

The Senate

Rural and Regional Affairs and
Transport Legislation Committee

Budget estimates 2005–06

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LIST OF ABBREVIATIONS

ABARE	Australian Bureau of Agricultural and Resource Economics
ACCC	Australian Competition and Consumer Commission
ADSB	Automatic Dependent Surveillance Broadcast
AFMA	Australian Fisheries Management Authority
ALGA	Australian Local Government Association
AQIS	Australian Quarantine and Inspection Service
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
APVMA	Australian Pesticides and Veterinary Medicines Authority
ATSB	Australian Transport Safety Bureau
AWB(I)	Australian Wheat Board International
AWB Ltd	Australian Wheat Board Ltd
BA	Biosecurity Australia
BRS	Bureau of Rural Sciences
CASA	Civil Aviation Safety Authority
COAG	Council of Australian Governments
DIMIA	Department of Immigration, Multicultural and Indigenous Affairs
DOTARS	Department of Transport and Regional Services
DSAP	Dairy Structural Adjustment Package
EC	Exceptional Circumstances
EPBC Act	Environment Protection and Biodiversity Conservation Act
EPIRB	Emergency Position Indicating Radio Beacon
FAG	Financial Assistance Grant
FIG	Food Innovation Grants
F&MD	Foot and Mouth Disease
FSANZ	Food Standards Australia New Zealand
GM	Genetically Modified
IOG	Industry Oversight Group
IRA	Import Risk Analysis
MOU	Memorandum of Understanding
NAS	National Air Space

NDRA	Natural Disaster Relief Arrangements
NIDP	New Industries Development Program
NLIS	National Livestock Identification Scheme
NWC	National Water Commission
OIE	World Organisation for Animal Health
OJD	Ovine Johne's Disease
PBS	Portfolio Budget Statements
PAES	Portfolio Additional Estimates Statements
PIAPH	Product Integrity, Animal and Plant Health
RAG	Regional Advisory Group
RTC	Rural Transaction Centre
RFA	Regional Forest Agreement
SDA	Supplementary Dairy Assistance package
SFA	Statutory Funding Agreement
SVP	Single Voyage Permits
TAP	Threat Abatement Plan
UAE	United Arab Emirates
WEA	Wheat Export Authority

Chapter 1

Introduction

1.1 On 10 May 2005, the Senate referred to the Committee the following documents for examination and report in relation to the Transport and Regional Services and Agriculture, Fisheries and Forestry portfolios:

- Particulars of proposed expenditure for the service of the year ending June 30 2006;
- Particulars of certain proposed expenditure in respect of the year ending 30 June 2006;
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2006;
- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2005; and
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2005.¹

1.2 The Committee considered the Portfolio Budget Estimate Statements 2005-2006 (PBS) for the two portfolios at hearings on 23, 24, 25, 26, and 27 May 2005. The hearings were conducted in accordance with the agreed agenda as follows:

- Monday 23 May - Transport and Regional Services portfolio;
- Tuesday 24 May - Transport and Regional Services portfolio;
- Wednesday 25 May - Agriculture, Fisheries and Forestry portfolio;
- Thursday 26 May - Agriculture, Fisheries and Forestry portfolio followed by Transport and Regional Services portfolio; and
- Friday 27 May - Transport and Regional Services portfolio.

1.3 The Committee heard evidence from Senator the Hon Ian Campbell, the Minister for Environment and Heritage, representing the Minister for Transport and Regional Services and the Minister for Local Government, Territories and Roads; Senator the Hon Ian MacDonald, Minister for Fisheries, Forestry and Conservation, representing the Minister for Agriculture, Fisheries and Forestry and Senator Colbeck, Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry.

1.4 Evidence was also provided by Mr Michael Taylor, Secretary of the Department of Transport and Regional Services, Ms Joanna Hewitt, Secretary of the

1 Senate Journal No. 23, 'Particulars of Proposed Expenditure for 2005-06 and Particulars of Proposed Supplementary Expenditure for 2004-05 – Documents – Reference of Estimates to Legislation Committees', 10 May 2005, p. 594

Department of Agriculture, Fisheries and Forestry, and officers representing the departments and agencies covered by the estimates before the Committee.

1.5 The Committee thanks both the Ministers and Parliamentary Secretary and departmental officers for their assistance and cooperation during the hearings.

Questions on Notice

1.6 In accordance with Standing Order 26, the Committee is required to set a date for the lodgement of any written answers or additional information. The Committee agreed that written answers and additional information should be submitted by Friday 1 July 2005.

1.7 The Committee notes that the provision of answers to questions taken on notice during the Additional Estimates was provided in a timely manner and appreciates the work undertaken by the portfolio departments to achieve this.

1.8 The Senate has determined that supplementary hearings on budget estimates will be held on Monday 31 October through to Thursday 3 November 2005.

Administration of written answers or additional information

1.9 Answers to questions on notice at the Budget Estimates hearings will be tabled in the Senate in separate volumes entitled Additional Information provided during the Rural and Regional Affairs and Transport Legislation Committee's examination of budget estimates 2005-2006. Documents not suitable for inclusion in the additional information volumes will be available on request from the Committee secretariat.

1.10 Additionally, answers to questions on notice received from the departments will be posted onto the Committee's website at a later date.

Attendance of witnesses

1.11 The Committee is concerned at the absence of senior departmental officials from both DAFF and DOTARS at the 2005-06 Budget Estimates hearings. The timing of Budget Estimates hearings is known well in advance. Accordingly, the Committee believes that senior officers should make themselves available to the Committee for the hearings unless their absence is unavoidable. The Committee is of the view that officers who were not available to the Committee on this occasion could and should have scheduled their alternative commitments around these hearings.

CHAPTER 2

TRANSPORT AND REGIONAL SERVICES

Department of Transport and Regional Services

2.1 The committee heard evidence from the department on Monday 23 May, Tuesday 24 May, Thursday 26 May and Friday 27 May. The hearing was conducted in the following order:

- Corporate Services
- Bureau of Transport and Regional Economics (BTRE)
- Australian Transport Safety Bureau
- Office of Transport Security
- Inspector of Transport Security
- Aviation and Airports
- Airservices Australia
- Civil Aviation Safety Authority
- AusLink
- Maritime and Land Transport
- Australian Maritime Safety Authority
- Regional Services
- Territories and Local Government
- National Capital Authority.

2.2 Proceedings began with an opening statement from the Secretary of the department. He made comment on the new outcomes and outputs structure in the PBS as a result of the major structural changes made to the department. Outcomes for transport have been made more specific than previously, with a focus on transport safety, transport security, AusLink and general services.

2.3 The Secretary said that regional services have a strong focus on partnering with regions to better manage their futures. The two broad output groups are Regional Services and Local Government, Territories and Natural Disaster Relief.

2.4 The committee showed interest in departmental staffing and entitlements throughout the hearing.¹ This interest extended to agencies, with a particular focus on

1 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 18, p. 22, pp.23-33

the Bureau of Transport and Regional Economics², the Australian Transport Safety Bureau³, the Office of Transport Security⁴ and Aviation and Airports.⁵

Corporate Services

2.5 The committee asked for the rationale behind the departmental restructure. The major reasons were to align the department with government priorities and to respond to a need for clarity in lines of responsibility in outputs. Costs for the process of restructuring the department were met as part of the department's ongoing business, with the exception of some expert consulting advice.⁶

2.6 The committee queried when the Inspector of Transport Security, Mr Mick Palmer, had been seconded to another high-priority job of government. Mr Palmer stood down on 8 February 2005; the position has not formally been filled since his departure. Work within the department has continued on legislation to support the development of the position. The office was first announced on 4 December 2003, the position was created on 1 July 2004, and Mr Palmer was appointed to the position on 23 November 2004. The committee was concerned that the position has been vacant for a considerable amount of time given that it has been established for approximately 18 months.⁷

2.7 The committee sought clarification of the impact of the Australia-US free trade agreement on the department's appropriations. The department indicated that costs associated with subsequent changes to the Commonwealth procurement guidelines were the reason behind the allocation of \$500 000 for this financial year, and \$300 000 in each of the out years. They advised that:

With the change in the Commonwealth procurement guidelines as a consequence of the signing of that particular treaty, there are some additional costs being borne across Commonwealth agencies. There is a cross-portfolio measure whereby agencies get a small amount of supplementation to meet those additional costs.⁸

2.8 The department noted that the Deputy Secretary, Mr Peter Yuile, would be leaving the department to take up a role as the head of the Australian Quarantine and Inspection Service. The committee asked if there was concern over the replacement of many of the senior management team over the past 8 months. Mr Taylor responded:

2 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 36

3 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 40

4 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 69

5 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 98

6 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 13

7 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 4-12

8 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 16

Importantly, under Ken, Peter and Lynelle's leadership, a lot has been done to skill the staff and I think succession has been quite smooth and straightforward. I do not envisage it being a difficulty.⁹

The Deputy Secretary position has been advertised and the department expects the transition to be efficient.¹⁰

2.9 The committee also discussed matters relating to:

- The Ansett ticket levy;¹¹
- Applications for the position of Executive Director of Corporate Services;¹² and
- The department's efficiency dividend.¹³

Bureau of Transport and Regional Economics

2.10 The Bureau of Transport and Regional Economics (BTRE) indicated that their allocation of \$5.1 million in the coming financial year was still subject to the secretary's confirmation. This funding represents an increase on last year's by almost 20 per cent. The funding is related to research activities, particularly AusLink projects, and the development of land transport statistics.¹⁴ One of the major AusLink projects will be to survey freight, and provide up-to-date information on national estimates of origin-destination.¹⁵

2.11 In its report on the AusLink legislation, the Committee supported 'work towards better data to inform planning transport infrastructure' and therefore welcomes this research link to transport infrastructure.¹⁶

2.12 The committee also heard evidence about:

- Major research projects; and¹⁷
- The aviation industry.¹⁸

9 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 19

10 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 19

11 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 12-3

12 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 21

13 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 22-3

14 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 34

15 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 34

16 RRAT Legislation Committee Report, paragraph 3.114, p. 36,
http://www.aph.gov.au/senate/committee/rrat_ctte/auslink/report/report.pdf

17 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 34-6

18 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 37

Australian Transport Safety Bureau

2.13 The committee enquired about the government's response to the House of Representatives Standing Committee on Transport and Regional Services report, *National Road Safety: Eyes on the road ahead*.¹⁹ ATSB advised they have coordinated a draft response against the 38 recommendations for the government's consideration. The committee drew attention to the government's delayed response to the report.²⁰

2.14 The committee also discussed:

- BTRE finances;²¹
- Performance against PBS measures;²²
- Investigation statistics;²³ and
- The National Driver Education Scheme.²⁴

Lockhart River plane crash - ATSB

2.15 The civilian aviation accident that occurred on 7 May 2005 at Lockhart River, North Queensland, was discussed in great length. ATSB stated it would be producing a preliminary report covering the verified information related to the accident involving the death of 15 people. The report is expected to be released in June 2005.²⁵ The bureau gave an overview of the progress of their investigations:

- Upon notification of the accident, the bureau assembled a team of nine in Cairns that assembled the evening of the day of the accident.
- After the emergency response to try and locate survivors, three ATSB officers entered the accident site and started some initial mapping. During this time they retrieved the cockpit and voice recorders and the flight data recorder on the aircraft.
- The recorders were carried by hand to the Canberra laboratories for analysis. The voice recording was found to be damaged. The remainder of the week was spent documenting and collecting evidence from the site in cooperation with the coroner and the Queensland Police Service Disaster Victim Identification (DVI) teams.

19 *National Road Safety: Eyes on the road ahead*,
<http://www.aph.gov.au/house/committee/trs/roadsafety/report.htm>

20 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 55-8

21 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 38-40

22 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 40

23 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 54-5

24 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 58-61

25 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 41

- In addition, maintenance and company records were being examined in both Cairns and Brisbane and work was being done with CASA to obtain regulatory records and radar information out of Cairns.
- There was no radar coverage in the accident area, however CTAP audio is being examined, as well as the Bureau of Meteorology data on the time of the flight.²⁶

2.16 The committee also heard that two former pilots claimed to have contacted the CASA hotline in July 2002 to raise safety concerns over Transair. ATSB claims that if the alleged call had taken place, in that instance their role would be to investigate and not to regulate. In October 2004 the pilots contacted the ATSB again about regulatory breaches; one was directed to the CASA hotline and the other also referred to CASA:

... when we said that he should be speaking to the regulator and not us, because it is a regulatory matter that he was referring to—said that he was not confident that it would get the attention that it deserved.²⁷

The committee was concerned to hear that it is not unusual to hear people claim to be dissatisfied with CASA services.²⁸ The committee has been aware of these concerns and has previously monitored CASA's approach. Evidence on the crash from CASA is outlined below.

Lockhart River plane crash - CASA

2.17 CASA was questioned extensively about the recent Transair accident in North Queensland. The committee was advised that:

- An audit on Transair was conducted in February-March 2005.
- CASA reissued Transair's Air Operator Certificate (AOC) on 14 April.
- A review of the audit had occurred and the audit report was found to be 'soundly based and consistent with ... normal processes and procedures.'
- The audit report contained no reference to VH-TFU, the crashed plane. Auditors would have examined the aircraft available at the time of the audit.²⁹
- The mandated fitting of a ground proximity warning system on VH-TFU was due by 30 June 2005.³⁰

2.18 The committee then discussed ATSB's evidence regarding two pilots that attempted to contact CASA regarding Transair (see paragraph 2.15 above). CASA

26 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 42

27 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 45

28 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 46

29 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 8-9

30 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 12

informed the committee that their records did not show any contact with the relevant pilots.³¹

2.19 Officers told the committee that in 2004 CASA had investigated a former pilot's allegations of inappropriate practices at Transair. They further indicated that the allegations were not supported by evidence, but that CASA had nonetheless upgraded surveillance of Transair.³² The committee was also informed that, subsequent to the accident, CASA was contacted by a person making allegations about Transair's PNG operations.³³

2.20 In response to committee questioning, CASA admitted that they were concerned that some pilots did not have confidence in reporting safety concerns to the agency. They also suggested that CASA could improve the means by which they provide feedback to people that have made reports. CASA officers told the committee that:

We will have to sit back and reflect on that and decide what, if anything, we should or can do about this. If there is something we can do, we will try it. In recent times we have significantly upgraded our complaints-handling system and tried to reassure people about the confidentiality of our processes—that they can talk to us and we will maintain confidentiality. We will have to sit back and think what we might do to further enhance the processes.³⁴

2.21 The committee notes with concern an apparent longstanding dissatisfaction with CASA's services amongst some sections of the aviation community. While it is appropriate for CASA to make a reasoned assessment of such views on the basis of available evidence, the committee urges CASA to do so as a priority.

Office of Transport Security

2.22 The committee discussed at length the alleged passenger baggage theft that occurred at Launceston Airport on 12 November 2004. The committee was concerned that Office of Transport Security (OTS) inspections of the incident were delayed by almost 3 months. The department outlined the cause of their investigations;

Whenever incidents are reported to us—and it is a vast system—we make a judgment about whether it is telling us about vulnerabilities that might exist in the system. We like to follow up in cases such as this. It is often the case, though, that our investigations may overlap, say, with a police investigation and our investigatory powers are not as extensive as police powers, so

31 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 12-14

32 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 15

33 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 19

34 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 20

sometimes we may pull back and wait for the outcome of the police investigation.³⁵

The department outlined that their responsibilities lay in the protective security of the aviation system and the performance of the regulated entities. This translates to the priority of their investigations being centred on weapons and explosives. Therefore, unless a theft is related to protective security, it is not an issue for the OTS.³⁶ The committee was concerned that the baggage tampering may have occurred within a secure area of the airport, which would compromise security efforts.³⁷

2.23 The committee pursued questions about airport security with a particular interest in staff screening and access to airstrips. Airports are responsible for developing their transport security programs and at each major airport there are various random inspections conducted on staff. Unless they have received an exemption due to the nature of their work, staff members who access the sterile area, the cabin of the plane, are inspected. The department is currently looking into the best approach for an airside screening regime, taking into account the provision of legitimate access to the airports' secure areas with trade tools.³⁸

2.24 The committee also discussed rail security with OTS officers, with particular reference to developing a national approach to the protection of rail passengers and infrastructure. Although rail is primarily a responsibility of the states,³⁹ the committee was advised that the department had been working on an intergovernmental agreement on surface transport security, to be considered by COAG in June 2005. If an agreement is reached, the role of the Commonwealth will be to coordinate the reports given by states on land transport security matters, ensuring a nationally consistent approach.³⁹

2.25 The committee continued discussions from the additional estimates⁴⁰ on issues relating to high consequence dangerous goods. Essentially, dangerous goods consist of explosives and chemicals, while the high consequence goods are a small selection of the thousands of dangerous goods that are transported.⁴¹ The department indicated that there would continue to be no limit on the carriage of high-consequence dangerous goods as coastal cargo by foreign flagged ships when issuing single voyage (SVP) or continuous voyage permits. However, the department has been keeping

35 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 62

36 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 62

37 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 63

38 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 91-3

39 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 73-5

40 *RRAT Committee Additional Estimates 2004-05 Report*, pp. 8-9

41 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 76

statistics on shipments of ammonium nitrate⁴² by foreign flagged vessels using the SVP system.⁴³

2.26 The committee also discussed:

- *Maritime Transport Security Amendment Bill 2005*;⁴⁴
- International Ship and Port Facility Security Code;⁴⁵
- Australian Strategic Policy Institute report, *Future unknown: the terrorist threat to Australian Maritime Security*;⁴⁶
- Reissuing of Aviation Security Identity Cards;⁴⁷
- Regional Rapid Deployment teams for airports;⁴⁸
- Report 400 in the review of aviation security in Australia;⁴⁹
- Regional airport security;⁵⁰
- Aircraft surveillance.⁵¹

Aviation and Airports

2.27 The department provided their view on the future of the international aviation industry, stating that it was a volatile industry. They indicated that while traffic levels had returned to pre-2001 numbers, the industry faced a number of short to medium term challenges, such as the escalating price of fuel. Developments in the Northern Hemisphere will also affect the industry, with an increasing number of European carriers consolidating to form larger groups. Further, intense competition is emerging with an increase of low-cost carriers in Europe and South-East Asia: 'It is a volatile picture, with some return to profitability by some carriers and deep losses by others.'⁵²

2.28 The department was questioned as to whether the committee's recommendations for reforms to the *Airports Act 1996*, made in its inquiry into the

42 Ammonium nitrate is an agricultural fertiliser that can be used as an explosive.

43 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 80

44 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 77-80

45 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 80-81

46 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 83-4

47 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 84-5

48 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 87

49 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 87-8

50 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 90-91

51 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 93

52 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 101-2

Development of the Brisbane Airport Corporation Master Plan,⁵³ had been adopted. The department indicated that they were 'taken on board' as part of their current review of the act, which had almost been finalised.⁵⁴

2.29 The committee also discussed:

- Aviation and Airports budget allocation;⁵⁵
- The Airservices Australia charging regime inquiry;⁵⁶
- The National Airspace System;⁵⁷
- The Christmas Island airport.⁵⁸

Airservices Australia

2.30 The committee asked questions about the governance review of Airservices Australia. Airservices are assisting the department in the conduct of the review by providing information as requested. In addition, the department has engaged the services of a consultant to assist with the review. The department expects to report to the government by the end of June 2005.⁵⁹

2.31 The committee discussed Airservices Australia estimated revenue for the coming financial year. Airservices relies on fees from commercial charges to industry, which are expected to be \$620-630 million in the coming year. This is an approximate 5 per cent increase on last year's revenue. Airservices explained;

The corporation is run pretty much like a commercial business. We are expected to generate profits. A portion of those profits is paid towards meeting our tax obligations; a portion is paid to the shareholder, who is the government, in the form of dividends; and the balance is retained inside the organisation to help it fund future investment and future capital growth.⁶⁰

2.32 The committee also received an update on regional radar. At additional estimates Airservice's recommendation to use Automatic Dependent Surveillance Broadcast (ADS-B) technology as an alternative to traditional radar was discussed.⁶¹

53 http://www.aph.gov.au/senate/committee/rrat_ctte/completed_inquiries/1999-02/brisair/report/contents.htm

54 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 106-107

55 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 97-98

56 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 99

57 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 107-8

58 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 108-9

59 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 110-111

60 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 111

61 *RRAT Additional Estimates 2004-05 Report*, pp. 10-11

Since the hearing, the Minister for Transport and Regional Services commissioned a British firm, CSE, to review the Airservices analysis of radar usage. The review is almost complete, and is expected to be reviewed by the National Airspace System Inter-Agency Group before going to the minister. The estimated costs for the radars have not changed, and are maintained at \$100-140 million depending on the level of site works and excavations to install the facilities.⁶²

Civil Aviation Safety Authority

2.33 A prominent feature of the committee's discussions with the Civil Aviation Safety Authority (CASA) was the issue of the perception of CASA amongst industry participants. The discussion, outlined in further detail below at paragraph 2.36, focussed on CASA's efforts to redefine its regulatory role. The committee was particularly interested in the delicate balance CASA is seeking to find between regulatory enforcement and client service.

2.34 However, the committee commenced with a discussion of management deficiencies within CASA. Officers conceded that:

We think we could improve areas in terms of leadership and management. It is a technically highly skilled work force. If we have a weakness it is in the area of leadership and management.⁶³

2.35 CASA also informed the committee that, in conducting surveillance of the aviation industry, they would be conducting fewer large scheduled audits and more regular, brief, hands-on inspections. CASA indicated that this would allow a more appropriate use of the agency's time: 'less time in the office planning things and writing things up and more time out there finding out what is going on.'⁶⁴ Audits would continue to be utilised, however they would be reduced (probably from two to one per year) and supplemented by other types of inspections based on risk assessment.⁶⁵

2.36 The committee then turned to discussing CASA's relationship with the aviation industry. CASA told the committee that they were seeking to redefine their relationship with the industry; shifting the balance of their approach from strict regulation and policing to a partnership with industry, facilitating improvements to aviation safety rather than simply enforcing them. In response to the committee's concerns about developing an overly 'friendly' role for a regulator, CASA emphasised the importance of not 'going too far' with its partnership role and ultimately weakening its regulatory function. CASA assured the committee it was aware of the need to

62 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 112-15

63 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 117

64 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 117

65 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 119

continue to act firmly on safety breaches where appropriate.⁶⁶ The committee will monitor this development to ensure problems arising from close relationships between CASA and aviation operators do not occur.

2.37 The committee also discussed the shift towards CASA increasing cost recovery from industry from 1 January 2006. CASA advised that they would undertake a costing analysis before proposing a new schedule of charges, which would then be subject to consultation with industry. They further indicated that recent fee increases represented increases to existing charges, while the new proposal would broaden the range of services charged for.⁶⁷

2.38 Finally, the committee discussed the implications for CASA of the Uhrig report on corporate governance. The committee was particularly interested in the possibility of CASA moving from a statutory authority operating under the *Commonwealth Authorities and Companies Act 1997* (CAC Act), to one operating under the *Financial Management and Accountability Act 1997* (FMA Act), and the impact of any change on the scope of ministerial control over CASA. Departmental officers informed the committee that the matter was currently the subject of a review, to be reported to the Minister in July.⁶⁸

2.39 The committee also discussed the following matters with CASA:

- Staffing levels;⁶⁹
- Reduction in CASA's revenue from government;⁷⁰
- Changes to CASA's organisational structure;⁷¹
- Improvements to flying training;⁷²
- Remote air services in north western WA;⁷³ and
- Expenses incurred by the CEO in travelling between Melbourne and Canberra.⁷⁴

66 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 120-121

67 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 4-7

68 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 27

69 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, pp. 123-124

70 RRAT Committee Budget Estimates, *Transcript of Evidence*, 23 May 2005, p. 124

71 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 1-2

72 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 4

73 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 22-24

74 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 29-31

AusLink

2.40 The committee commenced by discussing DOTARS' work on infrastructure bottlenecks. The department explained that it had provided advice to other departments and agencies, including the Department of Industry, Tourism and Resources' report into coal transport and the Prime Minister's infrastructure task force.⁷⁵

2.41 The committee also welcomes cooperation on transport issues between AusLink and the Bureau of Transport and Regional Economics (see paragraph 2.10).

2.42 The Commonwealth's role with respect to Australia's ports was also discussed. The department indicated that while the Commonwealth had no intention of seizing control of the ports, it was the government's intention to promote coordination of port planning with AusLink's corridor strategies for road and rail links, in addition to a more consistent economic regulatory approach to port infrastructure.⁷⁶

2.43 The committee then queried why air transport was not included in the AusLink network. The department stated that the network includes linkages to the airports. Further, they emphasised that airports already have advanced Commonwealth planning regimes and a single economic regulator, providing incentives for private investment.⁷⁷

2.44 The department also provided an update on the bilateral agreements with the states and territories. They indicated that agreements with South Australia and Victoria were almost completed. For the remaining jurisdictions, acceptance of the construction code and guidelines was an acknowledged impediment to reaching agreement. The department confirmed that funds do not flow into AusLink projects in states where a bilateral agreement has not been signed.⁷⁸

2.45 Other matters discussed included:

- Scope of the House of Representatives Standing Committee on Transport and Regional Services on road and rail freight transport;⁷⁹
- The Melbourne-Brisbane rail link;⁸⁰
- Funding for Roads to Recovery program;⁸¹

75 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 33-34

76 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 35-36

77 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p 37

78 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p 38

79 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 34-35

80 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 40-43

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- Strategic regional projects;⁸²
 - A national methodology for the planning and assessment of road projects;⁸³ and
 - A number of specific road projects, namely:
 - Floodproofing of the Bruce Highway;⁸⁴
 - Caboolture Motorway widening;⁸⁵
 - Townsville ring road and the Townsville-Mt Isa corridor;⁸⁶
 - Alignment between the F3 and New England Highway and other New England Highway projects;⁸⁷
 - Pacific Highway upgrade, including the possibility of private investment;⁸⁸
 - Tugun bypass;⁸⁹
 - Various Hume Highway upgrades;⁹⁰
 - Funding for the Goulburn Valley highway;⁹¹
 - Tarcutta truck stop;⁹²
 - Murrumbateman bypass on the Barton Highway;⁹³
 - Duplication of the Calder Highway;⁹⁴
 - Upgrades to the Ipswich Motorway;⁹⁵

81 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 44

82 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 45 and pp. 47-48

83 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 46

84 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 49-50

85 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 50-51

86 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 53

87 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 53-57

88 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 57-59

89 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 59

90 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 60-62

91 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 62-63

92 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 63-64

93 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 65-66

94 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 66

95 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 69-71

Australian Maritime Safety Authority

2.46 The committee had a brief discussion with officers from the Australian Maritime Safety Authority (AMSA) on the following:

- Increased budget allocation for AMSA through increased levy revenue;⁹⁶
- Staffing levels.⁹⁷

Maritime and Land Transport

2.47 The committee sought information on the government's response to recommendations in the Productivity Commission's review of national competition policy reforms of passenger and freight transport. They were informed by the department that the report will be considered by COAG on 3 June 2005, after which the department may be responsible for addressing some of the recommendations in the report, depending on the agreements reached by COAG.⁹⁸

2.48 The Tasmanian Freight Equalisation Scheme was again raised. The department explained that the basis on which the scheme's budget had increased from 2004-05 to 2005-06 was a trend towards increasing claims under the scheme. The department further indicated that there would be a review of the Tasmanian Freight Equalisation Scheme and the Tasmanian Wheat Freight Scheme and that the form the review would take was currently being determined at a ministerial level.⁹⁹

2.49 The committee then discussed the matter of safety standards applying to imported second hand cars. The department informed the committee that the government had tightened regulations applying to the importation of vehicles over 15 years old. This was due to the fact that the previous arrangements, allowing for less rigorous certification of older imported 'niche' vehicles, were being exploited to import for profit older mainstream Japanese vehicles for sale in Australia.¹⁰⁰

Regional Services

2.50 The East Kimberly COAG Indigenous trial site was subject to committee questioning. The committee expressed concerns that most of the funding for the trial had been spent on departmental expenses such as salary and travel. The department responded that they were largely responsible for coordinating whole-of-government

96 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 67

97 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 68

98 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 72-73

99 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 74-75

100 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 77-78

activity, rather than delivering services. Accordingly, the facilitative role of the department necessitated expenditure on the staff performing that role.¹⁰¹

2.51 The committee, the Minister and the department held a lengthy discussion on expenditure under the Regional Partnerships and Sustainable Regions programs, particularly adjustments to the budgeted figures prior to their finalisation. Referring to a Department of Finance document, the committee inquired as to the adjustments that had been made following interdepartmental discussions between DOTARS and the Department of Finance. The Minister stated that budget deliberations are subject to cabinet-in-confidence and would not be discussed with the committee. A dispute arose as to whether or not interdepartmental discussions fell within the realm of, and are protected by, the cabinet process.¹⁰² The department closed the matter by indicating that there had been no budget adjustments 'as a result of a discussion between departments'.¹⁰³

2.52 The department then outlined for the committee previous years' underspends for the Regional Partnerships program. In 2003-04, \$22 million was allocated to the program but not spent and it was estimated that approximately \$14.3 million allocated to Regional Partnerships would not be spent in 2004-05. The department indicated that the underspending was a consequence of Regional Partnerships being a relatively new program.¹⁰⁴

2.53 The department also updated the committee on the progress of the Bert Hinkler Hall of Aviation Museum in Bundaberg. They indicated that discussions were underway with the project's proponents, and had been so 'on and off' for three years, but a funding agreement had not been reached.¹⁰⁵

2.54 The committee then sought information on the progress of the six icon projects. The department stated that the Buchanan rodeo park in Mt Isa and the Tamworth equine centre had both received ministerial approval and the former had signed a funding agreement. The remaining projects were still being assessed or settling their applications.¹⁰⁶

2.55 The committee and the department then discussed the manner in which projects that were the subject of election commitments were, or are to be, subsequently approved in accordance with the department's guidelines for Regional Partnerships programs.¹⁰⁷

101 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 79-80

102 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 83-88

103 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 85

104 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 86-89

105 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 92

106 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 94

107 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 99-101

2.56 The Rural Medical Infrastructure Fund was also subject to committee questioning. The department informed the committee that the program is intended to 'provide support for local government councils to purchase or otherwise establish a walk-in, walk-out clinic which makes it easier for them to attract and/or retain a medical practitioner.' The committee expressed some concern that the scheme may have the effect of enticing doctors from one rural region to another, at a cost to the government.¹⁰⁸

2.57 Departmental officers then provided the committee with an update on Sustainable Regions. They again addressed concerns relating to competitive neutrality, stating that the guidelines applying to this issue would not be reviewed.¹⁰⁹ The department then highlighted the importance of unmet demand, rather than a total absence of supply:

It goes to questions of overall market demand. If there is an unsatisfied demand in a market, there is no reason why a second or third additional provider is necessarily disturbing a competitively neutral situation that will of itself impact negatively on existing providers.¹¹⁰

The committee, however, remained concerned that existing businesses were being disadvantaged by non-repayable loans given to their competitors under Sustainable Regions.¹¹¹

2.58 The committee was informed that the initial eight regions under Sustainable Regions are due to wind up on 30 June 2006.¹¹² They were also told that the two new Sustainable Regions of 'Darling Matilda way' and 'Northern Rivers-North Coast' would be allocated \$21 million and \$12 million respectively.¹¹³

2.59 Other matters discussed with officers from the Regional Services area included:

- Staffing increases in Regional Services;¹¹⁴
- Client satisfaction surveys;¹¹⁵
- Bank@Post and new Rural Transaction Centres;¹¹⁶

108 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 108-111

109 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 112

110 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 112

111 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 113-114

112 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 116

113 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 118

114 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 93

115 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 102-104

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- Contracts for remote area aviation services in WA;¹¹⁷

Territories and Local Government

2.60 The department's involvement in providing relief to storm affected areas of Western Australia under the Natural Disaster Relief Arrangements was raised. The committee was informed that the Western Australian government will be reimbursed 50 per cent for personal hardship or distress expenditure payments they make, or alternatively, they are eligible to be reimbursed for consolidated expenditure on eligible events over the course of the year.¹¹⁸ The committee was also told that there had been no claim under the scheme for relief provided in relation to the Eyre Peninsula fires.¹¹⁹

2.61 Departmental officers then updated the committee on the implementation of recommendations made in the COAG bushfire mitigation report.¹²⁰ The committee was advised that two major developments had taken place since the previous estimates hearings, namely:

- Insurance Council of Australia approval of changes to the General Insurance Code of Practice; and
- Correspondence from the Minister for Industry, Tourism and Resources to the Building Codes Board 'stressing the urgency of the need to complete the Building Codes Board's review of the construction of buildings in bushfire-prone areas'.¹²¹

2.62 The lateness of the department in meeting reporting obligations was also raised by the committee. The department explained that although required to report as soon as practicable after 30 June, there had been some unforeseen delays in tabling the local government national report. This included being advised by some states late in the process that some of the information they had provided was inaccurate. The committee was informed that the earliest the report was generally able to be tabled is December.¹²²

2.63 The committee notes, with concern, the delay. Given that tabling will be six months after the date indicated by the department as practical, the committee urges the department to act so that such a delay is avoided in the future.

116 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 105-106

117 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 119-120

118 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 122

119 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 122-123

120 See RRAT Legislation Committee Additional Estimates 2004-05 Report, pp. 15-16

121 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 124

122 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 126-127

2.64 The department also advised that they anticipated the government would be in a position to provide a response to the Hawker Report shortly, having recently received the final draft.¹²³

2.65 The committee was informed that the department had not responded to the Joint Standing Committee on the National Capital Authority and External Territories' report on Norfolk Island governance, but had 'undertaken considerable negotiations and had discussions with the Norfolk Island government in regard to a number of the recommendations'. The department also offered to provide on notice details of the changes the Norfolk Island government had already undertaken in response to the report.¹²⁴

2.66 The committee then discussed the prospect of the incorporation of the Indian Ocean Territories (IOTs) into another state and out of the Commonwealth's jurisdiction. The department confirmed that the most preferable option would be for the IOTs to be incorporated into Western Australia, given its proximity and existing provision of service deliver arrangements. The committee was also told that a majority of Western Australians would need to support such a change through a referendum.¹²⁵

2.67 The market testing of the IOT Health Service was also discussed. The department indicated that tenderers had been publicly listed and had visited Christmas Island, with a recommendation to be made to the Minister in June. The committee was further informed that existing staff may gain employment with a new provider, while terminated staff would be entitled to redundancy payments under their existing certified agreement.¹²⁶

2.68 The committee also raised concerns over a potential conflict of interest arising from the IOTs' director of nursing selecting the agency that provides nurses. The department indicated that they had not considered there to be a conflict of interest, adding that the head of nursing was required to report to the health service general manager.¹²⁷ The committee notes that the department could not demonstrate that a conflict of interest was not possible. Further, there may be a public perception of a conflict of interest existing, which the department should address.

2.69 Mammography services on the IOTs were also discussed. Although originally determining that this service was not required, the department informed the committee that it would now be purchasing a mammography unit to be located on Christmas

123 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 86-87

124 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 92-93

125 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 96-97

126 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 100-101. See also RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, p. 3

127 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 102

Island. The committee was also advised that radiographers will travel to the island twice a year to operate the unit.¹²⁸

2.70 The committee requested information on the IOT economic development plan. The department advised that a draft of the Christmas Island plan had been developed, while the draft of an overarching development plan for the IOTs had not yet been completed. They further advised that the plan was being 'developed on-island' by a private company and the Christmas Island Economic Development Committee, and the department was only responsible for providing comments on the plan.¹²⁹

2.71 The committee raised concerns that the application of Western Australian laws could inadvertently leave gaps in the legislative framework applied in the IOTs. The department indicated that they were aware of this potential problem:

The task that we have set ourselves for this coming financial year is certainly to do a review of the legislation in place to assure ourselves that, as you have pointed out, if there are certain gaps, those gaps can be addressed—be that from the point of view of the legislation, because it may not strictly suit the Indian Ocean territories, or that it may not be consistent with broader Australian government policy or that there may be administrative arrangements that are not quite in place on the island.¹³⁰

2.72 The department also responded to questions over water shortages on Christmas Island. They advised the committee that the department was investigating connecting additional and presently unused water sources into the existing town system. The department indicated that an agreement with the leaseholder to resume the relevant site had been reached, and an infrastructure proposal was being prepared for the Minister's approval.¹³¹

2.73 The committee expressed concern with the absence of community consultation prior to the Minister's announcement that there would be a legislative prohibition on a casino on Christmas Island. The department confirmed that there had been no consultation on the prohibition and that the relevant ordinances were being prepared and would be tabled in the winter sittings.¹³²

2.74 The issue of asbestos on the IOTs was then raised with the department. The department told the committee that one particular building had been closed for access and a building consultant dispatched to the IOTs 'to do an analysis of all [the

128 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 104-106

129 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 108-109

130 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, p. 6

131 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, p. 7

132 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 9-10

department's] assets and the asbestos related issues of those buildings so we can take immediate action'.¹³³

2.75 The committee also discussed phone and internet services on West Island in the Cocos (Keeling) Islands, with particular reference to a lack of consultation over the possible removal of transmission towers. The department stressed that these services were required by the department as well as the local community and that negotiations were underway with Telstra and Airservices to maintain their provision.¹³⁴

2.76 Other matters discussed with officers from the Territories and Local Government area included:

- The ongoing rephasing of Regional Flood Mitigation Program funding;¹³⁵
- Staffing in the department's Local Government branch;¹³⁶
- Land transfers on Norfolk Island;¹³⁷
- Details of budgeted IOT expenditure;¹³⁸
- Departmental consultation with residents of the IOTs;¹³⁹
- Service delivery arrangements for the IOTs;¹⁴⁰
- Health promotion in the Cocos (Keeling) Islands;¹⁴¹
- Cost of maintaining administrators on IOTs and Norfolk Island;¹⁴²
- Safety standards and amenities at Christmas Island airport;¹⁴³
- Recent crane incident on Christmas Island;¹⁴⁴

133 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, p 10

134 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, p. 17

135 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, pp. 120-121. See also RRAT Legislation Committee Additional Estimates 2004-05 Report, p. 13

136 RRAT Committee Budget Estimates, *Transcript of Evidence*, 24 May 2005, p. 125

137 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 90-91

138 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 93-94

139 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 95-96

140 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 97-99

141 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 103-104

142 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 107

143 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 8-9

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- Cocos (Keeling) Islands hovercraft, waste and water issues;¹⁴⁵
 - Farming and education on Cocos (Keeling) Islands;¹⁴⁶
 - Tourism on Cocos (Keeling) Islands.¹⁴⁷

National Capital Authority

2.77 The National Capital Authority (NCA) commenced by explaining that the agency was budgeting for a \$1 million deficit each year to 2008-09 as a consequence of increases in insurance premiums. They indicated that NCA's premiums are relatively high due to the amount of land the agency is responsible for administering. However, NCA expected the shortfall to be covered through the additional estimates process.¹⁴⁸

2.78 The committee again discussed the matter of the national Christmas tree, particularly the NCA's decision to give the tree away. NCA advised that, in accordance with shifting investment from Christmas to Australia Day celebrations, the tree was first offered to the Department of Parliamentary Services, who declined, then to the ACT Government, who accepted. It was transferred for a peppercorn fee and is now erected in Civic Square at Christmas.¹⁴⁹

2.79 The committee then engaged in a discussion with NCA about the Griffin Legacy project. Specifically, the committee expressed concern that the contribution of Walter Burley Griffin's wife, Marion, had not been appropriately acknowledged in the project. The NCA replied that their approach to her contribution reflected academic equivocation as to whether she was involved in Canberra's design or simply illustrated Walter Burley Griffin's designs. The committee further queried the recognition of her in the National Capital Exhibition, information NCA offered to provide on notice. The NCA finally agreed that the agency may have some role in formulating a definitive position on Marion Griffin's role.¹⁵⁰

2.80 The committee also had an extensive discussion with NCA on the ongoing issue of draft amendment (DA) 39 to the National Capital Plan, relating primarily to the development of State Circle. NCA informed the committee that DA 39 would allow three story residential buildings on State Circle, contrary to the Joint Standing

144 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 12-13

145 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 14-16

146 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 18-20

147 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 20-21

148 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 23-24

149 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 31-32

150 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 35-37

Committee on the National Capital and External Territories' recommendation that the limit be set at two stories.

2.81 The committee raised concerns that DA 39 applied differently to each of the State Circle blocks on the corner of Hobart Ave and Melbourne Ave. In evidence at the hearing, and shortly after in a written response, NCA outlined the differing development conditions these blocks would be subject to, although they stressed that the practical outcome would be the same. The NCA wrote:

The only difference in treatment between the Melbourne Avenue blocks and other blocks (including that on Hobart Avenue) is that a proponent of a development on the other blocks would need to demonstrate excellence in the urban design outcome to achieve a plot ratio of up to 0.8 without amalgamation.¹⁵¹

2.82 The committee was concerned that the different treatment for the two blocks in question may not have been conveyed openly to the Joint Standing Committee on the National Capital and External Territories when they inquired into the matter in 2002.¹⁵² NCA agreed to provide a response to that concern on notice. More generally, it appears that NCA has not been publicly clear on this issue, creating confusion and, potentially, the perception of discriminatory treatment. The committee urges NCA to be more open and forthcoming on controversial planning issues in the future.¹⁵³

2.83 Other matters discussed with officers from NCA included:

- Redevelopment of areas under NCA control;¹⁵⁴
- Water levels in Lake Burley Griffin;¹⁵⁵
- Confusion over the interaction of draft amendment 50 to the National Capital Plan (with its broad policy intent) and other draft amendments with more specific planning provisions;¹⁵⁶
- Pay parking in the Parliamentary Triangle.¹⁵⁷

151 NCA letter to the Committee Secretary, Friday 27 May 2005

152 Report titled 'Striking the right balance: Draft Amendment 39, National Capital Plan', tabled 21 October 2002, <http://www.aph.gov.au/house/committee/ncet/draftamendment39/report.htm>

153 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 42-50

154 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 26-27

155 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, p. 29

156 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, pp. 37-41

157 RRAT Committee Budget Estimates, *Transcript of Evidence*, 27 May 2005, p. 45

CHAPTER 3

AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO

Department of Agriculture, Fisheries and Forestry

3.1 The Committee heard evidence from the department on Wednesday 25 May and Thursday 26 May 2005. The hearing was conducted in the following order:

- Management Services and Corporate Governance
- Food and Agriculture (including Wheat Export Authority)
- Biosecurity Australia
- Market Access
- Product Integrity (including aquatic animal) and Plant Health
- Australian Quarantine and Inspection Service (AQIS)
- Australian Bureau of Agriculture and Resource Economics (ABARE)
- Bureau of Rural Sciences (BRS)
- Rural Policy and Innovation
- Fisheries and Forestry
- Natural Resource Management

3.2 The hearing began with a minute's silence in remembrance of the late Dr David Banks, an officer with Biosecurity Australia. Dr Banks was a casualty of the Lockhart River plane crash (see paragraph 2.14).

3.3 As in the Department of Transport and Regional Services, throughout the Budget Estimates hearings, the committee showed considerable interest in staffing issues, such as numbers and costs, workplace diversity, certified agreements and insurance cover; with a particular focus on the Wheat Export Authority,¹ Biosecurity Australia,² and AQIS.³

1 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 63, pp. 69-70, and pp. 75-77

2 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 84

3 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 13

Management Services and Corporate Governance

3.4 The committee began questions on the department's overall price of outputs. The department's 2005-06 PBS shows an increase in appropriations of \$113,599.⁴ \$63 million of this figure is allocated for the Australian Quarantine and Export Inspection Program. The program is due to lapse this year and questioning established that the appropriation recorded the government's renewal of the program. The program was not new departmental activity, but for accounting reasons it appeared so.⁵

Food and Agriculture

3.5 The department outlined the decrease in funding for the National Food Industry Strategy (NFIS) was due to a reallocation of funds to the Food Innovation Grants (FIG) program which is part of the strategy. The strategy is intended 'to drive increased investment in innovation, increased export growth and improved productivity, efficiency and skills in the Australian food industry.'⁶ The FIG program is administered by NFIS Ltd, an industry led, Commonwealth funded company.⁷

3.6 The extra funding of \$1.1331 million over the 2004-05 to 2005-06 financial years allows for an extra round of grants. The grants run for roughly 18 months to two years.⁸ To date the government has contributed \$30 million towards the Food Innovation Grants Program, with a total of 36 grants. This has been leveraged with \$41 million in matching funding from the food industry. A mid term review by Allen Consulting indicated that many companies within industry have made greater contributions to improve the food industry because of the support offered by the grants.⁹ Furthermore, the food industry networks are being strengthened and there has been greater interest in international contributions to Australian research and development.¹⁰

3.7 The Australia Food Safety Centre of Excellence based at the University of Tasmania, for example, has established an allergens bureau in collaboration with universities in Victoria and with the CSIRO. The research they do will minimise the

4 *Portfolio Budget Statements, Agriculture, Fisheries and Forestry 2005-06*, p. 15

5 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 3-6

6 *National Food Industry Strategy*, Department of Agriculture, Fisheries and Forestry, <http://www.nfis.com.au/>

7 *National Food Industry Strategy*, Department of Agriculture, Fisheries and Forestry, <http://www.nfis.com.au/>

8 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 11

9 *National Food Industry Strategy*, Department of Agriculture, Fisheries and Forestry, <http://www.nfis.com.au/>

10 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 12-13

presence of allergens and protect consumers through improved product labelling. Both large and small Australian companies will benefit from their work.¹¹

3.8 The department also shared that it has developed a framework to minimise auditing compliance assessment for both government and industry. The draft competency standard for food safety auditors that has been developed is now at a stage where it can be implemented by various government agencies and private companies.¹²

3.9 The committee questioned the department about the Australian HomeGrown campaign.¹³ The initiative supports totally Australian grown produce in domestic retail through product labelling and media advertising. The government's intention is to provide seed money to establish the program until it becomes self-funding.¹⁴ The committee asked the department how they would respond to the potential problem of supermarkets placing restrictions on producers to label their product.

3.10 The department explained that whilst there was no legislation or policy directly related to protecting the rights of producers with the HomeGrown label, there is policy framework for country of origin labelling. The policy is overseen by the health framework, Food Standards Australia New Zealand (FSANZ),¹⁵ and helps consumers to ascertain whether food is produced within Australia or overseas. The department's intent is to see commercial relationships develop between producers and supermarkets through the HomeGrown Australia campaign, and eliminate the need for legislation to enforce cooperation.¹⁶

3.11 As a continuum to the previous additional estimates,¹⁷ the committee spent considerable time questioning the department on the Citrus Canker problem. The department outlined that \$3.5 million has been allocated to the Citrus Canker eradication program for the coming financial year.¹⁸ For further information, see the Australian Quarantine and Inspection Service at paragraph 3.42 to 3.47.

3.12 As at the last additional estimates,¹⁹ the committee pursued questions in relation to the Sugar Industry Reform Package. The committee was concerned at that time over the delay in the second tranche of the Sustainability Grants. It was advised

11 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 12

12 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 16

13 *Australian HomeGrown*, <http://www.australianhomegrown.com.au/>

14 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 17-8

15 *Food Standards Australia New Zealand*, <http://www.foodstandards.gov.au/>

16 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 19-21

17 *RRAT Committee Additional Estimates 2004-05 Report*, p. 22

18 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 29

19 *RRAT Additional Estimates 2004-05 Report*, pp. 20-21

at the time that the reform plans prepared by the Regional Advisory Groups (RAGs) were in need of 'more work'.²⁰ According to the Minister for Agriculture, Fisheries and Forestry, the RAGs' plans now 'need to give greater emphasis to quantifying the expected benefits of the proposed industry reforms'.²¹ The minister has again received advice from the Industry Oversight Groups (IOGs) that the RAGs needed additional professional assistance to further develop their plans.²²

3.13 The committee was not able to receive the RAGs plans requested during the Additional Estimates as 'It is the decision of the Regional Advisory Groups, in consultation with the Minister for Agriculture, Fisheries and Forestry, to determine the availability of regional plans'.²³ As a result, the department was limited in its capacity to discuss the content of the plans. However, the department advised that the plans are intended take a 'patching and repairing' approach rather than focusing on a 'genuine structural reform'.²⁴

3.14 The committee heard that the IOGs had been allocated \$8 million for the period 2003-04 through to 2007-08. The department expects the remainder of the allocation of funds will be spent this financial year. Further to this, the department relayed its involvement with the IOGs as a secretariat role and hence outlined the responsibility of reporting to the minister about the RAGs' plans was with the IOGs, not the department.²⁵

3.15 The committee also heard evidence in relation to the South Johnstone Mill.²⁶ The committee queried when a series of questions about the mill on the *Notice Paper* would be answered. The department relayed that when the issue was before the Queensland Supreme Court in 2003, the hearing had concluded on the basis of a confidential settlement arrangement that involved the Commonwealth. The department commented, 'we need to be very careful so as to not potentially prejudice the Australian government if a future action is being contemplated'.²⁷ The committee was concerned that a matter involving \$1.1 million of public money could not be subject to questions on the basis that future action may arise.²⁸

20 RRAT Committee Additional Estimates, *Transcript of Evidence*, 15 February 2005, p. 13

21 The Hon Warren Truss MP Media Release, *Extra help for regional sugar industry reform plans*, <http://www.maff.gov.au/releases/05/05138wt.html>

22 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 50

23 RRAT Committee Answers to Questions on Notice, Agriculture, Fisheries and Forestry, Question F&A 06

24 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 55

25 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 51-53

26 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 58-60

27 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 58-9

28 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 59-60

- 3.16 The committee also discussed matters relating to:
- The New Industries Development program (NIDP)²⁹
 - The Food Processing in Regional Australia program³⁰
 - Horticulture Code of Conduct³¹³²
 - The Sugar Industry Exit Package³³

Wheat Export Authority (WEA)

3.17 The committee pursued questions in relation to the government response to the 2004 Wheat Marketing Review. The committee questioned the regulatory role of the WEA with reference to the review's recommendation that; 'AWBI should enhance its independence from AWB Ltd at a corporate and operation level to ensure fully transparent negotiation of services and remuneration.'³⁴³⁵ The committee further sought transparency in services to be reflected in the WEA report where 77 services are listed, without any specifics. One such service is AWB Ltd's provision of ocean freight, where it is the only international freight service offered for wheat exports. The committee is concerned that this is a monopolistic approach by the Wheat Board.³⁶

3.18 The committee also inquired about the AWB Ltd ships that are currently being held in an Iraqi port. The committee questioned who would be responsible to pay the demurrage fee. The WEA will inform the committee on notice as to who absorbs the cost of demurrage.³⁷ The committee was concerned that WEA was not informed on such a matter.

3.19 The committee asked questions in relation to the resignation of the former WEA chair due to a conflict of interest. The committee was informed that the former chair, Mr Walter, stood down from duties in July 2004 and was still remunerated until his term expired on 31 December 2004. The conflict of interest described related to the work Mr Walters was doing for a law firm, Minter Ellison, where he was representing a key stakeholder in the AWB(I) group. The Act does not provide for an

29 *NIDP and Agribiz*, Department of Agriculture, Fisheries and Forestry, <http://www.affa.gov.au/content/output.cfm?ObjectID=821E372F-6216-49D3-AEEBC6696728C8E4>

30 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 21-4

31 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 25-8

32 *Horticulture Code of Conduct*, http://www.austcitrus.org.au/internal.php?page_id=374

33 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 54

34 *Truss releases wheat marketing review response*, Minister for Agriculture, Fisheries and Forestry Media Release, p. 2

35 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 65

36 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 65-67

37 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 66-67

acting chair, so during the interim phase Mr Besley was nominated to be a presiding member until a formal replacement was nominated.³⁸

3.20 The committee also heard evidence from WEA in relation to:

- WEA board meetings³⁹
- The growers pool⁴⁰
- Replacement of the WEA independent member⁴¹
- WEA travel⁴²
- The National Single Desk.⁴³

Biosecurity Australia

3.21 The 2005-06 PBS shows a decrease in outcome appropriations due to Biosecurity Australia's (BA) separation from the department as a prescribed agency.⁴⁴ The committee was interested to know how the financial change has been reflected in the operation of the newly prescribed agency. BA gave a good outline of the agency's undertakings in the last six months. However, they admitted that much of the activity would have continued without becoming a prescribed agency. The exception was the financial separation, and the filling of three senior executive positions, and the position of the newly appointed additional chief financial officer.⁴⁵

3.22 The committee questioned whether BA had been meeting its performance indicators as listed in the PBS.⁴⁶ BA informed the committee that the indicators were no longer accurate due to changes in the organisation's structure. BA intends to reassess the performance indicators.⁴⁷ The committee is concerned that BA does not currently have adequate benchmarks by which to gauge its performance.

38 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 71-4

39 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 70-1

40 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 67-8

41 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 73

42 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 74

43 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 75; and

AWB, *The Benefits of the National Single Desk*,

<http://www.awb.com.au/AWBL/Launch/Site/AboutAWB/Content/FactsIndustryInformation/SingleDeskBenefits/BenefitsOfTheNationalSingleDesk/Benefits+of+the+national+Single+Desk.htm>

44 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 6-7

45 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 82-4

46 *Portfolio Budget Statements 2005-06, Agriculture, Fisheries and Forestry*, p. 94

47 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 85-6

3.23 The committee continued to pursue its interest in the importation of Brazilian beef.⁴⁸ The department outlined there had been no change since the Additional Estimates, the policy under which cooked and uncooked Brazilian beef is imported is still suspended, and all permits under that policy have subsequently been revoked. The policy is currently under review.⁴⁹ The committee is disappointed that Australia had accepted beef in a F&MD free declared country that is not adequately monitoring its borders in a F&MD area.⁵⁰

3.24 BA had intended to visit Brazil to conduct further investigations of zoning and certification arrangements; however Brazil had visits from other countries which meant they were unable to accept the Australian delegation at that time.⁵¹

3.25 AQIS has investigated four plants in Brazil that exported cooked meat before the policy was suspended. They took into account veterinary public health, sanitary control systems, certification procedures and traceability of stock and product. The visit will assist in the consideration of any policy for permitting cooked beef to enter Australia.⁵²

3.26 During the additional estimates the department explained that the policy for the importation of beef from Brazil established in 1998 was the subject of full consultation.⁵³ At this hearing, the committee was greatly concerned that the process of consultation was not adequate. As a result, the department will provide on notice a copy of the draft policy memorandum and comments from key stakeholders involved.⁵⁴

Market Access

3.27 The committee pursued an ongoing interest in the issue of animal welfare in live exports, as discussed in the Keniry review.⁵⁵ Following the Additional Estimates, the department provided a copy of the MOU with the UAE on notice to the committee.⁵⁶ The committee asked for an update on the negotiation of MOUs relating to live exports with the 10 other countries previously discussed.⁵⁷ The department

48 *RRAT Additional Estimates 2004-05 Report*, pp. 22-4

49 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 86-7

50 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 94-5

51 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 87

52 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 87

53 RRAT Committee Additional Estimates, *Transcript of Evidence*, 15 February 2005, p. 33

54 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 91-2

55 *Animal Welfare – The Keniry Report – Livestock Export Review*, <http://www.daff.gov.au/content/publications.cfm?Category=Animal%20fixand%20Plant%20Health&ObjectID=056153D8-2885-4ACD-9A0BF0E15B1B6DDB>

56 RRAT Additional Estimates answer to question on notice, Question MA01

57 *RRAT Committee Additional Estimates 2004-05 Report*, p. 24

outlined that the minister had signed an MOU with Kuwait in March 2005, and in late April early May he signed MOUs with Saudi Arabia, Jordan and Eritrea. Negotiations are still underway with Bahrain, Qatar, Oman, Syria, Israel, Egypt and Iran. The MOUs are based on the UAE MOU. The critical principle is that animals are unloaded into areas of quarantine if any problems occur with shipments on arrival into these countries.⁵⁸ The committee welcomes the implementation of the MOUs.

Product Integrity, Animal and Plant Health

3.28 The committee asked the department for further details on the National Identification Scheme (NLIS) for cattle.⁵⁹ The funding of \$20 million is still under government consideration in consultation with the cattle industry. The difficulty the scheme is experiencing is in relation to having a unified response across all states:

one of the difficulties we have had is trying to get a unanimous view around the place in terms of how that money would be best expended to assist producers with the uptake of the NLIS. For example, in Victoria where the NLIS was first introduced some years ago, their producers are pretty much used to it as part of their business and have, with the support of the Victorian government, got the implementation pretty well completed, whereas in some of the northern jurisdictions from 1 July this year they will be starting implementation, so their needs are very different to Victoria's.⁶⁰

The committee expressed concern that the 1 July implementation date is approaching and expenditure of the Commonwealth funds is still under consideration. It notes the department's difficulties arising from the industry's lack of clarity as to how the money should be spent. The committee will maintain a keen interest in the program.

3.29 The committee continued discussions from the Additional Estimates on the Ovine Johns Disease (OJD) management.⁶¹ The department re-asserted that it was not an eradication program, but a management program to decrease the spread of the disease. \$300,000 has been allocated for the fund this year, and \$553,000 for the 2005-06 financial year. The funding will be used for the Commonwealth's percentage of the shared costs for abattoir surveillance.⁶²

3.30 The committee queried the delayed report of Exercise Minotaur, an exercise used to assess the hypothetical outbreak of Foot and Mouth Disease (F&MD) in Australia.⁶³ The exercise was announced in September 2002 and the *Exercise*

58 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 97-8

59 RRAT Committee Additional Estimates 2004-05 Report, p. 24

60 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 103

61 RRAT Committee Additional Estimates 2004-05 Report, p. 25

62 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 104-5

63 Agriculture, Fisheries and Forestry, *Exercise Minotaur*,
<http://www.affa.gov.au/exerciseminotaur>

Minotaur Evaluation Report was released on 19 April 2005. The department explained that the delay had occurred because extensive consultation had been undertaken. Reports from various jurisdictions about the exercise had to be brought together into one Council of Australian Governments (COAG) report. The department stated, 'the exercise itself was the biggest simulation that this country had undertaken in peacetime'.⁶⁴ The committee is concerned that work had been undertaken on the outcome of the exercise prior to the publication of the report. This is similar to the delays in the government response to the Joint Standing Committee on the National Capital and External Territories report on Norfolk Island governance (see paragraph 2.65). The committee is concerned about delays in publishing government responses. Without a final response the implementation of recommendations may be patchy and less effective.

3.31 As a result of the exercise; personnel have been specially trained to form a highly skilled Rapid Response Team that can be deployed to a particular location where any outbreaks of the disease occur. In addition to the Rapid Response Team, an Australian veterinary reserve will be established, as will network resources with other countries. Further, there has been administrative and communicative training of industry liaison officers.⁶⁵

3.32 The veterinary reserve, operating under the 'Other Exotic Disease Preparedness Program' has recruited approximately 100 members. The initial pilot training course for the reserve was held last year. The program is due to commence the remaining training activity over the next 12 months.⁶⁶

3.33 The committee was also interested to hear how the AUSVETPLAN and the Commonwealth, State and Territory plans would perform in the event of an outbreak of F&MD. The department stated that the plans are under constant review to ensure they are refined and strengthened for changing circumstances.⁶⁷

3.34 The committee asked if the exercise considered how to create a FM&D free zone, as well as how to control the disease within zones. The department outlined that they had sent zoning submissions to overseas observers, particularly in the US, New Zealand and Canada, to gauge their responses. As a result, the department has ascertained that in the event of an outbreak it would take some months to put together a zoning application and then to receive a response from trading partners.⁶⁸ The committee also discussed F&MD zoning matters with Biosecurity Australia (see paragraph 3.25).

64 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 107

65 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 112-3

66 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 106

67 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 107-9

68 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 109-10

3.35 The committee spent a good deal of time questioning the Australian Pesticides and Veterinary Medicine Authority (APVMA).⁶⁹ The committee had a particular interest in the use of 2,4-D and asked questions in the context of recent reports of spray drift of the chemical affecting food crops in the Murray Valley. The department explained that 2,4-D, a widely used herbicide for the control of broadleaf and weed grass is currently under a comprehensive review in collaboration with the Department of Health and Ageing. The department's initial comment is that 2,4-D is not an issue of public health concern. In October 2003 legislation was amended to allow for product labels to have more detailed information to warn consumers of the spray drift potential. Furthermore, the department is working with the states to develop 'formal seasonal no spray windows for the higher risk products' to prevent the contamination of food.⁷⁰

3.36 The committee also discussed with the APVMA the triazine family, with particular reference to the chemical Atrozin used to remove grass. The committee questioned why Australia was permitting the use of this chemical in doses far higher than in Europe. The department outlined that Atrozin had been under review over the previous decade. Further to this, a draft report was issued in December 2004 and public comment received on the report is currently being assessed. Studies have determined that any detection of the chemical in water is not safe and should be investigated and remedied.⁷¹

3.37 APVMA also informed the committee that Paraquat is a major component to their current chemical review program.⁷² Further, the department relayed that a draft review of 1080 was released the week of the hearing.⁷³

3.38 The committee also discussed:

- The National Cattle Disease budget figures⁷⁴
- The National Biosecurity Strategy⁷⁵
- Eradication of the imported red fire ant⁷⁶
- The International Convention for Chemicals Implementation⁷⁷
- Plant health diagnostics⁷⁸

69 Australian Pesticides and Veterinary Medicine Authority, <http://www.apvma.gov.au/>

70 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 6-7

71 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 10-11

72 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 9-10

73 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 11-2

74 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 100-101

75 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 101-2

76 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 105-6

77 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 3

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- Mitigating the impact of invasive species⁷⁹
 - The Tuberculosis Freedom Assurance Program.⁸⁰

Australian Quarantine and Inspection Service

3.39 The committee pursued an interest in AQIS budget allocations. The Minister for Agriculture, Fisheries and Forestry announced \$560.9 million to be provided over four years to extend the quarantine border security program. This was \$35.1 million less than the allocation for the program in 2001. The department outlined that the money allocated for the program is exactly the same as in 2001, however the difference of \$35.1 million will be paid in cost recovery charges through the import clearance program and the seaports program.⁸¹

3.40 The committee inquired about recent changes to the Indian Ocean Territories quarantine status. The Quarantine Act covering the Cocos (Keeling) Islands has been extended to include Christmas Island. The Act provides for specialised quarantine requirements for each island that differ from the mainland; 'which reflects their different pest and disease statuses'.⁸² The maintenance of the quarantine station on West Island of the Cocos (Keeling) Islands was also explored. A recent cleanup of the station has been conducted; however the buildings have not been maintained since its closure. AQIS indicated their involvement as simply leasing the station out for the expected visit of the Thai elephants.⁸³

3.41 The committee took great interest in the Citrus Canker issue. The original report of a Citrus Canker outbreak dated back to June 2001. It was in relation to a property called Evergreen Farm and was reported to AQIS via a Redline call. This is a line made available to inform AQIS of breaches in quarantine. The AQIS investigations and cuttings taken from the farm at that time indicated no signs of Citrus Canker. An outbreak at Evergreen Farm however, was confirmed in July 2004.

3.42 The epidemiology of the disease suggests that it was widely dispersed on the property around January-February of 2004. The spray equipment used on the farm would recapture the spray and then reapply it, which is suspected to be a major vehicle of the spread of Citrus Canker on the property.⁸⁴ A recent report indicates that a third property in the Emerald area of Queensland may be infected. It is suspected that high

78 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 4

79 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 4-5

80 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 5

81 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 12-3 and p. 16

82 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 19

83 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 21-21

84 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 40

winds and rain in the area during January and February 2004 may have spread the infection between properties.

3.43 The state is responsible for investigations into the cause of the outbreak. It is looking into possible connections between the early report in 2001 and the confirmed recent outbreak. Moreover, it is investigating the allegations made in June 2001 of the illegal importation of diseased grape and citrus material onto Evergreen Farm.⁸⁵ AQIS is still waiting to receive the formal report from Queensland.

3.44 The government's funding of the eradication program is expected to be utilised in destroying the trees of the two infected properties found in Queensland. In addition to this, the native host, *Citrus glauca*, will be destroyed up to 600 metres within range of the properties. In affect, the quarantine area boundary has been increased due to the discovery of further citrus infection. Signs have been placed around the quarantine area indicating a fine of \$75,000 will be issued to anyone caught removing material from the area without authorisation. Whilst the department has helped to coordinate a national response and awareness of the outbreak, it is primarily the Queensland government's responsibility to proceed with the containment and eradication program.⁸⁶ The committee was greatly concerned that the quarantine boundary lines being put into place were not sufficient.⁸⁷

3.45 The committee further questioned the department in relation to the deed of agreement it made with the owners of Evergreen Farm. During court proceedings on the alleged import of illegal plant material, the Federal Court approved six weeks of quarantine on Evergreen Farm in 2001. AQIS determined that six weeks was not sufficient to undertake the necessary testing to determine whether there were problems on the farm due to the alleged imported plant material. The company agreed to enter into a deed of arrangement that gave the department rights to access and monitor the farm for a further 18 months.⁸⁸

3.46 At a private meeting on 27 May 2005, following consideration of these issues, the Committee decided under standing order 25(2)(b) to conduct an inquiry into the administration of the Citrus Canker outbreak. The committee will examine;

- (a) AQIS' response to the allegations of illegal importation of plant material;
- (b) The adoption of the quarantine protocols and management of the emergency response;
- (c) Cooperation between the commonwealth and states, including funding issues;

85 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 32-33

86 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 29-30

87 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, pp. 36-8

88 RRAT Committee Budget Estimates, *Transcript of Evidence*, 25 May 2005, p. 33

- (d) The impact of the incursion on the Australian citrus industry;
- (e) prevention and management of future incursions; and
- (f) other related matters.

3.47 The committee also discussed matters relating to border control arrangements⁸⁹, export services⁹⁰ and US meat exports and enforcement audits.⁹¹

The Australian Bureau of Agricultural and Resource Economics

3.48 The committee was interested to hear that ABARE has been in communication with the Water Commission in relation to their ongoing water research. ABARE also spoke of ways in which they are enhancing farm surveys. This is done through studying a combination of satellite imagery and physical samples taken from cadastral boundaries.⁹²

3.49 As per past practice, the committee asked for an outlook on some major rural commodities. Iron and coal demands were discussed and ABARE indicated that the price of iron ore has seen an increase of 70 per cent and coal, 120 per cent. China has gone from a small exporter to a net importer. As a result, there has been a substantial increase in seaborne coal which explains some of the increase in prices. Furthermore, supply has not been able to meet demand, which also translates to an increase in prices. However, market prices will not last as large investments have gone into mines which will increase supply and hence, demand will be met.⁹³

3.50 A key feature in the forecasts for agriculture was the impact of the dry weather conditions:

- The last 3-4 months have shown a downward trend in the price of beef, primarily due to dry conditions in Eastern Australia. With the US expected to re-enter the market next year, downward pressure will be placed on beef prices.⁹⁴
- Wheat's planting and output has also been affected by dry conditions and therefore it is likely there will be slightly higher prices with less output.
- Cotton has had a smaller world crop this year; as a result there has been an increase of pressure on price. The key issue affecting cotton is Australia's water availability. There will probably be a lower output this year and higher prices as an offset.

89 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 13-4

90 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 14-5

91 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 17-9

92 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 21.2

93 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 22-3

94 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 25

- Again the dry conditions in Australia's east has affected livestock numbers; however there has been a strong demand for lamb from the US. The low supply and high demand is potential for an upward pressure in prices.
- There has been a strong world wide demand for dairy products, and a lift is expected on fluid milk. Water availability has again put into question some of the farms in Victoria that rely on irrigated pasture.⁹⁵

3.51 Further, sugar has seen high production rates in India and Brazil, which has translated to a slightly lower price than last year. ABARE is optimistic of an increase in outlook. While wool continues to have a low level of demand; as a result lower prices are expected next year.

3.52 Issues arising from the south-east trawl fishery report⁹⁶ and ABARE crop forecasts⁹⁷ were also explored by the committee.

Bureau of Rural Sciences

3.53 Given the current drought, the committee queried the BRS on issues of water. The committee requested information about BRS' involvement with the National Water Commission (NWC). BRS outlined they had been in contact with the CEO of the NWC in February. This led to placing a BRS senior scientist into the commission on secondment for two days a week for a period of approximately four months. In addition, the BRS has briefed the CEO on work they are doing in collaboration with the Bureau of Meteorology and the CSIRO. BRS, as part of a collegiate group, has also offered assistance in the form of a working relationship with the commission.⁹⁸

3.54 The BRS have also been working with CSIRO and the Bureau of Meteorology on the water balance across Australia. As part of the government's election commitment of \$20 million for salinity mapping, BRS will focus on the Murray-Darling Basin.⁹⁹ Their work 'provides the fundamental information on land condition for interventions'¹⁰⁰ under the National Action Plan for Salinity and Water Quality. Their studies will gain a greater knowledge on how salt spreads throughout the landscape to affectively develop strategies to deal with salinity. The action plan was also discussed during evidence from the Natural Resource Management division (see paragraph 3.79).

95 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 25-6

96 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 25

97 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 24-5

98 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 27-8

99 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 28

100 *National Action Plan for Salinity and Water Quality*, <http://www.napswq.gov.au/mapping.html>

3.55 BRS gave the committee an update on fish stock assessments. The recently released fisheries status stock report shows that 17 of 74 commercial species were classed as overfished, 17 are not overfished, and 40 are uncertain.¹⁰¹

3.56 The committee was interested in the plantation forestry package recently announced by the Prime Minister. BRS outlined they had been looking at proposals:

By using the databases that exist and working in concert with the state forestry authority, we looked at the areas under consideration, the species mix under consideration, the logging potential and timber production from the species, and answered questions accordingly.¹⁰²

BRS clarified that they had provided advice on the Prime Minister's final decision for the forestry package, but the final package was not a product of BRS.¹⁰³

3.57 The committee also discussed the Centre of Excellence for Biosecurity Risk Analysis and Research.¹⁰⁴

Rural Policy and Innovation

3.58 Officers of the department defined the National Production Monitoring System¹⁰⁵ and drought assessment to the committee. It is a web based portal which combines sources of information such as rainfall and production.¹⁰⁶ The prototype has been endorsed by ministers of all jurisdictions and will be developed into a full operating production monitoring system.¹⁰⁷ The National Production Monitoring System will be used to assess and make recommendations on drought information and Exceptional Circumstance (EC) assistance and rural support.¹⁰⁸

3.59 The committee queried why the Exceptional Circumstances interest rate subsidy had decreased substantially in this year's appropriations. Updating explanations from the Additional Estimates¹⁰⁹, the department stated that it was a demand driven program and only 13 per cent of eligible farmers, instead of the estimated 30 per cent, had taken up the subsidy.¹¹⁰ The committee asked specifically

101 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 28

102 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 29

103 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 28-9

104 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 26-8

105 *Portfolio Budget Statements 2005-06, Department of Agriculture, Fisheries and Forestry Portfolio*, p. 54

106 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 29-30

107 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 30

108 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 30

109 *RRAT Committee Additional Estimates 2004-05 Report*, p. 28

110 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 36-7

about the South Australian farmers' EC applications, with recent allegations in the media that the national drought policy is not being applied equitably. RPI outlined that an EC application was rejected in South Australia because 'it could not demonstrate a rare and severe event that resulted in a prolonged impact on the majority of growers in that region.' The committee questioned whether the definition that constitutes an EC is clear enough for applicants.¹¹¹

3.60 The committee also asked about various facets of the Agriculture - Advancing Australia (AAA) package. They discussed the AAA Farm Help package¹¹² and the AAA Industry Partnerships.¹¹³ The AAA Rural Financial Counselling Service¹¹⁴ was also discussed in length. The department confirmed that areas of the counselling service had experienced cost pressures. To allow the department to monitor budget expenditure, each of the services are required to provide financial reports three times a year in addition to an annual report.¹¹⁵ The government has recently responded to last year's review of the package and as a result, there will be a re-examination of funding arrangements for the program. The committee was concerned that the current drought situation would bring an increase for demand of the service; and without adequate funding the package would not meet requirements.¹¹⁶

3.61 The committee sought assurance that Rural Policy and Innovation (RPI) was not under-funded to meet compliance regimes for the Statutory Funding Agreements. Officers indicated that there were seven agreements with industry owned companies. Project teams of three officers oversee each agreement in close consultation with the Food and Agriculture division.¹¹⁷

3.62 The Statutory Funding Agreements have been directly affected by the committee's inquiry into *Australian Wool Innovation - Expenditure of Funds under Statutory Funding Agreement*,¹¹⁸ and a new template for compliance issues has been created.¹¹⁹

Following the publication of the inquiry's report—and indeed during the course of the inquiry and subsequently—we have gone to some lengths to work with the companies and reiterated our concern and the importance of the issue on a whole range of reporting and governance matters. I have to

111 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 40-41

112 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 34-35

113 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 35-6

114 *AAA Rural financial Counselling Service*, <http://www.daff.gov.au/financialcounselling>

115 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 37-8

116 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 38-9

117 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 31

118 *Australian Wool Innovation - Expenditure of Funds under Statutory Funding Agreement*, http://www.aph.gov.au/Senate/committee/rrat_ctte/completed_inquiries/2002-04/awi/index.htm

119 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 31-2

say that my observation, certainly in respect of some of them, is that relations have developed very positively in that we are consulted on a number of things that perhaps in the past we would not have been; the corporations test with us whether certain actions that they may be proposing to undertake would in our view be consistent with a statutory funding agreement or not. I think that is a fairly positive development, and I think in part it is as a result of the inquiry.¹²⁰

3.63 While the committee continued to express concern that the auditing process remains open and accountable and that adequate funding is available to ensure proficiency, it welcomed the department's and funded organisation's actions stemming from the committee's inquiry.¹²¹

3.64 The Dairy Industry Service Reform Act was subject to discussion. The department informed the committee that the Dairy Act Compliance Report for 2003-04 is currently being considered by the minister. The department will provide on notice explanations for the delay in tabling the report.¹²²

Fisheries and Forestry

3.65 The committee asked about commercial fish stock management regimes to ensure long-term sustainability in stocks. The department outlined that research plans are a requirement of the regime. The management plans account for approximately 95 per cent of the value of commonwealth fisheries approved by the AFMA board. The plans have been assessed by the minister under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).¹²³

3.66 Rebuilding strategies have been built into the management plans. These strategies are reflected in quota levels that are set and are adjusted during different periods. The majority of overfished stocks in the last 20 years were in South-East Australia. A new fishery management plan was implemented on 1 January 2005 for the area, and the total allowable catches and quotas have been reduced.¹²⁴ The committee acknowledges that the implementation of the strategies, as well as reviewing their effectiveness, is a complex assessment to make, and hence looks forward to receiving a review of the strategies on notice.¹²⁵

3.67 The committee asked about the regimes' strategic research plans currently under review and due to be completed by 1 December 2005. The review is of all

120 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 33

121 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 32-3

122 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 35-6

123 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 43

124 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 44

125 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 44-5

fisheries and is conducted by AFMA. Further, the data on the fishery acquisition plans draft has been developed and is due for release in August 2005.¹²⁶

3.68 The committee asked about recent regulations that have been before parliament and if they are required because of the impact on endangered species. The department explained that;

Various approvals under the EPBC Act, whether they be exemptions from the act, from the wildlife trade provisions under the act, or whether they be wildlife trade operation approvals under the act, are now being issued for individual fisheries. Some of those are for five years, some for two years, some unconditional and some with conditions. I think all of those instruments are being tabled.¹²⁷

3.69 The committee queried the effectiveness of the deterrence programs for illegal foreign fishing. The department noted, in the south, the work of the Australian vessel in joint operations with the French has been successful in deterrence of fishing for the Patagonian Toothfish. While in the north, it has been much more difficult to measure the level of deterrence as the same vessel might be sighted and counted repeatedly by the Coastwatch surveillance program. The number of sightings however, in comparison to the number of Indonesian fishing vessels reported to be in the Archipelago, is much smaller. This indicates 'a reasonable deterrent effect'.¹²⁸ However, the department acknowledges that 'these are anecdotal measures, but in an area where it is very difficult to get hard data we are seeing those things happening'.¹²⁹

3.70 The committee asked further questions about illegal fishing in relation to convictions and exemptions under the EPBC Act. The department stated that up to May 20 this calendar year there had been 97 boats apprehended, with some 748 crew. 121 were charged and there were 165 charges. 156 charges resulted in convictions.¹³⁰ The department notes that these are merely short term measures to address the growing concern of illegal fishers from Indonesia. The department sees that the long-term solution rests with activities to assist the Indonesian and provincial governments to accept a greater role in controlling the activity.¹³¹ The department relayed that two senior officials from the Indonesian fisheries agency would be visiting Australia in June 2005 under the second stage of the AusAID program. They will stay for approximately nine weeks to study AFMA's and state agencies' fishery systems.¹³²

126 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 47

127 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 51

128 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 47

129 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 48

130 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 48

131 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 56-7

132 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 57

3.71 During Additional Estimates the committee was informed by the department that rapid progress had been made on detention policy and facilities.¹³³ The committee received an update on this progress. The Berrimah detention facility falls under the responsibility of DIMIA. The matter has recently been referred to the parliamentary Public Works Committee and hence operation of the facility has been delayed.¹³⁴ The department explained that, due to limited space, the detention facility on Horn Island will be smaller than the Darwin facility and will be used as a transition facility until detainees are able to be transported to Darwin. The land for the facility has been surveyed and plans are currently being drawn for the facility.¹³⁵

3.72 Discussion ensued about organised crime in Australia's fishing industry, with particular reference to abalone fishing. The ministerial council has recently commissioned some work from the Australian Institute of Criminology on crime in Australian fishing to target organised crime.¹³⁶ A new report has been published to improve compliance effectiveness.¹³⁷ It is the first report in a series of two. It is unlikely the second report will be made public, due to the nature of the sensitive material it will contain.¹³⁸

3.73 The committee also discussed the following in relation to fisheries;

- Reviews to identify corporate legal risks¹³⁹
- Endangered and vulnerable fish species¹⁴⁰
- Torres Strait fisheries¹⁴¹
- Recreational Fishing Community Grants Program.¹⁴²

3.74 The committee asked questions about the Tiwi islands logging. The department explained that there is no Commonwealth involvement through a Regional Forest Agreement and therefore it is a responsibility of the Northern Territory Government. The department outlined that the minor influence they have in the area is on export controls.¹⁴³

133 *RRAT Committee Additional Estimates 2005-06 Report*, pp. 29-30

134 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 59

135 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 60

136 *No. 297: Crime in the Australian fishing industry : key issues*, <http://www.aic.gov.au/publications/tandi2/tandi297.html>

137 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 57 and pp. 63-4

138 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 64

139 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 49

140 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 51-3

141 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 55

142 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 56

143 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 66-8

3.75 The Forestry Package for Tasmania was a subject of discussion during the Fisheries and Forestry division and during the Bureau of Rural Sciences evidence (see paragraph 3.57)

3.76 The committee also discussed the following in relation to forestry:

- Export of Australian woodchips¹⁴⁴
- Water catchments¹⁴⁵
- Forest Industrial Structural Adjustment Package¹⁴⁶
- The Victorian data assistance strategy.¹⁴⁷

Natural Resource Management

3.77 The consideration of the Budget Estimates under the Natural Resource Management division focused on water and the impact of the drought. The committee questioned what was being done in response to recommendations in a report on managing risks to shared water resources. The following aspects were addressed:

- Ground water is considered the highest priority for the department, including taking into account the risk of bush fires and their effects on ground water.¹⁴⁸
- Farm storage constitutes any man-made impoundments to store water. A completed survey of farm storage is currently under peer review.¹⁴⁹
- Climate change was noted in the report as a long-term issue in need of a medium-term response. Research by CSIRO and the Bureau of Meteorology is underway. The commission will seek to join these two works together to avoid the same studies being duplicated.¹⁵⁰

3.78 Funding for the National Action Plan for Salinity and Water Quality was also discussed. The major component of the plan is the salinity mapping across the Murray-Darling Basin being conducted by BRS (see paragraph 3.55). The committee heard that there were some non-regional aspects of the plan. \$5 million of funding will be contributed towards market based instruments which will be used to trial commercial approaches to natural resource management. Further, the committee heard

144 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 69-70

145 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 71-3

146 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 73-4

147 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 74

148 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 77

149 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, pp. 77-8

150 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 78

it has been more efficient in some cases to undertake research state-wide rather than by region.¹⁵¹

3.79 The committee was informed that the reduction of \$2 million in Landcare Australia appropriations was taken from inland care.¹⁵² The water resources assessments and research grants are used to supplement activity on the water resource management policy. Further, it contributes to the Commonwealth's participation in a national body associated with irrigation and drainage.

It is all about encouraging improved water resources efficiency. The projects that are funded under that banner, when completed, are made publicly available and promulgated throughout the industry as an aid to improving management outcomes.¹⁵³

The projects this year will focus on water pricing and irrigation efficiency. The decision on what projects will be undertaken next year is still being discussed.¹⁵⁴

3.80 The committee also heard evidence on:

- Defeating the Weed Menace Program for 2004-05¹⁵⁵
- Dams on the Meander and Macquarie rivers.¹⁵⁶

Senator the Hon. Bill Heffernan
Chair

151 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 81

152 *Landcare Australia*, <http://www.landcareaustralia.com.au/>

153 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 83

154 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 83

155 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 75

156 RRAT Committee Budget Estimates, *Transcript of Evidence*, 26 May 2005, p. 83

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