rules for aircraft, which are similar to airlines' regular public transport type flights. We provide traffic information on them to each other. That is a standard ICAO service that is provided, which is mandated as part of the airspace services. What we are doing with the surveillance flight information service is utilising the surveillance coverage we have—either radar coverage or ADS-B, where the controller can see them on their screen—to enhance that service, which is done pretty much today. We're focusing closer to these airports.

There is another added difference that we are providing. Currently, as an aircraft in that type of airspace gets closer to the aerodrome, they switch to what is called a common traffic advisory frequency. Today the air traffic controller or air traffic service provider does not monitor. When aircraft say that they switch to the CTAF frequency, we don't know what communications they are having with any other flight, even though we've given them traffic information. We don't know whether they are sorting themselves out, which they are supposed to do in that airspace. This surveillance flight information service is allowing a controller to be much more dedicated rather than have a large track of airspace around that aerodrome. They are providing the same level of service that they would in a broader way in a much more focused way. So it is the same sort of service class that is there now. The difference is that we will also now monitor that common traffic advisory frequency to ensure the protection.

We have focused on Mangalore and Ballina. It was mentioned earlier today with the ATSB that there was a mid-air collision between two instrument flight rules aircraft at Mangalore earlier last year. This is a quick way of making sure that we can put added protection in those areas. Ballina has increased traffic by 50 per cent to what it was pre-COVID. In December last year, it was Australia's busiest airport. There is no air traffic control today. This is a way for us to make sure that we can manage the safety of those areas utilising the service levels that are there and the technology we have and is compliant and consistent with ICAO standards.

Senator SHELDON: Is it a coincidence that Ballina and Mangalore are the test sites for this system when both saw recent incidents, one a mid-air collision and another a very near miss?

Mr Harfield: There we saw the risk profile and we wanted to make sure that we can manage the risks at those airports more fully. Normally, the upgrading of the service or the service enhancement would be putting in an air traffic control tower, which would take a couple of years to do. It would change the class of the airspace and a whole range of things. This is what we can do relatively quickly to manage the risk at those airports associated with it. As I said, there was the mid-air collision at Mangalore in February last year. As previously mentioned, Ballina is 50 per cent busier than it was pre-COVID. A number of incidents have occurred, particularly over the last six months, where there have been close calls between Jetstar aircraft and hang gliders and things like that. This is a way for us to enhance the safety of those aerodromes.

Senator SHELDON: Given the ATSB's investigations into these incidents at Mangalore and Ballina are not yet finalised, why are the changes being implemented now if they are not quite the changes that are necessary? What are the circumstances if the ATSB's recommendations suggest a different path?

Mr Harfield: If they suggest a different path, we will take that path. We see an immediate risk at those airports to maintain safety so we're doing everything that we possibly can in the timeframe that we can. If there are further things that come out with the investigation that we're not quite aware of, we'll take those actions as well. I didn't want to be in a position to sit back and wait for an investigation that may take 12 to 18 months when we are seeing and managing that risk on a day-to-day basis today.

Senator SHELDON: I want to move to another question. The UFUA, the firefighters union, recently travelled to Port Hedland, Karratha and Newman stations to visit members at those locations. They inform me that they found that at the three stations supported by Airservices Australia they've been breaching and ignoring the call-out contingency rules, which forms part of their approved operations manual. Are you aware of those concerns?

Mr Harfield: No, I'm not. I will take that on notice to review.

Senator SHELDON: Thank you. Take it on notice. Are you aware that these stations range between 2.5 to 5.5 hours driving time between them?

Mr Harfield: I understand that there is that driving time between them, yes.

Senator SHELDON: It was suggested that, rather than allocating a callout officer capable of arriving and having any kind of timely impact, these three stations with Airservices Australia blessing are nominating their own AA LOMs, or fire commanders, at the other stations as the COC officer. Are you aware of this?

Mr Harfield: I'm not aware of it, but I will look into it.

Senator SHELDON: The assertion is that this means they cannot meet any sort of reasonable response time and they can also strip required resources to provide a COC at another station. UFUA members are not happy with this. I'm expressing their concerns. It puts the OIC at those stations in a seriously compromised position, in their view, knowing that there is no COC available for at least 2.5 to 5.5 hours in the event of a crash. It also places the COC officer at risk responding possibly in the evening or night-time on country roads with livestock. Other animals place them at risk along with their own fatigue issues of working their own shift and then responding for 5.5 hours for a COC. Can you make any observations? By all means, take it on notice, because there is some detail there of what is being proposed.

Mr Harfield: They are quite valid concerns from a work health and safety perspective. Everything we've been trying to do is to actually minimise people traveling long distances on roads for a variety of different reasons. I'll take that on notice and review that.

Senator PATRICK: It has been too long since I saw you last. I want to go to OneSKY and the status of that project. From memory, the budget for that was about \$1.2 billion. Has that changed at all? I'm going back a few years.

Mr Harfield: No, it hasn't. That is the contract price with Thales for what I am going to define as CMATS, the civil military air traffic management system. It is the kit.

Senator PATRICK: I seem to recall it was something like \$500 million or \$600 million for your side.

Mr Harfield: If I remember correctly, it's like a 55 to 45 ratio.

Senator PATRICK: Between Defence and yourself. Back in February 2018, I asked some questions around project milestones. You provided me with them. I will duck to things that are closer. The critical design review was supposed to be completed in Q2 of 2020. Did that occur at that time?

Mr Harfield: In Q4 in 2020. There was about a six-month slippage in that, partly due to COVID and getting a few pieces in the dynamics that we had with the work out of Melbourne et cetera. We had to make sure that previous work that had been done had been rounded out. We could then make sure we came out with a CDR as clean as we possibly could, considering that it was one of the biggest milestones.

Senator PATRICK: You have an extra six months. Normally, as a former project manager, that means you have six months of salaries that tack on to the end because you can't close the project down. Is that additional cost going to be borne by contingency within the project?

Mr Harfield: Potentially. The contract that we have is a target cost incentive model, which has pain share and gain share. There are specific milestone payments or sections of the contract that you've got to meet before you can go to the next piece. It is not like a running cost all the way through. At this stage, obviously we are keeping an eye on it and we start entering into pain share the more that that goes on. There are other opportunities that are being picked up.

Senator PATRICK: Perhaps on notice come back and look at whether or not that is going to have an impact on the cost of the project.

Mr Harfield: Yes.

Senator PATRICK: The next milestone due was the Perth terminal control unit refurbished and ready for installation phase Q2 of 2021.

Mr Harfield: That will be later. We put that on hold during COVID. One of the things we were looking at during that COVID period—we put it on hold—was the potential for us to consolidate our Perth centre into Pearce to try to minimise costs, because we weren't quite sure what the flow-on effect with COVID would be. We explored that. That was on hold due to COVID. That is now underway, but it is not on the critical path to be delivered in time for install.

Senator PATRICK: Do you have a timeframe for that?

Mr Harfield: I will have to take that on notice.

Senator PATRICK: Could you go back to question No. 43 of additional estimates from 2017-18. It is departmental question No. SQ-18000064. This table has your baseline and each of the milestones. What date did you hit them? The PDR, or preliminary design review, was supposed to be completed in Q4 of 2019. Do you recall what date that was?

Mr Harfield: Q4 of 2019 was December 2019.

Senator PATRICK: So that met schedule. So the slippage has cut across predominantly the COVID period?

Mr Harfield: That's correct.

Senator PATRICK: Do you have a change in expected final acceptance date?

Mr Harfield: At this moment in time, we're looking at a range between six to 12 months across the life of the project.

Senator PATRICK: So you are saying maybe 2026 instead of 2025?

Mr Harfield: Yes. That's correct.

Senator PATRICK: What are the mitigation strategies? I presume it means you have to keep the current system running longer and you don't enjoy the benefit of the shared military-civil aspects of it. Is that right?

Mr Harfield: It is not as black and white as that. The rollout of OneSKY and CMATS is done in three tranches. There will be the first release zero, or RZ, as we call it. That first stage allows the military to come off their current ADATS equipment and establishes the system architecture and the flight data processing. For that RZ milestone, at this moment in time, the install work is being carried out at East Sale. This is one of the first sites to occur. Then there will be release one, which is when the civil system, or the civil sector's air traffic positions, will come online.

Senator PATRICK: So Melbourne, Brisbane and Perth?

Mr Harfield: Yes. That will take us a couple of years. Obviously we can't shut up shop on a Friday night and turn on a big bang on Monday. We have to keep the two systems running and move across. Release 2 will bring in further enhancements to the software. We will start getting the benefits and some of the harmonisation benefits as well as some of the benefits to industry through that period from RZ all the way through to R2. We don't have to wait until final acceptance to get all the benefits.

Senator PATRICK: There was a matter of some conjecture that you would end up with a different hardware baseline between the military and the civil systems. Is that where it has gone to?

Mr Harfield: No. We will have exactly the same. That is where the release is. The hardware baseline stays the same all the way through even when there will be a hardware refresh. It is exactly the same across the board. We have these releases, which are the software upgrades as we go along.

Senator PATRICK: Sure. You will remember the awful days of this committee looking into the early stages of this project with some very, very heavily paid consultants. The issue went to consultants. I think we looked at consultants that were receiving a daily rate of more than \$2½ thousand. I can't remember the organisation and the project management organisations where there was some concern. I think the auditor looked at it as well. Are you paying any of your consultants more than that \$2½ thousand per day rate?

Mr Harfield: Not to my knowledge, but I will take it on notice to confirm that.

Senator PATRICK: Can you give me also an update on the spend on the project to date? Do you look at that from a military perspective, a Defence perspective, and a civil perspective? I don't know how to ask the question. Do I ask Defence what their costs are on their side? How does it work?

Mr Harfield: From our perspective, when you talk to Defence, are they talking about Air 5431 Phase 3, which is their portion of the CMATS project. They are introducing CMATS into them, so it is not OneSKY as a whole. The way that we have set up the contract with Thales doing OneSKY is that we have the contract with Thales in that 55 to 45 split. We on-supply to Defence. So we have the prime contract with Thales and then we on-supply to Defence. Defence costs are around their portion. Obviously there are install costs et cetera with all the different interfaces that are required for their facilities and integration. The costs that we will talk about relate to our facilities and our portion of the contract et cetera to get it in. The agreement with Defence is that we have given Defence a fixed price for things. So we are carrying the risks with the contract with Thales. To get into Defence costs, you'll have to talk to Defence, because we don't necessarily have visibility for Defence.

Senator PATRICK: Are you using earned value management as a method for tracking the projects? I'm getting a nod from the CFO.

Mr Harfield: Yes.

Senator PATRICK: I accept you might want to redact some elements of this. Can you provide the latest earned value management report associated with the project to the committee?

Mr Harfield: Sure.

Senator PATRICK: Noting that you are behind schedule, is the spend lagging as well?

Mr Logan: Yes. The earned value is close to the expected earned value. We've spent a long time, obviously, with Thales and Defence looking at how we deal with the consequence of COVID. In a really rough sense, we're between 45 and 50 per cent of the spend at the moment, to give you a sense of how far in we are. There's still a fair amount of flexibility in terms of how we manage that over the next few years as well.

Senator PATRICK: I look forward to seeing the EVM report. There might be some commercial bits in there that you need to redact. Thank you very much.

Senator RENNICK: I have some questions about Airservices Australia aircraft noise complaints handling processes. You are welcome to take this on notice if you need to. How many staff in the Noise Complaints and Information Service team are responsible for managing complaints and inquiries about aircraft noise and operations? Where are those staff actually located?

Mr Curran: The noise and complaints handling unit is based in Sydney. The team that handles the engagement more broadly is located also in Brisbane, Canberra and Melbourne. We have the team broadly spread out. About six to eight roles are dedicated to the function in Sydney today.

Senator RENNICK: Thank you. How many complaints and inquiries in total does the NCIS team handle each year? Can you please provide a breakdown on the number and proportion of those complaints received online, by phone or by post?

Mr Harfield: We will take that on notice.

Senator RENNICK: You are welcome to. How many of these complaints and inquiries relate to aircraft noise at Brisbane airport? Again, can you please provide a breakdown of the number and proportion of those complaints received online, by phone and by post?

Mr Curran: We'll certainly take them on notice to give you the breakdown. I can give you a feel for that now, if that is helpful.

Senator RENNICK: No worries. Has the number and level of community complaints about aircraft noise increased significantly since the second runway became operational at Brisbane airport in the middle of last year? If so, could you please provide details of the suburbs affected, as indicated by the location of residents who have lodged complaints since the second runway became operational? Do you want to take that on notice?

Mr Harfield: We can say yes to the first part of that question. We'll provide the suburbs.

Senator RENNICK: Great. Does every complaint received by Airservices Australia receive an individual response? Do you count the total number of complaints received or just the number of complaints and who lodged them? What is the process you follow when multiple complaints are received from the same person? Do you have a protocol in place where someone who lodges more than one complaint in a month only receives one response per month?

Mr Harfield: We'll provide you with the protocols on that. There is a range of things. For example, if it is a complainant complaining about exactly the same thing multiple times, we treat that as one complaint. However, if that one complainant complains about two different events, they will be treated as that. We will provide that protocol.

Senator RENNICK: No worries. I will put these on notice for you as well. Thank you.

Ms Dacey: Chair, in relation to the question Senator Watt asked. Brisbane airport is back online running on mains with no delays. The only impact was to the international terminal.

CHAIR: I think it is extraordinary that you can have half a million people go out and get people back online so quickly. My daughter reports that she was back online after 30 minutes. I think it is an extraordinary shout-out to the professionalism of Energex people right across the state that they manage that. That is terrific. I know we have some more questions for you. We have run out of senators. This is quite unlike me. We're going to go to an early break and come back to you. We will meet in 15 minutes at 4.20 pm.

Proceedings suspended from 16:06 to 16:22

CHAIR: Welcome back to everybody. We're ready to go again.

Senator STERLE: Mr Harfield, this won't take long. Have you received any complaints, either written or verbal, about your chief of people and culture officer, Ms Lucinda Gemmell, since September last year?

Mr Harfield: Yes, I have.

Senator STERLE: How many?

Mr Harfield: Four different complaints.

Senator STERLE: Either written or verbal.

Mr Harfield: Four in total. They have all been independently investigated.

Senator STERLE: Are they all completed?

Mr Harfield: There is one that is still underway to be completed. The other three have been completed.

Senator STERLE: Can you tell us what the outcome has been of the investigation?

Mr Harfield: It is not substantiated.

Senator STERLE: How many were investigated by the investigative branch that until recently reported to Ms Gemmell?

Mr Harfield: None.

Senator STERLE: Could you tell us how many investigations about Ms Gemmell sent to Safe Place were dismissed?

Mr Harfield: None of them were sent to Safe Place.

Senator STERLE: Have all complaints and allegations been fully disclosed to the Airservices Australia board?

Mr Harfield: Yes.

Senator STERLE: That is fine. Thank you very much.

Senator RICE: I want to go to issues with Brisbane airspace design and the use of dependent separation approaches in Brisbane's airspace design. What can Airservices Australia say about whether the use of dependent separation approaches is compliant with ICAO standards?

Mr Harfield: I will ask Mr Curran to answer those questions if he can.

Mr Curran: If I may, I would like to take that on notice with regard to the ICAO compliance.

Senator RICE: Have you done any review of whether it is compliant with the ICAO standards?

Mr Curran: As a part of the process to implement the Brisbane new parallel runway, there was both a design and an implementation safety analysis undertaken. It was to assess the safety of the design and whether it could be implemented safely. It was committed to the Civil Aviation Safety Authority for endorsement. Whether that actually directly linked to ICAO I would have to take on notice.

Senator RICE: Who did that assessment?

Mr Curran: Airservices Australia technical experts.

Senator RICE: An internal assessment?

Mr Curran: Yes. That's correct.

Senator RICE: In terms of that internal assessment, that was using your in-house integrity and standards specialists?

Mr Curran: It would have been a mixture of experts from Airservices Australia operational air traffic control personnel as well as our in-house safety and risk assurance area.

Senator RICE: It has been put to me that the design principles for the independent parallel runway and the dependent runway approach are flawed and non-compliant with ICAO safety standards. Has that been raised with you previously?

Mr Curran: I'm not aware of such an issue being raised.

Senator RICE: An issue that has also been put to me is that as a result of the design, there is a concentration of noise over certain suburbs because the independent approaches have been suspended in Brisbane. Could you talk us through what has changed for those of us who aren't experts in runway approaches? What is the difference between an independent approach and dependent approaches?

Mr Curran: Yes. I will talk you through that and perhaps be able to provide some indication around the changes post COVID. The operation of dependent approaches to an airport like Brisbane essentially means that there is a reliance on aircraft that are arriving to the other parallel runway. In a sense, it's as if both runways are treated as if there is a single runway there. That is a mode of operation. Independent approaches are where runways are sufficiently spaced, which is the case in Brisbane. They are wide enough. There is enough distance between two of them that, under the right circumstances, we can operate as though they are just two completely independent runways.

Senator RICE: What is the current situation, then?

Mr Curran: The situation is that we would typically operate in that independent mode when there is a demand level such that we need to be able to operate the runways independently of each other. During the COVID period, traffic has been substantially reduced, as I'm sure you're aware. As a consequence of that, we operated the runways in a dependent mode.

Senator RICE: What has operating them in dependent mode meant for the concentration of flights over particular suburbs?

Mr Curran: A number of modes are permitted to be used at the airport. I think it means that we are operating in a particular mode. We have been operating in that mode not simply because of an Airservices Australia choice. We have been operating in that mode because of a response to air traffic changes. As a result of COVID and border closures, there has been quite a healthy air transport market within Queensland. Rather than it being the normal number of flights to southern ports such as Sydney or Melbourne, there have been operations tending to the north inside Queensland airspace. The way that we serve those flights has been in accordance with the modes appropriate for that configuration of traffic.

Senator RICE: I'm confused. You're saying that you have been operating in a dependent way because the traffic has been reduced due to COVID. Your answer just then actually implied that that has not been the case—that you have had more flights going north.

Mr Curran: The mixture of operations has been significantly different to what we would have experienced without a COVID situation. There has been at certain times very few flights operating from the southern runway, which would head south. There has been a greater use of the new runway, the northern runway, for flights heading north. That has been a different mix of destination than would normally be the case for an airfield like Brisbane.

Senator RICE: If things go back to normal—not that we know what the new normal is going to be—and flights going south presumably increase over time, you're saying that, if you then need to shift back to an independent approach, you'll be able to do that, there's nothing stopping you from doing that?

Mr Curran: That's correct.

Senator RICE: In response to a question on notice you said that over the 14 months to the end of February 2021 Airservices Australia engaged 26 consultants for operational and administrative consultancies at a cost of \$13.089 million. So you engage external consultants quite significantly, given that?

Mr Harfield: Yes.

Senator RICE: In response to another question you said that Airservices did not engage another air navigation service provider to review the closed STAR option at Brisbane Airport and that no consultants were used by Airservices Australia in the flight path design work for the parallel runway airspace. Can you tell me why you did those two design changes without independent review from external experts?

Mr Curran: I'll have to take that one on notice. I think the plain answer is that we have the competency and capability in-house and we're able to undertake the work ourselves.

Senator RICE: But it has been common practice by Airservices to engage external consultants, so you basically felt that you didn't need to engage external consultants?

Mr Harfield: Not for this particular event because this is one of our stock-standard core competencies. An example of the engagement of operational and administrative consultancies across the board is the Broderick review, which is one of the consultancy we would use. There are administrative consultancies or operational consultancies if we're bringing in testing for PFAS at locations, for example. They are the sorts of things we use the consultancies for. A core competency, such as airspace design and air route design, which we are doing constantly, we wouldn't necessarily bring in a consultant for.

Senator RICE: In answer to another question you said that Airservices did not engage the UK NATS to review airspace design models at Brisbane. However, the Brisbane Airport Corporation did and Airservices Australia designs the flight paths and develops procedures and modes of operation. Are you confident with what the private operator of the airport did in terms of conducting that review into Airservices Australia's airspace design for Brisbane?

Mr Harfield: Yes.

Senator RICE: There's no conflict of interest there?

Mr Harfield: It's not uncommon for the airport to engage someone to look at how the airport should be run more efficiently. At Perth, for example, when we had significant delays back in around 2007 with the mining boom, UK NATS were brought in to check runway occupancy times to improve the operation of the airport, so it's not uncommon.

Senator RICE: I presume you were provided with the outcome of that UK NATS review?

Mr Curran: I'll take that one on notice; I'm quite not sure. In the normal course of events, yes, there would be a healthy exchange in a potentially robust engagement around the different views.

Senator RICE: Can you also then take on notice what issues or concerns were raised in that review and how they were resolved?

Mr Curran: Yes.

Senator RICE: I now go to the difference between proposed and actual flight path design. The 2006 environmental impact statement originally promised Brisbane residents that flight paths would primarily be over water; that if flight paths over residential areas were necessary they'd be minimised; and that residential areas overflown by departing aircraft should not, to the extent practical, also be overflown by arriving aircraft. But the community are telling me that you've failed on all four accounts—that nearly a third of flights continue to fly over Brisbane residential homes and families between 10 pm and 6 am; that flight paths have been concentrated over not just inhabited areas but, in fact, over some of Australia's most densely populated residential areas; and that the same Brisbane residential areas overflown by departing aircraft on flight path I are also overflown by arriving aircraft on flight paths G, H1 and H2. How do you respond to those concerns from the community?

Mr Curran: The communication and engagement with communities in South-East Queensland around the use of the parallel runway system was that there would be a preferred mode to operate over water where practicable.

Senator RICE: So you're basically saying it's not practicable?

Mr Curran: The two main drivers for our ability to operate the over-the-water mode, which is absolutely the preferred mode, are traffic levels and weather. Those are the two primary drivers. Since the runway was opened, we've been operating over the bay in excess of 50 per cent of the time for departures and in excess of 40 per cent of the time for arrivals.

Senator RICE: Do you agree that that's very different from what the community was promised in the EIS?

Mr Curran: No. That's certainly not my interpretation and that's certainly not what was communicated in the engagement activities in which Airservices participated. The third mode was always made clear—that it would be subject to weather and traffic load.

Senator RICE: It's certainly not what the community understood they were promised during the EIS process. You've got a community that's pretty grumpy. Do you accept that?

Mr Curran: We certainly have seen an elevated number of complaints. As was touched on earlier, we provide a noise and complaints handling unit. We've seen 1,591 complainants since the runway was opened. Since the beginning of this year, that works out to about six to eight individual complainants per day. Some of those complainants are making multiple complaints, but we're looking at—

Senator RICE: It's having multiple impacts on their ability to have peace at home. It impacts on their children. It impacts on sleeping babies.

Mr Curran: We have seen an elevated number of complainants since the runway opened. In a sense, that is not surprising. It is in the order of six to eight complainants per day.

Senator RICE: Following the release of the Australian government's national aviation policy white paper in 2009 there was the launch of the *Significant Impact on the Local or Regional Community Guide*, which now forms part of the Airports Act. You are familiar with that?

Mr Curran: I would have to take that on notice.

Senator RICE: It's a pretty critical thing to be aware of if you are concerned about air noise and impacts on local communities.

Mr Curran: I am aware of it.

Senator RICE: Then why do you need to take it on notice?

Mr Curran: I am aware of it.

Senator RICE: This document is sometimes also referred to as the trigger guide. It says:

Impacts may result from one element of a proposed development rather than the development as a whole. Intermittent and cumulative effects need to be considered and if the proposed development is to be undertaken in stages over a period of time, the impacts of the development once completed need to be considered, even if the potential impacts will not be evident in the first instance.

Do you agree that the changes that the residents have experienced since the airport was opened are so significant as to constitute a trigger for the major development plan and the EIS to be revised and reviewed as per those guidelines?

Mr Curran: I'd want to familiarise myself with the guidelines specifically before I answer that question, so I will have to take it on notice.

Senator RICE: Okay. Is Airservices doing any internal modelling or calculations to estimate the financial and economic losses being incurred by Brisbane residents as a result of the flight path design—decreased productivity, decline in property values, reduced livability?

Mr Curran: Airservices isn't undertaking that kind of study. The only study that I am aware of that relates to impacts from the infrastructure development—that is, the new parallel runway—relates to the sorts of benefits that were foreseen in relation to job creation during the construction phase, or job creation and economic benefit resulting from its operationalisation.

Senator RICE: How were the impacts on the communities now suffering covered off in the EIS? If you're saying that those are benefits, how were those considerable disbenefits, the costs that the community are bearing, covered off?

Mr Curran: I'm simply saying that's the study that I'm aware of in relation to the impacts. The EIS does have a number of sections that deal with some of the impacts that you've pointed to, some of the disbenefits, and it does contain some information around loss of sleep for shiftworkers—these kinds of negative impacts—in the EIS. It was a 2006-07 document, as you're aware.

Senator RICE: Given the level of concern by residents, are you looking at all at potentially reviewing the impacts on residents? I presume, when you're talking about the number of residents' complaints that you're receiving, that they have increased over the period of time since the EIS was undertaken.

Mr Curran: Yes, there has been an increase in complainants. We are looking at about 250 complaints on average per month associated with Brisbane Airport since the new parallel runway opened. As I mentioned previously, that works out at about six to eight complainants per day.

Senator RICE: My final question, then: what are you doing about those complaints?

Mr Curran: We have a post-implementation review which is a part of our standard process. We undertake that, typically, around 12 months after a major change like this. The reason for that time frame is that it allows a period with all the seasonality that we would normally get, to look at the performance. The noise modelling and the forecasting that is done is all done around a 12-month time frame, and so the 12-month period is important for us to allow that amount of time to lapse since the change was implemented.

Senator RICE: When is that going to be undertaken?

Mr Curran: We are intending that from July. I don't have a precise date, but it will be in July that we'll commence that, and there will be community engagement as part of that. Importantly, one of the challenges we have with the Brisbane new parallel runway is that the opening of it occurred during a COVID period, with much reduced traffic. So it's proper that we take—

Senator RICE: So once traffic boosts up you can expect to have many more complaints, you would think?

Mr Curran: That may be the case, but I think it's important, in terms of a proper process, that we will ensure that we look at the traffic levels during the COVID period but also as traffic levels normalise. The reason I mention that is that we will need to conduct the PIR—the post-implementation review—in two phases, so that all those issues can be properly considered.

Senator RICE: So you're starting that review in July, with community engagement, but that review will continue on for some period of time because you need to get traffic levels back to some level of normality.

Mr Curran: That is correct, yes.

Senator RICE: And what changes could occur if the outcomes of that review show that the impact on residents is unacceptable?

Mr Curran: I don't want to presuppose the outcome of it, but certainly there is the potential for some changes to flight path and operations. It is the case, however, that moving a flight path tends to go from one neighbourhood to another neighbourhood, so it becomes a trade-off and a matter for consultation and engagement with communities. I should also flag that, for those communities that are nearer to the airport, the options and solutions around what sort of abatement can be offered them is relatively limited, given that we need to have aircraft lined up some distance from the runway in a straight line, essentially. So for those communities that are directly in the line of the airport the options are relatively limited.

Senator RICE: So they've just got to suck it up. Thank you.

CHAIR: I believe that completes our questions for Airservices this afternoon. Please go with our thanks.

Civil Aviation Safety Authority

[16:44]

CHAIR: Welcome to representatives from the Civil Aviation Safety Authority. I would like to start by acknowledging the appointment of the new CEO and DAS, Ms Spence. Having had interactions with you before at estimates and other places, I look forward to you leading this organisation. Congratulations on the new role.

Ms Spence: Thanks, Chair.

CHAIR: Do you have an opening statement?

Ms Spence: No, thank you.

Senator STERLE: Congratulations.

Senator SHELDON: I'll add my congratulations on your promotion.

Senator STERLE: We're going to be nice to you at first—

CHAIR: That's right.

Ms Spence: I'll bask in it while it happens!

Senator STERLE: until the machine gobbles you up and turns you into something else!

Senator SHELDON: That won't happen. I just want to go to some stakeholder matters which have been raised with me. You might have seen earlier that we've been asking some questions about the relocation of air traffic controllers out of Sydney Airport to Melbourne. One of the concerns that was raised prior to these estimates hearings is that the Melbourne based controllers will not be cognisant of local noise issues like Sydney residents are. Would you expect a public backlash when this leads to more aircraft noise over the Sydney Basin? Is that something that's been taken into account?

Ms Spence: I might ask Mr Crawford what role CASA has in approving those sorts of changes.

Mr Crawford: Essentially, when there are any changes proposed by Airservices, they've required ultimately to make an application to us. As you can appreciate, our primary focus is obviously safety rather than noise. We're interested in knowing, if they're making a change, how they will continue the current operations and transition to the proposed new operations and maintain the necessary level of safety. So we're not specifically focused on the noise aspect.

Senator SHELDON: Sorry to ask you, but could you just briefly step me through, rather than in detail, what are the steps that Airservices will go through to seek approval for the changes in operations for those that may be going to Melbourne or those that may be made redundant?

Mr Crawford: Sure. Essentially, they would have put in an application saying they're changing their current operations solution to a proposed new solution. When they do that, again, our primary focus is how they maintain, as a minimum, the same level of safety. So we're obviously interested in, when they're making the transition to the

new arrangement, what potential risks they see and how they intend to manage and mitigate those risks. Again, I emphasise obviously our focus is on the safety aspect to make sure that that is maintained during the time of change.

Senator SHELDON: I just want to move to a slightly similar sort of issue. OneSKY, which, of course, is a \$1 billion project, was signed off with Sydney having a standalone air traffic centre. How much were Thales charged to amend this contract and reconfigure the system that's already been designed, and will this cause further delays to the already heavily delayed implementation?

Ms Spence: I think that might be better placed to Airservices Australia. We're not involved in the contract with Thales.

Senator Reynolds: Previous, Senator Patrick did ask a number of similar questions, so you might find some of the answers to those are in *Hansard*.

Senator SHELDON: Thank you Minister. That will be helpful. I'll have a look at that before I send any questions over to Airservices. I want to move to another matter. Has the Ayers Rock aerodrome trial of class E airspace commenced?

Mr Crawford: I would have to take that one on notice. Sorry, I don't know off the top of my head.

Senator STERLE: Can I just come in here? You have one job to do. Seriously. For something as simple as that, Mr Crawford, with the greatest of respect, can you get your finger working on your phone and just send a message to downtown or something for crying out loud? It's not a hard thing to find out. Come on!

Mr Crawford: We've done a number of assessments of Ayers Rock in the past. Maybe—

Senator STERLE: Let's dig deep.

Mr Crawford: We have someone trying to get the answer, but, as you know, Ayers Rock is a location that's been subject of much discussion, and we've done a number of trials over time, hence why I took it on notice—because it's a continual piece of discussion and work.

Senator STERLE: I understand. But, with the greatest of respect, Ms Spence is new in the seat. I'm going to say this right now: these are very important questions from Senator Sheldon. We were still receiving answers to questions on notice—I don't blame the agencies or blame the block at the minister's office—as late as yesterday. So, please, someone out there in another room, before you leave today, let's get the answers. Chair, I don't even mind waiting three minutes. I think Senator Sheldon won't mind while we put a phone call in and do something, please.

Mr Crawford: We've got somebody trying to do it right now.

Senator STERLE: Thank you. Sorry, Senator Sheldon.

Senator SHELDON: Obviously we don't know whether a class C airspace has commenced, so we won't know details of the project. Is there anyone here that does? The trial involves, I understand, the introduction of class C airspace down to 3,875 feet above ground level, which equates to 5,500 feet above the mean sea level.

Ms Spence: I think the detail of the arrangements—and Mr Crawford can correct me if I'm wrong—would actually be better placed to Airservices rather than us. We approve a proposal that comes through to us, but, for detail of the arrangements, I think Airservices would probably be in a better place to go into detail.

Ms Dacey: Can I just support Ms Spence: it is an Airservices proposal that was out for consultation. I haven't got the specifics in my head, but they did put a proposal out, got quite a bit of feedback and were going back out again—that's my recollection.

Mr Crawford: I confirm that the Ayers Rock class C assessment has started, but it's been extended because of the COVID situation.

Senator STERLE: May I just ask this—sorry, if you don't mind, Senator Sheldon. I understand you said it's Airservices that put the proposal out, but you guys get the tick off, not Airservices—that's correct, isn't it?

Ms Spence: That's correct. So, if you're going through the detail of it, they'd be better placed to work through the detail of that.

Senator STERLE: Sorry—they've put a proposal up, but you're the agency that's charged; you'll have the final say, yea or nay.

Ms Spence: Yes.

Senator STERLE: So have you had any conversation around that proposal—anything at all? Is it shooting pie in the sky? Has it been done somewhere else in Australia? Is this brand new? Is this just a thought bubble?

Mr Crawford: The process they put in is what we call an ACP, an airspace change proposal. Again, it's a similar process to what we talked about earlier. We're interested in the constitution, the proposed situation and any potential changes in the risk profile and how that's going to be managed. Because Ayers Rock has been the subject of multiple reviews over the last number of years, it's an area where there's some interest by some people in the aviation community, obviously, to do a change. So it's a kind of living example right now. They have in the past put in submissions. They have proposed to do a proposal. As I say, we're working with them on it, but we haven't reached a conclusion yet.

Ms Spence: But there have certainly been conversations between CASA and Airservices on proposals and how they would work. So it's not just a cold presentation or a proposal.

Senator STERLE: Sorry, Senator Sheldon—I've apologised to you twice now.

Senator SHELDON: That's alright. Is it true that CASA has approved a class E at Mackay Airport at night down to 700 feet AGL?

Mr Crawford: I honestly couldn't tell you. I would need to take it on notice. We can get the information. It's just not at hand.

Senator SHELDON: This is frustrating.

Senator STERLE: So we can get that before you leave today?

Ms Spence: We're trying.

Mr Crawford: We'll try. We've got somebody in the back of the room attempting to do that.

Senator STERLE: Thank you. That's good.

Senator SHELDON: Was Airservices Australia the airspace change proponent for the application of the Mackay low-level class E airspace?

Ms Spence: We'll take that on notice.

Senator SHELDON: I appreciate you're now finding whether the class C is there and what's happened with the 700 feet AGL. Would it have been subject to it a cost-benefit analysis?

Mr Crawford: The first thing is that any change in the current airspace to future proposal ultimately comes from Airservices to us. Sorry, I missed the second question—what was that?

Senator SHELDON: Would there have been a cost-benefit analysis that CASA would have been involved in?

Mr Crawford: We wouldn't specifically look at the cost benefit analysis. We look at cost benefit analysis when we introduce a regulation that changes a set of circumstances and the impact that that may have on industry.

Senator SHELDON: Is it possible for us to get a copy of the cost benefit analysis?

Mr Crawford: I think you would have to go to Airservices for that.

Ms Spence: As Mr Crawford was saying, we would be looking at it from a safety perspective, because it's a proposal that someone else has put through to us. It's not our regulations; we'd look at the costs associated with imposing those regulations.

Senator SHELDON: I might move to another subject. A member of the public Mr Glen Buckley has raised in my office an issue in relation to his flying school, Melbourne Flight Training. He said it was fine to mention his name. Mr Buckley was advised he was told by CASA that his business was Australian unauthorised operation and he feels he did not receive a proper explanation as to why this occurred. You can take it on notice unless you have the answers here now. Are you able to clear things up about what that concern is from Mr Buckley?

Ms Spence: There's a long history to CASA's engagement with Mr Buckley, and I'm not sure we could give a simple response.

CHAIR: Just to add to that, we had Mr Buckley provide evidence at one of the general aviation hearings recently. It certainly is a serious matter, and I don't in any way mean to cut you short, but I think perhaps if we refer to the *Hansard* and come back to this one.

Senator SHELDON: Look, I'm happy to do that, because there are further questions I wanted to ask, so, on notice, I'll do that with regard to the email. I will take that course of action, Chair.

Mr Crawford: I may just add that the matter is with the Ombudsman as well.

Senator SHELDON: So it obviously hasn't been resolved?

CHAIR: No.

Senator SHELDON: That's all, Chair.

Senator STERLE: Did you get an answer back to the one we left hanging? We're still waiting?

Mr Crawford: We're still waiting.

Senator STERLE: Tremendous. We're going to finish here, but, if would you mind hanging around, thanks very much.

CHAIR: I've got a couple of questions for you, please. I just want to follow on from some questions I asked at the last estimates. It's just around the harmonisation process. Ms Spence, I don't expect that you'll necessarily have all the facts, but previously Mr Carmody had made a couple of public statements about working on that. Industry tells me it would be one of the most useful things if the organisation could get a more successful approach to being able to get the same answer from different participants in CASA. How are you going with that?

Ms Spence: Significant work has been done in that space. I think Mr Crawford is very well placed to update the committee.

Mr Crawford: Yes. We're obviously on a journey doing a transformation within our organisation. We're moving from a regional focused solution to a national focused solution, which actually lends itself to addressing that consistency issue. We've already trialled that in a couple of areas, so, you'll be aware, we're moving to the new flight crew fatigue rules. We have a central team right now looking at people's submissions for FRMS. We are on that journey, and the early indications are very promising.

CHAIR: Does that mean that regional officers of CASA are still empowered to provide advice and engage with their local aviators?

Mr Crawford: Yes. We're still at a place where local aviators can ask questions, but we've also established a central guidance centre to address the inconsistency issues. It's a bit of a catch 22. We want people to be able to reach into the local office. If they've got some inquiries, they can still do that, recognising that that's one of the reasons we've had inconsistency in the past.

CHAIR: I look forward to hearing more about that. Just back to the new fatigue rules, I understand that they are supposed to commence on the 1 July. How is that date looking with the number of applications or submissions so far?

Mr Crawford: At the moment we've had quite a number of submissions and we've processed them, but we're still working with the aviation community. The rules provide you with a number of options which are kind of prescriptive in an annex structure, and then there's annexe 7, which is an FRMS. Until everybody in industry has indicated what their preference is, it's hard to know exactly what's still to come our way. At the moment things seem to be going reasonably well.

CHAIR: Is it possible to have a breakdown of how many companies are expected to change over versus how many have made their submissions and how many are already approved?

Mr Crawford: I'll take that on notice to try to get some information.

CHAIR: If there is a very low number of submissions, do you think you are going to be right to meet the 1 July start date?

Mr Crawford: At the moment we still think—

CHAIR: You've said, though, that there's quite a number.

Mr Crawford: Yes. I think that date is still achievable, but, as I say, we're still working through it. We've dealt with some of the bigger organisations, obviously, who are using fatigue risk management systems that are more complex. I think what's required is a discussion with some of the smaller operators to decide whether they're going to work within an appendix, which is already set out for them, or whether they're going to do a fatigue risk management solution, and that depends on the complexity. We're engaged with people, but we're also relying on people in industry to come to us with their proposals.

CHAIR: So the prescriptive flight duty period limits in the regulations are based on science and on international best practice. They meet our obligations under the International Civil Aviation Organization, don't they? Okay, they do. Are they broadly the same as the prescriptive requirements that are currently in effect?

Mr Crawford: There are some differences. I think it'd be fair to say that we arranged an independent review of our fatigue rules and that that independent review ultimately took a look at what the best practices were across the globe. We tried to harmonise with the FAA, the Canadians and the EASA. I think the rule set we've put in place isn't too onerous; let me put it that way.

CHAIR: So why is CASA asking operators to adjust these limits and make them more restrictive?

Mr Crawford: It depends on the set of circumstances. There may be some examples where people are operating under a current regime that's actually outside the new regime. We're asking them to comply with the new requirements. But, as I mentioned earlier, the new requirements have essentially been constructed based on what we see being applied across the rest of the world with the more progressive regulators.

CHAIR: What science are you using to make these changes to say that the previously used parameters are not suitable?

Mr Crawford: What we ultimately did was we reached out and got an independent review. Our board actually asked for an independent review to be conducted and we took the advice of that independent review. So that was at the request of industry.

CHAIR: It was at the request of the board.

Mr Crawford: Yes, but the board was responding to a request from industry.

CHAIR: Senator Sterle will be interested in this, because fatigue management, across a number of industries, particularly in the Top End, is something that is not always very reflective of the needs of industry. I hope you're not focusing on people who fly just around the south-east of Queensland or Sydney and Melbourne. But before you answer that—because that was an emotive question for me, I'm sorry.

Senator STERLE: You do digress at times, Chair.

CHAIR: I do, don't I. It's unfortunate!

Senator STERLE: You get overzealous and carried away!

CHAIR: I just want to know that there is science and research that talks about the limits that were suitable for flight duty periods—particularly in the Far North during the wet season, during mustering seasons, during high activity seasons—and that you've got research that shows that what they've been working on currently is not appropriate.

Mr Crawford: If people want to work outside the prescriptive limits in the different appendices, the solution is an FRMS. That's what an FRMS is; it's an alternative means of compliance. If the operator can demonstrate that they can manage the perceived higher risks, let's say, associated with an extended operation, then we will evaluate it on its merit.

Ms Spence: Essentially, it's two paths to get the same outcome.

CHAIR: I am just trying to understand why the operator can't continue to manage their fatigue and their flying hours in the way that they've been able to do previously, using common sense, using the practical industry requirements. Remember, this is a small part of the industry but very important.

Mr Crawford: But as I said earlier, the vehicle for that operator would appear to be a fatigue risk management system. The onus is on the operator to say, 'Okay, with my set of operations, I would like to do a trial to prove that I can manage the mitigations.' That is the arrangement we get into with a number of operators. We've already done a number of trials. So there is a vehicle there for that operator.

CHAIR: My experience to date, though, is that most operators are very reluctant to come to you with a specific requirement, because it doesn't always work out well for them. That's the reason why people don't want to give evidence publicly. I'm just telling you that. That's feedback. This is why you have operators that are saying, 'I'm terrified of telling CASA that I need to manage things differently because I may well be managed out of profitability or practicality.'

Mr Crawford: The challenge we have is that if they don't come and share that information with us we can't assess it, so it's a bit of a catch 22.

CHAIR: Do you have to assess it, if they're managing it and they're operating safely?

Mr Crawford: If we're going to have an FRMS we have to assess it, yes.

CHAIR: Why?

Mr Crawford: Because that's what our rule set says.

CHAIR: Because why?

Mr Crawford: Because that's what our regulations require.

Ms Spence: We need to be able to—

CHAIR: Because your regulations require it. Because you need a rule.

Mr Crawford: That's a standard across the globe. If you go to other aviation regulators, they have a mechanism for assessing people who want to deviate from prescriptive limits. That's a standard practice in aviation.

CHAIR: It's a way of operating that doesn't reflect—it's whether or not you're addressing proportionality of regulation around different sectors within the industry.

Mr Crawford: I understand the proportionality argument. We're in favour of the proportionality argument.

Ms Spence: Essentially, we want to demonstrate that you can be an outcomes based regulator through using the FRMS but that does require us to be able to do our side of it and say, 'Yes, we think this delivers a safe outcome on the basis of the proposal that's been put to us.'

CHAIR: Some operators have been using standard industry exemptions for many years. What did this allow for? I assume that the exemptions approved by CASA and oversights by CASA meant that they were operating safely.

Mr Crawford: There were a variety of industry exemptions in the past. It reverts back to us having brought in a new set of rules. If operators want to operate differently from prescriptive rules—and there are four or five annexes—there is a vehicle. We created an 'FRMS light', where we said that if you've just got a minor change to an appendix we would allow that. So you could work still within the appendix but have a minor deviation. But if it's a significant deviation from the appendix they have to have an FRMS. That's the way the regulation's constructed.

CHAIR: But if they've had these exemptions for a long time, they've not had a problem and they've got a proven track record, is the limit under the new exemption allowed to be carried over into the new rules?

Mr Crawford: If they wanted to continue with what they'd done previously and it didn't fit within an existing appendix, they would have to submit an FRMS that said, 'This is how we want to do it.' By all means, they can share their past experiences and we do a trial.

CHAIR: You make it seem so reasonable and so straightforward, but we know that's not the case people have had, particularly in the Far North where they have different flying conditions and livestock handling and so forth. Are you telling me that if people come to you with examples of where they want to vary their appendix this is not a process that will leave them lying awake at night worrying that they're going to lose their business?

Mr Crawford: On the assumption that they're adequately managing the risks, yes.

CHAIR: They must be, because they've been flying with these exemptions for some time.

Mr Crawford: That's a big assumption, I would suggest.

Ms Spence: The bottom line is, if they capture what they're doing into an FRMS and submit it for assessment, we would go through a trial process and, assuming that everything's okay, that could be approved. But we do have to meet our requirements of ensuring that everybody is safe, and that includes the people in the plane.

CHAIR: Indeed. They are the most keen on being safe. If they've been able to demonstrate that over a very long period of time, I just worry that this is another example of the tightening of the aviation noose on aviation in the north.

Ms Spence: One option we could do is to look at how many FRMS applications we've had and what processes we've done, through those, to give you some level of comfort that we're trying to work collaboratively but maintain a strong safety record.

CHAIR: Are these current rules going to allow you to monitor fatigue and make adjustments where needed?

Mr Crawford: The reality is, the operator should monitor their own fatigue management system, because it's a subset of a safety management system. When we go in and review operators and assess their safety management systems we're interested in how they're taking safety information, data, and how they're addressing things as they materialise. That's how we do it. We do it during our oversight processes.

CHAIR: I want to flag that I hear that the Air Force comment on general aviation, safety and operations. The Air Force flies a fraction of the hours that these guys in the north fly. I'm really worried that as an organisation you're focused on big operations, Qantas, Virgin and Air Force pilots, and the guys who are—and girls, aviatrix; four per cent of pilots are women—in this sector of the industry that is so critical to developing industry in the north, tourism, moving people around on charters, are going to end up with another gold-plated requirement that's going to force aviation companies, in GA particularly, to jump through another level of red tape and cost just to continue doing what they've been doing safely for years.

Mr Crawford: All I can tell you is we did a lot of consultation on the new fatigue rules—

CHAIR: Great.

Mr Crawford: with technical working groups through the Aviation Safety Advisory Panel. We had representation from a variety of the aviation sector. There were genuine concerns about us coming up with a set of rules that may be too restrictive or not proportionate, so our board engaged an independent entity to review it. They came back with recommendations and we, essentially, adopted those recommendations.

CHAIR: On notice, could I ask for who you consulted with, where they were from, what sector of the industry, who the independent consultant was?

Mr Crawford: Yes.

CHAIR: You know I'm passionate about this part of the world and I think aviation has become more and more focused on the big end of town. The guys who are out there mustering cattle, moving people around, doing charters, doing tourism in the far north of Australia are feeling very isolated and afraid to speak up.

Ms Spence: I'm conscious this has been going on for—I think this dates back to about 2016, when the independent review occurred. We'll give you as much information as we can about who was consulted but I'm just conscious that the list could be quite long, by the time we go back to when this started.

CHAIR: Some of the people who were consulted told me they stopped being engaged because they weren't being listened to. That might be part of the challenge.

Senator STEELE-JOHN: Could I ask a follow up? I'm very new to this, but that is relevant to the WA context.

CHAIR: Yes, please.

Senator STEELE-JOHN: Mr Crawford, in terms of the consultations you conducted in the formulation of the new process, being a national body, I'm imagining that you would have consulted with reps from WA?

Mr Crawford: There's the potential that there would be operators from WA.

Senator STEELE-JOHN: Would you be able to provide those on notice as well, in addition to those?

Mr Crawford: Sure.

Senator STEELE-JOHN: It would be interesting to get the context on that. If I understand the process that you described correctly, the department contracted an independent organisation to undertake these consultations.

Mr Crawford: The CASA board essentially decided to get the services of an independent entity to conduct a review of fatigue rules. They looked at the FAA, Transport Canada, EASA, UKCA and CA in New Zealand, because we saw them as like-minded regulators, for want of a better term. They basically consolidated that information. As you'd expect, there are variations between the different regulators. To some extent, they came up with composite values, if that helps.

Senator STEELE-JOHN: When we say 'independent entity', are we talking about non-government?

Mr Crawford: Yes, independent from CASA and government.

Senator STEELE-JOHN: Do you actually know—could you tell us?

Mr Crawford: I can't remember off the top of my head. I'll take it on notice.

Senator STEELE-JOHN: Of course. Having just rolled in here and having listened to the chair's argument, as you created that composite from the international examples—did you say there's a UK example and an FAA example in there?

Mr Crawford: What we did was we looked at what methodology those regulators are currently applying or considering applying in the future—if we had that information.

Senator STEELE-JOHN: I imagine that both of those contexts may potentially have made allowances for variation in rural or regional contexts or in situations where there were particularly thin markets of aviation provision. I could be wrong. Would you be able to go back and check if there's any information you can provide around those international examples you examined as to whether there was a higher degree of variation between, say, running something in a metro area in the UK versus running it in the north of Scotland?

Mr Crawford: Hopefully just to give you a bit of comfort, obviously when we talk about fatigue rules down here in Australia, people see a large continent, diverse regional communities and Indigenous communities that rely heavily on air transport—

Senator STEELE-JOHN: Hugely.

Mr Crawford: so some people will say we're a bit unique. But if you look at Canada, they've got a similar set of circumstances, and they've got winter in mountains. So we looked quite closely at the Canadians for obvious

reasons. Where we see a number of particular regulators who maybe regulating in a similar environment, we try to look closer at their particular solution, because if they've already developed something, it may be worthy of—

Senator STEELE-JOHN: There are some very interesting analogies with Canada, I imagine. If you could provide that on notice, that would be really useful.

Mr Crawford: On your question on participants from the different states—sometimes it's an industry association that represents the operator.

Senator STEELE-JOHN: There would be quite a lot of similarities between the experience of somebody operating around the north of Western Australia and the experience of somebody in the NT. It's just to satisfy my curiosity. Thank you.

CHAIR: Thank you very much—a fellow CASA enthusiast!

Senator STEELE-JOHN: A newly discovered CASA and RAT enthusiast, in fact.

CHAIR: Isn't that fabulous. We welcome everybody. Thank you very much for your presentation this afternoon. There you go, Ms Spence—you've been blooded.

Ms Spence: Great, thank you.

Senator STERLE: Chair, I think Senator Sheldon may get an answer.

Ms Spence: I think we've got an answer.

Mr Crawford: The Mackay proposal is part of a class C proposal that the ASA is still reviewing. This is a class C J-curve solution that you're probably aware of, that's still in consultation. We are considering that proposal, so we've still to work our way through it. One of the things that we're very interested in with that particular scenario is to make sure there's sufficient consultation, because it's very significant down the east coast. I think that's probably the key thing.

Senator STERLE: Thank you very much for that and for your help. It saves you the paper work later.

Mr Crawford: Thanks I appreciate it.

CHAIR: Thank you.

National Capital Authority

[17:21]

CHAIR: Welcome. Thank you for your appearance this afternoon. Do you wish to make an opening statement?

Ms Barnes: No, I don't.

Senator STEELE-JOHN: I would like to thank the deputy chair and the chair for facilitating the NCA's appearance today. It's very much appreciated. I have two lines of questioning. One is, I think, exceedingly simple. I'm looking for an update on the NCA's work with the survivors of thalidomide, in relation to the establishment of a national memorial of some kind commemorating thalidomide survivors, in line with the government's announcement in the budget before last.

Ms Barnes: We started liaising with a thalidomide group before the budget announcement, talking about the process for doing memorials and commemorations in Canberra. It is part of the role of Canberra to be a symbol of national life, be it for good things or not so good things. We all agree that this was not a very good thing. It's had major impacts on individuals and families, and it needs to be recognised.

So we started talking about how that could happen and what the intent could be of such a recognition. Then we started to look at potential sites. Just before Christmas, Ms McManus came to the national capital and we showed her a number of sites. Andrew took her out into the national triangle. We met in my office first. As we began to talk about it, it became clear to all of us that it's a very difficult topic, and members of the group have different ideas. When you're doing a memorial or something like this, it can range from people who just want a quiet place to contemplate, or people who'd like something quite public and in the open to make sure that everyone knows what happened and to make sure it never happens again. So there's that sort of scale.

In talking to Ms McManus, and then others, and working with the Department of Health, we decided the best thing to do would be to actually survey the whole community. That survey went out not so long ago. In fact, the survey results have just come back in. The Department of Health, I understand, is looking at those and doing a bit of a summary of those results about what the whole group would want. That will help us do the design brief and find an appropriate site.

Senator STEELE-JOHN: Wonderful. Are you able to tell me anything about the survey, like how many people participated?

Ms Barnes: No, because the Department of Health did that.

Senator STEELE-JOHN: So that's a Department of Health—

Ms Barnes: Yes. If you like, the Department of Health and the Thalidomide Group are our clients. The Department of Health is helping the group put their thoughts together—which is good, because they've got experience in this area. We're good at building things and taking a design brief, but, in working through some of the issues, particularly from a triggering and trauma perspective, the Department of Health are definitely better than we are.

Senator STEELE-JOHN: Definitely. In putting together that brief, who has been given the job of guiding that project?

Ms Barnes: The Department of Health are guiding the project. When they give us the results of the survey, Andrew and his team will work on a design brief for a sculptor, and then we'll work on a procurement process. We're not really set on that yet. Depending on what comes out of the survey, some of the aspirations and what the group would like portrayed and how they'd like things portrayed, whether it's something that's quite figurative or something that's quite abstract and more of a landscape—it will be an iterative process. It's a bit early to say yet. Do you want to add anything, Andrew?

Mr A Smith: The challenge with any work like this is how an artist will interpret the very difficult and challenging issue that's presented by this subject matter. What's good about us starting the process with the survey is that we canvass as broad a diversity of views as possible. There will be those, as Sally was saying, that want a very prominent, literal work, and there'll be those who want a place a quiet reflection that requires a bit of interpretation. Working with the Department of Health and stakeholders, we'll develop a brief which tries best to balance those two perspectives, and then we'll invite designers in some form to come up with a range of solutions.

Senator STEELE-JOHN: And that will be within the budget envelope that was announced in the budget?

Ms Barnes: In that health package?

Senator STEELE-JOHN: Yes.

Ms Barnes: That's for health.

Senator STEELE-JOHN: Can anybody at the table remember how much money you've been given to complete the project?

Ms Barnes: To date we haven't had the transfer of those funds. We want to actually scope the project and get the right project before we finalise what we'll require.

Senator STEELE-JOHN: So you don't yet know how much money will be transferred across, because you don't yet know the scope of the project?

Ms Barnes: No, we haven't finalised an MOU to actually work through it.

Senator STEELE-JOHN: In addition to that, obviously the accessibility needs of the site will be important to consider. How are we making sure that that is accurate? This is less so on the briefing terms of the sculpture et cetera and more on the location that is picked. How are we factoring that in?

Mr A Smith: In terms of physical accessibility?

Senator STEELE-JOHN: Yes.

Mr A Smith: We're not at the site selection process yet, but we will identify with the Department of Health and stakeholders a range of site options and work with them. One of the issues that will be described will be site access. We will only pick sites that are readily available for people of all abilities.

Senator STEELE-JOHN: The nub of my question: when we're considering what is an accessible location for thalidomide survivors, for instance, we're often talking about issues of physical mobility, power chairs, manual chairs et cetera. Do you have a guiding access document that will help you interpret those needs?

Mr A Smith: There are Australian standards which guide accessibility for people of all abilities. The sites we identify will ensure that they are close enough to appropriate parking spots.

Senator STEELE-JOHN: So when people ask me, 'What are the access guidelines that are guiding this project?' it's the Australian standards?

Mr A Smith: Yes.

Senator STEELE-JOHN: Okay. That does me for that. Thank you very much. Onto the second thing I wanted to check out with you folks. I've been having a bit of a peruse of your guiding foundational documents as an authority—getting to learn a bit more about your function—and I found very usefully on your website that one of your priorities, in fact your top priority, is maintaining Canberra as the symbol of Australia's national life and values, which I think is what you quoted, which is of course an extraordinarily important role to play. What is your annual funding to do that work?

Ms Barnes: Our total expenses this year were around \$81 million. That's up quite a large amount from last year. Last year it was \$57 million. The increase is to do with a major project we're working on, which is strengthening Commonwealth Avenue Bridge. As you said, our role is to maintain Canberra as a capital that all Australians can be proud of and that reflects the national value. Many of the original assets in Canberra are beginning to age, so we have a rolling program of capital works to address some of those projects. We have chosen those on the basis of safety, accessibility and public access.

Senator STEELE-JOHN: Awesome. How many people are employed at the authority?

Ms Barnes: This year with that extra money our average staffing level is 62. Last year it was 56. We're quite a lean organisation.

Senator STEELE-JOHN: Yes. It's a big job for a few people.

Ms Barnes: A big job for a few people. We do a lot. We do the planning but we also manage some of the central areas. I say that the most beautiful areas of Canberra are the ones that the NCA manages.

Senator STEELE-JOHN: Of course.

Ms Barnes: So this national triangle where Parliament House sits and other bits that you would pass through most days. We're a mixture of operational on the ground managing places and the long-term planning of Canberra.

Senator STEELE-JOHN: In terms of your establishment and what kind of grounds you as an authority, am I right in thinking that that's the Australian Capital Territory (Planning and Land Management) Act 1988 combined with the relevant sections around the establishment of the National Capital Plan?

Ms Barnes: Correct.

Senator STEELE-JOHN: One establishes you and the other is kind of how you operate?

Ms Barnes: The National Capital Plan is the guiding document for all of the Australian Capital Territory. I don't want to keep people for a long time, but the history of Canberra is fascinating—

Senator STEELE-JOHN: It is.

Ms Barnes: It was a Commonwealth territory. Then the good burghers of the ACT were asked if they would like independence and they said no. Then they became independent and there was the establishment of the territory government in 1988. Since then there have been a number of iterations and shifts in who was responsible for what, but really the National Capital Plan is for the whole territory and then we have special areas called designated areas which we must give approval for. The day-to-day living for Canberrans and the territory plan are really how the people in the ACT live.

Senator STEELE-JOHN: Absolutely. I have understood that appropriately. Given that scope then I think it says pretty clearly in section 12 of the plan that work should not be performed in a designated area unless the authority has approved works in writing et cetera. Does the NCA power extend then to both recommending that something is approved to go in a designated area and recommending that something doesn't proceed in a designated area?

Ms Barnes: Through the works approval process, yes. The National Capital Plan was, if you like, the land use and how that area is to be used, and then individual developments or alterations to existing buildings will be through a works approval process.

Senator STEELE-JOHN: Right. That's also stepped out in I think section 6 of the act, which talks about the NCA being able to recommend works that it considers are desirable.

Ms Barnes: Correct.

Senator STEELE-JOHN: So you can recommend that things are desirable and you can say that they're not desirable as well.

Ms Barnes: We can assess things against the National Capital Plan to make sure that they're not inconsistent with the National Capital Plan.

Senator STEELE-JOHN: Yes, and if they are inconsistent—

Ms Barnes: We would not approve them.

Senator STEELE-JOHN: Has the NCA ever recommended against the approval of a project or not approved a project in line with that plan?

Ms Barnes: Yes.

Senator STEELE-JOHN: Do you know roughly how many?

Ms Barnes: I don't have the number.

Senator STEELE-JOHN: When was the most recent example?

Ms Barnes: There was a project on Constitution Avenue that went out for public consultation. The proponents wished to test the concept, and the community then said, 'This is not consistent with the National Capital Plan', and we agreed with the community, that it was not consistent. So the proponent changed their works application and put it back in again to be consistent. Then, working with them, we approved it once it was consistent with the National Capital Plan.

Senator STEELE-JOHN: So a process of community consultation was involved there?

Ms Barnes: Correct.

Senator STEELE-JOHN: What does that imply, when the NCA has one of those?

Ms Barnes: In accordance with our community engagement guidelines, we advertise as public notices—and now we use social media on our website to advertise it. We also do letterbox drops locally, plus we put signs up which say there is a work application here, how long the actual consultation process is for, where people can find the documentation to comment on, and how they make comments. Then, after that process, we will do a consultation report on those public consultation processes, and release those publicly. That will say whether we've approved the proposition as put to us, or if we've made changes based on community consultation.

Senator STEELE-JOHN: In that recent example—was it Federation Avenue, did you say?

Ms Barnes: Constitution Avenue.

Senator STEELE-JOHN: Constitution Avenue. You got feedback from the community that they felt it was inconsistent; you said, 'Hey guys, change your application in this certain way and then we will approve it.' Had they not modified it at that point, do you believe you then could have rejected it, for being inconsistent?

Ms Barnes: Yes.

Senator STEELE-JOHN: That's also stepped out, if I've interpreted it correctly, in Section 10 of the National Capital Plan piece, where it sets out that the Plan is about the maintenance and enhancement of the character of the national capital, and that then accords with what you've said around the national values and those kinds of things.

Ms Barnes: Correct. Yes.

Senator STEELE-JOHN: We are in the middle of a pretty substantive debate here in the Territory about the future of the Australian War Memorial site. There is a significant portion of the community that is opposed to the proposed expansion of the site, and there is a feeling among sections of the community that it kind of crosses a Rubicon from a place of reflection to a static museum of war, and there are concerns around the glorification aspects. We know from the last time I spoke with you folks that there have been almost—I think it was 600 submissions in relation to—

Ms Barnes: Six hundred on the dot now. There were 599, and one more came in that we accepted.

Senator STEELE-JOHN: Wonderful—how neat! I believe it's also a matter of public record that a vast majority of those were in opposition?

Ms Barnes: We were asked by various people to make those submissions public, so we went back to everyone who submitted to the process and asked them if they agreed for us to publish their material on the website. They—263 people have agreed and, to date, we've put 160 of those on the website, and it would be fair to say that the majority of those submissions are not in agreement with the works.

Senator STEELE-JOHN: Is it now within your power, if you so see fit—as a National Capital Authority, it seems to be within your power to reject the application?

Ms Barnes: Perhaps it's best if I go through the themes that are coming through some of the submissions.

Senator STEELE-JOHN: I'm aware—I've read a lot of those on the website. I just want to know very clearly from you: do you believe it is within your statutory authority to reject that proposal if you deem it to be inconsistent with the National Plan?

Ms Barnes: We're going through each submission, we're going through the issues raised, and we'll check those against the National Capital Plan. At the end of that consultation process we'll say whether we think that submission is inconsistent with the National Capital Plan.

Senator STEELE-JOHN: If you think it is consistent, you're empowered to reject it?

Ms Barnes: If it's inconsistent with the National Capital Plan, we have the power to reject it.

Senator STEELE-JOHN: In terms of the balance of—you know, how you weigh up that decision, the community consultation was part of the decision you made around Constitution Avenue. Will the community consultation feedback also be taken into account?

Ms Barnes: In the community consultation around Constitution Avenue, the community pointed out that from their reading of the drawings the development was going to be too high. It was going to be over the height limit in the National Capital Plan. We had already said that for the proponent, and they felt confident that they'd talked to the community and the community thought that raising that height limit would be acceptable. So when the community said no, that wasn't acceptable, and we said that wasn't acceptable because it wasn't consistent with the National Capital Plan, they started again. We'll do the same thing here. We'll look at the community comments, but we'll also look at the National Capital Plan and check it against that. The current works that are put forward, as you would know, are for early works that include things like excavation; moving services; trees, which were a concern; and the demolition of Anzac Hall. We'll have to check those things against the National Capital Plan and make a decision. A number of people raised the issue in the consultation that they thought moving it was a waste of money. That's not something for us to judge. That's being worked through by the Public Works Committee.

Senator STEELE-JOHN: Moving the—

Ms Barnes: No, the amount of money, the investment.

Senator STEELE-JOHN: The overall—no, I understand.

Ms Barnes: That's not us. Similarly they've talked about the heritage values, and Minister Ley has actually given the project approval based on an assessment of the heritage values, and we've been quite open and upfront that we won't be reassessing the things that have already been approved by Minister Ley. So we'll be going through what's in that works approval application and checking that against the National Capital Plan.

Senator STEELE-JOHN: And checking it particularly against section 10 and the comment around the maintenance and enhancement of the character of the national capital?

Ms Barnes: Correct.

Senator STEELE-JOHN: So that will be particularly the line—

Ms Barnes: Correct.

Senator STEELE-JOHN: You're running over it. I think this is a question of community's confidence in the ability of the authority to it be able to make a call either way. You are confident that if you come to the view that the proposal as put to you—

Ms Barnes: In the current application.

Senator STEELE-JOHN: in the current application is inconsistent with an enhancement of the character of the national capital then you can reject it or request its modification.

Ms Barnes: Correct.

Senator STEELE-JOHN: Excellent. Thank you very much.

CHAIR: Thank you. That was most enlightening, Senator Steele-John.

Ms Barnes: We can talk about the national capital for hours, but you really don't want us to!

CHAIR: That's not true! We would.

Ms Barnes: The history is incredible, and when you see things it's not as it seems. The symbolism and the meaning and the linking to the original idea of a new capital for a new country is something quite magnificent.

Senator STEELE-JOHN: With the exception of establishments like the Holyrood and a few other parliaments, very few parliaments have been constructed in the time period that ours was.

Ms Barnes: Correct.

Senator STEELE-JOHN: I could go on about this stuff for hours, but anyway—thank you very much.

CHAIR: How fabulous. It's terrific to have passionate people talking about things that they are passionate about, so thank you. What a great note to end the day on. That concludes today's proceedings. The committee is due to recommence its examination of the budget estimates on Wednesday 26 May. I thank Minister Reynolds. I thank officers of the Department of Infrastructure, Transport, Regional Development and Communications and all witnesses who have given evidence to the committee today. Thank you also to Hansard, broadcasting and the secretariat.

Senator Reynolds: I thank the committee for their efficiency.

Committee adjourned at 17:43