

Chapter 3

Infrastructure and Transport portfolio

3.1 This chapter contains the key issues discussed during the 2013-14 Budget Estimates hearings for the Infrastructure and Transport portfolio. A complete list of all the topics discussed, and relevant Hansard page numbers, can be found at appendix 4.

Department of Infrastructure and Transport

3.2 The committee heard evidence from the Infrastructure and Transport Department (the department) on Wednesday, 29 May 2013. The hearing was conducted in the following order:

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

Corporate Services

3.3 The committee asked the department to provide an indication of when the government's response to the Senate Rural and Regional Affairs and Transport Reference Committee's *Aviation Accident Investigations* report, which was tabled in the Senate on 23 May 2013, will be provided. The committee is mindful that the three month time period for government responses, as outlined in Senate Resolution 42(1)¹, will fall during the upcoming caretaker period.²

3.4 The Secretary, Mr Mike Mrdak told the committee:

1 *Senate Standing Orders and other orders of the Senate*, June 2009, Procedural Orders and Resolutions of the Senate of Continuing Effect 42.

2 *Estimates Hansard*, 29 May 2013, p. 4.

...I am not in a position here today to give you an exact time frame as to when the minister and government will formally respond to the report... we are all very conscious of the fact that with the date of the federal election being proposed for 14 September and caretaker mode notionally starting on around 12 August that would fall within the normal three-month period. I can only say to you that the government is giving this serious and urgent consideration and looking to expedite its response as best it can.³

3.5 The committee sought an explanation from the department as to why answers to questions on notice from Additional Estimates were provided seven weeks late. Mr Mrdak advised the committee that the department did not meet its timeframes to provide draft responses to the minister's office.⁴

3.6 The committee discussed the rate of unscheduled absences amongst staff. Officers advised that the average rate of unscheduled absences to 30 June 2012 was 14 days per full-time equivalent employee. Mr Mrdak also explained that the rate of unscheduled absences is not uniform throughout the department, as 'there are certain areas of the department, which have higher rates of unscheduled absences than others'.⁵

3.7 The committee asked for an update on the appointments that have been made to the Moorebank Intermodal Board. Mr Wood, General Manager Rail and Roads, explained that the appointments have been made in two tranches. Firstly, five appointments were made in December 2012 and included Dr Kerry Schott, Chair; Ms Claire Filson, Director; Mr Ray Wilson, Director; Mr Stephen Williams, Director; and the Hon Andrew Fraser, Director. The committee were told the remaining four appointments will be announced in due course by the Minister for Infrastructure and Transport and the Minister for Finance and Deregulation.⁶

Nation Building—Infrastructure Investment and Infrastructure Australia

3.8 The committee sought an update on the Northern Territory Regional Roads Productivity Package, which was announced on 3 August 2012. Officers explained that they are awaiting detailed project proposals reports and cost estimates from the Northern Territory Government. Mr Jaggers, Executive Director, explained that the Northern Territory government will need to undertake significant planning 'between now and when those projects can start construction... [The] planning process we would expect for all projects would take at least a year or two'.⁷

3 *Estimates Hansard*, 29 May 2013, p. 4

4 *Estimates Hansard*, 29 May 2013, p. 5.

5 *Estimates Hansard*, 29 May 2013, p. 5.

6 *Estimates Hansard*, 29 May 2013, pp 9–11.

7 *Estimates Hansard*, 29 May 2013, pp 12–13.

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

- Bruce Highway;
- Roper Highway;
- Pacific Highway;
- upgrade of the Yeppen South floodplain;
- Mackay ring road;
- Haughton River Bridge upgrade;
- Hume Highway pricing trial;
- Bolivia Hill, New England Highway;
- Cross River Rail Project;
- Northbridge project;
- Swan Valley bypass;
- East-West road project;
- Townsville Port;
- West Connex project;
- Parramatta Epping rail link;
- Huon Highway;
- Summerleas Road;
- South Road upgrade;
- Midlands Highway;
- Brooker Highway;
- Brisbane Cross River Rail; and
- the Warrigal Road to Clyde upgrade.⁸

3.10 The committee asked Infrastructure Australia to explain its budgetary allocation and staffing arrangements arising from the infrastructure finance reform measure contained in the Tax Laws Amendment (2013 Measures No.2) Bill 2013. Mr Deegan, Infrastructure Coordinator, told the committee that a resourcing plan is being developed to identify what staffing arrangements will be required once the legislation has been passed by Parliament.⁹

3.11 Officers told the committee that the Australian Government has contributed \$4 million to the Western Australian government's light rail planning study which is

8 *Estimates Hansard*, 29 May 2013, pp 12–30, 54–64.

9 *Estimates Hansard*, 29 May 2013, pp 19–20.

currently underway. Ms O'Connell, Deputy Secretary, advised the committee that there is a provision for the Federal government to allocate further funding for public transport projects in Perth.¹⁰

3.12 The committee discussed the National Urban Policy Conference held in Sydney on 16 and 17 May 2013, which was convened by the Australian Housing and Urban Research Institute in partnership with the Australian Government. Of particular interest was a presentation by Mr Lewis Atter, Global Head, Transport Economics and Policy, KPMG, who argued that individual infrastructure projects should be considered and evaluated within a broader context rather than as a single project.¹¹ In response, Mr Deegan stated:

...without necessarily blowing the trumpet of my council, what we have sought to do is to take a broad approach to where we are going, so a national port strategy has been endorsed by the Council of Australian Governments, a national land freight strategy, which is working its way through, and a public transport or city transit national strategy that we are well advanced in... we think these individual projects should be considered as part of a broader network, and so these broader issues are considered at the same time rather than just project by project. Indeed, we think it is one of the flaws of the system to date.¹²

3.13 The committee discussed the funding commitments contained in the Nation Building 1 and 2 programs for 2012-13 and 2013-14, which included the following projects:

- Program Investment;
- Black Spot;
- Heavy Vehicle Safety and Productivity;
- Roads to Recovery;
- Improving Local Roads; and
- Improving the National Network.¹³

3.14 The committee sought an overview of the feasibility planning for the PortLink project in Kalgoorlie, Western Australia. Mr Wood explained that the funding of the project is split between the Australian Government, which has provided of \$2 million, and the Western Australian government, which has provided \$5 million. The expected aims of the project are to:

10 *Estimates Hansard*, 29 May 2013, pp 21–22.

11 *Estimates Hansard*, 29 May 2013, p. 24.

12 *Estimates Hansard*, 29 May 2013, p. 24.

13 *Estimates Hansard*, 29 May 2013, pp 30–31.

- investigate the feasibility and viability of an intermodal terminal at Kalgoorlie;
- develop a plan to realign the freight rail system from the centre of Kalgoorlie to the outskirts;
- plan to upgrade the Goldfields Highway between Wiluna and Meekatharra;
- develop a cost-benefit analysis regarding a bypass of Kalgoorlie; and
- develop long-term plans for the road and rail corridors linking Kalgoorlie and the goldfields to the Mid-West and to the Pilbara region.¹⁴

3.15 The committee also discussed the following topics:

- the Western Australian Government freight strategy;
- the national port strategy;
- tolls on motorways;
- the Regional Infrastructure Fund;
- the funding and viability of the Abt Railway in Tasmania; and
- the electrification of the Gawler rail line.¹⁵

Australian Rail Track Corporation

3.16 The committee discussed the Yarraman Creek railway crossing. Mr Fullerton, Chief Executive Officer, told the committee that a preliminary review has found that the culvert at Yarraman Creek needs to be replaced. The Australian Rail Track Corporation (ARTC) has a budget of \$1 million in 2013-14 to engage engineers to design and construct a new culvert which addresses the current problem of flooding from debris blocking the culvert during times of heavy rainfall.¹⁶

3.17 The committee asked officers to explain the ARTC's advanced train management system. Mr Fullerton explained that the ARTC has been working in association with Lockheed Martin to develop the technology to be placed on-board trains, which can intervene and force locomotives to reduce its speed or stop completely. The system is being trialled on the South Australian rail network, with the aim to develop the technology's level of reliability before it is rolled out on every rail network in Australia.¹⁷

14 *Estimates Hansard*, 29 May 2013, p. 46.

15 *Estimates Hansard*, 29 May 2013, pp 25–26, 28, 40, 47 and 54–55.

16 *Estimates Hansard*, 29 May 2013, p. 59.

17 *Estimates Hansard*, 29 May 2013, pp 60–61.

3.18 The committee also discussed the following topics:

- the Southern Sydney freight line;
- the duplication of freight lines; and
- the Hunter Valley Rail Corridor Air Quality Report.¹⁸

Inspector of Transport Security and the Office of Transport Security

3.19 The committee sought an update on whether any assessments of offshore facilities had been conducted. Mr Dreezer, General Manager, told the committee that no assessments of offshore facilities have been made since 2007. Instead the department has been working with the industry to develop alternative audit and inspection regimes, which they envisage being completed by the end of the year. Mr Mrdak added that the challenge the department faces has been 'to find a workable solution that ensures compliance... recognises our limited resources and the difficulty of accessing a number of these facilities'.¹⁹

3.20 Officers told the committee that the department has established a government industry group through the oil and gas security forum to review the following issues:

- the size of offshore zones;
- communication with maritime users;
- the mutually agreed approach to safety and security;
- developing a pathway to prosecute should an incursion of a zone occur; and
- the enforcement and compliance options.²⁰

3.21 Officers went on to explain that an agreement has been made between industry, the Office of Transport Security and relevant government agencies to run a series of exercises to test whether a one-stop shop approach would work in the event of an incident, which includes using the Australian Government Crisis Coordination Centre and an 1800 number. Mr Retter, Executive Director, told the committee that:

...we are confident it [the one-stop shop] will work, but also to give us some efficacy in terms of the numbers and types of incidents that might require the Commonwealth to respond with the appropriate agency.²¹

3.22 The committee asked officers to provide an update on the arrangements being made in relation to the establishment of Australia's first fully private airport near Toowoomba. Mr Wilson, Deputy Secretary, explained that the airport 'will be required

18 *Estimates Hansard*, 29 May 2013, pp 62–64.

19 *Estimates Hansard*, 29 May 2013, p. 65.

20 *Estimates Hansard*, 29 May 2013, p. 67.

21 *Estimates Hansard*, 29 May 2013, p. 67.

to meet the same level of standards, subject to what aviation services it provides, as any other regulated airport in Australia.²²

Aviation and Airports

3.23 The committee discussed the management of federal airport leases specifically in relation to Brisbane Airport and the perceived lack of action regarding the development of a parallel runway. Mr Mrdak, explained that:

Over the last few years, the major development plan for the project has been lodged and approved, the various environmental assessment processes completed and works are underway on the development.²³

3.24 The committee sought an update on Avalon Airport in relation to the construction of an international terminal. Mr Borthwick, Acting Executive Director, told the committee that the department and the Department of Defence are currently negotiating with Avalon Airport to amend the lease, which governs the airport's site. Once the lease has been amended the development process for the international terminal will commence.²⁴

3.25 Officers also told the committee that Avalon Airport has initiated discussions with the department and Custom, Immigration and Quarantine (CIQ) agencies regarding the possible level of service that will be required. Mr Borthwick, explained that until the airport reaches an agreement with an airline to provide international services, it is difficult to determine what level of CIQ resources are required, as it will depend on the nature and type of services that need to be accommodated.²⁵

3.26 The committee asked officers to explain why under the Adelaide Noise Amelioration Program the Saint Nicholas Greek Orthodox Church in Adelaide was allocated \$5 million funding in the 2013-14 Budget. Mr Mrdak told the committee that an Australian Noise Exposure Index (ANEI) is produced annually at Adelaide Airport, which models noise exposure over a period of time. He went on to explain that a review of the 2011 ANEI identified the Saint Nicholas Greek Orthodox Church as being eligible for the Adelaide Noise Amelioration Program due to the growth of air traffic and the expansion of the noise contour.²⁶

3.27 Mr Wilson provided the following clarification in relation to the funding allocated under the Adelaide Noise Amelioration Program for the Saint Nicholas Greek Orthodox Church:

22 *Estimates Hansard*, 29 May 2013, p. 68.

23 *Estimates Hansard*, 29 May 2013, pp 69–71.

24 *Estimates Hansard*, 29 May 2013, p. 71.

25 *Estimates Hansard*, 29 May 2013, p. 72.

26 *Estimates Hansard*, 29 May 2013, pp 74–75.

...the church will not be receiving the funding. The department is receiving the funding and will contract the work on behalf of the church...it is not the case that we are granting the church \$5 million. The works will be undertaken under contract to the department.²⁷

3.28 In continuing its interest from previous estimates hearings, the National Airports Safeguarding framework was discussed. The committee were interested in the extent of support within the Standing Council on Transport and Infrastructure regarding the National Airport Safeguarding Framework Guideline A proposed alternate noise metrics. Mr Mrdak explained that Western Australia and New South Wales have indicated their opposition for Guideline A to be used for strategic planning purposes.²⁸

Airservices Australia

3.29 The committee heard that Airservices Australia in conjunction with the Department of Defence will procure and implement a new integrated air traffic management platform. Ms Staib, Chief Executive Officer, told the committee that a memorandum of cooperation has been signed with the Department of Defence, as they work together to finalise the request for tender, which will be released to industry by the end of the current financial year.²⁹

3.30 Officers told the committee that Airservices Australia was recently ranked second by the Civil Air Navigation Service Organisation (CANSO), which undertakes an international benchmarking study of air navigation service providers' safety management systems.³⁰ Annually CANSO compares 28 countries against the following metrics:

- loss of separation rates;
- runway incursion statistics; and
- the maturity of the Safety Management System.³¹

3.31 The committee asked officers to outline the findings of the independent review of air traffic controller numbers carried out by Nav Canada.³² Ms Staib told the committee the report found that Airservices Australia had the appropriate number of

27 *Estimates Hansard*, 29 May 2013, p. 76.

28 *Estimates Hansard*, 29 May 2013, pp 78–80.

29 *Estimates Hansard*, 29 May 2013, p. 83.

30 *Estimates Hansard*, 29 May 2013, pp 83–84.

31 Civil Air Navigation Services Organisation, 'Airservices among world's best – CANSO Benchmarking Study', media release 8 May 2013, <http://www.canso.org/cms/showpage.aspx?id=4955> (accessed 10 June 2013).

32 Nav Canada provides air traffic control, flight information, weather briefings, aeronautical information and electronic aids to navigation for aircraft in Canadian domestic airspace and international airspace assigned to Canada.

air traffic controllers but it could work more flexibly and smarter in its future workforce planning.³³

3.32 In continuing its interest from previous estimates hearings, the committee sought an update on the progress of the Perth Airport strategic plan and roadmap. The standard terminal arrival speeds initiative was implemented in March 2013. Mr Hartfield explained how the standard terminal arrival speeds works:

...all the aircraft flying in are actually flying at standardised speeds if they are the same type of aircraft, which gives a certain level of predictability and consistency for the controllers...aimed at minimising the time aircraft either spend on the runway or closing the gap between aircraft so that we can fit more on.³⁴

3.33 The committee also discussed the following topics:

- opening new services at Broome and Port Headland;
- fatigue management of air traffic controllers;
- reoccurring training requirements;
- information sharing with other air traffic control agencies; and
- the process of handling noise complaints.³⁵

Civil Aviation Safety Authority

3.34 The committee sought an explanation regarding the apparent increase in the number of senior management positions since 2006. Mr McCormick, Director of Aviation Safety, explained 'we are shifting the focus to the front end of the organisation as best we can'.³⁶

3.35 The committee raised the perceived fear within the aviation industry of retribution for speaking out against the Civil Aviation Safety Authority (CASA). Mr McCormick, told the committee that he was:

...at a lost to understand this... no one has brought anything to me or to my industry complaints commissioner to complain about bullying or harassment.³⁷

3.36 He also gave the following guarantee that 'if anybody threatens retribution from within CASA or carries out retribution we will take action'.³⁸

33 *Estimates Hansard*, 29 May 2013, p. 85.

34 *Estimates Hansard*, 29 May 2013, p. 91.

35 *Estimates Hansard*, 29 May 2013, pp 86–91 and 93–94.

36 *Estimate Hansard*, 29 May 2013, p. 95.

37 *Estimates Hansard*, 29 May 2013, p. 102.

38 *Estimates Hansard*, 29 May 2013, p. 102.

3.37 The committee also discussed the following topics:

- Robinson 44 helicopters;
- the development of CASA's aviation safety surveillance tool Sky Sentinel;
- incidents of electronic devices being used on aircraft;
- regulation of unmanned aerial vehicles;
- fatigue management regulations; and
- CASA's taxi expenditure.³⁹

Australian Transport Safety Bureau

3.38 The committee sought an explanation from officers in relation to the Australian Transport Safety Bureau's (ATSB) budget position and the reduction in funding for 2013-14 and the forward estimates. Mr Dolan, Chief Commissioner, told the committee that:

...the only response given in the construct of the budget of our organisation to those sorts of financial pressures is to reduce our staffing over time. That means that we have to be very focused on what matters we choose to investigate in the future, conscious of the risk of missing something important to safety, and in some cases we may need to constrain an investigation because of the call on our resources.⁴⁰

3.39 Officers told the committee that due to the recent rail reforms, the ATSB has acquired overall national responsibility for rail investigations. Mr Dolan expects that the increase in responsibility will also increase the ATSB's revenue source for this year, as the costs of investigations will be recovered directly from states.⁴¹

3.40 Officers were asked to comment on the findings from the committee's *Aviation Accident Investigations* report, specifically, if they had decided to reopen the investigation into the ditching of Pel-Air and if they will retrieve the cockpit voice recorder. Mr Dolan told the committee that:

The recommendations that came out of the committee's report as they referred to ATSB as an independent agency will be reviewed by the commission of the ATSB...so it is not just a decision for me but for the three of us acting collectively in accordance with our legal responsibility.⁴²

39 *Estimates Hansard*, 29 May 2013, pp 96–100 and 103–108.

40 *Estimates Hansard*, 29 May 2013, p. 110.

41 *Estimates Hansard*, 29 May 2013, p. 111.

42 *Estimates Hansard*, 29 May 2013, p.114.

Australian Maritime Safety Authority

3.41 The committee discussed Marine Orders Part 3, which outlines the eligibility requirements for the Australian Maritime Safety Authority (AMSA) Certificates of Competency. Officers explained that AMSA certificates are internationally recognised under the Standards of Training, Certification and Watchkeeping (STCW) conventions. Certificates that are issued by Australian states are not internationally recognised unless AMSA has provided formal endorsement that it meets the STCW conventions.⁴³

3.42 Mr Kinley, Acting Chief Executive Officer, went on to explain that:

...we have not always issued those endorsements to every state certificate because some of the certificates...issued under previous requirements have not fully complied with STCW requirements. One of the things that we are hoping to see...is the bringing of all of the certificates issued under the new national system to a level where we will be able to give them the equivalent endorsements under the STCW convention.⁴⁴

3.43 The committee sought information from officers regarding AMSA's role in regulating vessels that transport livestock. Officers explained that AMSA must issue, under Marine Order 43, compliance certificates for any ship carrying livestock from Australia which is in addition to a vessel's seaworthiness. AMSA have commenced a review of Marine Order 43 and are currently consulting with the industry regarding any proposed amendments to the order. The review is expected to be completed within six months.⁴⁵

Surface Transport Policy

3.44 The committee sought an update on the new shipping reforms, which came into effect on 1 July 2012. Ms Zielke, Executive Director, advised that:

...the licencing framework...is progressing well at this stage. It is still early days though in relation to the reforms... we have also received inquiries in relation to access to the tax incentives that will come into effect at the end of the financial year... another part of the reforms was the establishment of Maritime Workforce Development Forum. Over the last few months the forum has produced a census in relation to the maritime skills...and an initial workforce development strategy has also been released.⁴⁶

3.45 The committee also discussed the following topics:

- transitional general shipping licences;

43 *Estimates Hansard*, 29 May 2013, p. 116.

44 *Estimates Hansard*, 29 May 2013, p. 117.

45 *Estimates Hansard*, 29 May 2013, pp 118–119.

46 *Estimates Hansard*, 29 May 2013, p. 121.

- crew manning levels of ships; and
- the Australian Sea Freight 2010-11.⁴⁷

Policy and Research

3.46 The committee discussed the Keys 2 Drive Program in relation to the funding allocated in 2013-14. Ms O'Connell explained that the program, which commenced in 2007-08, will conclude at the end of 2013-14. The committee heard that the program to April 2013, has had nearly 1200 driving instructors accredited to deliver the program with almost 170 000 free lessons provided to learner drivers.⁴⁸

3.47 The committee asked whether the merger of the Major Cities Unit (MCU) into the Policy and Research division would affect their mission, role, functions or performance. Mr Collett, General Manager, explained that in the short-term MCU did not envisage any significant changes to their role. Rather the move provides additional Senior Executive Service officers to support MCU's work.⁴⁹

3.48 The committee discussed in relation to the decision by the Western Australian government to develop a marina at Point Peron, the role of the National Urban Policy to provide a level of protection to local communities. Mr Collett explained that the National Urban Policy considers issues in a citywide context rather than on a project-by-project basis.⁵⁰

3.49 The committee sought an update on the number of urban public transport projects that were announced as a part of the Budget. Mr Mrdak told the committee that the Budget provided funding for two major metropolitan rail projects, which are the Brisbane Cross River Rail project and Perth City Link project.⁵¹

3.50 The committee also discussed the following topics:

- project assessments guidelines;
- the COAG Reform Council *Capital City Strategic Planning Systems Report*;
- the South Australian Government announcement of the structure plan for the Playford Growth Area;
- the Aviation White Paper; and
- the development and implementation of the NASAG reforms.⁵²

47 *Estimates Hansard*, 29 May 2013, pp 122–126.

48 *Estimates Hansard*, 29 May 2013, p. 127.

49 *Estimates Hansard*, 29 May 2013, pp 127–128.

50 *Estimates Hansard*, 29 May 2013, p. 128.

51 *Estimates Hansard*, 29 May 2013, p. 129.

52 *Estimates Hansard*, 29 May 2013, pp 130–136.