

Chapter 3

Infrastructure and Regional Development portfolio

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

Department of Infrastructure and Regional Development

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

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

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

Corporate Services Division

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

Infrastructure Australia in relation to evaluating and implementing potential infrastructure projects.¹

Infrastructure Investment Division

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Australian Rail Track Corporation (ARTC)

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

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

Infrastructure Australia

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

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

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

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

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

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

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

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

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

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

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

Civil Aviation Authority (CASA)

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

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

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

Australian Transport Safety Bureau (ATSB)

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

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

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

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

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

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

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

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

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

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

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

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

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

Airservices Australia

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

Aviation and Airports Division

3.18 The committee explored matters relating to aviation cabotage regulations in Australia, and asked officials for clarification on their response to recommendations set out in the draft report of the Competition Policy Review released in September 2014.³⁶

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

Office of Transport Security

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

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

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

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

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

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

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

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

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

Australian Maritime Safety Authority (AMSA)

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

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

Surface Transport Policy Division

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

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

National Transport Commission

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

Local Government and Territories Division

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

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

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

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

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

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

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

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

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

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

the impact of the recently announced indexation pause on the Financial Assistance Grants program.⁴⁹

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

National Capital Authority (NCA)

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

Policy and Research Division

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

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

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

Western Sydney Unit

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

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

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

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

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

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

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

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

**Senator the Hon Bill Heffernan
Chair**