

The Senate

Standing Committee on
Rural and Regional
Affairs and Transport

Additional estimates 2006–07

March 2007

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Senator Bernardi to replace Senator Ferris for the consideration of the 2006-07 additional estimates on 14 February 2007.

Senator Adams to replace Senator Heffernan for the consideration of the 2006-07 additional estimates on 15 February 2007, and to replace Senator Nash for the consideration of the 2006-07 additional estimates on 16 February 2007.

Senator Brett Mason to replace Senator Ferris for the consideration of additional estimates on Friday 16 February 2007.

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List of Abbreviations

ABARE	Australian Bureau of Agriculture and Resource Economics
ACC	Area Consultative Committee
ADR	Australian Design Rules
AFMA	Australian Fisheries Management Authority
ATSB	Australian Transport Safety Bureau
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation
ASIC	Aviation Security Identity Card
AWB	Australian Wheat Board
AWB(I)	Australian Wheat Board International
AWB Ltd	Australian Wheat Board Limited
BRS	Bureau of Rural Sciences
BTRE	Bureau of Transport and Regional Economics
CASA	Civil Aviation Safety Authority
CEO	Chief Executive Officer
DEW	Department of Environment and Water Resources
GM	Genetically Modified
IRA	Import Risk Analysis
MIS	Managed Investment Scheme
MPL	Multi Pilot Licence
PAES	Portfolio Additional Estimates Statements
WEA	Wheat Export Authority

Chapter 1

Introduction

1.1 On 8 February 2007, the Senate referred the following documents to the Standing Committee on Rural and Regional Affairs and Transport (the committee) for examination and report in relation to the Agriculture, Fisheries and Forestry portfolio and the Transport and Regional Services portfolio:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2007 [Appropriation Bill (No. 3) 2006-2007];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2007 [Appropriation Bill (No. 4) 2006-2007];
- Statement of savings expected in annual appropriations made by Act No. 66 of 2006 (*Appropriation Act (No. 1) 2006-2007*) and Act No. 67 of 2006 (*Appropriation Act (No. 2) 2006-2007*);
- Final budget outcome 2005-06; and
- Issues from the Advance to the Finance Minister as a final charge for the year ended 30 June 2006.¹

1.2 The committee was required to report to the Senate on 21 March 2007.²

1.3 The committee considered the Portfolio Additional Estimates Statements 2006-2007 for each portfolio at hearings on 14, 15 and 16 February 2007. The hearings were conducted in accordance with the agreed agenda as follows:

- Wednesday, 14 February 2007 – Agriculture, Fisheries and Forestry portfolio;
- Thursday, 15 February 2007 – Transport and Regional Services portfolio;
- Friday, 16 February 2007 – Agriculture, Fisheries and Forestry portfolio.

1.4 The committee heard evidence from Senator the Hon Eric Abetz, Minister for Fisheries, Forestry and Conservation, representing the Minister for Agriculture, Fisheries and Forestry, and Senator the Hon Ian Campbell, Minister for Human Services, representing the Minister for Transport and Regional Services. Evidence was also provided by Dr Cliff Samson, Deputy Secretary of the Department of Agriculture, Fisheries and Forestry, Mr Mike Taylor, Secretary of the Department of Transport and

1 *Journals of the Senate*, No. 126, 'Days of Meeting-Committees-Estimates Hearings', entry no. 19, 7 December 2007, pp 3292–3293.

2 *Journals of the Senate*, No. 129, 'Particulars of Proposed Additional Expenditure 2006-07-Documents', entry no. 26, 8 February 2007, p. 3414.

Regional Services, and officers representing the departments and agencies covered by the estimates before the committee.

1.5 The committee thanks the ministers, departmental secretaries and 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 written answers and additional information. The committee requested that written answers and additional information be submitted by Thursday, 5 April 2007.

Additional information

1.7 Answers to questions taken on notice at the additional estimates hearings will be tabled in the Senate in separate volumes entitled 'Additional information relating to the examination of additional estimates 2006-2007-Senate Standing Committee on Rural and Regional Affairs and Transport'. Documents not suitable for inclusion in the additional information volumes will be available on request from the committee secretariat.

1.8 Answers to questions on notice received from the departments will also be posted on the committee's website at a later date.

Chapter 2

Agriculture, Fisheries and Forestry portfolio

Department of Agriculture, Fisheries and Forestry

2.1 The committee heard evidence from the department on Wednesday 14 February and Friday 16 February 2007. The hearing was conducted in the following order:

- Management Services
- Corporate Policy
- Food and Agriculture
 - Wheat Export Authority
- Product Integrity, Animal (including aquatic animal) and Plant Health
 - Australian Pesticides and Veterinary Medicines Authority
- Australian Quarantine and Inspection Service
- Biosecurity Australia
- International
- Australian Bureau of Agriculture and Resource Economics
- Bureau of Rural Sciences
- Rural Policy and Innovation
- Fisheries and Forestry
 - Australian Fisheries Management Authority
- Natural Resource Management

Management Services

2.2 The committee asked how the department had been affected by the amendments to the Administrative Arrangements Order, which removed responsibility for water policy from the Agriculture, Fisheries and Forestry portfolio. The department informed the committee that although arrangements were still being finalised, 34 staff had transferred to the Department of Environment and Water Resources (DEW). In addition, the department had identified a budget of around \$88.9 million of administered funding for water related programs and the reassignment of functions, and approximately \$3.7 million of departmental funding for this financial year, which would be transferred to DEW. The department explained that these

amounts had not been included in the Portfolio Additional Estimates Statements (PAES), because the changes had occurred too late to be incorporated.¹

2.3 The committee sought information on when the department had been informed of the government's intention to amend the Administrative Arrangements Orders, and when the work on the contents of the PAES had been completed prior to printing. The department undertook to provide the information on notice.²

2.4 The committee continued its line of inquiry from budget estimates regarding the appropriation of \$10 million of 'contingency' funds in the department's Portfolio Budget Statements, and noted that this specific appropriation did not seem to appear in the PAES. The department explained that the amount had been revised to \$40.9 million and that government had since announced a decision to allocate those funds for assistance to the tobacco industry.³

2.5 The committee also sought information on:

- the 2007 Agriculture Statement (*Estimates Hansard*, 14 February 2007, pp 3-4); and
- various items in the PAES (pp 5-7).

Corporate Policy

2.6 The committee discussed the following issues with officers from the Corporate Policy division:

- information held by the department, and research undertaken on non-forestry managed investment schemes (MIS), particularly the impact of these MIS's on the agriculture sector (*Estimates Hansard*, 14 February 2007, pp 7-17); and
- the claim of defective administration by Marnic Pty Ltd, and Mr Dalton's review of documents in the case (pp 17-18).

Wheat Export Authority

2.7 In his opening statement, the Chairman of the Wheat Export Authority (WEA), Mr Tim Besley, sought to clarify the WEA's role for the committee. Mr Besley stated that under the *Wheat Marketing Act 1989*, the WEA only has the power to control wheat exports by non-Australian Wheat Board (International) (AWB(I))exporters. Further, Mr Besley quoted the former Minister for Agriculture, Fisheries and Forestry, Mr Warren Truss, who stated

1 *Estimates Hansard*, 14 February 2007, p. 4.

2 *Estimates Hansard*, 14 February 2007, p. 4.

3 *Estimates Hansard*, 14 February 2007, pp 4-5.

...the authority does not have a mandate to monitor or oversee the activities of the parent company, AWB and its functions certainly do not extend to overseeing the financial and marketing operations of either AWB Ltd or AWBI...⁴

However, the WEA is 'required to monitor AWB(I)'s performance in relation to the export of wheat and to examine and report on the benefits to growers.⁵

2.8 Consequently the committee asked whether WEA's investigation of claims about payments to trucking companies in the Middle East was within the mandate of the WEA. Mr Besley reaffirmed that the WEA did not investigate AWB's operations in Iraq, or their marketing, but merely looked at the terms of the contract of sale to ascertain whether it contained anything that would affect the pool and the growers.⁶

2.9 Mr Besley also commented on some of the findings of the Cole Commission, and indicated to the committee that the WEA supports the recommendation by Commissioner Cole that there be a review of the powers, functions and obligations of the body responsible for monitoring and controlling an Australian monopoly wheat exporter.⁷

2.10 The committee noted its concern that until 2006 the WEA had been unaware of the new service agreement between AWB Ltd and AWB(I) negotiated in 2004. The WEA informed the committee that they believed the WEA had been misled on that particular issue. The committee remained concerned that WEA had not monitored the relationship between AWB Ltd and AWB(I) more closely.⁸

2.11 The WEA was questioned extensively about the operation of the 2004 services agreement, particularly the implications of the break-fee provision. The WEA informed the committee that due to the termination provisions in the current services agreement, AWB(I) and consequently, pool participants, could be liable to AWB for significant exit costs, which are both uncapped and unspecified. WEA noted their disapproval of the document.⁹

2.12 The committee was advised that the 2004 services agreement expires on 30 September 2007, therefore a new services agreement is due to be negotiated.¹⁰

4 *Estimates Hansard*, 14 February 2007, p. 19.

5 *Estimates Hansard*, 14 February 2007, p. 19.

6 *Estimates Hansard*, 14 February 2007, pp 21-22.

7 *Estimates Hansard*, 14 February 2007, p. 19.

8 *Estimates Hansard*, 14 February 2007, pp 22-23.

9 *Estimates Hansard*, 14 February 2007, pp 42-46

10 *Estimates Hansard*, 14 February 2007, p. 44.

2.13 The committee also questioned officers from the WEA about the following issues raised in the *2006 Growers Report*:

- support for recommendations of the 2004 Wheat Marketing Review and conduct of the review (*Estimates Hansard*, 14 February 2007, pp 28-30);
- applications by exporters other than AWB for permits to export bulk wheat (pp 30-32);
- the Tigris arrangement and how the over-deliveries occurred (pp 25-26 and 32-32);
- AWB's contract to supply wheat to India (pp 33-36);
- the operation of national pool trusts (pp 36-37);
- storage and handling costs (p. 37);
- the impact of the drought on the pool, including changes to the Out Performance Incentive cap, and the Wheat Industry Benchmark out-performance hurdle, as well as the impact of the drought on the operation of AWB (pp 37-41 and 46);
- concerns about AWB Ltd chartering fees (pp 41-42);
- assessment of AWB's Shaping the Future strategy (p. 46); and
- concerns that non-AWB(I) exporters are getting better prices in some markets than AWB(I) (pp 46-48).

2.14 Other matters pursued by the committee included:

- the impact of the Geneva desk on the pool (*Estimates Hansard*, 14 February 2007, p. 20);
- Mr Besley's reappointment as interim Chairman and the selection process for the position of Chief Executive Officer (CEO) which led to the appointment of an interim CEO (pp 20-21 and 23-24);
- the WEA's examination of the break-free payment negotiations between AWB Ltd and AWB(I) (pp 26-27);
- WEA's funding (pp 24-25); and
- whether the committee could be supplied with a copy of the Performance Measurement and Review report (pp 27-28).

Food and Agriculture

2.15 The committee pursued the following matters with officers from the Food and Agriculture division:

- the KPMG review of the National Food Strategy (*Estimates Hansard*, 14 February 2007, p. 48);
- access to Q-fever vaccine (pp 48-49);

-
- the liquidation of Australian HomeGrown Ltd and the commencement of the Australian Grown initiative (pp 49-52);
 - details of the review to look at possibilities for streamlining food regulation (p. 50);
 - round 3 of the sugar industry, regional and community grants and the use of remaining funds (pp 52-53);
 - total expenditure on the sugar industry restructure package and accessibility of the program (pp 53-54);
 - the price of sugar (p. 54); and
 - Australian beef in the Japanese market (pp 54-55).

Product Integrity and Animal and Plant Health

2.16 The committee questioned officers extensively about the terms of Australia's live trade with Egypt due to recent reports that these animals are being obtained by the public for home slaughter. The department assured the committee that an agreement on procedures for the handling and slaughter of live Australian animals exists between the two countries and that they are working with the Egyptian authorities to improve animal welfare. The department informed the committee that the majority of animals are slaughtered in abattoirs in accordance with the agreement; however the main issue is the removal of the animals from the official system through private sales.¹¹

2.17 The department went on to brief the committee on the status of memorandums of understanding on live trade with other Middle Eastern countries.¹²

2.18 The committee sought information on the current avian influenza precautionary regime. The department updated the committee on its activities in this area, including: the development of a national surveillance plan for wild birds; creating awareness of the issue and increasing communication; negotiating modified conditions to allow access to specific pathogen free eggs; and the development of an occupational health and safety policy document for poultry workers.¹³

2.19 The committee also raised concerns about the issue of an export permit to export a consignment of Tasmanian Devils to Denmark from an area in which Devil Facial Tumour Disease has since been detected, and asked when the state department became aware of the presence of the disease. The department undertook to provide that information on notice.¹⁴

11 *Estimates Hansard*, 14 February 2007, pp 56-57 and 59-60.

12 *Estimates Hansard*, 14 February 2007, pp 57-59.

13 *Estimates Hansard*, 14 February 2007, pp 60-62.

14 *Estimates Hansard*, 14 February 2007, pp 62-64.

Australian Pesticides and Veterinary Medicines Authority

2.20 The committee had a brief discussion with officers from the Australian Pesticides and Veterinary Medicines Authority about the following matters:

- suspension of, and permits for, the use of three high volatile ester forms of 2,4-D (*Estimates Hansard*, 14 February 2007, pp 64-65);
- the risks surrounding the continued use of the chemical Diazinon (pp 66-68); and
- the process for registering new products and repacks of registered products (pp 68-70).

Australian Quarantine and Inspection Service

2.21 The committee raised the following issues with officers from the Australian Quarantine and Inspection Service:

- concerns that the current Import Risk Analysis (IRA) for apples will not adequately protect against the possible spread of fire blight (*Estimates Hansard*, 14 February 2007, pp 70-75);
- the process being undertaken in relation to the appeals lodged against the IRA on apples (pp 75-76);
- progress on the development of an IRA on bananas (pp 76-77);
- the operation of the eminent scientists group (pp 76-79);
- progress and implementation of the pandemic influenza preparedness program (pp 79-81); and
- applications from foreign countries to import grains into Australia (pp 81-82).

Biosecurity Australia

2.22 The committee questioned officers at length about the draft report on the IRA for prawns, and raised the following matters:

- concerns about the continued importation of prawns affected by the white-spot virus and the risks associated with this;
- progress on the IRA for prawns and the process involved;
- testing undertaken by the department to detect both white-spot virus and taura syndrome virus in the wild; and
- the possible implications of a tighter import regime for prawns, particularly how this may affect the price of prawns.¹⁵

15 *Estimates Hansard*, 14 February 2007, pp 82-93.

2.23 The committee also sought updates on the progress of IRA's for chicken meat, grains and bee semen.¹⁶

International

2.24 The committee pursued the following issues with officers from the International division:

- Official Development Assistance (*Estimates Hansard*, 14 February 2007, pp 95-96);
- expenditure on contributions to the United Nations Food and Agriculture Organisation (p. 96); and
- the implications of signing up to the World Wine Trade Group's agreement on wine labelling for the Australian wine industry (pp 96-97).

Australian Bureau of Agriculture and Resource Economics

2.25 The committee held a varied discussion with officers from the Australian Bureau of Agriculture and Resource Economics (ABARE) covering matters such as:

- the outlook for oil prices (*Estimates Hansard*, 14 February 2007, pp 97-100);
- the possibility of modelling prices for carbon and carbon taxes (pp 98-102);
- ABARE's internal budget (pp 102-103);
- the outlook for various commodity groups (pp 103-108);
- research on the future prospects of the ethanol industry (pp 108-110);
- Australia's grain stocks and its ability to meet feed-grain requirements (pp 110-111);
- issues arising out of the *GM grains in Australia: identity preservation* report, particularly regarding the attribution of costs relating to the segregation of Genetically Modified grains (pp 112-116); and
- research and modelling on climate change (pp 116-118).

Bureau of Rural Sciences

2.26 The committee heard evidence on a number of issues from officers of the Bureau of Rural Sciences (BRS), including:

- research into climate change that might be applicable to possible future farming developments in Northern Australia (*Estimates Hansard*, 14 February 2007, pp 118-119);

16 *Estimates Hansard*, 14 February 2007, pp 93-95.

- the aims, and intended operation, of the Signposts for Australian Agriculture project (pp 119-120);
- contracts entered into by BRS (pp 120-121);
- progress on National Biotechnology Strategy projects (p. 121); and
- clarification of figures of overfished species in the fisheries status reports (pp 122-124).

Rural Policy and Innovation

2.27 The committee sought an update on the expenditure of drought relief funds through the following programs: FarmHelp, Country Women's Association drought relief, and exceptional circumstances assistance.¹⁷

2.28 Other matters pursued by the committee included:

- the approval process for exceptional circumstances applications (*Estimates Hansard*, 14 February 2007, pp 125-127);
- the Asia-Pacific Economic Cooperation (APEC) agricultural biotechnology forum (p. 127); and
- work being undertaken on drought preparedness (p. 128).

Fisheries and Forestry

2.29 The committee asked a series of questions about the domestic surveillance of vessels and methods of monitoring compliance. Information was sought on:

- the Australian Fisheries Management Authority's (AFMA) use of administrative penalties;
- possible methods of addressing the black market for illegally caught fish;
- the cost of compliance for both domestic and foreign fisheries;
- inspections of vessels and resultant detections of offences; and
- the budget for domestic compliance.¹⁸

2.30 The committee requested an update on the Recreational Fishing Community Grants program, and were briefed on the following matters:

- the expenditure of funds;
- the composition of the independent panel which is responsible for assessing applications; and

17 *Estimates Hansard*, 14 February 2007, pp 124-125.

18 *Estimates Hansard*, 16 February 2007, pp 9-16.

- the approval of applications by rounds and by location.¹⁹

2.31 The committee also heard evidence about:

- results from work on rezoning and spatial management in fisheries (*Estimates Hansard*, 14 February 2007, pp 128-130);
- fisheries status reports. The committee sought clarification of figures of overfished species and asked why there was an increase in overfished fisheries (*Estimates Hansard*, 16 February 2007, pp 1-3 and 20-21);
- the provision of funding for research into fisheries (pp 3-4);
- the impact of Commonwealth fisheries closures on employment (pp 4-9);
- the staffing of AFMA (pp 16-17);
- the ministerial directive on overfishing (pp 17-20 and 24);
- progress on the Offshore Constitutional Settlement (pp 21-22);
- the accreditation of fisheries under the *Environment Protection and Biodiversity Conservation Act 1999* and how overfished fisheries can be considered sustainable (pp 22-24);
- expenditure under the Securing Our Fishing Future program (pp 25-26);
- the Eden structural adjustment package (pp 26-27);
- the performance of the 1800 Australian Seafood Hotline (pp 27-28);
- the cost of, and funding for, the transport of pine logs to Scottsdale (pp 33-38);
- the operation and purpose of the National Indigenous Forest Strategy (pp 38-39);
- expenditure under the Planting for a Sustainable Future plan (pp 39-40);
- action taken by the department to promote careers in forestry (pp 40-41);
- the upgrade to Wesley Vale Mill (p. 41);
- discussions the department has held with other countries concerning illegal logging, and work by the department to prevent the importation of illegally logged timber (pp 41-42);
- the replacement of the Forest and Wood Products Research and Development Corporation with a new body, Forest and Wood Products Australia, and the reasons driving the change (pp 42-43);
- certification of timber under the Australian Forestry Standard, and the recognition of this standard by foreign export markets (pp 44-45); and

19 *Estimates Hansard*, 16 February 2007, pp 28-32.

- the Federal Court Wielangta decision and possible implications (pp 45-46).

Natural Resource Management

2.32 The committee pursued the following matters with Natural Resource Management officers:

- the budget for the National Landcare Program, and the expenditure of relevant funds (*Estimates Hansard*, 16 February 2007, pp 46-47); and
- how findings from the Salinity Investment Framework 3 project, regarding investment principles, are being applied in relation to Natural Heritage Trust round 3 projects (pp 48-49).

Chapter 3

Transport and Regional Services portfolio

Department of Transport and Regional Services

3.1 The committee heard evidence from the department on Thursday, 15 February 2007. The hearing was conducted in the following order:

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

Secretary's overview

3.2 The Secretary of the department, Mr Mike Taylor, opened proceedings with an overview of developments in the department. He went on to explain in some detail changes made to improve the operation of the Regional Partnerships program. The committee was told that a ministerial committee, consisting of 3 members, had been established to assess applications. In addition, a streamlined assessment process had been created to ensure consistency and to reduce the time taken to assess applications. A system of ongoing internal audits of both project files and funding arrangements has also been introduced. The committee was also informed that in cooperation with KPMG auditors, a new procedures manual is currently being drafted, to assist those administering programs. The changes outlined have improved the efficiency of processes, and this is particularly evident in the significant reduction in the time taken to assess projects.¹

1 *Estimates Hansard*, 15 February 2007, pp 3-4.

Corporate Services

3.3 The committee pursued the following issues with officers from Corporate Services:

- progress of the Australian National Audit Office (ANAO) inquiry into the Regional Partnerships program (*Estimates Hansard*, 15 February 2007, p. 5);
- the staffing and budget of various divisions within the department and of the department as a whole (pp 5-9);
- explanations for various items in the Portfolio Additional Estimates Statements (PAES) (pp 9-11); and
- the Secretary's terms of employment (pp 11-12).

AusLink

3.4 The committee showed interest in the funding allocation for national road network maintenance. The department informed the committee that the government has allocated \$300 million for each year of the five-year AusLink program as its contribution to maintenance of the AusLink national network. The department further noted that AusLink funding for maintenance was classified as a contribution, in recognition of the fact that states are also expected to contribute to maintenance.²

3.5 The committee requested updates on a series of projects, including:

- the Geelong bypass (*Estimates Hansard*, 15 February 2007, pp 12-13 and 15);
- the Ipswich Motorway (pp 29-30); and
- the Sydney northern (Port Botany) links (p. 30).

3.6 The committee also heard evidence about:

- the allocation of AusLink strategic funds and funding agreements for Strategic Projects (*Estimates Hansard*, 15 February 2007, pp 13-14);
- the performance of major AusLink projects and whether they have remained within budget (pp 15-17);
- the operation of the Roads to Recovery program, and methods for ensuring that local governments maintain their expenditure on roads (pp 22-23);
- the criteria for approval of grants and projects under the Strategic Regional program and the determination of funding from both local and federal government (pp 23-27 and 28-29); and

2 *Estimates Hansard*, 15 February 2007, pp 18-21.

-
- expenditure on Black Spot Program projects and membership of Black Spot committees (p. 29).

Portfolio Strategic Policy and Projects

3.7 The committee held a brief discussion with officers of the Portfolio Strategic Policy and Projects division on the following issues:

- staffing of the Bureau of Transport and Regional Economics (BTRE) (*Estimates Hansard*, 15 February 2007, p. 31); and
- research by BTRE into alternative fuels (pp 31-32).

Maritime and Land Transport

3.8 The committee raised the following issues with officers from the Maritime and Land Transport division:

- the extent to which the Australian Design Rules (ADR) have been harmonised with United Nations Economic Commission for Europe regulations (*Estimates Hansard*, 15 February 2007, p. 32);
- possible incorporation of measures into the ADRs to ensure safe use of mobile phones in vehicles (pp 32-33);
- importation of the Reva electric car and the conditions of the permit, including safety testing and compliance (pp 33-35);
- the current status of the heavy vehicle charges determination (pp 35-36);
- work being done on urban congestion (p. 36); and
- the current status of the fatigue package (p. 36).

Australian Transport Safety Bureau

3.9 The committee sought an update on the Novice Driver program, and was informed that the trial is intended to commence in New South Wales and Victoria in November 2007, and that 7,000 young people will be participating from each state.³

3.10 The committee also asked about progress on the final report into the Lockhart River air tragedy. The department explained that the draft report on the matter had been released on 15 December 2006, and directly involved parties had a 60 day period to comment on the report. The final report will be released once the comments made have been examined, and any further investigation as necessary has been carried out.⁴

3.11 Other matters raised included:

3 *Estimates Hansard*, 15 February 2007, pp 36-37.

4 *Estimates Hansard*, 15 February 2007, pp 40-41.

- The Australian Transport Safety Bureau's (ATSB) internal budget (*Estimates Hansard*, 15 February 2007, pp 37-38); and
- ATSB's investigation of various aviation fatalities, including the Strikemaster incident (pp 38-40).

Australian Maritime Safety Authority

3.12 The committee had a brief discussion with officers of the Australian Maritime Safety Authority on:

- the fire incident on board the *Baltimar Boreas* (*Estimates Hansard*, 15 February 2007, pp 42-44); and
- the status of the *Destiny Queen* under the *Navigation Act 1912* (pp 44-45).

Aviation and Airports

3.13 The committee pursued the issue of the construction of a brickworks facility on the Perth airport site. The committee was particularly concerned about the environmental impacts of the development. The department assured the committee that when making his decision, the minister had taken into account the report of the then Department of Environment and Heritage, and further that the Department of Transport and Regional Services had undertaken its own assessment of the proposed development with regard to various environmental considerations that were raised. As a result the minister's decision included 60 conditions which proponents must adhere to both prior to the development and during the operation of the facility.⁵

3.14 The committee also asked whether the department had requested information from the Western Australia Department of Planning and Infrastructure about possible alternative sites for the location of the brickworks. The department undertook to provide that information on notice.⁶

3.15 The committee also heard evidence about:

- why the Commonwealth does not recover airport lease administration costs (*Estimates Hansard*, 15 February 2007, p. 45);
- the current status of disagreements over rate equivalent payments to councils for non-aeronautical development and use of airport land (p. 46);
- the process for assessing airport development proposals (pp 46-47);
- the details of a proposal put forward by councils to make vacant airport land rateable (pp 46 and 54-55); and

5 *Estimates Hansard*, 15 February 2007, pp 47-54.

6 *Estimates Hansard*, 15 February 2007, pp 51-52.

- the process for the assessment of airport Master Development Plans and consideration of these plans by the minister (pp 55-57).

Civil Aviation Safety Authority

3.16 The committee enquired about the procedure in relation to the disclosure of enforcement actions, with particular regard to the actions taken in relation to the TransAir enforcement action. The department explained that the public is only notified of decisions that have effect. If the Civil Aviation Safety Authority (CASA) takes a decision which is stayed by a legislative prescription, the decision cannot be applied. CASA is of the opinion that if a decision is stayed, 'it is as though the decision was never taken' and therefore they do not publicly disclose the decision.⁷

3.17 Other matters of interest to the committee included:

- the contents of the Philip Leslie Mahlberg Enforceable Voluntary Undertaking (*Estimates Hansard*, 15 February 2007, pp 57-58);
- safety concerns about hardened cockpit doors (p. 58);
- progress regarding CASA's restructure (p. 58);
- concerns about CASA's limited ability to enforce compliance with operations manuals (pp 61-64);
- status of the Multi Pilot Licence project (MPL) and the composition and operation of the MPL industry panel and the MPL advisory board (pp 65-66); and
- considerations in setting and approving Extended-range Twin-engine Operations standards, particularly in relation to Qantas and Jetstar (pp 66-68).

Airservices Australia

3.18 The committee briefly discussed the following issues with officers from Airservices Australia:

- difficulties encountered in arranging payment for the Solomon Islands airspace management contract (*Estimates Hansard*, 15 February 2007, p. 69); and
- progress on, and the process of, integrating Defence Force air traffic control services into Airservices Australia (p. 70).

Inspector of Transport Security

3.19 The committee pursued the following matters with the Inspector of Transport Security:

⁷ *Estimates Hansard*, 15 February 2007, pp 58-61.

- the Inspector's achievements for the financial year (*Estimates Hansard*, 15 February 2007, p. 71);
- travel costs incurred by the Inspector (pp 71-72); and
- the internal budget of the office (p. 72).

Office of Transport Security

3.20 The committee raised the following issues with officers from the Office of Transport Security:

- the implementation and operation of the Maritime Crew Visa (*Estimates Hansard*, 15 February 2007, p. 73);
- the department's assessment of the threat of terrorism to rail transport and any action taken (pp 73-75);
- the inspection and operation of walk-through metal detectors in Australian airports (p. 75);
- applications for Aviation Security Identification Cards (ASIC) and the need to improve security in issuing ASICs (pp 75-77);
- current measures for the protection of resources and assets in the North West Shelf oil and gas projects (pp 77-79 and 81); and
- applications for, and the process of applying for, Maritime Security Identification Cards (pp 79-81).

Regional Services

3.21 The committee requested information on Minister Warren Truss's decision to begin appointing deputy chairs on Area Consultative Committees (ACC), and the process involved. The department explained that this was a policy decision, and that specific criteria were used to make these appointments. The minister consulted in writing with all ACC chairs as well as all members of parliament and senators as part of this process. While the Prime Minister was consulted regarding the policy decision, he was not involved in the process of appointing deputy chairs. The committee was told that the minister had made decisions on all appointments and that all members and senators would be provided with a full list of appointments in a matter of days.⁸

3.22 The committee asked about the effect of this policy decision on ACC constitutions. The department undertook to provide that information on notice.⁹

3.23 The committee sought an update on the progress of projects, including:

8 *Estimates Hansard*, 15 February 2007, pp 81-90.

9 *Estimates Hansard*, 15 February 2007, pp 83-84.

- the Mackay science and technology centre (*Estimates Hansard*, 15 February 2007, p. 89);
- the Mackay aquatic park (pp 89-90);
- the Blue Water Lagoon (p. 90);
- the Buchanan Park rodeo (pp 90-91);
- the Bert Hinkler Hall of Aviation (pp 91-92);
- the Dalby showgrounds (pp 92-93);
- the RM Williams Centre (p. 93);
- the Australian Equine and Livestock Centre in Tamworth (pp 93-94);
- the Stirling Library history and business centre (p. 94);
- the Kingscote Community Hall (pp 94-96);
- the Egg processing and layer plant (pp 96-97);
- Primary Energy's Gunnedah grains to ethanol project(pp 97-99)
- Year of the Outback (pp 101-102); and
- Bank@Post and rural transaction centres (pp 103-104).

3.24 The committee also raised the following issues:

- the assessment process for Regional Partnerships applications (*Estimates Hansard*, 15 February 2007, pp 99-100);
- the work of various Sustainable Regions committees (pp 100-102); and
- applications for the Rural Medical Infrastructure Fund (pp 102-103).

National Capital Authority

3.25 The committee discussed a number of matters with officers from the National Capital Authority, including:

- the proposed location of amenities on Anzac Parade (*Estimates Hansard*, 15 February 2007, pp 104-107);
- the staffing of the Authority (pp 107-108);
- the status of the development application for State Circle, and how the Authority is ensuring the provision of adequate car parking spaces (pp 108-110); and
- progress on the development control plan for Adelaide Avenue (pp 110-111).

Territories and Local Government

3.26 The committee discussed issues surrounding the ownership and management of the land, infrastructure and water of Googong dam at length. The department

confirmed that they differentiate between three separate assets in terms of Googong dam: the land, the infrastructure, and the water. The department explained that the land is considered Commonwealth land, the ownership of the dam infrastructure is currently under negotiation, and that under the *Canberra Water Supply (Googong Dam) Act 1974* the water belongs to the Australian Capital Territory. The committee was told that a number of their queries regarding the management and ownership of the land surrounding the dam were matters that needed to be addressed to the Department of Finance and Administration.¹⁰

3.27 Other matters raised by the committee included:

- progress of rehabilitation trials on Christmas Island (*Estimates Hansard*, 15 February 2007, p. 112);
- approval for mining of a revegetated area inhabited by the critically endangered pipistrelle bat (pp 112-113);
- the stabilisation of the financial situation on Norfolk Island (pp 119-121);
- the PricewaterhouseCoopers report into national financial sustainability of local government and the proposal for an infrastructure renewal fund for local governments (pp 121-122); and
- The recommendation of the *Productivity Commission draft report into waste management 2006* to take waste services away from local government (pp 122-124).

Senator the Hon. Bill Heffernan
Chair

10 *Estimates Hansard*, 15 February 2007, pp 113-119.

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