

Chapter 3

Infrastructure and Transport portfolio

Department of Infrastructure and Transport

3.1 This chapter contains the key issues discussed during the 2012-13 Additional Estimates hearings for the Infrastructure and Transport portfolio. A complete list of the topics discussed, and relevant page numbers, can be found at Appendix 4.

3.2 The committee heard evidence from the department on Tuesday, 12 February 2013. The hearing was conducted in the following order:

- Corporate Services
- Australian Rail Track Corporation
- Infrastructure Australia
- Nation Building—Infrastructure Investment
- Surface Transport Policy
- Australian Maritime Safety Authority
- Policy and Research
- Major Cities Unit
- Office of Transport Security
- Aviation and Airports
- Airservices Australia
- Civil Aviation Safety Authority
- Australian Transport Safety Bureau

Corporate Services

3.3 The committee began by discussing what actions the department is taking to address the recommendations of the departmental capability review. The Secretary, Mr Mrdak advised the committee that an action strategy had been lodged with the Australian Public Service Commissioner, which included a number of steps principally focused on three key areas:

- strategic direction;
- performance management; and
- regulatory activities.¹

3.4 Mr Mrdak told the committee that he did not see the need for a formal corporate plan to set out the Department of Infrastructure and Transport's strategic

1 *Estimates Hansard*, 12 February 2013, p. 5.

direction; instead he is considering a corporate direction statement to better communicate with industry groups.²

3.5 Officers informed the committee that the current staff performance management system has been very focused on providing training to managers. The current performance management framework is focused on the one-on-one relationship between the supervisor and the person reporting to them. The committee heard that the department would like to change the performance management framework to expand the number of people involved in the process.³

3.6 The committee asked for an update on the work that is currently being undertaken by consultants, including information on the largest consultancies. Officers told the committee that the two largest consultancy projects are the second airport for the Sydney region and the high-speed rail study.⁴

3.7 The committee heard that the consultancy work for second airport for the Sydney region has focused on analysing the social, economic, environmental and engineering impacts of creating an airport at the site in Wilton.⁵

3.8 The committee heard that the phase two report into the high-speed rail study is due for completion shortly. Officers discussed the structure of the report, which will contain the following information:

- capital cost estimates for the preferred options;
- financing options;
- revenue forecasts; and
- an overall assessment of the economic and financial viability of a high-speed rail network.⁶

3.9 The committee sought an explanation from the department as to why the answers to questions on notice from the October 2012 Supplementary Budget Estimates were two months late. Mr Mrdak, explained to the committee that the department met many but not all of their timeframes.⁷

Australian Rail Track Corporation (ARTC)

3.10 The committee sought an update on the proposed inland rail route. Mr Fullerton, Chief Executive Officer, told the committee that the bottom section of the inland rail from Melbourne to Parkes has been upgraded. The ARTC also acquired the Werris Creek to North Star section of track which forms part of the proposed

2 *Estimates Hansard*, 12 February 2013, p. 6.

3 *Estimates Hansard*, 12 February 2013, p. 7.

4 *Estimates Hansard*, 12 February 2013, p. 8.

5 *Estimates Hansard*, 12 February 2013, p. 8.

6 *Estimates Hansard*, 12 February 2013, p. 9.

7 *Estimates Hansard*, 12 February 2013, p. 10.

inland route. The committee further heard that the Government has made a commitment of \$300 million in the Nation Building Two program for the proposed inland route.⁸

3.11 The committee asked officers to explain the ARTC's recent takeover of the Sydney metropolitan freight network. Mr Fullerton, explained that the takeover of the network includes the Port Botany rail line. The committee sought further information on the Moorebank Intermodal Terminal and how the ARTC plans to solve the congestion problems surrounding Port Botany.⁹

Infrastructure Australia / Nation Building—Infrastructure Investment

3.12 The committee discussed the National Freight Strategy. Officers told the committee that the Ministerial Standing Committee on Transport and Infrastructure decided to transition the strategy from Infrastructure Australia to the department, as Infrastructure Australia has provided its advice and analysis and now it is the role of the department to work with state and territory administrations to establish an implementation plan.¹⁰

3.13 In continuing its interest from previous estimates hearings, the committee sought an update on the following infrastructure projects:

- Toowoomba Range crossing;
- expanding the Warrego highway;
- Roads to Recovery budget for Western Australia;
- Yeppen floodplain;
- construction of Maranoa Bridge over the Mitchell River;
- Bruce Highway;
- Pacific Highway;
- Blakey's Crossing at Townsville;
- Scone level crossing;
- Mackay ring road;
- Great Eastern Highway;
- Great Northern Highway; and
- Burdekin bypass.¹¹

8 *Estimates Hansard*, 12 February 2013, p. 12.

9 *Estimates Hansard*, 12 February 2013, p. 12.

10 *Estimates Hansard*, 12 February 2013, p. 16.

11 *Estimates Hansard*, 12 February 2013, pp 17–18, 20–22, 26–27, 29 and 30.

3.14 The committee discussed the following Nation Building Two projects, specifically the funding commitments and whether the projects were contained in the contingency reserve:

- Parramatta to Epping rail link;
- Moreton Bay rail link;
- Richmond Bridge;
- Princes Highway West;
- Tasman Highway;
- Legacy Way Northern Tunnel link; and
- F3 Sydney orbital.¹²

3.15 The committee inquired about budget cuts for the Nation Building Two program. The department advised the committee that the government is yet to take critical budget decisions around the overall shape and size of the program.¹³

3.16 The committee discussed the draft Public Transport Strategy. Mr Deegan, Infrastructure Coordinator, informed the committee that the Public Transport Strategy is regarded by Infrastructure Australia as an urban transit strategy, which will include a comprehensive overview of the different forms of road and rail public transport. The Public Transport Strategy will be released in 2013.¹⁴

3.17 The committee discussed the National Heavy Vehicle Regulator legislation (the Regulations) that has commenced operation in Queensland, which is the host jurisdiction. Officials told the committee that once the Queensland Government has passed the second tranche of bills, which occurred on Thursday, 14 February 2013,¹⁵ then other jurisdictions have the opportunity to pass enabling legislation. The only state yet to agree to the Regulations is Western Australia.¹⁶

3.18 Officials told the committee that they identified 600–800 variations from previous state-based heavy vehicle laws. The introduction of the regulations is estimated to improve the productivity benefit by up to \$30 billion over 20 years.¹⁷

3.19 The committee sought a progress report on the work being completed on the Midlands Highway. Mr Jagers, Executive Director, outlined the following key projects for the Midlands Highway which have received funding:

- Brighton bypass;

12 *Estimates Hansard*, 12 February 2013, p. 19.

13 *Estimates Hansard*, 12 February 2013, pp 19–20.

14 *Estimates Hansard*, 12 February 2013, p. 23.

15 *Queensland Parliament Hansard Proof*, 14 February 2013, p. 258.

16 *Estimates Hansard*, 12 February 2013, p. 34.

17 *Estimates Hansard*, 12 February 2013, pp 35–36.

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- refurbishment of Bridgewater Bridge; and
 - planning for the Baghdad bypass.¹⁸

3.20 The committee asked officers whether the department had carried out a cost estimate to duplicate the Midlands Highway. Officers explained that the department had not carried out an estimate, although they believe that the Tasmanian government had.¹⁹

Surface Transport Policy

3.21 The committee sought further information regarding the availability of funding for the Seatbelts on Regional School Buses Scheme. Officers told the committee that the scheme for 2012-13 had been allocated \$1 million of funding and received 50 applications, which are currently under assessment and are expected to be finalised by April 2013.²⁰

3.22 In continuing its interest from previous estimates hearings, the committee asked the department whether costings had been prepared to extend the Tasmanian Freight Equalisation Scheme (TFES) to all freight goods. Officers advised that the committee that preliminary work has begun in relation to expanding the freight categories, which will be included in the review of the TFES program and the freight rates. The committee heard that the TFES program review is about to commence.²¹

3.23 The committee asked whether there have been any cuts to the TFES. Officials informed the committee that there has been no reduction in funding, as the scheme is a demand-driven program.²²

3.24 The committee discussed whether the department is currently considering any proposals which support an export shipping service specifically from Bells Bay, Tasmania. Officers explained that they are aware of proposals; however, there are currently no formal proposals in front of the government.²³

Australian Maritime Safety Authority (AMSA)

3.25 The committee discussed the Marine Orders Part 3 Issue 7, which determines the qualifications required of seafarers and how the change in qualifications compares to international standards. Officers explained that AMSA is generally consistent with international standards, and in some cases, the Australian standards are higher. The committee sought further information on whether there has been any proposals put forward to reduce the period of training a cadet requires to become a marine engineer

18 *Estimates Hansard*, 12 February 2013, p. 36.

19 *Estimates Hansard*, 12 February 2013, p. 36.

20 *Estimates Hansard*, 12 February 2013, p. 44.

21 *Estimates Hansard*, 12 February 2013, p. 45.

22 *Estimates Hansard*, 12 February 2013, p. 46.

23 *Estimates Hansard*, 12 February 2013, p. 45.

watch keeper from three years to one year. Mr Peachey, Chief Executive Officer, told the committee that no proposal had been suggested as:

The engineers in AMSA have a common interest here to ensure that standards are appropriate and deliver the safety objectives that we are bound by. We have an overriding obligation to ensure that we are consistent with international conventions relevant to these matters, in particular the [Standards of Training, Certification and Watchkeeping] convention.²⁴

3.26 The committee asked officials whether AMSA has been involved in or made an application to the Department of Sustainability, Environment, Water, Populations and Communities (SEWPaC), to destroy illegal entry vessels in the waters off Christmas Island. Officials advised the committee, that they have had no involvement and made no application to SEWPaC to destroy illegal entry vessels.²⁵

3.27 Mr Mrdak, sought to clarify on behalf of AMSA, evidence that had been provided to the committee in relation to the destruction of illegal entry vessel:

Earlier today AMSA advised the committee...that AMSA was not involved in the dumping of asylum seeker vessels. Although there is no obligation to advise AMSA, advice of the dumping of asylum seeker vessels is occasionally provided in the context of winding up a search and rescue operation in which vessels from Defence or Customs and Border Protection have been participating. AMSA does not keep specific records of the dumping of asylum seeker vessels.²⁶

Policy and Research

3.28 The committee asked the Bureau of Infrastructure, Transport and Regional Economics (the Bureau) to explain how its yearly research plan is developed and what opportunities there are for organisations, such as state governments and businesses, to suggest research projects. Officials told the committee that the primary customer of the Bureau's work is the minister and the department. As such the Bureau liaises with divisions across the department to identify research needs for the coming year, which are approved by the Secretary.²⁷

3.29 The committee sought further information from the Bureau on several areas including:

- a breakdown of staffing levels;
- 2012-13 research projects;
- categories of research work;
- research on the state of local, state and federally controlled bridges across Australia; and

24 *Estimates Hansard*, 12 February 2013, pp 47–48.

25 *Estimates Hansard*, 12 February 2013, pp 50–51.

26 *Estimates Hansard*, 12 February 2013, p. 79.

27 *Estimates Hansard*, 12 February 2013, pp 51–52.

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- projects currently underway with the Department of Regional Australia, Local Government, Arts and Sport.²⁸

Major Cities Unit

3.30 The committee asked officials to explain why in the draft Walking, Riding and Access to Public Transport Report; it states that Sydney has not experienced the same growth in cycling as Melbourne. Ms Ekelund, Executive Director, told the committee that:

One of the major disincentives to cycling is safety concerns—whether they are real or perceived concerns about safety—one of the best ways to relieve the concerns is to invest in protected cycling infrastructure...and certainly the city of Sydney itself has seen quite a lot of controversy because not everybody is appreciative of the infrastructure that it is putting in there. Local government in Sydney has also been working collectively to establish a network of cycling infrastructure that spans 14 local authorities.²⁹

3.31 The committee also asked the department for an update on process to finalise the draft Walking, Riding and Access to Public Transport Report. Officials told the committee that once submissions have been assessed, then relevant areas of the department will work together to decide what options may exist and the level of funding required. The report is expected to be finalised before the end of the current financial year.³⁰

Office of Transport Security

3.32 The committee asked officers to explain whether a Maritime Security Identity Card (MSIC) is required to work in Australia's Exclusive Economic Zone (EEZ). Officers told the committee that a MSIC is required to work in the security designated areas of the EEZ; however, individuals could work in other areas of the EEZ without a MSIC.³¹

3.33 The committee briefly discussed the issues of illegal access to the port in Fremantle in an attempt to stop operations, particularly live cattle and sheep loading, and security vetting of labour hire subcontractors.³²

Aviation and Airports

3.34 The committee discussed the master plan at Jandakot Airport and whether the development of the commercial precinct is taking precedence over the aviation related development. Mr Doherty, Executive Director, told the committee that:

Under the master plan process we are certainly concerned to ensure that provision is made for the growth and development of the airports...they

28 *Estimates Hansard*, 12 February 2013, pp 53–54.

29 *Estimates Hansard*, 12 February 2013, p. 55.

30 *Estimates Hansard*, 12 February 2013, p. 55.

31 *Estimates Hansard*, 12 February 2013, p. 58.

32 *Estimates Hansard*, 12 February 2013, pp 58–59.

also include a measure of development for non-aeronautical purposes, and part of the reason that balance is important is the commercial realities of funding the work under the privatised scheme that we have.³³

3.35 The committee asked for an update on the work that the National Airports Safeguarding Advisory Group (NASAG) has taken since the guidelines were agreed in 2012. Officer told the committee that NASAG will prepare a report in May 2013. The report will provide ministers with an overview of NASAG's first twelve months of operations and if any reforms to the group are required.³⁴

3.36 Officers were asked what advice and action they had taken in relation to the Queanbeyan City Council's decision to rezone the land at Tralee. The committee heard that the department sought and provided legal advice to the Minister for Infrastructure and Transport regarding recourse for the Commonwealth to intervene in the decision of the New South Wales Planning Minister.³⁵

3.37 The committee asked whether the department or minister had published a formal response to the recommendations of the *Joint Study on Aviation capacity in the Sydney region*. Mr Mrdak, explained that the Minister for Infrastructure and Transport, the Hon. Anthony Albanese MP released a statement setting out the government's position on some of the key outcomes of the joint study. The department is currently concluding three pieces of work, which will provide the next stage of advice for the government.³⁶

3.38 The committee also sought information on the following topics:

- Moruya Airport;
- consideration of another environmental impact statement being conducted on Sydney Airport;
- Jandakot Airport lease arrangements; and
- Bankstown Airport.³⁷

Airservices Australia

3.39 The committee discussed the *Operational Performance and Capacity Assessment for Perth Airport Report* and sought further information on the cost of the report, as well as the delay between receiving the report and releasing the report to the public. Officers told the committee that the delay in making the report public was due to Airservices Australia receiving the report in draft form and then holding

33 *Estimates Hansard*, 12 February 2013, p. 59.

34 *Estimates Hansard*, 12 February 2013, p. 59.

35 *Estimates Hansard*, 12 February 2013, p. 62.

36 *Estimates Hansard*, 12 February 2013, p. 62.

37 *Estimates Hansard*, 12 February 2013, pp 63–66.

consultations with industry and the various stakeholders involved to develop a strategic and action plan for each site in the report.³⁸

3.40 Officers told the committee that the most critical initiatives for Perth Airport identified in the report was to alleviate the runway occupancy times, to effectively increase the airport's capacity. The committee heard from Mr Hartfield, Executive General Manager, that currently Perth Airport experiences three peaks of demand caused by the first morning peak:

The first peak is in the morning...where there are about 110 aircraft overnight at Perth, every night. About 90 of those aircraft want to depart between 5.30 and 8.30 in the morning, in a three-hour period. All of those aircraft are departing and if we are in what I would call a departure mode, we can get away about 40-odd aeroplanes an hour... depending on how the traffic flows for the day, it gets into that afternoon peak which has a lot more airline or regular public transport traffic in it, and that is where we are seeing the excessive peaks and the excessive holding.³⁹

3.41 The committee sought an update on the number of airspace closures due to a lack of air traffic controllers. Ms Staib, Chief Executive Officer, tabled the number of occasions between 1 July 2009 and 10 January 2013 when airspace has been closed, and told the committee this equated to approximately 65 flights out of 12 million.⁴⁰

3.42 The committee asked officers to provide an update on the following matters:

- concerns about staff turnover, including bullying and harassment within Airservices Australia;
- the appointment of Mr Greg Hood;
- corporate sponsorship by Airservices Australia;
- Archerfield Airport; and
- freedom of information requests.⁴¹

Civil Aviation Safety Authority (CASA)

3.43 The committee discussed CASA's current tender for indoor plants. Mr Jordon, Chief Operating Officer explained that the tender is for the maintenance of existing plants for the next three years and not for additional plants. The committee was interested in how this tender fitted within the increase in the efficiency dividend, as plants for Senators and Members were removed as cost cutting measure.⁴²

3.44 The committee asked officers to explain the potential threat to aviators from the new wave of industrial wind turbines. Mr McCormack, Director of Aviation Safety told the committee that if wind farms are within 15–30 kilometres of an airfield, then it is the responsibility of the wind farm owner/operator to ensure the

38 *Estimates Hansard*, 12 February 2013, p. 66.

39 *Estimates Hansard*, 12 February 2013, pp 67–68.

40 *Estimates Hansard*, 12 February 2013, p. 71.

41 *Estimates Hansard*, 12 February 2013, pp 70–71.

42 *Estimates Hansard*, 12 February 2013, p. 74.

wind turbines do not impinge on the safety slope, which leads into the runway. If this does occur CASA has the power to make wind farm operators/owners place lights on the turbines.⁴³

3.45 The committee asked in relation to the Federal Aviation Administration Audit conducted in late 2009 for an update on the items, which were found to be deficient. Mr McCormack informed the committee that the major issue was that CASA did not have sufficient training in place for the inspectorate. In response to the audit, Mr McCormack explained that a training school in Brisbane has been setup, where all inspectors undergo training to supplement their on-the-job training.⁴⁴

3.46 The committee sought further information on the following topics:

- Portfolio Budget Statements;
- recreational aircraft registration; and
- aviation treaties.⁴⁵

Australian Transport Safety Bureau (ATSB)

3.47 The committee discussed the ATSB's Portfolio Budget Statements, and sought more information on the budgetary pressures and areas where key savings have been made. Mr Dolan, Chief Commissioner explained that the ATSB is largely a staff driven organisation, which requires the agency to carefully manage its future staffing arrangements.⁴⁶

3.48 The committee asked officers if the expected level of training for investigators has changed due to budgetary pressures or whether it remained similar. Mr Dolan, told the committee that the ATSB has slightly changed the work level standards for investigators, which was not as a result of cost pressures.⁴⁷

43 *Estimates Hansard*, 12 February 2013, p. 75.

44 *Estimates Hansard*, 12 February 2013, p. 77.

45 *Estimates Hansard*, 12 February 2013, pp 75–77.

46 *Estimates Hansard*, 12 February 2013, p. 80.

47 *Estimates Hansard*, 12 February 2013, p. 80.