

## Chapter 2

### Transport and Regional Services Portfolio

#### Department of Transport and Regional Services

2.1 The committee heard evidence from the department on Monday 21 May and Tuesday 22 May 2007. The hearings were conducted in the following order:

- Corporate Services
- Portfolio Strategic Policy and Projects
- AusLink
- Maritime and Land Transport
- Australian Transport Safety Bureau
- Australian Maritime Safety Authority
- Aviation and Airports
- Civil Aviation Safety Authority
- Airservices Australia
- Inspector of Transport Security
- Office of Transport Security
- Regional Services
- National Capital Authority
- Territories and Local Government

#### Secretary's Overview

2.2 Proceedings opened with an overview of developments in the department by the Secretary, Mr Mike Taylor. Mr Taylor noted the enactment of the legislation transferring airspace regulatory functions from Airservices Australia to the Civil Aviation Safety Authority (CASA), which is scheduled to come into force as of 1 July 2007.<sup>1</sup>

#### Corporate Services

2.3 The committee sought to understand the difference between support for regional aviation and airports and the Remote Airservices Subsidy Scheme (RASS). The department proceeded to explain that RASS is a subsidy for operators, whereas,

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1 *Estimates Hansard*, 21 May 2007, pp 3-4.

the new measure to support regional aviation and airports is focussed on upgrading and supporting airports in remote and rural areas.<sup>2</sup>

2.4 The committee also asked for an update of tables in the 2006-07 Portfolio Budget Statements (PBS), and explanations for various measures in the 2007-08 PBS, including the budget allocation for, and the administration of, the following items:

- Strengthening National Security;
- upgrade of the Launceston levee system;
- National Aerial Firefighting assistance;
- CASA's drug and alcohol testing program;
- assistance to the Republic of Indonesia with transport safety improvements;
- support for representation of women in decision-making bodies;
- regional aviation and airports support; and
- the combination of the previous Natural Disaster Mitigation Program and the Regional Flood Mitigation Program.<sup>3</sup>

### **Portfolio Strategic Policy and Projects**

2.5 The committee raised the following issues with officers of the Portfolio Strategic Policy and Projects division:

- the internal budget and staffing of the division (*Estimates Hansard*, 21 May 2007, pp 20-21);
- an update on the status of various projects under the Bureau of Transport and Regional Economics (pp 21-22); and
- focus of strategic projects and associated funding (pp 22-25).

### **AusLink**

2.6 The committee asked about expenditure under, and administration of, the AusLink Strategic Regional Program. The department informed the committee that the current round is operating differently to the previous round. The government has nominated a list of projects for funding, comprising projects regarded as priorities by government and applications which were eligible, but unsuccessful in the initial round. Offers are contingent on the following conditions: the project must be completed within three years, acceptance must be confirmed by mid-June, and in some cases, joint funding is required.<sup>4</sup>

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2 *Estimates Hansard*, 21 May 2007, p. 18.

3 *Estimates Hansard*, 21 May 2007, pp 5-19.

4 *Estimates Hansard*, 21 May 2007, pp 25-30 and 36-38.

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2.7 The committee requested updates on current projects on the Hume, Pacific and Bruce Highways, and asked about the contributions by state and Commonwealth governments.<sup>5</sup>

2.8 The committee sought updates on non-network projects as well as the following AusLink projects:

- Goodna bypass and Ipswich Motorway; and
- Inland rail.<sup>6</sup>

2.9 Other matters raised included:

- the eligibility criteria for Black Spot program funding, and the composition and operation of state Black Spot Committees (*Estimates Hansard*, 21 May 2007, pp 31-32);
- progress on the Sydney-Dubbo corridor strategy, especially in respect of the Bells Line of Road (pp 34-36);
- the process of, and priorities and considerations involved in, creating corridor strategies, particularly the consideration given to shipping in developing these strategies (pp 34-36 and 58-59);
- state and Commonwealth contributions to projects under AusLink 1 and state funding requirements for AusLink 2 projects (pp 38-44 and 47-49);
- the department's response to the Australian National Audit Office audit report on the Roads to Recovery program (p. 54); and
- work by the Australian Rail Track Corporation regarding Port Botany, the Tasmanian track upgrade, rail infrastructure supporting the Hunter Valley coal chain, and grain lines in each state (pp 59-61).

## **Maritime and Land Transport**

2.10 The committee held a brief discussion with officers of Maritime and Land Transport division regarding:

- completion of, and issues addressed by, the Australian Maritime Group report on Australian shipping (*Estimates Hansard*, 21 May 2007, pp 61-62);
- the integration of the Australian Maritime College with the University of Tasmania (pp 62-63);
- a case taken to the Administrative Appeals Tribunal regarding an application to import under the Personal Vehicle Import Scheme, in which the tribunal upheld the minister's decision (pp 63-64); and

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5 *Estimates Hansard*, 21 May 2007, pp 50-53.

6 *Estimates Hansard*, 21 May 2007, pp 55-57.

- the failure of the Reva electric car to meet the Australian Design Rules (pp 64-65).

### **Australian Transport Safety Bureau**

2.11 The committee discussed the Australian Transport Safety Bureau's (ATSB) report on the Lockhart River air tragedy, and sought information on the following matters:

- the process of producing the final report;
- the 'contributing safety factors' identified by ATSB; and
- how ATSB intends to monitor the implementation of its recommendations.<sup>7</sup>

2.12 The committee also heard evidence on:

- the investigation of the 2005 Beech King Air incident, and the status of the current investigation into the incident of 10 April 2007 (*Estimates Hansard*, 21 May 2007, pp 66-67);
- ATSB's review of possible courses of action against TransAir (pp 68-69);
- the role ATSB expects to have in the coronial inquest into the Lockhart River air tragedy (pp 74-75);
- the use of an ATSB interview in the coronial inquiry into the sinking of the Malu Sara (pp 75-76);
- work undertaken by ATSB following the Garuda plane accident of 7 March 2007 in Indonesia (pp 76-78);
- funding required by ATSB to provide Indonesia with transport safety assistance (pp 78-79);
- the absence of a requirement to provide seatbelts on school buses, and related safety concerns (pp 79-82);
- whether recommendations arising from the investigation into the cyclone incident involving the *Dampier Spirit* have been implemented (pp 82-83); and
- research undertaken on the effectiveness of wire rope barriers as road safety devices (pp 84-85).

### **Australian Maritime Safety Authority**

2.13 The committee held a brief discussion with officers of the Australian Maritime Safety Authority (AMSA) on:

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<sup>7</sup> *Estimates Hansard*, 21 May 2007, pp 69-74.

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- the role and staffing of AMSA (*Estimates Hansard*, 21 May 2007, pp 85-86);
  - the operation, cost and effectiveness of Australian Search and Rescue's (AusSAR) emergency response arrangements (pp 86-88); and
  - involvement of AusSAR and AMSA in the Malu Sara search (p. 88).

## **Aviation and Airports**

2.14 The committee raised the following issues with the Aviation and Airports division:

- protection of light aircraft owners' access to airports, particularly Bankstown airport (*Estimates Hansard*, 21 May 2007, pp 89-93);
- major development plans under consideration by the department and consideration of these plans by the Department of Environment and Water Resources (pp 93-94);
- the allocation of funding to improve the safety of remote airstrips (pp 94-95);
- the capacity of general aviation infrastructure in Australia (pp 95-96); and
- the composition and proposed work of the newly formed Aviation Regulation Review Taskforce (pp 97-98).

## **Civil Aviation Safety Authority**

2.15 The committee discussed the findings of ATSB's report on the Lockhart River air disaster and the two recommendations made in relation to CASA at some length. Mr Byron, the Chief Executive Officer, stated that CASA '...fully agree with the ATSB that there is a need for CASA to improve the way in which we oversight the management of airlines at all levels' and '...totally agree with the ATSB that risk assessment is an important part of the way an operator oversights their operation and the way CASA looks at operators', but that they do not believe that those factors were directly linked to the failures causing the crash.<sup>8</sup>

2.16 Mr Byron also indicated that CASA have already increased surveillance, and the effects of this measure had become evident by late 2005. In addition, CASA have made a commitment to respond to ATSB regarding the recommendations made, to review action taken in that regard on a monthly basis, and to report to the minister.<sup>9</sup>

2.17 The committee also discussed:

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8 *Estimates Hansard*, 21 May 2007, pp 111-120; *Estimates Hansard*, 22 May 2007, pp 3-4.

9 *Estimates Hansard*, 21 May 2007, pp 111-120.

- oversight of airline operators by CASA's Perth office (*Estimates Hansard*, 21 May 2007, pp 98-99);
- CASA's investigation into the causes of the 2005 and 2007 Beech King Air 200 accidents (pp 99-108);
- regulatory action and the Enforceable Voluntary Undertaking process regarding TransAir, and CASA's surveillance of the operator prior to the Lockhart River accident (pp 116-120);
- CASA's internal budget, including the allocation of additional funding relating to the engagement of extra staff (*Estimates Hansard*, 22 May 2007, pp 4-11);
- expenditure on change management (pp 10-11);
- CASA's potential role in providing safety assistance to Indonesia, and the administration of the funds allocated to this activity in the budget (pp 11-12);
- the process and consultation involved in applications to change or be exempt from regulations, particularly regarding an application by Virgin Blue to reduce the number of cabin attendants required on a flight (pp 14-19);
- participation in, and success of, CASA's Big Day Out, which constituted a mass deployment of inspectors on one single day, to conduct operational surveillance for the purposes of collecting data (pp 20-22); and
- differences in the oversight of low and high capacity operators (pp 24-25).

## **Airservices Australia**

2.18 The committee discussed various issues with officers of Airservices Australia, including:

- the role that Airservices Australia will play in providing transport safety assistance to Indonesia and related income (*Estimates Hansard*, 22 May 2007, pp 26-27);
- services provided overseas by Airservices Australia (pp 28-29);
- differences in competitive air traffic control services in Australia and the United States (pp 28-29);
- the process involved in building new airport towers, and Airservices Australia's power to access airport land for this purpose (pp 29-30); and
- regulations regarding aviation rescue and firefighting services, related cost savings, and agreements in place to provide such services (pp 30-33).

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## Inspector of Transport Security

2.19 The committee had a brief discussion with the Inspector of Transport Security regarding inquiries undertaken, meetings held with foreign agencies, and the budget and staffing of the Office.<sup>10</sup>

## Office of Transport Security

2.20 The committee asked a series of questions regarding Maritime Security Identification Cards (MSICs). Information was sought on:

- the basis on which MSIC applications are denied (*Estimates Hansard*, 22 May 2007, p. 37);
- security breaches involving MSICs and the importance of face to MSIC checks (pp 42-45); and
- the cost of replacing MSICs (pp 45-46).

2.21 Other matters raised included:

- internal staffing of the division (*Estimates Hansard*, 22 May 2007, pp 35-36 and 40);
- the division's role in protecting critical infrastructure (p. 36);
- provisions for employee associations to access seafarers, and access to facilities provided during onshore leave (pp 37-39);
- the National Counter-Terrorism Committee report on implementing measures relating to the security of land transport, and practical measures undertaken (pp 39-40);
- the division of responsibility for land transport security between states and the Commonwealth (p. 40); and
- screening procedures at airports (pp 41-42).

## Regional Services

2.22 The committee pursued the following issues with officers of the Regional Services division:

- production and distribution of, and funding for, the colour booklet *Wide Canvas Country: Broken Hill Australia-no artificial additives* (*Estimates Hansard*, 22 May 2007, pp 46-47);
- Regional Services' internal budget (pp 47-48);
- the revision of the Regional Partnerships procedures manual which is currently under way (pp 48-49);

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10 *Estimates Hansard*, 22 May 2007, pp 34-35.

- transparency of the process for assessing and approving Regional Partnership project applications (pp 49-52);
- the Queensland Audit Office's investigation into the @GIS sustainable region grant (pp 52-53);
- progress of various projects and related funding (pp 52-65);
- the process involved in assessing applications for the Sustainable Regions program (p. 61);
- amendments to the constitutions of Area Consultative Committees to reflect the new arrangements under which deputy chairs are now appointed by the minister (pp 64-65);
- assessments undertaken to analyse the effectiveness of the Regional Partnerships program (pp 65-68);
- access of Indigenous communities to Regional Partnerships program funding (pp 68-70); and
- funds diverted from the Regional Partnerships program to the Sugar Industry Reform Package (p. 70).

### **National Capital Authority**

2.23 The committee discussed the following issues with officers from the National Capital Authority:

- progress on discussion about the proposed location of various amenities on and around Anzac Parade (*Estimates Hansard*, 22 May 2007, pp 70-71);
- implementing a peer review and consultation process as part of the development of urban design guidelines and master plans (pp 71-73);
- the status of various projects including Immigration Bridge and a rowing course (pp 74-76);
- the effects of the Griffin Legacy amendments on Canberra's parking and traffic provisions (pp 76-79);
- the decision taken to retain the Albert Hall precinct for cultural, community and social uses (pp 79-82);
- the reasons for, and proposed conduct of, the Canberra Central Parklands Competition (pp 82-83); and
- water abstraction from Lake Burley Griffin by the Royal Canberra Golf Club (pp 83-85).

### **Territories and Local Government**

2.24 The committee raised the following matters with the Territories and Local Government division:

- local government financial assistance grants contained in the budget and the PricewaterhouseCoopers report into the national financial sustainability of local government (*Estimates Hansard*, 22 May 2007, pp 85- 88);
- Commonwealth funding for various projects on Norfolk Island, and the repayment strategies in place (pp 88-92);
- the employment conditions of departmental staff located on Christmas and Cocos Islands (pp 92-93); and
- progress on various projects and issues on Christmas and Cocos Islands and related funding (pp 93-104).

