

The Senate

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Rural and Regional Affairs  
and Transport  
Legislation Committee

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Budget estimates 2019–20

May 2019

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# Membership of the committee

## Members

Senator Barry O'Sullivan, Chair  
Senator Glenn Sterle, Deputy Chair  
Senator Slade Brockman  
Senator Malarndirri McCarthy  
Senator the Hon James McGrath  
Senator Janet Rice

Queensland, NATS  
Western Australia, ALP  
Western Australia, LP  
Northern Territory, ALP  
Queensland, LP  
Victoria, AG

## Senators in attendance

Senator Catryna Bilyk  
Senator Carol Brown  
Senator Mehreen Faruqi  
Senator Alex Gallacher  
Senator Chris Ketter  
Senator Claire Moore  
Senator Rex Patrick  
Senator Tim Storer  
Senator John Williams  
Senator Penny Wong

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# Chapter 1

## Introduction

1.1 On 2 April 2019, the Senate referred the following documents to the Rural and Regional Affairs and Transport Legislation Committee (the committee) for examination and report:

- particulars of proposed expenditure in respect of the year ending on 30 June 2020 [Appropriation Bill (No. 1) 2019–20]; and
- particulars of certain proposed expenditure in respect of the year ending on 30 June 2020 [Appropriation Bill (No. 2) 2019–20].<sup>1</sup>

1.2 The committee is required to examine the 2019–20 estimates contained in these documents in relation to the Infrastructure, Regional Development and Cities portfolio and the Agriculture and Water Resources portfolio. Following examination, the committee is required to table its report by 14 May 2019.<sup>2</sup>

### Budget estimates hearings

1.3 The committee examined witnesses from the Infrastructure, Regional Development and Cities portfolio on 4 and 8 April 2019, and witnesses from the Agriculture and Water Resources portfolio on 4 and 9 April 2019. Due to the prorogation of the Parliament, the cross-portfolio Murray-Darling Basin Plan matters estimates hearing did not take place.

1.4 The committee heard evidence from the following senators:

- Senator the Hon Bridget McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation, representing the Minister for Infrastructure and Transport;
- Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, representing the Minister for Infrastructure and Transport; and
- Senator the Hon Richard Colbeck, Assistant Minister for Agriculture and Water Resources, representing the Minister for Agriculture and Water Resources.

1.5 Evidence was also provided by:

- Dr Steven Kennedy, Secretary of the Department of Infrastructure, Regional Development and Cities;
- Mr Daryl Quinlivan, Secretary of the Department of Agriculture and Water Resources; and
- officers representing the departments and agencies covered by the estimates.

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1 *Journals of the Senate*, No. 141, 2 April 2019, p. 4815.

2 *Journals of the Senate*, No. 133, 29 November 2018, p. 4329.

1.6 The committee thanks the Ministers, departmental secretaries and officers for their assistance and cooperation during the hearings.

### **Questions on notice and Hansard transcript**

1.7 In accordance with standing order 26(9)(a), the committee set 24 May 2019, as the date for the return of written answers or additional information, in response to questions placed on notice during the hearings.

1.8 Written answers and information provided to the committee in response to questions on notice arising from the hearings are tabled in the Senate and posted on the committee's webpage. Links to the Hansard transcripts of these public hearings, and to answers and additional information are also available on the committee webpage at: [https://www.aph.gov.au/Parliamentary\\_Business/Senate\\_Estimates/rrat](https://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/rrat).

### **Record of proceedings**

1.9 This report does not attempt to analyse the evidence presented during the hearings. However, it does provide a summary of some of the key issues that were covered by the committee for each portfolio.

### **Answers to questions on notice – additional estimates 2018–19**

1.10 The committee undertook additional estimates hearings on 18 and 19 February 2019 for the Infrastructure, Regional Development and Cities portfolio and the Agriculture and Water Resources portfolio. On 22 February 2019, the committee examined cross-portfolio Murray-Darling Basin Plan matters. The committee set 29 March 2019 as the deadline for return of answers to questions on notice.

1.11 The Infrastructure and Regional Development portfolio took 136 questions on notice. The Agriculture and Water Resources portfolio took 140 questions on notice. The Environment and Energy portfolio took 3 questions on notice in the cross-portfolio hearings.

#### ***Timeliness of answers to questions on notice***

1.12 The Infrastructure, Regional Development and Cities portfolio submitted all responses by the deadline. All responses were provided on 28 and 29 March 2019.

1.13 The Agriculture and Water Resources portfolio submitted all responses by the deadline. All responses were provided on 28 March 2019.

1.14 The Environment and Energy portfolio submitted all responses by the deadline. All responses were received on 18 March 2019.

### **Note on references**

1.15 References to the Hansard transcript are to the proof Hansard; page numbers may vary between the proof and the official Hansard transcripts.



## Chapter 2

### **Infrastructure, Regional Development and Cities portfolio**

2.1 This chapter outlines some of the key issues discussed during the hearing for the Infrastructure, Regional Development and Cities portfolio on 4 and 8 April 2019.

2.2 The committee heard from divisions of the Department of Infrastructure, Regional Development and Cities (DIRDC) and portfolio agencies on 4 April 2019 in the following order:

- Infrastructure Investment Division;
- Regional Development and Local Government Division;
- Cities Division;
- Civil Aviation Safety Authority; and
- Australian Maritime Safety Authority.

2.3 The committee heard from divisions of DIRDC and portfolio agencies on 8 April 2019 in the following order:

- Airservices Australia;
- Corporate Services;
- Australian Rail Track Corporation;
- Infrastructure Australia;
- Inland Rail and Rail Policy Division;
- Portfolio Coordination and Research Division;
- Regional Development and Local Government Division;
- Australian Transport Safety Bureau; and
- Surface Transport Policy Division.

2.4 The following agencies and divisions were released during the course of the hearing without providing evidence:

- Infrastructure and Project Financing Agency;
- Territories Division; and
- Airports and Aviation Division.

2.5 The committee discussed a range of topics during the hearings, including:

- the Community Development Grants Program and National Water Infrastructure Fund;
- Community Service Flights;
- *Marine Safety (Domestic Commercial Vessel) National Law Act 2012*;

- Aviation rescue firefighting services including the provision of aviation firefighting vehicles;
- advertising spend by DIRDC on the 'Building Our Future' campaign;
- community consultation in relation to the Inland Rail Programme;
- scope of works for the North-East Rail Line;
- extension of the Whyalla to Cape Hardy Rail Line;
- DIRDC's progress towards the Sustainable Development Goals;
- funding commitments under the Commonwealth Development Grants program;
- Australian Transport Safety Bureau (ATSB) investigation of an accident involving an Angel Flight community service flight; and
- implementation of the National Road Safety Strategy recommendations and funding for road safety initiatives.

# Chapter 3

## Agriculture and Water Resources portfolio

3.1 This chapter considers the key issues discussed during the hearing for the Agriculture and Water Resources portfolio on 4 and 9 April 2019.

3.2 On 4 April 2019, the committee heard from divisions of the Department of Agriculture and Water Resources (DAWR) and portfolio agencies in the following order:

- Australian Meat Processor Corporation;
- Meat and Livestock Australia;
- Wine Australia;
- Australian Livestock Export Corporation (Livecorp);
- Rural Industries Research and Development Corporation (Agrifutures); and
- Australian Fisheries Management Authority.

3.3 The following agencies were released during the course of the hearing without providing evidence:

- Cotton Research and Development Corporation;
- Fisheries Research and Development Corporation; and
- Grains Research and Development Corporation.

3.4 On 9 April 2019, the committee heard from divisions of DAWR and portfolio agencies in the following order:

- Corporate Services;
- Horticulture Australia;
- Dairy Australia;
- Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES);
- Regional Investment Corporation;
- Australian Pesticides and Veterinary Medicines Authority;
- Rural Policy and Farm Performance Division; and
- Agricultural Policy Division.

3.5 The following agencies and divisions were released during the course of the hearing without providing evidence:

- Plant Health Australia;
- AGVET Chemicals, Fisheries and Forestry Division;
- Trade and Market Access Division; and

- Outcome 2 (Exports, Biosecurity Animal, Biosecurity Plant, Compliance, Biosecurity Policy and Implementation and Biosecurity Operations).
- 3.6 The committee discussed a range of topics during the hearings, including:
- the Government Response to the Rural and Regional Affairs and Transport References Committee's inquiry reports on the effect of market consolidation on the red meat processing sector;
  - effect of the North Queensland floods on livestock levels;
  - heat stress in live exports;
  - water saving and other initiatives in relation to wine production;
  - EvokeAg Conference and the Ignite Network initiative of AgriFutures;
  - National Fisheries Advisory Council;
  - National Carp Control Plan;
  - staffing arrangements within DAWR following the conclusion of various programs and projects;
  - recycled water initiatives in horticulture;
  - water entitlement transactions;
  - work of the Regional Investment Corporation; and
  - the North Queensland Flood Recovery Program.

**Senator Barry O'Sullivan**

**Chair**

# **Appendix 1**

## **Documents tabled**

### **Infrastructure, Regional Development and Cities portfolio**

Tabled Document No.1: Infrastructure Investment Funding table, tabled by the Department of Infrastructure, Regional Development and Cities, on 4 April 2019.

Tabled Document No.2: Transport Infrastructure Expenditure, tabled by Senator Janet Rice, on 4 April 2019.

Tabled Document No.3: Response to Senator Glenn Sterle's questions on the National Water Infrastructure Development Fund and the National Water Infrastructure Loan Facility, tabled by the Regional Development and Local Government Division, on 4 April 2019.

Tabled Document No.4: Response to Senator Glenn Sterle's questions on the Community Development Grants Program, tabled by the Regional Development and Local Government Division, on 4 April 2019.

Tabled Document No.5: City Deals Project List, tabled by Cities Division, 4 April 2019.

Tabled Document No.6: Contract for the provision of aviation facilities and services, tabled by Airservices Australia, on 8 April 2019

Tabled Document No.7: Brief regarding the Australian Design Rules for aviation rescue firefighting service vehicles, tabled by Airservices Australia, on 8 April 2019

Tabled Document No.8: Table - Commonwealth Development Grant funding commitments, tabled by the Regional Development and Local Government Division, on 8 April 2019.

### **Agriculture and Water Resources portfolio**

Tabled Document No.1: Opening statement, tabled by the Australian Meat Processor Corporation, on 4 April 2019.

Tabled Document No.2: AMPC Representative Cattle Processor Model, tabled by the Australian Meat Processor Corporation, on 4 April 2019.

Tabled Document No.3: APVMA documents provided as part of Order for the Production of Documents in the Senate, tabled by Senator Carol Brown, on 9 April 2019.

Tabled Document No.4: Opening statement, tabled by the Australian Pesticides and Veterinary Medicines Authority, on 9 April 2019.

Tabled Document No.5: APVMA: Our Office in Armidale, tabled by Senator Penny Wong, on 9 April 2019.

## **Appendix 2**

### **Additional Information received**

#### **Infrastructure, Regional Development and Cities portfolio**

Correspondence received 9 April 2019 from Mr Rob Porter, Executive General Manager, Aviation Rescue Fire Fighting Service, Airservices Australia, regarding the procurement of Ultra Large Fire Vehicles.

Correspondence received 11 April 2019 from Mr Graeme M. Crawford, Acting Chief Executive Officer and Director of Aviation Safety, Civil Aviation Safety Authority, regarding Senator Patrick's request for a copy of the Federal Court judgement regarding an application from Angel Flight.