



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT  
LEGISLATION COMMITTEE

ESTIMATES

**(Budget Estimates)**

THURSDAY, 27 MAY 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT**

**LEGISLATION COMMITTEE**

**Thursday, 27 May 2010**

**Members:** Senator Sterle (*Chair*), Senator Nash (*Deputy Chair*), Senators Heffernan, Hutchins, O'Brien and Siewert

**Participating members:** Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Humphries, Hurley, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Nash, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Troeth, Trood, Williams, Wortley and Xenophon

**Senators in attendance:** Senators Abetz, Back, Bishop, Colbeck, Eggleston, Heffernan, Hutchins, Ludlam, Macdonald, Nash, O'Brien, Parry and Sterle

**Committee met at 9.11 am**

**INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT PORTFOLIO**

Consideration resumed from 26 May 2010

**In Attendance**

Senator the Hon. Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, representing the Minister for Infrastructure, Transport, Regional Development and Local Government

**Department of Infrastructure, Transport, Regional Development and Local Government Executive**

Mr Mike Mrdak, Secretary  
Mr Andrew Wilson, Deputy Secretary  
Ms Lyn O'Connell, Deputy Secretary  
Ms Stephanie Foster, Deputy Secretary

**Corporate Services**

Mr David Banham, Chief Operating Officer  
Mr Paul Wood, Chief Financial Officer

**Infrastructure Australia**

Mr Michael Deegan, Infrastructure Coordinator

**Nation Building—Infrastructure Investment**

Mr Richard Farmer, Acting Executive Director  
Mr Alex Foulds, General Manager, South East Roads  
Ms Cheryl Johnson, General Manager, North West Roads/Investment Coordination  
Mr Neil Williams, General Manager, Rail and Intermodal  
Mr Troy Sloan, General Manager, Major Infrastructure Projects Office

Mr Geoff Thompson, Director, Major Infrastructure Projects Office

**Infrastructure and Surface Transport Policy**

Ms Leslie Riggs, Executive Director

Mr Mark Terrell, Acting General Manager, Vehicle Safety Standards

Mr Michael Pahlow, General Manager, Maritime Policy Reform

Mr Michael Sutton, General Manager, Road Transport Policy Reform

Mr Stewart Jones, General Manager, Road Transport Policy Reform

Mr Joe Motha, General Manager, Road Safety and Programs

Ms Donna Phillips, General Manager, Heavy Vehicle Regulatory Taskforce

**Australian Maritime Safety Authority**

Mr Graham Peachey, Chief Executive Officer

Mr Mick Kinley, Deputy Chief Executive Officer

Mr Brad Groves, General Manager, Maritime Standards

Mr John Young, General Manager, Emergency Response

Mr Allan Schwartz, General Manager, Maritime Standards

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

Mr Brendan McRandle, General Manager, Policy Development Unit

Dr Gary Dolman, General Manager, Bureau of Infrastructure, Transport and Regional Economics

**Local Government and Regional Development**

Mr Tony Carmichael, Executive Director

Mr Richard Wood, General Manager, Regional Development Programs

Ms Elizabeth Wilde, General Manager, Regional and Local Government Policy

Mr Gordon McCormick, General Manager, Local Government Programs

**Office of Northern Australia**

Ms Robyn Fleming, General Manager, Office of Northern Australia

**Aviation and Airports**

Mr John Doherty, Executive Director

Mr Scott Stone, General Manager, Aviation Environment

Ms Karen Gosling, General Manager, Airports

Mr Stephen Borthwick, General Manager, Aviation Industry Policy

Mr Jim Wolfe, General Manager, Air Traffic Policy

Mr James Collett, General Manager, Sydney Aviation Capacity

**Airservices Australia**

Mr Greg Russell, Chief Executive Officer

Mr Jason Harfield, General Manager, Air Traffic Control

Mr Richard Dudley, General Manager, Corporate and International Affairs

Mr Kenneth Owen, Senior Adviser, Environment and Climate Change, Airservices Australia

**Civil Aviation Safety Authority**

Mr John McCormick, Director of Aviation Safety

Mr Terry Farquharson, Acting Deputy Director of Aviation Safety

Dr Jonathan Aleck, Acting Associate Director of Aviation Safety

Mr Peter Cromarty, Executive Manager, Airspace and Aerodrome Regulation  
Dr Pooshan Navathe, Principal Medical Officer  
Ms Fiona Johnstone, Chief Financial Officer

**Office of Transport Security**

Mr Paul Retter, Executive Director  
Mr Peter Robertson, General Manager, Aviation Security  
Ms Nicole Spencer, General Manager, Supply Chain and Screening  
Mr Chris Appleton, General Manager, Analysis and Operational Support  
Mr George Brennan, General Manager, Transport Security Operations  
Mr Steve Dreezer, General Manager, Maritime, Identity and Surface Security

**Australian Transport Safety Bureau**

Mr Martin Dolan, Chief Commissioner  
Ms Kerryn Macaulay, Deputy Chief Executive Officer  
Mr Peter Foley, Director, Surface Safety Investigations  
Mr Ian Sangston, Director, Aviation Safety Investigations

**CHAIR (Senator Sterle)**—I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The committee will continue its consideration of the 2010-11 budget estimates for the Infrastructure, Transport, Regional Development and Local Government portfolio. A reminder that the committee is due to report to the Senate on 22 June 2010 and has fixed Wednesday, 21 July 2010 as the date for the return of answers to questions taken on notice. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretary has a copy of the rules.

I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009, specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*.

*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).

(Extract, Senate Standing Orders, pp 124-125)

**CHAIR**—As agreed, I propose to call on the estimates in the order shown on the printed program.

[9.13 am]

#### **Department of Infrastructure, Transport, Regional Development and Local Government**

**CHAIR**—I now welcome Senator the Hon. Stephen Conroy, Minister for Broadband, Communications and the Digital Economy, representing the Minister for Infrastructure, Transport, Regional Development and Local Government; Mr Mike Mrdak, Secretary of the Department of Infrastructure, Transport, Regional Development and Local Government; and officers of the department. I am sure, Mr Mrdak, you or the minister do not wish to make an opening statement. I shall go straight to questions.

**Senator NASH**—I have some questions around the Better Regions Program—and do not say 'again', Minister. It is a bit like groundhog day, isn't it? It is a bit like a jigsaw puzzle—the pieces of the puzzle are finally starting to fit together. Some of the questions might be a bit repetitive, but I just want to get a very clear picture of where we are at the moment. Could I just go back to the beginning. You did take on notice for me last time to provide a list of the

completed projects. I did get the answer, which did tell me that the projects were listed on the department's website. I went and had a look. Thank you very much for giving me that very detailed answer, but I did manage to find them on the website. Now, I note, there are 92 projects that are listed on the website. Is that correct? I just want to be clear that nothing has changed since I last had a look.

**Senator Conroy**—I assume you could not access them from home because of the lack of broadband in your hometown and that you have done it now because you are in Canberra and Parliament House, where we have got better broadband.

**Senator NASH**—Good morning, Minister. Ninety-two?

**Ms Foster**—Yes, there are 92 on the website.

**Senator NASH**—I just wanted to make sure I had not missed any. At the time of committing to those projects, there were no guidelines in place, were there? The guidelines came after the commitment to the funding for the projects?

**Ms Foster**—Yes. The projects were election commitments and, following the election, the department developed the guidelines to allow them to assess the risks of the projects and to recommend funding for the projects.

**Senator NASH**—Okay. With some of these I might actually need the minister's assistance as well, because I know that some of them the department, certainly, will not be responsible for. Minister, could you just give us a bit of an idea about the process that was used—

**Senator Conroy**—They are election commitments.

**Senator NASH**—I understand that completely. I understand that very, very clearly. I am just trying to get an understanding of the process of what led to those particular projects being election commitments.

**Senator Conroy**—That would be internal, ALP deliberations prior to the election and not subject to the processes of the Senate. They were all projects that were needed by the various communities they were committed to.

**Senator NASH**—Okay.

**Senator Conroy**—Seriously, asking me to tell you how we decided election commitments when we were not in government is not part of the Senate estimates process.

**Senator NASH**—It is in relation to other comments that some of your Labor colleagues—

**Senator Conroy**—To be fair to Anthony Albanese, he was not even the shadow minister. He was not even the shadow minister who made the commitments. Albo would not know.

**Senator NASH**—I am sorry, Chair: did I mention the word 'Albanese'? I am sure I did not.

**CHAIR**—No, you did not.

**Senator NASH**—As you much as you would like to think you can, trust me, you cannot possibly guess what I am thinking. I wanted to refer to something Mr Crean said on 16 November 2007. He said that Labor would not scrap the Regional Partnerships Program, which obviously you ended up doing. I refer to something that relates to the comment you

have just made that internal ALP deliberations were not going to be disclosed. Mr Crean said, at this point, regarding the regional program, ‘...but we will introduce the transparency that the parliament has already recommended and which the Auditor-General has confirmed.’ Mr Crean said: ‘The process has to be established—go through the area consultative committee, get the departmental tick-off, don’t just leave it to ministers to dispense the pork.’

What I am trying to understand is this: on one hand you are saying to me you are not going to tell us how these projects were arrived at as being worthy projects to be in the program, but then you have, in November of the same year, Mr Crean saying that there should be transparency, when obviously there was no transparency whatsoever in determining which of those projects should go into the program.

**Senator Conroy**—As I said, I am not sure that the current minister could answer your question because he was not the shadow minister. I certainly was not party to the discussions at the time around the choices. There are two reasons it is not possible to answer: (1) because it is outside of the scope of estimates and (2) because I actually genuinely believe Minister Albanese and I do not know the answer to your question.

**Senator NASH**—That is very interesting. As an overall commitment to transparency, that obviously was not there.

**Senator Conroy**—We have introduced the Commonwealth Grant Guidelines, and Mr Mrdak will now take you through them at considerable length.

**Senator NASH**—I will get to the guidelines in just a moment, if that is okay. Obviously, at that point, there was no transparency whatsoever available for the taxpayers about which projects were decided—and I am certainly not casting aspersions on the department at all—before the guidelines were in place. At what point were the guidelines finalised?

**Mr Carmichael**—The normal process for election commitments—and this is the recommendation of the ANAO officers—is that they should be put together in their own program, which is what we did. We drafted the guidelines soon after the government came to power, and they then needed to go through an approval process. This was before the Commonwealth Grant Guidelines were in place. There was a process already in place about how guidelines would be agreed. Once the guidelines were agreed, the department then undertook an assessment of each of those projects. Then, as they were approved by the minister, they were put up on the website. That is the normal process for election commitments.

**Senator NASH**—Thank you very much for that, but at what date were the guidelines finalised?

**Mr Carmichael**—That was probably about August.

**Senator NASH**—August of?

**Mr Carmichael**—Of 2008.

**Senator Conroy**—Let me just make a couple of points because, normally, Senator Nash, you are very good about asking factual questions and seeking factual information. Unlike other senators, you very, very occasional step into political areas. I would have to say to you, though, you are across the line at the moment. You have quoted Mr Crean completely out of

context. His quote related to the ANAO report on Regional Partnerships had come out that day, and we realised that the Regional Partnerships could not be fixed once we got in and saw the mess you had left us.

**Senator NASH**—Thank you, but I am not using it—

**Senator Conroy**—So you are actually—

**Senator NASH**—No, Minister, please. I understand—

**Senator Conroy**—straying into an area that you normally are very good at avoiding.

**Senator NASH**—You know, even I have to step out of the box every now and again.

**Senator Conroy**—I wish that was true.

**Senator NASH**—It is not out of context at all.

**Senator Conroy**—It is absolutely out of context.

**Senator NASH**—It goes directly to the issue of transparency. There was a government commitment at the time to be open and transparent. I do accept that obviously the Regional Partnerships Program did not go ahead. That is fine. That is not the issue. I am merely pointing to the transparency that Mr Crean was saying would be provided, but within the process of how those projects were determined, that transparency is not there for the Australian taxpayers. That is merely the context in which I was discussing that. You said the end of—

**Ms Foster**—It was the end of August.

**Senator NASH**—End of August '08. I suppose there is nothing normal, but what is the average timeline to develop guidelines for a program of that nature?

**Senator Conroy**—We were so transparent, we sent the guidelines—

**Senator NASH**—Just shut the laptop and give it a whirl without the laptop.

**Senator Conroy**—No, this is a fact. We sent the guidelines to the Auditor for his comment before approving them. We actually sent them to the Auditor.

**Senator NASH**—That is very good. I am just asking, in general, the timeline.

**Mr Carmichael**—It is very different with the sort of program. The more complex the program, obviously the longer the guidelines take to develop. There is no average time. It is dependent on the complexity of the program, so it can take a number of months.

**Senator NASH**—This is a very obvious statement but, obviously, of the 92 projects that have been approved so far, they all met the guidelines?

**Mr Carmichael**—The guidelines are as much about ensuring that we have got a good business plan in place, that we have done an independent viability assessment on the project. Sometimes these projects, because they were election commitments, needed some further development. Once the government is publicly committed to them, some require some further development so that the risks are managed, that we have got a clear scope for the project, and so that sometimes takes a little bit of work. That is why some of the projects were able to be approved and announced fairly quickly; some have taken a little bit longer.

**Senator NASH**—And doing them against that. In October estimates last year—we have been doing this for a long time, have we not, and we will keep doing it—Mr Wood, we were talking about the process that the department would go through that applied to all of the projects, and you also said at that time:

We will also take an assessment to see if an independent viability assessment is required for projects.

Out of the 92 projects, was an independent viability assessment needed for any of them?

**Mr Wood**—For a small number, yes. An independent viability assessment was undertaken for a small number of projects. As the vast majority of projects in this program were being undertaken by state or local government entities, a decision was taken early on in the program that many of those projects would not require an IVA. However, as I say, for a small number an independent viability assessment was undertaken.

**Senator NASH**—When you say ‘a small number’, how many do you think?

**Mr Wood**—I think I would like to just check that number and come back to you.

**Senator NASH**—If you could, that would be great. What triggers it? For all the ones that you said would not need it, there are a small number that do. What triggers the need for that independent—

**Mr Wood**—It is done on a risk assessment.

**Senator NASH**—What does that mean?

**Mr Wood**—We essentially examine the project and take an initial assessment of the viability of a project going forward to ensure that the project, once funded, will remain viable into the future and that the organisation has the capacity to deliver that project. If those risks, on our assessment, come back as requiring further work, we would then seek independent advice on that.

**Senator NASH**—Who does the independent advice?

**Mr Wood**—It is an external contractor. It has been a while since we have had one of those, so I would like to double-check that name.

**Mr Carmichael**—It is just one of the big accounting firms. KPMG or someone like that often does the IVAs for us. Why we particularly need sometimes to go to an independent viability assessment is that sometimes the projects have some commercial aspect to them, and we do not necessarily have the expertise to determine whether it is a viable business case, so they are some of the things that we might take to an independent viability assessor to bring the business expertise to ensure that the project is viable over the long term.

**Senator NASH**—In terms of the 92 projects that are listed, and where we have got ‘approval date’, obviously, and ‘grant term’, do I assume that for any of those grant terms that have completed since the approval date, those projects are all finished?

**Mr Wood**—It will vary because in any infrastructure project, or any project, there may be a change to the delivery time frames, due to a variety of circumstances. For example, I am aware of one project where, due to a change in state legislation, a koala habitat was identified. The location of that project needed to be changed, and that led to delays. You have delays for

weather and that sort of thing. I can tell you, however, that of those 92 projects 17 have completed.

**Senator NASH**—Can you just run through those for me?

**Mr Wood**—Certainly.

**Senator NASH**—Just while you are looking that up, if it is a grant term of, say, four months and the approval date was 25 March 2009, as, say, the City of Playford was, is there a variation to their grant term, or what does ‘grant term’ actually mean, and how does it work?

**Mr Wood**—Typically, the grant term would be the last day of activity under that grant, by which time you would expect the activity to have completed.

**Senator NASH**—So that grant term means you would have expected the activity to have completed by that time, but then there are instances where it may not have completed. Does the proponent then have to come to you for a variation to extend their grant term, or what happens then?

**Mr Wood**—Yes. Typically, the project managers would come to the department to seek our agreement to a variation. We would then consider that, and we have a series of delegations as to whether it is something that would require a decision by a departmental officer, or if it is a more significant change we may need to go back to the parliamentary secretary to agree.

**Senator NASH**—Can we just quickly run through the 17, because I am interested to know which ones are actually finished.

**Mr Wood**—Certainly. The Grafton regional saleyard, which is Clarence Valley Council.

**Senator NASH**—They are not going to be in the same order, are they?

**Mr Wood**—No, they are not.

**Senator NASH**—Can I get somebody this morning just to put that list of 17 together for me just so we can table it? I am sure you might have an officer next door that could just quickly run through and do that. If somebody could do that, that would be really useful.

**Mr Mrdak**—We will take that on notice.

**Senator NASH**—Thank you. Some of these projects on the list have taken a really long time to complete. We have had some 16 that did not even get completed until 2010. This is a 2007 commitment from the government. If these were projects that were ticked off for funding so long ago, why are they taking so long?

**Mr Carmichael**—Some projects are very complex and their design was over a number of years, so it is not a surprise that some would take a number of years to complete.

**Senator NASH**—One of the ones I did have some questions about was the Tree of Knowledge, the stump. Is that one completed?

**Mr Wood**—Yes, it is. It has been completed for some time. The official opening was on 2 May 2009.

**Senator NASH**—The initial contribution, I noted from the October 2008 estimates, was \$2,600,000, but, according to the project list, it was \$2,860,000. That was obviously an increase of \$260,000. What was that for?

**Mr Wood**—That would have been the GST amount.

**Senator NASH**—Okay. Ms Foster, when we were talking about this in October 2009 you said that there were 105 projects in the program, which included two that I think had been brought over from Regional Partnerships. So, by all intents, it was 103. We have now got 92 listed. Where are the other 11 projects, and what are they?

**Mr Wood**—There are nine projects which we are currently in funding agreement negotiations for. Three of those funding agreements are with the proponent for signature at the moment, or, indeed, they may have been signed and may be in the process of coming back to us for execution. We would expect to have the funding agreements for a further two projects finalised very quickly—literally, in the next couple of days. I am expecting a draft to hit my desk for approval this week, following which you would then need to go to the funding applicant for execution. We have been in negotiations with them for some time. Finally, there are four projects that are still subject to further negotiation. That is often where one of the risk treatments that we have in our agreements is taking some time to be addressed; for example, where a rezoning of land is required prior to the funding agreement being executed. Those are still ongoing. In addition, there is one project which is under assessment at the moment and the assessment will be finalised shortly.

**Senator NASH**—Just one other particular project which I seem to remember: the Dysart sports facility. Is that one being completed?

**Mr Wood**—No, it is ongoing. I will just find my notes on that.

**Senator NASH**—Still going?

**Mr Wood**—The project is being undertaken in two stages by the proponent, which is the Isaac Regional Council. The project is a \$1.5 million grant, GST exclusive, for a project of just over \$5 million in value and total. It is being undertaken in two stages. Stage one is a prefabricated building. That has commenced construction, and completion is expected in approximately September this year. The second stage, which is a gym, toilet and kitchen, will follow on from that.

**Senator Conroy**—What about the Whyalla regional partnership project which was approved in May 2004 to build a wharf—

**Senator NASH**—Don't go there!

**Senator Conroy**—and still has not been completed due to ongoing—

**Senator NASH**—He started it, Chair.

**CHAIR**—I am aware of that.

**Senator Conroy**—Six years later and it is not done.

**Senator NASH**—It is a bit of a shame that you do that, Minister.

Obviously, the Dysart sports facility was one that was considered under the previous government. It was not recommended by the department and was, indeed, knocked back by the minister. What has changed within that project for the department now to have recommended it to the minister?

**Mr Carmichael**—First of all, it was an election commitment so that changed the status of the project.

**Senator NASH**—What? So something that the department can say of that, ‘This is not worthy of taxpayers’ dollars,’ and, ‘This is potentially a risk,’ changes just because a government says they want to spend money on it?

**Mr Carmichael**—It is a different program with different guidelines.

**Senator Conroy**—If I can take this? Let me be very clear about this. We have had this discussion probably twice before at estimates, and I will give you exactly the same answers as I gave you then. We are delivering on all of our election commitments.

**Senator NASH**—Actually, no, that is not quite correct, because we have got the Commonwealth takeover of public hospitals, we have got GROCERYchoice, we have got delaying the ETS, we have got no budget deficits, we have got delivering GP superclinics, we have got private health insurance rebates, we have got computers in schools, we have got 260 childcare centres to end the double drop off and Fuelwatch. No, you are not honouring all your election commitments. That is simply a furphy.

**Senator Conroy**—The thing I find so incredible about that list you have just read out is that when we seek to pass legislation through parliament, you block it and stop it happening, and then go, ‘They have not delivered their election commitment.’

**Senator NASH**—That is a furphy. You promised private health insurance rebates. You promised you would not make any changes—‘No, let’s have a look. Now, let’s see. We will put downward pressure on grocery prices. We are going to fix fuel.’

**Senator Conroy**—You are normally very good at not descending into this sort of behaviour.

**CHAIR**—Minister and Senator Nash!

**Senator NASH**—But the big one is the attack on private hospitals. Do not give me, ‘We are honouring all our election commitments.’ It is rubbish!

**CHAIR**—I fully understand that, but it is not helpful when you are trying to talk and shout over each other. Please carry on.

**Senator NASH**—Well, ask the minister to be quiet.

**CHAIR**—Senator Nash, I have no problem with you two exchanging your thoughts in a loud tone, but I would encourage you that, if a question is asked that the answer is heard. Likewise, Minister, I would encourage you to let Senator Nash finish her question.

**Senator NASH**—Thank you. If I can go back to my question? Obviously, something must have changed within this project.

**Senator Conroy**—It was an election commitment, and we are going to keep it.

**Senator NASH**—It is an election commitment and you are going to keep it, regardless of whether or not it is value for money for the taxpayers, or value for the Australian people?

**Senator Conroy**—Tumbi Creek was value for the Australian people?

**Senator NASH**—The hypocrisy is absolutely breathtaking! I just want to get an understanding of what changed in that project which let the department change their view that it should be recommended instead of not recommended?

**Senator Conroy**—They were election commitments that we promised the Australian public.

**Senator NASH**—It does not matter then if the department does not recommend them? If they land on the minister's desk not recommended, we will just overturn that! I seem to remember that your Prime Minister said at one point that, actually ministers should not overturn recommendations from the department. It is very clearly on the record. We can only assume—

**Senator Conroy**—I can sit here for as long as you like.

**Senator NASH**—Good, because we will sit here for a bit longer.

**Senator Conroy**—I am perfectly happy to sit here while you—

**Senator NASH**—We can only assume that the minister has overturned the department's recommendation of a 'not recommended' if nothing has changed in that project.

**Mr Mrdak**—As the minister has outlined, we are talking about two quite different processes. The previous consideration was under a program that was a biddable process, which involved an evaluative process across a range of projects on certain criteria.

**Senator NASH**—This one is just a bucket of money for election promises.

**Mr Mrdak**—No, this is a situation where the government has made a commitment and the department's role, under the guidelines, is to do a risk evaluation.

**Senator Conroy**—Andrew Robb discontinued the National Party's promises in the Casino to Murwillumbah rail line—

**Senator NASH**—Nice try. You know he has not.

**Senator Conroy**—the Princes Highway and the Midlands Highway—all discontinued.

**Senator NASH**—That is just a distraction. Don't go there—they are not.

**Senator Conroy**—All discontinued.

**Senator NASH**—They are not, and you know it. You are just being misleading.

**Senator Conroy**—Yes, they are.

**Senator NASH**—You are being so misleading—

**Senator CONROY**—Yes, they are.

**Senator NASH**—You are being so misleading, it is not funny. What we need to do, because we do not have a lot of time, is focus on the Better Regions Program.

**Senator Conroy**—What a good idea. You should try asking some questions rather than—unusually for you, I have to say—giving a political tirade, which is what you are engaged in.

**Senator NASH**—The funny thing is, I do not particularly care about your opinion of how I approach this.

**Senator Conroy**—I am hurt.

**Senator NASH**—I doubt it very much. We can only assume that Dysart has come up ‘not recommended’ because you cannot give any changes in the project that would have necessitated a change in view from the department. And—I am just doing this for clarification—the only answer we can get is that it was an election commitment, therefore, that sort of transparency and that sort of scrutiny does not apply because it is simply a bucket of money.

**Mr Mrdak**—No. In no way is there a diminution of the department’s role, in terms of its risk assessment of the process.

**Senator NASH**—I am sorry. I actually did not mean to infer that at all.

**Mr Mrdak**—As Mr Carmichael has outlined, in accordance with the guidelines, we do undertake an assessment including, as necessary, viability assessments on projects and provide advice to the government in relation to the risk mitigation treatments required. As Mr Wood has outlined at length, that has resulted in projects taking some time longer than they might otherwise have done because we have been very firm in relation to some mitigation actions. The government has been very clear on its requirements in that regard.

**Senator NASH**—Thank you very much. I do understand that, but I am not being given any information for the change in the program that would have necessitated a recommendation going from ‘not recommended’ to ‘recommended’. I find it very difficult to find that anything has changed in the project, and all that has happened is the government has decided to spend a bucket of money on it in an election commitment. But I understand it is not the department’s place to have a view or an opinion on that.

Can I just turn to the issue of the fact that it was a funding bucket just for election commitments which has left no option for many of our regional communities to have access to funding given that the RLCIP is actually through local councils. For Better Regions, which was touted as the new regional program, unfortunately the funding was all allocated before anybody else out there in the regions even got a whiff at it. I just want to give you a bit of a human impact of this election commitment bucket of money going to Labor seats and marginal seats has had on people. And we have got a woman—

**Senator Conroy**—What would be the human impact of cutting the funding to Dysart?

**Senator NASH**—No, this is really important. A woman called Fiona Marsden wrote to me just a few weeks ago, and she is a disability support worker, and they are trying to get their building replaced up in the granite belt. She is saying that in the beginning she tried to submit a project under the Regional Partnerships Program—unfortunately this government decided to disband that and replace it with Better Regions, which is completely full—so they could not go there. There was no funding available there. The RLCIP was only through local councils and so they have absolutely no option. This government is not providing them any option—

**Senator Conroy**—We appreciate that—

**Senator NASH**—Just hang on, let me finish.

**Senator Conroy**—Putting in place new transparency accountability measures—

**Senator NASH**—You have not put any transparency or accountability into this whatsoever and I think we could give this woman the respect of allowing me to quote into the *Hansard*. She said:

One point I particularly brought to the attention of those present was the importance of maintaining direct access to funding rounds for community organisations. The reason for this is that council priorities may mean important projects are put aside in favour of other projects. In the report from the inquiry that was done a while ago a recommendation was made that community organisations should be able to apply for funding directly. This is not so in the current funding situation.

She goes on:

Now, there are no more options to apply for funding. I have approached relevant government departments and ministers' officers and they have had no more success than I have in locating upcoming grant programs that we would be eligible for.

Well, no surprises there, because Better Regions is completely full. This is about a building for providing assistance for people with disabilities and their carers and we have seen such a bucket of funding go off to election commitments with absolutely no guidelines in place and no transparency whatsoever. Interestingly, of the 92 projects—I am just having a look at this—71 are in Labor seats;—no surprises there; 18 are in Liberal seats; two in National Party seats and one in an Independent. So, what have we got: 77 in ALP seats. About half of those, I think, were marginal ALP seats. And, guess what? Most of those coalition ones were in marginal coalition seats. So we have got 90-something per cent of the projects within this bucket of money going to Labor-held seats, coalition marginal seats with absolutely no guidelines whatsoever and a bucket of money with no transparency for the taxpayer whatsoever. Minister, isn't that appalling?

**Senator Conroy**—It is a stream of consciousness.

**Senator NASH**—No, there is a question at the end there.

**Senator Conroy**—She is making Senator Fisher look coherent at the moment.

**Senator NASH**—There is a question at the end there. There was a question at the end there. Isn't that appalling?

**CHAIR**—Minister, you may wish to apologise to the Senate. That was a wild statement.

**Senator Conroy**—Even Senator Nash is not as bad as Senator Fisher. I withdraw that accusation, but I do not think Senator Nash drew breath then for five minutes.

**Senator IAN MACDONALD**—Minister, could I just follow up that last point in the predicament that Ms Marsden raised with the number of it. Is there anywhere you could suggest where she might go to try and get some help in that particular project she is involved in? She was looking forward to the Regional Partnerships and would have been eligible for that. Is there anywhere else you could suggest she might go?

**Senator Conroy**—We will take that on notice and see what is possible, but the government has made a focus on funding rounds through councils. There may be others that I am not aware of, so I am happy to take that on notice.

**Senator IAN MACDONALD**—Perhaps your officers in this department might be able to tell me if there is anything in this department.

**Senator Conroy**—As I said, I will take that on notice and we will come back to the committee.

**Senator IAN MACDONALD**—I am sure Mr Mrdak would know if his department has any projects that might be accessible. Your offer of taking it on notice would be good for other departments.

**Senator Conroy**—As I have said, we will take that question on notice and come back to you.

**Senator IAN MACDONALD**—I know Mr Mrdak would have the answers to his department because he is a very good officer.

**Senator Conroy**—We have indicated—

**Senator IAN MACDONALD**—Why are you gagging him? Are you embarrassed by the lack of any help given by your government to people like Ms Marsden?

**Senator Conroy**—I think you are completely misrepresenting what I said. We said that the government has a focus on grants through council organisations and we would take it on notice to see if there were any others that may be of assistance. There could be something, as you say, in the disabilities portfolio from the description that you made earlier.

**Senator IAN MACDONALD**—I appreciate that, but—

**Senator Conroy**—As I said, we will give you a whole-of-government answer after we take it on notice.

**Senator IAN MACDONALD**—It was a two-part question. One, this department with the officers in front of us—and I know that they would all be able to answer it very easily—and then the second part is other departments. I appreciate your offer to look around for us. This is an issue of very great importance to this particular person. I might say it is similar to the aged care facility in Hughenden, just to name one that springs to mind, which is in the same boat. Community projects, very sensible, very good for rural and regional Australia particularly trying to bring them up to the same sort of services as city people take for granted.

**Senator Conroy**—Then you should support the National Broadband Network and not vote against it. Because the sort of services that are going to be available through that are far superior and will be available no matter where you live.

*Senator Back interjecting—*

**CHAIR**—Senator Back, your comment did have cause.

**Senator BACK**—I am sorry, I apologise.

**Senator IAN MACDONALD**—Thank you. I know that was very interesting, but as I mentioned, Ms Marsden and the Hughenden aged persons group are two that come to mind, are desperately trying to get services that give them not a comparable, but something near what city people like yourself, Minister, take for granted. They were looking forward to the OPEL broadband contract, which would have been delivered by now, not a promise of a \$43 billion spend in the never-never. That would have been useful. They will now have to wait for 10 years. Under OPEL they would have already been using it, so there are three things where country people have missed out.

**Senator Conroy**—OPEL was a dog. It was such a bad dog that it failed its own contractual obligations.

**Senator IAN MACDONALD**—Is there something that this department may be able to suggest to me that I could refer to Ms Marsden, to the Hughenden aged people group and, indeed, to the literally dozens of other people who write with the same query? Can we just have that now so, if there is something, these people can start applying.

**Senator Conroy**—We will take it on notice, as I said.

**Senator IAN MACDONALD**—Obviously, there is nothing and you are trying to hide it. I just go to Regional Development Australia, about which we have had some conversations before. I am wondering if you could supply for us a list of chairs of Regional Development Australia who are known to be associated with a political party and if you could indicate—

**Senator Conroy**—Sorry, could you just ask that again?

**Senator IAN MACDONALD**—I ask you to give the Senate, on notice, a list of the chairs of those Regional Development Australia groups around the country who are known to have—

**Senator Conroy**—I am sorry.

**Senator IAN MACDONALD**—Let me finish.

**Senator Conroy**—It is completely outrageous to suggest that the department should go and look up the political affiliations of individuals. It is just an outrageous assertion.

**Senator IAN MACDONALD**—Chair, can I just, at least, finish the question so we will not get that puerile comment from the minister? I said those known publicly to have a political affiliation.

**Senator Conroy**—You go and look it up. It is called Google.

**Senator IAN MACDONALD**—For instance, I give you the head of the Townsville and North-West Regional Development Association, Mr Ron McCullough: lovely guy, good friend of mine but clearly the Labor mayor of Mount Isa for 10 years.

**Senator Conroy**—I will give you a quick and simple answer: no.

**Senator IAN MACDONALD**—Here is another one: the Hon. David Hamill. He is a good fellow. He was very much on our side in opposing the ETS but is clearly a Labor associate.

**Senator Conroy**—You can go and look up people's political affiliations yourself.

**Senator IAN MACDONALD**—I am just asking.

**Senator Conroy**—It is inappropriate, and the department will not be looking them up.

**Senator IAN MACDONALD**—I have looked them up and even in those two cases they do not indicate it. I am not asking you to ask people their political affiliation.

**Senator Conroy**—If you want to do some research, get the library or your office to do it.

**Senator IAN MACDONALD**—I am saying that those that are commonly known to have a political affiliation, that is one part of the question.

**Senator Conroy**—No.

**Senator IAN MACDONALD**—The second part is: which part is it that they have an affiliation with?

**Senator Conroy**—No, I am not sending the department off on a political witch hunt on your behalf. Get your office to do it itself.

**Senator IAN MACDONALD**—Would you deny that these RDA appointments have been made—

**Senator Conroy**—My recollection is that a number of people from both sides of politics were appointed both to the boards and as chairs.

**Senator IAN MACDONALD**—How outrageous that you know that!

**Senator Conroy**—That is my recollection from what has been published. Unlike you, I am not going to ask the department to go and check that for me.

**Senator IAN MACDONALD**—I see. Do Regional Development Australia chairmen get paid?

**Ms Foster**—The chairs can be paid sitting fees and expenses.

**Senator IAN MACDONALD**—Okay.

**Ms Foster**—The arrangements vary between states.

**Senator IAN MACDONALD**—Why would that be? It is a federal program, is it not?

**Ms Foster**—It is a joint program between federal and state governments.

**Senator IAN MACDONALD**—But all of the cash for it comes from the Commonwealth. In response to questions I asked previously, you indicated, I think, that Victoria was putting in some cash, but every other state—I have already got this information, Minister, so you do not need to put it on notice.

**Senator Conroy**—Why are you asking if you have already got the information?

**Senator IAN MACDONALD**—Because you are answering a question I am not asking. We have the information that Victoria is putting in cash and other states are putting in in-kind—hence my question. In those states where state governments are not contributing cash money, payment of salaries or allowances would be a matter for the federal government.

**Senator Conroy**—We will give you any information available on what is paid to people. If we have got any handy, I am happy to give it to you now, but I suspect we would probably need to take it on notice.

**Ms Foster**—We would need to take it on notice to give you the detail of that.

**Senator IAN MACDONALD**—Thank you. You took it on notice last time and I have these answers.

**Senator Conroy**—You actually already have the answer to the questions from us?

**Senator IAN MACDONALD**—No, the answer to that question. New South Wales put in \$2.1 million for administrative assistance; Victoria is in-kind; Queensland is in-kind; South Australia is providing something ‘still to be finalised’. Incidentally, just following that up, has

the South Australian commitment been finalised by now? This answer was 9 February, I think. No, that was *Hansard*.

**Mr Carmichael**—All the arrangements are in place. Some of the states do not want their funding to be disclosed. It is because of the partnership with each of the states.

**Senator Conroy**—We can tell you what we can tell you.

**Senator IAN MACDONALD**—Here is a Commonwealth program that the states are invited into—

**Senator Conroy**—It is a joint program.

**Senator IAN MACDONALD**—Tell me, how much is the Commonwealth committing for Regional Development Australia?

**Senator Conroy**—We can tell you that happily.

**Ms Foster**—In this current financial year the Commonwealth commitment across the nation is around \$15 million.

**Senator IAN MACDONALD**—Next financial year?

**Ms Foster**—Over the forward estimates it is about \$62 million.

**Senator IAN MACDONALD**—When you said ‘this financial year’, do you mean 2009-10 or 2010-11?

**Ms Foster**—2009-10.

**Senator IAN MACDONALD**—Okay. What is in the budget for 2010-11?

**Ms Foster**—We have \$62 million in the four years to 2013-14. We will just look for the figures for 2010-11.

**Senator IAN MACDONALD**—Okay. Do you have a figure for what the states are contributing? This is a partnership, so I would be interested to know how equal the partnership is.

**Mr Carmichael**—I can just go to the figures for the allocation. It is \$15 million in 2009-10 and then it is \$14.996 million in 2010-11.

**Senator IAN MACDONALD**—The other years, while you are at it?

**Mr Carmichael**—I do not have those figures.

**Ms Foster**—We do not have them broken down, but, over those four years, it is \$62 million in the forward estimates.

**Senator IAN MACDONALD**—\$62 million divided by three or four? What do you class the out years as, three years or four?

**Ms Foster**—That is over four years.

**Senator IAN MACDONALD**—If we divide \$62 million by four we get about \$15 million average next year.

**Ms Foster**—Roughly \$15 million.

**Senator IAN MACDONALD**—How much are the states putting in? I do not want individual amounts, just the global total, so that those who do not want to be identified will not be identified.

**Mr Carmichael**—In the state of Queensland they provide office accommodation and some support, but they do not disclose what the value of that is. Because it is a partnership with the state government, we are putting in a component. A range of the states have their own organisations that we have to amalgamated with ours. There has been a long-term commitment in some of the states to these activities. They have had their funding. In a range of states, some have given financial assistance and some have got a range of infrastructure, including state government employees, who actively are involved in regional development activities.

**Senator IAN MACDONALD**—Do you have contracts with each state?

**Mr Carmichael**—We have an MOU with each state.

**Senator IAN MACDONALD**—Okay. Could you table those MOUs with each state or provide them to the committee rather than table them? Could you make them available?

**Mr Mrdak**—We will take that on notice and come back to you.

**Senator IAN MACDONALD**—Sorry, you will give them or you will take on notice whether you can give them?

**Mr Mrdak**—I will take on notice whether I can provide them.

**Senator IAN MACDONALD**—Why would you not be able to provide to the Australian parliament contracts in which they are engaged that cost them money? What is the rationale for that?

**Mr Mrdak**—The presumption is they would be available to the committee. I just want to check that and come back to you—which I will do very quickly.

**Senator IAN MACDONALD**—That takes me back to my original question then. Who administers the Commonwealth cash funds? Is it given to the states to administer?

**Ms Foster**—The Commonwealth funds are administered by our department. They are allocated, depending on the arrangements we have within each state, either to the state or to the individual RDA committees.

**Senator IAN MACDONALD**—Okay. So when my mate Mr McCullough puts in a claim for sitting fees and travelling expenses, who does he actually put that in to? I do not want to get into the Kerry O'Brien saga again, but who does someone like that put the bill in to, and who writes the cheque for him?

**Mr Carmichael**—That is different, state by state. Because we negotiated with every state, because it is a partnership approach with every state, every arrangement is slightly different, so there is not one answer to that question.

**Senator IAN MACDONALD**—Can you do that constitutionally, have, sort of—

**Mr Carmichael**—We have done it through the MOU, so we have got an MOU with each of the states and we set up the arrangements, negotiated those, and then we are complying with those arrangements we have negotiated with each state.

**Senator IAN MACDONALD**—Okay. I do not want to waste the complete time of the committee, but as a Queensland senator I would be interested in what the arrangement is in Queensland and go back to my example. Who would a chair of a Queensland organisation put the bill in to, and who would sign the cheque for him? Which area of government?

**Ms Foster**—Can we take that on notice and come back to you with an answer?

**Senator IAN MACDONALD**—If you are asking me, the answer is no, you cannot take it on notice, but I guess that was a polite way of saying you do not have the information in front of you at the moment.

**Ms Foster**—I do not, not state by state.

**Senator IAN MACDONALD**—Okay. I guess, when we get the MOUs, we will be able to see a lot of that ourselves. I guess, along the same line, you would not be able to tell me, for those states contributing in kind, what exactly the value of their in-kind support is?

**Ms Foster**—No, I do not have that detail.

**Senator IAN MACDONALD**—Could you tell me what RDAs actually do? I only say this because I was at a development conference recently, with mayors and others, and the chair of a local RDA, who will remain nameless, when he got up, his first words were, ‘Who in the room understands what RDAs are and what they do?’ and not a hand went up. And he said, ‘Good. That makes it unanimous.’ Clearly, chairs do not understand what they are supposed to be doing. Can you tell me so perhaps I can pass this on to chairs?

**Mr Carmichael**—There are five key roles for the RDA committees: engaging with the local committee; regional planning, so we have asked each of the RDAs to develop a regional plan and we are providing support for them through a professional planning organisation to help them with that planning process. They help coordinate whole of government activities, and a range of those things are happening right now. We are working with, say, the Department of FaHCSIA around some of the remote Indigenous communities. Our RDAs are active in those areas. The 29 remote communities need to develop plans, as are RDAs, so we are getting them to work together to help share expertise and bring a whole of RDA area context to those plans.

It is promotion of government programs, and so when the chairs and deputy chairs were in Canberra a number of months ago, we briefed them on all of the various programs that were available to them, and provided them with a range of website links to find where they could access funding dollars or information. Then the fifth key role is community and economic development, and that depends very much on what area we are looking at. Some of the RDAs are dealing with, say, in the South-East Queensland corner, population growth, where some of the others, say, in wheat belt areas, are trying to deal with decreasing population and what sort of economic activity they may be able to enhance there in the future. Because of the wide diversity of geographical areas they represent, each of them will have a unique agenda, and it needs to be informed by them and their communities. And part of the role of picking leaders

from each of those communities is that they are in touch with the aspirations of their local communities and they need to express those through their regional plans and the business plans that they are currently developing.

**Senator IAN MACDONALD**—When do you expect the business plans will be available?

**Mr Carmichael**—Because we negotiated the MOUs at different times with each of the states, New South Wales was, say, far advanced to some of the other states because they had some systems in place, and we are getting those in now. Some of the later states we have only just recently negotiated the MOUs, and they are still settling membership of their committees. They will obviously be later in the year, but we are bringing all the chief executives to Canberra next week to help them in that process. We are spending two days with them, working through how they might construct a business plan; if they have already got one that they have got a draft of, helping them enhance that. Similarly, with their regional plans, giving them a lot of advice, a lot of professional support around how they might develop it; if it is already developed, how they might look at how they could implement it; providing additional data for them to inform their plans.

**Senator IAN MACDONALD**—Could you give me, on notice, a list of all the professional help that you mentioned would be given to the various RDAs to prepare their business plans?

**Mr Carmichael**—Some of it is that they have got some funding of their own, so they may be seeking their own support. We would have to ask every committee, and that is a matter for them to disclose. But they have got—

**Senator IAN MACDONALD**—You said you would be providing assistance.

**Mr Mrdak**—We will provide you with details of the consultancy assistance we are providing.

**Senator IAN MACDONALD**—Okay. Thank you for that. Do you have details of how many local MPs or senators have been either briefed by, or attended meetings of, their local Regional Development Australia groups?

**Mr Carmichael**—It is a requirement of each of the RDAs to meet with their local members and senators—

**Senator IAN MACDONALD**—Yes, you have sent me that in answer to a question last time, and that is what I am referring to. I am just wondering, do you have details of the take-up rate?

**Ms Foster**—We do not manage the RDAs to that level of detail. We give them the broad guidance. But, as Mr Carmichael said, each RDA needs to operate within a context that is appropriate for its community.

**Senator IAN MACDONALD**—Who makes them accountable? You know, there are a lot of wild and inaccurate allegations made about regional development groups and regional development funding in the past, and I understood because of that, the department would be keeping a very close eye on these things. In what way do you ensure that these RDAs are actually doing what their MOUs or their arrangements have to say?

**Mr Carmichael**—We have specific requirements of what they need to report to us, in terms of their business activity, but we are not monitoring their day-to-day activities at the sort of level of who they might talk to or who they consult with. What we would be expecting is that they have done broad consultation, that as they developed their business plans, they have engaged their local community, and we would expect reporting on that. Similarly, with their regional plans, they must consult local governments and the state government, but how they do that is really up to them. We do not want to micromanage what they do. It is about regional leadership, and we want to give them the ability to develop their plans in the way they see fit, within the requirements of our funding.

**Senator IAN MACDONALD**—But their plans are simply advice, then, to federal and state governments. They have no money to spend.

**Mr Carmichael**—The key role of the plans is to bring together what resources and opportunities are in their communities and give advice to us. Then we will take and analyse their plans and edit and form our own policy development, but that is the status of the plan.

**Senator IAN MACDONALD**—Sounds like another ‘all talk and no action’ proposal, but anyhow, I appreciate it is not the department—

**Senator Conroy**—If only you had been in Mount Isa with me that day.

**Senator IAN MACDONALD**—I appreciate it is not the department that has devised this ‘program’. Could you also—if you have it now, but if not on notice—tell me how the \$14 million allocated this current financial year was spent?

**Mr Carmichael**—Can I give a flavour of some of the things that they are doing? It might help your understanding of—

**Senator IAN MACDONALD**—No, I am really interested in where the \$14 million has been spent. Is it mainly on allowances and wages? It is not rentals, because most of them have got provided premises by the state governments.

**Ms Foster**—The \$14 million is essentially to enable the committees to establish small support secretariats which assist the committee to run. It will be on things like the wages for their executive officer, to support community meetings and consultations—

**Senator IAN MACDONALD**—Okay. That is on small secretariat staff and on allowances for members?

**Senator Conroy**—Just a little bit of extra information for you. I understand that the MOUs are on the RDA website, [www.rda.gov.au](http://www.rda.gov.au), and all committee membership is finalised.

**Ms Foster**—That is correct, yes.

**Senator IAN MACDONALD**—Yes, you have given me that before, or someone has. Perhaps I have got it off the website myself. No, it was an answer to a question last time. Yes, we did get it off the website. Thank you, Minister. That is very helpful and the MOUs, we will be able to have a look at. That is great.

**Senator Conroy**—Here to help.

**Senator IAN MACDONALD**—Perhaps I will not waste more time on this, but could you just give me details of how the \$14 million for the current financial year was spent: how much went to each state and where it went in each state, and what it was for?

**Ms Foster**—We can do that.

**Senator IAN MACDONALD**—The government's Better Regions Program has a spend of \$176 million allocated to encourage economic and community development. How much of that 176 has currently been spent and how much is committed, if not spent, to date?

**Mr Carmichael**—The year-to-date spend in the Better Regions Program is \$28,516,000.

**Senator IAN MACDONALD**—And commitments made for how much? Am I right that \$176 million is the correct figure, is it, the total allocation?

**Ms Foster**—That is correct. We can get that for you quickly. Can we just come back to you on that?

**Mr Carmichael**—I gave you the 2009-10 spend there.

**Senator IAN MACDONALD**—That is fine. That is what I did ask for, the 2009-10 and what has been committed in the future. In relation to the government's population policies, can you tell me what specific policies does the government have in place to foster regional development and create opportunities for people and businesses to relocate to regional Australia?

**Senator Conroy**—I suspect that is Mr Burke's portfolio responsibility now and he would assume all those responsibilities.

**Senator IAN MACDONALD**—I am talking about regional development, which is this department.

**Senator Conroy**—I understand that.

**Mr Mrdak**—As the minister has outlined, the government has announced the appointment of Minister Burke as the first Minister for Population. Part of his role now, which is being supported by a group in the Treasury, is to develop policies in relation to Australia's population and the implications of handling the forecast growth of Australia's population. That work is now underway and Mr Burke, I think, has publicly spoken about his desire to look at that in the context of regional Australia: what are the opportunities, what are the issues and the like. The policy lead work on that is now being undertaken by Minister Burke.

**Senator IAN MACDONALD**—What part has your department, the Department of Regional Development, amongst other things, played in that?

**Mr Mrdak**—As I indicated, the secretariat and the support staff for Minister Burke for this function are located in the Treasury. We are currently in the process of providing staff support, seconding staff, to the Treasury to support this role. Additionally, our Bureau of Infrastructure and Transport and Regional Economics, as you are aware, contains a great deal of data and analysis in relation to regional Australia. We are providing the resources of the bureau and their analytical capability to support that work as well.

**Senator IAN MACDONALD**—The bureau does provide a lot of data. Unfortunately, the data I just requested from them they do not seem to have, about remote Australia. Perhaps I

will come onto that later in the day. Mr Chairman, that is all I have on regional development, although I do have a series of questions on local government. Is this the same officers?

**Mr Mrdak**—Yes.

**Senator IAN MACDONALD**—Unless anyone else wants to pursue regional development while we are here?

**CHAIR**—Still yours, Senator Macdonald.

**Senator IAN MACDONALD**—Thank you. The Australian Council of Local Government, when is its next meeting scheduled?

**Mr Mrdak**—It is scheduled to meet on 18 June.

**Senator IAN MACDONALD**—What is going to be the focus of that meeting?

**Ms Foster**—The focus of this year's meeting is about resilience.

**Senator IAN MACDONALD**—What does 'resilience' mean?

**Ms Foster**—It is how governments can best respond to the economic and environmental challenges that face them.

**Senator IAN MACDONALD**—In the centres like Mount Isa City Council or Cloncurry City Council, and I assume a number of councils in Western Australia, will the focus be on the mining tax, which is set to destroy the communities in those mining localities?

**Mr Mrdak**—I think the discussions around those matters are something the government is holding at the moment. They are not issues that are going to be the focus of the agenda for this meeting.

**Senator IAN MACDONALD**—Can I warn you, Mr Mrdak, so that you are prepared—do not say you were not prepared—that the mayors coming from Mount Isa, Cloncurry, Central Highlands, Mackay, Gladstone and Karratha, they will not want to talk about anything else because that mining tax will destroy their communities and, because they are elected representatives and know the feeling of their community very well, there is no other issue that will be front of house to their mind. There is a bit of gratuitous advice for you. Be prepared. Of course, by 18 June, the government could have done another one of its very famous backflips and scrapped the whole thing, so perhaps it will not be such an issue. What have been the actual outcomes of previous meetings?

**Ms Foster**—There have been a range of initiatives announced through the ACLG. That includes the funding initiatives, more than \$1 billion for community infrastructure. It also includes \$25 million towards a local government reform fund and the establishment of the Australian Centre of Excellence for Local Government, which is now up and running and working really well.

**Senator IAN MACDONALD**—Who is the chair of that Australian Centre of Excellence for Local Government?

**Ms Foster**—The chair of the board is Margaret Reynolds.

**Senator IAN MACDONALD**—That is former Labor senator from Tasmania Margaret Reynolds?

**Senator Conroy**—Queensland, actually. I thought you were actually about to get on to something, but you blew it at the last minute.

**CHAIR**—We are staying on the low road.

**Senator IAN MACDONALD**—A Queensland Labor senator, based in Townsville, now living in Tasmania. That is the Margaret Reynolds we are talking about?

**Ms Foster**—That is correct.

**Senator IAN MACDONALD**—That is interesting. Keep going, I interrupted you.

**Ms Foster**—No, I had finished, thanks.

**Senator IAN MACDONALD**—Perhaps I might just jump to the Australian Centre for Local Government that we were just talking about. What have been the outcomes of the centre so far? I understand it was established on 1 July 2009.

**Ms Foster**—That is right. It released its work plan in December 2009. It has a range of programs for 2010. Its work includes delivering a range of local government leadership programs and courses, supporting councils to improve infrastructure, asset and financial management, and building capacity to meet challenges like climate change.

**Senator IAN MACDONALD**—And is that totally funded by the Australian government?

**Ms Foster**—The Australian government provided \$8 million to establish the centre.

**Senator IAN MACDONALD**—Yes.

**Ms Foster**—The centre operates with a number of partners—academic institutions. It was, in fact, a consortium bid, and so it includes the University of Canberra, ANSOG, the Local Government Managers Association of Australia, and the Institute of Public Works Engineering Australia. They have program partners from the Australian National University, Charles Darwin and Edith Cowan University, and those program partners also bring financial support or make contributions to the programs that are delivered by the centre.

**Senator IAN MACDONALD**—Do we have details of the financial support that those apart from the Australian government provide?

**Ms Foster**—I do not have that with me. We can get that for you.

**Senator IAN MACDONALD**—Thank you very much. That is useful. And do they publish an annual report? They are not a Commonwealth agency, are they, that we could reasonably ask to come along and give evidence at an estimates committee?

**Ms Foster**—They are not a Commonwealth agency, and I do not know whether or not we have the capacity to ask for them to come to estimates. Obviously, we can follow that through with the secretariat.

**Senator IAN MACDONALD**—Thank you for that. And do they publish an annual report?

**Ms Foster**—Yes, they do.

**Senator IAN MACDONALD**—And they have published one since their inception, I assume?

**Ms Foster**—That is correct.

**Senator IAN MACDONALD**—And that is publicly available, obviously.

**Mr Carmichael**—They publish almost everything they do on their own website. They are pretty active about doing that, and it is part of connecting with local government around Australia. But they certainly put almost all their material up on their website.

**Senator IAN MACDONALD**—That is great. Thank you. I just want to go to the Local Government Reform Fund. What was the process for identifying the projects to be funded?

**Ms Foster**—We sought applications for funding.

**Senator IAN MACDONALD**—The submissions were to be prepared jointly by state governments and state local government associations? Was that the arrangement?

**Ms Foster**—That is correct.

**Senator IAN MACDONALD**—And how many submissions did you receive? One from each state?

**Ms Foster**—No, we received more than one from each state. We had projects totalling about \$37 million submitted to us.

**Senator IAN MACDONALD**—And how many of them were funded?

**Mr Carmichael**—There are \$1 million worth of projects that have been announced. There are a range of projects that we are still in the process of assessing and negotiating with state governments, and they will be announced as they are approved by the minister.

**Senator IAN MACDONALD**—Perhaps the Jubilee Bridge might be in that.

**Mr Carmichael**—It does not go to those sorts of projects. This is really about capacity building. It is taking on the COAG agenda about building capacity and local governments strongly, and particularly around asset management.

**Senator IAN MACDONALD**—How many states have actually received money to date and in what amounts? Have they been publicly announced, I guess is the first question?

**Mr Carmichael**—The Northern Territory has received \$1.35 million to the capacity building of council staff, elected members, and related partners on an asset management and financial planning framework. South Australia has received \$350,000 for an asset and financial management council audit, and \$1.34 million for technical support and building regional collaboration between councils. They have also received \$960,000 for a national model pilot program for an integrated design strategy for the broader Adelaide city. Victoria has got a local government sustainability project valued at \$964,000. They have also got \$1.404 million for a local government regional asset management services project. Western Australia has got \$2.351 million for an integrated planning asset management improvement program, and then there are some projects that were funded with the Australian Centre of Excellence for Local Government, which I think Ms Foster has already talked to. But some of the specifics about that are were a scholarship program for senior women valued at \$100,000, and a data collection reporting on the status of women, valued also at \$100,000.

**Senator IAN MACDONALD**—Thank you for that, but is it possible to table the information you are reading from, rather than going through it word by word?

**Ms Foster**—Yes, we can if it is not on the web. If it is on the web, we will advise you.

**Senator IAN MACDONALD**—Yes, that would perhaps speed the process. Were all of those projects supported by the state governments and state associations?

**Ms Foster**—Yes.

**Senator IAN MACDONALD**—Were there any others that were funded that were not supported by the state associations and the state governments?

**Ms Foster**—No, though the funding allocation to the centre of excellence, for example, for the scholarship program for senior women, was done by the Commonwealth.

**Senator IAN MACDONALD**—Okay. So you did take advice from others, including the centre of excellence?

**Ms Foster**—We worked very closely with the centre of excellence on this. As you know, we required the state governments to consult with the local government associations in preparing their bids. We then worked with the centre of excellence to assess the bids and provide advice to government. We also worked with them to develop proposals such as some funding for scholarships and some data collection that was funded out of that fund.

**Senator IAN MACDONALD**—Where is the centre of excellence actually based?

**Ms Foster**—In Sydney at UTS.

**Senator IAN MACDONALD**—Thank you for that. I just have another couple of questions. Where are we at with the referendum for constitutional recognition of local government?

**Ms Foster**—That has been progressed by the Australian Local Government Association. So they are going through a process of consultation, but that is not something that the Commonwealth is managing.

**Senator IAN MACDONALD**—Does it require a referendum?

**Ms Foster**—Does what require a referendum?

**Senator IAN MACDONALD**—Does constitutional recognition require a Commonwealth referendum?

**Ms Foster**—It is my understanding that it does, but as I said, we are not taking that proposal forward. That is something that ALGA—

**Senator IAN MACDONALD**—So the department has done no work on preparing the question for the next general election?

**Ms Foster**—No.

**Mr Mrdak**—As Ms Foster has indicated, the first stage is that the government has asked ALGA as a body to come back to government with some more definite proposals about what they are seeking, and then the government will review that in the light of that work. We do not at the moment have a timeline and are not undertaking any detailed work at this stage, pending the advice back from ALGA.

**Senator IAN MACDONALD**—Is this something the Department of Local Government will be involved in, or is it more a COAG, government to government, Prime Minister—

**Mr Mrdak**—As you are aware, the head of ALGA is on COAG, and has the opportunity through that process. So that, at this stage, it is coming back through that process with some more definite proposals. I think some of the issues have been that there is a disparate range of views amongst local government about what constitutional recognition should involve and how best that is done, and the Australian Local Government Association is currently sorting that out or trying to get a perspective on that before returning to governments, both federal and state, with more detailed thinking.

**Ms Foster**—ALGA has provided briefing to, for example, the ministerial council—that includes the local government ministers across Commonwealth and states—on its consultation and its survey work to start establishing a case for constitutional recognition.

**Senator IAN MACDONALD**—We are breaking for morning tea, I understand. I have some FAGs questions which I will ask after morning tea. What area of your department would be dealing with ALGA and would lead any discussions or any government proposals on constitutional recognition?

**Mr Mrdak**—This area of the department.

**Senator IAN MACDONALD**—The local government branch, is it?

**Mr Mrdak**—Yes.

#### **Proceedings suspended from 10.31 am to 10.44 am**

**CHAIR**—Welcome back, officers from Local Government and Regional Development. We will continue from where we left off.

**Senator IAN MACDONALD**—Can you tell me the value of the bring-forward of 25 per cent of next years FAGs into this financial year?

**Ms Foster**—Yes, it is \$511.6 million.

**Senator IAN MACDONALD**—This is the second year this has been done, isn't it?

**Ms Foster**—That is correct.

**Senator IAN MACDONALD**—If you keep bringing forward 25 per cent, won't there be, at some time, a day of reckoning when councils will receive 25 per cent less in a year? For example, if it is not brought forward again next year, councils next year will only have 75 per cent of their annual FAGs grants. Is that right?

**Ms Foster**—That is correct. As we did this current financial year and plan to do next financial year, we would spread that in four equal payments, so the councils would continue to receive payments across the year.

**Senator IAN MACDONALD**—The 75 per cent will be done in four equal payments?

**Ms Foster**—That is right.

**Senator IAN MACDONALD**—What is the reason for bringing forward the 25 per cent? Perhaps I should start here: when was it brought forward?

**Mr Mrdak**—It was brought forward in the budget.

**Senator IAN MACDONALD**—When will the cheques be going out?

**Mr Mrdak**—They will be done before 30 June.

**Senator IAN MACDONALD**—Before 30 June? What is the reason—perhaps I could come back to that, Chair, because I am really conscious of the fact that the minister is not here, and I do not want to put the officers in a situation. Can you explain in detail how the indexation adjustment included in Budget Paper No. 3—and I can helpfully tell you, at page 110, table 2.11.1, footnote (b), which indicates that the escalation factor is 0.7710. Can you just indicate to me how that indexation factor is arrived at?

**Mr Mrdak**—It is calculated by the Treasury. I can get you some details of how that is done, but it is based on Treasury analysis, which happens each year to enable the Treasurer to set the indexation figure for the year ahead.

**Senator IAN MACDONALD**—The indexation figure is the amount by which the FAGs increase every year?

**Mr Mrdak**—That is correct.

**Senator IAN MACDONALD**—Is that entirely done by Treasury? Your department has no input into that?

**Mr Mrdak**—We are consulted as part of our normal administration, but it is done by the Treasury.

**Senator IAN MACDONALD**—Does your department administer the FAGs?

**Mr Mrdak**—Yes.

**Senator IAN MACDONALD**—You do? You will get back to me on how that—

**Mr Mrdak**—Yes.

**Senator IAN MACDONALD**—Is the indexation adjustment figure akin to CPI increases?

**Mr Mrdak**—No. It is a lesser amount, generally.

**Senator IAN MACDONALD**—What is its purpose? Is it to try and keep the value of FAGs, which are done over, what, a rolling four- or five-year program, are they?

**Mr Mrdak**—There is an annual adjustment to the FAGs under the legislation, based on this indexation factor. The indexation factor varies. It is generally around CPI, but not exactly at CPI. It would be best if I can get you some detail, I think, of how Treasury calculates it. It is a formula which has been in place for many years, under the operational legislation.

**Senator IAN MACDONALD**—Would the recipients say that each year they are getting less value, as the value of money decreases each year? Clearly, this escalation adjustment is meant to keep it at around the same level, but does everyone accept that it does?

**Mr Mrdak**—Yes, generally. There has been debate in the past over whether that has kept pace with CPI at times, but my understanding is there is a general acceptance of the indexation factor now and how it operates.

**Senator IAN MACDONALD**—Okay. Could you hazard a guess at what that may equate to, in percentage terms? If I was good a mathematics, I would be able to work that out myself. What is the CPI running at, something like three, four, or five per cent, is it?

**Mr Mrdak**—I would have to check. Can I just check with the officer at the desk and see if we have got any figures on indexation with us, otherwise I will come back to you in relation to that.

**Senator IAN MACDONALD**—What I am really curious about is what the CPI increases are each year and how 0.7710 relates to that in the value of money. Now, Senator Nash has some questions. I do want to ask another question germane to this area, but I am hesitant to—

**CHAIR**—I will see if I can assist you, Senator Macdonald.

**Senator IAN MACDONALD**—We can come back later, I guess. Perhaps I could ask it and then invite the officers not to answer until the minister is here, if they so choose? What is the difference between bringing forward the 25 per cent to 30 June, as opposed to paying it on 1 July? What is the impact to councils? Perhaps we had all better stop now, because not only do we not have a minister, but we do not have a—

**Senator NASH**—But we have Senator O'Brien. Of course we do.

**Senator IAN MACDONALD**—Sorry, I beg your pardon.

**Senator NASH**—Sorry. I just corrected that straight away, Senator O'Brien.

**Senator IAN MACDONALD**—I am trying to be scrupulously fair here.

**ACTING CHAIR (Senator O'Brien)**—Yes, I know. The minister is temporarily absent and the chair has obviously gone to obtain him. If can we postpone and questions that may necessarily involve the minister's consideration.

**Senator IAN MACDONALD**—Is that question I should ask while the minister is here?

**Mr Mrdak**—I can certainly advise you that the normal payment schedule for the FAGs payments would be mid-August and they are being brought forward to June. That is a decision that government has taken in the budget and we had a lengthy discussion yesterday in relation to this with Senator Joyce.

**Senator IAN MACDONALD**—In relation to this particular aspect?

**Mr Mrdak**—Yes.

**Senator IAN MACDONALD**—In relation to FAGs grants?

**Mr Mrdak**—Yes.

**Senator IAN MACDONALD**—Why is it not paid on 1 July rather than mid-August?

**Mr Mrdak**—That is the general payment schedule that has been traditionally done, in terms of the quarterly payments. By the time the advice goes from the states grants commissions, in terms of allocations per council, around mid-August is generally the payment schedule.

**Senator IAN MACDONALD**—Yes, but if you are bringing forward 25 per cent to the earlier financial year, clearly, the explanation would be that it gives councils the use of that money two months earlier.

**Mr Mrdak**—That is right.

**Senator IAN MACDONALD**—Why not do it on 1 July and you would still do it two months earlier? That is probably a question for the minister.

**ACTING CHAIR**—How longstanding is it?

**Ms Foster**—Very longstanding. We have made quarterly payments in the middle of each quarter—

**ACTING CHAIR**—Going back years?

**Ms Foster**—Yes, I believe so.

**Senator IAN MACDONALD**—Yes, but it is not a longstanding commitment to bring forward 25 per cent into the previous financial year. I will leave it there, if I can reserve the right to come back when the minister is here, Chair.

**Senator IAN MACDONALD**—Here is the minister. Just while the minister is sitting down, the Red Centre Way—this is going back to the better regions projects and this is one of the ones we went through last night, but I did not get around to asking that one—has that been done?

**Ms Foster**—It is not a better regions project. It is under a program administered by the Department of Resources, Energy and Tourism.

**Senator IAN MACDONALD**—What is it about? Do you know anything about it?

**Mr Carmichael**—You would have to refer to the department.

**Senator IAN MACDONALD**—But I understand it is a road.

**Ms Foster**—We just established that it was not ours and which department it was, so we could advise you.

**Senator IAN MACDONALD**—Okay. My question was why has it disappeared from the radar, but it has disappeared from your department and never was there. Minister, I was just completing my questions about the financial assistance grants to local government and for the last year and, again, this year, 25 per cent of the FAGs grants has been brought forward.

**Senator Conroy**—Barnaby did have an hour-long discussion about this.

**Senator IAN MACDONALD**—I am sorry I was not here. It does not need a long answer.

**Senator Conroy**—He even put out a press release, if that helps.

**Senator NASH**—I am sure we can accommodate Senator Macdonald to ask some questions this morning.

**Senator IAN MACDONALD**—It is really only one question, and I was asking officials, but did not really want to put them in the position where they had to answer. What it is the difference between paying 25 per cent to advantage local governments on 30 June, as opposed to 1 July?

**Senator Conroy**—I think, vaguely remembering what I discussed with Senator Joyce yesterday, that when we did it 12 months ago, because we have done it twice, it was very warmly welcomed. I read out quotes from the ALGA, warmly welcoming it again. It was to help with continuity and planning for local governments on an ongoing basis. It gave them certainty and continuity.

**Senator IAN MACDONALD**—Not certainty, because they are going to get it next year. It is just bringing forward the payment to this year. I can well understand, as you say, that local government would be pleased because they are getting money, instead of in August at the end of June. My question is: why not on 1 July, which is a difference of two days? They would be equally pleased to get it on 1 July?

**Senator Conroy**—We felt that, in the same way that it was very warmly welcomed and allowed continuity and certainty the 12 months before, we would do it again for the same reasons—continuity and certainty. Barnaby has already put the press release out.

**Senator IAN MACDONALD**—It is not continuity and certainty, because they were going to get it anyhow. That is a rubbish argument.

**Senator Conroy**—For their planning.

**Senator IAN MACDONALD**—My question is: what difference would it make on 30 June as opposed to 1 July? Would it be, perhaps, something about making next year's budget deficit look smaller?

**Senator Conroy**—Barnaby has already put out a press release on it. You are a day behind. He has made that claim already.

**Senator IAN MACDONALD**—Unfortunately, Senator Joyce is not here and not in your position to answer the questions, and I am asking you.

**Senator Conroy**—I am just saying that you might want to Google his press release from yesterday.

**Senator IAN MACDONALD**—Whatever he says is what you would have responded to me?

**Senator Conroy**—No, what I am saying is that the point you are trying to get to Barnaby put out a press release on yesterday. No-one took any notice of it then and no-one will take any notice of this line of questioning. We gave it to councils, so that we could give them the certainty—

**Senator IAN MACDONALD**—Minister, why won't you answer the question?

**Senator Conroy**—I already have. I said for certainty and continuity, so that they could plan into the coming 12 months.

**Senator IAN MACDONALD**—Thank you. Absolutely nobody in local government will believe that because there is no certainty. That is your answer and thank you for it, for what it was worth.

**Senator NASH**—The East Kimberley Development Package, is that within your department?

**Senator Conroy**—It is in Northern Australia.

**Senator NASH**—All right. How much money was originally allocated to the Regional and Local Community Infrastructure Program?

**Ms Foster**—There were two rounds of it. The first round was \$800 million and that was divided into two programs, one of \$250 million, which was directly allocated to all 565 councils and the ACT, and \$550 million, which was done through a competitive bidding round. The second round of RLCIP again had two components. In total, it was \$220 million, \$100 million in direct allocations to all councils and \$120 million that was a competitive bidding process.

**Senator NASH**—Has that all been expended? Is there anything left or is that all?

**Ms Foster**—The two direct allocation rounds, so the first 250 and the second 100, have been allocated to councils. The first competitive round was allocated last year. The second round, the applications closed earlier this year and that is in the process of being announced at the moment.

**Senator NASH**—The jobs fund, the Bike Path Projects and Infrastructure Employment Projects?

**Ms Foster**—The bike paths was a competitive program for which applications closed last year. Those projects have been announced.

**Senator NASH**—How much money was originally allocated to that?

**Ms Foster**—About \$40 million.

**Senator NASH**—All of it has been, obviously, allocated. Has it all been spent, or have projects been finalised?

**Ms Foster**—There was a small amount that was departmental expenses, but the money allocated for the bike paths themselves has all been contracted with proponents.

**Senator NASH**—Finally, the Remote Aviation Infrastructure Fund, that is—

**Mr Mrdak**—That would be in aviation and airports.

**CHAIR**—As there no further questions of Local Government and Regional Development. I thank the officers. I now call the Office of Northern Australia. I would like to welcome Ms Fleming for your first round of Senate estimates. Welcome to the building.

**Ms Fleming**—Thank you.

**CHAIR**—I believe you have just recently joined the Office of Northern Australia?

**Ms Fleming**—10 May.

**CHAIR**—Fantastic. Welcome. Questions, Senator Macdonald.

**Senator IAN MACDONALD**—Tell us about yourself, Ms Fleming. Where are you from? What is your expertise in this area?

**Ms Fleming**—I am a longstanding public servant. Most recently, I have been in the Department of Families, Housing, Community Services and Indigenous Affairs. Prior to that,

I had extensive experience in the department of industry and, prior to that, in the department of trade.

**Senator IAN MACDONALD**—Perhaps I could ask Mr Mrdak: does this represent any new arrangements with the Office of Northern Australia, or is just the normal shuffle of officers through various departments for various reasons?

**Mr Mrdak**—We have had some acting arrangements in place for some time since the departure of the former head of the office. Ms Fleming's arrival has enabled me to settle permanent arrangements for the office.

**Senator IAN MACDONALD**—Who was the previous head. I should know this.

**Mr Mrdak**—Mr John Angley and, for an interim period, Mr Stuart Sargent.

**Senator IAN MACDONALD**—That is right. Have they left the department or moved on to other areas?

**Mr Mrdak**—Mr Angley has left the department. Mr Sargent is now working in a different area of the department.

**Senator IAN MACDONALD**—Okay. Ms Fleming, so that I can assess if things have changed, what is the strength of—what do you call it? It is not a branch, is it? It is an office—you tell me what it is—within a branch or something, is it?

**Mr Mrdak**—Perhaps if I do, initially? The office is headed by Ms Fleming. It is effectively at SES band 1 level and comprises a range of staff, both here in Canberra and in our offices in Townsville and Darwin.

**Senator IAN MACDONALD**—It is part of which branch?

**Mr Mrdak**—It sits as a separate unit within my department.

**Ms Foster**—It is a branch in itself, and Robyn reports directly to me.

**Senator IAN MACDONALD**—Ms Foster, that is very helpful, but I cannot hear you.

**Ms Foster**—It is a separate branch and Robyn reports directly to me in our organisational structure.

**Senator IAN MACDONALD**—Okay. Can you just tell me how many are in the separate branch?

**Ms Fleming**—It is approximately 21 staff.

**Senator IAN MACDONALD**—Divided up between here, Townsville and Darwin?

**Ms Fleming**—My understanding is there are five staff in Townsville, one in Darwin and a part-time officer in Kununurra, and the remaining staff are here in Canberra.

**Senator IAN MACDONALD**—How many is that in Canberra?

**Ms Fleming**—I think it is about 14.

**Senator IAN MACDONALD**—Fourteen in Canberra?

**Ms Fleming**—Fourteen to 13 staff, approximately. I can give you an actual breakdown on notice.

**Senator IAN MACDONALD**—I thought you said the total was 14?

**Ms Fleming**—No, the total is about 21; five in Townsville, one in Darwin and half an FTE in Kununurra, with the remainder in Canberra.

**Senator IAN MACDONALD**—Can you tell me the arrangements in Kununurra? Who is the half a person—not by name?

**Ms Fleming**—The officer is working for us to provide local intelligence to us around the East Kimberley Development Package and its implementation and working closely with the shire and the WA government on the implementation of those projects.

**Senator IAN MACDONALD**—Does that person have another Commonwealth job for the other part of his or her time?

**Ms Foster**—No. We have her on contract. We contract a certain number of her hours per week. She was a local in Kununurra.

**Senator IAN MACDONALD**—A local with a Public Service background, I assume, is it?

**Ms Foster**—No, I do not believe so.

**Senator IAN MACDONALD**—Should I ask you for a name?

**Ms Foster**—It is Elise Anning.

**Senator IAN MACDONALD**—Thank you.

**Senator BACK**—Could I ask you: the West Kimberley, Broome?

**Ms Fleming**—She is located in Kununurra.

**Senator BACK**—Yes, I know, but do you have anybody in the West Kimberley?

**Ms Fleming**—No, we do not.

**Senator BACK**—Is it your intention to position somebody in the West Kimberley?

**Ms Foster**—We specifically have Elise in the East Kimberley because she supports us in the delivery of the East Kimberley Development Package. It is centred around Kununurra because that is where our activities are taking place.

**Senator IAN MACDONALD**—The package is not administered by your department, though, is it? It is schools and buildings, as I recall, and a lot of social enhancements?

**Ms Foster**—It is a mix. There are 29 projects in the package. Twenty-one of them are actually being delivered by the Western Australian government and the remaining eight are divided, six being managed by SWEK, the Shire of Wyndham East Kimberley, and two which we are managing directly from the Commonwealth.

**Senator IAN MACDONALD**—From your department?

**Ms Foster**—From my department.

**Senator IAN MACDONALD**—Which two are they?

**Ms Foster**—There is a refurbishment of the Waringarri Arts Centre and the Warmun Early Learning Centre.

**Senator IAN MACDONALD**—Sorry?

**Ms Foster**—The Warmun Early Learning Centre.

**Senator BACK**—Turkey Creek, as it was.

**Senator IAN MACDONALD**—No other Commonwealth department is involved in that?

**Ms Foster**—Then we have an arrangement, both within WA and within the Commonwealth, where we work very closely with the line agencies who are responsible. The programs fall broadly into four areas. The main three of those are education, health and housing.

**Senator IAN MACDONALD**—You said four areas, didn't you?

**Ms Foster**—Yes, then there is a community services one.

**Senator IAN MACDONALD**—Sorry, keep going.

**Ms Foster**—For the three main ones, both within the WA system and within the Commonwealth, those line agencies have been very closely involved in both the selection and the development of the projects and then in the arrangements that are put in place to manage them. For example, in the housing field, FaHCSIA is in direct contact with the WA housing folks and ensuring that that housing is delivered in a way that is consistent with the broader Commonwealth government house initiatives across WA.

**Senator IAN MACDONALD**—Is the funding through FaHCSIA in that instance?

**Ms Foster**—No, all \$195 million was allocated to the department of infrastructure.

**Senator IAN MACDONALD**—Okay.

**Ms Foster**—When we have approved projects—for example, the housing ones are being delivered, as I said, by the WA government—Infrastructure transfer money via Treasury to the WA Treasury, which allocates it within the WA system to deliver the housing, but in approving the project we actually send that project to FaHCSIA for their comment and endorsement before we sign off on it. Similarly, we ensure that that has happened at the WA end.

**Senator IAN MACDONALD**—The buck stops with you, so to speak—

**Ms Foster**—That is right.

**Senator IAN MACDONALD**—and the cheques are written out by you, even though they get there in a roundabout way?

**Ms Foster**—That is right. We are accountable.

**Senator IAN MACDONALD**—The same applies with the education and health areas?

**Ms Foster**—That is correct.

**Senator IAN MACDONALD**—Okay. Is the actual infrastructure related to irrigation works all being done by the Western Australian government?

**Ms Foster**—That is correct.

**Senator IAN MACDONALD**—Do you have any input into that at all?

**Ms Foster**—Not formally, no.

**Senator IAN MACDONALD**—No Commonwealth agency as such?

**Ms Foster**—We certainly do not. I could not answer for others.

**Senator IAN MACDONALD**—There is no-one else. You are in the Infrastructure, Transport, Regional Development and Local Government portfolio.

**Ms Foster**—I think DEWHA has some engagement with the Western Australian government, particularly around the application of the EBPC Act.

**Senator IAN MACDONALD**—Yes, of course. Okay. Of the \$195 million allocated, how much was spent this year?

**Ms Fleming**—Page 72 and page 75 will show you the East Kimberley Development Package, line 2.

**Senator IAN MACDONALD**—Okay. So it is \$13 million spent in this current year and \$4 million projected for next year. Is that right?

**Ms Fleming**—That is of the community project.

**Ms Foster**—Because all of the payments made to WA are actually made through the Treasury, that appropriation appears in Treasury's budget statement. The figures that you are seeing in front of you in this PBS actually relate to the programs that we are directly administering.

**Senator IAN MACDONALD**—Those are the two programs, the early learning and the arts centre?

**Mr Mrdak**—And the payments to the local government.

**Ms Foster**—And local government and the SWEK payments.

**Senator IAN MACDONALD**—What was the local government?

**Ms Foster**—SWEK, Shire of Wyndham East Kimberley.

**Senator IAN MACDONALD**—Sorry. Okay. The money is going to them for what?

**Mr Mrdak**—There are a range of projects.

**Ms Foster**—For six projects.

**Mr Mrdak**—I will take you through those. The Kununurra Airport terminal upgrade, Kununurra Airport new Patient Transfer Facility, the community sporting facilities in Kununurra, the Wyndham Swimming Pool project, the Wyndham Picture Gardens project, and the Wyndham Community Jetty project are being delivered by the shire council.

**Senator Conroy**—Is that the list of promises that the Liberals discontinued last week? No, they are real programs that are happening? Just making sure!

**Ms Foster**—The Wyndham Swimming Pool upgrade was completed—

**Senator IAN MACDONALD**—Minister, just for your education, if you want to know, the coalition promised this package prior to the last election.

**Senator Conroy**—You never know. It could have been discontinued.

**Senator IAN MACDONALD**—It is one of the few packages that, I have to say, your government has continued on from what the coalition—

**Senator Conroy**—You never know. It could have been discontinued by you guys by now.

**Senator BACK**—We are not talking about Aboriginal housing.

**Senator HEFFERNAN**—Anyhow, can we get on with it?

**CHAIR**—That is wonderful input from Senator Heffernan. I never thought I would hear myself say that! Well done, Senator Heffernan, because I have some questions too and I have a very vested interest in, particularly, the Kimberley.

**Senator IAN MACDONALD**—Okay. Let me just continue. Are you saying that, to find out what has been spent this year, next year and in the out years, I have got to go to the Department of Treasury, or can you tell me that?

**Ms Foster**—We can tell you; it is just not in the PBS.

**Senator IAN MACDONALD**—Tell me.

**Ms Fleming**—\$16.4 million was spent in 2008-09; \$87.13 million is estimated to be spent in 2009-10; \$78.32 million is planned to be spent in 2010-11; and \$13.35 million is allocated to 2011-12.

**Senator IAN MACDONALD**—Okay. Thanks for that. So the person you employ half-time is your intelligence to make sure things are going according to your department's plan?

**Ms Fleming**—Correct. She keeps us abreast of developments in the Kununurra area.

**Senator IAN MACDONALD**—I know my colleagues, including the chair, have indicated they want to come back to Kununurra, but before we do that can I just ask: you have one person in Darwin?

**Ms Fleming**—Correct.

**Senator IAN MACDONALD**—Sorry; is the Kununurra half-allocation person based anywhere?

**Ms Fleming**—It is my understanding that she works out of the ICC offices in Kununurra.

**Senator IAN MACDONALD**—Do we contribute to the cost of that?

**Ms Fleming**—Yes.

**Senator IAN MACDONALD**—Okay. The one person in Darwin—where is that officer based?

**Ms Foster**—That is our regional office in Darwin.

**Senator IAN MACDONALD**—Okay. How big is the regional office in Darwin?

**Mr Mrdak**—It is predominantly our Office of Transport Security staff. It is of the order of about half a dozen staff.

**Senator IAN MACDONALD**—That is your entire Transport Security—

**Mr Mrdak**—It is Transport Security and also Office of Northern Australia staff.

**Senator IAN MACDONALD**—Okay. All together? And there is one person in the Office of Northern Australia there. In Townsville, where there are five officers at the office, are they located with the regional office of the department?

**Mr Mrdak**—That is correct.

**Senator IAN MACDONALD**—How many in the regional office, total, including the five in the Office of Northern Development?

**Ms Foster**—That is the regional office. The department has five officers in Townsville.

**Senator IAN MACDONALD**—They are all attached to the Office of Northern Australia?

**Mr Mrdak**—That is right.

**Senator HEFFERNAN**—Where were they before? They have been rebadged from where?

**Ms Foster**—They provide support both to the Office of Northern Australia and to our Local Government and Regional Development Division.

**Senator HEFFERNAN**—They originally were rebadged what?

**Ms Foster**—They have always been badged our regional office in Townsville.

**Senator IAN MACDONALD**—They have always been part of the department of regional development, under whatever name it might have had?

**Ms Foster**—That is right, yes.

**Senator HEFFERNAN**—So they have just—

**CHAIR**—Senator Heffernan, Senator Macdonald has the call.

**Senator IAN MACDONALD**—I will pass over the call shortly. As I recall, in the first year of the current government, there were eight or nine people in that office. Is that correct?

**Ms Foster**—I do not have that figure with me, sorry, and I was not in the department then.

**Senator IAN MACDONALD**—Okay. Perhaps you could give me the details of the numbers in that office in 2006-07 and every year since up to the present. But you are not conscious, either you or Mr Mrdak, of the fact that the staff in that Townsville office has been reduced over the last couple of years?

**Ms Foster**—Not in any significant way.

**Senator IAN MACDONALD**—Mr Mrdak, could I just ask you the broader question: in Regional Development and the Office of Northern Australia, what has the staffing been in recent years?

**Mr Mrdak**—In the Local Government and Regional Development area?

**Senator IAN MACDONALD**—Yes. Does that include the Office of Northern Australia?

**Mr Mrdak**—No, the Office of Northern Australia is a separate entity within the department.

**Senator IAN MACDONALD**—Okay.

**Mr Mrdak**—The Office of Northern Australia's staffing numbers have been stable since the establishment of the office under the government, but, in relation to Local Government And Regional Development, we have been reducing staff numbers in that part of the department as programs have lapsed.

**Senator IAN MACDONALD**—Do you have some detail of that, or can you get it on notice?

**Mr Mrdak**—I can get you some details of that, but it is an approximate reduction of around 70 staff over the last year or so.

**Senator IAN MACDONALD**—Seventy?

**Mr Mrdak**—Yes.

**Senator IAN MACDONALD**—Out of how many?

**Ms Foster**—Around 200.

**Mr Mrdak**—Originally, I think, it was around 200 to a reduction of, today, around 130 or 140 staff.

**Senator HEFFERNAN**—Did they disappear completely out of the system or just get rebadged?

**Mr Mrdak**—In some situations, people have transferred to other positions within the department or to other departments.

**Ms Foster**—In some cases, they are non-ongoing staff and so we do not renew their contracts or we terminate their contracts when they are no longer required.

**Senator IAN MACDONALD**—Can I just clarify that. It used to be about 200—and you will get me the exact details—and it is now about 130?

**Ms Foster**—140, I think.

**Senator IAN MACDONALD**—140.

**Ms Foster**—But we use both non-ongoing staff, so not permanent APS staff, and contract staff, to cope with project flows. So it is not like a stable number where they are all ongoing and the changes are slower. The workforce can change quite dramatically month to month.

**Senator IAN MACDONALD**—Sure. Anyhow, you will give me those figures on notice. Just getting back to the Office of Northern Australia, we will get the numbers which I think I asked for before, but it would be my recollection that, whilst you are saying the total numbers in the office are remaining about the same, the numbers in Townsville and Darwin would have reduced and the numbers in Canberra would have increased. Would you agree with that?

**Ms Foster**—No, the allocation for the Office of Northern Australia from the time that it was established was around \$2 million. That has been used primarily to fund the officers in Canberra. The staff in Darwin and Townsville are an addition to that. We have not reduced staff in Darwin and Townsville to pay for staff in Canberra.

**Senator IAN MACDONALD**—I am not saying you have reduced them to pay for anything; I am just saying the actual numbers have reduced. I can go back through old estimates, but I think in the first year of the current government there were about eight, or it might have even been 12, in Townsville and there are now five.

**Ms Foster**—We will get those for you.

**Senator IAN MACDONALD**—You will get me those particular details. The \$200 million you just mentioned was for what?

**Ms Foster**—\$2 million.

**Senator IAN MACDONALD**—Okay. I was wondering how I had missed the \$200 million. Apart from the East Kimberley projects, what other projects is the Office of Northern Australia involved in?

**Ms Foster**—It has had two primary focuses for the last couple of years. They have been the East Kimberley program and the Northern Australia Land and Water Taskforce, providing secretariat and support for that.

**Senator IAN MACDONALD**—I will not go into that at this stage. I might come back, but Senator Heffernan might have some questions about that. Apart from East Kimberley and the land and water task force, what else do the 21 officers do?

**Ms Fleming**—We support Parliamentary Secretary Gary Gray in his role in coordinating responses on Northern Australia. We are also engaged in the Cairns development plan recently announced in December.

**Senator IAN MACDONALD**—Cairns development plan?

**Ms Fleming**—Yes. The Prime Minister announced it in December.

**Senator IAN MACDONALD**—That I will have to find out something about. Of the 21 staff, some of which help support Mr Gray, is one a departmental liaison officer in Mr Gray's office?

**Ms Foster**—No, they are accounted in our corporate figures. We have an area, which is Ministerial and Parliamentary Services, and that includes our DLOs.

**Senator IAN MACDONALD**—What level is the DLO in Mr Gray's office?

**Ms Foster**—I think he is an EL1, if that is meaningful.

**Senator IAN MACDONALD**—If that is wrong, could you come back to me? EL1 is fairly junior, is it not?

**Ms Foster**—No, it is not junior.

**Mr Mrdak**—It is executive level 1.

**Ms Foster**—It is just two levels below a senior executive service officer.

**Senator IAN MACDONALD**—Tell me about the Cairns plan, which has slipped my radar, which is interesting.

**Ms Foster**—The PM in Cairns on 9 December committed to bring together expertise from all levels of government on a long-term economic plan for the region and committed the Office of Northern Australia to assist in that process. ONA has been talking with key parties, including the new Far North Queensland and Torres Strait RDA, the Cairns Regional Council, and Advance Cairns. Advance Cairns is actually the author of the plan and is getting assistance from Cairns Regional Council, the RDA and ONA. They are preparing a report, which we anticipate will be ready in October or November.

**Senator IAN MACDONALD**—Is any money being spent on the Cairns plan by your office?

**Ms Foster**—Not by us. We are simply providing support.

**Ms Fleming**—Support through existing resources.

**Senator IAN MACDONALD**—Out of Canberra, or out of Townsville?

**Ms Fleming**—Out of Townsville.

**Senator IAN MACDONALD**—Don't tell the Cairns people that, will you? It is just an economic plan that you are providing some support for?

**Ms Foster**—That is right.

**Senator IAN MACDONALD**—Do you know if it is looking at shipbuilding in Cairns, which has just about collapsed following the actions of the state Labor government and the federal Labor government in denying them the contract to build some military ships?

**Ms Foster**—I do not have any detail of what the plan is actually looking at this stage.

**Senator HEFFERNAN**—I don't think anyone does.

**Senator IAN MACDONALD**—Is the Office of Northern Australia conscious of the fact that a once vibrant shipbuilding industry in Northern Australia has all but collapsed because a contract, instead of being awarded to the shipbuilding company in Cairns, was awarded to a shipbuilding company I think in one of the senior minister's electorates in the south? Are you aware if the office is looking into that at all?

**Mr Mrdak**—I think the Prime Minister's announcement of assistance with the Cairns plan is recognition of what has been a very difficult economic time for that region. I am not familiar with that particular firm, but certainly I think the government has recognised the circumstances facing Far North Queensland, particularly the Cairns district.

**Senator IAN MACDONALD**—You said the 'Prime Minister's offer of assistance', but the offer of assistance is a bit of Townsville based administrative support, no other money.

**Mr Mrdak**—At this time. The Cairns economic development agency, as Ms Foster has outlined, has got this underway. We are working with them and, at this stage, they have not sought any additional assistance beyond that at this point.

**Senator IAN MACDONALD**—Is the Office of Northern Australia in any way engaged in looking at the unemployment rate in Cairns, which is one of the highest in Australia and almost double the national average of unemployment? Is that something that the office or the department would be looking at?

**Ms Foster**—We would expect that those sorts of issues would be considered by the RDA when it meets with regional stakeholders.

**Senator IAN MACDONALD**—Is there anything else apart from East Kimberley, the land and water task force and the Cairns plan? Is the office engaged in any other activities?

**Ms Foster**—The office will sponsor relevant conferences. There are a couple of ABARE conferences that the department has been involved with and obviously we support the

parliamentary secretary in the extensive range of consultations and visits he makes across Northern Australia.

**CHAIR**—Ms Foster, you told us about the process of the funding of the East Kimberley Development Package, the \$195 million. I was in the Kimberley not long ago. I am regular visitor to the Kimberley and have been since 1979, so I do have a real interest in that fantastic part of the world. I met with the Shire of Wyndham East Kimberley CEO, Gary Gaffney, and the president, Mr Fred Mills, who are very excited about what is going on up there, even to the point that the fantastic Western Australian newspaper, the *West Australian*, last Saturday ran a two-full-page article on the East Kimberley and the East Kimberley Development Package. Would you like to give us an update on the progress? You have just touched on it, Ms Fleming, but I would like you to go in a bit further, if you could, please.

**Ms Fleming**—Would you like me to take these project by project?

**CHAIR**—Yes. Absolutely. For all those out there in Senate estimate land who are listening intently, I think it would be great value if you could, Ms Fleming.

**Ms Fleming**—The Wyndham Memorial Swimming Pool upgrade has been completed and is operational. There is a project for the hostel oval in Kununurra. There is the Wyndham Picture Gardens.

**CHAIR**—I cannot write that fast, sorry, Ms Fleming.

**Ms Fleming**—No, that is okay.

**CHAIR**—The swimming pool, the picture gardens. How many will that seat at the picture gardens?

**Ms Fleming**—I cannot tell you exactly how many it will seat. I would have to take that on notice.

**CHAIR**—Take it on notice, Ms Fleming. Thank you. It is great to see Wyndham getting its fair share after years of being the poor cousin.

**Ms Fleming**—There is an upgrade to the public accessible all-tides jetty, which will ensure small craft for recreational fishing and potential barge operators who use that particular area—

**CHAIR**—That has started?

**Ms Fleming**—The planning tender documentation was approved by the shire on 10 May, and a jetty licence is to be obtained from WA Department of Transport. We expect that to occur at the end of this month—May.

**CHAIR**—Very good.

**Ms Fleming**—The next project is the Kununurra Airport Terminal upgrade.

**CHAIR**—When will that start?

**Ms Fleming**—Pre-tender activity of engineering and mechanical site investigation works commenced in March.

**Ms Foster**—The tender and contractor are awarded for that project, so that is actually underway.

**CHAIR**—Very good.

**Ms Fleming**—The Kununurra Airport Patient Transfer Facility—

**CHAIR**—I am aware of that.

**Ms Fleming**—Construction is underway of the slab down and the frame erected.

**CHAIR**—I can say that it was good to see the volunteer ambulance drivers were there, I think, three weeks ago. I met them at the airport.

**Ms Fleming**—Great.

**CHAIR**—They were very proud of that.

**Ms Fleming**—The next project I have is the Warmun Early Learning Centre.

**CHAIR**—How far are into that are we?

**Ms Fleming**—The contract is awarded and preliminary site works have commenced.

**CHAIR**—Great. Can you tell us how many children that will advantage? If you cannot, take it on notice.

**Ms Fleming**—No, I will have to take that on notice, I am sorry.

**CHAIR**—Thanks, Ms Fleming, because it is very important. It is a large community.

**Ms Fleming**—Excuse me if my pronunciation is not correct here.

**CHAIR**—No, 'Warmun' is spot on.

**Ms Fleming**—The Waringarri Arts Centre project in Kununurra, the development application was submitted to the shire and stage 2 project plan is still in development.

**Ms Foster**—That will actually see a significant upgrade and refurbishment to that arts centre, which we understand is going to provide really significant opportunities for Indigenous employment in the region. It is a real focal point within that region.

**CHAIR**—You are starting to frighten me, Ms Foster. You might be channelling my thoughts. That was my next question. You just stole my thunder.

**Ms Fleming**—The Wyndham health facilities refurbishment.

**CHAIR**—Tell us a bit more about that one if you could, Ms Fleming.

**Ms Fleming**—The package contributed \$1 million to the major hospital refurbishment project, which was undertaken by WA. They invested \$5.1 million into that. The hospital refurbishment was completed and launched on 3 November 2009.

**CHAIR**—Great.

**Ms Fleming**—There is also an additional \$2.4 million to increase the supply of occupiable housing stock for health staff.

**CHAIR**—How many are we talking about? How many houses?

**Ms Fleming**—At this stage, I can advise you that in the first-stage housing, there are three three-bedroom houses with construction well underway. Roofs are on and internal fit-out is underway for those houses.

**CHAIR**—Good.

**Ms Fleming**—There is a further plan to come from us, from the WA government, around what other housing they will look to provide as part of that package. It could be that they purchase housing; it could be that they still construct some new housing; it could be that they refit existing housing. They are looking at what they will do in the context of the general development in the East Kimberley.

**CHAIR**—Any idea, Ms Fleming, when we will expect that announcement?

**Ms Fleming**—I understand the second stage housing plan is due to us in June.

**CHAIR**—Next month.

**Ms Foster**—Overall, there are two things about that. The first is that the actual redevelopment will allow us to do integrated primary health services in the region. The Commonwealth funding has actually expanded the scope of the refurb works, so that, doing the sort of thing like construction of new staff accommodation, we will actually be able to attract and retain quality healthcare professionals to actually make the service effective. It is a pretty well-coordinated approach to getting better primary health care.

**CHAIR**—Very important up in that part of the world.

**Senator BACK**—What is the relevant funding between the Commonwealth and the state government for these programs?

**Ms Fleming**—They vary, project by project. For the one I just read out the Commonwealth contributed \$1 million to the major hospital refurbishment project—and I correct myself here—worth \$5.1 million. We provided \$1 million of \$5.1 million. The remaining \$4.1 million was provided by the WA government.

**Ms Foster**—That was just for one component of that. The total Commonwealth funding for the health facilities refurbishment was actually \$3.4 million.

**Senator BACK**—Yes.

**Ms Foster**—For the Kimberley program itself, the \$195 million is all Commonwealth funding, but when we actually went down to individual projects, in some cases, what we were doing was contributing to an existing WA project. There will be WA money going in, potentially local money going in. The Commonwealth funding has enabled a specific, identifiable, extra thing to be built. In fact, the whole premise of the East Kimberley program was to make sure that we were building and supporting things for which there was a need already, rather than run the risk of building a facility where there were no children, or whatever. We have tried to take known programs and make them more effective.

**Senator BACK**—With the chairman's concurrence, I wonder could you take on notice for us the expenditure of the \$195 million. It sounds as though it has added enormous value. Could you give us an understanding—I imagine the \$195 million has been spent across Queensland, the Territory and Western Australia?

**Ms Foster**—No, in this case, it is a program in the East Kimberley.

**Senator BACK**—That is entirely in the East Kimberley?

**Ms Foster**—Yes.

**Senator BACK**—That makes it easier. Would it possible to find out what the relative expenditure of the Commonwealth, \$195 million, and what Western Australia's contribution was matching that. Was it dollar for dollar across that whole project, or was it more than that?

**Ms Foster**—The East Kimberley development package was actually announced as, if you like, a Commonwealth government contribution to the overall Ord 2 redevelopment program.

**Senator BACK**—That is correct, yes.

**Ms Foster**—The WA government had committed, I think, \$210 million to the Ord 2 redevelopment and the Commonwealth government said, 'We will support and supplement that with \$195 million in community and social infrastructure.' It is not a question so much of, 'We put in \$2 million to the hospital and they put in \$2 million.' It is at a broader level, they putting in \$210 million to Ord 2 redevelopment. We are putting in \$195 million in community and social infrastructure, which will support the increased population that that redevelopment will bring and to make a community with greater amenity and support to support that WA government push.

**CHAIR**—Thanks, Senator Back. Please carry on, Ms Fleming.

**Ms Fleming**—The Kununurra Hospital expansion project, the WA government has advertised and gone to tender for that and that construction of a new facility is for a comprehensive, integrated, primary healthcare centre for Kununurra and the surrounding community. There is also the construction of short-stay accommodation for up to 16 patients and caretaker facilities. That tender was also advertised and it just recently closed on 19 May.

**Ms Foster**—That is looking to support patients who are receiving things like renal dialysis, oncology, cardiology, obstetrics, gynaecology, paediatrics. The design allows for future expansion. There is currently no short-stay patient accommodation for Indigenous people from the remote outlying communities who come to Kununurra and obviously a lot of those treatments are not things that you can come in and out quickly for.

**CHAIR**—Broome is closest.

**Ms Foster**—There is a mix of facilities that cater for live-in caretakers with culturally appropriate designs. There has been a lot of thought put into actually making this work for the community.

**CHAIR**—That is great.

**Ms Fleming**—There is a residential rehabilitation facility in Wyndham, which is again providing clients and families with culturally appropriate drug and alcohol rehabilitation services.

**CHAIR**—How much is that?

**Ms Fleming**—\$3.2 million.

**CHAIR**—All up, or is that the Commonwealth's contribution?

**Ms Fleming**—That is the Commonwealth's contribution. There are also remote aged-care services in Warmun and Kalumburu. The tender was advertised for that and this project ensures continued access to aged-care services.

**CHAIR**—So you said Warmun and Kalumburu?

**Ms Fleming**—That is correct. There are remote clinics in Kalumburu and Warmun. The tender again has been advertised and closed on 19 May.

**Senator HEFFERNAN**—But tendered to do what?

**CHAIR**—Just carry on, Ms Fleming. Thank you. If you were listening, Senator Heffernan, you would have heard.

**Ms Fleming**—There is also environmental and health.

**Ms Foster**—We actually had some particular challenges with the remote clinics with asbestos, and so we did a little bit of reallocating of the money to make sure that we could continue to deliver those remote clinics. WA has been having some ongoing consultations as we develop these projects with the local communities, and that has resulted in some design changes, again to make sure that they are culturally sensitive.

**Ms Fleming**—There are environmental health measures for Kalumburu, Warmun and Oombulgurri. That is still in the planning stages and the funds will be utilised for delivery of environmental health related infrastructure.

**CHAIR**—Could you tell us what these are? Is it a tip clean-up, nutting of dogs? What is it?

**Ms Fleming**—It is to provide plant and equipment to regional environmental health teams, purchase and install incinerators, repair and replace fencing around waste water evaporation ponds, provide waste water pumps and water chlorination units and construct rubbish tips. The are the sobering up centres in Kununurra and Wyndham. Again, design work has been completed and procurement documentation is being prepared. The project will repair and upgrade the sobering up centres located in Wyndham and Kununurra, with internal and external works on driveways and bathrooms. There is health service provider housing in Kununurra. Again, we are at the planning stage. The project will construct accommodation for health professionals servicing Kununurra on eight blocks of land identified for this particular purpose.

**Ms Foster**—In fact, we have construction starting this month.

**CHAIR**—Eight blocks of land?

**Ms Fleming**—Yes.

**CHAIR**—Great, and starting this month—very good.

**Ms Foster**—At full capacity, our renal dialysis unit there will be able to cater for 16 patients a day. One of the things that we did not make clear at the outset was that one of the conditions around this program was that we would provide the infrastructure but that WA had to meet all the operational and recurrent costs, and that was partly why we went with existing programs. We have a very high level of confidence that, having built the facility, we will actually have the 16 patients a day. We have been working really closely; it is a great relationship actually between the WACHS, the WA Community Health Service, the

Commonwealth health officer who is present in Perth and the two departments that are running it. This is a terrific example of having a facility which will meet an existing need.

**CHAIR**—That it is. If I can just ask you about that renal centre, when you talk about 16 patients per day, is that bedding for 16 or it can handle up to 16 in lots?

**Ms Foster**—It can handle up to 16 a day, yes. So it can provide a dialysis service for the 16 a day.

**CHAIR**—Considering the good work of Broome Regional Aboriginal Medical Service and the pressure they are under, that is a good outcome for the East Kimberley.

**Senator BACK**—Which agency of the Western Australian government is handling the construction phase of this?

**Ms Fleming**—The Department of Housing, in my understanding.

**Ms Foster**—It is actually BMW. The Treasury folks have been really heavily engaged in bringing together the programs so that we are maximising the use of labour. As you know much better than we do, getting actual sources of labour to do this sort of work in these remote communities is really hard. The WA government has a mechanism of bringing together the line agencies so that if we are doing, for example, a health project and an education project in the same community, they are scheduling it so that the same workforce can do both together.

**Senator BACK**—So they are fast-tracking this program, by the sound of it.

**Ms Foster**—There are a couple of really useful characteristics about it. One is bringing together the agencies. There is a coordinating agency like us in WA. They are using the Department of State Development to pull it together, but they have, in this case, the health department actually managing it and BMW sitting over the top of it saying, 'Okay, Health, Education: you two need to work together.' They are actually doing the scheduling.

**Ms Fleming**—There is the Wyndham Early Learning Activities Centre. We will construct, fit out and landscape a new building for the Wyndham Early Learning Activities Centre. We are at the planning stages of that, with the tender expected to be advertised in August or September.

**CHAIR**—It is going to be busy in Wyndham in the next few months, isn't it?

**Ms Fleming**—I think so. The Kununurra Education Precinct consists of four projects. We will construct, upgrade and refurbish the secondary school facilities; construct, upgrade and refurbish the primary school facilities; construct and fit out the Kununurra school community library of approximately 400 square metres; and construct and fit out state of the art technologies to be attached to the school community library for upgrading the educational precinct.

**Senator HEFFERNAN**—Have you got a price for that?

**Ms Fleming**—That is \$48.5 million.

**Senator HEFFERNAN**—But per square metre?

**Ms Foster**—No, we do not have that with us.

**Senator HEFFERNAN**—Can you provide that?

**Ms Fleming**—The tender has been advertised.

**Senator HEFFERNAN**—When it comes in, can you provide it?

**CHAIR**—You can take it on notice.

**Ms Fleming**—We will take it on notice.

**Ms Foster**—That is actually a program—if I can jump in very quickly—that we are particularly proud of. It started off as four individual projects and as part of the negotiation, part of the consultation, WA came back to us and said, ‘We think we can get a better outcome if we pool these four projects and look at it as whole of life education.’

**Senator HEFFERNAN**—It is a public tender? It is not a government—

**Ms Foster**—It is an open tender.

**Senator HEFFERNAN**—The builder down the road can have a crack at it.

**Ms Foster**—Absolutely.

**Senator HEFFERNAN**—I will be interested to see.

**Ms Foster**—We have tried to maximise the capacity for locals to tender for this work.

**Senator HEFFERNAN**—It is \$25,500 a square metre for a toilet block down the coast.

**CHAIR**—Senator Heffernan, I am actually interested. I think your colleagues, Dr Eggleston and Senator Back, are too. Keep going, Ms Fleming, please.

**Ms Fleming**—There is the Kimberley TAFE upgrade in Wyndham and Kununurra. That is a \$10 million project. The Wyndham campus will receive two new general purpose classrooms, and the Kununurra campus will have construction of a new trade facility, a double-size classroom and four additional classrooms, offices and ablutions. The tender has been advertised for that. There are community meeting rooms in Kununurra, Kalumburu, Oombulgurri and Darwal, and again, construction of culturally appropriate community meeting rooms in those communities, and the tender has been advertised.

**Ms Foster**—One of the things that we are hoping this will facilitate is adult learning in areas like health, cooking and IT. So we are providing safe facilities where those kinds of activities can take place.

**CHAIR**—I would be interested to hear how that progresses over the years.

**Ms Fleming**—There is early childhood building for the Jangdranung community. That is a \$1 million project and it will construct and cater for early childhood activities and community activities, and that is at the planning stages as well. There is social housing in Kununurra and Wyndham and transition housing in Kununurra. This is a \$50 million project. Contracts have been awarded and there are 23 dwellings under construction at present.

**CHAIR**—That is Kununurra and Wyndham?

**Ms Fleming**—That is correct.

**Ms Foster**—Again, that is another one where we had two programs, one for social housing and one for transition housing, and it became apparent in the process of developing the project

plans in consultation with the communities that the distinction that we might make in Canberra between social housing and transition housing actually did not make sense. By transition, we mean the transition from social to own housing as we get people into work as part of this program. We were putting up barriers to people by distinguishing, and so we have combined those two programs into one so that we can make it as seamless as possible to transition people through the training work and into their own housing.

**CHAIR**—This is very good because, as I am sure Dr Eggleston would know, you can bang your head against a brick wall but it starts to hurt, doesn't it, Senator Eggleston?

**Senator EGGLESTON**—Yes.

**CHAIR**—That is good.

**Ms Foster**—One of the other really exciting things about this particular project is that we have the WA Department of Housing working collaboratively with FaHCSIA, so with the Commonwealth government, and others to build a conceptual model and an operational framework for how we actually manage the housing so that we can maximise the local ownership, management and maintenance of this housing. As you all know, that has been one of the biggest problems we have faced—building this kind of housing and then finding after a number of years it is no longer usable or tenable, and so there is an operation like this happening in Wunan, as you know. It is much smaller scale than this, and so FaHCSIA has engaged some consultants who have quite a bit of experience in this area to help us put in place a policy or a framework that will maximise local participation, and then we will be able to monitor the outcomes and see if we actually get longer life and better quality out of this housing.

**Senator HEFFERNAN**—Do you mean homeownership or rental?

**Ms Foster**—At this stage, this program is about social housing, so government owned housing, and transition housing. So it has not actually gone to the next phase of ownership, as in actually owning the house, but it is trying to get ownership of the maintenance support.

**Senator HEFFERNAN**—But if it is in a community like Yuendumu, where half the adult population drinks all night and sleeps all day and does not own their own home and have no pride in it, isn't it a waste of time?

**Ms Foster**—What we are trying to do is identify community organisations that will and are able to take responsibility for the overall maintenance—

**Senator HEFFERNAN**—I appreciate that.

**Ms Foster**—and there are organisations like that that we—

**Senator HEFFERNAN**—Are they intending to not only get the population educated but also get them to a stage where they look forward to leaving something in their will to their kids?

**Ms Foster**—Not in this context, but I have gone, for example, to the town camps in Alice Springs and have seen some really innovative work being done where the communities themselves—and, as you know, they are tiny communities in many cases—have chosen to come to arrangements with the Commonwealth government about the ownership of the land

so that they can actually have homeownership. I think over the next few years, as we see those programs develop, we will be able to transition them from areas like Alice into the East Kimberley so that the Indigenous community can actually aspire to own their home and leave it to their kids, and I think this is a really significant, important step along that route.

**Senator BACK**—Can I ask, given the success of the program that is being rolled out in the East Kimberley, where is the learning for this Aboriginal housing program in the Northern Territory that has not yet delivered? Are there parallels that can be drawn from the cooperation and coordination between you and the WA Department of Housing to translate those behaviours into the Northern Territory Aboriginal housing project so that we can actually see an acceleration of that? Where are the common threads? Are you a common thread between the two, or is FaHCSIA a common thread?

**Ms Foster**—I think FaHCSIA is the common thread, but FaHCSIA is absolutely working with us on this. They have made quite a lot of changes to the way that they do business to accommodate this space based approach and comprehensive approach, and I know that they are thinking about what this means in terms of what they are doing elsewhere.

**Senator BACK**—Sure. If I can just continue on and perhaps pick up a point that the chairman and Senator Heffernan have made, we have all spent a lot of time in these communities and looked at the regrettable deterioration of housing, and obviously everyone is very concerned because housing is one of the key pillars in trying to alter behaviours and the wellbeing of the Aboriginal communities. In the tenders that are going out, are there requirements for builders to actually employ local people, particularly young people in the communities, to be part of the construction process, so that they do in fact have some pride in the construction and possibly a role in future maintenance?

**Ms Foster**—Absolutely.

**Senator BACK**—Can you just give us an idea how those requirements might play out?

**Ms Foster**—Sure.

**Ms Fleming**—It is my understanding that encouraging Indigenous employment as part of the construction is a core element of the tender, and I know that on the Wyndham swimming pool there were 12 Indigenous employees engaged in that particular tender. The tenders have not been set yet, so I cannot advise you how many Indigenous people will be employed on contracts not yet set, but we can report back to you as those contracts develop.

**CHAIR**—Could you take on notice, with the collaboration of our state colleagues and counterparts, not only the number of Indigenous employees but the number of Indigenous corporations that are utilised or successful over both streams of funding, Commonwealth and state?

**Ms Fleming**—We also have some money allocated to work with the shire on an Indigenous employment plan and strategy to ensure that we maximise the employment opportunities, short term and long term, being generated from the East Kimberley plan.

**Senator HEFFERNAN**—Is that an actual skill base in employment?

**Ms Fleming**—I am sorry?

**Senator HEFFERNAN**—Is there a requirement for a skill base, or is the requirement for employment without a skill base?

**Ms Foster**—In the contract we require the contractor to demonstrate to us what they are doing to encourage, support and actually deliver Indigenous employment as part of their contract. As we said before, Elise Anning, our officer in Kununurra, is co-located with the ICC, and so within that we have a joining up of the jobs people and the skills people—I cannot remember the names of all the organisations—so that we can match up what the contractors are telling us they think they can do and their job requirements.

**Senator HEFFERNAN**—But should it be the job of the contractor or the government? If you go to Wadeye, where half the kids do not go to school, or go to Yuendumu, where half the adult population drink all night and sleep all day, is it fair for a contractor to go in there to build some houses and have some sort of a quota for Indigenous jobs if they are not job ready?

**Ms Foster**—Our challenge is to try and make sure that we are marrying up the skills programs that the government is delivering and the requirements that we are putting on the contractors to utilise that skilled labour force where it exists. It is not in the Kimberley, but I saw a great example of this—again, I think it was in Alice Springs—where they were building houses in one of the town camps. The local company took me out to one of the houses that was being built and they had about a dozen Indigenous lads putting up the concrete forming for the house. It was going to take them something like six weeks longer to get that structure up than it would have if they had just brought in a subbie and built it, but both they and the government—in this case FaHCSIA, who was funding it—accepted that this would be a cost of getting there.

**CHAIR**—Ms Foster, this is very important. I am talking about Western Australia. It is very important—and I know that the state government works closely with the Miriung Gajerrong people up there, too, so it not just all hit and miss. We all share your concerns there, Senator Heffernan, but the comeback is that we need to be fair to other committee members. I do appreciate the feedback. Is there anything else that you wish to tell us, Ms Fleming? If there is not, I have probably got two more questions, then that is it.

**Ms Fleming**—There are only two more projects, so I might as well complete the list, with your indulgence.

**CHAIR**—Yes, please finish the list.

**Ms Fleming**—One is the Wyndham Port facility upgrade, which is the wharf structure, fender system, container park, electronic or substation services and buildings. That is \$10 million. Design and approvals to progress and construction is expected to start in June and July.

**CHAIR**—That is to assist in live export trade, or fruit and vegetables, or commodities?

**Ms Fleming**—It is an upgrade of the port.

**Ms Foster**—It was actually degrading to the point that ships could not berth.

**Senator HEFFERNAN**—Could not get in there.

**Ms Foster**—It is actually for commodity exports like nickel concentrate, but also molasses, live cattle, associated ag products.

**Senator HEFFERNAN**—That is a new way for the barge—

**Ms Foster**—It is actually making sure that the ships continue to berth in Wyndham.

**CHAIR**—That is great.

**Senator BACK**—Did you say there was dredging activity?

**Ms Foster**—No, this is actually just upgrading the facilities.

**CHAIR**—And the last one, Ms Fleming?

**Ms Fleming**—Is the construction of shared office facilities for up to 30 staff of the Gelganyem Trust and MG Corporation in Kununurra. That is at the planning stages.

**CHAIR**—That is the local Indigenous group?

**Ms Fleming**—That is a \$4.5 million project.

**CHAIR**—Thank you, Ms Fleming. Can I just say—I do not think I will get a blue here, but who knows—this is a classic example of the three tiers of government working collaboratively for the benefit of the people of a region. I would like to congratulate not only the Commonwealth but the state government and the Shire of Wyndham East Kimberley on their efforts.

**Senator EGGLESTON**—I wanted to ask a similar question about how this program began and who it was initiated by, and Senator Sterle has provided some of the answer. I see it is East Kimberley only, not the West Kimberley, for example, or East or West Pilbara. Was this initiated through the Kimberley Development Commission or the area consultative committees? How did the program come about?

**Ms Foster**—It was actually initiated by the two governments, so by the Commonwealth government the Western Australian government, and announced in the context of the December 2008 stimulus funding. It was a joint announcement by the—

**Senator EGGLESTON**—It is really related to the stimulus funding, and the West Kimberley is an area of special need; is that the case?

**Ms Foster**—As we were explaining before—

**Senator EGGLESTON**—I am sorry I was late.

**Ms Foster**—It was tied to Ord 2 expansion. That is what drove us to the East Kimberley, because the Western Australian government had announced that they were going to do this Ord 2 expansion and the federal government, in consultation with the WA government, said, 'We will support that by this provision of community and social infrastructure.'

**Senator EGGLESTON**—Very good. I understand that now. It really was related to federal funding for Ord stage 2 and the Western Australian government wishing to have some attention paid to these various social and infrastructure issues. Are there any plans to duplicate this sort of program in the West Kimberley—in Derby, for example, or Fitzroy Crossing?

**Ms Foster**—At this stage, we are not aware of any plans.

**Senator EGGLESTON**—There is a need for the same sort of thing there, I think. What about in the Pilbara, East and West? Nothing similar?

**Ms Foster**—I know there is a lot of discussion going on about the needs of the Pilbara at the moment, but we do not have a specific program that has been decided in that region.

**Senator EGGLESTON**—When you say there is a lot of discussion going on, is it between the WA government and the federal government in relation to community infrastructure in the Pilbara? Is that what we are talking about?

**Ms Foster**—Yes, just to the general needs of the Pilbara region and how the governments might move forward in addressing those.

**Senator EGGLESTON**—When you say there is discussion, is there some sort of working party specifically considering Pilbara issues?

**Ms Foster**—I do not know of a working party. I know that, for example, from our portfolio's perspective, there is a Regional Development Australia committee in the Pilbara, which has been meeting and discussing the needs of the Pilbara.

**Senator EGGLESTON**—Did you say Regional Development Australia?

**Ms Foster**—Yes. There is a Regional Development Australia network of 55 committees around the country. One of those is in the Pilbara and that is a joint initiative with the state government.

**Senator EGGLESTON**—Who would be represented on those management committees?

**Ms Foster**—Those committees are local people from either the business community or local government, or the local NGO communities. There are also two members of local council on every committee.

**Senator EGGLESTON**—Local government. Are there regional development commissions—the Pilbara Development Commission, for example, in the Pilbara?

**Ms Foster**—There are different arrangements across the states and I do not have all the details of WA to hand, but where there are existing development corporations, for example, in a region, in some cases the committees have cross-membership. In other cases, they just work very closely together.

**Senator EGGLESTON**—Where could I get further detail on this from—from you or from the state government?

**Ms Foster**—We can provide you with some more detail on RDA on notice.

**Senator EGGLESTON**—Could you do that on notice, please?

**Ms Foster**—Certainly.

**Senator HEFFERNAN**—Who is the agricultural driver in the office of northern development? Who is the guru?

**Mr Mrdak**—Sorry, how do you mean?

**Senator HEFFERNAN**—I have a got a thing here, right: 'Selling the farm to China'. This is Tasmania, the dairy industry down there, the global food task doubling, 400 million live on

the northern aquifer in China, running out of water. Who has got the grand plan for the reconfiguration of Australia, with a view to the north in agriculture? Who is the driver in the bureaucracy of that, or is it all too hard?

**Mr Mrdak**—No, far from it. Parliamentary Secretary Gray has overall responsibility for—

**Senator HEFFERNAN**—I am not interested in the minister. Who is the brains that is putting the bit of paper before the parliamentary secretary about, for instance, the soil type of the land at the convergence of the Margaret and the Fitzroy rivers? It is all very nice to hear about the bureaucratic blather. The development of the Gilbert River: who is actually doing that?

**Ms Foster**—I think that the questions you are asking go more to the heart of the Department of Agriculture, Fisheries and Forestry.

**Senator HEFFERNAN**—No, this is northern development. This was at the heart of the taskforce. Bear in mind that the wisdom at the time—fair enough; there was a change of government—said that we are not going to give it consideration. When the new Murray-Darling Basin Plan comes into action, which includes the science vagary of losing between 3,500 and 11,000 gigitalitres of 23,000 gigitalitres, mainly in the south of the Murray-Darling Basin, in most years, if the science is 40 per cent right, there will be a zero allocation in most river systems, which says to me we are going to have to develop other bits. If we do not do it, the Chinese will come and do it for us. There is nothing surer than that. We need to get the Foreign Investment Review Board to include agricultural land.

**CHAIR**—I would urge you to ask the question, Senator Heffernan.

**Senator HEFFERNAN**—I think this is urgent, but I have not heard a peep out of whatever you call yourselves now about agriculture, except to say that the burden of the task given to CSIRO—

**Senator Conroy**—Are you approaching a question?

**Senator HEFFERNAN**—the question is coming—had to exclude storage and damming water. Has there been no progress since the last time we were here about agriculture, what the opportunities are and why we do not go and have a look at the conjunction of some of the systems and the land soil types? There is actually more land soil type suitable on the Fitzroy than there is on the Ord.

**CHAIR**—Senator Heffernan, you have asked the question. Give them a chance to answer it.

**Senator HEFFERNAN**—What progress have you made with the Northern Territory on the sovereign problem of the Keep River and its drainage—that sort of stuff? Who is doing that?

**Mr Mrdak**—Within the Office of Northern Australia, we are currently working on—

**Senator HEFFERNAN**—But who is the person?

**CHAIR**—Senator Heffernan, you have asked the question. Let Mr Mrdak answer it because I want to hear it as well.

**Senator HEFFERNAN**—Who is the guy?

**Mr Mrdak**—The three people at this table are the people who are responsible for the Office of Northern Australia within the department.

**Senator HEFFERNAN**—All right. Can you tell me where you are up to with a look at a change to the proposition that you cannot actually have a water plant for Northern Australia that includes storage of water or damming of water? Have you had a look at the ridiculous proposition that that is?

**Mr Mrdak**—We are currently having a look at the Land and Water Taskforce report and doing some work for the government in response to that report. A number of things you have raised there are things which are being considered across the Commonwealth portfolios and advice back to the government on the land and water taskforce report.

**Ms Foster**—And, Senator, in the same way as we described for the East Kimberley package, one of the roles that we have been able play effectively is to bring together the Health and Education—

**Senator HEFFERNAN**—No, I appreciate the good work you are doing.

**Ms Foster**—We will work with people like Agriculture and the resources sector—

**Senator HEFFERNAN**—Can I tell you why this is urgent? We do not want some of the young generation of farmers in the south to slit their wrists when they discover, if the science is right, what is going to happen to what has been the normal way of farming—which is why Wakool, lock, stock and barrel, the whole district has said, ‘Buy us out. We have had it.’ We do not want people slitting their wrists. We want to say, ‘There is a great opportunity somewhere else.’ If we do not get off our collective backsides and start to soil type—

**CHAIR**—Senator, you have made your point. I would urge you, now is not the time for lectures. If you do have a question you want—otherwise I am sure there will be another committee where your talents can be used.

**Senator HEFFERNAN**—In the consideration and planning of the northern—whatever it is—are you looking at the sovereign issues against the global food task?

**Mr Mrdak**—Sorry, in terms of sovereign issues, do you mean in terms of issues that are raised by the land and water taskforce on land title and—

**Senator HEFFERNAN**—The global food task is going to double by 2050. I am not a scientist, but 30 per cent of the productive land is going to go out of production. The sovereign issue is do we allow—and the Northern Development Taskforce, or whatever you call it now, ought to be giving considering to this.

**CHAIR**—The taskforce is no longer. It has been disbanded.

**Senator HEFFERNAN**—Do we allow a proposition where future development of the north can be under the guise of sovereign funds of China or India, or somewhere else and where do we protect our sovereignty?

**Senator Conroy**—Foreign investment decisions are for the treasury portfolio.

**Senator HEFFERNAN**—I understand that.

**Senator Conroy**—Then ask them.

**Senator HEFFERNAN**—The thinking and the foundation stone of the development of Northern Australia has got to not only be, ‘It is too hot’ or ‘It is too humid’. It has got to be which—it is a reasonable argument. They said—

**Senator Conroy**—It is Treasury.

**CHAIR**—It is a bit like the report of the taskforce. So why don’t you take it somewhere else.

**Senator HEFFERNAN**—It has got to be seen against the background of the reconfiguration of Australia, if the science is right on the weather.

**Ms Foster**—Absolutely. That is why we are working with a real sense of urgency across government to say, ‘The taskforce has raised a bunch of important issues.’ They have provided a framework for us to respond to that and we are looking at how we do that in a coordinated way.

**Senator HEFFERNAN**—Thanks very much for that. Ord stage 3: there is about 80,000 hectares if you fixed up that lead mine problem. A third of that is in the Northern Territory. Have the Northern Territory government changed their mind from when Clare Martin was there, that they were not interested in the development of Ord stage 3, which included the Northern Territory?

**Senator Conroy**—Why don’t you ask the Northern Territory government?

**Senator HEFFERNAN**—No. If a job—

**Senator Conroy**—That was the appropriate way.

**Senator HEFFERNAN**—Certainly it was the job of the taskforce in my time.

**Mr Mrdak**—Certainly Parliamentary Secretary Gray has initiated discussions with the Northern Territory government and coordinated with WA about looking at those issues about how the Northern Territory fits into the work we are doing at East Kimberley and are starting to take a broader—saying, ‘Let’s not just look at what falls within the boundary of Western Australia, and went to the Northern Territory.’ Particularly around those land and water issues, Parliamentary Secretary Gray is doing a lot of work on that.

**Senator HEFFERNAN**—Can you report to this committee on where that is up to?

**Mr Mrdak**—Certainly. I will take that on notice.

**Senator HEFFERNAN**—Can you also give consideration to other development opportunities? Everyone wants to seem to talk endlessly about the Ord, but there are other great developments—

**Senator Conroy**—There is a lead mine, we understand from Kimberley Metals, under consideration.

**Senator HEFFERNAN**—Obviously part of the infrastructure is combining tourism and mining opportunities and agriculture with common infrastructure, if a road is going to service the three, or a bridge or something. Can you report to us where you are up to with that, where you are up to with the proposition that because the three governments that were incumbent at the time of the CSIRO being endorsed to do that water study, they said, ‘Sorry, you can’t

include in your foundation stone, storage of water.' You are shaking your head at the back there.

**CHAIR**—They are probably rattled because they are trying to work out what you are on about.

**Senator HEFFERNAN**—No. My understanding, just to be clear—and I am sure Senator Macdonald would back this up—is that the CSIRO report said you cannot give consideration—

**Senator Conroy**—There is a joint ministerial committee of Western Australia, Northern Territory and Queensland that is looking at tropical agriculture with the support of the Commonwealth.

**Senator HEFFERNAN**—Yes. The foundation stone of what was in the northern taskforce report said it excluded storage and damming of water; true?

**Ms Fleming**—It is my understanding that the report did not exclude storage and distribution of water. What the report said was that this was highly problematic because of the climatic conditions—

**Senator HEFFERNAN**—Duh!

**CHAIR**—Senator Heffernan, just have some respect for Ms Fleming.

**Senator HEFFERNAN**—That is patently obvious.

**Ms Fleming**—It provides a framework for saying we need an evidence based scientific approach to looking at the developments that we have to have.

**Senator HEFFERNAN**—Where are we up to with that?

**Ms Fleming**—There is an MOU between us on the Keep, or more broadly?

**Senator HEFFERNAN**—No. As I understand it, the land and water taskforce reported, as you say, the storage and damming of water because of the bottom of the catchment: all that stuff that we all know. It is difficult. Where are we in trying to overcome that difficulty?

**Ms Fleming**—At this stage, we are consulting with relevant portfolios in drawing together a proposed response for the government. We are consulting with DEWHA, DAFF, Resources Energy and Tourism, and drawing together our draft.

**Senator HEFFERNAN**—Is it possible for people like us to be included in that consultative process?

**Mr Mrdak**—We will take that up with the parliamentary secretary.

**Senator HEFFERNAN**—Fair enough. Obviously there are sites—it is difficult. It is all difficult, but it is all imperative against the background of what is happening. It is urgent and there are umpteen sites up there that can be developed, as we all know, mosaicly, but I have not heard anything about it.

**Ms Foster**—We are working as expeditiously as we can to pull that response together. I understand also that Parliamentary Secretary Gray pulled together a Friends of Northern Australia meeting so that you could discuss with the taskforce, the issues that came.

**Senator HEFFERNAN**—Yes, I know. We are very grateful to Mr Gray for that, but my urgency is that I am seeing this against the background of what is happening down here.

**Ms Foster**—Yes, I understand.

**Senator HEFFERNAN**—I apologise for my grumpiness.

**Senator IAN MACDONALD**—You might help me with some of these. What is the Office of Northern Australia's involvement with the Wild Rivers legislation in Queensland and the allegations by many Indigenous groups that it prevents them from using their land for any productive pursuits?

**Ms Fleming**—We are aware of the Wild Rivers issue. At this stage, that is a matter for the Queensland government. We are respectful of the views of Indigenous people, but we do understand from our discussions that some 113 developments have been put forward under that legislation and that those have been approved. So the Wild Rivers legislation provides a framework for development, it is not a no development option. That is a matter for the Queensland government and Indigenous.

**Senator IAN MACDONALD**—It sure is, and you have repeated the propaganda—and I do not blame you for that—that the Queensland government puts out, but Indigenous people tell us that it has taken away any opportunity they had for productive use of their lands around those so-called wild rivers. I was just curious as to whether the federal government—and I am not asking you about the private members bill before the Parliament to overturn the Queensland legislation. I am simply asking you as the relevant department, whether you have looked at the difficulties Indigenous people have in, for example, farming that land, in your role as a promoter of northern development?

**Ms Foster**—We are aware of the issues. We are conscious of them. The Office of Northern Australia does not have a specific role in addressing that at the moment, as Ms Fleming has said.

**Senator IAN MACDONALD**—Yes.

**Senator HEFFERNAN**—I note today in the paper reference to Michael Ross handing over another big lump of Cape York Peninsula into a national park, which was a—

**Senator Conroy**—It was a state jurisdiction issue.

**Senator HEFFERNAN**—Yes, but can I say, Minister, with a view to the national interest and to sovereign issues, it is difficult for us as a committee and for you as a task force or the office of whatever, to have to sit blindly by and watch half the Indigenous people up there wanting or having the aspiration of owning their own home to leave to their kids, to have some sort of commercial or agricultural development from which they are excluded. Some of them, of course, are happy to live the alternative lifestyle and just do the tourism thing, or knock around with boomerangs or something, but there are many people who want to be educated and get a quid and leave something to their kids and improve their lot in life, and it seems to me that it is siloed, and we need for you and the wisdom of the Commonwealth to be brought to bear on the wisdom of the state, with a view to further development.

And to that end, what would be the position regarding sovereign funds—as they have done in New Zealand, where they are trying to buy 17,000 cows in one hit from the diary farmers

there—if they had said, ‘If you don’t want to develop Fitzroy and Margaret Rivers, we want to come in and do it with China’s sovereign funds, but we want to actually export the potential of that back to China. We will provide all the infrastructure et cetera’? Do we just let that happen?

**Senator Conroy**—I think that is a rhetorical question rather than a substantive—

**Senator HEFFERNAN**—No it is not. It is a serious question about where agriculture is going.

**Senator Conroy**—We will take it on notice. If there is anything we can add—

**Senator HEFFERNAN**—The northern development office is a serious player in the future of Australia.

**CHAIR**—Senator Macdonald.

**Senator Conroy**—We will take on notice your question and if there is anything we can add, we will.

**Senator IAN MACDONALD**—Thank you, Mr Chairman. I do not want to verbal the chairman while he is out here but, in response to Senator Heffernan, he said the task force is now no more; it has been disbanded. Is that correct?

**Ms Foster**—That is correct.

**Senator IAN MACDONALD**—Is the chairman of that former task force, the most recent chairman, still on the payroll?

**Ms Foster**—Not of the Office of Northern Australia.

**Senator IAN MACDONALD**—On the department’s payroll at all?

**Ms Foster**—No.

**Senator IAN MACDONALD**—I have noticed some letters being written by the chairman recently. Is the department assisting in the drafting of those letters?

**Ms Foster**—Not to my knowledge.

**Senator IAN MACDONALD**—I think you are getting some updated advice there. I will find out about that.

**Ms Foster**—Sorry, I was just clarifying. Mr Ross was not paid in his role as the chair of the task force.

**Senator IAN MACDONALD**—Still, though?

**Ms Foster**—He was not paid in his role as the chair of the task force, and we are not paying him anything now.

**Senator IAN MACDONALD**—Okay. But is he getting assistance from the department in things like writing letters to the editor in various newspapers, as recently—I think I saw one last week somewhere.

**Ms Foster**—Senator, my office has worked quite closely with Mr Ross over the past several years of the task force, and I think there is ongoing discussion between them, but I do not have any detail of what the nature of that is.

**Senator HEFFERNAN**—Does Mr Dickson write the letters for him?

**Ms Foster**—Mr Dickson certainly has worked very closely with Mr Ross over many years, but I would need to take on notice what work is actually happening, if any.

**Senator IAN MACDONALD**—Take that on notice, by all means, although I suspect the answer is sitting right behind you, but I think I saw a letter, as I say, sometime in the last week from Mr Ross, and I just wonder if the department had any role in drafting or distributing that letter.

**Ms Foster**—Sorry, I am at a loss, because I do not have the letter and I do not know it, so I will take it on notice and get back to you.

**Senator IAN MACDONALD**—Okay. Perhaps you could inquire through the minister's office. The members of the task force, for those who chose to accept it, were offered an honorarium—not an honorarium. What do they call it? A per diem payment—

**Senator Conroy**—Sitting fee.

**Senator IAN MACDONALD**—Sitting fee. Yes, that is correct.

**Ms Foster**—And expenses, I think.

**Senator IAN MACDONALD**—Yes, and I am aware that some of the task force members refused to accept that. Is it possible to give the committee—no names—on notice, some details of the payments that have been made in the way of sitting fees, accommodation, travel, over the last financial year? Would that be—

**Ms Foster**—We can certainly take that on notice.

**Senator HEFFERNAN**—How much a day do they pay?

**Ms Foster**—I do not know, sorry.

**Mr Mrdak**—We will find out what the daily rate was for those who accepted the per diem.

**Senator IAN MACDONALD**—The task force made a number of recommendations, and I heard Mr Mrdak say that the department was working on the report. When do we expect a government response to this particular report and the recommendations contained in it?

**Mr Mrdak**—The government has not set a time frame as yet. I think that will be somewhat driven by our analysis and by, as Ms Foster has indicated, the work of the other agencies and when we can get that back to them.

**Senator IAN MACDONALD**—I am not trying to pin you down to a date, but is that work advanced in your department?

**Mr Mrdak**—Our department's work is relatively well advanced but, I think as Senator Heffernan has highlighted, there are a range of complex issues. I cannot give you a definitive time frame as yet as to when we will be completing our analysis.

**Senator IAN MACDONALD**—Most of the recommendations related to—I have been quoted as saying motherhood type statements—things like recommending that the government should significantly increase investment in climate, water, land and environmental data collection and so on—and who could disagree with that. It seems to me that the only two substantive recommendations, apart from, 'Government should get more

data and should investigate this and think about that'—and as I say, who can argue with that—are 14 and 15:

The Commonwealth Government should, in conjunction with the governments of Western Australia, Queensland and Northern Territory, establish a Northern Australia Land and Water Authority ... headquartered in northern Australia, to build institutional capacity ...

Is the department doing any work on that recommendation or has the government made any announcements in relation to it?

**Ms Foster**—We are looking at all of the recommendations, but until we actually provide advice to government and government chooses what it wishes to announce, we are really not in a position to discuss our response to specific recommendations.

**Senator HEFFERNAN**—We would like to give you a hand with that.

**Senator IAN MACDONALD**—Recommendation 15 states:

A Council of Northern Australia ... should be established. Chaired by the Prime Minister—that would be good—

... comprising first Ministers of ... should develop an integrated vision ...

Would our Prime Minister have time to do that? He is so busy around the world and around Australia.

**Senator HEFFERNAN**—I am sure he would delegate.

**Ms Foster**—That is obviously what the task force recommended and, as with the previous answer, we are really not in a position to discuss what the government's response will be until we have provided advice and the government has made a decision.

**Senator IAN MACDONALD**—Would it be the responsibility of your department and perhaps the office which is leading the analysis of these recommendations and the report generally?

**Ms Foster**—That is right, but in very close collaboration with the other agencies which would contribute to any response.

**Senator IAN MACDONALD**—But you are bringing it together?

**Ms Foster**—We are bringing it together.

**Senator IAN MACDONALD**—And is that work being done in the Office of Northern Australia or in the wider department?

**Ms Foster**—In the Office of Northern Australia, yes.

**Senator IAN MACDONALD**—Some of the 15 officers based in Canberra would be doing that entirely. Would they be getting help from the rest of the department as well?

**Ms Foster**—As necessary. If there are issues that cross into the rest of the department, then they will call on that expertise, but the work is being led by Robyn's branch.

**Senator IAN MACDONALD**—Following Senator Heffernan's question, is there any definitive work being done at the instigation of the Office of Northern Australia, or the department, on the storage of water in the north?

**Ms Foster**—No work of substance, and I think it goes back to the earlier point of where the Office of Northern Australia can best contribute. That is, I think, not by doing the work of other portfolios where the weight of the issue lies. For example, in response to the task force report, we will be working closely with agencies like DEWHA and RET—Resources, Energy and Tourism—to formulate responses to all of those issues.

**Senator IAN MACDONALD**—I think both Senator Heffernan and I, at last estimates, raised the issue of the release of this report and what seemed to be a selective leak, and a very negative one, I may say. As I recall, the department was going to make some inquiries as to how the report was leaked to the *Australian* the day before the minister actually formally released it.

**Ms Foster**—You asked on notice if we had any knowledge of that leak and we responded in writing, saying that we did not.

**Senator IAN MACDONALD**—Did you? Thank you. I must have missed that, although I am sure my staff have not. You have no information on—

**Ms Foster**—On how the story came to be in the *Australian*, no.

**Senator HEFFERNAN**—What was his name, the guy?

**Senator IAN MACDONALD**—The guy from WWF?

**Senator HEFFERNAN**—Yes, the plaited armpit fellow. Wasn't he the author in the *Australian*? Wasn't he the source? You would not have to be a genius to work out who gave it to the *Australian* because he was mentioned in the story. He was quoted as saying, 'It's all off; it's over.' It did a lot of damage, I have to say, to the good work of the task force.

**CHAIR**—Ms Foster, you have answered Senator Macdonald's question, plainly. Senator Macdonald, do you have any more questions?

**Senator HEFFERNAN**—You did not work out it was him when he was quoted in the paper? What was his name? Stuart Blanch.

**Senator IAN MACDONALD**—You did say, in answer to a question on notice, that the Australian government does not have a 'no dams' policy. Does that mean it does have a 'yes dams' policy?

**Ms Foster**—We were responding to that question in the context of, 'Did the Australian government have a no dams policy and, therefore, instruct the land and water task force not to consider dams.' The answer is, no, the land and water task force came to their own conclusion about the cost effectiveness of damming and the relative merits of damming and use of groundwater.

**Senator IAN MACDONALD**—You will be aware of the report in the *Australian*, I think we referred it to you before, quoting Dr Creswell, who said:

We weren't asked not to investigate them, but we were told it wasn't necessary to investigate them.

**Mr Mrdak**—We cannot comment on that.

**Senator IAN MACDONALD**—I now want to move on from the task force, unless anyone wants to ask anything?

**Senator HEFFERNAN**—Can I just ask a question?

**Senator IAN MACDONALD**—Yes.

**Senator HEFFERNAN**—Why would it not be a proposition for the Office of Northern Australia to actually go and have a look at something? I mean, you talk about damming water. Do you know how many ways you can dam water besides a wall?

**Mr Mrdak**—We do work with the agencies that have the expertise in these areas. My officers will visit areas and look at these things as we need them.

**CHAIR**—Why do you not just listen to the answer, Senator Heffernan?

**Senator HEFFERNAN**—I heard the answer.

**CHAIR**—No, you heard the little bit you wanted to hear. Do you want to listen to the whole answer? Mr Mrdak, have you finished answering Senator Heffernan's way-out question?

**Senator HEFFERNAN**—Yes, he has. In some of those rivers, like, you can have weir sand storage—that is, damming. Was that excluded or included in the instruction from Dr Creswell? What was a 'dam' that he was referring to? Is it a wall?

**Mr Mrdak**—The answer we would provide is the Australian government did not provide any instruction not to consider any of these—

**Senator HEFFERNAN**—I am not saying it did, but I just wondered what describes a 'dam'?

**Mr Mrdak**—I think, as you have pointed out, there are a multitude of ways in which you can store groundwater.

**Senator HEFFERNAN**—Obviously, storing it underground is better than storing it on top of the ground.

**Mr Mrdak**—There are a multitude of ways.

**Senator HEFFERNAN**—I do have a question. If I were to invite the northern task force to give evidence at the select committee on agriculture, which is looking at how we provide food that is affordable for a sustainable environment and a viable farmer, who would be the person that I should invite?

**Mr Mrdak**—The task force has been wound up.

**Senator HEFFERNAN**—From the northern development office?

**Mr Mrdak**—It would be open to you to invite the people who participated in the task force.

**Senator HEFFERNAN**—No, the people who are up to it currently?

**Mr Mrdak**—If you wished, you could invite this portfolio, my department, or the people who participated in the task force's report.

**Senator HEFFERNAN**—Thank you.

**CHAIR**—Senator Macdonald.

**Senator IAN MACDONALD**—Thank you. Is your department, in its role looking after rural, regional, northern, remote and Western Australia, for which I see the parliamentary secretary also has responsibility, able to access information on the zone tax rebates for rural and regional Australia?

**Mr Mrdak**—We do not hold that information.

**Senator IAN MACDONALD**—Are you able to access it?

**Mr Mrdak**—I would have to take that on notice. I do not know if we can. I think that material is held by the tax office. I do not know whether we as a department would be able to access that information.

**Senator IAN MACDONALD**—As the department for regional Australia, Northern Australia and Western Australia, which I am always curious about—I am wondering where the minister for Queensland is, but anyhow—

**CHAIR**—You have got a Prime Minister, a Treasurer, the President of the Senate—I reckon you are well and truly represented up there.

**Senator IAN MACDONALD**—You are quite right. How about a minister for Tasmania, or South Australia?

**Senator Conroy**—Don't you make fun of Tasmania, Senator Macdonald. It is very, very important.

**Senator IAN MACDONALD**—Minister, it may be a good point to ask you. Why is there a minister for Western Australia, but not a minister for South Australia or for New South Wales which, heaven forbid, certainly needs a bit of help.

**Senator Conroy**—I do not want to make the obvious point, but I think you have run these lines before.

**Senator IAN MACDONALD**—What was your answer?

**Senator Conroy**—I think I ignored them, as I did this time.

**Senator IAN MACDONALD**—That is pretty typical.

**Senator Conroy**—They are not questions; they are rhetorical flourishes.

**Senator IAN MACDONALD**—Could we find out what the minister for Western Australia does then?

**Senator Conroy**—We have had that discussion at length, too, Senator Macdonald.

**Senator HEFFERNAN**—Could I just ask a question. Has the Office of Northern Australia given consideration to doing a feasibility study on joining up the Mount Isa railway line to the north-south line?

**Mr Mrdak**—No.

**Senator HEFFERNAN**—Would it be possible to request a feasibility on that?

**Mr Mrdak**—We can take that on notice.

**Senator HEFFERNAN**—You are aware of the mining it would open up?

**Mr Mrdak**—Yes.

**Senator HEFFERNAN**—Could you take that on notice?

**Mr Mrdak**—I am happy to take it on notice.

**Senator Conroy**—I have even been lobbied about it.

**Senator HEFFERNAN**—There you go. We ought to do it. We ought to actually do some things.

**CHAIR**—Okay. Senator Macdonald.

**Senator Conroy**—We are actually laying 6,000 kilometres of—

**Senator HEFFERNAN**—No, but I mean about planning the north, with great respect.

**Senator Conroy**—With great respect, Senator Heffernan, it runs from Darwin through Tennant Creek, through to Mount Isa, Emerald, Longreach, down to Toowoomba and it will open up the mining regions in Central and Northern Queensland because it now finally gets access to decent broadband. We are actually laying and digging that as you speak, as you sit there.

**Senator HEFFERNAN**—I am talking about a railway line, which carts stuff, gives a bit of competitive tension to the fertiliser market, for instance.

**Senator Conroy**—As you sit there right now, they are digging a trench along the route I have just described.

**Senator HEFFERNAN**—Yes, but you cannot actually eat what they are putting in the ground.

**CHAIR**—All right. Order! We do not need banter between Senator Heffernan and the minister. Senator Macdonald, we have 20 minutes left before the lunch break.

**Senator IAN MACDONALD**—I have just about finished, Mr Chairman. In answer to a question taken on notice last time, the answer was the \$195 million East Kimberley development package is currently the only administered funding program falling within the responsibilities of Parliamentary Secretary Gary Gray. Has that changed at all?

**Ms Foster**—No.

**Senator IAN MACDONALD**—That is still the only package. We have been through what has been done with that package. Is there any thought of replicating that sort of package in the Northern Territory or Queensland?

**Ms Foster**—Senator Eggleston was asking a similar question before in regards to the West Kimberley, and there is currently no specific program under consideration or being proposed.

**Senator IAN MACDONALD**—I recall Senator Eggleston did have some very penetrating questions on the West Kimberley, but does the office have any involvement whatsoever in a promotional role of the new mineral projects, support projects, and infrastructure projects in the West Kimberley or anywhere else in Northern Australia, might I say?

**Ms Foster**—In that sense, the office works to support Parliamentary Secretary Gray in his role, and so the office's efforts are focused on supporting Parliamentary Secretary Gray in his—

**Senator IAN MACDONALD**—Has the office done any modelling, or is it undertaking any modelling on the impact that a mining super tax would have on the economy of Northern Australia as opposed to the rest of Australia?

**Mr Mrdak**—Those matters are being handled by Treasury, in terms of the taxation proposals, not by our portfolio.

**Senator IAN MACDONALD**—Okay. I appreciate that Mr Henry got Senator Conroy into this and he will have to try and wheedle their way out of it. But the Office of Northern Australia I am particularly interested in, because quite clearly the facts from your compendium on Northern Australia show that almost 40 per cent of Australia's export earnings come from Northern Australia, the area for which the office has prime government responsibility. I just thought, perhaps, the office might then have a very major concern about what would happen to the economy of Northern Australia, were the mining tax introduced, and those companies which have threatened to withdraw actually action those threats. Is that something that the—

**Mr Mrdak**—They are not matters on which we can comment. The government has got a process in train to deal with those issues, and that is being handled in another portfolio.

**Senator IAN MACDONALD**—I understand that, and that is appropriate, Mr Mrdak. I am just again saying: in Secretary Gray's portfolio area, Western Australia, which is very important, but the balance of Northern Australia, the Northern Territory and Queensland, is heavily reliant upon the activity, the infrastructure, the jobs creation, and the wealth generated by mines in the north of Australia, where, frankly, most of them are. And I just thought Parliamentary Secretary Gray, not because of his own electorate where all the fly-in fly-out people live but as a minister in the Australian government, might have a particular interest in the impact on Northern Australia.

**Mr Mrdak**—Certainly, the parliamentary secretary has been engaged in meetings with the mining industry and, I think, has made statements to the parliament in relation to these matters. He is certainly very heavily engaged as the government's representative representing WA and Northern Australia.

**Senator IAN MACDONALD**—Is he engaged in the consultations ex post facto, I might say, with the mining industry over whether the rates should be six per cent or 12 per cent and whether it should be retrospective or prospective?

**Mr Mrdak**—My understanding is he is engaged. I am not too sure whether that is in those formal consultations that are being led by the consultative committee or in other forums, but my understanding is he has been engaged in discussions, yes.

**Senator IAN MACDONALD**—Okay. Perhaps you could take on notice—or the minister might take on notice for reference to Mr Gray's office—on just what part Mr Gray is playing in his role as parliamentary secretary for Northern and Western Australia.

**Senator Conroy**—Happy to take that on notice.

**Senator IAN MACDONALD**—That was my question. Thank you, Minister. Just finally—and I do not think I have got anything else—I am very appreciative to the officers for their answers and their assistance.

**CHAIR**—Hear, hear.

**Senator IAN MACDONALD**—When are we—

**CHAIR**—One o'clock, Senator Macdonald.

**Senator IAN MACDONALD**—No, I am—

**Senator HEFFERNAN**—Can I just ask a question?

**CHAIR**—No, no. Hang on. Sorry.

**Senator IAN MACDONALD**—I was just going to say when have we set, or haven't we yet set the time, for responses to—

**CHAIR**—21 July, questions on notice.

**Senator IAN MACDONALD**—Can I just finalise that with a question to Mr Mrdak. The 21 July date for responses to questions on notice: on the questions we have asked on notice in this particular area—forget about what has happened yesterday and other than today, but in this area—do you see any difficulties in getting the answers back by 21 July?

**Mr Mrdak**—The department has its processes to have the answers developed. We make every effort to get them done as speedily as possible.

**Senator IAN MACDONALD**—Given that—

**Senator Conroy**—We have had this conversation already with Senator Nash.

**Senator HEFFERNAN**—Given there is going to be an election on 28 August, we would like to get them in July.

**CHAIR**—Okay. Hang on, Senator Heffernan. Senator Macdonald, have you—

**Senator IAN MACDONALD**—That is—

**CHAIR**—Okay. Minister, just before I go to Senator Eggleston, I just want to stress Senator Macdonald's point about the importance of these northern mining projects being built in the north, and I am not sure if committee members are aware that on 27 April, Australia's richest woman, Ms Gina Reinhart, took out a full page in the West Australian calling for all northern economic zones of all these projects to be built with cheap foreign labour, not Australians, and not Australian wages, but I am sure that will generate some conversation. Senator Eggleston.

**Senator EGGLESTON**—I want to ask a question about the North Australia council and how that might be progressed and set up. Yesterday I went to a lunch with the scientific advisers to the task force, and obviously they have a very broad concept of how this North Australia council could work, which ranged from dealing with agricultural and Indigenous issues to health issues and so on. What role will your office play in formulating the structure and the mission statement, if you like, of that North Australia council, if you are able to say anything?

**Ms Foster**—I am afraid at this stage, because the response is under development, we are not in a position to comment on the nature of the advice we might give to government or, indeed, speculate on what they might choose to do.

**Senator EGGLESTON**—But if government decides to proceed, you would obviously be used as a resource.

**Ms Foster**—Indeed, and at that stage we would be very happy to discuss those issues.

**Senator EGGLESTON**—Okay. Thank you. That is all.

**Senator IAN MACDONALD**—Does the Office of Northern Australia have anything to do with that particular conference that Senator Eggleston attended yesterday?

**Ms Foster**—Yes, it was there, I understand.

**Ms Fleming**—I understand Senator Eggleston—

**Senator IAN MACDONALD**—Did you have anything to do with the organisation of that conference?

**Ms Fleming**—No, I am just wanting to clarify whether Senator Eggleston is referring to the three science offices from Northern Territory, WA and Queensland, who were in town yesterday and whom the Office of Northern Australia met with separately. Is that the—

**Senator EGGLESTON**—That was it. I went to a lunch with them yesterday at the Kurrajong Hotel.

**Senator IAN MACDONALD**—Did you have anything to do with this lunch that Senator Eggleston went to?

**Ms Fleming**—No, but we met with them separately.

**Senator IAN MACDONALD**—Sorry?

**Senator EGGLESTON**—You were expected, I understood.

**Senator IAN MACDONALD**—Oh, was I? I was going to say do you have any idea why Senator Eggleston was invited, which was very, very appropriate, and that I was not, but—

**Senator EGGLESTON**—No, I think you were.

**Senator IAN MACDONALD**—Senator Eggleston tells me that I was expected.

**Senator HEFFERNAN**—Can I ask where we are up to with the lead mine at Kununurra?

**Mr Mrdak**—I would have to take that on notice. I am not aware of where that one is up to.

**Senator HEFFERNAN**—You are aware of the lead mine, though?

**Senator Conroy**—I actually mentioned it just before.

**Mr Mrdak**—I will find some details for you, Senator.

**Ms Foster**—What is your specific interest?

**Senator HEFFERNAN**—If we are going to do the full development of Ord 2 and 3, including Carlton Hills, and sort out the sovereign issue with the drainage down the Keep River et cetera, you are going to have to do something about the lead mine. I just wondered whether the global food task might be more important than the lead mine.

**Ms Foster**—We will take that on notice and come back to you.

**Senator HEFFERNAN**—In the considerations with Mr Dickson and others—this was raised three years ago—has there been any further talks about the lead mine within what was the task force and is now the Office of Northern Australia?

**Ms Fleming**—We are aware of the lead mine issue, but we would have to take the details on notice.

**Senator HEFFERNAN**—Have there been any discussions? Surely you would know if there have been discussions with the Western Australian government or the owners of the lead mine or—

**Ms Foster**—Sorry, I do not have any information. We will have to come back to you on that.

**Senator HEFFERNAN**—So there have not been, by the sound of it, because Mr Dickson would know.

**Ms Foster**—Not to my knowledge, but I just do not want to—

**Senator HEFFERNAN**—Could you update us as to the various options being considered, and if there are not being any options considered, could we put on notice that we would like some options considered for the complete development of that.

**Ms Foster**—Yes.

**Senator HEFFERNAN**—The minister has been very helpful about that railway line which is a vital bit of Australia's infrastructure for the future, from Mount Isa to join up to the north/south line. There has been serious consideration, I understand, given to that now by the government. Could we also give consideration to some sort of a preliminary investigation of a couple sites, just to get the thing seeded and started with a feasibility study—maybe the Gilbert River? Otherwise we will be sitting here in 50 years saying, 'We're going to look into it.' If it turns out to be a stupid idea, it turns out to be a stupid idea, But let us find out.

**Mr Mrdak**—Those are the sorts of options we may wish to consider in responding to the task force report.

**Senator HEFFERNAN**—Thanks very much.

**CHAIR**—There are no further questions for the Office of Northern Australia. Ms Fleming, we thank you very much.

#### **Proceedings suspended from 12.53 pm to 2.00 pm**

**CHAIR**—I welcome everybody back. I welcome Mr Doherty from Aviation and Airports. I call on Senator Back.

**Senator BACK**—I want to ask some questions regarding compulsory passenger and baggage screening. Is it appropriate to direct those questions to you?

**Mr Wilson**—That would be in the session with the Office of Transport Security, which will follow Aviation and Airports, Airservices and CASA, so later this afternoon.

**Senator BACK**—Good. In that case, I will defer those questions until then and move on to another area. I refer to the management of airports leased from the Commonwealth to corporate or private operators. Would that come under your perspective?

**Mr Wilson**—Yes.

**Senator BACK**—The chairman and I have been participating, in this case under Senator Nash's chairmanship, in a number of meetings regarding airport noise, and from those meetings I would like to ask you in particular about two airports that come to mind—that is, Jandakot Airport in Perth and Moorabbin Airport in Melbourne. As a committee we have been somewhat concerned at the relationship between the airport operators and the community and the local government in which they are positioned. Is this an area that has some interest to yourselves or responsibility by yourselves?

**Mr Wilson**—Very much so.

**Senator BACK**—Specifically, without wanting to break confidentiality of sums of money charged, could you give us some guidance in the contracts between the Commonwealth and these operators? Could you point us to the responsibility the operators have in communicating with the communities in which the airports are located?

**Mr Mrdak**—I will start, and then I will ask my officers to go into a little bit more detail. There is no commercial contract as such. The regulatory regime for the leased federal airports, since they have been privatised, is set out clearly in the legislation. That legislation does create obligations on the airport operators in how they consult in terms of their strategic planning documents—the master plan and major development plan documents. Also, the aviation white paper—and Mr Doherty may wish to comment on this in more detail—that the government released in December last year contains some significant amendments. The government proposes that legislation in relation to improving the planning and consultation processes with local government, state governments and the community and also sets some key expectations the government has for improving the relationship between the airport operators and the community. It is fair to say that the legislation sets the framework for that relationship and the expectations of the government. Mr Doherty or Ms Gosling may wish to comment some more.

**Mr Doherty**—In terms of the legislative framework, the master plan is probably the key document which sets out the intentions for the next 20 years for the operation of the airport. That is reviewed on a five-year cycle. As part of that process, the airport comes forward with the ANEF, which is the document which sets out the assessment of the noise impact of operations at the airport. If then there is going to be a major development, particularly something which relates to runways or the operation of the airport, that requires a further consultation process, including public consultation, which would look at the impacts of that proposed development. If you take Jandakot, which is the one of the examples you raised, the master plan includes the proposal for an additional runway. That proposal would need to go through the MDP process and have the implications of that proposed construction dealt with.

In terms of policy development and the issue that Mr Mrdak pointed to—the community consultation groups—one of the key themes in the white paper was to try to improve the alignment between what goes on at the airport and the surrounding areas, both for planning

and for development. There were a couple of key proposals there. One was to establish a high-level group between governments, including representatives of local councils, to look at the planning but also to improve the relations with the community. The community consultation groups as envisaged in the white paper would have an independent chair and would bring together representatives from the community in an ongoing meeting format which would be able to address all the issues which impact on the community from the operation of the airport and make sure that there is an effective voice.

**Senator BACK**—So this is something proposed into the future, is it?

**Mr Doherty**—That is something that will build on arrangements that some of the airports already have, but we are looking for those to be rolled out more widely and to be improved. To support that, there have recently been some guidelines issued as a discussion document to try to establish the key requirements for that sort of group.

**Senator BACK**—Could you take us through what might be the impositions or penalties on the operators in the event that they do not participate in that local government and state government community consultation process or what the dispute resolution mechanisms might be in the event that the parties just simply cannot reach agreement?

**Mr Doherty**—I will hand over to Ms Gosling in a moment to add to that. The structure of the groups as they are proposed would not be prescribed in detail in legislation. So there is not at the moment a proposal for a legislative sanction. The expectation is that the groups will work better, that we will, from our side, participate in those groups and try to gauge how well they are going. There is always the possibility that the government may see a need to go further and give the requirement legislative backing in the future.

**Ms Gosling** —It is also important to note that under the Airports Act 1996 there are processes in place for statutory periods of public consultation on the master plans for a 60-day period. The airport lessee company has to have due regard to those comments before submitting its master plan to the minister. So everything that Mr Doherty has mentioned is in addition to the statutory framework that currently exists.

**Senator BACK**—You mentioned a 60-day period. Is that the case? One of the complaints put to us—

**Senator Conroy**—These are the airports that you privatised. We are talking about the airports that your government privatised.

**Senator IAN MACDONALD**—Are you going to renationalise them, Minister?

**Senator Conroy**—No. I just wanted to make sure that we knew what we were talking about the airports you nationalised—privatised, sorry. I have nationalised on the mind there, Senator Macdonald.

**Senator IAN MACDONALD**—Which you disagree with, do you?

**Senator BACK**—The reason I ask that is that a complaint raised with us in regard to Moorabbin was that the master plan is in a draft form, it has been sent back to the operators and there has been no response from the operators. There was a degree of frustration. It might have been the Kingston City Council that said that the whole thing had come to a halt, that

nothing was progressing and that they just felt powerless in this process. You mentioned a 60-day period.

**Ms Gosling**—The way it works with the master plan is that there is a 60-day consultation period under the act where the airport has to release what is called a preliminary draft master plan for public consultation. There are also, in addition, specific provisions in the act that require the airport lessee company to forward the master plan to local stakeholders such as state government and local government authorities. At the end of that 60-day period, the airport receives back submissions, has to have due regard to them and has to do a schedule that accompanies what is then called a draft master plan—it goes from being a preliminary to a draft—to the minister with a sort of schedule of how they have addressed public comments. At that stage the minister then has a 50-business-day period to assess the master plan.

In relation to Moorabbin, that master plan has been lodged with our minister for assessment. We are probably not at liberty to discuss the details in terms of the content of it, because that assessment process is still underway and the minister is yet to make his decision. But it is correct to say that at the moment we have a provision in the act to stop the clock to seek additional information from the airport lessee company, and that is where that master plan currently stands.

**Senator BACK**—Can I ask you to respond to a couple of concerns that they raised that seem to me to be very real. One of them was the possibility—perhaps it is in the draft master plan—that Moorabbin could move to half a million air movements per annum. They would see that intrusion over their communities as being very severe.

**Mr Doherty**—We do not have the actual projections here, but we understand the general nature of that concern. Yes, there is the potential for movement numbers at these airports to grow, with the noise impact potentially increasing.

**Senator BACK**—Is there any capacity for the community to influence that? I follow that by saying that a significant number of these movements are take-off and landing training activities. Some of this I will probably raise with the Civil Aviation Safety Authority. The community's points were, firstly, training over built-up areas per se; secondly, the air route taken, their plea being it go down the river and over less residential areas, but they have been ignored; thirdly, the dramatic increase in helicopter traffic, with its attendant noise; and, fourthly, the risk attendant upon take-offs and landings. They have already had one death of a student pilot. They fear for others. I would have thought these were real concerns. None of them, incidentally, want to see Moorabbin Airport moved. There is no suggestion of that, but there is just this frustration, both from residents' groups and the council, that they simply cannot get any satisfaction.

**Mr Doherty**—I think those are the sorts of concerns that we would see coming up in two ways. At the master plan stage where there is the public consultation on the proposed operations and the opportunity for them to come back; the airport is then required to summarise those, to make those submissions available to the minister; and the minister's process of considering the master plan would, I think, be partly about making sure that those sorts of issues have been properly canvassed. The community consultation group, when it is working effectively, would be a powerful tool, too, to then deal with those issues during the

five years until the next master plan round, but also to help prepare for how those issues might be addressed. We would see that there are a range of possibilities to help address those issues, including fly-neighbourly policies, helping track and move aircraft operations to where they are going to cause less damage, particularly in relation to issues like helicopters and others that can be fast growing in some areas, and looking for ways to try to achieve the best outcome that meets both the community's needs and the airport's.

**Senator BACK**—Are you suggesting that that is a five-year delayed process? Did I understand you correctly?

**Mr Doherty**—No. I think the five-year cycle for master plans means that once every five years the minister has the chance to influence the direction. But once these community consultation groups are operating effectively, that will be fed into operations on a day-to-day basis and they can be used to address issues as they arise.

**Senator BACK**—So if the draft master plan is in with the minister at the moment, would the minister then, as part of his consideration of that draft master plan, be seeking public input at this stage?

**Mr Doherty**—The way that the provisions work, the public input stage to that master plan has essentially passed. That happens at the stage when the draft is being prepared for submission to the minister.

**Ms Gosling**—So that is the 60-day consultation period.

**Senator BACK**—So that has expired, has it, for this particular site?

**Ms Gosling**—Yes. But under the act they are all issues that the minister would have regard to in a final decision on a draft master plan and, in particular, the act actually specifies the consultations and the outcomes of consultations are a factor that the minister has to have regard to.

**Senator BACK**—Thank you. Regarding the Sydney Airport Community Forum, could you tell us what the budget for 2010-11 is for the secretariat?

**Mr Stone**—The secretariat is funded from within departmental resources. However, there is a contract with the chair for sitting fees, that is, Mr Barry Cotter. Those fees are in the order of \$40,000 per year.

**Senator BACK**—That would be a relatively consistent figure over the last two or three years?

**Mr Stone**—That has been the figure, as I understand it, since Mr Cotter has been in the chair.

**Senator BACK**—And going into the future years, is there an intention that the secretariat—is secretariat the correct term?

**Mr Stone**—The secretariat is provided by the department and that is funded from within departmental resources.

**Senator BACK**—So there is a gentleman who is paid separately to the secretariat?

**Mr Stone**—That is right.

**Senator BACK**—And is it the intention that that position continues, if it can be so-called a position?

**Mr Doherty**—Obviously that is a matter for the government minister, but that has been the practice—that there has been an independent chair appointed.

**Senator BACK**—Can you just tell me—I am not familiar specifically with the airport community forum—how far into the past has that arrangement been in place?

**Mr Mrdak**—The current independent chair was put in place by this government in 2008. From recollection, previous to that the committee has been chaired by a member of parliament.

**Senator BACK**—So there was no actual additional cost?

**Mr Mrdak**—That is correct. It had been chaired previously since its inception by a member of parliament.

**Senator BACK**—And the secretariat, as you say, is simply supplied out of the department. Therefore, there has not been specifically an allocation to that secretariat support?

**Mr Mrdak**—No. We funded that within the general resourcing for Mr Stone's branch of the department.

**Senator BACK**—Are there other airports similar to Sydney that the department offers that level of support to in addition to the one we are discussing?

**Mr Mrdak**—We do participate in a number of consultative committees around the country, but not to the same level of secretariat support that we do for Sydney airport.

**Senator BACK**—I just have one other series of questions, if I may. Again, they go back to this inquiry that the deputy chair, Senator O'Brien, and I have been on. It relates to a specific example. The airport I am speaking of is the Tyabb Airport on the Mornington Peninsula. A number of questions and submissions came to us in Melbourne regarding again this question of communication between the operators of those airstrips—should I call them, because they are not, strictly speaking, airports. Are these under your control at all or do you have any oversight of those—shall I call them—privately owned airstrips?

**Mr Doherty**—No, we do not have the same level of control over those airstrips as over the leased federal airports. There may be a degree of regulation through CASA about the safety requirements for the strips, but we generally do not have a supervisory role for those airstrips.

**Senator BACK**—Under Aviation and Airports, you do not have any role at all? They are not licensed with you? You do not require of them any standards for operating activity?

**Mr Stone**—The Civil Aviation Safety Authority sets the operational safety standards for aerodromes no matter what the ownership. In the case of the planning and environmental oversight of those airports, they are the responsibility of the Victorian government.

**Senator BACK**—I will defer now, if I may, and come back with some more questions later.

**Senator NASH**—Can you give us some background of exactly what the Remote Aviation Infrastructure Fund was put in place to do, and the funding allocation for that?

**Mr Wilson**—The Remote Aviation Infrastructure Fund was put in place in the 2009-10 budget, and it has been extended through the 2010-11 budget. Funding is available for \$8.1 million to rectify deficiencies in the facilities at aerodromes in remote Aboriginal areas. We are currently going through a process of assessing a number of reports into the technical aspects of those aerodromes, and over the next 2½ years will fund improvements to ensure that they meet the regulatory requirements as stipulated by CASA.

**Senator NASH**—At how many remote airstrips will you be looking at rectifying the deficiencies in facilities?

**Mr Wilson**—Sixty-eight.

**Senator NASH**—How much was the overall funding between 2009-10 and 2010-11?

**Mr Wilson**—\$8.1 million.

**Senator NASH**—How many airstrips do you expect would benefit from that funding at this stage? Do you have an expectation?

**Mr Doherty**—It really depends on the outcome of the inspection process.

**Senator NASH**—Has any inspection happened to date? I gather that if funding was in the bucket last year some work has already been done?

**Mr Wilson**—We have completed the inspection work on all of the 68 airstrips in question. We are currently undertaking the analysis to determine the level of work that is required to rectify the deficiencies.

**Senator NASH**—Are there any particular areas of deficiency that you already know exist that are going to be priorities for you?

**Mr Wilson**—The major areas—and if I miss some, I will ask Mr Borthwick to add—relate to fencing, lighting, maintenance of runways and the like.

**Senator NASH**—I turn now to the aviation white paper *Flight path to the future* released in December last year. With regard to the white paper and the changes to the mandatory passenger and baggage screening requirements: the white paper notes that from 1 July 2010 the trigger for compulsory passenger and baggage screening for regular public transport and open charter aircraft will be applied to aircraft with a maximum take-off weight of 30,000 kilograms, regardless of whether the aircraft is jet or turbo propelled. Is that correct?

**Mr Wilson**—Correct—that is what the aviation white paper says. I would add, however, that that topic of conversation is probably best left to the Office of Transport Security.

**Senator NASH**—Thank you very much—rather than do another seven paragraphs and waste your time. This question may be for them as well, then; it is about the formal review at Brisbane airport for the next airport master plan. Where does that sit?

**Mr Wilson**—Here.

**Senator NASH**—We have a winner! When is the review going to start and finish?

**Mr Doherty**—This is the review in relation to whether or not there is a need for a curfew at Brisbane? Was that the review?

**Senator NASH**—I think so, yes. Brisbane is actually Senator Macdonald's area. So you might like to kick off with that one, Senator Macdonald; I am very happy for you to do that.

**Senator IAN MACDONALD**—Curiously, I had some questions about the Brisbane airport as well. In relation to the curfew or the review, can you tell me who is going to be on the steering committee?

**Mr Doherty**—No. There has been no further work on that at this stage.

**Senator IAN MACDONALD**—Do you know when the government is likely to make appointments to that steering committee?

**Mr Doherty**—The undertaking in the white paper in relation to this review was that it would be completed before the next master plan round, which would take place in about the 2013-14 period. We would envisage the review being in the year or so leading up to that, so it is at least a year—or two, perhaps—off at this stage that we would be finalising the structures.

**Senator IAN MACDONALD**—Okay.

**Mr Doherty**—The other piece of context to add to that is that, in the master plan which was approved for Brisbane airport last year, there were a range of noise measures identified there, including the establishment of a community information centre. There was an interest in developing further information and seeing how some of those initiatives operated to feed that into the review.

**Senator IAN MACDONALD**—So it is a couple of years away yet before any substantive work will be done on appointing the committee and doing the work?

**Mr Doherty**—I do not want to be precise about the timing, but we would envisage that review being around the 2012 period.

**Senator IAN MACDONALD**—Who would make the appointments to that review committee?

**Mr Doherty**—That would be the minister.

**Senator IAN MACDONALD**—Your minister—Mr Albanese, or whoever is in that role at the time?

**Mr Doherty**—Yes, that would be my understanding—with whatever consultation within government he chose to make.

**Senator IAN MACDONALD**—Was the decision to review or to consider the curfew encouraged by any local politicians—for example, the then backbench member the member for Griffith, who has long advocated a curfew there? Is that how this has come into play?

**Mr Wilson**—If I may respond, the decision is a whole-of-government decision, as reflected in the aviation white paper.

**Senator IAN MACDONALD**—You would probably recall that the member for Griffith, as a backbencher, launched legal action against the Brisbane airport's environmental impact statement regarding the parallel runway, which history shows was an unsuccessful approach—it was unsuccessful in the legal sense. Does that rejection by the courts have

anything to do with this investigation into curfews now? Some might say that it is almost a payback. Does that play any part in it at all?

**Mr Mrdak**—Senator, I think as Mr Wilson has indicated, the decision in the white paper reflected a range of consultations and submissions, including public submissions. There was obviously a degree of concern raised by many members of the community about Brisbane airport's expansion during its last master plan process. I think the government has reflected some of those concerns by asking that this work be done as a prelude to the next master plan process.

**Senator IAN MACDONALD**—Can you tell me what percentage of flights arrive and depart at Brisbane airport between, say, 11 pm and 6 am?

**Mr Mrdak**—We would have to take that on notice. We do not have that material. We can provide that information.

**Senator IAN MACDONALD**—My understanding is that it is about 6.5 per cent. Does that sound right?

**Mr Mrdak**—I would imagine it would be a relatively small proportion of movements, but I do not have that data with me, I am sorry.

**Senator IAN MACDONALD**—If it is a relatively small number, has any thought been given to what benefit there would be in dealing with such a small number that are already in that proposed curfew area? If it is six per cent—and I guess that is hypothetical until you tell me, but I am pretty certain that that is right—what benefit is there by—

**Mr Wilson**—I would contend that those sorts of issues, including the percentage of flights that operate into and out of Brisbane during a possible curfew period, will be issues that will be examined in the context of the review in 2012.

**Senator IAN MACDONALD**—Are you aware that the Queensland Premier condemned the suggestion that Brisbane airport should have a curfew?

**Mr Mrdak**—We are aware that the Queensland Premier made comments concerning the announcement in the aviation white paper.

**Senator IAN MACDONALD**—Do you know if the minister shares the view of the Queensland Premier?

**Senator Conroy**—I am sure that if you want to know the minister's views you can ask for the minister's views, but soliciting opinion from officers is not part of the estimates process.

**Senator IAN MACDONALD**—Unfortunately, the minister does not appear before this committee and I do not meet him often socially, although as it turns out—

**Senator Conroy**—If you named an airport after him, he might.

**Senator IAN MACDONALD**—I was just going to say—

**Senator Conroy**—I am waiting for those photos. Time is running out, Senator Macdonald.

**Senator IAN MACDONALD**—As it so happens, as I left this room just after lunch was called I actually did run into the minister. Do you know what we spoke about? Not curfews in Brisbane, but the Stephen Conroy memorial airstrip at Karumba. Is that not coincidental?

**Senator Conroy**—You are a legend. That is on the *Hansard*. Macca is a legend, out there campaigning for me.

**Senator IAN MACDONALD**—But, apart from that conversation, I do not have a lot of conversations with the minister. So, Minister Conroy, I am now asking you if you could ascertain if Minister Albanese shares—

**Senator Conroy**—I am happy to ascertain his views and take those on notice for you.

**Senator IAN MACDONALD**—Thank you. If there were a curfew, has any work been done on how many flights would be pushed on to Melbourne, for example, if there were a similar curfew in Brisbane as there is in Sydney? Has any work been done on how many flights would have to be pushed through to Melbourne if they happen to be a bit late in?

**Mr Wilson**—Again, I would indicate that those sorts of issues will be examined in the context of the review in 2012.

**Senator IAN MACDONALD**—Has the department done any work on the productivity of having curfews in all east coast major airports? This is hypothetical, but I am just wondering if the department has done any work on what would be the impact on productivity in Australia if there were curfews in Brisbane and Sydney, as there are, and everything was diverted to Melbourne. Has any work been done on that by the department?

**Mr Wilson**—I am not aware of any.

**Senator IAN MACDONALD**—I am told that Melbourne airport earns something like \$300 million a year from late night flights. Perhaps Senator O'Brien can confirm that for us.

**Senator O'BRIEN**—I cannot remember the figure but it was significant.

**Senator IAN MACDONALD**—Perhaps the department could confirm that. I am sure they are watching.

**Senator O'BRIEN**—I think it might be in *Hansard*, Senator.

**Senator IAN MACDONALD**—The department would have been watching it with close interest, I am sure.

**Senator O'BRIEN**—I do not know about that.

**Senator IAN MACDONALD**—Could the department perhaps confirm what Melbourne airport claims it gets from those late night flights?

**Mr Wilson**—I have to apologise, I have not seen the *Hansard* from that hearing.

**Senator IAN MACDONALD**—Not a good career move not to watch Senate committee hearings.

**Mr Wilson**—That is probably correct, Senator, but, as I have indicated, I am unaware of any individual work that we have undertaken with regard to that.

**Senator O'BRIEN**—Senator Macdonald is guilty of cruel and unusual punishment with that comment.

**Senator IAN MACDONALD**—Can you tell me how many complaints about noise you get in relation to Brisbane airport? Are there statistics on that?

**Mr Doherty**—We would not have the best statistics in the department. Airservices may have additional information and we would be happy to take that on notice and see what we can provide.

**Senator IAN MACDONALD**—I guess I could ask Airservices myself, could I? They deal with that sort of thing, do they?

**Mr Wilson**—They hold the information with regard to noise complaints in relation to individual airports, yes.

**Senator IAN MACDONALD**—Minister, as a Victorian, in spite of your close association with the gulf country of North Queensland and airports, could you assure the people of Australia and this committee that the government would not, under any circumstances, allow a curfew on the Melbourne airport?

**Senator Conroy**—I would have to take that on notice and seek the minister's response. I am not aware of any statements made by the minister on that. The officers are shaking their heads. I am happy to seek a response from the minister and take that on notice.

**Senator IAN MACDONALD**—Can you tell me whether there had been any community submissions to the department or to the minister calling for a curfew on Brisbane airport or any other airport—you might throw Melbourne into that as well?

**Senator Conroy**—Wasn't there some legal action on this issue a few years ago?

**Senator IAN MACDONALD**—You are better informed than me. I am not aware of it.

**Mr Mrdak**—In relation to the master planning process at a number of airports, when the community makes submissions obviously issues of night-time operations are often featured in those submissions. Communities do raise the issue of curfews and the need for curfews at a number of airports where those consultative processes take place.

**Senator IAN MACDONALD**—Have you been inundated in the last, say, 24 months by community submissions to the department or to the minister or indeed to parliamentarians who might have passed their constituents' views on to minister in relation to curfews?

**Mr Wilson**—I do not have the details in terms of actual numbers. The department and the minister—the minister in the main—receive correspondence on a fairly regular basis with regard to aircraft noise and requests to impose restrictions on aircraft operations.

**Mr Stone**—If I might add to that, in preparing the aviation green paper and white paper the department accepted submissions from the public. There were something like 295 submissions to the green paper and 235 submissions to the white paper. As you might expect, those contained a range of views from industry and the community. Certainly there were community submissions about various airports that recommended curfews be imposed just as there were submissions from airports, business associations, some state governments that supported curfew-free operations at airports. Those submissions in general are still on the department's website.

**Senator IAN MACDONALD**—Apart from when the white paper and green paper were around and people were focusing on it, is it the sort of complaint either the department or the

minister's office—and you may have to take that latter one on notice—receive regularly or at all?

**Mr Stone**—The minister and the department receive regular correspondence about the impact of aircraft noise. As you would appreciate, it is a sensitivity for a number of members of the community.

**Senator IAN MACDONALD**—I am reluctant to ask you to take—

**Senator Conroy**—You are not that shy.

**Senator IAN MACDONALD**—No, I understand the value of public servants' time, Minister. Outside the white and green paper process, without having you go through every bit of correspondence, are there a lot of complaints received about noise at Brisbane and Melbourne airport, or a little bit, or one or two, or rare? Do you have that feel?

**Mr Wilson**—If I return to an answer that I provided previously, the minister does receive regular correspondence in regard to aircraft noise issues and with calls for action to be taken to minimise those concerns.

**Senator IAN MACDONALD**—I hear you say that he does. Did you say that he regularly receives?

**Mr Wilson**—Yes, but I cannot give you a number in terms of how many per month or how many per year and whether that is a lot or a little bit is a subjective determination.

**Senator IAN MACDONALD**—I agree with that, but I was trying to make it easy. I am reluctant to say to you, 'Can you go through all the correspondence and tell me how many complaints you have received in, say, the last 12 months.' That is what I am trying to get a feel. Is it a dozen? Is it thousands? Is it one or two?

**Mr Wilson**—I am sorry, without actually trawling the ministerial correspondence in regard to aviation I could not give you a feel for a number, or a lot, or a little.

**Senator IAN MACDONALD**—Can I reluctantly ask you on notice to let me know how many complaints you have received about curfews in relation to Brisbane and Melbourne airports in the last 12 months. I ask you to take that on notice. You can come back to me with whatever you are able to glean, or if you are unable to glean anything, or not prepared to glean anything, but I will leave that with you on notice.

**Senator O'BRIEN**—Mr Wilson, doesn't Airservices Australia have an air traffic noise complaint unit?

**Mr Wilson**—Airservices Australia holds statistics in regard to complaints about air traffic noise, which will provide guidance in regard to overall complaints about aircraft noise.

**Senator IAN MACDONALD**—Do you—or would it be Airservices Australia—have the statistics on what percentage of flights that use Brisbane airport after 10 pm come in over Moreton Bay and which of them come over the west, which is the city area of Brisbane?

**Mr Wilson**—That would be a question best addressed to Airservices Australia.

**Senator IAN MACDONALD**—Okay. I shall do that. Thank you. Are you able to confirm that the closest home to Melbourne airport is four kilometres away and that the closest home to the Brisbane airport is a distance of seven kilometres away? Are you aware of that statistic?

**Mr Doherty**—Away from?

**Senator IAN MACDONALD**—From the airport—taken in a seven kilometre semicircle.

**Mr Mrdak**—I have seen similar figures, I think, in relation to Brisbane airport—the distance from the centre line along certain runway alignments—but I am not familiar with that comparison between Melbourne and Brisbane. But I have seen similar figures in the past in relation to, say, the centre line of the Brisbane runway to the suburb adjacent.

**Senator IAN MACDONALD**—Could you see on notice if you could find out for me if it is around. I am sure someone has done the study. My research shows those figures but I just wanted confirmation that my research is correct—that Melbourne's is four kilometres away and Brisbane's is seven and see if you can find that for me on notice perhaps. Are the Australian Air Force's VIP flights allowed to land in Sydney during the curfew period?

**Mr Mrdak**—No.

**Senator IAN MACDONALD**—They are not.

**Mr Mrdak**—The Sydney Airport Curfew Act captures state aircraft.

**Senator IAN MACDONALD**—So they are prevented, too.

**Mr Mrdak**—Yes.

**Senator IAN MACDONALD**—But you can get permission, can't you, in circumstances such as natural calamities and that sort of thing.

**Mr Mrdak**—There are dispensation provisions under the act which are exercised in exceptional circumstances.

**Senator IAN MACDONALD**—Yes. Exceptional circumstances and calamity? The Prime Minister's plane coming in could be seen by some as a calamity about to happen!

**Mr Mrdak**—Well—

**Senator IAN MACDONALD**—That is a joke. No-one is laughing so I had to explain. A delay to, for example, the Prime Minister's plane or the Governor-General's plane; is that seen to be an exceptional circumstance?

**Mr Stone**—The guidelines administering the dispensations for curfew movements at Sydney airport require that the circumstances be immediate, unforeseen and unable to be met by alternative arrangements.

**Senator IAN MACDONALD**—Would I ask you—or perhaps I would have to go to the Air Force to ask for this—how many times the Prime Minister's VIP plane lands at Brisbane airport between 11 pm and 6 am? Would you have those figures?

**Mr Doherty**—At Brisbane airport, where there is not a curfew?

**Senator IAN MACDONALD**—Yes.

**Mr Doherty**—We do not have those figures but we can find that out.

**Senator IAN MACDONALD**—That would be very helpful, if you could. Have you heard the Brisbane City Council's view in relation to talk about a curfew at Brisbane airport?

**Mr Doherty**—In the broad, my expectation is that the Brisbane City Council would be concerned about the economic impact of restrictions on the airport.

**Senator IAN MACDONALD**—Has any work been done on the economic cost, as you say, of closure of the Brisbane airport?

**Mr Wilson**—I would draw your attention back to my previous comment, in which I indicated that the department has not undertaken any independent work on that.

**Senator IAN MACDONALD**—That is all I have on Brisbane airport. Are the questions that Senator Nash started to ask about which airports any security upgrades would impact upon entirely for aviation security, or does your area of the department look at possible costs of upgrading—

**Mr Wilson**—The correct area to ask questions about the impacts of additional security screening at airports is the Office of Transport Security.

**Senator Conroy**—We will take that on notice, and if the department can supply any information on this or any of the matters you have raised we will get it for you. You are asking the wrong department. I would invite you to go to their departments. I am referring specifically to the previous questions about the PM's flights. We do not have that information. I invite you to go—

**Senator IAN MACDONALD**—That has already, very usefully for the committee, been offered to be given and we have accepted that.

**Senator Conroy**—I am making the point that if the department has any information on those matters we will get it, but if the information is held by another department I invite you to go and address their estimates.

**Senator IAN MACDONALD**—I can read *Hansard*, thank you, Minister. Things like the cost of upgrading individual airports—again, that is not your department it is airport security; is that right?

**Mr Mrdak**—It is within Mr Wilson's and my responsibility but it is handled by our Office of Transport Security. We look at all those issues of risk, cost implications and the like through our Office of Transport Security.

**Senator IAN MACDONALD**—So if I asked the Office of Transport Security about those costs of upgrading airports and estimates and that sort of thing they will not say to me, 'You should have asked that earlier on in the day'?

**Mr Mrdak**—No.

**Senator IAN MACDONALD**—Issues relating to near misses are not in your area, are they?

**Mr Mrdak**—No.

**Senator IAN MACDONALD**—That is all I had.

**Senator LUDLAM**—I have a couple of questions about Sydney Airport, if you are the right folk to speak to about that. The ministerial approval of the Sydney Airport master plan is something that I can speak to you folk about?

**Mr Mrdak**—Yes.

**Senator LUDLAM**—I am just going to briefly quote you back a couple of lines from the minister's press statement when he announced that that master plan had been approved and then get your views on a couple of specifics. He said:

My approval of the Master Plan does not however indicate acceptance that the Airport can and should handle the projected growth in traffic, with the annual number of aircraft flying into and out of Sydney expected to rise to 427,000 by 2029.

Such traffic volumes would place considerable added pressure on those communities living around the Airport.

As the Airport gets busier, the supporting road and rail infrastructure will become more congested, delays more frequent and nearby residents exposed to even longer periods of aircraft noise.

So he is quite eloquently running the arguments of opponents of the expansion while approving just such an expansion. Can you tell us why it was signed off with all of those severe impacts being acknowledged in the statement of announcement?

**Mr Mrdak**—I do not think that is a correct interpretation of the minister's comments.

**Senator LUDLAM**—That is why I am putting it to you, so please offer me the correct interpretation.

**Mr Mrdak**—I think that in the minister's statement the minister has, in accordance with the provisions of the act, considered and approved the Sydney Airport Master Plan as meeting the development requirements of the industry and the airport for the master planning period. But what the minister's statement is drawing attention to is that the demand forecasts do identify that in the future Sydney airport will not be able to continue to accommodate the growth of traffic into the Sydney Basin.

**Senator LUDLAM**—But it is the growth of traffic that he has just signed off on. He has just allowed them to go up to those thresholds. That is what I am saying.

**Mr Mrdak**—No, what he has indicated is that the master plan provides the land use planning around the side of the airport and how that will operate. The government has been very firm in its commitment to the movement cap at Sydney airport and the maintenance of the curfew and the slot allocation scheme at the airport. Those regulatory arrangements stay in place. What the minister has highlighted is that Sydney airport's master plan indicates that it has a plan for handling within the foreseeable future of the master plan the traffic growth that needs to be accommodated within that airport. If you look at the medium-term horizon, there is a need to look at additional capacity for the Sydney region. The minister announced in the aviation white paper in December last year, and the government has confirmed with its budget announcement of resourcing for the portfolio, a review of Sydney's aviation needs, which is now underway as a joint Commonwealth-state planning study to look at the aviation needs of the Sydney basin over a 30- to 50-year horizon.

**Senator LUDLAM**—So, when you talked about medium term before, did you mean the 2029 projections that I read to you in that statement?

**Mr Mrdak**—And beyond that, yes.

**Senator LUDLAM**—What do you consider medium term?

**Mr Mrdak**—If you look at aviation infrastructure, you are talking about sort of a 25- to 30-year horizon.

**Senator LUDLAM**—So how am I reading it wrong if he has approved a master plan that expects and anticipates and allows those traffic volumes in to and out of Sydney?

**Mr Mrdak**—What the minister has approved in accordance with the act is the master plan, which sets out the land use planning and the investment planning that will enable Sydney to accommodate over the 20-year horizon in the master plan the traffic that is forecast.

**Senator LUDLAM**—You said before ‘meets the development requirements of the industry’. Is it strictly traffic volumes and projected demand on Sydney airport that provide your modelling or your estimations of traffic growth? Would you plan and rewrite this master plan according to what traffic is expected or is there any sense that you would crimp the amount of traffic into and out of Sydney airport? Are you just reacting to what the industry says demand growth is going to be or can you push that?

**Mr Mrdak**—Certainly not. The forecasts that are produced by the airport are subjected to analysis by the department and providing advice to the minister on the master plan. The Bureau of Infrastructure, Transport and Regional Economics, for instance, has recently published forecasts of traffic at Australian major airports. They have some expertise in this area. We subject those traffic forecasts to analysis and we provide advice on those traffic forecasts.

**Senator LUDLAM**—Maybe I will try to ask it in a different way. If the minister is acknowledging that neither local residents nor the airport can cope with the amount of air traffic that is projected, why has that master plan been approved?

**Mr Mrdak**—You have to understand what the master plan provides. The master plan is a land use planning document for the airport as to how it will propose to meet the forecast aviation demand over that planning period. What we have looked at closely is: is that master plan compatible with state and local planning arrangements? Is it compatible with the demands of the aviation industry for the forecast development of that airport?

**Senator LUDLAM**—Rather than air traffic, let us talk about ground traffic. As you say, it is a land use planning document and airport ground traffic was identified very strongly as a problem for residents of the Botany region. You might see this as being at a tangent, but why have you also agreed to fund a study into expanding the M5 motorway, which leads straight to Sydney Airport?

**Mr Mrdak**—As we discussed yesterday, the M5 was one of the studies commissioned by the government under urban congestion studies that were funded in 2008 to provide long-term strategic planning for our major cities. It is a key part of the government’s commitment to improving strategic planning. It does not indicate a commitment by the Commonwealth to fund such an expansion. At the same time, in relation to land transport access, one of the areas

we are looking at in this joint Commonwealth study into Sydney's aviation needs is actually land transport access to Sydney Airport and how we can improve and handle the forecast growth in land transport traffic in that very important economic sector of Sydney which contains both Port Botany and Sydney Airport.

**Senator LUDLAM**—It is an economic sector but it is also a community. People are living there.

**Mr Mrdak**—I understand that. That is something that my minister is very strong about. The need to improve the way the traffic flows and improved public transport access to Sydney Airport are the sorts of things that we are looking at as part of this joint work we are now doing with New South Wales.

**Senator LUDLAM**—Do you want to be specific then on your thinking around public transport access to the airport? Specifically, did you examine in any way or did you participate in the work of the recent studies that were undertaken by the Australian government on fast rail connection between Sydney and other capitals? Have you modelled or have you investigated, in any format, how much pressure could be taken off ground traffic and indeed aviation traffic with a fast rail connection in and out of Sydney?

**Mr Mrdak**—The last significant work done on a very fast connection between Canberra and Sydney was some time ago.

**Senator LUDLAM**—I do not believe that is the case. The CRC very recently provided a study to the Commonwealth government, which it sounds like you might be unaware of.

**Mr Mrdak**—I am not aware of any.

**Senator LUDLAM**—When you say some time ago, let us make sure we are not at cross-purposes here. How long ago was the last time you reviewed the documents?

**Mr Mrdak**—I am referring to the federal government study that was done in around 2000 or 2001.

**Senator LUDLAM**—There is much more recent work that has been undertaken by the CRC into rail.

**Mr Mrdak**—I think they are currently looking for—

**Senator LUDLAM**—They have tabled one which I have read. If they were currently looking at it, I presume we would not have a copy of it.

**Mr Mrdak**—I am not familiar with that study.

**Senator LUDLAM**—Do you think it is a bit of a problem, if you are working on projected ground traffic and projected air traffic in and out of Sydney airport, to not know what another arm of government is doing, which could potentially solve a number of your problems all at once?

**Mr Mrdak**—I am not familiar with the study, so I could not comment on what that study is about.

**Senator LUDLAM**—I think that actually tells us something quite important. Mr Collett, did you want to make a contribution?

**Mr Collett**—I am aware of some work that the CRC has done in relation to very fast rail. From memory it concluded that the federal government should carry out further work to actually drill down into much greater detail. As Mr Mrdak has flagged, one of the terms of reference for the joint work which is being done with the New South Wales government is to look at the needs of the travelling public and the needs more generally in terms of surface transport for Sydney airport. Clearly, there is further work which needs doing in the area of what the CRC has done. I understand that the CRC in fact highlighted that.

**Senator LUDLAM**—They did.

**Mr Collett**—That work is intended, at least in part, to be part of the joint study that Mr Mrdak flagged that we are currently undertaking with the New South Wales government.

**Senator LUDLAM**—I recognise that you cannot be aware of every single document that every government department produces, but I am glad that you at least acknowledge its existence. The government has declined to undertake that further work. The Greens put up a motion in the Senate to do just that. That opportunity has been denied us for the time being. You gave fairly broad framing around what your task force will be investigating. Can you confirm for us that rapid rail links, with links well beyond Sydney obviously, will be part of that mix?

**Mr Mrdak**—Our focus is looking at the aviation needs of the Sydney region. It is a joint piece of work we are doing with New South Wales, which includes looking at the transport corridors for the Sydney region.

**Senator LUDLAM**—Is that a yes or a no? Do you think rapid rail has any relevance at all to potential ground and air traffic into Sydney airport?

**Mr Mrdak**—I think it very much has relevance, but what I am saying to you is that we are looking particularly at the Sydney region, not beyond the Sydney region.

**Senator LUDLAM**—Yes, the Sydney region as it relates to where people want to go. I am not trying to be cute here, but the Sydney region as far as air and vehicle traffic into the airport is concerned is only really relevant if you are considering Melbourne, Canberra, Brisbane, Perth et cetera. It is a bit disingenuous to say you are only allowed to think about Sydney. This is about national transport.

**Mr Mrdak**—We are looking more broadly. That is something that may well be considered.

**Senator LUDLAM**—It may well be considered. It is not part of the mix at the moment?

**Mr Mrdak**—No, I am trying to explain to you that we are in the stages of doing this joint work with New South Wales which will look at land transport corridors and demand for aviation access to the Sydney region.

**Senator LUDLAM**—Can you confirm for me whether rapid rail links will be part of that mix? Will that be at the table?

**Mr Mrdak**—We may well look at some of those issues.

**Senator LUDLAM**—You may look at it. The master plan expresses air pollution in a different format to the previous master plan in the third runway EIS. I am not a specialist in this area particularly. Can you talk us through the difference in methodology that has been

used to assess urban air pollution in the area? What was the reasoning for the change in methodology between one plan and the next?

**Mr Doherty**—That is not an issue that anyone at the table could deal with, from memory.

**Senator LUDLAM**—Is that a fair characterisation of the situation?

**Mr Doherty**—I do not know.

**Mr Mrdak**—We will have to take that on notice.

**Senator LUDLAM**—So you cannot tell us anything about the way air pollution is being considered?

**Mr Mrdak**—Not by the officers at the table. I do not think that is what we were saying.

**Mr Wilson**—I think that is not actually what we said.

**Senator LUDLAM**—I asked a very specific question; you are correct. So what can you tell us then about the way air pollution has been assessed in the current master plan?

**Mr Wilson**—In terms of the differential between the previous master plan and this master plan, we would need to get you some advice. In terms of the specifics in regard to what is contained within the master plan, none of the officers here have the document with us so without that document—which I would assume is something in the order of 300 pages—we are not in a position to discuss the detail of what is contained within that report.

**Senator LUDLAM**—All right. If you are going to take that material on notice, I will add a couple of supplementaries to that if you like so I can be a bit more specific.

**Mr Wilson**—Certainly.

**Senator LUDLAM**—Firstly, why was the airport not required to use a consistent format between the two master plans? I would have thought that would have been a fairly reasonable expectation so that we could draw a correct comparison between the current one and the most recent one. Can you provide for us a way of interpreting the changed methodology between the two studies? That would be appreciated. Can you table all material that relates to air pollution within the current master plan? Are there any supporting documents that would help us make an assessment about how that has been considered?

**Mr Wilson**—We will certainly take those on notice.

**Senator LUDLAM**—There was a health study of Kurnell residents by Black et al in 2007 which showed elevated blood pressure among residents of that region. There are obviously people living a lot closer to the footprint of the airport—in Marrickville, Mascot, Rockdale, the surrounding suburbs and so on. There is medical evidence on the table obviously that the existing level of air traffic is affecting people's health. What work are you doing within the scope of the current master plan or within the estimates of future traffic into and out of that airport about direct health impacts on residents in close proximity to the airport?

**Mr Wilson**—I certainly am not aware of the health study by Black in regard to Kurnell. I am not certain any of the officers at the table are aware of the report. We can have a look at the report and provide the committee with some advice on that.

**Senator LUDLAM**—Okay. Who are the lead authors of the master plan?

**Mr Doherty**—The Sydney Airports Corporation.

**Senator LUDLAM**—I presume they are well aware of this material, but that is another one similar to the air pollution because obviously health is one consequence of the urban air pollution there.

**Mr Wilson**—Senator, I would not want to comment on what Sydney airport are or are not aware of.

**Senator LUDLAM**—That is fine. I was not seeking to lead to that. I want you to talk us through the long-term operating plan for Sydney airport and its targets for aircraft movements north of the airport. My understanding, which you might be able to corroborate for us if possible, is that an Airservices Australia officer told the Sydney Airport Community Forum on 19 February that the targets in the long-term operating plan for the airport—this is looking at the northern corridor in particular—would never be reached and that there had only been one occasion that the airport had been within five per cent of the target and that was only as a result of a month of unusual weather. Would you care to comment on that?

**Mr Wilson**—If I might say, Senator, comments in regard to Airservices should be directed to officers from Airservices.

**Senator LUDLAM**—Okay. I can stick around and do that a bit later in the day. Can you just talk us through the long-term operating plan for Sydney airport and the targets for aircraft movements, at least in that northern corridor, and then I will have something to benchmark against?

**Mr Wilson**—Again, Senator, the long-term operating plan for Sydney is the responsibility of Airservices and your questions should be directed to them.

**Senator LUDLAM**—All right; thank you. My final question is just in the context of the master plan overall. Has there been any comparison or considerations or thinking or consulting about a replacement airport for Sydney rather than a second airport?

**Mr Mrdak**—In the work we are currently doing in terms of the joint study with New South Wales we are looking at future aviation needs.

**Senator LUDLAM**—So that is a kind of a no, but you would foreshadow that that thinking would be done there?

**Mr Mrdak**—I do not think any consideration is being given to a replacement for Sydney (Kingsford Smith) Airport.

**Senator LUDLAM**—All right then. That is fine, but you are saying that that thinking might occur in the work that you have foreshadowed with the task force?

**Mr Mrdak**—We are doing an extensive piece of strategic planning work.

**Senator LUDLAM**—Brilliant. I will leave it there. Thanks very much.

**CHAIR**—Thanks, Senator Ludlam. If there are no further questions of Aviation and Airports—

**Senator BACK**—I do, Mr Chairman.

**CHAIR**—I am so sorry, Senator Back. In all the excitement I thought you led.

**Senator BACK**—I did at one stage say that I would defer to my colleagues and then seek to come back.

**CHAIR**—I am sorry, Senator Back. I do know you have a longstanding interest in aviation and airports.

**Senator BACK**—I do. If I can just stay with Sydney airport for a moment, I understand that Australia has signed a contract with a US based company to deliver a system for arrival and departure flight paths starting with Sydney airport. Can you give us some advice on that?

**Mr Mrdak**—I think that would be a matter for Airservices Australia, which is next on the agenda.

**Senator BACK**—So Airservices Australia would be looking at the approach and departure?

**Mr Mrdak**—Yes, Senator.

**Senator BACK**—In which case I shall hold that over. Thank you, Chairman.

**CHAIR**—Thank you, Senator Back. As I was just about to say, if there are no further questions for Aviation and Airports, thank you very much, gentlemen.

**Senator HEFFERNAN**—Can I just ask a question of relevance; I am pretty irrelevant. I put a question to the Office of Transport Security at a previous hearing which concerned Sydney Night Patrol Security. Do they still do the security for the airport?

**Mr Wilson**—The Office of Transport Security does not do—

**Mr Mrdak**—No, he is asking—

**Mr Wilson**—Does SNP still do security at Sydney airport?

**Mr Mrdak**—We will check, Senator.

**Mr Wilson**—I will check, Senator, but OTS—

**Senator HEFFERNAN**—Also ask them—

**Mr Wilson**—The Office of Transport Security will appear following Airservices and the Civil Aviation Safety Authority.

**Senator HEFFERNAN**—The only other question, with your indulgence, Mr Chairman, relates to the global pilots federation concerns about access to the flight deck. Where will we raise that?

**Mr Mrdak**—Office of Transport Security as well, Senator.

**Senator HEFFERNAN**—Thanks. You got off light, didn't you?

**CHAIR**—Thank you. I can now safely say thank you to officers from Aviation and Airports and now call Airservices Australia.

[3.04 pm]

### Airservices Australia

**CHAIR**—Welcome to Mr Russell and officers of Airservices Australia. This is becoming a regular weekly meeting for us and we believe we will see you tomorrow in Sydney. On that though, for those who are not full-time members of the committee and wish to ask questions directed to the budget, Senator Back.

**Senator BACK**—Thank you, Chairman. Gentlemen, how are you? I was just asking—and I have been directed to seek advice from you—about a new contract with a US based company to deliver a new system for arrival and departure flight paths to airports commencing with Sydney known as a performance based navigation system. Can you give us some advice on that new system?

**Mr Russell**—We signed an agreement with a US based firm called Naverus based in Seattle. They are a specialist procedure design company. It is a contract for five years to develop procedures for use initially, after a process, at eight of the airports in Australia, but possibly growing to 28. If I recall, there is an answer to a question on the *Notice Paper* that I think has been posted on that issue in terms of where those airports are. They are spread around Australia.

**Senator BACK**—Would Sydney airport be one being considered?

**Mr Russell**—Yes, but in time. It is not our first. We have trialled this procedure for a couple of years in Brisbane and published the results on that trial some time ago. It is a procedure that allows for more precise flight, particularly in terminal areas, that then reduces fuel burn, aircraft flying time of course, emissions and it has the potential to reduce noise. That was the experience that we had, in particular, of the trial in Brisbane. So it is in its early stages. It is a system that is being adopted in other parts of the world, but Australia is regarded as a leader in this area.

**Senator BACK**—In addition to reducing noise, I understand it may proceed to assisting in a fairer sharing or distribution of noise. Is that one of the objectives?

**Mr Russell**—It certainly has that capability, yes, in time.

**Senator BACK**—It has just been put to me that any implementation in Sydney has been delayed for fear of the backlash from people coming up towards the next federal and state elections. Is there any truth in that particular position that has been put to me that you are aware of?

**Mr Russell**—Senator, no. There is a timetable to work up these procedures and perhaps if I could spend a moment to explain them. RNP, as it is called, is a satellite based system that allows suitably equipped aircraft more precise flights, as I was mentioning, in airspace around airports. Airservices Australia has contracted Naverus to deliver them. One of the reasons that Australia has the aviation safety record that it has is that we have been careful in developing procedures and trialling them extensively before they are introduced. Extensive trials, as I have mentioned, of RNP have occurred in Brisbane. As I have also mentioned, we published a report on that trial a couple of years ago. At other airports, including Sydney, some Qantas aircraft are equipped and have used RNP to fly existing flight paths—existing flight paths.

Not all the Australian fleet is equipped to handle this sort of procedure by a long shot. There are various stages in the development of RNP and it is important if I can spend a moment to go through that process.

The earliest phase of this program is the development of what we call concept tracks, basically to work out if the procedure can be safely operated. These concept tracks are the subcontractor Naverus's visual representation of what the RNP technology potential capability is. There has been some confusion on this, so if you would bear with me. Many factors may preclude this representation being realised as actual RNP flight paths and in some cases they may not be flyable by the airlines involved or they are not compatible with air traffic management procedures from a safety or efficiency viewpoint. There is a very distinct phase here where we do a lot of work before we know that we have something that can operate safely and efficiently.

Then it moves to a preliminary design plan and that is where we have confirmed the testing with some rigour. The proposal is then at a stage where it is appropriate for community consultation. I am very mindful of the fact—having appeared before parts of this committee a number of times in recent weeks—that, whilst this new technology has terrific opportunity in terms of safety, efficiency, emission reductions and noise reductions, it is not going to occur without a lot of community consultation, and that is a commitment we make.

**Senator BACK**—A sum of money—is it \$10.7 million?—has been set aside for the project.

**Mr Russell**—Yes.

**Senator BACK**—Could you lead us through the extent to which those funds have been expended and, therefore, what remains unexpended? Is it the airports—Brisbane, Melbourne, Adelaide, Sydney—that the principal focus has been on to date?

**Mr Russell**—The total cost from memory is over \$10 million. I think, again, this is the subject of an answer to some questions on notice.

**Senator BACK**—Yes.

**Mr Russell**—Of that amount, I think it is in the order of \$4.6 million that has been spent to date. There is a lot of development work upfront in these types of processes. Our first tranche is eight airports, including the ones that you have mentioned, and a careful development and rollout program is part and parcel of that process.

**Senator BACK**—Are the concept tracks publicly available? Can they be made available to the committee?

**Mr Russell**—They are not and for the reason that I mentioned earlier. We do not have at this stage of the development enough confidence that they are flyable or that they will work with the air traffic system. So I could be going out, frankly, on a whole lot of issues and there is not a guarantee that these things are even practical. So I am of the view that the appropriate stage here is once they have passed that concept track stage and have got into a design phase. That is where it is. We will have a concrete proposal that we think will work and that is when our aim would be to discuss things with the community.

**Senator BACK**—Can you just give us the background to the arrangement with the US firm Naverus? Are they the sole supplier of this technology in the world? Did they win a competitive tender?

**Mr Russell**—They did win a competitive tender. It was a company established by a number of pilots who work for Alaska Airlines who had difficulty accessing some of the remote airports in Alaska, particularly Juneau, during bad weather. This technique allows the aeroplane to fly quite precisely and safely into those approaches. From there it was picked up by Qantas and from there we developed more of a national approach to how this program can work—not just for Qantas but for other airlines that may be interested. In the last 12 months this company has been bought by GE.

**Senator BACK**—That contract, presumably, is available again for our scrutiny, should we so desire?

**Mr Russell**—I am more than happy to have a good look at it. I just want to make sure that there are not some commercial issues, but I am very happy to provide you with a brief.

**Senator BACK**—That would be most interesting. Just returning to the community consultation process—that will take place prior to any decision being made to actually proceed to rolling it out?

**Mr Russell**—Absolutely.

**Senator BACK**—Thank you. Following on from that, have any of the procedures yet been subject to your own internal or external environmental assessment? If so, are you able to provide copies of that assessment for us?

**Mr Russell**—Not at this stage. The answer is they have not been subject to environmental assessment.

**Senator BACK**—So presumably, again, that is a step that has to be taken under the EPBC Act.

**Mr Russell**—To make the point again, this is still early days in terms of this technology. But, again, the country has been a leader in aviation technology for all the reasons that we sometimes take for granted in terms of the safety and efficiency of our national airways system.

**Senator BACK**—Certainly. I will defer to others and then come back, if I may.

**Senator O'BRIEN**—I wanted to get an update on the joint operational concept that has been worked through with Airservices Australia and the Royal Australian Air Force about the harmonisation of civil and military air traffic management.

**Mr Russell**—This was the subject of a recent release by Minister Faulkner and Minister Albanese. I am pleased to say that we have reached an in-principle agreement with our colleagues in Defence—the RAAF—with respect to a harmonised approach to air traffic management in Australia going forward. A lot of work has been done to develop how that concept may work. The opportunity is a generational opportunity to the extent that the life of these air traffic systems is definite. We are undertaking an extensive review at the moment of

our own system and its capability going forward. It is very advanced, but the hardware and software is ageing and it is prudent that we look at that issue.

At the same time, the RAAF were looking for a replacement of their air traffic system. So you can see the opportunity as a generational opportunity—these things do not come along every day. There are 15- to 20-year time horizons in terms of systems and their use. So this has been quite a wonderful collaboration. I think it is a good opportunity for both organisations to take a national approach to the way air traffic is managed. It is my view that it has the potential to be done more efficiently and, I think from a national security viewpoint, it has certain advantages as well—operating one system connected well or a similar platform.

**Senator O'BRIEN**—There is an approach by RAAF and Airservices to pursue a new platform?

**Mr Russell**—Yes, there is. A couple of weeks ago we released the first stage of that procurement process. There was a request for information released to the world market for suppliers who may be interested in providing this equipment. That is a process that will take the next couple of months. It will give us a good understanding as to what sort of capability there is and from there—over a period of some time, I might say, because this is a complex project—it will mean that we expect to get to a point where there will be a request for tender sometime next year perhaps. That is our view.

It has led to us looking closely at other opportunities to work with our colleagues in RAAF on training, for instance, and other efficiencies in potential procurement areas. I think the minister has described it as a historic agreement and, being close to it, I can certainly agree.

**Senator O'BRIEN**—Yes, there has been an interesting tension between military and civil airspace and the management thereof, so anything we can pull together in that regard is good. But in regard to the introduction of new technology, I wanted to perhaps ask you to segue into the development of the Wide Area Multilateration program in Tasmania. Can you refresh us on exactly how that works?

**Mr Russell**—Yes, I know of your particular interest in this area.

**Senator O'BRIEN**—I am in that airspace regularly.

**Mr Russell**—I know you are. Wide Area Multilateration is a surveillance technology that uses a fixed array of ground-receiving stations that measure very precisely the time of arrival of a radio signal from an aircraft's transponder. Provided the signal is received by three or more ground stations, that Wide Area Multilateration system can compute, by triangulation, the aircraft position in three dimensions based on the different times of those signals arriving. Importantly, the receivers can also extract information from the transmissions of an aircraft's flight level and identity code. So, in terms of a big picture for Tasmania, this raises the surveillance over nearly all of the state to a level that we have not had before. I believe it is increasing efficiency and certainly safety of flying in Tasmania. It is a project that we have put in place over the last few years. The project was commissioned after a safety case sign-off by the Civil Aviation Safety Authority in January. We have commissioned it, and it is working very effectively.

**Senator O'BRIEN**—So does that mean you do not need and will remove the radar at Launceston Airport?

**Mr Russell**—At some point, that is an issue that we need to discuss. What we have tried to do is ensure that the commissioning of this Wide Area Multilateration system has been successful. It certainly has in our view. Whether we need both forms of surveillance, I think the answer is probably not. At some stage, we need to address that issue, and I imagine it will be with people like you.

**Senator O'BRIEN**—If what you are saying is correct, if this gives you the ability to track every aircraft and position—

**Mr Russell**—Every aircraft fitted with a transponder, yes.

**Senator O'BRIEN**—How many are not fitted with transponders?

**Mr Russell**—Not too many, I can tell you, that fly in that sort of airspace.

**Senator O'BRIEN**—What sort of aircraft would typically not be fitted with transponders?

**Mr Russell**—Very light aeroplanes.

**Mr Harfield**—The number of aircraft that do not have transponders is minimal. They are aircraft that operate in remote areas or outside what we call control areas and major capital cities. Normally, if you operate into controlled airspace you have to carry a transponder. So there would be very few aircraft without one.

**Senator O'BRIEN**—Is that a regulatory requirement?

**Mr Harfield**—Yes.

**Mr Russell**—I might just add that this is one of the largest applications of Wide Area Multilateration that has been tried in the world, and we are very pleased with it. It gives you a more accurate picture of what is flying in the airspace because the signal returns from these transponders are faster and more frequent, shall I say, than the return from a radar. So you have a much more accurate idea of where aircraft are.

**Senator O'BRIEN**—How does the cost compare?

**Mr Russell**—In broad numbers, a new radar similar to the one that operates in Launceston at the moment would be in the order of \$5 million. There is, of course, a more limited surveillance that you can see with that sort of equipment. As for the Wide Area Multilateration, I am just thinking of how much that is.

**Mr Harfield**—My understanding is that it is around about \$10 million, but the surveillance coverage that is provided by the Wide Area Multilateration system would be the equivalent of having 2½ radars.

**Senator O'BRIEN**—So you are talking capital costs?

**Mr Russell**—Yes.

**Senator O'BRIEN**—And what about running costs—ongoing costs?

**Mr Russell**—No, it is very much reduced. I do not have the exact numbers.

**Senator O'BRIEN**—So Wide Area Multilateration is less expensive to maintain on an ongoing basis?

**Mr Russell**—Yes it is, and it is a more effective surveillance mechanism. I can check those numbers and get back to you, but it is in that sort of broad area.

**Senator O'BRIEN**—Having successfully implemented and made the safety case, is there a plan to expand the Wide Area Multilateration?

**Mr Russell**—There are potentially other uses for wide-area multilateration in Australia, and it is something that we are having a good look at now.

**Senator O'BRIEN**—Where?

**Mr Russell**—In some particular airports around Australia where our coverage of radar might not be right to the ground and there are risk assessments that need to be done and work that needs to be done on the number of aircraft that are moving. I am reminded that the wide-area multilateration technology is also being implemented at Sydney Airport to replace the precision runway monitoring radar that separates aircraft laterally on approach and departure into Sydney. It is going to give us, again, much greater accuracy of surveillance but also will be compatible with the increasing operations at the nearby port to Sydney Airport, where large ships are moving in and out. Had we not done something that would have reflected some of our radar capability.

**Senator O'BRIEN**—There is a similarity with ADS-B but you need an ADS-B transponder in an aircraft for that to work.

**Mr Russell**—Yes, you do. This system is ADS-B compatible.

**Senator O'BRIEN**—So it is a built on ADS-B.

**Mr Russell**—It can be, and that is an important issue.

**Mr Harfield**—The arrays that are used in wide-area multilateration are ADS-B transmitters as well. Because the aircraft do not have an ADS-B transponder you need multiple arrays to do the triangulation. As aircraft equip with the ADS-B transponder, you will only need one of the arrays rather than multiple arrays.

**Senator O'BRIEN**—So ADS-B is a technology which is a signal between the aircraft and the ground where the aircraft transmits its position and height?

**Mr Harfield**—ADS-B is the aircraft transmitting its position to the receiver on the ground, and the position it is giving is a high-accuracy GPS position.

**Mr Russell**—You would be aware that in December we turned on the ADS-B system in upper airspace in Australia. This is the first time in the world that continental wide coverage of upper airspace using this technology has occurred. We have been simply delighted with the results. About 70 per cent of the aircraft that fly in that airspace are now fitted with ADS-B. We are seeing an increasing number of aircraft operating in our airspace that are equipped with ADS-B, particularly the internationals. For large areas of Australia where we had no radar coverage—it is just not economic given the traffic numbers to operate them—we now are no longer relying solely on procedural airspace separation so we can operate more safely,

because we know where these aircraft are, and more efficiently. It has been a real winner for us.

**Senator O'BRIEN**—So is there a safety case for them to be mandated in all aircraft?

**Mr Russell**—There is discussion at the moment. You would note that the white paper has looked at that. In general terms the government has a view that the country should move towards greater use of satellite based navigation. It is certainly the way of the future in our industry. At the moment, we are looking at how we can take that broad objective from government and implement some of those potential milestones. We are doing some work on that at the present time.

**Senator O'BRIEN**—How much does it cost Airservices to establish the ADS-B system network?

**Mr Russell**—The total operation is in a project called TINR. I can never remember what it stands for.

**Mr Harfield**—The Telecommunications Infrastructure Network Replacement project.

**Mr Russell**—It is one of those acronyms that we have come to know and love. What we did is we rebuilt all of our communication systems, our network, our backbone, right around Australia. That was necessary to take it from an analogue to a digital system. You need dual path, so you need a terrestrial and a satellite system, operating in tandem to ensure that if one fails the other works in these circumstances. The cost, when it is finally complete—it is also the purchase of 28 ground stations and their installation for ADS-B and also the upgrade of all of our VHF network throughout Australia; I am expecting that it will be finished by the end of June—will be \$76 million.

**Senator O'BRIEN**—Probably considerably cheaper than previous sorts of systems that you have had to use.

**Mr Russell**—Well, there is a factor of about 10 to 1 in favour of ADS-B compared to the cost of radar and the reliability of these units and maintenance costs are much, much better.

**Senator O'BRIEN**—While we are on costs, when we were at Perth airport recently we were pointed to a new fire station being constructed which was considerably larger and probably justifiably so. What does a station like that cost to construct?

**Mr Russell**—There is very little change out of about \$10 million. In fact, it is just over \$9 million by the time it is complete.

**Senator O'BRIEN**—That is not including vehicles or including vehicles?

**Mr Russell**—No, no vehicles. But we have built it to the latest environmental standards. It is part of our program to redevelop the capital base of Airservices. It is in considerable need of rebuilding. The minister opened a fire station last week in Maroochydore. The one in Perth is a category 10 fire station; it will be the biggest of its type in our network. It is designed to be able to house enough trucks to be able at some point to handle 380 operations if and when they eventuate in Perth. It is due to open in July.

**Senator O'BRIEN**—What size is the Maroochydore station?

**Mr Russell**—It is a category 6 operation so the cost was just slightly short of \$6 million. We have built these on the same design, which is expandable so we do not have to go back and reinvent things the whole time. Our five-year program for the fire service is an investment of \$124 million. I would expect that there will be more of these fire stations rebuilt and certainly refurbished over the next few years.

**Senator NASH**—I have some questions on the noise ombudsman, really just to get a bit of detail around the background of that. What stage are you up to with the appointment?

**Mr Russell**—Senator, if you recall—

**Senator NASH**—I cannot flag from one to the other because there are senators here that—

**Mr Russell**—No. We started to have a discussion about this last Friday.

**Senator NASH**—We did, but we have some senators here that were not actually there.

**Mr Russell**—No, sure. So, please, let me go back. This is a government policy announced in the white paper. The aim of the ombudsman is to oversee the handling of aircraft noise complaints, conduct independent reviews of noise complaints handling and make recommendations for improvement where necessary and monitor our consultation arrangements and report directly to the Airservices board. We have talked in the past about the need for transparency and independence in that role. We believe that the organisation has the governance arrangements that are appropriate to an independent role operating within the organisation but reporting to our board. The ombudsman we envisage will provide regular reports and advice to our board and they will be made publicly available through our website. This is a position where we have had a surprisingly strong response. It is our aim to have the office—

**Senator NASH**—Just on that, how many applicants did you have and why you were surprised?

**Mr Russell**—There would be a point of view that says you would need to be an extraordinarily reasonable person at times to be able to take on a role like this. We have been pleased that there are those people in the Australian community.

**Senator NASH**—Very well put, Mr Russell.

**Mr Russell**—In terms of numbers, I think in excess of 25 or maybe 40—it could be about that number. We are in the process now of producing a short list. It is our aim to have an appointment in place, whether the individual actually takes up the role but at least to have gone through the interview process and have it as far advanced as we can by the end of July.

**Senator NASH**—So as well as being, obviously, a very measured individual, what sort of profile are you looking for? What are the qualities you are looking for in that individual?

**Mr Russell**—If you look at the qualities of people who are in these sorts of roles, ombudsman type roles, in various parts of Australia and overseas, certainly the question of independence is critical. I think the issue of transparency is critical. I think a lot of it depends on the individual. Some of the applicants have had a background in the law. Some of them have been involved in public policy situations. To a certain extent, in my experience, whilst it

is important that those qualifications are taken into account, it is also important that the individual characteristics of the applicant are considered carefully as well.

**Senator NASH**—So has the salary been determined?

**Mr Russell**—There is an order of magnitude to run the office that we have put aside in terms of a budget. We imagine this to be a part-time role. We do not know whether it will be two or three days a week, at this stage. That will be a determinant in terms of the level of salary and we are working our way through that issue.

**Senator NASH**—Do you have a ballpark figure at all?

**Mr Russell**—To operate that office with the individuals and some staff we are estimating about half a million dollars a year.

**Senator NASH**—How many staff do you think?

**Mr Russell**—A couple.

**Senator NASH**—Obviously that is coming out of the Airservices budget?

**Mr Russell**—It is.

**Senator NASH**—We did have some discussions, but for these purposes the ombudsman will be accountable to the Airservices board?

**Mr Russell**—Yes, indeed.

**Senator NASH**—And how will that work? What will the process of that accountability be?

**Mr Russell**—We have been working up some internal processes and procedures to ensure that the issues that I have mentioned of independence and transparency are preserved. The operation of the ombudsman in practice I believe will be the review, as I have mentioned, of complaints and/or the handling of those complaints and an independent report to our board. I referred at one stage to a very similar role that we have established within Airservices and had in place for the last four years—that is, an independent safety adviser to our board. That role has been, until last night, filled by the former CEO of UK NATS, our counterpart organisation in the United Kingdom. It has just been filled by a former pilot with United Airlines from the United States. She is based in Washington. It has worked well to the extent that they have had open access to our operations—as you would imagine, safety being the most important consideration—and the opportunity to talk directly and report directly to our board. I would see a similar approach working with the ombudsman. That is the indication that I try to give you in terms of how I think the governance processes within Airservices are working—not can work but are working, and they have worked like that for the last four years.

**Senator NASH**—So will the appointment of the ombudsman be a fixed term? Has that been worked through?

**Mr Russell**—Yes, I think it will. I know it will, but I am just not sure—you are going to ask me how long and I just cannot give you that answer.

**Senator NASH**—I was not going to, but I will now: how long?

**Mr Russell**—I will take it on notice.

**Senator NASH**—Thank you. In terms of the inquiries, will the ombudsman be able to initiate inquiries in their own right, or will they be at the direction of the board? How will that all work if there is a need to obviously inquire into something?

**Mr Russell**—For complaints that have been received post the announcement of this policy by government—that is, December last year—the ombudsman will have the ability to be able to investigate complaints made directly to that role or complaints about process that we may or may not have followed. I think I made the point to you that, had the ombudsman been in place, we may have had a review of the way we managed a particular noise issue in Western Australia.

**Senator NASH**—I think you might be right. If there is a complaint that goes to the ombudsman and the ombudsman wants to initiate an inquiry into it, they are not required to pass that through the board before they commence that inquiry? They can merely inform the board of what they are doing?

**Mr Russell**—Normally these processes are informal. I do not envisage a formal process where the ombudsman writes to our chairman and asks if he or she can proceed. I believe that there will be a working relationship similar to the sort of relationship we have with our independent safety adviser.

**Senator NASH**—Just not being all that familiar with the independent safety adviser, I am trying to get a sense of how it would actually work.

**Mr Russell**—Sure. I just make the point that we have in my time at Airservices—nearly five years—put a lot of work into this whole question as to how this organisation is governed, and it has come a long way in that time.

**Senator NASH**—Good, but there is nothing that would preclude this potential ombudsman initiating an inquiry at their discretion? There will be no hoops and nothing in the way of them actually doing that?

**Mr Russell**—In my view, no, because I think it would offend the principle of independence.

**Senator NASH**—On that independence, will the reports be made public? Will they report to the parliament as well as the board? Will there be public reporting of any of the inquiries?

**Mr Russell**—Our thinking is this: at the moment our reporting is done to our minister after each of our board meetings. Additionally, we report to the minister quarterly against our corporate plan. So in terms of progress against a document that our board has developed and has been agreed to in advance, we then report quarterly as the year progresses. We report as an organisation in terms of our annual report that is tabled in parliament. I would imagine that there will be—we have not thought this through in great detail to be quite honest—at least annually to all at once we got is and I who are before in your a report by the ombudsman that would become a public document. That would be my expectation.

**Senator NASH**—Because even at the longer stretch, 12 months would maybe seem appropriate because it would be, I guess, unusual to go through all of this of putting the ombudsman in place and then having the reporting not be public at the end of it because it would take away that whole approach of trying to get some transparency and independence.

**Mr Russell**—I think it is important this process has credibility, and that is the only way to do it in my view.

**Senator NASH**—Exactly. Would the ombudsman be able to make recommendations in terms of noise management?

**Mr Russell**—Would you perhaps give me a little more of a lead?

**Senator NASH**—I am just thinking of the practical nature of complaints and I would imagine that a number of the complaints going to the ombudsman may well be around noise and noise management. So, at that point, after having been through an inquiry following up a complaint—I am being very simplistic, sorry—about noise management, the ombudsman would then make some recommendations to the board about noise management and where they see there have been problems or where there could be improvements—would that be a process that might happen?

**Mr Russell**—I would imagine so, yes.

**Senator NASH**—As to the consultative committees that we have been talking about over the last while: will there be any relationship between the ombudsman and the consultative committees at all or will the ombudsman be more a vehicle of receipt, if you like, rather than active communication?

**Mr Mrdak**—I think that, in the government's policy thinking, one of the roles of the ombudsman is to improve the whole dissemination of information and the way in which all of the government agencies work with the community. I think that has been built into the terms of reference that Mr Russell is referring to in appointing that ombudsman. We certainly see that as a pretty critical role in revising better ways that we and other agencies can operate with the consultative committees.

**Senator NASH**—This is probably a question for Mr Mrdak rather than for you, Mr Russell. The whole point of the ombudsman—not the whole point, but at least part of the point—seems to be as you said, Mr Russell, to have some transparency and some independence in this process. Was there any consideration given to having an ombudsman sitting separately to Airservices so there could not even be any perception of conflict of interest down the track?

**Mr Mrdak**—I think there certainly was consideration given to the right model. In the end the government has gone down this path because I think it is important that this role be very closely tied to the provider of air traffic control services and the government agency that has responsibility for managing the off-airport environmental issues associated with aircraft operations, to make sure that we have that linkage. At the end of the day this is about how we improve the performance of the industry, and we felt that that was best done by having a person, an office, closely aligned with the agencies rather than sitting outside it.

**Senator NASH**—I make those comments with the full understanding that you are trying to obviously instigate this process, Mr Russell from Airservices, in the entirely appropriate manner. In terms of perception and some of the difficulties around the noise management issues—and I understand what you are saying about them working closely together—with one of the focuses being on trying to get some independence and transparency, certainly in

perception, to then have it sitting in and reporting to the board seems a bit self-defeating in some ways. So that perception of not having that independence or transparency may well still remain.

**Mr Mrdak**—I think once the office is up and running we will start to see any such perceptions dissipate. At the end of the day, Airservices Australia has been charged, under its legislation and by ministerial direction, with taking responsibility for managing and mitigating these noise effects. We think this is the right approach to make sure that they have a transparent process and, at the same time, a process that is all about improving the way in which we manage such issues.

**Senator NASH**—Is it possible to provide for the committee—and this would certainly be on notice and may not even be possible—the other options you were talking about that were considered in terms of how the ombudsman would be set up? Could you provide those to the committee—the alternative strategies that might have been considered?

**Mr Mrdak**—Some of this was part of the government's policy development, including the cabinet consideration of the aviation white paper. I am happy to take on notice what we can provide.

**Senator NASH**—If you could. I understand that some of it might not be able to be provided. But, to the extent that you can provide it, that would be quite useful. Mr Russell, if there is a situation where the ombudsman is required to be critical, if you like, of Airservices and Airservices operations, and they are reporting to the board, is there any difficulty with conflict of interest? I know you say it is going to sit independently and separately, but how will that process actually work if the ombudsman has to be quite severely critical of Airservices itself, reporting to the board? Can you give us a bit of a snapshot of how that will all work to the satisfaction of, I guess, those in the community who may be a little less than trusting of how this process is going to work?

**Mr Russell**—Sure. I guess the answer from my viewpoint would be that it would be an uncomfortable meeting from management's viewpoint. I think a lot of this goes to the quality of boards. We have been very fortunate in the time I have been at Airservices to have some quite outstanding people who take their role very, very seriously. It goes to those accountabilities and responsibilities of directors of these sorts of agencies to make sure that they perform effectively. I can tell you from regular experience that that is exactly the sort of approach that is taken. At times when we need to improve, our safety adviser will tell our board in front of our management—and I sat through some of it yesterday—of things that he wants to see improved. I can see exactly the same sort of approach occurring.

**Senator NASH**—Thank you. On the issue of reporting, given that transparency of the process will obviously be a very important part—again, for those in the community who are a little nervous about this being associated with Airservices—how would you actually see that reporting being delivered? I know you said it might be an annual report. But is it going to be, 'The ombudsman conducted an inquiry,' or will it be, 'The ombudsman conducted an inquiry and these were the recommendations and this is the action that has been taken as a result'? I am just trying to get a level of the detail of the public reporting that will happen at the end of the process.

**Mr Russell**—I understand the question. I am just not sure I can adequately answer it from this distance at the moment. I think some of this is going to be the experience that we have in the first 12 months of operation. I clearly understand the need for these reports to be made public but, as to exactly how it will work, I am sorry but I cannot give you that level of detail. I think it is important that we recognise the perception—the potential perception or real perception in the case of some parties—that this is in fact an independent role that happens to be based within our organisation, and we need to make sure we respect that. In terms of the actual operations, I guess I will have to report back to you in 12 months time, or the ombudsman will report back here in 12 months time, on how that has gone.

**Senator NASH**—As far as you can, as the process unfolds, when you develop the strategy for the reporting process, could you perhaps write to the committee and inform us of what that strategy is going to be?

**Mr Russell**—I imagine you will have some interest in this going forward, so I will come well prepared.

**Senator NASH**—Thank you very much, Mr Russell.

**Senator IAN MACDONALD**—Do you have statistics on noise complaints at Brisbane Airport?

**Mr Russell**—Yes, as it turns out I do. This is related to the complaints that we receive through our noise inquiry unit. I am not saying this is the total number of complaints, but it is the only gauge I have got. I can provide you with more precise statistics, but it was in the order of about a thousand complaints during 2009.

**Senator IAN MACDONALD**—Does your recorder indicate where they actually came from?

**Mr Russell**—I know we keep detailed information like that for Sydney. I am just not quite sure if it is the same level of detail for Brisbane. Perhaps Mr Dudley might add to that. If not, we will take that question on notice, if you would not mind.

**Mr Dudley**—It is up to the individual complainant to provide details as to their physical address et cetera. If they are predisposed to providing those details when they make a complaint or inquiry, they are recorded. For privacy reasons, obviously we do not detail that information. We are able to break it down, however, suburb by suburb. If that is the sort of information you are after, I would need to take that on notice.

**Senator IAN MACDONALD**—It is, please. Perhaps we could get the percentage of those you received who did give an address and then, with those who gave their address, roughly what suburbs they came from.

**Mr Russell**—We will take that on notice, Senator.

**Senator IAN MACDONALD**—Is it easy enough to get the same question for Melbourne and Sydney?

**Mr Russell**—Yes, it is. Again, I can provide that information. Again, these are sort of round numbers for Melbourne: there is in the order of 1,500 complaints received by our noise

inquiry unit in 2009. In Sydney the number was over 9,000 in 2009—9,200. But if you want further information on that I am happy to provide that.

**Senator IAN MACDONALD**—That is interesting. I thought Brisbane sounded a lot, but by comparison it is very tiny.

**Mr Russell**—No.

**Senator IAN MACDONALD**—Sydney airport has a curfew and it still has by far the greatest number of noise complaints.

**Mr Russell**—That is true.

**Senator IAN MACDONALD**—It has the greatest number of aircraft movements as well, I guess.

**Mr Russell**—That is really the issue. It is the busiest airport in the country. I guess location of airports and those sorts of things have great bearing on the impact on the local community. But by way of comparison, for instance, in 2009 our noise inquiry unit received nearly 6,000 complaints in Perth.

**Senator IAN MACDONALD**—Okay. That is an interesting figure. In Sydney do you have any sort of statistics on how many of the complaints come from houses that would have been built since Sydney airport first started operation?

**Mr Russell**—I can give you statistics by suburb for Sydney. I guess if you look back on the 80- or 90-year history of Sydney airport you could probably work it out, but I just do not have that level of detail.

**Senator IAN MACDONALD**—Is your impression as Airservices that most of these complaints come from houses that have been built since airport noise became an issue or is that too generalised?

**Mr Russell**—I really think so, Senator. I am happy to help here, but I think I would be struggling to answer that reasonably.

**Senator IAN MACDONALD**—Okay. If you would, on notice, give me those details.

**Mr Russell**—Yes.

**Senator IAN MACDONALD**—Would you have details on what time a particular aircraft, namely the Prime Minister's VIP jet, lands in Brisbane?

**Senator Conroy**—Is this the same VIP jet that John Howard flew around in for 11½ years?

**Senator IAN MACDONALD**—Probably.

**Senator Conroy**—I was just checking.

**Senator IAN MACDONALD**—The PM's VIP jet, whether it had Mr Rudd on board or Mr Howard, how often it landed at Brisbane airport between 11 pm and 6 am; would you have those sorts of statistics?

**Mr Mrdak**—I think the minister has provided an answer in relation to that, Senator.

**Senator IAN MACDONALD**—I forget what it was. It cannot have been very memorable.

**Senator Conroy**—It is four o'clock.

**CHAIR**—It is four o'clock, but Senator Macdonald did say to me he probably only needed five minutes, so rather than come back for Senator Macdonald to ask one question.

**Senator IAN MACDONALD**—That is, in fact, my last question. What is the answer?

**Mr Mrdak**—The minister asked that you place that question to the Department of Defence.

**Senator IAN MACDONALD**—Okay. That is fine. Let me ask the question, not what the numbers are. Do Airservices keep those records?

**Mr Russell**—Senator, I know that we keep data, of course, on the movement of aircraft in our system. Whether it specifically identifies an aircraft that the Prime Minister would use I would have to check, but I am happy to do that.

**Senator IAN MACDONALD**—Okay. You have a record of every single aircraft that lands at every single airport at every minute of every day?

**Mr Russell**—We have a record of the tail numbers of aircraft for billing purposes, of course.

**Senator IAN MACDONALD**—Of course.

**Mr Russell**—But the aircraft operated by the defence department are not billed.

**Senator IAN MACDONALD**—They are not billed? That is interesting. So they get a freebie? Surely the Brisbane Airport, for example, which is a privately run airport, would bill the—

**Mr Russell**—That would be an issue for the airport, but in terms of billing for air traffic movement by defence aircraft, no, we do not bill them.

**Senator BACK**—What about the RFDS?

**Mr Russell**—We do bill the RFDS, yes.

**Mr Mrdak**—In relation to defence aircraft, as Mr Russell says, there has been a longstanding position that because RAAF provide air traffic control services at a number of major airports there is quid pro quo in relation to RAAF usage of civil airspace vis-a-vis defence airspace. So there is a civil/military cross-charging arrangement that applies.

**Senator IAN MACDONALD**—Do you mean to tell me that in this modern day and age of government accounting you just say, 'Oh well, look, it is about even, so we'll write it off,' rather than actually saying, 'You would have owed us so much and you would have owed us so much and for our purposes we would have been in credit, but because of'—

**Mr Mrdak**—There is an awful lot of complex work that has gone into this. I will get some details for you on how it works, if you like, but it is complex to unpick and provide a direct price.

**Senator IAN MACDONALD**—Okay. I would appreciate Mr Russell's offer to get some information, if they have it, on that particular question.

**CHAIR**—On that, Senator Macdonald, if you have finished, I believe Senator Back only has a couple of questions. Senator Back, if you do not mind getting them on the record first, then we will take a break.

**Senator BACK**—Thank you. I may have missed it when Senator Nash asked you, but is the ombudsman's salary of \$135,000 a full-time equivalent figure?

**Mr Russell**—I did not give that number.

**Senator BACK**—I see. No, you didn't.

**Mr Russell**—I gave you an estimate of what we think for the whole function, including support staff and the rest of it.

**Senator BACK**—I think I have read in the documentation somewhere of a salary of \$135,000—

**Mr Russell**—I have not seen that number, I must say.

**Senator BACK**—Because I think it relates back to elsewhere, where it says that it will be a part-time position of two to three days. I was just wondering whether the \$135,000 was the full-time equivalent figure or whether \$135,000 is the salary for the three days. Based on that number of complaints, I suspect the person is going to be very busy attending to those.

If I can just be clear before we go to Sydney tomorrow: going back to the required navigation performance we were speaking of earlier, Mr Russell, the concept tracking for the first tranche has been completed. It was completed in December last year, I think, from your report to industry in December.

**Mr Russell**—I provide that report to the aviation industry, and we have had requests for some context. There is a lot happening within our agency, and the airlines, in particular, were keen to see progress on a whole range of these things.

**Senator BACK**—Absolutely.

**Mr Russell**—So I do this on a regular basis. The report that was sent as at the end of December I think had a February date on it. As at the end of December, it reflected the early work that we had been doing on a number of these airports. It goes back to the comment I made earlier that, until you have gone through that sort of concept stage, frankly, you do not know whether you have a workable, safe and efficient proposition from which you can then go to the community and discuss.

**Senator BACK**—I am just reading from that December report under 'Air Traffic Management' for the RNP. It states:

Concept tracks for first tranche airports (Brisbane, Melbourne, Adelaide and Sydney) were completed in December. We are now placing design orders with Naverus which will provide the detailed approach ...

I think you were good enough to alert us to that. It also states:

Implementation of Terminal Area RNP—Authorisation Required (special) procedures.

Estimated Implementation: Q4 2010

Is that time frame still on track for the fourth quarter this year?

**Mr Russell**—If you are asking me about particular airports, I would have to come back to you on that issue, Senator. But that was our estimate at the time when I produced that report. I might say, having said that, I have also made the point in that industry report that this is going to require careful community consultation. They were the words I used.

**Senator BACK**—Yes, you have certainly made that point to us. But I just was wondering: has there been anything at all that has caused a delay or are you still moving towards the commencement of that implementation in the October-December period?

**Mr Russell**—We are but, again, I need to, and our board needs to, be satisfied that we have done the work to their satisfaction. That process is underway at the moment. I am happy to give you a more precise understanding of this, but when you start something as new as this—and I am proud to tell you that that is what we are doing in Airservices for the good of this country—

**Senator BACK**—But you are certainly not coming under any external pressure to delay or to ease the process; you just want it to go through the normal processes.

**Mr Russell**—No, I have to be thorough about this and I have to make sure it works.

**Senator BACK**—I understand—world's first.

**Mr Russell**—And I also have to make sure that the community is properly consulted.

**Senator BACK**—Absolutely. Thank you for that. Thank you, Chairman.

**CHAIR**—Thank you, Senator Back. We are finished with Airservices Australia. Thank you, Mr Russell.

**Mr Russell**—Thank you.

**CHAIR**—Our next department will be CASA. Thank you, Mr Mrdak.

**Mr Mrdak**—Thank you, Chair.

**Proceedings suspended from 4.08 pm to 4.22 pm**

**Civil Aviation Safety Authority**

**CHAIR**—We will resume with questions from Senator Back.

**Senator BACK**—We were talking earlier regarding some issues that were presented to us at a committee meeting last Friday in Melbourne pertaining to Moorabbin airport and the volume of air traffic over Moorabbin. These concerns were expressed to us by a community interest group and by the local council, the Kingston City Council. Of particular concern was the high incidence of air movements relating to training and take-off and landing training. Given the fact there has already been a death of a student pilot, they raised with us their serious concerns over safety. Could you perhaps, for the benefit of the committee, advise us whether they are concerns you share? What sorts of actions can be taken to reduce or minimise those concerns and those risks?

**Mr McCormick**—We share your concerns, Senator, and everyone else's concerns about flight safety everywhere. The general aviation aerodromes, of which there are six in Australia—Archerfield, Camden, Bankstown, Moorabbin, Jandakot and Parafield—have high volumes of traffic operations if you look at the numbers in Australia, and of course we could look to the BITRE statistics. However, in 2007 there was a bit over two million hours flown in Australia outside of high-capacity regular public transport, so that is outside of the large end of town. But, in that bit, over two million hours is included regional aviation, so that is the Dash 8s and that sort of operation. The figures would indicate that about 455,000 hours of

that number is flying training and about 250,000 or thereabouts is regional aviation, and that is the commuter airlines such as QantasLink et cetera. So that 455,000 out of a bit over two million comes out to somewhere between 23 per cent and 25 per cent of the flying hours. If you look back to about 1994 or 1995 or something like that, you will find that that percentage remains the same but the number of hours actually flown increases and decreases.

Obviously it is a large commercial activity in Australia and it is one that we obviously have to regulate as best we can. Flying training is not confined to places such as Moorabbin. It is done across Australia, but there is a concentration close to cities for the obvious reasons that that is where the population centres are and also because that is where people who come to Australia as foreign students et cetera wish to undergo flying training. They find it better to do that. Coupled with that, there is flying training at the basic level—taking somebody who has never flown or never gone near an aeroplane and giving them up to a private pilot licence—right through to the professional standards of licences like the commercial licences such as the airline transport pilot licence. Those varying stages of training require different things. Quite often when it gets to instrument flying—instrument ratings, which most airlines require a professional pilot to have, as do most charter operators—it relies on the ability of the pilot under training to fly a thing called the instrument landing system, and the only instrument landing systems in Australia are at the major capital city airports. So for various reasons those secondary airports have grown up since the Second World War close to major centres of commerce and also the major airfields. So we do look very carefully at those issues.

Last year we had a report—which had started the previous year, I will admit, before I started—commissioned and done by Ambidji, which is a company that operates in that business space of aviation safety, risk assessment, movements analysis and that sort of thing. That report is quite large—it runs to around 340 pages, I think you will find—and came down with 22 or 24 recommendations. Some of them overlap slightly in their wording, but the recommendations related to the ability of gap airfields as they are now to handle growth in traffic going forward and also looking at what has happened at some of these airfields, where in the past we have had some accidents. We, as CASA, did a training review of the suitability of those airfields as far as training goes and the level of knowledge. It was not an in-depth study; I will say that at the start.

We did a review of what sort of training was carried out, what the standard of understanding of procedures was in those different airfields amongst trainees, instructors and owners of flying schools et cetera. We put all that together and decided that we needed to do something about the risks that were inherent in the GAAP, general aviation aerodrome procedures, airfields, as they are called.

The short history is that GAAP itself was modelled on US FAA class D procedures, not exclusively but a great deal, on an airfield in California. When those procedures first started in Australia around the mid-1970s they were very similar to the procedures which already existed at Van Nuys in the LA basin. What happened from 1976 through to the current time is that those procedures became specific to Australia. We do always look at the safety of operations in Australia as a primary concern. We are a sovereign country so we can do what we like. However, we have to take note of any other system that is in existence if we look at our own.

When we looked at GAAP and the Ambidji report, which came to me early last year—it assessed the risks of midair collisions or accidents at those airfields and it used societal risk factors—it said that the risk of a midair collision at those airfields was above a line and that line was deemed the intolerable line. You do not have to know too much about aviation to understand the word ‘intolerable’. That required us to take some action.

We commissioned a further study into what action we could particularly take in terms of limiting the number of aeroplanes that were flying in the circuit area to provide some sort of safety while we reviewed the applicability of GAAP itself. On 21 July we gave directions to Airservices to limit the number of aircraft in the circuit to six aeroplanes at any one time under the control of a single air traffic controller. At most of these places they have at least two runways that operate and those runways are parallel. So one operation will be taking off with a left-hand circuit and the other operation will be taking off with a right-hand circuit. Airservices, as a general principle, has two different frequencies, two different controllers in the tower controlling those two different circuits.

We allowed six in the circuit with the proviso that it could go up to 13 if there was a departure aeroplane that was not to stay in the circuit but go onward. Those directions to Airservices are on our website still. On the second page of that first direction I think you will find we said that at some stage when there are further mitigators in place we would review the cap on the number of aeroplanes in the circuit. Our view would be to look at what we could do with the future development of GAAP.

I reiterate here that where we had originally started with the same as the US at Van Nuys we had departed significantly from that. The first report that is around about GAAP being perhaps not the answer long term also dates back to the 1970s. I think I might have said GAAP started in 1976, but I think it may have started in 1978—excuse my correction there.

If we are to change the procedures, change the safety or change the way the airfields operate we have to look at what we are trying to do here. We want at least a comparable level of safety. We wish to get the identified risk below the intolerable line. Moving the aeroplanes to a limit of six in the circuit did achieve that aim but long term we have to also take into account what possible economic impact it has on an operator. The trouble has been when it comes to flying training—and this does not necessarily cause trouble—that people start in the morning, fly for an hour or so and then land, they have lunch, they fly for an hour or so in the afternoon and then if they are going to fly at night they will fly after that. There are peak periods in the traffic.

What we looked at was the total number of movements which are around 340,000 a year at places like Moorabbin and Bankstown. We saw that if we got the operators to perhaps space out their operations—starting earlier in the day and finishing when the sun went down for their daylight operations—the total number of traffic movements would be beneath that cap. We just needed to get out of these peaks.

The other issue that was running at the time was the long-term future of GAAP. Was GAAP going to do things going forward? In my view, when we change things—once we have gone through the process of deciding it is the right thing to do, done all the consultation, are happy with where we are going to move things—we do not want to move things from GAAP as it is

now to some sort of GAAP in the short term and then some time down the road have to change it again. We do identify that there is risk around change. I took the decision that we move from GAAP to class D.

Class D is what Van Nuys in the US operates under now. We have existing class D airfields around Australia already such as in Maroochydore. By aligning all of those class D procedures, not only would make it easier to train foreign students but also it would harmonise our procedures with international procedures such that when foreign pilots come to Australia they would be able to understand our system, where GAAP in itself was unique and, therefore, not widely understood. GAAP also had the limitation that it required instrument rated aeroplanes—IFR aeroplanes—to operate VFR. They were compelled to change to VFR. That is against ICAO requirements, and we are a signature state to ICAO. So, as I said, I took the decision to move to class D.

At the same time we ran a series of workshops around Australia using a separate company to Ambidji, as there were some concerns over the methodology that Ambidji had used. I had rather an impassioned plea from one well-known person in the industry about how the methodology that Ambidji had used was totally wrong. He was widely quoted. A little while later he sent me an email saying that perhaps he had got it wrong and that it was more complicated than what he thought, but I have seen nothing of his retraction ever get to the public press.

**Senator BACK**—He was widely quoted.

**Mr McCormick**—Yes. So there are issues around that. So we used another company in a fair and open tender process to go around and conduct hazard identification workshops at those six airfields, interview everyone who was involved and hold consultation meetings around that. One of the issues, which is germane to this as well, is that the GAAP procedures require everyone to track overhead a specific point when they enter the circuit areas. I am more familiar with Bankstown, and 2RN, for instance, is a reporting point or an approach point—mandatory approach point—for the GAAP airfields as they exist today.

One of the things that we wished to try to establish was what could be better done to stop this conflict of traffic around the approach points into these airfields. We regulate safety, but the training areas outside of the control zones themselves are generally uncontrolled airspace. That is class G airspace, where people are allowed to operate the way they will. That is in keeping with the *Australian airspace policy statement*—both the last one and the 2010 statement. We looked at that and said, ‘For some reason now we have to get the people converging at the approach point.’ We went to the various operators, as I said, via the second company, Aerosafe. We inquired whether, in our view, Airservices, or air traffic control at particular airfields, knew what happens at their airfields and what we could do about alleviating this congestion—these choke points. And we asked for suggestions of how to do it, because in a lot of ways we are unable to regulate outside of that controlled airspace. After we had finished that round of six we were left with the grand sum of zero submissions. So we decided that we would have to do something ourselves. It just so happens with class D airspace—

**Senator BACK**—Why do you believe you got no submissions? Was it a lack of interest, or do they feel that you got it right, or was it a combination of those? Were they fearful that if they were to put in responses it might limit their activities from their airports?

**Mr McCormick**—Judging by the amount of feedback that we got over the original direction to Airservices about the limit in the circuit area, I do not think anyone was backward in coming forward in giving us their opinion. I do not think they had any fear of that. We got quite spirited responses, which I welcome. We had people who fought their corner very hard, which is also correct. So I do not think this is due to that. I think it was purely that, in the end, it was a combination, but a great deal of it was that no-one could come up with a better idea.

One of the characteristics of class D airfields is that you do not have to approach via a compulsory point. So, as I say, 2RN would go from being a compulsory reporting point to a non-mandatory approach point, to a recommended approach point, meaning that in the situations where there is perhaps a lull in traffic or someone is approaching from a totally different direction but the air traffic controller can fit them into the circuit they are able to do that. In class D, that is what you are allowed to do. So class D also addressed this problem. As far as we are concerned, it went some way to addressing the problem of the choke points on arrival into those airfields. The charts et cetera which are out for all pilots—and the class D transition starts on 3 June—have those approach points now as non-mandatory approach points.

**Senator BACK**—Is there the possibility or the potential for tension in the sense of the explanation that you have given us—and you were mentioning limits of six up to 13 if air traffic control et cetera can handle it. I can understand the operators wanting more aircraft movement. Presumably, that is partially where they derive their income. Your role is to provide safety in the air, but at the same time I think you mentioned that moves that would actually safely improve the number of air movements would be to the benefit of the operators and they would not be to your disadvantage if you could satisfy yourselves that it was safe. But in so doing, the system is creating a higher degree of angst for the people who are complaining about the number of air movements and the noise of aircraft. To what extent does that group get a say in this whole process?

**Mr McCormick**—Within the community consultation, we do that within the airfield and the stakeholders on the airfield in particular. Noise is not in my role to look at, I am afraid.

**Senator BACK**—I think that is possibly where this committee is having some difficulty. As you quite rightly just said, under your charter noise is not your responsibility. Airservices Australia obviously takes what you direct, in terms of the safe movement and noise. When time permits, I am going to get on to other airstrips like Tyabb and others where I fear the problem is even worse. It just seems to me from listening as we have done—and no doubt we will hear this again in Sydney tomorrow—that the wider community feels as though they are totally and utterly disenfranchised in this whole exercise.

I will take you to the scenario, as you said earlier, of someone who walks off the street and has never flown before. If you were to do a risk analysis and look at the likelihood of something happening—and any impact would be high if there was a midair collision or whatever—it would obviously be greater the more junior somebody was in their training

program, and then you need to look at the density of housing, residents, schools et cetera. I understand that the death near Moorabbin was not all that far from a school. Can I ask you why the planning into the future would not have airports away from built-up areas, especially for the initial training of people who presumably have a higher risk? As somebody who does not have a pilot's licence, I would imagine that the risk would be lower for the community underneath them. Can you tell us whether or not that train of thought has entered into the planning processes around the major cities or away from the major cities?

**Mr McCormick**—Again, the location of airfields and planning, I am sorry, is not in my role.

**Senator BACK**—But if you are undertaking a risk analysis of air safety in Australia, if it is not CASA's responsibility, whose is it? Whose responsibility is it to actually look at those sorts of decisions? You made the observation, quite rightly, that there are 340,000 air movements at Moorabbin, but we were told the other day that under a draft master plan—which I think is now with the minister—that might be moving up to 450,000 or even 500,000. Am I the only person who sees the concern here? Melbourne is a city and people live in the environs. We have had exactly the same at Jandakot. Senator Sterle and I are both Western Australian senators. We know that Jandakot has 34,000 movements per month.

**Mr McCormick**—Jandakot and Bankstown are very similar. Moorabbin is slightly below them.

**Senator BACK**—My first question to you is: if it is not your responsibility, whose is it? My second question is: as we get an increasing demand—and, as you say, the percentage has not changed from that 25 per cent of trainee hours; what has changed is the number of people participating—to whom do we look for guidance for future planning and getting a lot of this out? Or are the operators in fact saying, 'No, we want all of these hours in and around our city airports, our GAAP airports, because that is our financial viability'?

**Mr Mrdak**—It is probably a broader question around strategic transport planning, but you are absolutely right. There has been a long debate with the communities and the industry about how long we could continue to undertake ab initio or even advanced pilot training in and around some of the metropolitan areas. As you would be aware, most of these training aerodromes that Mr McCormick has been talking about were on the edges of cities not that long ago.

**Senator BACK**—They were. Absolutely.

**Mr Mrdak**—What we have seen, through a succession of planning decisions by state and local authorities, is urban encroachment. There is no doubt that for many of the operators of these aerodromes their viability is dependent on being very close to the markets that they serve in terms of flying training. But also, importantly, these airports are transitioning, in many cases, away from ab initio training into much more sophisticated training and business charter operations.

**Senator BACK**—And overseas students.

**Mr Mrdak**—As you have seen, Jandakot is a classic example of how it has transformed into a much higher value airport in terms of the range of activities it undertakes. What Mr

McCormick has outlined is that CASA—as he has done more recently—does look at the risk profile. He has outlined in some detail this afternoon the steps they have put in place to change the requirements for air traffic control in airspace to mitigate what he saw as an emerging and clearly a critical risk in terms of future operations. Moving to D I think is a clear safety measure that he has now taken in response to the traffic growth. Having said that, there are airports such as Bankstown which in the past have handled more traffic than what they currently do. Not so long ago Bankstown was handling much larger amounts of flying training traffic. Some of that has relocated to other aerodromes in the basin, such as Camden, some of it has moved to other aerodromes and the airport has changed in nature.

Overall, there is certainly a need for governments to work much more closely together about linking land use planning and future airport development. In fact, in the aviation white paper we discussed briefly yesterday, one of the critical initiatives the Australian government has taken is to make a clear statement that the aerodromes are critical national assets that need to be protected and that the government has set in place its desire to set up what we call safeguarding measures with state and local government about ensuring that we do not continue to see some of the urban encroachment on the airports, which are critical economic assets for those regions, and that we do not see structures being put in the place of airspace. We have seen in a number of locations where state and local planning has allowed structures to enter into what is called the OLS PANS-OPS surfaces, which is your airspace surfaces, which has implications for the safe operations of those aerodromes. Similarly, we have had a number of local government bodies zoning land in proximity of aerodromes for increased density.

**Senator BACK**—Are we not seeing that in the case of Moorabbin? That was another point put to us. In one corner of the area allocated to Moorabbin Airport was a public golf course which continued to be used for a short period of time. There has, in fact, been at least one aircraft crash on that space. It is now being turned into warehousing.

**Mr Mrdak**—This is why the government aviation white paper, as we discussed yesterday, is a really critical and important statement. The government has said these aerodromes are critical national assets. We do need all three levels of government to be thinking of that in that way. Mr Doherty has recently undertaken the first of a series of working groups with the states and territories in relation to how we actually put in place safeguarding measures to prevent the sorts of increased risk we might see as these airports continue to grow in terms of the development outside those airport boundaries. So we have two processes in place: firstly the process that CASA is operating with the airport operator about how you increase the safety as the traffic grows, which is the fundamental role of CASA, and then you have ourselves and the state and local governments who have responsibilities in relation to off-airport planning to make sure we are taking steps to safeguard these aerodromes.

**Senator BACK**—Mr McCormick, again an issue raised and a question asked, and I will ask it of you: with regard to Moorabbin, one of the points made I think by the council was that they had put in a plea—maybe it is in your remit, maybe it is not; I don't know, you could tell me—that the training circuit could actually be, if you like, located in such a way that more of the aircraft would be going down over the top of a freeway and over a green belt rather than over housing as part of the circuit. Is the actual design of the circuit, for training purposes

now, something over which your agency would have some influence or, if not yours, then whose?

**Mr McCormick**—The actual design of the circuit is not something that specifically comes under our remit. The idea of the circuit, of course, is that the practice of take-off and landing are where by far the vast majority of accidents occur.

**Senator BACK**—Yes.

**Mr McCormick**—Because you always have to operate into the wind, an expeditious way to get from a take-off to a landing is to fly a circuit. The standard ICAO version is a left-hand circuit except, as I said, in places where there are parallel runways when obviously one will go to the right. As for Moorabbin itself, I am not aware of anything on that, so I will take that on notice and get back to you. You specifically want to know whether we have had submissions or proposals put to us?

**Senator BACK**—Yes. Also, by way of providing feedback to these people, it would be interesting to know whether it is possible, in fact, to schedule these circuits so that they do go more over green open-space areas and less over residential areas. I am sure that in itself would reduce the impact of noise.

**Mr McCormick**—We would have to take it away and look at it to see what the actual airfield is and what we know about that, so I will take that on notice. I will just say one thing to finish answering your earlier question about the safety aspects and the possible increase in movements. Bearing in mind everything that Secretary Mrdak has said, from our point of view on the safety, places like Van Nuys operate at very high levels now—well in excess of 500,000 movements. The actual number of movements may not necessarily directly relate to an increase in risk, depending what mitigation strategies you have in place. We have just in the last week conducted a series of workshops around Australia where we have briefed the industry about the changes to class D. We have written to all 39,000 pilots, we have given them maps, there are things online, there are safety folders. There were two sessions conducted at most of these places. I attended at Archerfield, Parafield and Jandakot. We have spoken to well over 2,500 people who attended those briefings.

So far we have had very few questions given to us and generally everyone understands where we are going. If I go back to that Aerosafe investigation of the hazard identification workshops, the question I put to Aerosafe when that was finished was: has education been sufficient now for us to remove that cap on the number of aeroplanes in circuit? The answer was no, we still have more education to do, but we could relax it. So we relaxed the number from six in a circuit to eight. We have had virtually no more feedback that eight was limiting from a commercial aspect. To us the safety is still there and that is reflected by the number of incident reports, which are generally runway incursions where people taxi onto a runway not realising they are on a runway. That is a major safety issue around the world. We had quite a lot of those reports before we introduced surface movement control—these changes I have just spoken about. The number of those incidents has almost dropped to zero, I am pleased to report. So we are seeing very good behaviours and safety. Safety is about education. The stick approach does not necessarily give you the same result. We are pushing very, very hard in education and spending a lot of money to do it.

**Senator BACK**—I do want to move away from the GAAP airports, unless others have questions on them. In our inquiry the other day reference was made by a community group in the vicinity of Tyabb. Obviously, again, noise was an issue but so was safety. This was in the hinterland of Melbourne in what were, I imagine, the uncontrolled airfields. Would that be the best description of them?

**Mr McCormick**—That is correct.

**Senator BACK**—So they are privately owned or owned by special interest groups. We asked them how many there would be in the hinterland of Melbourne. They started out thinking four but then they got to 10. Who in the aviation sector does exercise some degree of control? We know that when it came to the registration of aircraft to actually fly from these fields it was Airservices' responsibility, but a lot of these aircraft are what they call 'war birds'. They are older aircraft, historic aircraft, aircraft that probably are not capable of having the noise attenuation technologies. Basically, their advice to us was that on weekends and public holidays their life is hell. They simply move away from their dwellings on those occasions because of aircraft noise and, to a lesser extent, the perception of safety. It seemed unacceptable to me that there is no control in the aviation space over these airfields, especially now when, as you quite rightly say, we have had urban encroachment into areas that were once rural. Could you give us some advice on that whole scenario, who controls them and what measures could be put in place for those communities to at least get a level of reasonableness of use?

**Mr McCormick**—I think the issue on airfields is up there. There are three categories, really. There are registered airfields, there are certified airfields and then there are others which are privately owned, as you described, Senator. The difference between the certified and registered is the size of aeroplane that operates there—whether it has more than 30 passengers, whether it carries more than a certain amount of cargo. Then that triggers the next level up. At the bottom level—and I am not familiar with Tyabb and I will ask Mr Cromarty in a minute, our head of our Office of Airspace Regulation whether he can add to this—non-certified, non-registered aerodromes are just that: they are bush strips on someone's farm right up to airfields, which are well sanctioned by the local council.

**Senator Conroy**—I have driven past the Tyabb one myself.

**Mr McCormick**—As for noise standards et cetera, there are no international noise standards on propeller driven aeroplanes. So we could be looking at a situation—and I am not saying that noise is a problem here; as I said, it is not in my remit—but the concept of different types of propeller aircraft is perhaps not known to us as far as the law goes.

**Mr Mrdak**—Senator, can I just add to what Mr McCormick said. The issues you raise around Tyabb are very much caught up with various state and local government planning issues in that they are freehold land not controlled by the Commonwealth; they operate under state and local planning requirements. The environmental issues around aircraft operations in those locations are often looked at by state EPAs and the like in relation to what they are prepared to allow to occur.

The Commonwealth role, as Mr McCormick said, is around the safety of the operation of both the airfield and the aircraft involved—in terms of CASA's role, particularly the aircraft—

and in relation to ensuring that the aircraft operate in accordance with the airspace requirements in that location.

**Senator BACK**—Certainly the feedback—and my co-committee members will correct me if I am wrong—we got was that state and local government authorities felt powerless in this whole process.

**Mr Mrdak**—And again, there are regulatory requirements around the operation of certain historic aircraft which do not meet noise certification standards and the like which we operate through the department, which recognises that some categories of operations, such as the old warbirds, or historic aircraft, do not, as Mr McCormick says, meet any noise standards that are applicable today given the age of the aircraft.

**Mr McCormick**—There are airfields where that has arisen and I will leave it to Mr Cromarty to address Tyabb as best we can. There are other airfields where local owners of that airfield—this is a non-certified, non-registered airfield, in particular one in Western Australia and the name escapes me at the moment—

**Senator BACK**—Murrayfield?

**Mr McCormick**—Serpentine, Murrayfield—I am sorry, I will take on notice what the airfield is where the local council or the operator has requested that people not conduct flying training. There are issues around airspace, of course, and who owns the airspace—who has the legality. It is not an issue that we have been involved in but Mr Cromarty might be able to add more to that if you wish.

**Mr Cromarty**—As the director of Aviation Safety has said, the categorisation of aerodromes falls into three parts: certified, registered and others. As far as the others are concerned, we have very little power in CASA to direct any kind of safety measures apart from the flight of the aircraft.

If you were talking about, for example, the obstacles that may be built in the local area, a common issue at the moment is wind turbines. Another one is gas-fired power stations. These produce obstacles which will affect the flight of aircraft. They are hazards to aircraft. If they are close enough to the aerodrome to affect, as Secretary Mrdak said, the obstacle limitation surfaces, it is my understanding that the local council has to decide whether the value of the airport is greater to them than the value of the power station, or the wind turbine, or the other obstacle, whatever it is, that they want to construct. This is a constant, ongoing issue for us and we do not have any power to stop the construction of obstacles in the local area. All we can do is say to the local operator of the airport, ‘This will be a hazard to the flight of aircraft.’

**Senator BACK**—Thank you for that. Just to conclude, Mr McCormick, it almost seems to me as though nothing is capable of happening to satisfy the concerns of residents in a place like Tyabb unless or until, regrettably, there is a major incident—two aircraft collide and there is a death. At that point in time your agency would then be empowered to have some influence over aircraft movement. Would that be a reasonable but pessimistic summary?

**Mr McCormick**—No, I do not think so.

**Mr Mrdak**—As Mr McCormick has outlined, there are a range of locations where the flying operators or the local government have requested effectively what we call fly neighbourly policies to be put in place, where they limit training to certain hours or limit circuits over where they affect neighbouring properties. That is happening right across the country, and the industry works quite closely with councils—

**Senator BACK**—So would you agree, with respect, that the flying neighbourly program really does rely on the goodwill of all parties to come to the table? It has not been evident to me that there have been any sorts of dispute resolution procedures that have been successful in the cases of people who have come before our committee. Tyabb is an example. We asked them how many owners of the airfield are locals, and there are numbers. There is great tension in the community. The vast majority are not residents of Tyabb and, quite frankly, could not give a continental about the concerns—and I believe the reasonable concerns—of those people. I know it is the same in Jandakot, from personal experience. The management of Jandakot airport, which is now—I will use the term—leased, not owned, principally by non-Australian interests, simply has no interest at all in community consultation. I do not yet see evidence that the flying neighbourly consultation process—excellent and all as it seems to be—is actually working when conflict occurs.

**Mr Mrdak**—Certainly, I think there are examples of where it has worked. I have seen those around the country. If we get to the situation like the one you mention at Tyabb, they may have reached a point where there needs to be some different form of circuit-breaker. But I know in other locations the aviation industry and the community work very well trying to—

**Senator BACK**—And what is your advice in terms of that circuit-breaker, Mr Mrdak?

**Mr Mrdak**—In the past there have been situations where state agencies or local government has intervened to try to find a way forward.

**Senator IAN MACDONALD**—I want to talk about the Industry Complaints Commissioner. Who is filling that role at the moment?

**Mr McCormick**—We are just recruiting a new person to fill that role as we speak.

**Senator IAN MACDONALD**—When is that likely to be completed?

**Mr McCormick**—The actual date of the contract is 28 June. She will commence employment then.

**Senator IAN MACDONALD**—When did the previous complaints commissioner leave?

**Mr McCormick**—If you will take a rough date, I would say early January or late December—31 December was the final date of his employment.

**Senator IAN MACDONALD**—What has been happening with his role since he has resigned?

**Mr McCormick**—We have another CASA officer operating in that position.

**Senator IAN MACDONALD**—So there has been an Industry Complaints Commissioner?

**Mr McCormick**—Correct.

**Senator IAN MACDONALD**—An Acting Industry Complaints Commissioner?

**Mr McCormick**—Correct.

**Senator IAN MACDONALD**—Is that person someone from within the organisation?

**Mr McCormick**—That is correct as well.

**Senator IAN MACDONALD**—Has there been a group of people carrying on that role since the position became vacant? Is it more than one person or is it the same person?

**Mr McCormick**—No. The ICC themselves is a single person.

**Senator IAN MACDONALD**—But is it the same person who has been there since the previous commissioner left? What was the name of the previous commissioner?

**Mr McCormick**—Mr Michael Hart.

**Senator IAN MACDONALD**—Since Mr Hart left, has there been the same person filling the role?

**Mr McCormick**—We have had one person filling that role; that is correct.

**Senator IAN MACDONALD**—That person filling the role has had the same powers and responsibilities as Mr Hart had when he did that job?

**Mr McCormick**—I have put in place the Ethics and Conduct Committee, from which Mr Hart's replacement takes his direction and also to which he reports, and that committee, in turn, recommends to me action to be taken.

**Senator IAN MACDONALD**—So when did the ethics and complaints committee start?

**Mr McCormick**—It was late last quarter last year. I would have to take on notice the actual date.

**Senator IAN MACDONALD**—It was before Mr Hart retired?

**Mr McCormick**—That is correct.

**Senator IAN MACDONALD**—Was any reason given for Mr Hart's retirement? Did he retire or was he terminated?

**Mr McCormick**—No, Mr Hart retired. It was his own personal request to retire at that date.

**Senator IAN MACDONALD**—No reason was given—relevant to the interests of the parliament, I might say?

**Mr McCormick**—Not that Mr Hart communicated to me.

**Senator IAN MACDONALD**—What is the role of the Ethics and Conduct Committee?

**Mr McCormick**—It is looking at all our policies which we had rather spread through the organisation such as fraud, code of conduct—which is a specific term within our employee contract—and complaints that come from external to CASA.

**Senator IAN MACDONALD**—Who constitutes the Ethics and Conduct Committee?

**Mr McCormick**—The two gentlemen to my left—the deputy director, Mr Terry Farquharson, and the associate director, Dr Jonathan Aleck. We have our executive manager of corporate services, Mr Gary Harbor, and we have our chief legal officer, Mr Adam

Anastasi, and then, depending upon whether it is internal or a complaint about CASA, the executive manager of a particular area. Anybody else can be co-opted to that committee to either provide evidence, give information or to actually sit on that committee.

**Senator IAN MACDONALD**—So it is a completely internal committee. There are no outside people?

**Mr McCormick**—There is no external on that committee. If there is an issue which should go to the Ombudsman, my view is that it goes to the ombudsman.

**Senator IAN MACDONALD**—The ombudsman is a completely independent person, is he?

**Mr McCormick**—Correct. I am talking about the Commonwealth Ombudsman.

**Senator IAN MACDONALD**—I see. There is not a CASA ombudsman or something like that?

**Mr McCormick**—No, but some people who have operated in this role of the ICC may have thought that was their position.

**Senator IAN MACDONALD**—Is the ICC position independent of CASA? You say it now answers to the committee.

**Mr McCormick**—Yes, the Ethics and Conduct Committee. The ICC has never been an independent position in CASA. It is a CASA employee on the CASA payroll.

**Senator IAN MACDONALD**—How does the committee operate if the complaint is, for example, against the committee?

**Mr McCormick**—If it is against the committee then the complaint would come to me.

**Senator IAN MACDONALD**—So you are the ultimate complaints committee or the ultimate ICC. Is that right? You are the top industry complaints commissioner?

**Mr McCormick**—Outside of the ombudsman, correct.

**Senator IAN MACDONALD**—During Mr Hart's tenure, can you tell me how many reports he presented to CASA for actioning?

**Mr McCormick**—I would have to take that on notice.

**Senator IAN MACDONALD**—Is it possible to get those reports tabled with this committee?

**Mr McCormick**—Every single report he has ever written?

**Senator IAN MACDONALD**—Let us say in the last couple of years.

**Mr McCormick**—We will take that on notice as well.

**Senator IAN MACDONALD**—There is nothing in those reports that would be sensitive to being made public to this committee?

**Mr McCormick**—Yes, I think there would be.

**Senator IAN MACDONALD**—I appreciate you said you would take it on notice, but is it possible to have those reports tabled with any names perhaps deleted?

**CHAIR**—I think Mr McCormick has said that he will take it on notice.

**Mr McCormick**—I will take that on notice.

**Senator IAN MACDONALD**—Do you know how many recommendations were contained in the reports? How long was Mr Hart there in that role?

**Mr McCormick**—He predated me. I do not know whether anybody else knows. We will take that on notice as well.

**Senator IAN MACDONALD**—Was it a couple of years or 10? If he was only there for a couple of years, then can you provide perhaps all of them? But, if he had been there for 10 years, then can you provide, say, the last couple of years?

**Mr McCormick**—He certainly was not there for 10 years, to my knowledge, in that position as the ICC if he had been a CASA employee in some other position.

**Senator IAN MACDONALD**—Do you know how many recommendations were contained in reports in, say, the 12 months before he left?

**Mr McCormick**—No.

**Senator IAN MACDONALD**—Was it a lot?

**Mr McCormick**—I think the issue of the number was that a lot of the writing and style from Mr Hart did not lend itself to recommendations that you could action. In my mind, there were not sufficiently strong terms of reference around that position.

**Senator IAN MACDONALD**—Is it again possible to give us a list of the recommendations that were made by your Industry Complaints Commissioner, again deleting any reference to names that might impact upon either legal proceedings or people's privacy?

**Mr McCormick**—We will take that on notice. The reports themselves will have recommendations.

**Senator IAN MACDONALD**—Do you know whether one of the investigations carried out by the Industry Complaints Commissioner related to MacAir, an airline that was operating up where I come from—in Townsville, Mount Isa; that north-west Queensland area?

**Mr McCormick**—Again, I could not say yes or no because I am not aware of all the reports that predated my time in CASA. I do know that Mr Hart commenced in the position as the Industry Complaints Commissioner during my predecessor's term. He certainly had not been in that position outside of six years.

**Senator IAN MACDONALD**—Do any of your colleagues know what the recommendations were regarding MacAir?

**Mr McCormick**—No, we will take that on notice.

**Senator IAN MACDONALD**—I understand that some of the recommendations related to maintenance issues and training procedures for staff and pilots. Perhaps I could ask you or your colleagues whether any of those recommendations in relation to MacAir were ever actioned?

**Mr McCormick**—Again, we will take it on notice. I cannot answer your questions about MacAir because I do not have that report in front of me and I do not know whether one exists.

**Senator IAN MACDONALD**—If action were taken against MacAir is it something that you as the director would be aware of or are there so many recommendations regarding particular problems that you would not be aware of them?

**Mr McCormick**—If are you saying, ‘Is my approval required for enforcement action,’ no, it is not.

**Senator IAN MACDONALD**—So neither you nor either of your colleagues at the table would be aware of what action, if any, was taken against MacAir?

**Mr McCormick**—Action taken against MacAir—only in relation to an ICC report, or actually against MacAir, who of course no longer operate, through some other mechanism outside of Mr Hart; we will take that on notice if it is MacAir in particular you wish to know about.

**Senator IAN MACDONALD**—I am particularly interested in that. I am also interested in recommendations made by Mr Hart in relation to OzJet. Would anyone have any detail of those?

**Mr McCormick**—Again, we do not have that information in front of us. There is a report on OzJet, that I can confirm. Again, it has to be taken on notice. It will take us a while to get the report and to also go through the report.

**Senator IAN MACDONALD**—Would you be able to identify, and again not by name, which CASA officer was charged with providing cargo licences for OzJet?

**Mr McCormick**—Charged as in given the duty of, not charged as in committing an offence?

**Senator IAN MACDONALD**—Yes, given the duty of providing cargo licences to OzJet.

**Mr McCormick**—No, I do not. That terminology is not particularly well known to us, I am sorry.

**Senator IAN MACDONALD**—You do not provide cargo licences as such? OzJet was flying internationally, was it not? What sort of licences did it need to operate?

**Mr McCormick**—OzJet, in its final iteration, operated a Boeing 737 which is a high-capacity regular public transport operation.

**Senator IAN MACDONALD**—Did it need any form of licence?

**Mr McCormick**—It needed an air operators certificate to operate. Cargo licence is not a term I am familiar with.

**Senator IAN MACDONALD**—Did it have an air operators certificate?

**Mr McCormick**—Correct.

**Senator IAN MACDONALD**—And it always had. Can aircraft carry cargo without any particular licence or any particular approval of one form or another from CASA?

**Mr McCormick**—In the case of OzJet, if it is flying a 737 and it is going to carry people and put their bags underneath the floor in the cargo holds, that technically is carrying cargo. Its licence according to the Civil Aviation Act—the air operators certificate I am talking about now—was not given for purely freight operation. When you say a cargo licence, there is an air

operators certificate which limits people to only cargo operations. It did not hold one of those; it held an air operators certificate which allowed the regular public transport of passengers.

**Senator IAN MACDONALD**—If OzJet wanted to not carry passengers but carry cargo, would it need a special form of licence?

**Mr McCormick**—Within Australia, within its high capacity—

**Senator IAN MACDONALD**—Both within Australia and outside Australia? Can you answer in relation to both?

**Mr McCormick**—If it is to operate outside Australia's territorial areas, it requires an air operators certificate which says that it is allowed to operate outside of Australia. If the air operators certificate, which is its approval to operate as an airline within Australia, says, 'You can only operate within Australia,' then it would need an amendment to that air operators certificate to fly outside Australia.

**Senator IAN MACDONALD**—Do Christmas and Cocos islands class as outside Australia?

**Mr McCormick**—In the definition of the air operators certificate, no.

**Senator IAN MACDONALD**—So it is part of Australia?

**Mr McCormick**—Correct.

**Senator IAN MACDONALD**—If it were to not operate as a passenger aircraft but as a cargo aircraft, would it need any sort of approval, licence, from CASA?

**Mr McCormick**—If your question is whether they need approval, for instance, to carry cargo on board the aeroplane when they already have passenger seats on board and they are going to put light cargo or whatever on the passenger seats and use it as a freighter in that form, then, yes, that is a separate approval of the type of packing, the manner they are going to restrain the cargo on the aeroplane. If they are going to take all the seats out and operate it as a pure cargo operation, then that is a cargo operation which, as I said, is covered by a different form of air operators certificate.

**Senator IAN MACDONALD**—But it would need that air operators certificate?

**Mr McCormick**—If they were to reconfigure the aeroplane and use it only for cargo, my belief is that it would. I might just ask Dr Aleck if he wants to expand on that.

**Dr Aleck**—The commercial carriage of cargo in an Australian aircraft, domestically or internationally, requires an air operators certificate authorising those operations. In addition to that, if it is carrying only cargo, as the director indicated, there would be a number of other approvals that would be required to ensure that the cargo is carried safely.

**Senator IAN MACDONALD**—Are you aware if OzJet did apply for either of the types of licences you have mentioned to me? I am going back within the last couple of years.

**Dr Aleck**—OzJet held an air operators certificate, so they would have applied for one. I could not say when it was issued. I would have to take that on notice.

**Senator IAN MACDONALD**—OzJet went into liquidation, didn't it? But the aircraft retains its air operators certificate, does it?

**Dr Aleck**—I do not believe so. OzJet no longer holds an air operators certificate.

**Senator IAN MACDONALD**—No longer holds it? So, if a particular aircraft owned by OzJet was not able to get a certificate that it needed and if that aircraft were sold, would the new owner be able to apply for an air operators certificate?

**Dr Aleck**—There is nothing to prevent a new owner of an aircraft from applying.

**Mr McCormick**—I think there might be a slight misunderstanding here.

**Senator IAN MACDONALD**—Try and educate me, please.

**Mr McCormick**—The air operators certificate goes to the company or the individual. It does not go to the aircraft itself, so when the aircraft goes somewhere the air operators certificate does not go with it. If someone buys that aeroplane and they wish to operate or fly it for commercial reasons, they will require an air operators certificate in their own right. The aircraft itself is not necessarily the driver of that. They can apply for an air operators certificate without an aircraft, but the aircraft would be added to their air operators certificate as an aircraft that they are allowed to operate, a type of aircraft that they are allowed to operate.

**Senator IAN MACDONALD**—I am asking whether Mr Hart reported on an OzJet application for some form of licence, which I am told was a cargo licence, that was regularly refused by CASA. You are telling me that no-one here has that information?

**Mr McCormick**—We do not have the specifics of Mr Hart's investigations with it. As I said, Senator, we will take that on notice.

**Senator IAN MACDONALD**—But no-one has any knowledge of OzJet being refused a cargo licence?

**Mr McCormick**—OzJet's history has not been, perhaps, the smoothest of sailing and it has eventually resulted in it being out of business. If you wish to know specifically about OzJet, we can take that on notice.

**Senator IAN MACDONALD**—I understand OzJet was placed in administration and then sold and that following the sale of OzJet a cargo licence was actually granted by CASA. I assume, in my limited vocabulary, that the cargo licence would refer to the aircraft being used as a freighter and requiring a particular licence. Does anyone have any information that can confirm or otherwise that, following the sale of OzJet by the administrator, the new owners applied for a cargo licence?

**Mr McCormick**—No, Senator. We will take that on notice.

**Senator IAN MACDONALD**—Is there any protocol within CASA that people leaving your employ are banned from operating or working for or owning companies that have recently been dealt with by that officer in the course of his duties with CASA?

**Mr McCormick**—Again, Dr Aleck may wish to add to that because his previous position was our chief legal officer. We do not have any prohibition as such.

**Dr Aleck**—There is nothing in place at this time that would prevent a former CASA employee from seeking employment or taking employment with an organisation that he or she formerly regulated.

**Senator IAN MACDONALD**—In our role as parliamentarians, we often get complaints from people, particularly in relation to CASA. I have sat in the position of Senator Conroy on many an occasion and have been through a litany of complaints, back in Dick Smith's days and other days. It was suggested to me that OzJet sought a cargo licence, it was refused by an officer of yours who subsequently left CASA and joined the company that bought OzJet, which then was granted the licence that had been refused previously. I am going to ask you to take that on notice and see if your investigations reveal anything along that line which might be of interest to the committee. Is that possible to do, do you think? How could there be an explanation for that, if that were true?

**Mr McCormick**—I will take that question on notice about whether one of our previous CASA officers had refused it and then gone to OzJet and then it was issued. We are very cognisant of workplace relations and, of course, the restrictions on trade. That particular scenario—you are the first person to raise it with us to my knowledge.

**Senator IAN MACDONALD**—Do you often get complaints that your officers can take a personal dislike to a particular operator, who is then constantly in trouble, whereas your officers can be favourably disposed to another operator who can get away with murder? Has that complaint been made to any of you—that general description of how CASA works?

**Mr McCormick**—The industry itself is very quick, particularly in North Queensland, to point out to us where they think someone else is obtaining a commercial advantage that they do not have. We investigate all of those issues fully. Normally, they result in one or other of the operators involved being at fault.

**Senator IAN MACDONALD**—Yes. Are they the sorts of complaints that are dealt with by the industry complaints commissioner?

**Mr McCormick**—Depending on how they have come to CASA. One of my concerns with the industry complaints commissioner was the fact that he was not independent as an employee of mine but also the fact that a lot of his mandate—the way it was operating to me—was crossing over into areas where, quite rightfully, some of these complaints of a serious nature should be dealt with by the ombudsman, not by an employee of CASA.

**Senator IAN MACDONALD**—By the ombudsman, or perhaps the police?

**Mr McCormick**—We do refer to the Australian Federal Police regularly and we did in North Queensland about the conduct of CASA officers.

**Senator IAN MACDONALD**—Okay. You talk about the Commonwealth Ombudsman. How many complaints in the last 12 months have been made to the Commonwealth Ombudsman about CASA operations or officers?

**Mr McCormick**—I will defer to Dr Aleck, because he has had much closer dealings with the ombudsman on a personal level. We currently have an Ombudsman investigation into a particular complaint which we deal with regularly. So we have at least one, but I will just defer to Dr Aleck.

**Dr Aleck**—I would have to take on notice the actual number of complaints that have gone to the Ombudsman, but I do know that the number of complaints that go to the Ombudsman

that are generated by CASA matters are very small compared to the other complaints they deal with.

**Senator IAN MACDONALD**—You put out an annual report, and I have the 2008-09 report where you list Administrative Appeals Tribunal merits reviews. Do you have on hand the 2009-10 figures?

**Mr McCormick**—The 2008-09 figures that you are referring to, again—

**Senator IAN MACDONALD**—No, I have those. There were 47, as I understand it, Administrative Appeals Tribunal merits reviews of regulatory decisions, up from 34 the previous year and up from 26 the previous year. I was just wondering how many you have had in 2009-10 to date, recognising that the year is not finished yet.

**Mr McCormick**—We will take that on notice. We can give you that figure.

**Senator IAN MACDONALD**—Let me make the observation that 26 to 34 to 47 is rather an exponential increase in complaints to the AAT.

**Mr McCormick**—I think that reflects the fact that we are being more vigorous in some of our areas, whereas in the past we were not.

**Senator IAN MACDONALD**—The decisions affirmed in the last three years, starting with 2006-07, are five, one and two, which seems to be on a trend line of fewer of your decisions being affirmed. Is that too small a sample to get a trend line from?

**Mr McCormick**—The last time we were here we discussed what had happened with Trans Air in New Guinea and the fact that the AAT had overturned our refusal to issue them an air operator's certificate, or a foreign aircraft air operator's certificate on what we thought were very solid safety grounds. So some of those decisions, I am certain, will be of a similar ilk, where we think the AAT has reversed a decision which they should not have.

**Dr Aleck**—Senator, the failure of the tribunal to do something other than affirm a decision by CASA does not mean that the decision has been rejected. Oftentimes decisions are modified. So a decision perhaps to suspend for six months is modified to a decision to suspend for three months, which is hardly undercutting the substance of CASA's decision.

**Senator IAN MACDONALD**—I see that: decisions affirmed, two; decisions varied, three; decisions set aside, two; and matters dismissed, two. That is in the last year. But I am trying to get a trend on whether there is any concern about the challenge to decisions and the results of those challenges.

**Mr McCormick**—No, I have no concern from the point of view that we follow the government policy, which we firmly support, of free and open consultation with everyone and everyone has the right to appeal our decisions if they feel they should. I would like to think that some of the cases which are now being referred deal with issues which in the past we perhaps would not have dealt with and we have dealt with and we have people who now feel that they have to have their day appealing that.

**Senator IAN MACDONALD**—I think I have taken that about as far as I can, but I will look forward in eager anticipation to the matters you have taken on notice. Just to be complete, in relation to OzJet can I have a bit of a narrative about where it was at with CASA

before it went into liquidation and where it was at with CASA following the sale after administration? Perhaps I could get a little narrative about that. This may well be reported in your annual report, but, as I understand, this all occurred subsequent to your 2008-09 report and so would not be in it. Can I just move on very quickly now to another issue—that is, are near misses matters for you or for ATSB?

**Mr McCormick**—We receive notification of near misses. ATSB investigate air proximities, as they are called, or breakdown of separations. Primarily, the investigation is done on an operational level if it involves air traffic control by air traffic control, but ATSB are the people to ask about that.

**Senator IAN MACDONALD**—Okay. I have the *Townsville Bulletin*, which has a headline ‘Urgent action vital—close call over Palm’, meaning Palm Island just off the Townsville coast. The last paragraph says that the Civil Aviation Safety Authority has not provided a response to the issues. This is dated 26 April 2010. Is anyone familiar with that?

**Mr McCormick**—I am not familiar with the reply we were to give to a newspaper on that issue—no.

**Senator IAN MACDONALD**—No, you did not give a reply.

**Mr McCormick**—I did not know they wanted one—I am sorry.

**Senator IAN MACDONALD**—Okay. I assume from the fact that the paper said that it has not provided a response to the issues that it did at least ask. Could you just take a look at that. Apparently there was a near miss shortly before that 26 April 2010 date in the vicinity of Palm Island. If you could just let us know—

**Mr McCormick**—I know of the incident you speak of.

**Senator IAN MACDONALD**—Do you?

**Mr McCormick**—Yes, I do. That is an active investigation by us.

**Senator IAN MACDONALD**—An active investigation?

**Mr McCormick**—It is; correct.

**Senator IAN MACDONALD**—That means: still being considered?

**Mr McCormick**—Correct.

**Senator IAN MACDONALD**—In terms of the aviation security identity card, is that your area or is that Transport Security?

**Mr McCormick**—The issuance of those cards is our area. Yes, that is correct.

**Senator IAN MACDONALD**—You are only able to issue ASICS—as I understand they are called in the industry—that is, aviation security identity cards, to pilots and CASA employees. Is that correct?

**Mr McCormick**—Sorry, are you asking if there is someone excluded from being able to apply for one of those?

**Senator IAN MACDONALD**—No. They are only supplied to pilots and CASA employees; is that correct?

**Mr McCormick**—I am sorry, Senator. I will take that on notice.

**Senator IAN MACDONALD**—Who are those aviation security identification cards issued to? My question is: are they only issued to pilots and CASA employees or do they go more widely?

**Mr McCormick**—They go more widely than that. We issue them to pilots who operate in and out of airfields and to CASA staff because of their requirement to be on those airfields—that is registered or certified airfields, going back to our earlier discussion about the types of airfields. As to whether anyone else is eligible for those cards outside of the category of pilot, we do issue them to other people. We have them with, for instance, people who work on the airfield like air refuellers et cetera. As to whether it is the same ASIC card, I am sorry, I will take that on notice.

**Senator IAN MACDONALD**—Really I wanted to talk about a seminar. I understand that you are conducting some seminars around Australia to explain changes in air space procedures and that there was a seminar in Brisbane at the Bardon Conference Centre on 11 May this year—not all that long ago. I understand that the identification cards were discussed at this seminar. I am wondering what feedback you received regarding ASICs at that Brisbane seminar.

**Mr McCormick**—There were two Brisbane seminars on the same day. One started at about, from memory, two o'clock in the afternoon and the next one started at six o'clock or thereabouts. I was at the first seminar that started at two o'clock. What I was asked of ASIC cards, if this is the inquiry to which you refer—again, as I say, I do not know what happened at the later briefing—was could we (1) do away with them or (2) extend the validity period of those ASIC cards.

**Senator IAN MACDONALD**—Perhaps I should have gone further. Did pilots express concern that airport security arrangements and ASICs are not user-friendly and that pilots are finding it difficult to exit airside due to cumbersome procedures and that pilots are finding it difficult to access their aircraft? Were any of those matters raised with you?

**Mr McCormick**—No, Senator. The normal complaint about ASIC cards is most people complain that they have to have one at all. They consider it an imposition from the government and ourselves. They consider that it is an imposition on them.

**Mr Mrdak**—If I may assist, matters such as those in terms of ASIC policy are probably ones for me and the Office of Transport Security in the next agenda item.

**Senator IAN MACDONALD**—My question to CASA is: is CASA satisfied that ASICs and airport security procedures, particularly from the point of view of general aviation pilots, are operating efficiently and effectively?

**Mr McCormick**—The issuance of ASIC cards, as Secretary Mrdak has said, is our remit and we do that. As for the security and the issues of getting on or off airfields, how easy it is to use—and my experience would tell me that most airfields we are talking about have a keypad type issue; we are talking about the general aviation airfields now which allows access on and off the airfield—they are issues that are not within CASA's remit. We administer the

program of ASIC and AVID cards. We produce those according to government policy. The rest of it, I am sorry, you will have to ask the Office of Transport Security or the secretary.

**Senator IAN MACDONALD**—Mr Mrdak, that would be in the next session?

**Mr Mrdak**—Yes, Senator.

**Senator IAN MACDONALD**—A colleague has received a representation from a person who is a casual commercial pilot and flying instructor. This person is an employee of the oil and gas industry and has obtained a maritime security identification card as he is required to work on the North West Shelf and in Bass Strait. This person is required to possess two cards, an ASIC and an MSIC, a maritime security identification card. His question to me was: why can't the holder of one card be automatically entitled to another? Or, put another way, why can't the identity cards be combined to avoid duplication and expense to the applicant? Is that something that you would be involved in, or perhaps Mr Mrdak?

**Mr Mrdak**—That is me, Senator. I am happy to deal with that. The maritime security card and the aviation security card operate under separate pieces of legislation and have different criteria for their issuance in terms of the types of offences and the like which might preclude people from holding each. The nature of the access arrangements is quite different. I am happy to explore that in more detail with the Office of Transport Security officers when they arrive.

**Senator IAN MACDONALD**—I ask this question now, lest it be a matter for CASA, Mr Mrdak, or it can be referred elsewhere. Aviation Transport Security Amendment Regulations 2010 (No. 1), with regard to flight deck access, were tabled in the Senate on 12 May. I do not think the Senate has sat since. In relation to these regulations, will the government require all international airlines operating in Australia to meet the flight deck access restrictions?

**Mr Mrdak**—Again, that is one for me. I will check that.

**Senator Conroy**—Can I check something with you, Senator Macdonald. The cards you were referring to just a few moments ago: they were cards introduced under your government, weren't they?

**Senator IAN MACDONALD**—I have no idea, Minister.

**Senator Conroy**—My understanding is that they were.

**Senator IAN MACDONALD**—Most things, particularly things beneficial to Australia, were introduced by a very progressive government in the period from 1996 to 2007.

**Senator Conroy**—To borrow from someone a long time ago, 'Stop it or you'll go blind.'

**Senator IAN MACDONALD**—I also point out that the Australian economy was so well managed in that same period. I am not quite sure the points you are trying to make about these cards. I have a genuine interest in them. If you want to be political, let us talk about the economy under the last government and the economy under this government.

**CHAIR**—Why do you not just ask the questions of the officers, Senator Macdonald. We are all awake now. We had all dozed off but we are awake now, thank you, Minister.

**Senator IAN MACDONALD**—Let us talk about debt under the previous government and debt under this government. We have not got time, I guess. We would be here all night.

**Mr Mrdak**—Can I provide an answer to that question?

**Senator IAN MACDONALD**—Yes, please.

**Senator Conroy**—We are actually trying to improve on the system.

**Senator IAN MACDONALD**—Improve upon debt. What are you going to do—run up more? Impossible.

**Mr Mrdak**—You asked a question in relation to the application of the regulations which are currently before the parliament. I will ask Mr Robertson from our Office of Transport Security to provide an answer.

**Senator HEFFERNAN**—We had transport security half an hour ago.

**Mr Mrdak**—We can deal with it now quickly.

**Senator IAN MACDONALD**—This is my last question about this, but seeing you are here you might as well answer. It will not take long, will it, Mr Robertson?

**Mr Robertson**—The short answer is that the regulation will apply to all Australian registered aircraft and aircraft operating in Australian airspace.

**Senator IAN MACDONALD**—So it will apply to international airlines operating into Australia?

**Mr Robertson**—Yes.

**Senator IAN MACDONALD**—That is simple.

**Mr Mrdak**—In relation to your earlier question in relation to the ASIC and the MSIC, I am advised that the holder of an ASIC can be issued with a maritime security card without a further application.

**Senator IAN MACDONALD**—Does he still have to carry both cards, though?

**Mr Mrdak**—Yes.

**Senator IAN MACDONALD**—Do they contain different information?

**Mr Mrdak**—They provide different levels of access in the way they operate into the port or the airport.

**Senator IAN MACDONALD**—Where would I learn more about that? Are there legislative procedures?

**Mr Mrdak**—Yes. They are outlined in the respective pieces of maritime and aviation security legislation.

**Senator IAN MACDONALD**—Perhaps on notice would you let me know whether there is any merit in trying to have those cards apply equally to wherever they are used?

**Mr Mrdak**—Certainly, we will get you some advice on that.

**Senator IAN MACDONALD**—That is all I have.

**CHAIR**—Just quickly, Mr McCormick: what are the CASA staffing levels?

**Mr McCormick**—As of 30 April 2010 we have 699 on our head count.

**CHAIR**—So 699 at 30 April. What are your future requirements for staffing?

**Mr McCormick**—Our future requirements now with the permanent funding announced by the minister will take us up to 791 full-time equivalents, which is not quite the same in head count. We have to translate that full-time equivalent to a head count. We are planning on 97 recruits, about 70 more than what we have now, so in the vicinity of 770.

**CHAIR**—So a significant amount more. In what area particularly?

**Mr McCormick**—The main area in which we are increasing our numbers is in the regulatory development program. We have outstanding vacancies which we are currently addressing in our safety system specialists, our inspector level, and then across our technical capability, airspace and aerodromes, at small numbers. It will be three people here, four or five people there et cetera. So the bulk are going into our safety systems surveillance and our regulatory development and implementation.

**CHAIR**—Thanks. If there was a staffing freeze, what would that mean for the operating capacity of CASA?

**Mr McCormick**—If we were to freeze the staff at the current level we have, we would find that we would have some difficulty in completing the program which we wish to outline and which is in our current corporate plan.

**CHAIR**—And we would not want to jeopardise Australia's air safety.

**Mr McCormick**—Correct.

**Senator HEFFERNAN**—Can I ask for a summary from the chairman of how much longer we will be dealing with CASA?

**CHAIR**—That is a very fair question. I will ask Senator Abetz and Senator Ludlam how long they will take.

**Senator LUDLAM**—About 15 minutes, depending on how quick the answers are.

**Senator ABETZ**—Ditto.

**CHAIR**—It looks like about 35 minutes.

**Senator HEFFERNAN**—So if I go away and get an MRI at a quarter past seven, will I be back in time to ask questions about Sydney night patrol?

**CHAIR**—We are going to stop for an hour's break at 6.30 and we will be back at 7.30. I am keen to assist you so you can ask your questions. I hope we can wrap up CASA by 6.30, so let us continue.

**Senator LUDLAM**—I have a couple of questions about flight deck duty time and the definition thereof for aircrew and for people flying planes. I am going to declare an interest before I start this line of questioning because I fly a lot and I am really interested to know the degree to which the folk flying the planes get time to rest. My understanding is that operators on Qantas and Jetstar in particular use a different definition of flight deck duty time to that required by Civil Aviation Order 48 General Exemption, CAO 48E. Can you confirm for me whether or not that is the case?

**Mr McCormick**—I do not have that document in front of me, I am sorry.

**Senator LUDLAM**—Neither do I. I will skip through it then and maybe you can tell me if I go wrong or not. There is a very specific definition in that Civil Aviation Order of flight deck duty time. My understanding is that Qantas and Jetstar—I do not know about other carriers but they are the two listed here—use a definition of flight deck duty time that differs in the sense of whether the entire duty period is considered or just when the aircraft is moving or in the air. Of the two different definitions, the Civil Aviation Order says that if you are on the flight deck, whether the aircraft is moving or not, the clock has started, but Qantas and Jetstar have been using the definition that the clock only starts when the aircraft is in motion. Is any of this sounding familiar at all?

**Mr McCormick**—Not specific to Qantas, but the concept to which you refer of flight duty periods versus duty periods is international, correct.

**Senator LUDLAM**—Good. When you say it is familiar to you in general terms, you are aware that there are two different work definitions obviously.

**Mr McCormick**—What I am aware of is that everyone who has a flight-time limitation scheme, which would include Qantas and Jetstar, has that scheme covered.

**Senator LUDLAM**—The reason I am asking is that the Australian and International Pilots Association has repeatedly raised the matter with CASA over a period of, I understand, about four years, indicating strong concerns that that difference in the way of assessing whether the clock has started or not is leaving pilots and operators on duty for much longer than international regulations would normally allow. Are you at all aware of those concerns that have been raised by the association, I understand, over a period of four years?

**Mr McCormick**—There is no active complaint from that association in front of me at the moment.

**Senator LUDLAM**—I understand that CASA Complaints Commissioner Hart has asked CASA for an explanation of why no action has been taken in response to these complaints. Obviously, within the institution or the agency there is a degree of awareness at least. Is that true? Are you aware of that?

**Mr McCormick**—Can you just say what the question is?

**Senator LUDLAM**—CASA has been asked by Complaints Commissioner Hart for an explanation as to why no action has been taken over a period of four years of these complaints being consistently raised.

**Mr McCormick**—Mr Hart is no longer an employee of CASA.

**Senator LUDLAM**—Who is in that role now?

**Mr McCormick**—There is a person about to take the job permanently, but we have a person who has acted since Mr Hart left on 31 December last year.

**Senator LUDLAM**—Who has been acting in that role since then?

**Mr McCormick**—His name is Mr Calder.

**Senator LUDLAM**—Mr Cook? Since 31 December? You have been through this?

**Mr McCormick**—Whether he started exactly on the 31st I am unaware.

**Senator LUDLAM**—That is fine. I can go to the transcript if some of this has been discussed already.

**Senator Conroy**—I think we took it on notice.

**Senator LUDLAM**—It is not the specific dates that I am concerned about so much as the commissioner who has been dealing with this issue for a period of years and who is no longer there—he or she. It sounds as though this is a matter of longstanding record. This is the first I have come across it, but is this something that CASA has been actively engaged with? And why has no action been taken as a result of the complaints that have been raised?

**Mr McCormick**—Since I started on 1 March last year in my current position, that has not been raised with me by that organisation. I cannot speak of what happened before I arrived in my present position.

**Senator LUDLAM**—Okay, that is interesting. So as far as you are concerned, since March it has not been a live issue at all?

**Mr McCormick**—A live issue as in a stand-alone issue? The question of a definition has not been raised with me.

**Senator LUDLAM**—Is this something that concerns you, that the way these two Australian carriers are assessing the amount of time on-flight in aircraft is different—in some cases very, very different—to the way duty time is assessed overseas? Is that something that you are actively considering?

**Mr McCormick**—We are actively considering all fatigue. We are very concerned about fatigue and, as we said last time we were in this place, with the fatigue risk management systems, which are where we intend this to go, we are awaiting the International Civil Aviation Organisation determination of what should be contained in a fatigue risk management system, and that is due to be published next calendar year. We will then produce fatigue risk management guidelines ourselves, which will supersede but be underpinned by prescriptive flight-time limitations. Prescriptive flight-time limitations are what you are talking about now.

**Senator LUDLAM**—I am not sure if what I am talking about is prescriptive, but it seems to be a different reading of the rule book. One says that your clock starts when you arrive and the other says that the clock starts when the plane starts moving. This can lead to discrepancies of some period of hours.

**Mr McCormick**—That is correct. Internationally there are various systems that use different start times. That is not unknown or unique to Australia.

**Senator LUDLAM**—All right, but for a period of four years the association has been complaining that this is putting people at risk.

**Mr McCormick**—I am unaware of what happened before I arrived on 1 March last year.

**Senator IAN MACDONALD**—Mr McCormick, do any of your colleagues who have been here a lot longer than you know?

**Mr McCormick**—We can take that on notice.

**Senator LUDLAM**—I am just wondering whether your predecessor raised that issue with you or whether you were not made aware of what might have happened before you arrived?

**Mr McCormick**—I was not made aware of all that happened before I arrived—that I can guarantee you!

**Senator LUDLAM**—I understand—not all that happened. I am interested in this specific issue. This is pretty much where I am going to confine my questions to tonight. Were you made aware that repeated complaints had been made over a period of, I guess, three years up to last March?

**Mr McCormick**—By my predecessor, no.

**Senator LUDLAM**—No? So that information was not passed on?

**Mr McCormick**—That was not in the handover briefing I had with my predecessor.

**Senator LUDLAM**—That is extraordinary. Did you have to go back and find that out for yourself? When did you first become aware that those complaints had been raised?

**Mr McCormick**—As I said, I am not aware that a complaint on that definition has been raised with me at all. What I am saying is that the concept of fatigue itself and where we go with fatigue is an active issue. We have been on the television about this active issue.

**Senator LUDLAM**—Is tonight the first time you have heard that that issue had been raised with your predecessor over a period of three years or so?

**Mr McCormick**—I am not sure whether I have heard that definition broken out in the general discussion of: ‘Have there been questions raised about fatigue, flight deck duty times, flight time limitations?’ Yes, they are ongoing issues and have been for many, many years. Many of those issues, of course, are industrial, not necessarily safety. But, as to whether I was aware specifically that there was a problem with a definition between Jetstar, Qantas and some other known entity, no, I do not know that.

**Senator LUDLAM**—Okay. That is interesting. Have you spent much time or do you meet often with the association? The one I am referring to is the Australian and International Pilots Association. Is that an organisation with which you frequently or infrequently liaise?

**Mr McCormick**—The international airline pilots association? I am meeting with IFALPA, which is the international body of that, next week.

**Senator LUDLAM**—It is the Australian branch that I am referring to. How often do you spend time with them, if ever?

**Mr McCormick**—I spend time with them when they wish to talk about something or we have something to talk to them about. I have visited their offices in Sydney since I have taken over this position. I cannot speak for anybody else or on how much I am supposed to be there. We discuss things with them when we have to.

**Senator LUDLAM**—I am just asking you. Did they raise with you the issue—not specifically what I am raising tonight but the issue of fatigue more broadly?

**Mr McCormick**—Again, Senator, we have been on *The 7.30 Report* talking about fatigue, yes. That is on the public record.

**Senator LUDLAM**—All right. But you are saying that they did not raise at all with you the issue of the different way that we are assessing time on duty?

**Mr McCormick**—I will say it again: what I do not know is whether they have broken out the specifics of a difference in definition around flight time limitations or flight deck duty periods, or what the terminology is. I do not know whether I would have registered that there was a particular break-out of that phrase when flight time limitations traditionally, if you look at some of the documentation—the CAP 371 ICAO documentations—run to a few inches thick. As to whether we specifically spoke about a definition, my recollection is no, I have not had that raised with me. I cannot speak for anyone coming before me. I cannot speak for all of my staff.

**Senator LUDLAM**—That is all right. You are here representing the office and I am not expecting you to answer for everyone—not in a matter as specific as this, anyway. How long have the new regulations that you refer to been in draft? How long has CASA been looking at new regulations around fatigue? Is there a defined cycle?

**Mr McCormick**—We are looking at fatigue risk management systems when ICAO defines—as Australia is a signatory we have to abide by—

**Senator LUDLAM**—You are going to have to spell out some of the acronyms for me, sorry.

**Mr McCormick**—Yes, the International Civil Aviation Organisation is the UN arm based in Montreal which governs all civil aviation operations. I think there are 190 member states. Everybody other than the Vatican, I think, is a signatory in the UN.

**Senator LUDLAM**—Do they have their own—

**Mr McCormick**—They produce what are called standards and recommended procedures—SARPs. Those issues the Australian government do not naturally automatically take into our law; we have to enact those. Generally speaking, we regulate against the international standard. Where we decide not to regulate the way the international standard is, we are required to lodge a variation with the International Civil Aviation Organisation. In the case where we develop something that is not compliant with the ICAO SARPs, then we would normally have to have a justification as to why we are going against an international standard.

**Senator LUDLAM**—All right. I am sorry to keep harping on about this business of the definition of flight deck duty time, but what is the international standard? How is that assessed—when the clock starts and when it stops?

**Mr McCormick**—If I take now my personal position and go outside of CASA, if I go to my previous existence of working in the airline industry for 25 years, if you were in the FAA—and I cannot say that these are their current rules but certainly under their rules back in, say, 2006—the moment the wheels started to turn and that aeroplane first moved under its own power was when the flight duty period started. In other cases of other operators—again overseas—normally operating much more long haul than Qantas does, they tended to have a set period beforehand of when duty started but not flight deck duty. Flight deck duty has always been taken as a different time to total duty.

So the systems I am used to, for instance, are that it does not start the moment the aeroplane first moves; it will start one hour beforehand. That one hour is to allow for the crew to brief themselves, make decisions about fuel, make decisions about where they get on board the aeroplane and start. So that clock would start one hour before the scheduled departure time. Most flight time limitation schemes, as I have said, are prescriptive. They say, 'You can fly X number of hours if you start at a certain time of the day.' You then take back one hour from the actual time you start to move the aeroplane—which, unfortunately, as most of us know, can quite often not be the time that it is scheduled to move—and say that the duty has started at that point. That is dynamic. That is not planning. The definitions of flight time duty, flight deck duty, flight duty period and duty period are generally planning issues that are dealt with by the airlines themselves producing their roster to fly people, which is where the union normally gets involved.

**Senator LUDLAM**—I am not seeking to go into the industrial issues so much as the safety and fatigue issues generally. Were the minister's eye-rollings directed at me or is something else going on?

**Senator Conroy**—I do not want you to get a greater sense of importance of yourself, Senator.

**Senator LUDLAM**—There is something else going on. God forbid, anyway. I would have thought that the hour leading up to the wheels first moving was pretty important, that decisions are being made. That time is not trivial; it is still being logged.

**Mr McCormick**—As I say, Senator, when you ask about specific other systems overseas with other operators, some do take it into account and some do not, but the way it is mitigated is in the total scheme. I mentioned the FAA. I would not like to put my hand on my heart and say, 'This is what the FAA regulations or the Code of Federal Regulations says now.' But one of the ways that scheme is amended or administered is that if you have a situation where you only start duty from the moment you start the aeroplane moving, whether it be taxiing or being pushed back from the terminal, the penalty, if that is the right term, on the operator who rosters that way under that system is that the amount of time they have to give people off at the termination of the trip is larger. I cannot speak for specific systems outside of that in general terms.

**Senator LUDLAM**—I was not even going to that. It sounds like maybe nationally there are some different ways in which these things are counted and levied but since you have brought it up, what is the international benchmark, the SARP, if that is what it is called, relating to duty hours or flight deck duty hours?

**Mr McCormick**—The ICAO definition I do not have in front of me, but, as I say, the actual Chicago agreement that ICAO was established under has different annexes. It has operations and it has air traffic accident investigation—different things. The annexe relating to flight time limitations is currently being reworked and Australia does have a representative on that working committee.

**Senator LUDLAM**—The civil aviation order—the 48 general exemption et cetera, the one that I quoted to you right at the beginning—what status does that have? Is that a guideline or is it a law?

**Mr McCormick**—It is not primary legislation as such; it is an instrument. It is an order written by us, but it is not law.

**Senator LUDLAM**—It is delegated legislation, but what happens if you are in breach of something like that? You are breaking the law?

**Mr McCormick**—I will defer. I could give you an answer, but it is perhaps best if it comes from a lawyer, so I will pass it to Dr Aleck.

**Dr Aleck**—The civil aviation order is made under the Civil Aviation Regulations and a noncompliance with a requirement in the order could constitute a breach of the regulation. I should point out that the order itself contains an exemption provision. So, under the order, exemptions from the provisions of part 48 can be approved by CASA, in which case a departure from the order would not be a breach.

**Senator LUDLAM**—Okay, if you have asked. My understanding is that that order mandates that the clock starts when you arrive on deck, not when the wheels of the aircraft start moving. So are Qantas and Jetstar in breach of their obligations under that regulation or not?

**Mr McCormick**—I did not bring all the civil aviation orders with me, I am sorry, Senator. We will have to take that on notice.

**Senator LUDLAM**—I am not expecting you to have them memorised, but my understanding is that that is the definition that is included in Australian law. Maybe you can tell us.

**Dr Aleck**—No, it is not. However, if these operators are operating to an exemption under the order and if that exemption includes a different definition of a term that is included in the order then that kind of arrangement would not be inconsistent with the requirements of the legislation. But whether that is so in a specific case I could not answer at this point.

**Senator LUDLAM**—You are not sure whether those two carriers, Qantas and Jetstar, have applied for exemptions or not?

**Dr Aleck**—I could not say with certainty.

**Senator LUDLAM**—But if they have not they are probably breaking the law.

**Dr Aleck**—If any operator is operating inconsistently with the requirements of the order and does not have an approved exemption to do so then that would not be in accordance with the requirements of the law.

**Senator LUDLAM**—That sounds consistent with what I have here. I will read you a tiny piece from a transcript from when Commissioner Hart was in the chair. He said that the wording and hence the meaning of CAO48E's definitions with respect to flight deck duty are clear and unambiguous, and subsequently he says that it is not within the lawful prerogative of any operator to place or invent any other interpretation with respect to the meaning of those words. So he, I guess, is agreeing with what you have just told us.

**Mr McCormick**—Before I let Dr Aleck continue, I would like to point out that Mr Hart was not legally qualified. I found that I had to get a legal opinion about his opinions.

**Senator LUDLAM**—Did you get a legal opinion at that particular point?

**Mr McCormick**—I do not have that information to hand. I am sorry, Senator. Dr Aleck may wish to add to that.

**Dr Aleck**—That conclusion would depend upon the circumstances that I described being so.

**Senator LUDLAM**—You have only given us one circumstance, which is if the carrier has applied for an exemption formally.

**Dr Aleck**—If the carrier has an exemption under the order from the provision of an order and it defines the way in which a particular duty is to be carried out, then they are not in contravention of the order or the regulation.

**Senator LUDLAM**—It might be difficult to pursue this too much further if you are not able to tell us whether the carriers have an exemption or not and, if they do, then under what grounds they have applied for and been granted an exemption. What is the process for getting an exemption to an order like that?

**Dr Aleck**—The process is an application and the application is assessed on its merits and an officer who is appropriately qualified and authorised to grant that exemption would consider it and decide whether or not to issue it.

**Senator LUDLAM**—I find it a little bit puzzling that, in terms of something as clear-cut as this—and Commissioner Hart may or may not have been a legal expert, but he quite succinctly paraphrased what Dr Aleck just told us; I do not think those two views are inconsistent at all—it seems very much as though, at least at the time when he wrote that, there were no exemptions in place. Would that give you a concern if, for a period of four years, our carriers have been transporting people about the place in breach of regulations—quite important ones, I would have thought—governing fatigue on duty?

**Mr McCormick**—I do not know that, Senator. As I have said, I do not have that information in front of me and the small part of the transcript you read to me does not give me any insight into what the rest of that report had about where he reached that conclusion. I will say now that I did not put a lot of strength into or reliance on Mr Hart's conclusions.

**Senator LUDLAM**—That is interesting. Do you think he might have been wrong in the sense of this?

**Mr McCormick**—I am unable to answer that, Senator. As I said, I will take it on notice. I think the issue here also is that the change of a definition does not necessarily turn something from safe to unsafe.

**Senator LUDLAM**—Sorry—just repeat that for me. The change of a definition of the numbers of hours you are allowed to spend at work flying planes actually does make a material difference, I would have thought.

**Mr McCormick**—No, I did not say it did not make a material difference; I said it does not necessarily turn something from safe to unsafe or vice versa by changing the definition.

**Senator LUDLAM**—What we are talking about here is the amount of time people are permitted to spend flying aircraft.

**Mr McCormick**—That is correct.

**Senator LUDLAM**—So let us not dodge around with terminology about safe, unsafe or a material difference.

**Mr McCormick**—I spent 25 years flying as an airline pilot in international operations; I understand, Senator.

**Senator LUDLAM**—I guess you do. I am wondering whether you are willing to undertake for us to go back and look at the advice that the Australian and International Pilots Association were giving the former commissioner for a period of a couple of years and see if they might not have a case after all, because if it is true—and we are not able to establish tonight whether they are in breach or not—that we are not accounting for the amount of air time that people are spending flying aircraft, we are probably putting people at risk.

**Mr McCormick**—Senator, we have already taken on notice to produce Mr Hart's reports. I will say again that Mr Hart did a good job. I will say for the first time that Mr Hart did a good job when he was in our employ. However, I do not necessarily agree with conclusions he reached either in this report or in reports in general. We have addressed that. We have addressed that with our current set-up, but we will take on notice your question and we will look to see what the ramifications are.

**Senator LUDLAM**—Just finally, Acting Commissioner Cook, who has been in that position since the end of December—

**Mr McCormick**—Calder—sorry.

**Senator LUDLAM**—Calder; I beg your pardon. Has he or she directly addressed, to your knowledge, the issue that I am raising tonight about the accumulation of hours—revisited any of those rulings or raised the issue with you at all?

**Mr McCormick**—Mr Calder reports to the ethics and conduct committee. I do not sit on that committee myself as I am the referral body.

**Dr Aleck**—That particular question has not come to the committee.

**Senator LUDLAM**—It has not been raised?

**Dr Aleck**—No.

**Senator LUDLAM**—Thanks very much. I will leave it there.

**Senator ABETZ**—The organisation before us is called the Civil Aviation Safety Authority and I assume that is because it deals with matters of safety in the aviation sector. Is that correct?

**Mr McCormick**—That is correct.

**Senator ABETZ**—What is unsafe in conducting a charter flight over the Southern Ocean and looking for a whaling fleet?

**Mr McCormick**—Perhaps I need a slightly more specific question.

**Senator ABETZ**—I thought you might ask that. Let us get straight to the point. On 8 January, Mr Maxwell McGregor emailed two Tasmanian air charter companies saying: 'There has recently been publicity about aircraft from Tasmania conducting searches for the whaling fleet in the Southern Ocean. As the office responsible for the oversight of your operations, I

am seeking information as to whether you were involved with this operation or not.' Then a list of demands was made. How does this come into the purview of the Civil Aviation Safety Authority—the fact that a charter flight was taken?

**Mr McCormick**—A charter flight, by definition, is a flight that is going to have remuneration involved. They are going to get paid to fly it. Generally, unless it is a cargo-only flight, it is going to involve passengers, and when it involves passengers it involves safety and it involves people. In fact, the flight itself involves safety without passengers.

**Senator ABETZ**—Mr McCormick, with respect, I understand all of that.

**Mr McCormick**—My apologies, Senator.

**Senator Conroy**—It is exactly what you asked, though.

**Mr McCormick**—The operators of those flights that were contacted—and Mr Maxwell is one of our employees in Melbourne—were requested things around their air operators certificate. Their air operators certificate, which they held, was to do flights domestically in Australia, or in Australian territory; it was not an overseas air operators certificate. What we found—and this may help us move along a little bit, if I may—was that that air operators certificate was for Australian operations. Australian operations to us are taken as out to the 12-nautical-mile limit.

**Senator ABETZ**—The 12-nautical-mile limit?

**Mr McCormick**—Not to the 200-nautical-mile economic exclusion zone. However, the actual definition within the act is not clear on what constitutes territorial waters as it relates to airspace, in that it says—and I will paraphrase the act because I do not have it in front of me, but I can get it if you wish—that we are responsible for the regulation of aircraft operations in Australian airspace and Australian aircraft overseas, and that includes the airspace above Australia's territorial waters. What we did find in that investigation was that there was a misunderstanding in the industry—and I will admit with some of our own people—of what constituted 'outside Australian territorial limits', where you would require an air operators certificate permitting international operations. Technically, outside of 12 miles is an issue. We have concerns about being that specific because we do not want to impact on, for instance, search and rescue.

**Senator ABETZ**—Absolutely, and these charter companies have publicised going beyond the 12-nautical-mile limit without CASA ever running this sort of investigation and putting them through the third degree. Yet when they take a charter flight that they only discovered after the event is politically charged, they get put through the third degree. Of course, whilst this was going on, all the air operators in Tasmania were saying, 'The police can try and charter us for search and rescue but we're not going to be part of it because CASA might go through us like a dose of salts,' like they have here. So where are we at with this one with Tasair?

**Mr McCormick**—We were concerned about the operation when it came to our notice, not because it was politically charged or because there was a direction from anybody to do it. We operate as an independent statutory authority. We have legislative requirements. There is a difference between an aeroplane for charter and one for search and rescue. Search and rescue

by definition is not something that right away is preplanned. A search and rescue may go on for days when there will be preplanning involved.

We are in discussions with AMSA at the moment about whether any of our rule making around this would impact on people's ability to do this. We have produced a letter which we are about to send to all air operator certificate holders, which would be all the companies you are talking about in Tasmania, and their chief pilots pointing out to them that, as we term it, a domestic air operators certificate—that is, out to the 12-mile limit—goes to the 12-mile limit. We have discussed with Customs and Border Protection the issue of flying outside of Australia's 12-mile limit and then coming back. The answer to that was that, because there is no immediate landing point, it is not something they are concerned about.

**Senator ABETZ**—There is no problem.

**Mr McCormick**—We are investigating all of those issues. We will, as I say, be coming out with more soon.

**Senator ABETZ**—How did CASA become aware of this flight?

**Mr McCormick**—We became aware of this through notice both from operators in Tasmania—

**Senator ABETZ**—Not through operators.

**Mr McCormick**—Just to back one up. It was DirectAir I think you are referring to who were not permitted to do that. Tasair was actually within its authority to do that.

**Senator ABETZ**—Tasair was the one that was chartered.

**Mr McCormick**—There were two.

**Senator ABETZ**—Sorry.

**Mr McCormick**—DirectAir and Tasair—two different organisations.

**Senator ABETZ**—The document I have in front of me is the document from Maxwell McGregor to George Ashwood of Tasair and Don Wells from Airlines of Tasmania. Can somebody tell me whether DirectAir is another company name?

**Mr McCormick**—DirectAir were a separate operation. They also conducted—

**Senator ABETZ**—From where? Where do they hail from?

**Mr McCormick**—They did one flight in Tasmania and two from Western Australia.

**Senator ABETZ**—Excuse my ignorance; DirectAir is not Tasmanian based.

**Mr McCormick**—Where their corporate headquarters is, if they have such a thing, I am unaware of. I can find that out if you wish.

**Senator ABETZ**—My issue is on behalf of Tasair in particular which was then written to and required to produce a whole lot of documents. Why was Tasair written to? Who alerted CASA to this charter flight?

**Mr McCormick**—The conduct of those flights was in the public domain. It was also reported to us by other people in the industry through industry intelligence.

**Senator ABETZ**—It would not have come to you from a ministerial office?

**Mr McCormick**—Directing me to investigate Tasair or DirectAir, are you saying?

**Senator ABETZ**—Or asking you to see what could be done?

**Mr McCormick**—No.

**Senator ABETZ**—You are absolutely sure of that?

**Mr McCormick**—No-one has asked me to see what could be done.

**Senator ABETZ**—The Environmental Defender's Office just happened to write to Mr Garrett the day before this request was made by CASA. From the environment department we have heard that they have made certain demands and requirements of Tasair on the basis of the letter to Mr Garrett. So he clearly flicked it to a department.

**CHAIR**—Do not tell me Godwin is at it again.

**Senator ABETZ**—So he clearly flicked it to a department. I am sure that was not coming from the chair.

**CHAIR**—Sorry, was I thinking aloud?

**Senator ABETZ**—I am sure that was not coming from the chair. I am just concerned about what the motivating factor was for something which, on the face of it, was legal. You are now saying that the only issue at stake was whether somebody flew over the Southern Ocean?

**Mr McCormick**—Just to back up there. I obviously keep the minister informed or his staff informed of what we are doing. This issue, as I say, was newspaper headline news to us. Our concern was twofold around these operations. One was whether they were conducted with the right level of safety. In other words, to operate that far over the water, were the aircraft suitably equipped with survival equipment? Were the pilots suitably qualified? Were the right sort of precautions taken around the planning of that operation and what they intended to do?

We had concerns about two parts of this operation. One was going outside of the 12-nautical mile limit. We had another concern about one particular operator where it would appear that the chief pilot, who is a named person within the air operator certificate system, had been bypassed by the directors of one of the companies and a flight had been authorised without his knowledge. That caused us to conduct an investigation in much more depth and to see what the probity was around that. We have since established that that organisation has many diverse pilot bases. The chief pilot has senior pilots at each of these bases. He does not necessarily know all of these flights.

**Senator ABETZ**—Can I interrupt you. In relation to the pilot, is that in relation to DirectAir?

**Mr McCormick**—It was DirectAir.

**Senator ABETZ**—If I may, my line of inquiry is only, very parochially, I know, in relation to Tasair.

**Mr McCormick**—These are the issues that we are concerned about—what was actually happening. These are all of them.

**Senator ABETZ**—Has CASA ever asked for all of this information when you have learnt about search and rescue flights to ensure that all the appropriate safety equipment was on board and that the pilots had not done too many hours et cetera? If not, why not?

**Mr McCormick**—We often inquire about specific operations which seem unusual. Search and rescue is not, luckily, something that is undertaken every day. But another example would be—

**Senator ABETZ**—So it is unusual. So why haven't you inquired into search and rescue flights along the same lines as you have in relation to this one?

**Mr McCormick**—What I was about to say was that another example would be that when there was the oil spill off north-western Australia there were operations of agricultural aeroplanes out to that oil spill for quite some time. There was at one stage a C130 operating from a foreign operator which came to Australia. We inquired about all of those flights and at length, even though we were happy, in the case of the Australian operators, that their operator certificate allowed them to do it. We still inquired as to what they were doing, what training they had and what pilots they had.

Longer term search and rescue is generally undertaken by organisations, such as Coastwatch et cetera, whose job is that of search and rescue. We oversight them very strongly, and we are in fact at this stage looking carefully into one of those operators. It is not Coastwatch, but we are looking at one of those operators very carefully. So Tasair raised themselves to the profile of operating some considerable distance out over the water—in excess of 100 miles, I think. Although that specific flight—as there were four, I cannot remember the exact one to which we refer. Us asking Tasair, or DirectAir for that matter, what they are doing and how they are doing it is fully within our purview. That is what we should do. That is my statutory duty.

**Senator ABETZ**—Yes, but you do not do it for every flight and therefore you must exercise your mind as to which ones you ask about. I would have thought that you would be aware that the sorts of aeroplanes that Tasair have in general terms would not have had the capacity to fly from Hobart all the way to where the whaling fleet actually operates and return unless they filled the cabin up with fuel as well. They just could not have made the distance and returned. So it seems a bizarre request for CASA, who would have had all that sort of detailed knowledge, to have made as soon as they were told the type of aeroplane that was used. That was the request on 8 January. The information was provided, and then a full request was made—an official request—to surrender documents and all sorts of things, dated 25 January.

**Mr McCormick**—The original inquiry of what people were doing, to me, did not centre on the aircraft they were using; it centred on whether they were permitted to do it at all. The moment they went beyond 12 nautical miles—and to this day my understanding of the territorial waters is that it is 12 nautical miles. It would appear that not everyone shared that view. My concern is that once they went beyond 12 nautical miles—I did not particularly care if they went 2,000—they had gone beyond 12 nautical miles.

**Senator ABETZ**—All right. How many other times has CASA been made aware that flights have gone beyond 12 nautical miles for search and rescue operations and you have not put them through this sort of third degree?

**Mr McCormick**—How many times have flights gone beyond 12 nautical miles for search and rescue?

**Senator ABETZ**—Yes.

**Mr McCormick**—I do not know whether we will have that data, but I will take it on notice and we will see if we can find it.

**Senator ABETZ**—I would suggest to you that the answer—from what I have been told anyway, but let us find out—is nil. It therefore begs the question that when CASA knows there is a flight going out beyond 12 nautical miles for search and rescue your very well-founded concerns do not seem to be energised, but when it is in relation to something which is politically charged all of a sudden your very real concerns about exceeding 12 nautical miles are energised. I am just trying to get a handle on why you became so interested in this one.

**Mr McCormick**—Any operator who does search and rescue under an air operator certificate has search and rescue specifically approved on their air operator certificate. To my knowledge, the company of which you speak does not have search and rescue on its air operator certificate. Hence, if it goes beyond 12 nautical miles, technically it is in breach of the regulations. And that was in the public domain, that it had gone beyond 12 nautical miles.

**Senator ABETZ**—Yes, but has this situation now been clarified with Tasair?

**Mr McCormick**—To my knowledge, we had some issues around, as I touched on earlier, the type of aeroplane that had been operated versus the air operators certificate. The issue around this is now closed.

**Senator ABETZ**—It is all closed, so no charges are to be pursued?

**Mr McCormick**—We could have looked at the fact that there is still the 12-nautical-mile limit. However, it is within our discretion to say that, because there is general misunderstanding in the industry of what constitutes a domestic operation, we have set about writing to every AOC holder and every chief pilot reminding them of this. But it would be inappropriate to take action against these people who have breached it.

**Senator ABETZ**—The limit is now going to be 12 nautical miles?

**Mr McCormick**—There is no definition in the act, but we are taking a review of what that would mean. As I think I said earlier on, we are asking AMSA and other people.

**Dr Aleck**—Actually, the ARC act does not define the limit. It refers to Australian territory. Other legislation defines the extent of Australian territory extending to 12 nautical miles from a baseline, which is 12 nautical miles.

**Senator ABETZ**—When there is such confusion, I would have thought authorities such as yours might actually find out what it ought to be before putting a small business—that is what it is: a small business—through a lot of hoops, a lot of personal heartache for the proprietor and a lot of legal costs associated with the notices. I will leave that as a comment to you—unless you, in fairness, want to respond to that.

**Mr McCormick**—I think it must also be pointed out that we are not in the business of putting people out of business, but we are allowed to ask questions of an air operators certificate holder. He should not have been put to great legal expense to answer the questions he was given. Those documents should be available to him and he is required to have them under the act.

**Senator ABETZ**—He does have all of them, but when you start getting documentation titled ‘Notice to surrender documents pursuant to Civil Aviation Regulation 301’ and attached to it is ‘Criminal Code Act 1995’, the average small business man might say, ‘This could be a bit of trouble here for me. I had better seek legal advice.’

**Mr McCormick**—I will defer to Dr Aleck in a second.

**Senator ABETZ**—It is all very well for you, with great respect, in the comfort of your position, to say that he should not have needed legal advice. But he gets an official notification, turns it over and reads ‘Criminal Code Act’. Well, do you know what? Most prudent people would say, ‘Let’s go and see a lawyer.’

**Mr McCormick**—If the gentleman in question is sufficiently over the regulations, as he is supposed to be, he will find that CAR301 is the authority we have to demand those documents. As I said, I will defer to Dr Aleck in a second if you wish more on the legal basis. Why that is there is more or less as boilerplate. But the Civil Aviation Regulations also have continual references to the fact that a lot of offences—and I am not saying there is an offence and I am not saying that this should have been the case here—

**Senator ABETZ**—Well, it is all closed anyway; is that right?

**Mr McCormick**—As far as this is concerned, yes. Our final actions, which are the education et cetera, we are still taking. But if he looks at the Civil Aviation Regulations—he should quite regularly stay abreast of what is in them, as he is required to by law—he will find it refers regularly to offences of strict liability. Then the wording which is there, of course—from OLDP, not from us—says ‘refer to the Criminal Code for a definition of “strict liability”’.

**Senator ABETZ**—Which is all very helpful. The reference on this letter of 25 January 2010, the notice to surrender documents, has a ‘Ref’ notation and then ‘ASIS’. Would you know what those initials stand for? I think that Dr Aleck does.

**Dr Aleck**—ASIS is the case management system used by what was the enforcement and investigations branch of CASA. So any time a file is opened to conduct an investigation it is given an ASIS number.

**Senator ABETZ**—In relation to Tasair and operators out of Tasmania, this issue is now closed other than for the general educational program that you will be undertaking once the actual territorial limitations are resolved? Is that a fair summary?

**Mr McCormick**—Once we have finished consultation with AMSA and other people we are going to write, as I said.

**Senator ABETZ**—Just so I get it clear, they are not allowed to go beyond 12 nautical miles from the coast at this stage?

**Dr Aleck**—Unless an operator is authorised to conduct international operations, then 12 nautical miles is the extent of the distance from the coastline they can travel lawfully.

**Mr McCormick**—We are looking at this and the ramifications of what it means, and that is why we have not proceeded with preparing a brief for the CDPP or referring anything or doing anything about these issues because we think—

**Senator ABETZ**—I appreciate that that has been dropped, but there has been a lot of uncertainty because I assume—without giving myself a private tutorial courtesy of your presence here—flying across the Bass Strait, for example, would be more than 12 nautical miles from a coastline. Of course that is conjoined so it would be okay, but then how far can you deviate to the east or west and find yourself to be more than 12 nautical miles out but in fact closer to the coastline?

**Mr McCormick**—We have recently in that particular issue said to recreational aviation people that they can fly direct from Tasmania to the mainland rather than having to fly over islands on the way because it actually increases the amount of time they are flying. We are very cognisant of that and we are trying our best to help—

**Senator ABETZ**—So hopefully common sense will prevail after all.

**Mr McCormick**—As usual, common sense prevails in CASA; that is correct.

**Senator ABETZ**—Good. Glad to hear that.

**CHAIR**—Senator Back, your colleague has left you two minutes before the dinner break.

**Senator BACK**—Mr McCormick, with the benefit of the many years that you have had as an international air pilot, could you tell me whether you regard it as safe or not to allow an off-duty pilot to be in the jump seat in the cockpit of an aircraft travelling?

**Mr McCormick**—My personal opinion?

**Senator BACK**—Yes.

**Mr McCormick**—My personal opinion is that an off-duty pilot—and I am assuming that that off-duty pilot we are talking about here is a pilot belonging to that airline?

**Senator BACK**—That is correct, yes.

**Mr McCormick**—My personal view is that that is not a safety issue, but that is my personal view. That is not necessarily the view of CASA or anybody else.

**Senator ABETZ**—Common sense does prevail.

**Senator BACK**—Earlier in the day we were talking to Airservices Australia personnel about the required navigational technology that is being examined and introduced, and Mr Russell was giving us an overview of where it was with regard to pilot programs at four airports—Brisbane, Adelaide, Sydney and Melbourne—and he was speaking of the steps to be taken before such a move would be rolled out, let us say, commercially. I wonder if you could tell us to what extent your agency has to date been examining the RNP system? As yet, have you approved the required navigation performance system that is under test by Airservices Australia?

**Mr McCormick**—I will take that on notice please, Senator, if I could. We do not have in front of us information about that other than what Airservices provided to you.

**Senator BACK**—So there would not be any hold-up from your side to the rolling out of that particular technology that you are aware of at this stage? There is no impediment from CASA's side at this time that you are aware of to the continuing implementation of that rollout?

**Mr McCormick**—That is not in my area, I am sorry. We will have to take on notice anything you wish to know about that.

**Senator BACK**—Thank you.

**CHAIR**—Senator Back, out of respect for you as a valued member of this committee, I am prepared to go into the dinner break if you want to finish your line of questioning. Are you finished?

**Senator BACK**—Yes.

**CHAIR**—Rather than bring the officers back for five or 10 minutes—

**Senator BACK**—No, I understand. No, I think my questions now, Chair, really relate to the Office of Transport Security which are on after the dinner break.

**CHAIR**—That now concludes CASA. Mr McCormick and officers, thank you very much.

#### **Proceedings suspended from 6.31 pm to 7.30 pm**

**CHAIR**—I welcome Mr Retter from the Office of Transport Security.

**Senator BACK**—I want to go to the decision of the white paper with regard to compulsory passenger and baggage screening for the RPT and open charter aircraft, which I understand will be applied to aircraft with a maximum take-off weight of 30,000 kilos, regardless of whether the aircraft is jet or turbo propelled. I understand, according to the white paper, that this will be lowered to aircraft with a maximum take-off weight of 20,000 kilos by 1 July 2014. That has been brought forward now to 2012.

**Mr Mrdak**—That is correct.

**Senator BACK**—So it is 1 July 2012?

**Mr Wilson**—That is correct.

**Senator BACK**—All aircraft meeting that category will require compulsory passenger and baggage screening.

**Mr Retter**—Yes, that is correct. On 9 February the Prime Minister, together with Minister Albanese, announced a bring-forward from 1 July 2014 to 1 July 2012 for that particular measure.

**Senator BACK**—Thank you. I want to address particularly some concerns for regional aviation. Has there been some analysis done by the department of the flow-on effects to air transport companies servicing regional Australia as a result of this decision?

**Mr Wilson**—We are currently working with, and will continue to work with, the individual airports that may be affected by the decision in regard to the security requirements that they

will meet and in regard to the rollout of the program that the government announced on 9 February, and that was included in the budget recently released.

**Senator BACK**—When you say ‘working with them’, can you give us a bit more detail on that process?

**Mr Mrdak**—Firstly, can I add to that. The first question you asked was what analysis was done. There was analysis undertaken of the requirement for this measure and the potential implications as part of the development of the government’s white paper. They were matters which the government considered in light of the advice in relation to the risk involved in maintaining the current distinction between jet and non-jet aircraft. As Mr Wilson has outlined, what we are now doing, in the light of that analysis and the government’s position taken in the white paper, is working through with the regional aviation industry the implications of particular security measures in terms of what operational requirements that will hold.

**Senator BACK**—From the regional airport side, what participation would the airport operators and airline operators themselves have had in that analysis?

**Mr Mrdak**—There was a very exhaustive consultation process as part of the development of the green paper and white paper. Mr Retter also undertakes a range of consultation, which I will get him to talk about in a moment. It is fair to say—and I think it is generally appreciated by the aviation industry and has been publicly stated—that the consultation processes around the green paper and white paper have been some of the best processes that the aviation industry have seen in terms of consultation on policy initiatives. Mr Retter may wish to add other mechanisms that he uses for consultation with the regional industry.

**Mr Retter**—During the white paper process, there were 230-odd submissions taken, which did include submissions on the issue of changes to thresholds or mechanisms by which we would screen aircraft and do other security measures. We also ran a range of consultations around the country, including with regional aviation in all the jurisdictions, where this issue was discussed. By and large, we met with a positive response to what was being proposed, given that the current situation that exists, which is in a sense an understandable reaction to the events of 9-11, is in fact somewhat at odds with a logical approach to the security of aircraft.

**Senator BACK**—In terms of aircraft types, the 2012 trigger might apply to the Dash 8 300, with a maximum take-off weight of 18,640 kilos.

**Mr Wilson**—That is correct.

**Senator BACK**—The Dash 8 400, with a 29,000-kilo maximum take-off weight, obviously falls into this purview.

**Mr Wilson**—That is correct.

**Senator BACK**—Which airports then does the QantasLink Dash 8 400 series serve? In other words, which airports would be the subject now of passenger and baggage screening under the guideline that we are referring to?

**Mr Wilson**—There is a situation whereby a number of airports—I believe in the order of 19—are currently serviced by the Q400 and are not subject to screening requirements. That

number may or may not change between now and 1 July 2012, of course, depending on the operational arrangements that the airlines put in place. I do not have with me a precise list of the names of the airports.

**Senator BACK**—Could you take that on notice, and could you pick up Blackwater, Barcaldine and Blackall in that report back to us. There seems to be some confusion as to whether those three airports do or do not operate with the Dash 8 400 series aircraft, so if you could pick that up in your response, I would be appreciative.

**Mr Wilson**—I will. We will provide you a list of the airports that currently would require screening, given the services that are in operation today.

**Senator BACK**—That do not currently have it? Do you have an approximate figure?

**Mr Wilson**—As I said before, I am advised that it is 19.

**Senator BACK**—Thank you. I apologise, I should have taken a note of that when I asked you. The airports that are currently served by the smaller aircraft, the 200 and 300 series—Armidale, Biloela, Charleville, Dubbo, Moree, I think, and Roma—will have to be upgraded in years to come from a security point of view. Is that right?

**Mr Wilson**—At this stage, the government has made a decision that the maximum take-off weight of 20,000 kilograms and above will apply from July 2012. Were those airports to receive services from aircraft over 20,000 kilograms MTOW, then, yes, they would require additional screening.

**Senator BACK**—If I can just take it a stage further, the Aviation Transport Security Amendment Regulations 2008 (No. 1) refer to the need for checked baggage screening to be undertaken if an aircraft departs from the same apron within half an hour of a screened air service. Is that correct?

**Mr Retter**—There is an operational period that is, from memory, two hours before and half an hour after the scheduled take-off time of a current jet service, where any other service that is on the apron at that time is required to be screened. That is both passenger screening and checked baggage screening.

**Senator BACK**—The government released a strengthening aviation security initiative, which is a \$200 billion package, including \$32 million to bring forward screening in a number of additional regional airports that are currently serviced by larger turboprop aircraft. Could you take us through that expenditure and where it will be allocated?

**Mr Wilson**—Some of the \$32 million will be departmental funding which has been allocated to the department to administer the program. Approximately \$20 million has been allocated to direct program funding, which will be rolled out over the next two years, I believe, and that funding will be allocated to airports which are required to be upgraded to meet the new standards as of 1 July 2012. The program guidelines associated with that funding are currently being finalised. On completion of that finalisation, the government will call for funding bids from airports that are affected by the new regulatory requirements.

**Senator BACK**—Do you see that \$20 million as being the sum required to undertake these upgrades?

**Mr Wilson**—The funding will be provided to purchase and/or lease equipment necessary to meet the regulatory standards, and it is our anticipation that the funding available will meet the requirements of the airports affected.

**Senator BACK**—You are of the understanding that, for \$1 million an airport for the 19 airports you mentioned, they will be upgraded to the standard that is required for both passenger and baggage screening.

**Mr Wilson**—Correct. We believe that the funding available will enable us to assist with the purchase of the equipment required to meet the regulatory settings as of 1 July 2012.

**Senator BACK**—Who will actually own that equipment? Will it remain in the ownership of the government or does it transfer in some way over time to the airport operator? Who has financial accountability?

**Mr Wilson**—The final details of the decisions associated with the ministerial guidelines for the program are yet to be signed off by the minister, so I cannot give you a definitive answer.

**Senator BACK**—Could you tell us if work has commenced?

**Mr Wilson**—In terms of purchasing the equipment?

**Senator BACK**—Purchasing the equipment and modifying—

**Mr Wilson**—No.

**Senator BACK**—It hasn't as yet?

**Mr Wilson**—No.

**Senator BACK**—In the event that the allocated \$20 million falls short of meeting the objective of upgrading all of these 19 airports, where would the additional funding come from to complete the project?

**Mr Wilson**—The government has made a commitment to fund the purchase of \$20 million worth of the capital equipment required to meet the standards. It is our best estimation that that funding will be sufficient to meet the regulatory requirement as it currently stands. A decision as to who would meet any overcost, were that not to be the case, would be a decision that would need to be made by the government at the time.

**Senator BACK**—If we assume that the cost is as you suggest—roughly \$20 million for 19 airports—can you give us some indication as to what your analysis showed in terms of ongoing costs to manage the equipment, staff the facility et cetera and who will have responsibility for those costs.

**Mr Wilson**—The responsibility for the costs associated with operating the equipment will rest with the airports.

**Senator BACK**—You must have worked through some figures. Can you give us some indication, perhaps based on experience of airports currently downgraded for passenger numbers et cetera, as to what those costs would be for airports of different sizes?

**Mr Retter**—I can give you some broad assessments. As you rightly point out, it varies greatly, depending upon passenger numbers, the nature of when they fly, and therefore the

operational arrangements that are put in place at each airport in terms of how contract staff that are supervising security measures are employed. In essence, it could range from somewhere in the order of \$200,000 to \$300,000 per annum for a one-line screening activity that might be operating a number of hours each day.

Our experience at the major airports in Australia is that a screening line running 18 hours a day is in the order of between \$750,000 and \$1 million a year.

**Senator BACK**—Clearly a figure of \$200,000 to \$300,000 at a small regional airport would impose a huge burden. Are you confident that this is not going to cause the closure of regional airports or put at risk some of the marginal air routes for passenger regional transport?

**Mr Mrdak**—The impact on the industry was very much in the government's mind when it took the decision that it announced on 9 February to provide budget funding for these measures for regional airports. As you know, the commitment was announced in the white paper, with a longer transition period. The government has taken the decision to provide budget funding for these measures, in recognition of minimising the cost to the travelling public in those regional aerodromes. Based on our advice, we believe that that contribution will enable any cost to the travelling public at those regional airports to be minimised.

**Senator BACK**—On notice, would it be possible to have some understanding of the numbers of passengers per annum at each of the 19 airports identified so that we could get some indicator of what the predicted additional cost to a ticket would be for an aircraft operator operating into and out of those airports?

**Mr Mrdak**—We can certainly provide you, from our ABS data, with details of current passengers through a number of these airports, but that of itself would not enable us to determine what the cost is. As Mr Retter has indicated, the cost will vary depending on the equipment that is purchased, how much fit-out is required, and the way in which the screening authority—either the airport or the airline—chooses to operate the screening. There are a number of variables here which would make it very difficult. The analysis we have done, as Mr Retter has outlined, gives, we think, some assurance that we will minimise any cost to regional airports.

**Senator BACK**—So the \$1 million is really for equipment but not for actually fitting the equipment?

**Mr Mrdak**—Mr Retter may give you some more detail, but on our estimation it will enable some fit-out as necessary at some terminals, depending on the mix of layout and the equipment that is to be installed. I think it is fair to say that those are the sorts of things that we will be discussing with those airports as we go through the process of procuring the equipment.

**Mr Retter**—At this stage, that is one of the issues that will need to go to the minister for his decision in terms of any prospective guidelines to be developed and signed off.

**Senator BACK**—Did your modelling give you any indication as to what might be the increased cost of a typical passenger ticket on some of the different air routes? What would it be? \$25 to \$75 per head? Does it fall within that sort of purview?

**Mr Mrdak**—No. I think the government's budget commitment is designed to mitigate that cost as much as possible.

**Senator BACK**—If the government is so minded, would it then be in a position to actually put an upper limit on the increased cost per ticket and therefore subsidise any increase over that cost?

**Mr Wilson**—That would be a decision for the government.

**Senator BACK**—Do you believe it would be necessary for airlines to actually come back to government on some of the routes that may be more marginal?

**Mr Wilson**—That would be a decision for the airlines involved.

**Senator BACK**—Sure, but in going into this whole exercise you must surely have modelled the likely impact of this move. I am interested in knowing whether or not you believe that perhaps routes that are now marginally profitable would actually fall over under this scenario. Is this something that has been considered on a risk analysis and an overriding decision taken to say, 'Well, yeah, that's bad luck, but we still have to put this equipment in'?

**Mr Retter**—During the white paper analysis—through green paper, white paper—as we looked at a range of issues that related to security measures around Australia, there was an extensive amount of analysis done in terms of the screening costs. Our current model in Australia is primarily driven on an airport-by-airport basis and therefore the costs vary depending upon the throughput and the operational circumstances, as Mr Mrdak has said, which vary greatly, I might add, from airport to airport. It is very difficult to generalise exactly what the impact on each particular

Indeed, there is nothing to say that all of the 19 will be eventually in the tent; they may choose not to be. There may well be enterprising airlines who decide to find aircraft below the 20,000 threshold, hence we have another solution that might end up on the table. I think there are a range of factors here. It is true to say that, in the main, the cost of security per passenger is greater at those airports that have a lower throughput of passengers than it is at our mainstream airports, where volume reduces the net cost per passenger.

**Senator BACK**—And a lower capacity to be able to offset that cost per passenger, too, for the same reasons and, I would imagine, for the very long down times that you would experience with the security personnel running these machines.

**Mr Retter**—With respect, Senator, as you would know, many of those decisions that you are touching on are airline decisions based upon their analysis of the sensitivity of the market and the supply and demand issues that pertain to those individual airports. It is very hard to make a determination. At the moment, what costs they absorb and what costs are passed on are decisions made by airlines, and they do that in conjunction with the airports that are affected.

**Mr Mrdak**—It is fair to say that what we have seen to date with the screening measures and where screening has been introduced to regional ports is that airlines and airports have found ways to minimise the cost through the way they utilise staff and resources in those periods to make sure that the screening authority does reduce the cost whenever possible. It

has to be kept in mind that the issues you raise were at the forefront of the government's thinking when providing the assistance for regional airports in the \$32 million package.

**Senator BACK**—In moving to this decision to install this equipment, have there been any security issues with passengers, or would-be passengers, and freight at airports like Barcardine, Blackall and, presumably, Esperance, Albany and Kalgoorlie? Have we had any incidents? Someone mentioned 9-11. It was the catalyst for a lot of this. What has been the incidence of potential terrorist or other threats or risks at our regional airports that has prompted this investment?

**Mr Retter**—You are going to the heart of the methodology used in terms of how security risk assessments are done. I have long held the view that it is problematic to simply look at a lack of incidents in the past as an indication of what might be in the future. You would appreciate that the fact that we have not had an incident in a particular part of Australia or at a particular airport does not necessarily mean that there are not vulnerabilities that could be exploited in the future. Our assessment, based upon the risk doctrine that we use, is very much driven by the fact that the types of aircraft being used, the distance they can travel, the weights of those aircraft and the numbers of passengers carried goes to the heart of the issue of the likelihood of them being potentially a target themselves—in other words, the aircraft is blown up in some way, shape or form—or being used as a weapon, a la 9-11.

Our assessment was that the vulnerabilities that existed at certain airports in Australia which were using aircraft above the threshold we have talked about were a greater risk than if there were screening of passengers and baggage going onto those aircraft. I could cite one or two major examples of where we have had incidents on aircraft flying in Australia on domestic flights but, by and large, those people who have been involved in those incidents have been agitated or are in some way suffering from mental disorders. But we have been fortunate that we have not had, to date, a major terrorist incident.

**Senator BACK**—I understand what you are saying. Presumably then it becomes a cut-off as to the weight of aircraft that triggers the risk sufficient to have to undertake this expenditure. As you were saying, an airline could become entrepreneurial and make sure that they have got aircraft of a weight below which this becomes necessary. What does that do? Does it reduce the risk because it reduces the number of passengers?

**Mr Retter**—My assessment, and the assessment that we have taken in conjunction with the intelligence community, is that aircraft generally below the threshold weight that we have discussed tonight are less likely to be subjected to that form of attack. That is simply because the attractiveness of that aircraft is limited because fewer passengers are likely to be on board the aircraft, it is likely to have a shorter range and it may not reach certain iconic capital cities or buildings that might be attractive from a terrorist perspective. It really is a question of sitting down and looking at relative vulnerability and likelihood based upon the nature of the aircraft involved. That is the exercise that we have gone through in determining this new approach to what we screen and when we screen.

**Senator BACK**—The only observation I would make, coming from a state where obviously we use regional airports a lot, is that there have been far more people killed on the roads driving from Albany to Perth or Perth to Albany or Esperance to Perth or Kalgoorlie as

a result of fatigue than would have been killed had they actually flown. My concern is that, throughout regional Australia, if we do find ourselves in a position where smaller regional operators and airports find it uneconomic, the only other means of transport for those people would be bus, public transport—if such exists—or driving a motor car. I understand your point completely: you are looking at the risk to human life. I say that we might end up going back to human life being put at a higher risk as a result of fatigue from driving over long distances. But that is not something that you would have taken into account, I imagine, in your analysis.

**Mr Retter**—Correct.

**CHAIR**—Senator Nash, do you have any questions?

**Senator NASH**—I do, thank you, Chair. I think Senator Macdonald raised earlier the Aviation Transport Security Amendment Regulations. I have some further questions around that issue. Is it correct that the government believes it is possible for an off-duty pilot to sit in the jump seat on an aircraft flight, on the basis of the—

**Senator Conroy**—You missed the discussion.

**Senator NASH**—Sorry. Have you been through all of this?

**Senator Conroy**—We had it with CASA.

**Senator NASH**—You went right through all the detail of that?

**Senator Conroy**—I think Senator Back raised it and discussed it.

**Senator NASH**—He raised a bit of it?

**Senator BACK**—I simply asked Mr McCormick, because of his background in international aviation, what his own view was. I must preface that by saying that it was his own personal opinion. He was not speaking for the department. So it is fair to say that that has been the only discussion.

**Senator NASH**—It is just that when I raised this earlier in Aviation, it was flicked to Transport Security.

**CHAIR**—Go through it with Senator Ludlam. He had an intense conversation about that with CASA.

**Senator NASH**—About that as well, when I was not here? Please pull me up if you have been through all of this. Was that interpretation raised before? There seems to be this issue now that, yes, the pilot is able to have somebody in the jump seat and that is okay—I am using layman's terms here—whereas under the regulations as they came through before, that was not necessarily seen to be the case. So has there been a change?

**Mr Wilson**—I also will try to do this as a layperson, not as a pilot.

**Senator NASH**—No, don't! I will translate later. I can only give it to you in layman's terms. You can actually give me the technical stuff.

**Mr Wilson**—The regulations establish that the airline is responsible for establishing the rules and regulations under which access to the cockpit is granted. However, in flight, if there

is a safety or security reason for the pilot to allow additional access to the cockpit, that is still allowed.

**Senator NASH**—So, under the regulations proposed, the liability then lies with the pilot?

**Mr Mrdak**—We might get Mr Robertson to explain this.

**Mr Robertson**—That is correct. What that refers to is that if a person is permitted access to the cockpit or the cockpit door is not locked—it is required to be locked under the regulations—it is an offence of strict liability on the pilot in command.

**Senator NASH**—What is the legal position of that?

**Mr Robertson**—In the criminal law it is necessary to prove two things to establish an offence. One is the mental element of the offence, the intention to do so. The other element is the act of doing so. What strict liability does is take away such as the necessity to prove the mental element of defence. It is like if you get into your car and do not put your seatbelt on.

**Senator NASH**—So it is the action itself?

**Mr Robertson**—Yes. So if you are not wearing your seatbelt that is a penalty of strict liability. You can get booked for that. The reason you have strict liability offences is because it is very difficult, in many circumstances, to prove an offence if you have to then establish that someone intended to do something. That is why it is a strict liability offence. With those offences, what generally happens is that the legislation will provide a series of defence provisions, which it does in this case. So it makes it a strict liability offence on the pilot in command to ensure that the cockpit door is locked. But if, for whatever reason, that offence might be committed and there is a reason as set out in defence provisions in the act—that is, the pilot is protecting the safety, security and operations of the aircraft, the crew, the cargo, the passengers or an airport—the pilot is not committing an offence. So when they talk about the liability being on the pilot, what they really mean is that the offence is established but there are defences against that.

**Senator NASH**—Just bear with me a bit. I am not across the detail of this, but I do have an interest in it. What you were saying before, Mr Wilson, about the pilot and that he can have an off-duty pilot in the jump seat: my understanding was—sorry, you were looking very confused.

**Mr Wilson**—If he has a reason for it in terms of safety or security of the aircraft.

**Senator NASH**—Okay, but not other than that? There has to be a specific reason to have an off-duty—

**Mr Wilson**—Or any person.

**Senator NASH**—Or anybody else? So there has to be an absolutely specific reason. Is that the same view and interpretation of that clause that has been in the previous iterations of these regulations, because I think this is the second or third time it has come up, isn't it?

**Mr Robertson**—The previous regulations allowed the pilot in command to make the decision about who goes into the cockpit. In other words, anyone can go into the cockpit if the pilot in command says. The regulations currently before the parliament say that there must be an operational need as determined by the company for anybody to be on the flight deck. What

that means is that if you have training staff, check pilots or any other person who needs to be there for the operational need of the aircraft, they can be there. That includes repositioning staff. For example, a pilot who lives in Maroochydore but works in Sydney is being repositioned and can have access to the flight deck to be moved. What it also provides for though, as Mr Wilson said, is that if a pilot or anybody else needs to access the flight deck because of a particular operational need, such as an emergency—and that could be anyone; say you have a doctor on board and you need to get them onto the flight deck for whatever reason—then that is permissible as well.

**Senator NASH**—Can you just refresh my memory, because I know this regulation once before came in and was disallowed, or twice before and has been disallowed. Is it the same?

**Mr Mrdak**—It has been disallowed once.

**Senator NASH**—Been disallowed once?

**Mr Mrdak**—Last September.

**Senator NASH**—So it has only been to the parliament once and this is only the second version or iteration of it? Is that correct?

**Mr Mrdak**—That is correct.

**Senator NASH**—So the first version that came through—what you were just explaining to me about the pilot's responsibility, what they were able to do and the view of those off-duty pilots being able to come in under those reasons—was that the same interpretation the last time that these regulations came up?

**Mr Robertson**—These regulations are very similar to the regulations that were previously disallowed. There are some additions that were inserted through consultation with the pilots. They include provisions to leave the cockpit door open, particularly when you do not have passengers on board. That is for a safety reason. If the pilot gets out of the cockpit for whatever reason, you want them to be able to get back in without having to disturb the other pilot. But, apart from those minor amendments, it is the same set of regulations that was before the parliament before.

**Senator NASH**—What consultation actually occurred to develop this new version of the regulations?

**Mr Robertson**—Consultation on this issue goes back quite a long way, to around 2005. There has been substantial consultation with the pilots. Since September last year, we have had, with the department, several meetings with pilots both at their premises and at ours, including some quite informal meetings, at which point we were able to get further details of the sorts of issues they were seeking to include in the regulations. We knew their basic position: they do not agree with the regulations. They would like to see the provision for other people to be on the flight deck, particularly other pilots during leisure travel. They also have an objection to the strict liability provision. We understand that and that was considered carefully by the government.

**Senator NASH**—Does the Office of Transport Security concede that allowing a pilot access to the jump seat can enhance safety of flight operations?

**Mr Robertson**—In a safety sense you could say it could not hurt. The issue is vulnerability created through a general provision of access to the cockpit. As you can imagine, the consequences of a breach there can be substantial; catastrophic, in fact. It is the ultimate goal of the terrorist to be able to take control of an aircraft and create shock and awe. We are trying to protect against a vulnerability that could be exploited in any way, so the government's position is that if it does not need to be there, do not have it.

**Mr Mrdak**—I think what has been lost a bit in some of the debate on this matter is that the regulations provide that where the company, the airline, establishes an operational need for someone additional to be in that cockpit, that is made provision for under the regulations. So the first step is that the company can determine that there is a requirement for that off-duty pilot, as Mr Robertson has indicated, to be in that cockpit, in which case there is no issue here. That has been lost in some of the debate about this but, as Mr Robertson says, the government over many years has put in place measures, as have governments around the world, in relation to hardened cockpit doors to reduce the risk of persons entering the cockpit and seizing control of the aircraft. This is an additional measure which removes risk in relation to unauthorised persons who are not required for operational safety reasons to be on the flight deck.

**Senator NASH**—Does the government concede that this regulation is out of line with international operations and will impact on all airlines, domestic and international, which fly in Australian skies?

**Mr Wilson**—I do not believe the government would concede the first part of your question. Can you repeat the second part?

**Senator NASH**—It will impact on all airlines, domestic and international, who fly in Australian skies?

**Mr Wilson**—Yes, it will, as indicated before by Mr Robertson.

**Senator BACK**—So it will require the captain of any inbound aircraft to also comply. If his cockpit door is not locked, he could face criminal liability in Australian airspace?

**Mr Robertson**—If they are in Australian airspace or if they are on an Australian registered aircraft, yes.

**Mr Retter**—All foreign airlines flying into Australia are required to have a transport security program which is a reflection, in part, of the act and regulations and our requirements whilst they are in Australian airspace.

**Senator BACK**—Excuse me, Senator Nash. How would we know if a Singapore Airlines flight coming in, bound to Sydney, has not complied with this new regulation, should it be passed this time?

**Mr Retter**—The answer to that question is that in most cases we would rely upon advice received from other parties who were on the aircraft who observed something occurring, but I have to say that in the main in Australia we are blessed with 99.9 per cent of aviation industry participants, overseas and Australian, willingly complying and doing more than that wherever possible to keep their aircraft safe and secure, because aircrew, pilots and the management of those airlines understand that their reputation absolutely depends upon the safety and security

of the aircraft. In my experience we have very much a working partnership with industry participants, including all staff who work within those airlines, and they work hard at complying with the requirements that we have.

**Senator NASH**—I may have missed this earlier when I was out of the room. Why is it a requirement in Australia when it is not a requirement anywhere else internationally? Is that correct?

**Mr Robertson**—It has been quite difficult to get very clear statements of what is actually required internationally. We do hear advice from pilots, but we could not say for sure what arrangements apply. What I do know is that one of the reasons this is an issue for pilots is that they are looking at the Australian situation and they are concerned that other governments will pick it up and do likewise.

**Senator NASH**—It has been put to me that, instead of focusing on pilots, who pose no known risk and who are arguably in one of the most trusted professions, we should focus on other airport staff who have a much higher turnover rate, such as security guards or cleaners. For example, are the trolleys that cleaners use screened?

**Mr Wilson**—It is fair to say that the Office of Transport Security focuses on the whole of the aviation security environment, not just one part of it, and the government has made the regulation in regard to this at this stage because it is currently before them.

**Mr Mrdak**—I think it is difficult to sustain the argument about pilots. The pilots may have a view that they are a trusted and secure element of the system. That has not necessarily been evident from some of the international incidents.

**Senator HEFFERNAN**—So the International Federation of Airline Pilots Associations does not represent the voice generally of the pilots?

**Mr Mrdak**—I do not know about the coverage and representation of the industry, but certainly we do not share their views on the way in which they believe this regulation will impact upon them.

**Senator HEFFERNAN**—Fair enough. Have you covered the legal liability of the pilot versus the company? Have they covered that?

**Senator Conroy**—Yes. We had quite a lengthy discussion about it. Senator Nash did you proud.

**Senator HEFFERNAN**—In a question on notice a while ago I asked about some matters regarding SNP Security. Have they still got the head contract at Sydney airport?

**Mr Retter**—Yes.

**Senator HEFFERNAN**—The answer I got back was that what I raised last time has been referred to the Australian Federal Police.

**Mr Retter**—That is correct.

**Senator HEFFERNAN**—Have they reported back to you?

**Mr Retter**—I have had no report back on the matters you raised last time we met. That is not unusual, as you would know, with AFP investigations that are ongoing.

**Senator HEFFERNAN**—Yes. I just want to be a bit careful here, so if you think that I should shut up you tell me to shut up.

**Senator Conroy**—As you know, you cannot get anything on ongoing investigations.

**Senator HEFFERNAN**—I am not interested in that. If SNP Security takes a contract to provide security for the airport, and they provide it for the State Rail Authority, Queen Victoria Building, Channel 7, Sydney and Macquarie universities, the Finger Wharf and a whole lot of other places, is it normal that they would then subcontract most of that work out? Is that acceptable under the contract conditions they would have with Sydney airport?

**Mr Retter**—I cannot speak for what is normal from a commercial perspective in terms of the contract. What I can say is that the requirements that I have for any subcontract staff that are used are the same as I require for those staff who are directly employed by SNP, in terms of the security requirements and the training requirements that are required of those staff. That includes background checking.

**Senator HEFFERNAN**—Can you confirm that these people clear the plane before the crew goes on? Who clears the plane before the crew walks onto the plane and the passengers walk on?

**Mr Retter**—In terms of the security arrangements for who goes onto the aircraft prior to the aircrew, there are a range of staff, as you know, that go on board. There will be cleaning staff and there will be security staff employed by the airline in various forms who may be permanently onboard the aircraft or in the gangway prior to the aircraft leaving. I am not sure where we are going with that question.

**Senator HEFFERNAN**—We will leave that question in abeyance.

**Mr Retter**—If I can just answer that, the point would be that anybody who is in the vicinity of the aircraft, in the sterile area of the airport, has an ASIC clearance, has been background checked and is able to work in that part of the airport.

**Senator HEFFERNAN**—Thank you very much for that. I think I have provided these to you guys—the payroll.

**Mr Retter**—I do not think you provided those documents. You alluded to the fact that you had them.

**Senator HEFFERNAN**—Would you like them?

**Mr Wilson**—To provide them to us, you would need to table them through the chair.

**Senator HEFFERNAN**—Yes, I will deal with that in a minute. This is a payroll dated 10 January 2005 until 16 January 2005, and it indicates a whole lot of people—

**Mr Wilson**—Did I get those dates correct—as in 2005?

**Senator HEFFERNAN**—Yes. It just shows that the pay rates—I can get updated ones—are \$14 and \$16 an hour. So that is the payroll. In the allegation, which I do not think will be a problem to talk about here, I hope—

**Senator Conroy**—If it is an ongoing police matter, Bill, you cannot.

**Senator HEFFERNAN**—It would be concerning to you people if it was discovered that some of these people that were on that level of pay were also being provided assistance by one of the subcontractors to get Centrelink payments as well?

**Mr Wilson**—It would be a concern to the police and Centrelink certainly. From a security point of view, the security layers that we have in place do not go to questions of pay rates, it has to be said.

**Senator Conroy**—It is social security fraud, Bill.

**Senator HEFFERNAN**—It is alleged here that at a certain bank, which is named here, there is a withdrawal of cash on a regular basis and a top-up, and that some of these people are paid in cash because they are not on the official payroll. These are the guys that are guarding the airport. It is also alleged that this particular subcontractor—who I will not name—is a regular traveller to Dubai and Lebanon. It also mentions where a further subcontractor, who I will not name, has subcontracts.

**Mr Wilson**—I believe that, given the detail of the contents of the document you have in front of you—

**Senator Conroy**—You should refer it to the police.

**Mr Wilson**—that is a matter for the Federal Police to investigate, rather than the Office of Transport Security.

**Senator HEFFERNAN**—As long as you are aware of it.

**Mr Wilson**—I am aware of it now, and I believe that it is the same issue that you have raised at previous estimates.

**Senator HEFFERNAN**—Yes.

**Mr Wilson**—It does not go, from what I have heard, to the roles and responsibilities that the Office of Transport Security holds in terms of the legislation that we administer.

**Senator HEFFERNAN**—All right, I appreciate that.

**Mr Wilson**—So, in that sense, it is a matter, as far as I can tell, that should be directed to the AFP.

**Senator Conroy**—Have you got a relevant question, Bill?

**Senator HEFFERNAN**—You are in charge of airport security, would it trouble you that a person who is a subcontractor to the airport has been linked previously to a—named here—terrorist group?

**Mr Wilson**—Yes.

**Senator HEFFERNAN**—I would have thought that by now we would have all—anyhow, I will leave it in.

**Mr Wilson**—Senator, if you wish to table that documentation—

**Senator HEFFERNAN**—I do not wish to table it here. I think I should, somehow. I could table it in camera or something?

**Mr Wilson**—I do not believe so. I believe that the best course of action would be for that documentation to be forwarded to the AFP and the AFP can undertake an investigation in accordance with their powers.

**Senator HEFFERNAN**—Okay. We will leave it at that.

**Senator IAN MACDONALD**—We were talking about the cockpit access rules.

**Senator Conroy**—We have done it to death.

**Senator IAN MACDONALD**—Where is the regulation in its process of adoption?

**Mr Robertson**—The regulation was signed by the Governor-General in Council earlier this month and came into effect on 22 May. Of course, it is subject to the normal period of disallowance before both houses.

**Senator IAN MACDONALD**—And I am sure we will hear of that. The airline pilots association are happy or unhappy?

**Mr Robertson**—The airline pilots association, I think it is fair to say, are unhappy, as they were last time the regulations were introduced. Their issues previously were over consultation. I believe that that is no longer an issue. Issues remain over the access to the flight deck for leisure travel by pilots in particular. They also have issues in that they would prefer anybody to be on the flight deck if they have said so. There is also the issue of strict liability.

**Senator IAN MACDONALD**—It was knocked off in the Senate last time. What expectation do you have that it will be passed this time?

**Mr Wilson**—That is a question that we, as officials, cannot answer.

**Senator IAN MACDONALD**—Except that the issues that were raised in the Senate last time, which you would have seen in *Hansard*—

**Senator Conroy**—No. They correctly say it is a matter for the minister. You cannot ask the public servants to give an opinion.

**Senator IAN MACDONALD**—If you would let me finish.

**Senator Conroy**—I just did.

**Senator IAN MACDONALD**—Minister, is that an iPhone you have got there?

**Senator Conroy**—I have had an iPhone for a while.

**Senator IAN MACDONALD**—Did you pay for that or is that a departmental iPhone?

**Senator Conroy**—It is a departmental one.

**Senator IAN MACDONALD**—Could you recommend to your colleagues who control the senators' mere entitlements that we might get an iPhone like you?

**Senator Conroy**—Unfortunately, the drawback, Senator Macdonald, is that it is not able to be connected to the departmental email or Senate email or your diary because it does not have in-built security at the moment. There was some talk a little while ago that the actual manufacturer, Apple, would be doing some work on that, but, unlike the BlackBerry, which has what they call a command and control system—

**Senator IAN MACDONALD**—That will be like cutting out your tongue, won't it, if you cannot read your questions and your answers?

**Senator Conroy**—It would be much worse than that—much worse.

**Senator IAN MACDONALD**—Anyhow, I am envious, just let it be noted. This is not a political question: you would have heard the arguments used against, when that regulation was disallowed previously. Has the department addressed the issues that were raised then or are they exactly the same?

**Mr Wilson**—It is fair to say that my officers in the Office of Transport Security have undertaken considerable consultation since the first time that the regulations were introduced. That consultation has also included the minister meeting with the pilots association, I think, on at least two occasions. It is fair to say that the pilots association, as late as last Monday, met with Mr Robertson and expressed their continued concerns about the contents of the regulations, as Mr Robertson indicated, on the grounds that it removed the capacity for leisure travel and their unfettered right to allow—

**Senator IAN MACDONALD**—Have the new regulations removed the strict liability?

**Mr Wilson**—No.

**Senator IAN MACDONALD**—Perhaps I should make the effort and read them myself, but have exactly the same regulations come before the parliament this time as were disallowed last time?

**Mr Mrdak**—There have been some amendments to the regulations that were previously disallowed. As Mr Robertson has outlined, the strict liability remains, but we have spent a lot of time discussing with the pilots association the defences that are available under the regulations in dealing with the strict liability provisions which relate to establishing an operational safety need for parties to be in the cockpit or on the flight deck.

**Senator IAN MACDONALD**—In an issue of 'safety', Minister, have you consulted with the shadow transport minister?

**Senator Conroy**—I will take it on notice and get you an answer as to whether or not that has happened.

**Senator IAN MACDONALD**—You would not like to let your officials have a crack at answering that?

**Senator Conroy**—Do we know if the minister has spoken with the shadow minister?

**Mr Wilson**—Senator, I seem to recall that we have briefed the office of the shadow minister, but I would have to check whether or not that has occurred. We have had a number of pieces of legislation and regulation in regard to transport security recently and I am not 100 per cent certain whether we have covered this one.

**Senator IAN MACDONALD**—Okay.

**Senator BACK**—There is one question that you might be able to answer, Mr Robertson, which could assist my comprehension, since I was involved in the original process. In the event that the pilot is flying his aircraft, he calls someone from the cabin crew into the cockpit

for whatever reason and, in leaving the cockpit, that person fails to securely close the cockpit door, he then technically incurs the wrath of all of the impacts of these regulations, yes?

**Mr Robertson**—That is correct. The initial presumption is that the pilot has committed the offence, yes.

**Senator BACK**—And just to be clear, if I recall back to the time this matter did come before the relevant committee, if found guilty he would lose his commercial pilots licence and would be unlikely to fly commercially again?

**Mr Robertson**—I am not aware. That is not a provision of the aviation transport safety regulations.

**Senator BACK**—If a captain of an aircraft were found to be in breach, would he be criminally liable under the provisions?

**Mr Robertson**—Yes.

**Senator BACK**—In the event that he was found to be criminally liable, his employment prospects would not be high in a competitive world.

**Mr Robertson**—I would not be able to answer that one way or the other.

**Senator BACK**—If they are flying the aircraft, they are concentrating on what they are doing, the member of the cabin crew fails to close the door, whether deliberately or inadvertently, they would have a defence?

**Mr Robertson**—Yes, they would.

**Senator BACK**—And the air pilots association understand that?

**Mr Robertson**—It has been explained to them. Whether they understand that, I do not know.

**Senator BACK**—Thank you, Senator Macdonald.

**Senator IAN MACDONALD**—That is a very valid point. I was talking earlier about the maritime safety identification cards. This is your area, isn't it?

**Mr Wilson**—It is.

**Senator IAN MACDONALD**—What additional offences will preclude a maritime safety card under the changes announced in January this year?

**Mr Wilson**—I will ask Mr Dreezer to answer that question.

**Mr Dreezer**—The minister announced 137 offences to be added to the MSIC scheme. Those include offences such as murder, the use of prohibited explosives, making of a bomb hoax, kidnapping, and bribing a government official.

**Senator IAN MACDONALD**—That is in addition to the offences that were already relevant?

**Mr Dreezer**—That is correct.

**Senator IAN MACDONALD**—What about disrupting the free flow of maritime traffic and convictions on that range of issues? Are they relevant?

**Mr Dreezer**—It would depend on the circumstance of the particular offence. If that particular incident resulted in an offence of unlawful interference with maritime infrastructure or transport, that would be already covered by the current eligibility criteria.

**Senator IAN MACDONALD**—There was consultation undertaken with industry stakeholders on these new arrangements?

**Mr Dreezer**—Yes.

**Senator IAN MACDONALD**—What procedures are in place for the current, I understand, 12,000 holders of a MSIC to be reassessed? Do they have to be reassessed to make sure that they do not fall into those additional offences?

**Mr Dreezer**—No. The additional offences only apply when the current MSIC holders renew their MSIC cards. There are currently 130,000 MSIC holders.

**Senator IAN MACDONALD**—So if there are 130,000 convicted murderers they will not have their cards reassessed until they reapply?

**Mr Dreezer**—Yes.

**Senator IAN MACDONALD**—How often do they have to reapply?

**Mr Dreezer**—With the current card scheme, the cards last for four years. We are expecting the majority of the cards to be renewed in the next 12 to 18 months.

**Senator IAN MACDONALD**—So you are expecting that most cardholders will be within the new arrangements within 12 to 18 months.

**Mr Dreezer**—Yes.

**Senator IAN MACDONALD**—How many of those cards have been issued in the current financial year? Do you have the breakdown by month of approval?

**Mr Dreezer**—No. I would have to take that on notice.

**Senator IAN MACDONALD**—Can you give me the global figure—how many this financial year so far?

**Mr Dreezer**—If you could just give me a second, I will check my notes.

**Senator IAN MACDONALD**—Yes.

**Mr Dreezer**—I do not have the figures for this financial year, but there have been 28,571 applications completed by AusCheck since 1 October 2008.

**Senator IAN MACDONALD**—1 October 2008?

**Mr Dreezer**—Sorry, I do have the figure. 14,734 of those applications were completed in this financial year, between 1 July 2009 and 30 April 2010.

**Senator IAN MACDONALD**—On notice, can you give me the breakdown by month of approval, please?

**Mr Dreezer**—Yes, we can do that.

**Senator IAN MACDONALD**—Can you also give me a breakdown by year of how many applicants have appealed their decision to the secretary of the department in the current financial year and how many of those appeals have been successful?

**Mr Wilson**—We will take that on notice.

**Senator IAN MACDONALD**—What are the appeal mechanisms that are incorporated into the new arrangements? Is there any change in them?

**Mr Dreezer**—No change.

**Senator IAN MACDONALD**—So the process is that, if you are not happy with being rejected, you appeal to the secretary of the department?

**Mr Dreezer**—That is correct.

**Senator IAN MACDONALD**—And beyond that to the AAT, is it?

**Mr Dreezer**—That is correct.

**Senator IAN MACDONALD**—I started to ask some questions on ASIC. I started these with CASA, but I think they indicated that it was more your area. Is it right that CASA can only issue ASIC cards to pilots and CASA employees?

**Mr Dreezer**—No, that is not correct.

**Senator IAN MACDONALD**—Have you been involved in the seminars around the country explaining the arrangements for the aviation security identification card?

**Mr Dreezer**—No.

**Mr Wilson**—Would you be able to qualify that question?

**Senator IAN MACDONALD**—I did specifically refer to a seminar in Brisbane on 11 May.

**Mr Mrdak**—These are seminars that Mr McCormick and CASA are holding in relation to the changes that are being introduced in relation to general aviation airports and non-towered aerodromes. I think, from your line of questioning earlier, it related to issues around ASICs being raised by the pilots and the general discussion. We have not been a party to those discussions, but we certainly are aware of the concerns being raised by the pilots and the general aviation community, and in the regular consultations that the office undertakes with the industry we try and work through those as best we can.

**Senator IAN MACDONALD**—When you say ‘we’, Mr Mrdak—

**Mr Mrdak**—The department, sorry.

**Senator IAN MACDONALD**—do you encompass the Office of Transport Security?

**Mr Mrdak**—Yes, the office is a division within the department.

**Senator IAN MACDONALD**—You are talking there of the comment about joining the ASIC and the MSIC cards together?

**Mr Mrdak**—And also the issue you were raising in relation to the ease of access for general aviation pilots to the apron, and through gates and the like, because of the requirements of the aviation security regime.

**Senator IAN MACDONALD**—Gentlemen, compared to the rest of the world, how does our aviation security identification card regime relate? Is it stricter in the US?

**Mr Retter**—That is a difficult question to answer, because there is no direct comparison in the systems because of the different regimes in place in each of the countries that we generally try to benchmark ourselves on. It is fair to say that we have a national approach to the aviation security identification card background checking. That is not something you see in all countries around the world.

I might add that access arrangements are very much the responsibility of the airport. The background check is just that—it is a background check of individuals and their criminal background and, in some cases, other background checking done by the intelligence community and the Department of Immigration and Citizenship.

What we are trying to do is to mitigate the risk of trusted insiders, from a terrorism perspective, by looking at the background of individuals. When it comes to that particular individual who has been background checked having access to an airport, that is an issue that is very much driven by the operational need of the individual to get access to one area or many areas at various airports.

To answer your question, if I were to compare it to Canada, the United States, the UK et cetera, there are some similarities but some differences. I would say we would compare favourably, from a security perspective, to others.

**Senator IAN MACDONALD**—As I pass through the security screening at any airport in Australia where they have it, anyone I see beyond there who is not a passenger would have an ASIC card. Is that correct?

**Mr Retter**—As a normal rule, yes, they would. Either that or they would have a visitor identity card. If they were there working for a short period of time, then they would be escorted at the time.

**Senator Conroy**—Senator Macdonald, the server has been down which my computer has been using, but I am reliably advised by the minister's office that they have offered a briefing to the shadow minister, Mr Truss, and his office and all of the minor parties on the regulation.

**Senator IAN MACDONALD**—Are you going back to the cockpit thing?

**Senator Conroy**—Yes. You were asking about that before, but the server was down, so I just got 20 emails at once.

**Senator IAN MACDONALD**—That is good. I am sure the shadow minister would have accepted that briefing, as I know he always does. You have successfully distracted me from my line of questioning, but I do not think it was earth-shattering.

**Senator Conroy**—I was going to say 'penetrating', but I'll take 'earth-shattering'!

**Senator BACK**—If my memory serves me correctly, before we did the disallowance last time around, Shadow Minister Truss endeavoured to meet with Minister Albanese to discuss the relevant areas of concern. At that time he was not in a position to accept that request.

**Senator Conroy**—The briefings have been offered anyway.

**Senator BACK**—Wonderful!

**Senator IAN MACDONALD**—There was something about the card, but it does not matter. It has escaped me. That is all I have for the night, Mr Chairman.

**CHAIR**—Now we are going back to Senator Back.

**Senator BACK**—You were just getting warm, Minister! If I can return to the security of the cockpit doors, what class and size of aircraft—

**Senator Conroy**—Exactly how many hours have we spent on this?

**Senator BACK**—does this now extend down to? What other class of aircraft is now being required to have hardened cockpit doors?

**Mr Retter**—There are two different questions there. If we tackle the issue of what aircraft types are required to have hardened cockpit doors, as announced in the white paper by the minister on 16 December last year, the categories of aircraft that will be required to have a hardened cockpit door will be those aircraft that have a maximum take-off weight of above 10,750 kilos. That generally equates to the existing requirement, which is prescribed service aircraft of over 30 passengers in capacity. We have done the sums and the 10,750 compares to that 30-passenger figure. The intention is that that requirement will be extended to aircraft which were not previously in the net, and by that I mean closed charter type operating aircraft and freighter type aircraft.

**Senator BACK**—Particularly with the charter aircraft, would there be a circumstance in which there would be a potential loss of a passenger seat contingent on weight because of the new requirement for hardened cockpit doors? Are you aware of whether that is a likely outcome?

**Mr Robertson**—I would be surprised if that would be an outcome, given that the current requirement, as Mr Retter said, is for aircraft having a passenger capacity of 30 or above, and that roughly equates to 10,750 kilos.

**Senator BACK**—So you think it is unlikely to cause a reduction in passenger carrying capacity?

**Mr Robertson**—On the face of it, it is unlikely. Of course, you would need to do the analysis and see if anybody raised a particular circumstance and made a case, but it is unlikely.

**Senator Conroy**—Can I correct the record on something we said earlier, Senator Back. I understand that meetings were held with Mr Truss and he indicated that he would oppose it. The minister was then also speaking with the Leader of the Opposition about it.

**Senator BACK**—Going back to 2009?

**Senator Conroy**—That is right.

**Senator BACK**—That is somewhat at variance with my recollection, but I will defer to you, thank you, and move away from cockpit doors back to the field of aviation security. In the budget for 2010-11 there is a provision of \$28½ million dollars to help industry introduce a range of new technologies, including body scanners. Could you give me an update on the progress of this particular project—which airports and when the rollout will occur.

**Mr Wilson**—As with the regional program, we are currently finalising the program guidelines for the minister so that he can approve them and then we will release them to the eight airports which will be affected by the introduction of additional screening technology.

**Senator BACK**—Given the privacy concerns, has the department been in conversation with the Office of the Privacy Commissioner?

**Mr Wilson**—We have.

**Senator BACK**—What has been the outcome of those discussions?

**Mr Wilson**—The conversations are ongoing in regard to the privacy issues associated with the introduction of body scanners. The privacy commission will be an integral component of the finalisation of not only the program guidelines but the rollout of the equipment and the way in which that equipment is rolled out.

**Senator BACK**—Would the Privacy Authorities Australia Forum be a group that you would communicate with, or would you expect the Privacy Commissioner to undergo—

**Mr Wilson**—Ms Spencer may well add to this, but at this stage, based on our discussions with the Office of the Privacy Commissioner, my understanding is that they will conduct in large measure, as part of the service they will provide for the government, the various consultations, including those bodies that they believe are the appropriate forums for various discussions.

**Senator BACK**—Moving away from the privacy issue, which you seem to have under control, can you tell me the basis of any consultation the department has had with the Australian Radiation Protection and Nuclear Safety Agency.

**Mr Wilson**—Again, we have had ongoing consultation with ARPANSA over the last three or four months since the announcement, and they will be critical to the decisions that the minister will make in terms of the program guidelines and the rollout of the program.

**Senator BACK**—Have they yet been asked to give you any assurances or any indication of the exposure to radiation risk, particularly to those operating this technology and those in the vicinity of it?

**Mr Retter**—ARPANSA is in the process of developing specific policy on the issue of body scanners. That will be included as part of the detailed guidance that will be provided to the minister to assist him in terms of decisions made in relation to program guidelines and, as Mr Wilson has indicated, subsequently decisions to be made about what, when and from where things are to be purchased.

**Senator BACK**—Can you tell me in what countries this technology is currently deployed and in use?

**Mr Retter**—Off the top of my head, the United States, Canada and a number of European countries, including the Netherlands and the UK. There are trials planned, as I understand it, for Spain and Italy, and there may be more.

**Ms Spencer**—Japan, Italy and France have also announced their intention to undertake trials of the technology.

**Senator BACK**—Do you know if it is part of the operating procedure that staff in the vicinity of this technology have radiation monitors on their persons?

**Ms Spencer**—I am not aware of radiation monitors. I am aware that the standard operating procedures for the different regulatory bodies or screening operators do cover the appropriate regulatory standards around radiation for those countries.

**Mr Retter**—That will be one of the issues that will be covered in our discussions and in the policy approaches that ARPANSA are going to provide.

**Senator BACK**—Would you anticipate that ARPANSA would seek from their equivalent agencies overseas any data on the actual radiation take-up for people who are in the vicinity of these machines prior to or during the rollout and use of this equipment in Australia?

**Ms Spencer**—ARPANSA are in the process of doing that and we are also in the process of providing them the data that we have had access to.

**Senator BACK**—From the overseas experience, can you tell me what will be the sorts of delays at the departure gates in getting people through? For example, with an A380 do you anticipate a delay?

**Mr Wilson**—As the minister indicated at the time of the announcement, there are likely to be slower facilitation rates through a body-scanning machine than through a walk-through metal detector. We will endeavour to work with the airports involved to design the facilities such that that delay is minimised. I do not believe it is possible at this stage to quantify what extra lag time there may be in passenger facilitation through the screening checkpoints.

**Senator BACK**—So you have not been able to ascertain that from overseas experience?

**Mr Wilson**—It is fair to say that the design of the facilities will differ at each of the eight Australian airports.

**Senator BACK**—Will it?

**Mr Wilson**—It is likely to differ at each of the Australian airports and may be different to the design of the facilities at any of the international airports, but it is correct to say that the time taken to go through a body-scanning machine is longer than it is to go through a walk-through metal detector.

**Senator BACK**—So this may require people to arrive three hours before an international flight rather than the period of time that they currently do.

**Mr Wilson**—We are not anticipating that it would be a 50 per cent increase in the time from check-in through boarding.

**Ms Spencer**—The experience overseas has been that, as passengers become more used to going through body scanners, the time does actually reduce. Quite often a communications campaign is effective with that. That is something we are taking into account for the program design.

**Senator BACK**—Is there a capacity for inappropriate pictures of passengers to be taken, particularly celebrities and others, and then illegally sold? Does that capacity exist? Have there been experiences overseas?

**Mr Retter**—In terms of our experience here in Australia, we ran trials with earlier versions of the technology, as I think you are aware, in three airports in 2008.

**Senator BACK**—Yes.

**Mr Retter**—The technology at the time, together with the measures we had in place in agreement with the Office of the Privacy Commissioner—which at that time required a security officer to be in a separate location looking at the images—had no capacity to store or to pass to anybody pictures of the individuals being scanned through the body scanner.

**Senator BACK**—So you are confident of that?

**Mr Retter**—I am extremely confident that, with the advances in the technology that have occurred and are occurring as we speak with the development of stick figures in lieu of the more explicit photographs and images, we are actually going to find a much better solution to everyone's satisfaction as we go forward.

**Senator Conroy**—It is just an algorithm nowadays, literally.

**Senator BACK**—That is a relief to know. Do binary explosives get picked up by this system?

**Ms Spencer**—Different systems can pick up different components. I would have to check that with my technical people, if you do not mind, so I will take that on notice.

**Senator BACK**—That is fine. I have only one other question and it is not directly related to this body scanning gear. In our own airports, if you proceed to pick up an airline ticket for domestic travel, you require photograph identification normally and in the United States, for all movement through airports, I understand you need a photograph. But if you have not got checked baggage, you can proceed, can you not, to the aircraft? Is this a risk on domestic air travel in Australia—that a person does not have to present a photograph ID, if they do not have baggage?

**Mr Retter**—From an aviation security perspective, because all passengers are screened, regardless of whether they have baggage, the issue of whether they present a photo ID or not does not alter the security outcome—that is, making sure that the aircraft is safe and secure is unaltered by whether a passenger or you or I show our licence or not.

**Senator BACK**—Thank you.

**CHAIR**—Thank you, Senator Back. Are there any further questions.

**Senator NASH**—Chair, do bear with me: this question might have been asked when I was out of the room. Have we been through the issue of the trigger for compulsory passenger and baggage screening that is going to come in and apply to aircraft with a maximum take-off weight of 30,000 kilos and the effect of this on regional airports?

**Mr Mrdak**—Yes, Senator Nash.

**Senator NASH**—Fantastic. That is a very big smile, Mr Mrdak.

**Mr Mrdak**—From both of us, I think, Senator.

**Senator NASH**—Thanks, Chair.

**CHAIR**—Thank you, Senator Nash. In that case, I thank the officers of Transport Security.

[8.52 pm]

### Australian Transport Safety Bureau

**CHAIR**—I welcome officers from Australian Transport Safety Bureau. Questions, Senator Nash.

**Senator NASH**—Thank you, Chair. Am I correct in saying that \$800,000 has been allocated in the budget towards developing a national investigation framework for rail and maritime safety?

**Mr Dolan**—Yes, that is correct.

**Senator NASH**—Can you give us more detail about what that is and what it is going to provide?

**Mr Dolan**—It is part of the broader package of transport reforms, with the creation of a single regulatory regime for rail safety. The agreement is also that there should be a single rail investigator and, in principle, that it should be the Australian Transport Safety Bureau. But there are a range of operational issues that need to be resolved to bring that into effect, including the future of the current investigators that are located in Victoria and New South Wales. This funding is to scope out what a single national investigator would look like and how it would be operating by the beginning of 2013, and the possibility that a similar arrangement will be in place as AMSA becomes the single regulator for all commercial shipping—that there be a single maritime investigator. But that is a matter that is less developed than on the rail side.

**Senator NASH**—Is it going to be difficult, do you think? It is obviously a huge job coming back to one single body to do all this. We had other parts of the department in yesterday talking about the other aspects of it. But from the point of view of ATSB, what are the difficulties that you see in pulling this in by the beginning of—I think it is 2013, isn't it?

**Mr Dolan**—I would prefer, if you do not mind, to start with the positive things we are going to cover.

**Senator NASH**—Sorry. It has been a long four days. Let me rephrase that. What are the positive outcomes going to be from this, Mr Dolan?

**Mr Dolan**—There are some. We have a mature organisation in terms of a capacity to do transport safety investigations; we have the systems; we have the capability. We have a whole set of policies and procedures that are in place. The majority of them have been designed for aviation, but we have extensive experience both in maritime and in rail. That is the base we will be building from.

The areas of greatest challenge would be coming to an arrangement that makes the existing state jurisdictions comfortable that there would be appropriate selection of and rigour in investigation; managing the transitional arrangements, as I indicated earlier, from the existing state based regimes, where they are in place, which is essentially in Victoria and New South Wales; and probably the most difficult, which is making sure that we get enough people with the right sorts of skills and background to deal with the expanded sort of future that we are looking into. The recruitment challenge is probably the biggest of them.

**Senator NASH**—The capacity to bring all the states together and make sure that they are all happy with whatever you come up with: how will that process work? Will it be regular meetings? Will it be getting everyone in a room together and encouraging them with lollies or something? Given the nature of trying to get states to agree on anything—and this is obviously a really important objective—how are you planning on getting them all together and agreeing on all of this?

**Mr Mrdak**—I have to say that there has been some excellent work done by Commonwealth officials and state officials thus far. As you know, I have been around some of this stuff for a long time.

**Senator NASH**—A very long time, Mr Mrdak.

**Mr Mrdak**—A very long time.

**Senator NASH**—As long as I have.

**Mr Mrdak**—Over the last year or so we have seen levels of cooperation and commitment to this process which I have not seen before in a reform process. I think that is a credit to all the officers, including a large number of officials in my department who I think have done an excellent job in leading this work, and Mr Dolan's organisation as well. We use all methods, including jelly beans and everything else we can possibly bring to the table. There are some very hard issues here in terms of regulatory standardisation and performance of these functions. We meet regularly; we have working groups. We are now setting up these project officers for the rail and heavy vehicle regulators. As we discussed the other day, some days it is really two steps forward, one step back, but we keep going. The COAG has set us pretty difficult deadlines to meet. To have legislation and agreements in place and to have operational organisations by the end of 2012 is not a long time when you think about how long it has taken us to get to this level of harmonisation across the country—110 years into Federation.

**Senator NASH**—Exactly. Is the cost issue of any transitional arrangements for the states an impediment from their perspective; if they look at it and say, 'This is going to cost us XYX to do this'?

**Mr Mrdak**—It is an issue. It is particularly an issue in relation to the first of the national partnership agreements that we are working through at the moment in the maritime area, where states have varying degrees of cost recovery of the functions involved. We are working from the basis of trying to do this without any increased cost to the industry by moving to a national regulator. So disentangling all of the various state regimes—some of which recover fully the costs, others which meet costs through budget—is quite a big challenge. Similarly, there will be challenges around resourcing the rail safety regulator going forward; hence the Commonwealth money in the budget is designed to provide our contribution and the states will make equal contributions in relation to rail and heavy vehicles for the project officers to get up and running, to at least get us through this initial transition period.

**Senator NASH**—Absolutely. The minister would be very disappointed if I did not say that the Labor states are such financial basket cases that that is going to be very difficult for them.

**CHAIR**—You have already exposed, Senator Nash, how the New South Wales Nationals branch stack. You bribe people with lollies.

**Senator NASH**—No, it was encouragement.

**CHAIR**—It is smoko, Senator Nash.

**Senator NASH**—Is it smoko?

**CHAIR**—It is.

**Senator NASH**—I have probably six minutes left, if Hansard would be happy just to go through.

**Senator Conroy**—No.

**Senator NASH**—I do not think my colleague Senator Back has anything. Five, 10 minutes at most?

**Senator Conroy**—Ten? That went from six to 10 and I have the stopwatch on you.

**Senator NASH**—Talk to the chair. I have some questions around the Australian Design Rules.

**Mr Dolan**—I am sorry, Senator, Australian Design Rules—

**Senator NASH**—They are not yours?

**Mr Dolan**—Not our territory.

**Mr Mrdak**—I can help you a little bit. If I get into difficulties, I will come back to you.

**Senator NASH**—Okay, we will do it at a very superficial level then—not that I mean you are going to do it at a superficial level.

**Mr Mrdak**—I know what you meant.

**CHAIR**—Senator Nash, when you are in a hole the first thing you do—

**Senator NASH**—Is get rid of the shovel.

**CHAIR**—is stop digging. Next question.

**Senator NASH**—On vehicle regulations with regard to pedestrian safety: there has been some discussion about whether or not vehicles should be allowed to have a bullbar fitted because of the potential danger to pedestrians. That really was in the short context. Is that something that the department is looking at in terms of rules and requirements that might come into force?

**Mr Mrdak**—I know that a number of manufacturers are moving forward with various technologies to assist in the identification of pedestrians. You can see a number of models of vehicles now starting to hit the top end of the market which actually have assistance measures to identify potential collisions with pedestrians and to take action in terms of those, so the technology is starting to come into production in a number of models. I need to take that on notice, if it is okay, as to where we are at with the regulatory standards.

**Senator NASH**—Yes.

**Mr Mrdak**—As you know, we closely align with international standards in relation to these matters, but let me take that on notice in relation to what is happening. Also, the fitting of a bullbar is a post-registration issue in a number of jurisdictions and, therefore, it depends on what the states will permit. It does not necessarily form part of the ADRs at the time because it is post-production fitting in a lot of cases.

**Mr Wilson**—This draws on past experience. There is a difference between the Australian Design Rules—that is, what the car needs to comply with when it is first manufactured and first licensed to go onto the road—and then what you can fit onto the vehicle after that first compliance point. You can fit a vehicle with a bullbar once it is on the road, so the standards for a bullbar that is fitted post-compliance are state based. They may be different between the jurisdictions.

**Senator NASH**—Could you take that on notice for me. Speaking as a farm girl, I am very interested in this. There has been a bit of discussion about the difficulties posed for regional people travelling into the cities if, down the track, bullbars are banned. Has there been any consideration of that within the department or is it fully a matter for the state jurisdictions?

**Mr Mrdak**—I think it has been raised by various groups in the past but I am not aware that that it has ever been seriously looked at as a regulatory requirement. Let me take that on notice.

**CHAIR**—So fluffy dice are all right?

**Senator NASH**—Trust me, Chair, I do not have fluffy dice! Does the size, number and steepness of the steps on a bus come under the Australian Design Rules? This was raised with me a while ago in relation to a passenger who had had a fall going up the steps. Does that sort of stuff come under the Australian Design Rules?

**Mr Mrdak**—Yes.

**Senator NASH**—Is that an issue at the moment? Is it something that is being discussed? You are all smiling. Why do I get the feeling that something is going on?

**CHAIR**—They know you have fluffy dice!

**Mr Wilson**—Australian Design Rules are the responsibility of the Infrastructure Surface Transport Policy Division, which I believe appeared yesterday afternoon.

**Senator NASH**—I always do this with OTS. There is always something I ask that is somewhere else. Can you help me out at all?

**Mr Wilson**—With the design rules associated with buses under the ADRs, I am not aware of any recent work in regard to the number of steps associated with bus designs. But we can take that on notice and find out for you.

**Senator NASH**—All right. Perhaps you could find out whether any work has been done lately on the specifications of buses, whether they are appropriate from a safety perspective and, if so, is there any move—

**Mr Wilson**—The safety perspective of the passenger alighting?

**Senator NASH**—The safety of a passenger getting on and off a bus, to be simplistic, and if there is any move to change any of those or have any change in the requirements.

**Mr Mrdak**—Certainly.

**Senator BACK**—In the last, I think, 12 months there have been a couple of incidents where aircraft flying from Asia to Perth have quickly lost altitude and passengers have been injured. Could you tell us the outcome of the inquiries into these incidents? Were there two incidents?

**Mr Dolan**—There is one occurrence that we are investigating: Qantas flight 72. That is the more significant one. We have done two interim reports on that.

**Senator BACK**—Was that from Hong Kong?

**Mr Dolan**—I am pretty sure it was from Hong Kong to Perth. That was driven by some events that happened with a whole complex set of onboard flight computers and how they talk to each other and a range of things consequent on that. We have been having discussions with a range of players, including Airbus, the aircraft manufacturers, the manufacturers of the equipment and so on. We have more or less pulled that together and a final report is almost in sight.

**Senator BACK**—Did you consider and exclude any possible interference offshore from Exmouth and Learmonth?

**Mr Dolan**—We took the same aircraft and flew it around the facility up there for eight hours while all the broadcasts were happening. There was absolutely no interference with the operation of the aircraft, so that is one thing that we have, to our satisfaction, totally excluded as a possibility.

**Senator BACK**—So you will in fact have a report forthcoming?

**Mr Dolan**—Certainly. Mr Chairman, I am advised that that incident was on a flight from Singapore to Perth, not from Hong Kong to Perth. There was another incident on a flight that came out of Hong Kong—an oxygen bottle explosion.

**CHAIR**—Thank you, Mr Dolan. How has the bureau's staff turnover been in the last couple of years?

**Mr Dolan**—Remarkably low. One of the characteristics of the ATSB is that most people really like working in the place and want to hang around.

**Senator NASH**—So you are very nice people to work with, Mr Dolan?

**Mr Mrdak**—They are.

**Mr Dolan**—We have about 100 staff. On average, about five or six people a year move on from the organisation.

**CHAIR**—Do you intend to increase the staff over the next year or two?

**Mr Dolan**—At this stage, obviously once we get full agreement with the states about growth in surface transport, as I was discussing with Senator Nash, we would be looking at a considerable level of growth in staffing once the questions of funding and so on have been agreed. Were that not to happen, we are looking pretty much at stability in our current staff — the sorts of numbers that are in the PBS.

**CHAIR**—Sorry?

**Mr Dolan**—Stability of just over 100 staff is what we would be looking at without that.

**CHAIR**—To put on?

**Mr Dolan**—To maintain.

**CHAIR**—But you said you are looking at putting on a significant number in the next year or two?

**Mr Dolan**—Yes.

**CHAIR**—Roughly what number?

**Mr Dolan**—That is a matter we are still discussing with our state colleagues. The scale of what is necessary to deliver the investigation function to all of Australia in surface transport is still being debated quite vigorously.

**CHAIR**—What effect would a staff freeze have on your operations?

**Mr Dolan**—With the level of turnover we have, there would be a gradual effect on the organisation. We would probably find that, over time, we would either have to slow down some of our investigation work or not undertake one or two investigations we would otherwise have looked at.

**CHAIR**—Would that jeopardise safety?

**Mr Dolan**—The challenge we always have is that resources for our work are always going to be limited, so we try to have the best possible systems. I discussed this in passing with, I think, Senator Nash at the last estimates. We have some pretty rigorous mechanisms for making sure we give our attention to the right places, so I would hope that any difference would be marginal over time. It is a hypothetical question, so I cannot say much more than that.

**CHAIR**—Okay. But, as concerned Australians, the last thing we want to see is a watering down of the bureau's functions. Mr Dolan, we do not have any further questions, so thank you very much to you and your staff. Mr Mrdak, as usual, it has been an honour and a pleasure. It has been four long days. We do thank you, Mr Mrdak, and all the officials from the department. Minister, it has been an absolute pleasure having you in the room.

**Senator Conroy**—Only because Geelong beat Collingwood last week!

**CHAIR**—I promised you I would not talk about that, but while we are at it, it was only 36 points. More importantly, I do want to put out a sincere thanks on behalf of the committee to our hardworking staff in the secretariat—Jeanette and her team. Thank you very much. Hansard and Broadcasting, you do a fantastic job and I thank you sincerely. That concludes this week's round of estimates hearings and the committee now stands adjourned.

**Committee adjourned at 9.11 pm**