



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Estimates

(Public)

MONDAY, 4 APRIL 2022

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RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Monday, 4 April 2022

Members in attendance: Senators Antic, Davey, McCarthy [by video link], McDonald, Mirabella, Patrick [by video link] and Sheldon [by video link]

INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS PORTFOLIO

In Attendance

Senator McKenzie, Minister for Emergency Management and National Recovery and Resilience, Minister for Regionalisation, Regional Communications and Regional Education

Department of Infrastructure, Transport, Regional Development and Communications

Mr Simon Atkinson, Secretary
Ms Diane Brown, Deputy Secretary
Mr David Hallinan, Deputy Secretary
Dr Rachel Bacon, Deputy Secretary
Ms Marisa Purvis-Smith, Deputy Secretary
Ms Maree Bridger, Acting Chief Operating Officer

Airservices Australia

Mr Jason Harfield, Chief Executive Officer
Mr Paul Logan, Chief Financial Officer
Mr Peter Curran, Chief Customer Experience and Strategy Officer

Australian Maritime Safety Authority

Mr Mick Kinley, Chief Executive Officer
Ms Linda Ward, Chief Operating Officer
Mr Michael Drake, Executive Director, Operations
Ms Leanne Loan, Executive Director, Policy and Regulation

Australian Rail Track Corporation

Mr Mark Campbell, Chief Executive Officer and Managing Director
Ms Rebecca Pickering, Acting Chief Executive, Inland Rail
Mr Simon Ormsby, Group Executive, Interstate Network

Cities

Mr Matthew Roper, First Assistant Secretary
Mrs Kim Forbes, Assistant Secretary, Deals (Geelong, New South Wales, Albury-Wodonga, Queensland and South Australia)
Mrs Tiffany Karlsson, Assistant Secretary, Deals (Tasmania, Northern Territory, Western Australia and Melbourne)

Civil Aviation Safety Authority

Ms Pip Spence PSM, Chief Executive Officer and Director of Aviation Safety
Dr Jonathan Aleck, Executive Manager, Legal, International and Regulatory Affairs
Mr Andreas Marcelja, Acting Executive Manager, Stakeholder Engagement
Mr Rob Walker, Executive Manager, Regulatory Oversight Division
Mr Chris Monahan, Executive Manager, National Operations and Standards

Domestic Aviation and Reform

Ms Janet Quigley, First Assistant Secretary
Mr Phil McClure, Assistant Secretary, Airports
Mr Jason Dymowski, Assistant Secretary, Domestic Policy and Reform Programs
Ms Clare Chapple, Assistant Secretary, Regional Policy and Environment
Mr Ben Vincent, Assistant Secretary, Aviation Programs

Finance, Legal and IT

Mr Brad Medland, First Assistant Secretary/Chief Finance Officer
Ms Carol Cote, Assistant Secretary, Finance

Infrastructure Investment

Mr David Mackay, First Assistant Secretary

Mr Robert Bradley, Assistant Secretary, Victoria, Tasmania and South Australia Branch

Ms Shona Rosengren, Assistant Secretary, North West Infrastructure Investment Branch

Ms Robyn Legg, Assistant Secretary, New South Wales, Australian Capital Territory and Targeted Roads Branch

Mr Andreas Bleich, Acting Assistant Secretary, Investment Advisory and Business Improvement

Mr Benjamin Meagher, Assistant Secretary, Program, Policy and Budget

International Aviation, Technology and Services

Mr Richard Wood, First Assistant Secretary

Mr Jim Wolfe, Assistant Secretary, International Aviation

Ms Naa Opoku, Assistant Secretary, Safety and Future Technology

Mr David Jansen, Assistant Secretary, Western Sydney Unit

Major Transport and Infrastructure Projects

Ms Jessica Hall, First Assistant Secretary

Mr Mitch Pirie, Assistant Secretary, Inland Rail Operations Branch

Mr Andrew Bourne, Assistant Secretary, Inland Rail Stakeholder and Regional Delivery Branch

Mr James Savage, Acting Assistant Secretary, Program and Shareholder Management

Mr Drue Edwards, Director, Inland Rail Stakeholder and Regional Delivery Branch

National Water Grid Authority

Ms Katrina Kendall, Acting Assistant Secretary, Infrastructure and Framework Delivery Branch

Mr Malcolm Southwell, Assistant Secretary, Science, Policy and Engagement Branch

People, Governance, Parliamentary and Communication

Mrs Ruth Wall, First Assistant Secretary

Ms Stephanie Bourke, Assistant Secretary, Human Resources and Property

Ms Susan Charles, Assistant Secretary, Communication

Regional Development, Local Government and Regional Recovery

Mr Michael Gregory, Acting Assistant Secretary, Regional Intelligence and Local Government

Ms Meghan Hibbert, Assistant Secretary, Regional Programs

Ms Sarah Nattey, Assistant Secretary, Regional Intelligence and Local Government

Ms Natalie Weddell, Director, Regional Policy

Ms Jo Neuling, Acting Assistant Secretary, Regional Policy

Road and Vehicle Safety

Ms Lisa La Rance, First Assistant Secretary

Ms Gabby O'Neill, Assistant Secretary, Office of Road Safety

Surface Transport Policy

Mr Andrew Madsen, First Assistant Secretary

Mr Andrew Johnson, Assistant Secretary, Maritime and Shipping

Ms Paula Stagg, Assistant Secretary, Land Transport Policy

Ms Catherine Gladman, Assistant Secretary, Sustainable Transport and Maritime Safety Review

Mr Mike Makin, Assistant Secretary, Transport Market Reform and Technology

Territories

Ms Sarah Vandenbroek, First Assistant Secretary

Mr Aaron O'Neill, Assistant Secretary, Indian Ocean Territories

Ms Jane Christie, Assistant Secretary, Mainland Territories

Mr Oliver Holm, Assistant Secretary, Norfolk Island

Committee met at 09:01

CHAIR (Senator McDonald): I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. Good morning and welcome. The Senate has referred to the committee the particulars of proposed expenditure for 2022-23 and related documents for the Infrastructure, Transport, Regional Development and Communications portfolio, excluding Communications. All questions on communications go to the department's appearance before the Environment and Communications Legislation Committee. The committee may also examine the annual reports of the department and agencies appearing before it. The committee has before it a program listing agencies relating to matters for which senators have given notice, and the proceedings today will begin with an examination of Infrastructure divisions within the Department of Infrastructure, Transport, Regional Development and Communications.

The committee has fixed Friday 20 May 2022 as the date for the return of answers to questions taken on notice. Senators are encouraged to provide any written questions on notice to the committee secretariat as soon as possible following the hearings. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice.

I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate by resolution in 1999 endorsed the following test of relevance for questions that estimates hearings: 'any questions going to the operations or financial positions of the department and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings'. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer to questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate from 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which will be incorporated in the *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information

or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

Senators, departments and agencies have been provided with advice on the arrangements in place to ensure the budget estimates 2022-23 hearings are conducted in a safe environment. This guidance is also available from the secretariat. The committee appreciates the cooperation of all attendees in adhering to these arrangements.

Department of Infrastructure, Transport, Regional Development and Communications

[09:05]

CHAIR: I now welcome Senator the Hon. Bridget McKenzie, Minister for Regionalisation, Regional Communications and Regional Education; Mr Simon Atkinson, Secretary of the Department of Infrastructure, Transport, Regional Development and Communications; and officers of the department. Minister McKenzie, do you or Mr Atkinson wish to make an opening statement?

Senator McKenzie: No, we do not.

CHAIR: Thank you very much. It seems like only yesterday we were here doing this! Thank you for that.

Mr Atkinson: May I ask a question?

CHAIR: Yes, please.

Mr Atkinson: In anticipation that there might be some flexibility, I've got all of the deputy secretaries for the whole of the department here for this first session, but I don't have officers for the whole of the department for all the other sessions. I've only got the infrastructure people here at the moment. If people would like to change the agenda or timing it'll take us about half an hour notice.

CHAIR: Can I suggest we try not to do that, because, yes, last week it was a bit unwieldy getting people in and out—and given that your waiting room is on another floor in another place. So, let's try and focus on infrastructure investment, major transport and infrastructure projects, road and vehicle safety. Should a question arise that is for one of the other parts of the department, please point that out and we will come to that section when we get to that section. I think it will be much more orderly. It did get a bit messy last week. Senator Sheldon or Senator McCarthy, which of you are going to lead questions?

Senator Sheldon: I'm happy to start off. Thank you. I have some questions regarding Tasmanian infrastructure. I want to ask some questions regarding the Burnie shiploader. When does the department expect construction to begin on the Burnie shiploader project?

Mr Bradley: The Burnie shiploader is being funded through the Tasmanian Freight Rail Revitalisation Program. It is one of the projects under tranche 3. The project is currently in planning. We're expecting it to commence construction in early 2022.

Senator Sheldon: When do you expect it to be completed?

Mr Bradley: We're looking at targeting a completion date of early 2024.

Senator SHELDON: I just want to be clear, when will the design for this project be finalised?

Mr Bradley: The contract was awarded to a company, COVA Haywards. At the moment, they are doing the planning work. I don't have that in front of me. I'd need to take it on notice as to when the design will be finished. But I would expect it's fair to say that it would be very well advanced if we are looking to commence construction in early 2022. It's safe to say that we are at the final stages of design.

Senator SHELDON: Could you come back to us today with that answer?

Mr Bradley: Yes, I'm sure somebody can send it through.

Senator SHELDON: Has the department received advice from the Tasmanian government that the cost for this project has changed?

Mr Bradley: No. At the moment, we are still working toward a cost of \$64 million.

Senator SHELDON: I want to go to the Hobart congestion package. When does the department expect projects to be selected for the \$25 million Hobart congestion package funded under the City Deal?

Mr Bradley: We are working with the Tasmanian government around the selection of projects under that commitment. There was some additional funding committed to that project in the recent budget. The Commonwealth committed an additional \$13½ million on a 50-50 basis for Tasmania to contribute to. It is now up to Tasmania to bring forward commitments for consideration.

Senator SHELDON: Just so I have it clear, is that in addition to the \$25 million or is that [inaudible]?

Mr Bradley: You broke up a little there. There is a \$25 million commitment that was fully funded by the Australian government in the recent budget. The Australian government has committed a further \$13½ million on a 50-50 basis for Tasmania to match that funding. That will bring the total package to \$52 million.

Senator SHELDON: Of the money that has been spent, what money has been expended so far on consultants? I gather there are consultant reports?

Mr Bradley: So far, we have approved \$2 million for the commissioning of a conditions report. The Tasmanian government has undertaken that work and delivered a report that assessed the condition of the current freight corridor. To date, though, Tasmania hasn't claimed any of the funding against that approval.

Senator SHELDON: So there has been no actual congestion fixed yet. Is that an accurate description?

Mr Bradley: The work to date has been about assessing the condition of the existing freight corridor.

Senator SHELDON: So we haven't had any work on the ground yet being done. Does the department believe congestion in Hobart has gotten worse or better since the funding was first announced in 2019?

Mr Bradley: I don't think we have done that level of assessment to look at it. The commitment indicates that there is an acknowledgement there is a need to address congestion there in Hobart. We generally find with congestion it doesn't tend to improve without intervention.

Mr Hallinan: Across the past couple of years with COVID, work-from-home arrangements and various restrictions put in place some people's movement, if we did the analysis we would find of the last couple of years congestion has probably reduced. I would say probably, but coming out of COVID we would anticipate seeing a return to commuter traffic levels as in the pre-Covid period, and possibly some changes between transport modes as well.

Senator SHELDON: When will construction begin on projects selected under the fund?

Mr Bradley: That depends a little bit upon the timing of when Tasmania brings forward projects for consideration. The Australian government commitment is currently available. For priority shovel-ready projects identified, brought forward and approved, construction could commence as soon as this year.

Senator SHELDON: So at this point we have no construction of projects out of this fund, including the expanded monies that are earmarked to go ahead. Is that correct?

Mr Bradley: There has been no construction to date; that is correct.

Senator SHELDON: Have there been no projects completed to use those monies? There has been an announcement but there have been no projects that have actually been earmarked, put in place. Is that correct?

Mr Bradley: The work that has been done to date has been the completion of the conditions report. As we discussed earlier, they're talking about the assessment of the existing freight corridor to understand what remediation work would need to be done to bring that corridor to a standard that a future project could go in that corridor.

Senator SHELDON: So we have an announcement in 2019 with construction not begun yet. We can't work out what the actual construction start times are because we haven't worked out the details of any projects and we certainly don't have a completion date, have we?

Mr Bradley: No, we don't have a completion date. We are talking about a project that will be quite city shaping for Hobart. It is going to be very long-term infrastructure. When you are talking about a potential commuter public transport project from Hobart to Glenorchy, it is important that we take the time and allow the Tasmanian government the time and space to get the planning right, to get the right design for the project. We understand that Tasmania has publicly indicated it will be making an announcement in the latter part of this year about the preferred mode choice for the project, so we will wait to see that and support Tasmania once they make the decision about the mode type for that future transport project.

Senator SHELDON: Has the department received any advice from the Tasmanian government that the cost of this project has changed?

Mr Bradley: When we talk about the cost of the project, that goes a bit to my last answer that the Tasmanian government will make a decision about the mode type in the second half of this year. We have done a bit of work to understand the condition of the existing corridor. Tasmania needs to deliver further work. They will work with the Hobart and Glenorchy councils and the community there to determine whether they are looking at a bus rapid transit project or a light rail project. Once that decision has been made, that is when Tasmania would go into a business planning process and that would start to look at timings, costs and deliverability of the preferred option.

Senator SHELDON: I will now turn to the Cradle Mountain cableway.

Mr Bradley: You might have to help me out there. Does that go by another name?

Senator SHELDON: Unfortunately, that is the only name I have. If it helps, I will jump to the next matter while we try to find the actual project name for it. I will find out at my end if there is another term for it. Can we turn to the Domain Highway planning study?

Mr Bradley: Yes, I've got that project.

Senator SHELDON: When does the department expect the study on the Domain Highway to finish?

Mr Bradley: That is a long-term redevelopment planning study. It is looking at planning and investigation necessary to support the delivery of a detailed concept design report, including a preferred interchange design, to address the current and future capacity and safety issues of the Domain Highway interchange. The planning for that project started around this time in 2018, and we are anticipating that planning will be complete in the middle of this year.

Senator SHELDON: Is it normal for a study of this kind to take almost four years? It seems like a heck of a long time.

Mr Bradley: Delays with COVID-19 lockdowns particularly impacted this project because it stopped specialists being able to travel to Tasmania from the mainland to finalise some of the study works.

Senator SHELDON: Will the study be made public once it is complete?

Mr Bradley: That would be a matter for the Tasmanian government.

Senator SHELDON: Are you aware whether the study recommends projects to fix this intersection?

Mr Bradley: Sorry, I missed that.

Senator SHELDON: Are you aware whether the study in development is recommending projects to fix this intersection?

Mr Bradley: The project comprises a planning and investigation task necessary to support the development of a detailed concept design report, including a preferred interchange design. It will address current and future capacity and safety issues at the Domain Highway interchange, so, yes, it will.

Senator SHELDON: You didn't say that to me before but thank you very much for that. I want to turn now to Sidling Road.

Mr Bradley: Yes. That is the one that received additional funding for stage 2 in the budget.

Senator SHELDON: When does the department expect production to begin on the Sideling Road upgrade?

Mr Bradley: As I mentioned, at the moment the Tasman Highway Sideling Road upgrade is delivering targeted upgrades to the Tasman Highway Sideling track located on the far north-east of Tasmania. We're expecting construction to commence in the middle of this year and be complete in 2024. There is a stage 2 to that

project that received funding in the budget. Did you just want me to talk about the initial commitment, or are your questions toward—

Senator SHELDON: By all means, if you could go to the next stage as well, that would be welcome.

Mr Bradley: I should just mention that, in total, it's a \$50 million project, to which the Australian government is contributing \$40 million and the Tasmanian government is putting in \$10 million. In the budget there was additional funding provided for stage 2 of the Sideling project. That's where the Australian government contributed an additional \$14 million, bringing the total Australian government commitment to \$56 million and the total project cost to \$70 million. The announcement in the budget was to deliver an approximately nine-kilometre section of the Tasman Highway at the Sideling between Minstone Road intersection and Corkerys Road intersection, and it will complete the Tasman Highway Sideling upgrade.

Senator SHELDON: What's the expectation on when construction will be finished?

Mr Bradley: I may just need to clarify that. It's a new \$56 million there, bringing the total cost to \$70 million. You asked about construction time frames; it's expected to commence in early 2024 and be completed by late 2026.

Senator SHELDON: Did the department receive advice from the Tasmanian government that the cost of this project has changed?

Mr Bradley: No.

Senator SHELDON: Can you just step me through why we've got stage 1 and stage 2—and there may be some logic you want to put to me here—and why we didn't do all the stages at once?

Mr Bradley: It's not uncommon. Most projects will be staged. In a lot of cases, it will depend on where the state government is up to in terms of their planning and readiness. It might also have to do with where they are with their workforce and their construction-market capacity to undertake projects. In the instance of this project, we took advice from Tasmania in terms of how they wanted to stage and prioritise these two commitments, and we've supported them to deliver them in a staged approach.

Senator SHELDON: I've finished the questions on that part of it, and I've got some other questions on some other projects, but did we find the Cradle Mountain cableway?

Mr Mackay: That project is administered by our regional colleagues rather than through Infrastructure Investment Division.

Senator SHELDON: Righto. Chair, when are they on?

CHAIR: They're on at 2.15 today: regional—

Senator SHELDON: Thank you very much. Could we now go to the Cooee road upgrade?

CHAIR: Senator Sheldon, that brings you to your 15 minutes. How long is this section of questions? Do you want to do another five minutes and then we'll pass the call?

Senator SHELDON: If you like, you can pass the call now. I've probably got about another 10 minutes to go on this series of questions on infrastructure in Tasmania.

CHAIR: Well, finish Tasmania while you've got everybody at the table and then we'll pass the call.

Senator SHELDON: Thanks, Chair. Regarding the Cooee road upgrade—

Mr Bradley: Is that the one that's referred to as the 'Cooee crawl': the Bass Highway Cooee to Wynyard upgrade?

Senator SHELDON: That's correct. Has construction commenced on the Bass Highway Cooee to Wynyard upgrade?

Mr Bradley: Yes. Construction has commenced. The project is currently under construction. It commenced on 6 December last year.

Senator SHELDON: What is the expectation on when that will be completed?

Mr Bradley: We're targeting mid-2024 for a completion of that project. It's being delivered in three stages.

Senator SHELDON: Could you briefly take me through the stages and the completion dates.

Mr Bradley: Certainly. Stage 1 is Somerset to Wynyard, the realignment. The contract was awarded for that one in March 2021. Main construction works commenced in January 2022, and we're expecting that one to be completed in late 2022. Stage 2 is the Cam River bridge replacement and Murchison Highway realignment and signalisation. The request for tender closed in February this year, and assessments are currently being undertaken by Tasmania. We're expecting construction to commence in mid-2022 and be completed in late 2023. The third

stage is the Somerset to Cooee pedestrian crossing. The remaining identified works in the corridor will be submitted for approval at a later stage, and scoping works are currently underway on the final stage. The entire project is expected to be completed in mid-2024, as I mentioned earlier.

Senator SHELDON: Did the department receive advice from the Tasmanian government that the cost of this project was changed?

Mr Bradley: We did, yes.

Senator SHELDON: Could you step me through that advice.

Mr Bradley: I don't have a breakdown across the three stages, but we did receive advice from the Tasmanian government around the cost of the project. It's a \$50 million total project cost. The Commonwealth is contributing \$40 million, and the state is contributing \$10 million.

Senator SHELDON: Is it possible to come back on notice with a breakdown on the stages of the advice from the Tasmanian government?

Mr Bradley: We'd need to seek advice from Tasmania, but we could certainly seek to do that on notice.

Senator SHELDON: Thank you. I now want to go to the Latrobe flood levy.

Mr Bradley: I'm not sure that's one of ours. Is it possibly a regional or cities project?

Senator SHELDON: Maybe we can come back to it. Maybe someone can provide some advice so that we can get the right section. Bridgewater Bridge—can you give me a date on when the full design will be finalised for the project?

Mr Bradley: At MYEFO there was an additional \$167.8 million committed by the Australian government. This funding allowed Tasmania to announce a preferred tenderer and award an early activities deed. At this stage, for the next stage of that project, we're expecting that the design and construction will be awarded later this year and that construction will commence at that time. I think, as part of that process to award the early activities deed, that design is fairly well finalised for that project.

Senator SHELDON: That's great. When you say the design is 'fairly well finalised', can you give me an estimation of when it will actually be finalised, if it's fairly well along the way?

Mr Bradley: In order to award that DNC, I think, if you go to the Tasmanian government website, you can see the design of the bridge. There are flyovers there that show how the bridge will work. The only remaining design work to do is getting into the very minor details.

Mr Hallinan: From this point, it would go into very site specific issues, such as what sort of engineering is required for the pillars for the bridge and those sorts of things. But the design itself, I think, for all intents and purposes, is finalised for public consumption.

Senator SHELDON: Thank you for that. Just on the question of the full design, including those other aspects that you raised, is there an estimation of when all those matters will be dealt with so we'll have the full design?

Mr Hallinan: For the purposes of what we would usually describe as a final design, I think we are already there. What we are talking about now is, once the contract has been awarded for construction, as the civil engineering firm goes through and does the construction they'll be finalising very particular elements of how they construct. I don't think there's much value in going to that detail, if that makes sense. It's not information that we will hold.

Senator SHELDON: I appreciate this would be an estimation I'm asking for. In terms of going through those stages and then going through those other issues that are still to be finalised—and I appreciate you've said there are some steps in that—have you got any estimation of where that would likely be dealt with once the contract is awarded and when they go to deal with those details? Is there a feel for when that would be estimated to be completed by?

Mr Bradley: The design and construction contract is expected to be delivered later this year, and we're expecting people to be driving on the bridge in late 2024. So I think the issues you're talking about are all matters that are addressed through the construction phases as minor things crop up. I think, as Mr Hallinan said, for all intents and purposes, the design of it and the feel for the scope of it and what it will deliver are finalised.

Mr Hallinan: We might just have a nomenclature issue. The design and construct contract method is one where the design is finalised before tendering for construction. The Tasmanians are at that point of tendering for construction with a design that's already complete.

Senator SHELDON: Have you got a feel for when the construction work will begin on the project?

Mr Bradley: Construction is expected to commence later this year. We're expecting to have people driving on the bridge in late 2024.

Senator SHELDON: I also know that the funding for the bridge is still being spent, if I understand correctly, for the 2025-26 financial year in updated funding profiles for the project. What was the reason for this going until this date?

Mr Bradley: I'd need to have a look specifically, in terms of going back to the proposals, to see exactly what that might include, but generally, after the time that a project becomes open to traffic and operational, we'll see that there's still work that a state will need to do in terms of final landscaping. There's a warranties period and there are times when they may have acquisitions that need to be sold off, if they've purchased excess land. So there's still a little bit of work we'll support the state with post the bridge becoming open to traffic. It may involve a little bit of that, but I'd need to look specifically to get you an answer on that.

Senator SHELDON: If you could look specifically, that would be helpful. From what I gather, there is some construction work completion that'll still be taking place in 2026 as well?

Mr Bradley: The project also does involve an upgrade of interchanges. It will have enhanced interchanges and a shared pathway at either end of the bridge. So it may be that, while the bridge becomes operational, there may be a little bit of work integrating traffic at either end. But, as I said, we'll take that on notice and come back to you, Senator.

Mr Hallinan: It might be expeditious for us to take on notice the detail of scheduling.

Senator SHELDON: I take it there's still some construction work. Thank you for the detail. I appreciate you taking on notice 'until 2026'. I just have note that the government had promised this project would be completed by 2024, and this just doesn't appear to be the case. There is still some construction work going on after that date, up until 2026. I want to go to the AAD move.

Mr Bradley: Sorry, Senator?

Mr Hallinan: That's a matter for the regional and cities area.

Senator SHELDON: I've got another line of questioning now, Chair, but it's on road safety.

CHAIR: Thank you, Senator Sheldon. I might share the call and come back to you after that.

Senator MIRABELLA: Going back to the Burnie shiploader project, I'm not really familiar with it. To satisfy my curiosity, can you give me a quick thumbnail on the business case for that?

Mr Bradley: The Burnie shiploader project was going to install a new shiploader to replace an existing 50-year-old unit. The additional funding—the \$24 million that was provided in the 2021-22 budget—will also include the upgrade of the Bulk Minerals Export Facility to enable bulk commodities to be transferred to container ships for domestic and overseas exports.

Senator MIRABELLA: Is part of the rationale to improve the capacity throughput of the port?

Mr Bradley: That's correct.

Senator MIRABELLA: Is it fair to say that this is one of many projects that have suffered through two years of COVID related lack of action?

Mr Bradley: I think we've seen a lot of projects in Tasmania impacted, especially when they've needed to draw in skilled expertise from the mainland and borders haven't allowed that to happen.

Mr Hallinan: As a general principle, when border restrictions have stopped particular skilled workers from moving across borders that has been difficult for some projects across the country, and some jurisdictions are more affected than others.

Senator MIRABELLA: Would you say Tasmania was one of those, for a project like this?

Mr Hallinan: Yes, Tasmania certainly had some difficulties in getting the right workers across. They had some pretty strong border restrictions in place over the last couple of years.

Senator MIRABELLA: Going back to Senator Sheldon's line of questioning—in terms of the Hobart Congestion Package, would it be fair to say that the urban congestion program, as it was conceived, has also been hugely affected by the two-year COVID interregnum?

Mr Hallinan: I think the biggest challenge with the Hobart Congestion Package has been about identifying projects within the bounds of the package of funding. The recent commitment from the Commonwealth in this budget to expand funding has taken it from a \$25 million project to a \$52 million project, which will allow Tasmania to identify alternative projects outside of that original \$25 million amount.

Senator MIRABELLA: The reason I ask, as a Victorian and from seeing a lot of Melbourne—I can't speak for the other capitals—is that it would seem to me that, after the last two years, a lot has changed. I know just by observation that the city of Melbourne is as congested as, if not more congested than, it ever was. That's just a comment. I guess the question is: how has that affected the department's planning to allocate that budget?

Mr Hallinan: I don't think the broader congestion issue in cities has affected the planning or consideration of the Hobart Congestion Package itself, but I would make the comment that the effects of COVID restrictions on public transport users and on where people are working has changed the mode by which people travel to work. There's been a lot less public transport use and a lot more private vehicle use. That's one of the reasons why I think we've seen a spike in the cost of used vehicles and, indeed, new vehicles in the market. So the dynamics of how people move around the city and area have shifted. It will be a matter of time for us to see what happens in the longer term, in a post-COVID environment, as to what a normal traffic pattern looks like again. So I'd describe it as a period of uncertainty.

Senator MIRABELLA: Would it be fair to say, in summarising that, that the urban congestion problem more broadly hasn't gone away; if anything, it is more complex, perhaps, than it was two years ago because of changes—

Mr Hallinan: I think it's more uncertain now, yes.

Senator MIRABELLA: Would it be fair to say that, in fact, the budget allocation for some of this stuff three years ago is probably not adequate going forward from this point?

Mr Hallinan: Look, I'd be hesitant to provide that advice. I think each individual project that we fund will be funded on its own merit at a particular point in time. Certainly, changes in the broader environment will affect the business case for any of those projects. Given where we've been with COVID for the last couple of years, certainly projects in and across state borders will have been affected by COVID restrictions and by changes in population movements. But I'd hesitate to provide any firm guidance on specifics; I think it's more complex than that.

Senator MIRABELLA: Chair, I've got a few questions on intermodal hubs. I don't know if now is the appropriate time. We visited some of this last week.

CHAIR: I think this is surface transport. Can I have some advice from the department: which is the best place for that?

Mr Hallinan: Intermodal is attached to the Inland Rail project.

CHAIR: Yes.

Mr Hallinan: We can deal with that here. To caveat that, the National Intermodal Corporation is the Commonwealth government business enterprise that's responsible for the intermodal's work. We're not them, but we can try to provide some assistance as we did last week.

CHAIR: I think we discovered last week that we hadn't called the intermodal agency, and that will be one to go on the agenda for the next round of estimates, because they've really come alive with this work they've now been tasked with, haven't they?

Mr Hallinan: Yes. It's a substantial piece of work through the National Intermodal Corporation. We're happy to provide assistance and respond to questions as we can, but—

Senator MIRABELLA: I'll leave it there then. Thanks.

CHAIR: Thanks, Senator Mirabella. Senator Sheldon, are you ready to continue with your line of questions?

Senator SHELDON: Yes, thank you. I'll go to road safety, if that's ready to go. I have a series of questions about the National Road Safety Strategy. Before I come to that, I'd like to ask about the Road Vehicle Standards Act amendment that was passed through the parliament last week. Please step the committee through the actions the department will take to ensure that this will be the last transitional period and that all necessary support will be provided to industry participants. I'm mindful, in relation to that, that the National Road Safety Action Plan expired in 2020, and there's still not a new plan in place. Take me through this question of the Road Vehicle Standards Act amendment that was passed through parliament last week and where we're at.

Mr Hallinan: Certainly. The Road Vehicle Standards Act amendment that was passed last week, we think, is necessary to support transition of the sector. This is for manufacturers or suppliers of road vehicles new to market. They could be used vehicles from overseas, Australian manufactured trailers or caravans, or imported vehicles. The Road Vehicle Standards Act was due to come into effect on 30 June or 1 July this year. As a result of COVID, I would say, in particular for smaller producers and manufacturers in Australia, there have been substantial challenges that they would not otherwise have had to deal with. Perhaps they've had to reform their

supply chains. They may have been sent home and put into restriction for substantial periods of time at a point in time where we're asking them to change their business and operating systems to meet a new regulatory environment for safety standards for vehicles entering the market.

So what we're proposing to do and what has been agreed through parliament is a 12-month extension on the implementation of that act. Through those 12 months—I'm afraid I don't have the two relevant branches here, but I do have Ms La Rance—we will be communicating with all affected manufacturers and vehicle importers to ensure they have appropriate standards in place for the new regulatory settings. Probably the biggest challenge for us in that space won't be major vehicle importers or major manufacturers like the Toyotas or Mercedes of the world; it will likely be reaching through to smaller manufacturers and smaller importers of vehicles where they may do some modifications. They might be your specialist and enthusiast vehicle modification groups. They might be left- to right-hand conversion firms. They might be trailer manufacturers for boats or caravan manufacturers. We'll be working very closely with them, providing education across the next 12 months on exactly what's required for the implementation 12 months from now.

Senator SHELDON: I appreciate you've just given an explanation as to why there has been an extension, but what's the necessary support that we provide to industry participants in light of this new transition period? What are the stages and the steps to give the industry the assistance and support they need?

Mr Hallinan: I would describe the problem that we've been dealing with as an inconsistent state of readiness based on the environment of the affected companies. That state of readiness could be affected by, for instance, the jurisdiction that a company is in and the inability to access the major testing locations in Victoria and Queensland in order to certify their vehicle standards and arrangements. What I think is actually the fundamental piece we're dealing with is stability in the environment. Having stability in the environment for those companies will allow them all to fairly transition across. The risk with transitioning by the end of this financial year was one where, through no fault of any company's making or doing, they would have been unfairly affected by market dynamics at play from those companies that were probably in an advantageous position. I can ask Ms La Rance to talk through the stages that we'll go through in broad terms to get us from the end of this financial year to the end of next financial year.

Senator SHELDON: That would be helpful, thank you.

Ms La Rance: We have a range of mechanisms in place for consultation with industry. We have a regular industry webinar, and that's with industry associations and their members. That's around understanding any issues in relation to transitioning across, noting of course that a lot of organisations or businesses have already transitioned across. We also have regular contact through the two branches that Mr Hallinan mentioned in my division where people are able to raise individual questions and we provide direct assistance to them. So it's a combination of being available and readily accessible through hotlines and email addresses. People can send questions in. We also get people writing in. We are also being proactive, holding seminars and addressing any issues that come up.

Senator SHELDON: Thank you. I'm just trying to work out how confident we can be that we won't be back in the same position as we were last week in 12 months time. At the Senate estimates hearing on 14 February, Mr Atkinson gave evidence that the National Road Safety Action Plan was to:

... go for further consultation and back for further discussions between the states and the Commonwealth on the actions that people would be willing to take under the action plan to pursue the elements of the road safety strategy.

Mr Atkinson went on to say:

We will go into a round of Commonwealth-state negotiations with the states and territories to try to make sure that we get the sufficient data transparency as part of the process and what's agreed to as well as additional ambition to support the road safety goals of the people you were talking about.

According to the road deaths database, Australia suffered 1,137 road deaths in the 12 months to February 2022, which represents a 2.3 per cent increase on the previous 12 months. I just want to know why it has been over 15 months since we passed the expiry of the last plan and we're still without an action plan to reduce the road trauma in Australia. Can someone explain to me why we're in this position?

Mr Hallinan: Certainly. For the road safety strategy—and I would just make it clear that that's a separate but related topic to the Road Vehicle Standards Act implementation that we were discussing—we've been in consultation now with jurisdictions and stakeholders for a couple of years on the development of the overarching strategy. That's been a relatively challenging consultation period undertaken in the middle of the COVID period as well I think it would be fair to say the Deputy Prime Minister reviewed where the Road Safety Strategy and the supplementary action plan were at earlier this calendar year. I think it was in February, in the lead up the

infrastructure and transport ministers' meeting. He asked us and took to the ITM meeting a position that we should undertake further work with jurisdictions and—this might be a shorthand way of describing it—put a bit more meat on the bones of jurisdictional actions and indeed Commonwealth actions for the purposes of releasing the action plan more publicly, and to be a little bit more ambitious, I think, in setting the goals and actions undertaken.

The stakeholder feedback that I have had, having been in the role with road safety since January, has been that stakeholders are very keen, and they have offered to assist as much as possible in the development of that action plan. We are establishing a consultative forum made up of jurisdictions and the major stakeholder representatives in the sector. We'll be working through all of the steps in the action plan over the coming months with a few to coming back to the infrastructure ministers' meeting towards the end of the year with an updated action plan built in consultation with the relevant stakeholders and jurisdictions in one room.

Senator SHELDON: Have you received some early feedback on the action plan from stakeholders?

Mr Hallinan: It really does depend on which stakeholder you speak to as to what their feedback will be like, but it would be fair to say that there is an accord reached between most of the stakeholders that a little bit more ambition and a bit more clarity of the actions and the measurability of the actions in the action plan would be important from their perspective. So we're going to work through that process with them.

Senator SHELDON: Are you able to step me through some of the National Road Safety Action Plan—when it will be finalised and what the time lines are moving towards the finalisation?

Mr Hallinan: We are working to develop and consider that action plan with stakeholders and jurisdictions over the coming months, and it will either be taken into the infrastructure ministers' meeting midyear or towards the end of the year, depending on exactly how progressed we are. It will be developed in consultation with stakeholders over the next few months.

Senator SHELDON: I just want to refer to a response to a question on notice from the supplementary budget estimates for 2021-22. The committee question number is 139, and the portfolio question number is SQ21-001165. It is regarding a question on the forward work program on the National Road Safety Data Hub. The response said:

The work program for 2022 is under development and will be presented to stakeholders in early March for feedback and to discuss opportunities for collaboration.

Has that now happened?

Ms O'Neill: The engagement happened in early March, and it was done via Teams.

Senator SHELDON: Has the work program been presented to stakeholders specifically?

Ms O'Neill: The previous work plan is on the website. The current work plan is still in development.

Senator SHELDON: Can you just step me through the stakeholders that have been part of those discussions?

Ms O'Neill: Yes: Professor Jeremy Woolley; Rita Excell from ARRB; Dr Louise Rawlings, head of BITRE; Professor Gruen from ANU; Roads Australia, represented by Royce Christie; and Professor Barry Watson from northern Queensland. I think that is likely to be it, but there may be some more people on that. It's a cross-reference of people that offered their support with the initial stages of the data hub being established.

Ms La Rance: We will be intending to supplement that with the discussion around the data that we need to support the actions identified through the action plan. That further consultation is an opportunity for other participants to be involved in the data conversation also.

Senator SHELDON: Ms O'Neill, you mentioned that were some stakeholders but there may be some additional ones. Would you be able to come back to me today if there are some additional ones?

Ms O'Neill: Yes. I'll check that. I think I've noted all of them, but I'll double-check for clarity.

Senator SHELDON: Thank you very much. You may have answered this. I didn't quite pick it up. When did that consultation begin?

Ms O'Neill: That was held in early March.

Senator SHELDON: What's the feedback you've received?

Ms O'Neill: What we've been working through with that group is the baselines to establish a measuring point for safety performance indicators. We're looking at what types of data sets should be sourced. We're looking at how things should be measured and what degree of specificity we need in order to take things forward. We're certainly trying to look at where we are at now, what we have got, what we can use to make sure that we've got clarity and transparency around measuring change over the life of the strategy. That's been a huge amount of work

that we have sought their feedback on, trying to determine what would be the best way forward, tapping into their expertise and trying to make sure that we're aligned with where the data and the measuring outcomes will take us in the future. We're trying to use those people to make sure that we're setting it up with regard to the future of measuring the strategy, the action plan and other types of outcomes from road safety.

Senator SHELDON: What sort of feedback have you received from those consultations with those stakeholders?

Ms O'Neill: It's been pretty positive for them to be engaged. They've sought to work with us to make sure we're basing it in the right direction. There has been some constructive feedback. The groups seem fairly well engaged and supportive of what we're trying to do. The second meeting recently happened. There might have been some frustration in the first meeting around the breadth of what people would like to have and what the availability is. We're trying to work with what we've got to make sure we can get something out of the huge data resources that are currently available.

Senator SHELDON: You touched on this, but what are the next steps on the data hub? Is there a forward time line?

Ms O'Neill: There are a number of activities going forward for the data hub. There have been some key achievements. Just recently we put the national picture of severe injuries, a big dashboard, up on the website. We've had new dashboards on crash factors, speeding infringements, mobile phone infringements and outcome measures for the previous strategy. We're obviously trying to really nail baselines and appropriate measures for the next strategy and action plan going forward. We're really testing to measure the effectiveness of the infrastructure program that's currently being delivered. We really want to test how that will contribute to reducing fatal and serious injuries. That is one of the roles of the data hub as well—receiving that data and trying to make measurement. That's a five-year goal.

Senator SHELDON: Are there any other key time lines that you want to mention to us as well or do you feel you have covered it all?

Ms O'Neill: In the coming months we'll be trying to settle the intergovernmental agreement on data. That's trying to make sure we improve the timeliness of receiving data and the overall completeness of the data quality. That's a significant project, which I hope will be in the coming months.

I'm also expecting in the coming months, perhaps the second part of the year, the final report to measuring outcomes on serious injuries. That has been a major part and a major project, over the years, trying to link road crashes with the data received at the scene in line with hospital records. That's on all types of serious injuries. That will really help us understand what crashes are happening, how they're happening, where they're happening and what the best countermeasures to address those might be. Obviously serious injuries are of huge concern, in addition to the fatals, due to the current rising trend. We have seen a slight reduction in trend for the much more severe injuries, which is fantastic, but there are a huge number of serious injuries, often vulnerable road users, that we need to prevent. The data hub is being set up to help us address that.

CHAIR: Is part of this legislation affecting the dimensions of Australian manufactured trailers compared to overseas manufactured trailers? Is that what you were referring to when you talked about trailers previously?

Mr Hallinan: No. The dimensions of trailers are established through the Australian Design Rules, but I'll have to confirm this, and somebody might tell me if I'm getting slowly off. The Road Vehicle Standards Act gives us the regulatory powers to say yes or no to vehicles entering the market. That could be done for mass importation of new Mazda 3s or a minor number of other vehicles. What we assess against is the Australian Design Rules, to make sure that the vehicles are in keeping with the Australian Design Rules. The actual trailer dimensions and rules, I think, will be captured under the ADRs.

CHAIR: I understand there's some consultation with industry on this at the moment. I have trailer manufacturers in my part of the country, and they're nervous that changes would allow for overseas scaled manufacturing to occur and then come into this country. Given that we're putting a greater focus on manufacturing in Australia again, I'm interested in how we would ensure that we continue to protect that part of the domestic manufacturing industry and how I can ensure that we have some input into that.

Mr Hallinan: I think the relevant part of the department is Surface Transport Policy. While I have a reasonable understanding I don't wish to go too far into it, if that's alright.

CHAIR: They are wise words. It's best not to get out into deep water on something that so many people are interested in. I'll come back to that later.

Senator SHELDON: I want to go to some questions regarding the Joint Select Committee on Road Safety. Is the department aware of the final report of the Joint Select Committee on Road Safety that was published last month?

Ms O'Neill: Yes, the report was tabled on 25 March and we've received that.

Senator SHELDON: You've read through that report, I gather?

Ms O'Neill: The team has scanned the report. It's 412 pages with 64 recommendations. We have done a summary scan and familiarised ourselves with the key recommendations, but the in-depth analysis will take a couple of months, I think, to address all of the detail within there.

Senator SHELDON: I'll note that the government had a majority of the numbers on that committee and it was chaired by a Nationals MP, Darren Chester. The committee says, to quote from the report:

Stakeholders were supportive of the current inquiry, though impatient at the slow pace of reform in road safety across different levels of government, given the number of recent inquiries and reviews on this issue.

In light of those concerns, can you please outline how the department intends to respond to the 61 recommendations? I appreciate that you've said you're going to look at it in more depth, but what is the timeline and what is the plan?

Ms O'Neill: It covers a wide range of road safety matters with implications across all levels of government, and it covers recommendations for businesses and non-government organisations. We're looking out to all of the Commonwealth agencies to make sure there's a whole-of-government response. I would expect it would take a number of months to make sure that we've considered it in the proper manner and to bring everyone in, in the sense of areas that the Commonwealth is responsible for.

Mr Hallinan: Unless there is something different about the road safety inquiry, I think we usually try to table the government response to parliamentary inquiry reports within about 90 days. We would anticipate working through the full report and providing a response in the relevant time frames.

Senator SHELDON: Thank you for that. That's helpful. Paragraph 9.157 of the report says:

The committee heard that commercial pressures including performance-based pay, lower freight rates, poor working conditions, and unfair contract terms are contributing to lower safety outcomes in the sector.

Does the department or the government share that view?

Mr Hallinan: As I said, we will be forming a response from the government across 90 days or thereabouts. Matters of employment law are usually a matter for the Attorney-General's Department.

Senator SHELDON: I appreciate that. This is not a question about employment law. This is a question about road safety. This is the Joint Select Committee on Road Safety. I've had this discussion in other inquiries. When there are employment related impacts on the matters that we're investigating, they are still relevant to the matters we are investigating. I will go back to the question. There are many commercial pressures, including performance-based pay, lower freight rates, poor working conditions. The point I go back to is that the committee is looking at this through a lens of not what the pay rates are, but the fact that there are safety issues in relation to the systems that apply to worker remuneration. That means, in effect, that the safety arrangements, the safety consequences go to those commercial questions that performance-based pay, lower freight rates, poor working conditions and unfair contract terms are contributing to lower safety outcomes in the sector. It goes to that whole-of-government response about how we deal with an important aspect of effects on road safety. Has the department given consideration on previous occasions to those sorts of matters while bringing the whole-of-government approach to it?

Ms O'Neill: There is a huge amount of work going on with regard to workplace, road safety, no matter where you work, whether you are using a vehicle as the workplace, whether that is a bicycle, you are a pedestrian, your workplace is a car, or the road is the worksite. There is a tremendous amount of work having been done that sets up guidelines for that. We want to work with non-government organisations to make sure they are aware of what they can do to improve road safety, and we would look to set up a framework for non-government businesses to adopt. How can you ensure the safety of your workers, whatever their place of work is? That is part of the strategy, recognising that workplace road safety is a really high-value target for us to aim for. So we will be supporting those that want to take that forward and showing them how they can do that.

Senator SHELDON: Minister, I put to you this proposition that was put by the committee, that the commercial pressures including performance based pay, lower freight rates, poor working conditions and unfair contract terms are contributing to lower safety outcomes in the sector, do you have a view on that particular recommendation from the committee?

Senator McKenzie: Our government takes seriously the safety of the transport workforce. They have done an exceptional job keeping supply chains open during the particularly difficult period of the last two years with COVID. Obviously the Government is considering the report, and we will be responding in due course.

Senator SHEDDON: Minister, the report goes to this point that commercial issues like pay and conditions can drive unsafe conditions in the road transport industry. Is that a view that you share?

Senator McKenzie: As I said, the Government response will be handed down in due course.

Senator SHEDDON: Have you got a view on that, Minister?

Senator McKenzie: The remuneration of the trucking industry is a matter for the Fair Work Commission and for, obviously, employers themselves to make decisions about how much they remunerate their workforce. The government will be responding to the report in due course. I've got nothing further to add.

Senator SHEDDON: Just of interest, the report goes to commercial question of pressures on transport companies and operators. It goes to those questions, which then relate to pay and conditions, which drives unsafe outcomes. That's what the committee was looking at and had a consensus view on in the committee report dealing with those concerns. The road safety report goes on to say—again, this is a bipartisan report led by members of the government—'The committee supports relevant recommendations of the RRAT Trucking Report (Recommendations 1, 2 and 3)'. The RRAT trucking report being referred to was Senator Sterle's report entitled *Without Trucks Australia Stops: the development of a viable, safe, sustainable and efficient road transport industry*. I'd take it you are familiar with that part of the report, Minister? Are you aware of that part of the report?

Senator McKenzie: As you are aware, I represent the minister for transport. I'm in a representative capacity today. So I am not personally across the report, but I'm very happy to pass to departmental officials.

Mr Hallinan: I would just make the point again that these matters go to employment conditions, which is a matter for the Attorney-General's portfolio.

Senator McKenzie: Remember the big rally with owner-operator truck drivers driving to Canberra?

Senator SHEDDON: I recall meeting a number of owner-driver operations, where thousands of actual owner-drivers turned up—

Senator McKenzie: 'Actual'. Are you saying that the people who turned up to that rally a few years ago were not actual owner-operators and weren't actually concerned about additional costs on their business that were being imposed by a regulator?

Senator SHEDDON: The advantage of being at an estimates hearing is that I can ask the questions.

Senator McKenzie: That is true.

Senator SHEDDON: What is clear is that this committee, which is led by the government, has a consensus report on the issues that we have raised here. As you have raised, you have some familiarity with past issues. Are you aware that this report response is in opposition to support that there should be consideration given to an independent tribunal being put in place? It specifically goes to recommendations 1, 2 and 3 of the RRAT trucking report.

CHAIR: Senator Sheldon, just in the interests of clarity, it was the references committee, which the government doesn't have the numbers on. It is the opposition. But I do applaud the work of the committee. It was a very lengthy report. We had evidence from right across Australia and considered a whole range of things. Some of the recommendations around apprenticeships and especially some of those regional issues were just terrific. I'll just make that point of clarity—that it wasn't the legislation committee but the references committee that did that big body of work and the truck industry report.

Senator SHEDDON: Just to further clarify, what I was putting is that is that there is a joint select committee taking place. As you would recognise, the government has the majority of representatives on that committee. That joint select committee supported the recommendations of the references committee—recommendations 1, 2 and 3—in the RRAT trucking report. The reason I'm raising the RRAT trucking report is to refer to recommendations 1, 2 and 3 that have been supported by the joint select committee.

Just going back to my question, the minister indicated a version of knowledge of some of the issues involved in independent tribunals supporting and protecting owner-drivers from both clients and also transport operators to make sure there is a fair return. Recommendations 1, 2 and 3, which have been supported by the Joint Select Committee on Road Safety, say that there should be establishment of an independent tribunal. So, Minister, do you support there being establishment of an independent tribunal?

Senator McKENZIE: My advice is that the government response to that particular committee report did not support recommendations 1 to 3 to re-establish the RSRT. We as a government abolished that in 2016 as no safety improvements came from it, just additional burden on small operators.

Mr Hallinan: Senator, if I may—

Senator SHELDON: Sorry, but just before we do that I'll go to the minister's answer. I am not suggesting that the committee recommended the RSRT be reinstated as an independent tribunal to deal with the issues, but the joint committee was supportive of recommendations 1, 2 and 3. It is not that the RSRT be reinstated. The joint committee wasn't supporting that recommendation. But there were very clearly concerns raised about commercial pressures on truck drivers and the need for an independent tribunal to deal with those issues in whatever form that might well take.

Senator McKenzie: In response to the question around driver safety, our government's invested in practical road measures for heavy vehicles, like rest stops, road blackspot programs, road upgrades et cetera. Those were in partnership with state governments in many cases.

Mr Hallinan: If I may, these are matters both for the Attorney-General's Department, in terms of employment arrangements, and for the transport group inside this department, which is scheduled for 12.15 today. We don't have the relevant officials at the table currently.

Senator SHELDON: Thank you. My question is, then, back to the minister again. Do you support recommendations 1, 2 and 3 that have been unanimously supported by those from the Joint Select Committee on Road Safety?

CHAIR: Senator Sheldon, this minister is representing the transport minister and, I suspect, has not read the report fully.

Senator McKenzie: It's not a question of personal support or not. I'm a minister of the Crown and therefore the government response would be appropriate. My understanding is the government is considering its response to this report and will release it in due course.

Senator SHELDON: The government majority Joint Select Committee on Road Safety says it supports recommendations 1, 2 and 3 of the RRAT trucking report and, in supporting recommendations, it calls on the government to introduce recommendation 1:

... an independent body that will, in consultation with industry, set universal and binding standards (including binding standards with respect to pay) of the road transport industry.

So we now have a Labor majority report and a government majority report calling for an independent body to establish binding standards with respect to pay in the road transport industry. Is this a policy the government is currently exploring?

Senator McKenzie: Senator, as I said, the government will release its response to these reports in due course and it is considering the good work of the senators.

Mr Hallinan: Chair, we don't have relevant officials at the table to give support on these questions.

CHAIR: Did you hear that, Senator Sheldon?

Senator SHELDON: Yes, I did, thank you. I might hold those questions over. You're saying that they'll be in the corporate matters section—is that correct? The relevant officials will be there during that period.

Mr Hallinan: Senator, it's in the transport group, which I think is scheduled item 3 at 12.15 today.

Senator SHELDON: Great; thank you.

Senator McKenzie: Senator, my apologies—and I am relying on advice here, so I can only respond to your questions as I'm given advice. My understanding is that the government tabled its response in the Senate on 30 March to the without trucks report.

Senator SHELDON: Thank you very much, Minister. I'll hold further questions on that matter, Chair, over to the 12.15 relevant transport officers. That would seem the logical thing to do.

CHAIR: Senator Sheldon, if this is a good moment, we'll share the call and I'll come back to you.

Senator SHELDON: Thank you, Chair.

Senator DAVEY: I want to come back to a few of the major infrastructure projects that we're funding, particularly within New South Wales. In previous budgets, we've committed \$560 million to the Singleton bypass. Have we got an update as to where that project is and how much is being expended on it to date? I understand we pay on milestones; we don't just give them all the money upfront. There was a design and public consultation phase, and I'd be interested in an update on how that project is going for the Hunter.

Ms Legg: I'll just see what information I have with me on that project. That's right: it's a \$560 million Australian government commitment with \$140 million from our New South Wales government colleagues. It's being funded 80/20. The project's in planning with the original concept designs displayed for public comment from December 2019 to March 2020. This design included a single carriageway with provision to upgrade to a dual carriageway in the future and a partial interchange at Putty Road. The community's been engaged previously and, during the selection of the preferred route, particularly, I think we did speak at an earlier estimates about some input from the Singleton council and New South Wales, in considering further advice from that stakeholder group, in particular, and announced that the project should include a full interchange at Putty Road. However, New South Wales have advised us that the requested dual carriageway is something that can be delivered in the future. Construction on the project is anticipated to commence later this year and finish in 2026.

Senator DAVEY: Having recently been up to Singleton again, the bottleneck is significant. This year we have also committed \$270 million to the Muswellbrook bypass—that's my understanding.

Ms Legg: That's right. That was announced under the—sorry, I forget the exact name—regional package.

Senator DAVEY: Energy Security and Regional Development Plan.

Ms Legg: That's right.

Senator DAVEY: Are these two projects going to flow on from one another? There's also \$8 million for planning for duplication of the New England Highway between Muswellbrook and Singleton.

Ms Legg: That's right. For the Muswellbrook bypass we have started some early conversations with Transport for NSW on that project, which has been a priority for them for some time. It will be delivered through the Infrastructure Investment Program but as a new announcement. I brought along a small outline of the project, and I might have to keep looking for it. Yes, you're right, the recent budget also announced planning for the duplication between Muswellbrook and Singleton. We will work with Transport for NSW on the staging of those projects. I understand quite a lot of work has already happened in the design of the Muswellbrook bypass, just to understand exactly how they would be best staged.

Senator DAVEY: Certainly, a lot of work has gone into the planning and preparation to understand the benefits, the freight routes and whether this will improve traffic and freight flow through and around the Hunter.

Ms Legg: That's right. You may be aware that the New England Highway, that corridor, is one of our Roads of Strategic Importance corridors exactly for that reason.

Senator DAVEY: Speaking of Roads of Strategic Importance, I see that in the budget there's an extra \$880 million of funding for the Roads of Strategic Importance. How many roads are we talking about in that program?

Ms Legg: One of my colleagues may be able to talk more generally about the Roads of Strategic Importance additional funding. In terms of New South Wales, there is an additional \$30 million for the corridor I mentioned along the New England Highway, which we call the Tenterfield to Newcastle corridor, and \$20 million in additional funding for the Toowoomba to Seymour corridor, which largely follows the Newell Highway.

Mr Mackay: As at the 2022-23 budget, the Roads of Strategic Importance funding covers 29 freight corridors in total.

Senator DAVEY: So, the \$30 million for New South Wales is just for the New England Highway portion?

Ms Legg: That's right.

Senator DAVEY: But that's not the only ROSI in New South Wales.

Ms Legg: No. There are three corridors in New South Wales and a number of standalone projects. The two longest corridors are the Toowoomba to Seymour along the Newell Highway and the Tenterfield to Newcastle corridor along the New England Highway, and the Barton Highway is the third corridor. But we also have a number of standalone projects across New South Wales which are funded under the Roads of Strategic Importance program.

Mr Mackay: Senator, just to add to the aggregate figures: of the \$880 million that you mentioned, at budget, \$50 million of that is for New South Wales. That brings the total Roads of Strategic Importance funding for New South Wales to \$740.2 million.

Senator DAVEY: We like spending money on New South Wales roads and getting people home safer! Finally, with regard to the Local Roads and Community Infrastructure Program, which I've had some very positive feedback about, we've got over \$500 million further for that. I know it goes out to councils piece by piece, but what sort of modelling was used to determine the \$500 million? How many projects do we think that that may be invested in?

Mr Mackay: Since phase 3 commenced, in January, in the first three months of the year 430 councils have signed grant agreements, which represents, I think, about 80 per cent of councils in Australia. Since the grant opportunity opened we've received nominations of 1,476 projects from 276 councils. That's just over 50 per cent of councils, and those projects combined are worth over \$500 million.

Senator DAVEY: Great. So the \$500 million is actually based on the applications?

Mr Mackay: No. I guess what I'm indicating is the level of demand, in what has been suggested or proposed by councils.

Senator DAVEY: Fantastic. They'll be very happy to get their money.

Senator McKenzie: Chair, could I give Senator Sheldon some additional information that has come to hand, which is that the government response to the Joint Select Committee on Road Safety, as I understand it, was tabled on 28 March.

CHAIR: Thank you, Minister. That helps clarify that.

Mr Mackay: Chair, Senator Sheldon had some questions about the cost breakdown of the Bass Highway, Cooee to Wynyard, work. I have those numbers, if I could just provide them—

CHAIR: Provide those for *Hansard*, yes.

Mr Mackay: There are three stages of the work and a scoping phase. The scoping phase is complete. The total cost for scoping was \$2.34 million, of which the Australian government contribution was \$1.87 million. For the Somerset to Wynyard realignment, which is under construction, the total project cost is expected to be \$18.08 million, of which the Commonwealth contribution is \$16.33 million. The second phase, which is the Cam River bridge replacement and Murchison Highway realignment, has been approved. The expected project costs total \$15.49 million, with a Commonwealth contribution to that of \$12.39 million. And then the final stage, the Somerset to Cooee pedestrian crossing, is in planning, with expected costs of \$14.09 million, of which the Commonwealth contribution would be \$9.41 million.

Mr Hallinan: I have one more additional response, Chair. Senator Sheldon had questions on the data working group in Road Safety. I'm just confirming that the meetings for that were held on 10 and 11 March. There were four additional members we said we'd come back on. They were Will Hore-Lacey, of ARRB; Michael Nieuwesteeg, of Austroads; Professor Jenny Oxley, of Monash University; and Emily McLean, also of ARRB.

[10:35]

CHAIR: Thank you very much. I believe that brings us to the end of this section, the first section of the day, which was 'Infrastructure'. We're now going to move to 'Corporate Matters'. Senator McCarthy, over to you.

Senator McCARTHY: Secretary, we've discussed previously the department's record in terms of responding to questions on notice. I know this was an issue in the context of the Finance and Public Admin References Committee's inquiry into the Urban Congestion Fund, and it appears there are still 33 questions on notice outstanding from this committee.

Mr Atkinson: Are you referring to the Senate finance and public admin committee on commuter car parks?

Senator McCARTHY: Yes.

Mr Atkinson: I'll just get Mr Hallinan to come back in. While it's technically a corporate thing, it's infrastructure group who is responsible for those.

Senator McCARTHY: Okay. Thank you. I guess I could just put this question to you, though, Secretary: do you consider it an acceptable situation, though, that responses to these questions are still outstanding?

Mr Atkinson: Mr Hallinan's here. We'll have to get the facts first.

Senator McCARTHY: I'll come back to that question.

CHAIR: Senator McCarthy, would you mind just repeating your question now that Mr Hallinan is at the table.

Senator McCARTHY: Sure. In the context of the Finance and Public Admin References Committee's inquiry into the Urban Congestion Fund, I notice that there are still answers to 33 questions on notice outstanding from your department. Is that your understanding?

Mr Hallinan: I'll have to confirm precisely the number that remain outstanding. But, yes, I understand there are still some answers to questions on notice outstanding. I note that the report from that committee was tabled in very early December last year, before the responses from the department and through our minister had been tabled.

Senator McCARTHY: So is that an acceptable situation?

Mr Hallinan: It would certainly be our preference that we had responses to questions on notice up sooner. I'd make the point that, in relation to that commuter car parks inquiry, the deadline for responses to questions on notice was within days of the committee hearing that the department participated in, and the tabling of the report happened within weeks of that committee hearing as well, which means that those questions on notice were not able to be incorporated in the report.

Senator McCARTHY: That's still not good enough, though, is it? I'm going to go to some of those questions. One of the unanswered questions on notice is SQ22-000047. Do you have access to that? That was about letters that were sent to Glen Eira and Bayside councils, both in the division of Goldstein.

Mr Hallinan: I don't have that QON in front of me, no.

Senator McCARTHY: Both letters threatened the councils that, if they cancelled commuter car park projects they do not want, then 'such a decision could well have the long-term consequences of reducing the chance of future applications for Commonwealth funding for the city of Bayside being successful'. I asked if the minister or department had sent similar threats to any other councils, and you still haven't answered that. Can you tell me today?

Mr Hallinan: I think we actually responded to those questions in this committee in the last hearing in February. We spent a fair bit of time talking about them. We can try to grab the responses out of *Hansard* for that if you like.

Senator McCARTHY: For that particular question? I don't think that one was asked.

Mr Hallinan: Yes, those were asked. The letters themselves were tabled, I believe, by Senator Sheldon. I've just got a message from somebody saying that the questions on notice in relation to the Finance and Public Affairs committee report into commuter car parks—our understanding is that they have been tabled and might be live on the committee's website. We'll check that.

Senator McCARTHY: If you could, thank you.

CHAIR: The secretariat has just confirmed that they are live on the website.

Mr Hallinan: They are on the committee's website and they have been responded to.

Senator McCARTHY: Could the secretariat do something for me that will save time here asking each of these questions. I'm obviously not looking at the website live at the moment. Could I just confirm a number of questions: SQ22-000010, SQ22-000309, SQ22-000038, SQ22-000049, SQ22-000087—

CHAIR: Senator McCarthy, were those questions to this committee or were they to the Finance and Public Administration committee?

Senator McCARTHY: It was for this department to respond to.

CHAIR: To this committee?

Senator McCARTHY: Yes. And some of these questions are about the Building Better Regions Fund. I'm just putting the numbers through.

CHAIR: Okay. They were questions put to this department, through this committee, and the secretariat is now going away to check that for you.

Senator McCARTHY: Great. Thank you.

CHAIR: There are five questions that we are looking for.

Senator McCARTHY: That's correct. Chair, I might get clarification on those questions. I'm happy for you to share the call, if need be, before we move to another topic. If there are other senators who want to continue on corporate while I clarify these questions—

CHAIR: I don't believe that we have more questions on corporate at this time. Do you have other questions in corporate that you could turn to while we confirm—

Senator McCARTHY: My questions will be completely on these outstanding questions on notice.

CHAIR: We haven't received answers to those five questions that you have identified. The Building Better Regions section of the program is a little later in the day, under regional, if you want to re-put those questions.

Senator McCARTHY: I'll give it a go and see how we go, if that's okay—if there are no other senators needing to ask anything else under corporate. Can I go to questions SQ22-000010 and SQ22-000309. These questions were from Senator Sheldon and Senator Sterle. The first question asked for a list of projects delayed as a result of skill shortages. The second question included a series of similar questions and actually followed on from an even earlier question which was answered without anywhere near enough detail.

Mr Hallinan: We have just tracked them down. What is your question?

Senator McCARTHY: I am just wondering if there is further information in relation to those questions. There is not enough detail. We're wondering why it's so hard to get any information about the impact of skills shortages.

Mr Atkinson: Senator, before Mr Hallinan goes into that, I say that I think that at the last hearing I spoke for about half an hour about the impacts of skills shortages more generally, about the categorisations of types of issues and about the constraints by high-end skills shortages. There was also quite a lot of discussion about how there was movement of labour across major projects and major programs and across elements of the construction market, and about how shortages are manifesting in price as much as delays in projects. I talked about it very extensively at the last committee hearing, but Mr Hallinan might have specifics on these questions.

Senator McCARTHY: Thank you. Can I ask you to break that down in terms of the Northern Territory?

Mr Atkinson: In terms of projects in the Northern Territory—

Senator McCARTHY: I mean skills shortages and what the department is doing in relation to that.

Mr Atkinson: Okay. Are you talking in terms of major infrastructure project capacity?

Senator McCARTHY: You said you spoke in great detail at the last hearing. I'm wondering if you could [inaudible] about the Northern Territory.

Mr Atkinson: Is there a particular project delay you are concerned about, or are you just talking more generally about the infrastructure marketing in the NT?

Senator McCARTHY: I went to a Top End tourism event on the weekend. One of the biggest things for building up for the dry season here is skills shortages. I know that's being experienced right across the country. If we're on skills shortages, I just want to understand whether there is anything specific that you're doing in this area, in the Northern Territory, that we can point to with regard to the questions we've been asking about it.

Mr Atkinson: There are a few things. Mr Hallinan might jump in. At a national level, we got the skills shortages—I'm just talking about infrastructure build at this point. We've got the professions that have skill capacity constraints all listed on the national skills shortage list, which allows those to increase in immigration status. We also have those skills that have been fed into the VET pipeline in terms of future skilled workforce. The other thing that will probably move it most is the attraction of skilled workers to projects as the price movements happen. As I was talking about before, it's not low-skilled work that is necessarily the challenge. The biggest capacity constraint we've seen is very high end skills that are very unusual. For instance, if you have to build a tunnel and, in a particular state or territory, we only do that once every five to 10 years, we have to bring in skilled workers who have built tunnels before, particularly in high-end tunnelling engineering and those sorts of things. In the NT—and I could talk to Andrew [inaudible] a bit more about it up there—my fear would be that the biggest capacity constraint would be when we are building things that we before. For things like road and rail, which the NT government does frequently, I think they would be able to have sufficient workforce in terms of the building space; it's just a matter of how quickly they would be able to expand capacity for new big things. That's one of the discussions we would have to have with the Northern Territory government about the things we were talking about on Thursday, with those major infrastructure projects that are proposed to be very large, where additional workforce would need to come.

Senator McCARTHY: What about Kakadu and the infrastructure that has been [inaudible] out there?

Mr Atkinson: I would have to ask Mr Hallinan if he's got specifics on what's happening with Kakadu projects.

Mr Hallinan: I don't have specifics on the Kakadu projects. I would just make the point that, for skills shortages or areas identified across jurisdictions and into this department. Indeed, we facilitate communications into relevant portfolios. The relevant portfolios for skills are Education and Home Affairs, through education and training in the Education portfolio and, in Home Affairs, through effecting the skills lists for the purposes of migration. But we actively facilitate that communication channel.

Senator McCARTHY: So you don't [inaudible] in any way with the tourism and hospitality industry in terms of infrastructure in places like Kakadu?

Mr Hallinan: Sorry; do we work with the tourism—

CHAIR: You might have to repeat that question. You just broke up.

Mr Atkinson: With the tourism industry, are you talking about workers for tourism or workers to build the roads? I hear a lot about the industry itself not having enough workers.

Senator McCARTHY: Tourism is such a large proportion of our economy across Australia and certainly up here. I'm just interested in knowing the involvement your department would have with places like Kakadu, for example, in terms of investment in infrastructure but also skills shortages. You talk about Home Affairs. We would certainly have people who come from overseas and do work in our tourism sector such as in parks and Kakadu itself. I am in knowing what relationship you have with that sector.

Mr Atkinson: I would say that our focus is much more on the sectors that do the actual building of our infrastructure. We don't build the tourism infrastructure itself, but we do support building roads and other things that support tourism, if that makes sense. So the skills shortages they are normally talking about are in terms of their operations, not our big infrastructure builds. But I can take on notice and come back with whether or not there is any specific engagement around supporting or issues around delivery of infrastructure. With the Kakadu roads, which is where I suspect our money would go, I haven't heard of any specific constraints on the construction of roads in Kakadu, but I can certainly find out for you. The broader tourism skills shortage is a well-known thing, but from our Commonwealth perspective it's a matter for the education and tourism departments.

Senator McCARTHY: Thank you.

CHAIR: Thank you, Senator McCarthy. It seems that we have come to the end of corporate questions. We will release that part of the department and return after morning tea with the transport section.

Proceedings suspended from 10:54 to 11:17

CHAIR: Welcome back. We have now moved to the transport division. Senator Sheldon, do you have questions?

Senator SHELDON: Yes, thank you, Chair. I just want to go back to some matters we raised earlier today regarding road safety and the Joint Select Committee on Road Safety.

CHAIR: Do we have the right people at this table for road safety?

Ms Brown: We can see how we go, but road safety does sit in the infrastructure group now. But some of the matters that were touched on earlier went to an independent tribunal that is in this group.

Senator McKenzie: Ms Brown, can you just make sure we have the right people here? If we don't have the right people here now, let's stick to the program, Chair.

CHAIR: Senator Sheldon, we did have questions being answered this morning by the road safety division. But I think some of your questions were going to—

Senator SHELDON: There was a specific question—I'm about to go back to it, if it's okay with you, Chair—and it was suggested that we should raise it now. We had some questions about whether the government is currently exploring particular policy areas. What if I just give it a go. I'm aware [inaudible].

CHAIR: Alright, Senator Sheldon, please go ahead and ask your questions.

Senator SHELDON: Thank you very much. And, Chair, you did a very good job earlier with whoever wasn't muting last time. They did mute, after you raised the issue, after I raised it with you, but I am having some problems with some background noise again. Through you, Chair, could they please mute.

CHAIR: Yes, thanks, Senator Sheldon. This only works as well as us all being on and off mute at the appropriate moments, so just a reminder on that.

Senator SHELDON: Thank you very much, Chair. The question I was asking was about the government majority Joint Select Committee on Road Safety [inaudible] recommendations 1, 2 and 3 for the R&RA&T trucking report. You're supporting recommendations which call on the government to introduce:

... an independent body that will, in consultation with industry, set universal and binding standards (including binding standards with respect to pay)—

in the road transport industry. So now we have a Labor majority report and a government majority report calling for an independent body to establish binding standards with respect to planning roads for the transport industry, and it goes to the question of safety. Is this a policy the government is currently exploring? I ask the department, are you exploring that policy at the moment in light of those two reports that have been handed down?

Ms Brown: The government tabled its response to that committee's report on March 30, where it indicated it does not support recommendation 1. On pages 5 and 6 of the report, the government response outlined the reason for not supporting that recommendation.

Senator SHELDON: We recently discovered that report was dropped on 30 March in response to the trucking report. As I understand it, as you've just rightly said, it rejected that recommendation in spite of it now being

supported by a government majority on the Joint Select Committee on Road Safety. Is there any reconsideration of that road safety report in light of that fact?

Ms Brown: I didn't quite make out the question, Senator, but the government response was to the report *Without trucks Australia stops*. It was only tabled on 30 March.

Senator SHELDON: I'm raising it in this context, in light of the Joint Standing Committee on Road Safety—which, as we know, the government has the majority on and chairs that committee—report saying that it supports recommendation 1, which was rejected by the government in the recent government response. But there has been another report that has been handed down since then that says recommendation 1 should be considered. Has it been considered, the rejection, in the context of also rejecting the joint standing committee report?

Ms Stagg: I'm aware of the report you're referring to. I believe it was only handed down in the last week or two from the road safety joint select committee. The most recent decision of the government, in relation to this matter, is outlined in the government response to the *Without trucks Australia stops* report, and I expect the new road safety committee report will be responded to in due course.

Senator SHELDON: In light of that report, is the government exploring that particular policy recommendation from the report?

Ms Stagg: I expect the department will work through all the recommendations of the committee in due course. As you can appreciate, the department is still digesting that report given it has only just been handed down.

Senator SHELDON: I'm just very mindful that report was reached with bipartisan support for a body to set safe rates in the transport sector. It appears the government, at this point, has rejected the first recommendation from the Labor majority report. I'm deeply interested, obviously, in what they might do with this bipartisan report, which is supporting the same recommendations. The bipartisan government majority report on road safety says, in paragraph 8.128 on page 284:

The committee recognises the evidence that there are links between pay and conditions and high-risk behaviour in the gig economy.

Does the government recognise that in the evidence, and is that also being considered in this response?

CHAIR: Senator Sheldon, just for everybody's clarity, the Rural and Regional Affairs and Transport References Committee, did the *Without trucks Australia stops* report, which was tabled earlier, and the government responded to that on 30 March. The other report—the Joint Standing Committee on Road Safety has made its recommendations, but the government has not yet responded to that one. So I think the department will not be able to respond to questions about the government's position on that report, because a response has not been made. I just wanted to make that point, because I wanted to make it clear for anybody who was following and perhaps for my own purposes.

Senator McKenzie: That is very helpful, Chair. Thank you.

CHAIR: Thank you. I'm sorry, Senator Sheldon. I didn't mean to interrupt. I just wanted to clarify that one report has had a government response, which has not supported the introduction of the independent tribunal. The second joint standing committee has made recommendations which the government has not yet responded to.

Senator SHELDON: Thank you, Chair. I concur with your description.

CHAIR: Thank you.

Senator SHELDON: I will be interested, when report comes down, with regard to the gig economy as well, where it has identified high-risk behaviour in the gig economy with a link between pay and conditions as well. I am also mindful that there is a notoriously high danger of injury and death in the gig economy. I am waiting to hear what the response will be, ultimately, to that report. I concur with your observations, Chair, and the responses we've had to date.

I want to move to a different matter. It's regarding coastal shipping. Can you update the committee on the coastal shipping reform process?

Mr Johnson: We had been consulting on some potential changes to the coastal trading legislation and some reforms. We had paused those consultations early on in the COVID period and had recommenced them last year. However, we haven't actively progressed those consultations again due to us dealing with a number of other issues in the freight and supply chain relating to maritime. So we haven't made a lot of progress on those ones.

Senator SHELDON: How many consultations have taken place in the past 12 months?

Mr Johnson: I think we did about 41 one-on-one consultations in October and November 2019. We then held a large consultation session with industry and other groups in December 2019. We had a couple of smaller

conversations with individual stakeholders in the meantime. We held a consultation session with the rail industry—I am just looking for the date. I think it was in June 2021 that we spoke to the rail industry, specifically, as well.

Senator SHELDON: You gave me some times in 2019. What consultations have taken place in the last 12 months?

Mr Johnson: As I mentioned, we met with the rail industry stakeholders on 18 June 2021. That's the only specific consultation that has been held in that period.

Senator SHELDON: That is the only meeting that has taken place?

Mr Johnson: Yes.

Senator SHELDON: Have any agreements been reached on any priority areas?

Mr Johnson: No.

Senator SHELDON: Are any recommendations for reform being developed?

Mr Johnson: There are a number of proposals for change that we have outlined in a discussion paper, particularly around some potential changes in relation to cargo vessels, that we shared with stakeholders. But they haven't progressed from that point.

Senator SHELDON: Is that publicly available? And if not, are we able to get a copy of that report?

Mr Johnson: Yes. It's been shared with all the stakeholders that have been involved in the process, so I'm happy to provide a copy of that paper.

Senator SHELDON: Thank you. Turning to the exemptions recently granted for the coastal trading licence regime, how many additional voyages have taken place while the exemption has been in place?

Mr Johnson: I don't know yet how many voyages have actually taken place. The exemption was from cargo from the east coast of Australia to Western Australia, and one of the conditions of that exemption was that the vessels need to report to us in terms of voyages that were undertaken. As the exemption is still current, that reporting is still coming in, so we don't have a list of the number of voyages at this point in time.

Senator SHELDON: I appreciate the fact that you've got reporting coming in. Obviously this is a highly contested space of policy and has substantial impacts on the rail industry as well. Do you have any figures you'd be able to make available to us, on the information you have at hand so far? Obviously I'm mindful that there's further reporting that you're expecting to come in.

Mr Johnson: I can certainly take on notice the voyages that have reported so far.

Senator SHELDON: Are you able to give that to us today?

Senator McKenzie: He's taken it on notice, Senator.

Senator SHELDON: Thank you. I'm asking whether he's able to give us the information today.

Senator McKenzie: Well, as the minister, I take the questions, and I can defer to officials as required, as the chair knows. So, Mr Johnson has taken it on notice, and that is the answer to your question.

Senator SHELDON: Thank you, Minister. Minister, are you able to give that information to us today?

Senator McKenzie: I'll take that on notice.

Mr Johnson: So, it sounds like people don't know what's going on in terms of the impact on the rail industry. And Minister, that's not particularly helpful. You've taken it on notice; I appreciate that. I would also ask whether you could take on notice which vessels undertook the voyages. What were the flags of registration flying on the vessels and the category of cargo for each voyage?

Senator McKenzie: Officials are taking note of that now.

Mr Johnson: Yes, we can take that on notice.

Senator SHELDON: Thank you. I want to go now to the UK free trade agreement. What impact will this free trade agreement have on the coastal trading regime?

Mr Johnson: That agreement is not finalised, as far as I'm aware.

Senator SHELDON: Are you aware of any potential impact or have you considered potential impacts of the free trade agreement on the coastal trading regime?

Mr Johnson: As a matter of principle, when negotiating these free trade agreements and the ones that have been resolved so far, they have a specific carve-out for the cabotage arrangements that maintains the integrity of our cabotage in the coastal trading act arrangements.

Senator SHELDON: Thank you. Just to be clear, does the agreement potentially allow for UK-flagged vessels to be considered to be Australian-flagged vessels when it comes to arrangements like the coastal shipping regime?

Mr Johnson: That's not been the policy in previous free trade agreements. As I mentioned, I don't think that one's been finalised yet. But certainly previous free trade agreements maintained the cabotage arrangements and so wouldn't provide for vessels of other countries to operate as coastal trading vessels.

CHAIR: Perhaps that is a question that would be better directed to the Foreign Affairs, Defence and Trade estimates committee. Before we keep going with that line of questioning, would you mind if I throw to Senator Mirabella? He has a follow-up question about the maritime area—shipping.

Senator SHELDON: That would be fine.

Senator MIRABELLA: Thanks. With reference to that, I have a line of questions for the foreign affairs and trade committee relating to Australia's sovereign maritime capability. Clearly there's a Defence aspect to that and a trade aspect to that. Minister, a question for you: what is the Australian government doing to secure our mercantile and maritime capabilities, which this committee has an overview of?

Senator McKenzie: I'll refer to the appropriate official. I think COVID has exposed the fragility of our supply chains both here domestically and obviously across the globe. I know we've been conducting both internal and external stakeholder meetings. Mr Johnson, are you the right one? Or is it Mr Madsen? Mr Johnson.

Mr Johnson: Yes, the government has asked the department to explore some of the options in relation to strengthening the maritime supply chain. As indicated, we have had some discussions with different stakeholders around different actions you could take to strengthen the maritime component of that supply chain, particularly around options that relate to how you might engage with private industry supplies and options that would strengthen that supply chain, in terms of what we might need to do and where you can strengthen our ability to access different types of freight in different situations.

Senator MIRABELLA: Right. I'm not sure that's quite an answer. Who is interacting with what industry?

Mr Johnson: We've been engaging with the shipping industry—both Australian and industry organisations in different parts of the shipping sector, both Australian and foreign flagged shipping providers.

Senator MIRABELLA: Is this in response to events of the last two years—COVID—and/or in response to what's happening in Europe right now?

Mr Johnson: Certainly, it has been in response to COVID, but also in relation to different disruptions and challenges in Australia's supply chain—for example, the challenges we had with the shortage of AdBlue before Christmas and more recently the East West Rail Link, challenges with the flooding that took out the rail line.

Senator MIRABELLA: Okay. I'll have some other questions for another committee.

CHAIR: Following up on that, we had some questions around Outback Way yesterday, and that issue of the flooding at Tarcoola and the break in the supply route north. The sealing of the Outback Way is a critical piece of infrastructure to secure Australia's supply chains to the north, I would have thought. Would that be a reasonable part of the department's planning?

Mr Johnson: It is not the area that I've been looking after. But I think having an approach that provides a number of different ways to move freight around has been shown to be critical at the moment. Certainly, with the East West Rail Line going out—there are options both to increase capacity for freight carried on ship, as well as on road. I think part of the challenge is that there are limitations on each mode. Road is fast but you can't move a very big volume. Ships you can move a very large volume but obviously it's a lot slower than trucking and those things.

Mr Madsen: Certainly, diversification of different transport modes provides more versatility and resilience in circumstances where we do see disruption to one particular situation. We saw that example with the disruption to the East West Rail supply line, where in that case the ability to put freight onto shipping provided an important ability to keep moving freight in higher volumes while the rail line was repaired. Also, with some of the flooding that occurred in Queensland and New South Wales, more options to move freight over the road network did provide capacity to keep freight moving and to restock supplies more quickly.

Senator MIRABELLA: I'm trying to frame a question here. In my view, the government has actually done a very good job in investing in a lot of domestic infrastructure in road and rail. I am a big fan of the inland rail. I'm a big fan of the Outback Way. But, given events of the last two years and recent events, would it be fair to say we should be having a closer look at our port facilities and our maritime shipping capabilities? Would that be—

Mr Madsen: There is work underway. The Productivity Commission is looking at port infrastructure and how it provides an important part of the supply chain. Through the discussions we're having with them we're looking to ensure that their consideration of that work extends across the different options for moving freight either to the port or from the port into the location where those goods are needed. Also, the department, through the Bureau of Infrastructure, Transport and Regional Economics, has commenced a review to look at road and rail resilience. That review started in February and will run throughout the course of this year to look at high-priority freight routes and to understand what further work could potentially be done to secure those routes or to provide more diversity in terms of freight movements.

Senator MIRABELLA: Thank you.

CHAIR: Does that also extend to training of Australian crews? Is work being done to proactively incentivise Australian flagged vessels to be operating in Australian waters?

Mr Madsen: The department is certainly looking at the issues that currently exist in terms of workforce shortages and the need to improve skills across the different transport modes. So we are looking at a range of potential policy responses to those situations. I think there has been some discussion already about different transport modes—the types of skills shortages vary, whether it's highly trained engineers, whether it's staff needed in the logistics centres and warehouses. In those circumstances we are looking at policy interventions that would respond to where we see a particular type of workforce shortage.

CHAIR: Thank you. Sorry, Senator Sheldon. We've just explored priority freight routes. Would you like to continue with your questions?

Senator SHELDON: Thank you. The comments regarding the UK free trade agreement—sadly it's not in the details of the UK free trade agreement; I'm looking at the impacts of the discussions with the department, potential impacts of UK flagged vessels, which obviously does involve the remit of the discussions with the department. So I'll get back to that question so that I'm clear about where—is someone able to give me assistance with it? Are there any discussions that you're aware of that UK flagged vessels are to be treated as Australian flagged vessels when it comes to arrangements like the coastal shipping regime?

Mr Johnson: As I indicated before, I'm not a hundred per cent sure where the UK free trade agreement is up to in terms of being resolved, but certainly policy in our previous free trade agreements that have been resolved has been to preserve the Australian cabotage arrangements—in particular, the arrangements under the coastal trading act—and preserve them for Australian flagged vessels only.

Senator SHELDON: Thanks. I have some questions regarding supply chains. How many empty overseas shipping containers are currently stacked at or near Australian ports?

Mr Johnson: We don't have that information.

Senator SHELDON: Is the department aware of any reports of cargo destined for Australia from Asia being offloaded in preference for cargo bound for America?

Mr Johnson: I'm sorry; I'm having trouble hearing, Senator.

Senator SHELDON: I'm sorry. Is the department aware of any reports of cargo destined for Australia from Asia being offloaded in preference for cargo bound for America?

Mr Johnson: I've heard some stories to that effect, and certainly there's a very high premium being paid for freight moving from Asia to the US and Asia to Europe. But, as far as I'm aware, the level of Australian container services is being maintained, as it was before, and container freight volumes are the same or above—slightly above in some instances—the volume that was pre COVID. So, while there might be some specific instances of particular cargo, we certainly know there are challenges in the supply chain and delays in different places. As far as we're aware, the volume of freight is still similar to what was moving previously.

Senator SHELDON: Has the volume or number of voyages of freight shipping from overseas to Australia increased or decreased in the last 12 months?

Mr Johnson: The number of services has been either maintained or increased, and the volumes are at or, in some instances, above the pre-COVID levels.

Senator SHELDON: Have you got an estimation of what those levels above are?

Mr Johnson: I'm sorry; I'm struggling to hear you.

Senator SHELDON: Do you have an estimation of the increase in the volume?

Mr Johnson: I don't have the figures in front of me. But certainly the reporting from a number of the ports are indicating that container volumes in some ports is above what it was previously, not by a huge amount, but certainly by a number of per cent per annum.

Senator SHELDON: Is it possible to take that on notice to give us that information and what you have on hand?

Mr Johnson: Yes, Senator, I can take that on notice.

Senator SHELDON: Thank you. Which particular export industries have been impacted by delays in shipping? Are you aware of those?

Mr Johnson: Any export industry reliant on container shipping would have suffered some delays. There are significant delays in container shipping. And some that are relying on roll-on, roll-off cargoes have probably experienced some delays. There are other particular ship types that are in high demand, but, largely, in most of the other bulk cargoes, there is a reasonable availability of ships in those industries, so it wouldn't have affected them. I wouldn't have thought they'd be particularly affected, unless there were particular disruptions at different ports in terms of loading and unloading. In a number of ports around the globe, we've seen delays and disruptions involved in loading and unloading vessels as a result of COVID outbreaks in different communities and lockdown policies and those sorts of things. I'm sure there are specific ones that exist there, but I think it would be similar to the general disruption that's been experienced.

Senator SHELDON: On the delays that you mentioned besides bulk, do you have an estimation of how long those delays are?

Mr Johnson: It's really varied. It depends on which ports vessels are going through and where they're going to. It's been well reported that there have been huge delays of ships getting into Long Beach in the US, sometimes delays in excess of 60 days, and queues of 100 ships. So, obviously, if it's going to Long Beach, it's very slow. I understand there have been delays around the four-week mark of containers being transhipped through Singapore. There are significant delays there. In other places, there are delays of only a couple of days. It's really situation specific. It often depends on the circumstance in the receiving port. That's part of the issue with Long Beach in the US, where they've had COVID cases amongst workers, trucking shortages, and a whole range of things that affected that particular port. We've seen a number of ports in China as a result of the lockdown of various cities that stopped or slowed down the throughput through different ports. It's really sensitive as to exactly where the cargo's going and what's happening in that receiving port.

Senator SHELDON: Has the cost of importing a shipping container to Australia increased over the past 12 months? If so, by how much?

Mr Johnson: Yes, the cost of shipping to Australia has increased, certainly over the last two years, as a result of the general situation in the shipping industry of significant demand for shipping products.

Senator SHELDON: There's been quite a bit of comment about overseas shipping cartels. To what extent do you think the increase is because of that assertion in a number of places in public discussion regarding shipping cartels gouging?

Mr Johnson: I think the rates that we're seeing in Australia aren't dissimilar. I think in a number of instances rate increases are less than we've seen, particularly in container freight. Certainly the cost of shipping containers from Asia to the US or Asia to Europe is significantly higher and has seen higher increases than what we've seen in shipping containers from Asia to Australia.

Senator SHELDON: Have you got a feel for the type, percentage and/or amount of increase that's happened in the last 12 months? And, back to this issue of the suggestion of shipping cartels, do you hold a view on that public discourse about that being one of the issues?

Mr Johnson: I think in December 2021 we were seeing container rates in the order of \$3,300 to \$7½ thousand per 20-foot equivalent unit in US dollars for shipping between Indonesia and Australia. That compares to rates from Asia to Australia of around US\$1,800 per TEU in January 2020. So there has clearly been a significant increase in price. But, like I said, that's comparable to shifts in other routes. While we don't necessarily have significant data holdings ourselves on pricing of freight movements and containers, in particular, I guess we're not seeing anything at that global level that suggests that our rates are particularly different or much higher—in fact, in some instances, they seem to be a bit lower—than we're seeing on other routes. We're not seeing significant shifts in the volume or the routes that are being serviced to Australia. I guess we're not seeing anything to suggest there is particular behaviour that's causing rate changes that are above what other countries are seeing.

Senator SHELDON: Chair, I've got another line of questioning. It's regarding aviation.

CHAIR: Me too. Why don't I start, just to break things up and give you a rest, and we'll come back to you. I have questions regarding the Airports Act 1996 and the oversight of management of airports. We have had an increasing amount of industry discussion about operations of airports—Essendon, Moorabbin, but I'm interested right across Australia. What is the oversight that the department has under legislation to ensure that, particularly, operations of general aviation—like flying schools, engineering businesses and those kinds of things—are still operating? I would go as far west as Broome. A brewery has been given a site at Sunshine Coast Airport but there's no space for the emergency helicopters to have a hangar. There seem to be some unusual outcomes happening. What are the tools you have to understand what's going on in airports?

Mr McClure: There are a number of classifications at airports but there are airports that are specifically, what we call, federally leased airports. They're located on Commonwealth owned land and are subject to the Airports Act 1996 legislation and regulations. There are 21 of those airports. I can run through them. There are a whole range of other airports—for instance, Broome and the Sunshine Coast—that are not covered under the Airports Act. The Sunshine Coast, I think, was local council owned and they provided the long-term lease to a private company to operate on the Sunshine Coast. Broome is probably the Broome council, though they might have a private ownership arrangement as well. There are different requirements depending on the different types of airports. Those airports that are not on Commonwealth land are regulated by state and local government regulations, whereas the 21 on Commonwealth land are subject to the Airports Act.

Our department and my branch regulate those. There are requirements, depending on the type of airport, for master plans to be brought forward every five or eight years, with a 20-year planning horizon. The master plans need to set out the long-term development goals and airspace, the number of flights capacity, but also it details aviation and non-aviation development that might happen on that airport.

The master plans are assessed by the department. They're assessed by the likes of the department of environment, CASA and Airservices, looking at the safety of operations and efficiency in operations and anything environmental. One of the keys to the Airports Act is that the master plan needs to demonstrate how the current and future needs of the aviation sector will be met, including the general aviation sector, by those master plans. Subsequent to that, any developments that are often flagged in the master plan are subject to a major development planning process if they trigger a threshold, either environmental or monetary. Around \$25 million is the threshold. So those developments are then under scrutiny again. The airport needs to bring forward a major development plan for assessment by the same bodies.

In addition to that, the department undertakes regular lease reviews of those airports under the act. We also have airport building controllers and environmental officers. If there are developments under the \$25 million, the building controllers of the airport need to agree that the building activity is safe, and the environment officers need to make sure that they're environmentally compliant.

So there are a range of measures, but there is a distinction between those that are Commonwealth land and other.

CHAIR: If you could provide on notice the list of 21 airports that are regulated under the Airports Act, that would be terrific.

Mr McClure: I have them here; I can pass that around.

CHAIR: That'd be great; thank you, if we could get some copies. I've been around airports all my life. I've always enjoyed the nostalgia of going to airports, because the hangars look like Charles Kingsford Smith could walk out of one of them at any moment. That's kind of cute but it's not actually good for the industry. We've seen some public commentary about the standard of hangars being provided under the leases at Bankstown, in particular, and others.

I am particularly interested in understanding the role that general aviation plays in the ecosystem of aviation in this nation, particularly around flying schools. I think it's important that we don't have everybody being trained in simulators—whilst we've moved to glass cockpits, that doesn't mean people shouldn't know how to fly—and there's the crisis we have in engineers right across the country.

It seems to me that we have some airfield operators who are talking about commercial terms as a cover to remove some businesses from airfields. I saw an appalling example the other day where a tenant was told to leave Essendon and to demolish their hangars. Probably a quarter to a half a million dollars worth of infrastructure was demolished, and of course that's unlikely to be rebuilt. I'm just trying to understand how, if it's not under the Airports Act, we have a greater focus on understanding that ecosystem of general aviation building up through charter, emergency services and into airlines and Air Force. How does the government have a role in that?

Mr McClure: As I said, it would depend on the airport. The master plans need to demonstrate how general aviation users will be supported. There is a tension. Privatisation of those airports happened in the late 1990s and early 2000s. A lot of the infrastructure has since aged and there is tension with an airport operator wanting to build newer, better premises, but that comes with implications around those users potentially having to pay different levels of rent and so forth. Obviously the other part of the argument has always been about the non-aviation development on the sites. I'm sure the airport operators will argue that runway upgrades, lighting upgrades and so forth couldn't be funded from their normal activities without that non-aviation part of the process, because whilst aviation tenants typically pay commercial rents they are not rents that would support those major upgrades. So there is a balance on these airports.

As I said, we only really have an opportunity to assess those federally leased airports, but we are actively assessing how general aviation is being catered for and the likes of flight schools can be maintained. We do talk to those aviation operators about actively engaging with the airports so that some arrangements can be made that can suit both parties.

Ms Brown: I can add some general work the department is doing around the ecosystem you referred to. In the Aviation Recovery Framework that the government released towards the end of last year there is a commitment to commission some research by BITRE, the Bureau of Infrastructure and Transport Research Economics, specifically looking at the value and the growth opportunities in the GA sector. That work will give government a better understanding of where the opportunities are and the contribution made by GA more specifically.

The other bit of work on that reference is the work that Mr Madsen referenced earlier. That is some work going on within the department around the skills shortages right across the transport sector. As part of that we have looked at the aviation sector, pilots and maintenance engineers in particular. We're hoping to conclude that work in the coming month or so. It's looking at what more can be done; the extent of shortages, if any, across the transport sector; and possible options to address those shortages, if we find them.

CHAIR: That's terrific. I recommend that you talk to the regulator about the cost of licensing, because I'm told there are people who were made redundant during COVID and want to re-enter the industry and, as unemployed people, they can't afford the cost of licensing under the regulator.

I hear right across the nation from flying schools in particular and all sorts of general aviation businesses about how they feel that the department is being told a very sophisticated story from airport operators, who are property developers in many cases and very big businesses. This important part of the industry is not getting a voice. Often surveys go out asking: are these smaller businesses happy? They often don't answer the questions anymore. They don't see there's any purpose. I'm trying to understand how we can better support the department to hear from those critical parts of the industry and how we don't continue to have DFOs being built on airport land, which is impinging on safety but also driving out small business and the people who train these critical services.

Mr McClure: You say they become a little disillusioned, but the key is that, through those master planning and major development planning processes, there is mandated community and stakeholder engagement of 50 business days. It's very important that those on-airport stakeholders and relevant off-airport stakeholders engage in that process and, importantly, put in written submissions. The requirements under the act are that the airport needs to provide a list of all submissions that it's received in the master planning or major development planning process, and the airport then needs to demonstrate how they've responded to those submissions. It doesn't mean they have to agree with everything they've said, but it is an important part of the process that the minister needs to be satisfied that the community and stakeholders who have engaged have been heard and that the airport has demonstrated how their concerns have been addressed.

CHAIR: I have been looped in on some of those consultations. My experience was that it was very much the big, powerful voice over here and the very small voices over here, which were not being adequately listened to, because there was no incentive for the big airport operator to have to listen to them, so long as they had gone through the consultation process and gone through that checkbox process. The end result is that there is less and less land available for general aviation, or it's so difficult to negotiate leases or upgrades of premises. There's no criteria which is not financial for the big operator to have to assess, like ecosystems for the industry. I appreciate that you said the Sunshine Coast is not one of yours, but I was distressed to hear that you would have a situation where the emergency services helicopter couldn't get a hanger but a brewery could. But I appreciate that is not your issue, and so I won't ask you questions about that. Senator Mirabella, do you have a follow-up question to that?

Senator MIRABELLA: To take this a little further: where's the demarcation or what's the department's remit on airfields which are shared with Defence, such as Darwin, Newcastle or Canberra?

Mr McClure: Again, they're in different circumstances. Darwin, for instance, is considered to be a federally leased airport, so they're required under the Airports Act to go through those master planning and major development planning processes.

Senator MIRABELLA: 'They' being the Department of Defence?

Mr McClure: No, through our infrastructure department and under the Airports Act. I think there is a delineation between the areas on the airfield. Not Newcastle, but for Avalon and others shared with Defence we don't have a direct role in monitoring or assessing plans on those. They do engage with the Department of Defence but otherwise we don't have that direct role unless they're also considered to be administered under the act. With the Department of Defence, for instance, at Newcastle there are shared premises and shared runways, so there'd be engagement with that department.

Senator MIRABELLA: The reason I ask is that I actually have a question for the defence committee, but I'll ask you in case you have an answer. At Point Cook I have been petitioned by the Point Cook Aero Club, which I think last year was given notice to vacate the airfield. Is that your decision or Defence's decision?

Mr McClure: Certainly not our decision. I'm not sure Defence really plays a direct role in deciding what the international airport corporation does with their parts of the premises. I'd have to take on notice exactly who administers that, but it's not this department.

Senator MIRABELLA: I will do that.

CHAIR: Another follow-up to that: it's my understanding that there are some airport operators who are asking for extensions of their leases prior to their leases coming to an end. I know in other jurisdictions you have to be within a certain length of time from the end of your lease to be able to apply for that. Can you give me some information on how you would assess lease length?

Mr McClure: When the current leases were put in place—I think 50 with a 49 option after that, or vice versa—the way the leases were drafted was that the renewal of those would be considered 10 years from the date that they would expire. A number of those federally leased airports have noted interest in bringing that forward. It mainly comes down to the fact they will be entering into subleases on areas within the airport that are now looking to push up against when the first term of that lease runs out. For certainty for the owner around that investment, and for certainty of those sublessees for their investment, they are actively looking for us to consider the benefits and merits of bringing forward those lease extensions. We haven't really done any work on that to date. It's certainly something that we would probably put our minds to at some point in the next little while. Whilst the act says 10 years, we do recognise that there's some merit. If they've got some long-term leases and there's some uncertainty, there might be some benefits in bringing that forward.

CHAIR: I would put it to you that, if those airports couldn't demonstrate an act of outcomes of flourishing general aviation on their airport site then that would certainly have to give pause as to why you would extend a lease, otherwise where else should general aviation, flying schools, engineers and aviation related businesses operate apart from on airports?

Ms Brown: Chair, I think you're right. One of the reasons we're wanting to give it a lot of thought is that it will affect a number of stakeholders. We want to make sure that all of the relevant parties and their interests are considered before a decision is made. It's definitely something that requires quite thorough consideration.

CHAIR: I have a final question because I know Senator Patrick has questions on the same topic. At Archerfield Airport in Brisbane there have been leases granted to businesses that are non-compatible with aircraft engines. How would the department assess that? Cement works, fibre businesses—anything that's going to get into, particularly, turbine engines. Surely you would have a view on that?

Mr McClure: Absolutely. There's what's called the National Aviation Safeguarding Framework, which talks about compatible developments and what is appropriate and not appropriate to build on or near airports. There's also obviously, as I say, Airservices. CASA provide advice on major development plans and master plans about the safety, windshear and other implications of developments on those sites. That is part of what is assessed. I'm not specifically aware of those developments on Archerfield. I know there were some recycling plants or something like that that had been approved. Archerfield is certainly a federally leased airport, so it is one that would come under our remit.

CHAIR: That's one where some of the land at the end of the main runway has been allowed to be developed on. So, instead of having cleared use, there's now heavy machinery, farm machinery, tractors and what not in what would normally be a safe place if an aircraft got into trouble. Again, I'm not sure that the reporting to the department is adequate. It might be a longer discussion.

Mr McClure: That would have had to have been flagged in master plans and building applications and so forth that predate me, so I can't talk to the specifics. But those types of developments would need to have gone through an assessment and, rightly or wrongly, been deemed to be okay from the master planning, which would have flagged what the precinct was going to do; and to the development plan that we would assess or a building application that would go to the on-airport building controller. There are processes in place, but I can't talk to the specifics of those, I'm sorry.

CHAIR: I would just put to you that the processes in place are not adequately protecting the network of airfields that, as a nation, we should prioritise for aviation.

Senator PATRICK: I have a similar line of questioning tonight with CASA in relation to some of the questions you've just been asking, and I will be joining you in person for that. I'd like to go to Ms Brown, if I can—I see she is sitting at the table—in relation to the RASI funding, or Regional Airport Screening Infrastructure funding.

Ms Brown: Certainly, Senator. I might see if Ms Chapple can come to the table. She might also be able to help answer your questions.

Senator PATRICK: This is just a follow-up from our last session where we were talking about funding for airport security. I note that in question on notice No. 36, we were advised, and I think this is correct, that the 2022-23 budget has an additional \$28.5 million. I presume that answer was perhaps prepared before the budget but released after the budget. Is that how that came about?

Ms Brown: That's the right timing, yes.

Senator PATRICK: Because it had that budget information, I was curious. That's on top of the \$50 million that was announced a couple of years ago; is that correct? Or has there been some additional funding in between?

Ms Brown: I might get Ms Chapple to confirm those numbers.

Ms Chapple: You're correct: that is a top-up to that program, and it takes the total funding envelope for that program to \$94.5 million.

Senator PATRICK: One presumes that, if an airport were funded by way of a grant for the security infrastructure, it would be automatic that they would then get assistance with the ongoing operating costs which appears to be something this money has been set aside for.

Ms Chapple: That's correct. The money is intended to top up the operating costs, and if there was an airport that had expended their allocation under the program—they'd applied and were receiving operational funding—it would top up that funding.

Senator PATRICK: I note that you made the claim that some elements were sensitive, which confuses me. I'm going to talk about three airports: Port Lincoln, Whyalla and Mount Gambier. All three of those airports have been upgraded under this program., one presumes, because the upgrades have happened in the last six to 12 months. Can you confirm that those particular airports all received RASI funding?

Ms Chapple: You're right. The regulations, as administered by Home Affairs, do have security protocols around them. For that reason, we don't tend to refer to which airports are in. What I can say, though, is that the RASI program goes through to June 2023, and with that top-up we would expect that all airports that are receiving operational funding will have funding at least until the end of this year.

Senator PATRICK: Are you suggesting the regulation prohibits the naming of the recipients of the grants?

Ms Chapple: I'm not sure that the regulation prohibits it, but I understand the usual protocol is not to refer to which airports are or are not operating the enhanced security screening.

Senator PATRICK: Whyalla has been mentioned in the past in these proceedings, because it was going to get \$52 per ticket. That was going to be the cost for security. It cannot be a secret that there is security at Whyalla now, or at Port Lincoln or Mount Gambier. I've been through all of those airports; they have been upgraded, and anyone who regularly travels through them would know that. That's why I want to talk about those three particular airports. That doesn't reveal any secrets. The funding cannot be secret. Those are the questions I am going to ask you in relation to those three airports. You will understand my interest, as a South Australian, particularly around those airports. How much funding did Whyalla receive?

Ms Chapple: I might hand over to my colleague, Mr Vincent, who has the operational details of how that program runs.

Mr Vincent: As Ms Chapple mentioned, generally individual details are not released due to the—

Senator PATRICK: Generally we know that those airports have airport security at them. I can understand when you have security sensitivities, but anybody listening to this would say, 'Hang on, we know that those airports have been upgraded with airport security.' Therefore it's not unreasonable to ask how much each of those airports received. Where I am trying to get to is where each of these airports, what their burn rates are in terms of the cost of security. The estimates have been somewhere between \$500,000 and \$700,000 per annum. It might actually be slightly more than that. So those are going to burn through this funding something like \$60,000 a month. I'm trying to get to that point.

CHAIR: Senator Patrick, I'm just giving Mr Vincent a moment to see if he needs to refer that question to a superior officer.

Senator PATRICK: I understand there may well be some guidance that has been given about not releasing information. But those airports have had security upgrades, presumably under this program. I don't mind people advancing national security claims, but I can't see how anyone could reasonably think an airport that you can walk through and go, 'Well, I've just been through security', that somehow that's a secret.

Ms Chapple: We have done some internal modelling based on the airports that are receiving grant funding and the level of burn in terms of their operational call on the program. That modelling indicates that the airports involved will have their operational expenses covered through to the end of this year. Some will go longer; it does depend on what they are drawing on and how often. But at the very least we expect all of those airports to be covered at least until the end of 2022.

Senator PATRICK: So have all those airports been granted a particular amount of funding, so they are aware of how much they are covered from?

Mr Vincent: Yes. RASI-participating airports have a grant agreement with the department which sets out the amount of operational expenditure support available to them.

Senator PATRICK: The cost of covering off on security, if it's not covered by this program, falls back to the councils, because they operate the airports. Again, I'm finding difficulty in a response that says, 'We're not going to tell the people Whyalla or Lincoln or Mount Gambier when they are going to have to start putting their hand in their pocket.' It is most unreasonable to keep that information from those residents.

Mr Vincent: I can give you Whyalla's total grant agreement at the moment. There is \$1.8 million in operating expenditure support. We are expecting that support will carry right through this calendar year.

Senator PATRICK: So through to at least December 2022? The other two I was going to ask about are Port Lincoln and Mount Gambier. That is the extent of my line of questioning.

Mr Vincent: I don't believe Mount Gambier has applied. Port Lincoln currently has operational expenditure support of \$1.1 million.

Senator PATRICK: I remember Port Lincoln actually had its airport designed for security. I presume they would have received money for the equipment that's associated with securing the airport, and some of that would then be left as operational. Is that correct? Is that how it works?

Mr Vincent: Yes. Under the RASI program there are capital grants available for the installation of equipment, and operating expenditure support towards the cost of operations.

Senator PATRICK: In the case of Whyalla and Port Lincoln, I presume they both received a capital grant of some sort. I imagine Whyalla's was more because they had to change the entire airport, whereas Port Lincoln was better suited for security equipment.

Mr Vincent: I believe so. I would have to check on that detail to confirm, though. I have got a OPEX numbers in front of me. I just have to confirm the CAPEX numbers.

Senator PATRICK: If you could provide me with the CAPEX numbers and the operating cost breakdown for those two grants you gave me, I would appreciate that. How are you actually paying that? Is it on a monthly basis, or do you provide the council with a certain amount of money which is then set aside for payment over the remainder of the year. How is that done?

Mr Vincent: CAPEX is paid on a milestone basis. OPEX is paid into arrears, taking into account actual costs on a monthly basis.

Senator PATRICK: So basically Whyalla invoices you on a monthly basis, and you return those costs—is that how that works?

Mr Vincent: That's right.

Senator PATRICK: I might go back to Ms Brown, because I have been talking to her about this in the past. Where are we at with the final model that will be used to ensure that once the RASI funding dries up we don't end up with people in Whyalla or people in the regions playing unreasonable amounts for their tickets because of security costs?

Ms Brown: We are very conscious of that and the commitments made. We are continuing to work with the Department of Home Affairs to come up with a longer term solution. That can be considered in a later MYEFO or Budget when we have finalised that further work.

Senator PATRICK: If it's another budget, that's a next calendar year thing, and the money will have run out. I accept that MYEFO, which normally comes out in November, would tackle that problem. Is that where you set your target, to have this problem resolved by MYEFO?

Ms Brown: We are aiming to have something ready before then, before the money expires.

Senator PATRICK: Can you walk me through what the difficulties are with this? In very simple terms, what we're trying to do is perhaps amortise the cost of airport security between regions and cities, so that the regions don't pay the exorbitant costs they do and people in the city pay very little cost. What's the difficulty in the discussion? It has been going on for probably a year now.

Ms Brown: I might raise one issue and then Ms Chapple might be able to elaborate on it. It's challenging during the estimation of costs, during a period where aviation activity has been below normal levels. Because of COVID aviation activity has fallen, so working out what real costs are and what the average costs might be in that scenario is very challenging. We are doing some further work to try to understand what the normal costs incurred would be with normal activity.

Ms Chapple: As you are aware, we jointly commissioned a piece of work with the Department of Home Affairs that was led by HoustonKemp, to examine this. As part of that work we went out to the airports that were involved in the RASI program. We didn't receive a lot of responses. Being able to get some clear data about the nature of the costs, how they are split out and what they're composed of is really challenging for us. Some of the things that we need to consider and we're thrashing through are the impact of the enhanced component of screening requirements as opposed to the normal business-as-usual screening costs; the wide range of costs that come under the banner of security; and the extent to which throughput impacts this. In some of the information that we did receive as part of the HoustonKemp process, for airports that had a similar level of throughput and a similar kind of remoteness consideration those costs were wildly different. Drilling down and understanding what's going on there is really important. It's not always like-for-like in the extent to which airlines pass those prices through to their consumers. It depends on the mix and what business tickets are involved, that kind of thing. Then there is the extent to which higher ticket prices reduce the demand for regional travel. They're some of the components that we're considering. It's a reasonably complex environment when we consider the costs that are being imposed, how they trickle down to whom and how that's passed on to the consumer.

Senator PATRICK: You said Mr Kemp had difficulty getting information. I would have thought that most councils would have cooperated with that. I'm not saying you're wrong. I just don't understand why that would be the case. They're airports that have received federal funding, and it would be to their benefit to assist you.

Ms Chapple: It's a good point. We received about 11 responses, if I remember correctly. I think part of it is perhaps how some of these airports hold their data. One of the things that we'll need to consider as part of what I've just run through is whether there are ways that we can interact and gather that information from them in a way that's easy. But you're right; we would expect a good deal of engagement from airports on this issue.

Senator PATRICK: Has the work concluded, or are you just accepting the hole in the data?

Ms Chapple: That particular report has concluded, but, for the reasons that I've outlined, there's further work that we need to do to drill down into some of those costs and understand them better.

Senator PATRICK: So you're saying that there will be more activity carried out to try and get a handle on these costs?

Ms Chapple: Yes, that's correct.

Senator PATRICK: Can you tell me if any South Australian councils haven't been cooperative with you?

Ms Chapple: I'm not sure. I'd have to take that one on notice.

Senator PATRICK: If you wouldn't mind, because I'm happy to pick up the phone and help you.

Ms Brown: That would be appreciated.

Senator PATRICK: Thank you very much, Chair.

CHAIR: Thanks, Senator Patrick. Does anyone else at the table have any questions for airports? I just want to ask about the Moorabbin Airport master plan. I understand that the Deputy Prime Minister made a decision about that recently, and I just wanted to ask what the outcome of that has been.

Ms Brown: The minister considered the Moorabbin Airport draft master plan recently and decided not to approve that plan. He was concerned that there hadn't been sufficient clarity around what the plan was, nor sufficient detail provided in the way in which the plan addressed the submissions that had been made by relevant users of the airport. Mr McClure is back at the table, so he might be able to add to that.

CHAIR: So the outcome is that he's rejected that master plan, and they've now got a period of time to respond—

Mr McClure: The act stipulates—the minister has notified Moorabbin Airport that their draft master plan has been refused. He's asked that they submit a fresh master plan within 180 days. If they were to come to us and felt that time line was challenging, we could work out something a little bit longer, but they have 180 days to come forward with a fresh master plan. 'Fresh' does not mean it's 'start again'. A statement of reasons is provided to the airport around the concerns of the minister and where he would like to have more information or have concerns addressed. The airport will need to bring forward an updated, revised plan, particularly on those particular points.

As Ms Brown said, it was really around addressing the submissions. Whereas I think in the 2015 master plan, Moorabbin might have received about seven submissions, this time there have been 130-odd, so it demonstrates that there is value in those stakeholders coming forward and participating in the process. But we'll work closely with Moorabbin in looking at those areas. There isn't any mandated community stakeholder consultation, but that will need to be part of addressing some of those concerns.

CHAIR: Will you be expecting that some of those stakeholders who put forward submissions will be outlining their concerns again to you or engaging with the Moorabbin Airport operator?

Mr McClure: I'd very much encourage them to engage with the airport to try to make sure that their needs are well understood and work constructively with them. If I can add to that previous question around Archerfield: apparently that concrete factor was there before it was privatised, so it wasn't something that was approved under our processes. It was a legacy development on that airport site.

CHAIR: Perhaps the aircraft have changed, rather than the industry has changed. Thank you for being so prompt and following that up. Senator Sheldon, back to you.

Senator SHELDON: I have follow-up questions on the Moorabbin Airport. What advice did the department provide to the Deputy Prime Minister and his office regarding the Moorabbin masterplan?

Mr McClure: I can't go into the detailed advice we provided, but the Airports Act sets out the matters that need to be addressed in a masterplan. It's fairly detailed; it covers a whole range of areas around environmental and noise forecasts as well as other areas that need to be addressed through a masterplan. We basically assess the plan against those aspect in the act, but I can't go too specifically to our advice to the minister.

Senator SHELDON: Correct me if I'm wrong: you are the able to give us some detail, aren't you, about some of the advice you give to the minister regarding this? What's the department's view on this matter?

Senator McKenzie: That would go to advice to government.

Senator SHELDON: Yes.

Senator McKenzie: When you're in government, I guess you can have access to that.

Senator SHELDON: Yes, thanks, Minister. I know you've touched on this in the previous question, but is there anything additional you can tell us about the department's view on the Moorabbin Airport masterplan?

Mr McClure: I think what we would say—

Senator SHELDON: Have you consulted on the draft?

Mr McClure: is that the airport has been provided with that statement of reasons so that they can understand where the concerns are, and that we'll work constructively with them on those concerns. It's no secret that a lot of that's arounds the general aviation population on the airport and making sure that their views are heard and their needs are addressed as far as reasonable.

Senator SHELDON: Do you believe that the department has a sufficient handle on the airport development activities? Do you feel that you have a good feel for what the challenges are and the concerns that have been raised?

Mr McClure: There are processes in place to make sure that developments are brought forward. As I said, the major developments are covered under a major development plan and that needs to be triggered under a threshold

so activity can happen on the airport that doesn't trigger a major development plan. But they then need to be assessed by our on-field airport building controllers or environmental officers. One of the considerations for the building controller is that any development aligns with what was in the masterplan that the minister had agreed. In the case of Moorabbin, any building done over the last several years would have had to have aligned with what we approved in the 2015 masterplan.

Senator SHELDON: Do you feel that you've got sufficient oversight skills within the team to be able to properly assess the masterplans as they're developed? I'm talking about the masterplan for Moorabbin and also generally.

Mr McClure: As I said, in regard to safety we get advice from CASA. In regard to flight paths and efficiencies we get advice from Airservices. The environment department looks at everything from the environmental plans. I think that there are opportunities to get that expertise and the advice required for us to do an assessment.

Senator SHELDON: Chair, I have no further questions.

CHAIR: Mr McClure, further to Senator Sheldon's question about the advice you're able to take on, the regulator, CASA, have said that their job is not to be engaged with the success—that's not the word they use—or the growth of the aviation industry; it is to regulate its safety. Where would you be getting advice from that would help you to make an assessment around the flourishing of general aviation and the aviation industry more broadly, around master plans? Is there somebody else you could be bringing in to provide advice in that regard?

Ms Brown: We have a range of forums through which we consult broadly across industry. One is the General Aviation Advisory Network, GAAN. So we have various forums and engagement processes we use to gather information across the viability and challenges facing the sector as a whole.

CHAIR: Thank you. It feels a little bit like the frog in boiling water analogy, where nobody really recognised what a crisis was until we got to the crisis point; now everybody is, of course, very aware of it.

Thank you very much. We can now release the transport division. Please go with the committee's thanks. We will suspend for a few minutes while our next witnesses get to the table.

[12:44]

CHAIR: We now welcome representatives from Regional Development, Local Government and Regional Recovery, Territories and Cities. We're ready to recommence. Senator McCarthy, I believe you're going to lead off.

Senator McCARTHY: Yes, thank you, Chair. I'd like to go to the Barkly Regional Deal, if we could have the officers at the table for that.

Dr Bacon: Yes, Senator. We have staff here who can answer your questions about the Barkly Regional Deal.

Senator McCARTHY: Great. I've got a copy of the Barkly Regional Deal implementation plan. I'd like to go through some of the components of that. But, firstly, I note in the budget the extra moneys for a boarding facility.

Dr Bacon: Do you have a question about the boarding facility?

Senator McCARTHY: Yes, I do. I'm just trying to understand: in the Barkly Regional Deal implementation plan, at point 18 you have a student boarding facility for \$12.7 million and you've made an announcement for funding of \$6.3 million to support the construction of a purpose-built boarding facility at Tennant Creek. Is that the same facility that's already got \$12.7 million allocated to it?

Dr Bacon: I'll refer to my colleague Mrs Karlsson to answer your questions.

Mrs Karlsson: Senator, that's exactly right. In the budget, an additional \$6.3 million was committed towards the student boarding facility in the Barkly.

Senator McCARTHY: So why was a further \$6.3 million provided in addition to the \$12.7 million so far?

Mrs Karlsson: The original costings were based on the best estimates of what the boarding facility would cost at the time the Barkly Regional Deal was negotiated. In the implementation phase costings we received from the Northern Territory government, we found that an additional \$6.3 million would be needed for the build. The Commonwealth's contribution was to build the facility so that additional \$6.3 million needed for the build was the component included in the current budget. That addressed the shortfall found in the implementation phase. So the Commonwealth is funding the build for the facility, and the Northern Territory government will construct the building and then be responsible for the facility in terms of owning it and operating it after it has been constructed.

Senator McCARTHY: So the total amount will be \$19 million?

Mrs Karlsson: That's correct: \$19 million.

Senator McCARTHY: How much has actually been spent towards the building of the student boarding facility, given that the time line [inaudible]. I've got the implementation plan here, which takes us right through 2022-23.

Mrs Karlsson: The Australian government expenditure to date is \$0.1 million. I should point out that the project is on track and progressing in line with the implementation plan, so the anticipated completion date is quarter 4, 2023.

Senator McCARTHY: What was the \$0.1 million expenditure spent on?

Mrs Karlsson: That went towards a scoping study that included consultation with community. It also included design elements and costing elements. That was the original scoping study.

Senator McCARTHY: Do you have a copy of those design elements? Can they be tabled with the committee?

Mrs Karlsson: I'll consult with the Northern Territory government about whether we can provide those to you.

Senator McCARTHY: Who were the communities that you consulted with?

Mrs Karlsson: There are a few different elements of consultancies that went into that scoping study, so I'll take that on notice and discuss with the Northern Territory government if we can provide that to you.

Senator McCARTHY: When you say a few elements of consultation, what does that mean?

Mrs Karlsson: For example, there were surveyors that were involved in that scoping study and there were also community consultations. The scoping study involved a few different elements.

Senator McCARTHY: Alright. There are a lot of elements in that one. How many students will it cater for as part of all of the consultation that has been done?

Mrs Karlsson: Sorry, Senator, I didn't catch that whole question.

Senator McCARTHY: How many students is the boarding school catering for?

Mrs Karlsson: Thank you for repeating that. The boarding facility will be a 40-bed student boarding facility in Tennant Creek. It will have 20 beds for female students and 20 beds for male students. It will include the safe and secure accommodation, a communal facility for study, dining, music and other activities, and there will also be an administration building.

Senator McCARTHY: What is the date for when that facility will actually begin its operations? Would that be for the beginning of the 2024 school year or is it something that you'd expect in the second half of the 2023 school year?

Mrs Karlsson: The completion date is quarter 4 of 2023. The expectation is that it would be built for students to be going to from quarter 1 of 2024.

Senator McCARTHY: Yes, that's what I [inaudible]. I know it's due for completion in 2023, but it will be in January or February 2024 that students will enter.

Mrs Karlsson: That's right.

Senator McCARTHY: Mrs Karlsson, we talked about this in February, so I'm just going a little bit back over some of the discussions we had then. You were going to provide some responses, and I'm just wondering if I can pick up on a few of those. You said that PricewaterhouseCoopers was doing a service model. Is that the organisation you're still waiting for to deliver that through the NTG?

Mrs Karlsson: Can I just check which project you're—

Senator McCARTHY: Sure. We were talking about a service delivery model when we were talking about childcare places and the care of children, and I asked you about that. You said that consultations were in the planning for that, and PricewaterhouseCoopers Indigenous Consulting was going to develop that service model. I asked: 'Have we got that service model developed yet?' and you said, 'No'. Has that progressed since you and I last spoke about this?

Mrs Karlsson: The status is still correct in terms of PricewaterhouseCoopers Indigenous Consulting working with the community to develop the childcare services model. So that is still the current update in terms of that project.

Senator McCARTHY: And when do you expect that to be completed?

Mrs Karlsson: The work is ongoing for this childcare work. There's no fixed date in terms of the completion of the contract. We want them to develop the model in consultation with the community, and they'll come back to us when that has been completed. That one's currently funded by DESE.

Senator McCARTHY: Sure. But you would obviously have line-of-sight to the implementation plan.

Mrs Karlsson: That's correct.

Senator McCARTHY: So where would it be on the implementation plan here? Is that No. 22, childcare places?

Mrs Karlsson: Yes, it is.

Senator McCARTHY: So, according to this, it was completed in 2021—

Mrs Karlsson: Yes, Senator. I think in terms of the implementation plan, it hasn't really lined up in terms of what the project actually is. It's not a dedicated line of funding to create childcare places. It is an ongoing project for all three levels of government to work together, to work with the community and prospective childcare providers to increase early learning and childcare participation in the Barkly region. There's a range of different things going on in that commitment. As well as the PricewaterhouseCoopers work, we were also involved in a new cohort of local Aboriginal early childcare workers being enrolled in certification training last month. That's another deliberate strategy to embed local training in early childhood to improve outcomes for Aboriginal children.

Senator McCARTHY: And that all comes under 2022 on the implementation plan?

Mrs Karlsson: That's correct. That's all under the childcare item.

Senator McCARTHY: But, if it says 'complete', doesn't that mean it should all have been completed by now and that there shouldn't need to be an ongoing PricewaterhouseCoopers service strategy? This says it's complete. I'm just trying to understand what that means.

Mrs Karlsson: When the implementation plan was developed, I am sure everybody involved in setting this up was using their best guesses for when the work would be complete. Given this is an ongoing item and an ongoing project, it would probably actually be more accurate to have that stretching out further across the whole life of the deal, given we don't have an intention to finish at a particular date. But we're going to be working with the three levels of government across the life of the deal, to improve childcare outcomes in the region.

Senator McCARTHY: How often is the implementation plan updated, then, if these were the best guesses from the beginning? Is it your department that looks at the implementation plan and its progress and updates it, or is it the Territory government, or is it the Barkly council? Who's responsible for that?

Mrs Karlsson: Each deal is different. I know that, in some of the city deals, the implementation plan is updated regularly. In relation to the Barkly Regional Deal, I understand the intention was for this implementation plan to be static and to have it as a one-off tracking device. But, at the same time, we also have the Barkly Regional Deal Governance Table, which does its own reporting and tracking against what it considers are the best outcomes for the different projects in the deal. So there's that extra element of governance, and the governance table in some respects has moved on from this implementation plan. For example, where there might be some projects that the governance table considers require more extensive community consultation, the governance table will ensure that more extensive community consultation happens, so then you might have a departure from the original implementation plan. But, given the governance table does provide that overarching oversight, we go with the governance table decisions in respect of the timing.

Senator McCARTHY: So, for people living in the Barkly who want to go onto the Barkly Regional Deal website and have a read to see where things are at, basically you're saying that this implementation plan is not corresponding with the progress. Is that what you're saying?

Mrs Karlsson: If we took each of the different projects against the implementation plan, we're broadly on track. I think, in terms of the childcare places, rather than finishing at a certain point, this is more of an ongoing project. I think the way we've actually characterised starting and ending for that particular project is more the issue, just in relation to that one. As a whole, the Barkly Regional Deal projects are on track. They're broadly in line with the deliberate staging of the projects that we've taken, in order to maximise the local benefit to the community. Of the 28 projects that we have in the deal, three are complete and 25 are progressing. As of 28 February this year, the government had spent \$12.46 million of its \$45.54 million commitment to the deal. So we're not quite 30 per cent into the time frame of the 10-year deal, and we've spent almost 30 per cent of Commonwealth money on the deal. So we are on track in terms of both expenditure and tracking against the implementation plan, but, in relation to the childcare project, I think it was maybe just the way we had

characterised it in the implementation plan. Perhaps we should have had it ongoing across the life of the deal rather than having a specific start and end point for that particular project.

Senator McCARTHY: I will come back to that at some point in terms of the implementation plan, but we also spoke about the Ali Curung Youth Centre, and you told me in the February estimates that it was to be completed in the first quarter of this year—so by the end of March. Has that been completed?

Mrs Karlsson: The Ali Curung Youth Centre has commenced construction, and Harvey Developments is progressing that one. It had been delayed slightly whilst seeking land approvals. It's now expected to be complete in quarter 3 this year.

Senator McCARTHY: That's quite a delay. What are the delays?

Mrs Karlsson: It was just around land approvals.

Senator McCARTHY: Is that land approvals between the land council, the Northern Territory government or the federal government? Whose approval?

Mrs Karlsson: That one was Northern Territory government land approvals.

Senator McCARTHY: So they have delayed that. Is that what you said?

Mrs Karlsson: That's correct. But it's on track again now and will be complete this year.

Senator McCARTHY: Can I just ask you about the arts centre in Elliott. Where are things at with the arts centre in Elliott?

Mrs Karlsson: This particular project was completed ahead of schedule. KPMG conducted a feasibility study and found there were significant challenges to the feasibility of an arts centre unless it was part of a broader development. That project has finished, but the story doesn't end there. A private company is going to develop an arts centre as part of a new roadhouse construction in Elliott, and that's expected to be completed by the end of this year. That's not part of the deal, but it's something the deal initiated, and it now has flow-on effects to have that positive outcome.

Senator McCARTHY: Who is the private company? Has that been announced?

Mrs Karlsson: I'm not sure it's been announced, but I can take it on notice and provide that to you.

Senator McCARTHY: You mentioned a roadhouse. Are you saying it's to be a roadhouse in Elliott or a roadhouse near Elliott?

Senator McKenzie: I think the official has taken that on notice, Senator.

Senator McCARTHY: No, this is a new question.

Senator McKenzie: Sorry.

Mrs Karlsson: I think it's in Elliott, but to be prudent I will take that on notice and come back to you with the full detail.

Senator McCARTHY: Thank you. Can we go to the weather radar at No. 11 and the implementation funding. The weather radar has \$17.9 million as part of this deal. It was due for completion at the end of this year. Where are things for that?

Mrs Karlsson: The weather radar project is on track. It's scheduled for completion in quarter 4 of 2022 in line with the implementation plan.

Senator McCARTHY: Are you absolutely certain about that, Mrs Karlsson?

Mrs Karlsson: The radar equipment and tower have been ordered and are expected to arrive in the first half of this year. The radar has been procured from Germany, and the supporting infrastructure is being sourced locally. I know community consultations have occurred and a preferred site for the radar has been selected at Bill Allen Lookout on One Tank Hill. A funding agreement has been signed between the Bureau of Meteorology and the Northern Territory government. I know that access issues and resource issues have affected a few of our projects. If we need to provide any further updates, we will be able to do that. But on the current information we have, it's scheduled for completion in quarter 4 of 2022. The Bureau of Meteorology will provide further updates. It's a project they are responsible for.

Senator McCARTHY: Do they brief you as to where they're at with that radar?

Mrs Karlsson: Yes. For all the projects that we're responsible for, we meet with other Commonwealth agencies who are delivering projects.

Senator McCARTHY: When was the last time you met with the Bureau of Meteorology to discuss this?

Mrs Karlsson: I'll take that on notice. I'd have to check records.

Senator McCARTHY: Okay, but do you have monthly meetings, or fortnightly meetings, to see how things are going with the implementation plan?

Mrs Karlsson: It's ad hoc, so I'll take that on notice—when we last met.

Senator McCARTHY: Okay. When was the last time you received that information about the radar from the Bureau of Meteorology? What was the date of that information?

Mrs Karlsson: I'll have to check.

Senator McCARTHY: You don't have it in front of you? You've just got the details, have you?

Mrs Karlsson: Sorry, Senator: I don't have the information about when I last received something from the Bureau of Meteorology. But if you have more-detailed questions for them, you'd be able to ask them in terms of specifically where things are at.

Senator McCARTHY: No, I'm just interested to know how the agencies work together to ensure that all of these 28 objectives on the local implementation are met. I have a letter here from the Bureau of Meteorology dated 28 March, and I'm happy to provide that. I'm told that there is a delay for the radar to Tennant Creek, and I'm interested to know how it is that you don't know that.

Dr Bacon: Senator, did you say there was a letter talking about delays to the project?

Senator McCARTHY: That's correct.

Mrs Karlsson: I'm not sure that we have a copy of that letter, but we'll reach out to the bureau.

Senator McCARTHY: I can table that for you. It's a letter to me. And I've been informed that there is an actual delay for the radar until mid-2023, and I'm just surprised that you're unaware of that.

CHAIR: Is that from the Bureau of Meteorology to you?

Senator McCARTHY: That's correct.

CHAIR: You might be better off taking those questions to the Bureau of Meteorology, then, rather than the—

Senator McCARTHY: No—sorry, Chair; that's not my point. My point here is trying to understand how these agencies are not communicating with each other for a massive injection of funds to the Barkly region of \$84.7 million, yet you don't seem to be communicating with each other to understand how we're going to get the outcomes that we need—all of these 28 items on the implementation plan. My point here is that communication between the agencies doesn't seem to be occurring. That's my point.

Dr Bacon: Perhaps I could clarify. We have nine city deals and three pilot regional deals across the portfolio that my colleagues in the Cities Division oversee, monitor and progress. We have very regular engagement with all the different agencies plus all the different levels of government across the hundreds of projects that are included across those deals. So, when Mrs Karlsson says that she'd need to just check, on notice, the timing of the last conversation with the Bureau of Meteorology, in a sense that's a reflection of the fact that we are constantly working with so many agencies across so many of the different deals. We'd be grateful to receive a copy of that letter, as you're tabling it, but I think the best we could do today would be to follow up with our Bureau of Meteorology colleagues, on notice, and come back to you with the information you've sought about our most recent engagements.

Senator McCARTHY: Thank you, Dr Bacon, but it is really important to understand how often you meet. If you cannot clarify, especially with the Barkly Regional Deal—we talked about this in the February sittings—[inaudible] the outcomes are of three projects out of 28, when this began in 2019, for such a serious incident that occurred in Tennant Creek at the time. It's just deplorable, the amount of time this all takes—the slowness.

Chair, I've certainly got a lot more to ask. I know that we've got other issues, and there are other Territory questions that I have. I'm just wondering if I could keep going for the five minutes that we have left or whether my 15 minutes is up.

CHAIR: I'll just ask some follow-up questions of the department on the Territory city deal. I know that Senator McMahon has been asking questions on this for some time and asking questions of the Northern Territory government around the failure to meet the 28 economic, social and cultural initiatives in the decade-long deal. How many of these projects are not progressing because you're not able to get alignment from other jurisdictions?

Dr Bacon: I think Mrs Karlsson mentioned earlier that it is a 10-year deal and that we're three years into the 10-year deal. In terms of the Commonwealth's expenditure under the deal, probably almost 30 per cent of the Commonwealth funding commitments have been expended. That's actually about what we'd expect at this point of implementation, given we're three years into a 10-year deal.

As Mrs Karlsson, I think, was also saying, a number of the commitments across the deal have been staged and sequenced, and there are very good reasons for that. In the context of the Barkly Regional Deal particularly, they've been sequenced in very close consultation with the community and with community members who are also represented on the governance table. In part, that is to ensure that, with the sequencing of projects, we can maximise, for example, local employment opportunities and local business opportunities so that everything is not landing at once and that local people within the region have the ability to bid for work or undertake employment, knowing with certainty that there's a pipeline of work.

So, when Mrs Karlsson talked about the progress against the original implementation plan, we are still largely on track; the vast majority of commitments are actually progressing in line with the original implementation plan. Of course, we continue to work closely with Northern Territory government colleagues, as well as the local council and community, to tackle any issues that arise. There are a lot of projects, covering a lot of breadth, but holistically, Senator, it is fair to say that, in our view, the deal is largely on track.

CHAIR: That's an important point about staging projects so that they're digestible for local communities to engage in. The worst outcome would be to bring in other contractors from outside the region to do the work, because then the economic benefits wouldn't flow to the community, I'd imagine.

Dr Bacon: That's correct.

CHAIR: So that's an important part of the programming of these works.

Dr Bacon: A critical part of the deal is the social and economic benefits that can come not only from the different projects but from the way that it is implemented. And those local employment and business opportunities are an important consideration in delivery.

CHAIR: Alright. I just wanted to follow up and understand where the Commonwealth was on that. We have two minutes to go. Senator McCarthy, do you have another line of questions or should we break for lunch?

Senator McCARTHY: I do. I'll finish the Barkly deal if I can.

CHAIR: In two minutes, if you wouldn't mind. Thank you.

Senator McCARTHY: Mrs Karlsson, could you just remind us of the three projects, out of the 28, that have been completed?

Mrs Karlsson: Yes, Senator. Three commitments have been fully delivered: the airstrip upgrade, the Elliott—

Senator McCARTHY: Sorry. Where have you got that on the implementation—I'm just going through the list of the 28.

Mrs Karlsson: That's No. 7 in the implementation plan.

Senator McCARTHY: At Alpurrurulam?

Mrs Karlsson: Yes. That's one's fully complete. There's also No. 17, the multipurpose accommodation facility.

Senator McCARTHY: That's in Tennant Creek?

Mrs Karlsson: Yes, that's right.

Senator McCARTHY: And what was the third one?

Mrs Karlsson: The third one was the arts centre in Elliott feasibility study.

Senator McCARTHY: I have another question before we finish. The Barkly Regional Deal says:

A public-private partnership proposal with a community housing provider ... will support the construction of 20 units of social and affordable housing.

How many units have begun construction?

Mrs Karlsson: The 10 new government employee houses have been constructed in Tennant Creek, and another 12 are scheduled to be completed this year. That will allow the existing houses to be returned to the public housing stock.

Senator McCARTHY: So 10 have already been completed?

Dr Bacon: That's correct.

Mrs Karlsson: Ten have been constructed, with a further 12 to follow this year.

Senator McCARTHY: According to the *Barkly Regional Deal traffic light report*, there are 'minor issues' in relation to the social and affordable housing private/public partnership. Are you able to outline what these issues are? By all means take it on notice if that assists.

Mrs Karlsson: Senator, given the time, perhaps we'll take that one on notice.

Senator McCARTHY: Thank you.

CHAIR: That brings us to the lunch break, and we will resume after lunch.

Proceedings suspended from 13:16 to 14:15

CHAIR: Welcome back. We are resuming with regional. Senator McCarthy, over to you.

Senator McCARTHY: Thank you, Chair. I was hoping we could get Mrs Karlsson back at the table. I would like to clarify an answer that she gave just before the lunch break about the Barkly Regional Deal and housing. On page 23 of the Barkly Regional Deal—I asked questions about the 20 units of social and affordable housing, and you said there were 10 new units being built in Tennant Creek, and another 12. Does that mean that the numbers for social and affordable housing have increased by two?

Mrs Karlsson: In relation to the new government housing builds, this is a Northern Territory government led and funded initiative. The Northern Territory has completed the first 10 of the 22 dwellings, and, of the remaining 12 dwellings, all have received development approval, with the first four ready to proceed.

Senator McCARTHY: This is where I need clarification. I was asking about the social and affordable housing private-public partnership.

Mrs Karlsson: My apologies, Senator. You're right. This is a different project. I can give you an update on the social and affordable housing project as well.

Senator McCARTHY: Thank you.

Dr Bacon: They do go towards similar aims in the sense that new government employee housing frees up housing, which can then be returned to the public housing stock. But Mrs Karlsson can update you on the project that you mentioned.

Mrs Karlsson: The social and affordable housing PPP—the project is currently on track, with completion set for quarter 2 2023. This is a project also led by the Northern Territory government, with joint funding from both governments, totalling \$1.9 million. That's an equal contribution of \$0.95 million. The Northern Territory government is finalising negotiations with Venture Housing on a funding agreement. So that's the current status for that project, and the planning for the construction will commence once the funding agreement has been finalised. We're expecting the project to be completed by quarter 2 2023.

Senator McCARTHY: So none of the 20 units have begun construction?

Mrs Karlsson: Sorry—when I was referring to the 20 units, they were part of another housing initiative within the deal. I should also have mentioned at the start of the housing conversation that housing in Tennant Creek and the Barkly communities, as you know, is a really long-term and significant issue, so the deal commitments in terms of housing are also significant. We have \$15.9 million from the Australian government for housing initiatives as part of the Barkly Regional Deal, \$5 million towards the visitor park, \$0.25 million for an affordability trial by Aboriginal Hostels Limited, \$9.7 million plus the latest \$6.3 million for the student boarding facility, and \$0.95 million from the Australian government towards the social and affordable housing public-private partnership that we just spoke about. In addition, under the deal, the Northern Territory government is providing funding for those 22 new government houses, which will then free up the housing stock. That was the other housing initiative I was mentioning.

Senator McCARTHY: There are 20 plus the 22?

Mrs Karlsson: No. Under the deal, the 22 new government houses will free up the housing stock to go back to the community.

Senator McCARTHY: I think this is where we need some more clarity. Under the social affordable housing PPP, there are 20 units. Are they new units that have to be built under that program?

Mrs Karlsson: Yes. That's constructing 20 units of social and affordable housing in Tennant Creek. That was the original scope of that work, and then in 2021 the governance table agreed to a proposal from Venture Housing, which is the company delivering that project, that the number of houses that the governance table agreed the Venture Housing group would deliver would be revised down to 11. That includes seven houses of low rental accommodation and four houses for Aboriginal families to purchase with loan capital from Indigenous Business Australia.

Senator McCARTHY: Who would the 11 go to?

Mrs Karlsson: The 11 includes the seven houses of low rental accommodation and four houses to purchase.

Senator McCARTHY: The concept, when this was signed in 1991, was for 20 units of social and affordable housing. Who made the decision that that number should be reduced to 11?

Mrs Karlsson: That was the governance table.

Senator McCARTHY: Do you know why they made that decision, given that housing is such a great need?

Mrs Karlsson: I can take on notice the reason for that decision. I know there might be commercial-in-confidence implications there, so I'll just take that one on notice and we'll provide the information that we're able to.

Senator McCARTHY: You've got 11 houses now for social and affordable housing, and you still have, as you mentioned earlier in your answer, 10 new units in Tennant Creek and 12 to be completed. Is that under the new housing bill?

Mrs Karlsson: Yes, that's correct.

Senator McCARTHY: You've got 22 new units under the new housing bill. Who would they go to?

Mrs Karlsson: Those 22 are going to Northern Territory government purposes, and the existing stock returns to the community.

Senator McCARTHY: When you say they're for NT government purposes, do you mean for NT government employees?

Mrs Karlsson: That's correct.

Senator McCARTHY: And no federal government employees?

Mrs Karlsson: No. This is a Northern Territory government project.

Senator DAVEY: Could I just ask a clarifying question on that? This one is a Northern Territory government led project. How many projects within the regional deal are being led by the Northern Territory government, as opposed to the federal government? I think that might clarify a lot of what we're talking about.

Mrs Karlsson: Within the three deal partners—the Barkly Regional Council, the Northern Territory government and the Australian government—we have different projects led and contributed to by different deal partners.

Senator McKenzie: Maybe you could step those through. How many are led by the Territory Labor government, how many are led and funded by the Commonwealth and how many are joint?

Mrs Karlsson: If I go through the implementation plan—with first project, the regional workforce strategy, the Northern Territory government leads that project and provides the full complement of funding, so no Australian government or Barkly Regional Council input there. Youth infrastructure is Commonwealth funding and that's provided through the Building Better Regions Fund. The Barkly Business Hub is both Commonwealth and Northern Territory, so we have a project agreement. We provide money to the Northern Territory government. That was item 3. The fourth project, the accommodation facility, is purely the Northern Territory government. That's led by the Northern Territory—

Senator DAVEY: Are we putting any funds towards that?

Mrs Karlsson: No. Nil funding from the Commonwealth. The new housing builds is a Northern Territory led project with no Commonwealth funding. The justice infrastructure investments are Northern Territory government led with no Commonwealth funding. The airstrip was Commonwealth and Northern Territory funding and that's a completed project. The economic growth strategy is a Commonwealth project. Maximising Aboriginal employment is all three deal partners. The Barkly mining and energy services hub, the 10th project there, is Northern Territory government led with no Commonwealth funding. The weather radar is both Australian government and Northern Territory funded. That's led by the Bureau of Meteorology so that's a Commonwealth led project. The 12th one, CDP, is a Barkly Regional Council led project.

Senator McKenzie: There's no Commonwealth funding in that one either, is there?

Mrs Karlsson: Correct.

Senator McCARTHY: Well, hang on a minute. Hang on. The Community Development Program comes under the National Indigenous Australians Agency, which funds 40,000 CDP participants. How is it that that's not seen as Commonwealth funding?

Mrs Karlsson: I think that one is focusing on improvements to the delivery of it. I imagine it is focusing at the local level how the delivery actually works, but we would have to—

Senator McCARTHY: Dr Bacon, it's part of the Remote Engagement Program of the federal government, where there are five pilots across Australia, one of which is in Tennant Creek and that is federally funded. Mr Ken Wyatt has spoken about this at length in terms of the Remote Engagement Program.

Dr Bacon: I think the clarification is the actual detail of the project. I might ask if Mrs Karlsson has the detail of that particular project handy.

Mrs Karlsson: Thanks, Dr Bacon. I do—

Senator McCARTHY: You were asked about the funding by one of the senators present there—or was it the minister? I'm saying that CDP is a federally funded program.

Dr Bacon: We absolutely accept the CDP is a federally funded program. I think the shape of this project focuses a bit more on local delivery issues. The particular project isn't Commonwealth funded, but it might help if Mrs Karlsson can outline the nature of this particular project. I think that will provide clarity.

Mrs Karlsson: Apologies, I was answering the question in relation to the project funding for the specific projects, noting that the CDP is an NIAA project and NIAA is involved in the consultations for this project. But in terms of the question purely about funding, it's the Barkly Regional Council, as part of this deal, that provides the funding specifically for this project.

Senator McCARTHY: Where does the Barkly Regional Council get its funding from for this project?

Dr Bacon: Sorry, Senator, I didn't catch the question.

Senator McCARTHY: I was just asking where does the Barkly Regional Council get its funding from for this CDP project?

Dr Bacon: It may show as part of the council's budget. The majority of the funding proposals are being funded by either the Commonwealth or the Northern Territory government. I don't have the details in front of me about what the project actually involves. My notes say that it's a council led project. I think, if we went to the detail of what work is actually being done as part of the project, we'd get a better feel for the work involved and how the council is involved.

Mrs Karlsson: I can speak to that. The project was originally proposed for the Barkly Regional Council to partner with the local CDP providers to ensure the alignment of the work program with the community priorities, so it was very much a council project. Another aspect of that was creating employment pathways for participants. This project has been slightly overtaken by the government's announcement of a new remote jobs program that would replace the CDP in 2023. So the project has now been rescoped as the Barkly has been selected as one of the five trial sites across the country for the development of the new CDP or the new jobs program. So—

Senator McCARTHY: Mrs Karlsson, I just told you that. I told you that. I said that Tennant Creek was one of the five remote engagement programs across Australia, and that's why it comes under the NIAA. So I think you're going round in circles here. Feel free to move on to No. 13.

Mrs Karlsson: Sorry. I was just explaining what the original scope was and then what the new scope is and where we're at in terms of that project, Senator, so I'm absolutely agreeing with you in terms of that NIAA responsibility for the rescoped CDP. Should I keep going through the funding?

Senator McCARTHY: Yes, please.

Mrs Karlsson: In relation to project 13, the Tennant Creek Visitor Park, that's joint funding from the Commonwealth and Northern Territory governments and the Barkly Regional Council. The Commonwealth provides money through our project agreement to the Northern Territory government to deliver that one. In relation to project 14, the government investment services reform, there are contributions from the Commonwealth and the Northern Territory government, and that one is led by the Commonwealth. The crisis youth support program is Northern Territory government led and funded. The trauma informed care is Northern Territory government led and funded. The multipurpose accommodation facility, which has been concluded, is a Commonwealth project. The student boarding facility is jointly funded from the Commonwealth and NTG. And we have a project agreement with the Northern Territory government for them to do the building of that and we're paying for that. Then the Northern Territory government will own it and pay the ongoing operational costs following the construction.

In relation to community sports, that's a Commonwealth program. Aged care is both Commonwealth and Northern Territory. Child care is a partnership between all three levels of the deal partners. Project 23, Barkly Local Community Projects Fund is all three levels of government. Local community governance is all three levels of government. Project 25, community mediation, is both Commonwealth and Northern Territory, and that's another one where we have a project agreement between the Commonwealth and the Northern Territory for the

Territory to deliver that. The art centre in Elliott feasibility study is NTG led. Updating the council website about Aboriginal history is the Barkly Regional Council, and marketing and promotion is Barkly Regional Council.

Senator DAVEY: Just on the back of that and so that I understand this, Senator McCarthy has raised some legitimate concerns about some of these projects not having commenced or not starting, and I know she raised concerns about the weather radar and the BOM. Of the other projects, most of the ones that are complete are the ones that are Commonwealth led; is that correct? Are there any that the Commonwealth is involved in the delivery of that have yet to commence?

Mrs Karlsson: All of the projects have commenced. Out of the 28 projects, three have been delivered and the other 25 are in progress.

Senator DAVEY: And the three that have been delivered are Commonwealth led?

Dr Bacon: I think the exception to that would be the Elliott art centre feasibility study, which has been led by the Northern Territory government.

Mrs Karlsson: So two of the three completed were Commonwealth and one was NTG.

Senator DAVEY: Right—

Senator McKenzie: Sorry, can I just, for my own—

Senator McCARTHY: Excuse me, Chair—

Senator McKenzie: The airstrip—

Senator McCARTHY: Chair, I know Senator Davey—

Senator DAVEY: Sorry, Senator McCarthy, I'll—

Senator McCARTHY: wanted to follow on from my questions, but I do still have the call, so I would like to complete my questions.

CHAIR: Yes, fair enough. Keep going, please.

Senator McCARTHY: To clarify then, with regard to Aboriginal Hostels Ltd, the multipurpose accommodation facility has been completed. How many beds are in that facility?

Mrs Karlsson: The multipurpose accommodation facility was a one-year affordability trial that was conducted by Aboriginal Hostels Ltd. The aim of that program was to reduce the current nightly tariff to maximise occupancy rates for residents on low incomes, in particular medical patients sleeping rough. That trial was based at AHL's Tennant Creek facility and supplemented an existing program. That initiative was completed on time. What the trial demonstrated was that underwriting the nightly tariff for beds to reduce the number of patients sleeping rough had a number of benefits. The original trial—

Senator McCARTHY: What was the nightly tariff?

Mrs Karlsson: I would have to take the specifics of the previous tariff and then the trial tariff on notice. But I can say that the outcome of that was that the NIAA extended that initiative from July 2020 to 30 June 2023 based on that project. The NIAA might have more information or we can take it on notice and seek that information from them, in terms of the specifics of the tariffs.

Senator McCARTHY: So that trial has been extended, then, to June 2023?

Mrs Karlsson: That's correct. The project under the regional deal is complete, but the NIAA has separately, following that initiative, extended the initiative in terms of the lower tariffs.

Senator McCARTHY: Thank you, Mrs Karlsson. Thank you, Chair.

CHAIR: Thanks, Senator McCarthy. Senator Davey.

Senator DAVEY: Thanks. I've got some questions about the Regional Accelerator Program. Minister, I'll go to you first. The \$2 billion Regional Accelerator Program has been described as a policy to better connect and amplify investment in the regions. Can you explain the thinking behind the policy and the broader program?

Senator McKenzie: Each of our regional communities is unique. They have unique competitive advantages, and, over the next few decades, as we move to decarbonise our economy, we'll come up against unique challenges. So the need to diversify their economies and the need for governments at all levels to invest in regions that both have the ambition and a plan on what that future might look like is the reason the Regional Accelerator Program was set up. It uses existing flagship programs, such as the Critical Minerals Strategy, the Supply Chain Resilience program, the Trailblazer Universities Program through Education—a fantastic program that rewards universities that are highly integrated with local industry for that research and development pipeline to really build that next step up for them.

So there are a raft of programs. I could go through them all. From memory, I think there are 12. It's really backing a place based model. Too often in government, it's a top-down approach. This particular program is to really harness investment and be strategic over the next five years to back regional communities' plans. As a result, we've worked up some guidelines. They'll be released in due course. The plan is for this program to open on 1 July. To that end, I've written to local mayors in the regions, encouraging them to keep their eyes open and start working out those plans. A lot of regions already have a strong vision for where they want to be by 2050. This is the type of program that will actually help them get there through a raft of different program initiatives. The centrepiece is the regional accelerator fund itself, the Regionalisation Fund, which is half a billion dollars, which will be administered through the department of infrastructure, but that's only one component of the fund. So it's really looking at investing in projects that will drive economic transformation and catalysation.

Senator DAVEY: You mentioned that it uses existing flagship programs. One area that I know they're desperate for in the regions—and it has been highlighted by COVID—is Australia's sovereign manufacturing capacity. Is one of the programs that the accelerator program will be working with modernising manufacturing?

Senator McKenzie: Yes, absolutely. We've got half a billion dollars for a specific regional accelerator round of the Modern Manufacturing Initiative. Like you, Senator Davey and Senator Mirabella, I know that manufacturing—particularly that value-adding processing piece to our fabulous local product out in the regions—is something we're very, very good at. Part of what this program hopes to do is shift private investment for companies that may currently be operating in a highly urbanised system and say, 'Come out a little closer to your base product, and we can help you.' So there's half a billion dollars to really unlock new high-value manufacturing opportunities and support local job creation.

I've also put \$100 million towards the Export Market Development Grants program so that, once they've got that great product, they can get that to the ports and markets of the world. We've got the supply chain resilience component, as I said, and research and development. For a lot of our engineering firms out in regional capitals, such as Wodonga and the like, a big proportion of their work is with our defence manufacturing supply chain, so we've got a regional accelerator program for them. We've also got Australian apprenticeship initiatives. When I've spoken to the Business Council of Australia, the NFF, the Regional Australia Institute et cetera, the big impediment for private companies heading out and setting up is access to a skilled workforce. So we're really going to be running a specific regional accelerator round in the training and apprenticeships phase. Critical minerals is another key issue for us. There is also \$140-odd million for education infrastructure, specifically for the regions.

A lot of our programs are across government. You will have seen in the budget that there are quite visionary pieces for long-term investment, particularly in northern Australia. We've got our BBRF type projects, which help every single regional community across Australia to seize some opportunities. The Regional Accelerator Program is really focusing in strategically on those communities that need to diversify their economies over coming decades or really use their unique competitive advantages to go to that next level and become those great inland cities that we see in Europe and the States.

Senator DAVEY: You mentioned BBRF, the Building Better Regions Fund. We've got that, and we've got community grants. They received extra money in the budget. How is this Regional Accelerator Program different to those?

Senator McKenzie: Because it's targeted. That will all become quite clear when the guidelines are released around the types of community we're targeting this to. But it's really for those regional centres that are primed for that next step of growth. For instance, having a population of under 250,000 is a key component. We know that regional centres such as Geelong are on their way. They're almost self-fulfilling. But we want to see more of them—not just in coastal regional Australia but in inland regional Australia. This program is designed for communities like that.

Senator DAVEY: Is this program going to be open to the private sector to come forward with their ideas for manufacturing or jobs development and growth?

Senator McKenzie: Some of them are. It depends on the individual guidelines of the suite of initiatives we've got. I, like you, don't think government is the sole solution to grow regional communities. In developing this policy over the last six months, I've been in lockstep communication with the private sector about what they need from government to take that next step and invest out in the regions. That has been front and centre in developing this particular policy initiative.

Senator DAVEY: You said it would open on 1 July. When should we expect to see the guidelines? Will we see them ahead of that time?

Senator McKenzie: It will depend on a few things—decisions of government between now and then.

Senator Davey: There might be something in the way!

Senator McKenzie: Those guidelines will be released as soon as possible. In the meantime, I've written to regional mayors to give them the heads up. I'd like to see collaborative efforts. I have been in this space for about a decade now. It used to be just council X competing against council Y for a BBRF project. Over that time, they've realised that, together, they are stronger and that, when one grows, there are flow-on benefits for outlying LGAs. So I think a region-wide perspective would be welcome.

Senator Davey: How does the Regional Accelerator Program fit with—in the budget, the government identified four areas for further development into regional hubs. Is this complementary, is it separate or is it—

Senator McKenzie: It's separate. I think those who are saying our budget is only focused on the short term haven't bothered to read the documents or understand the vision we have to build a strong economy over the decades to come and prime our nation for growth. This particular program is available to all regional centres. We also have \$1.3 billion on the table for regional telecommunications. Obviously, you can't grow local economies without that very core infrastructure of digital connectivity. Again, the four hubs you speak of point to decades-long development. This government has a long-term view to the future and is prepared to back short-, medium- and long-term projects to see that come to fruition.

Senator Davey: The other day we had Senator Watt here with his hand-drawn map of Australia and the four areas he identified. His imputation from that was that there was no money for regional Australia outside of those four areas. This is the part that will service regional Victoria, south-western New South Wales, north-western New South Wales, south-western Queensland—

Senator McKenzie: Absolutely. Don't get in the way of Senator Watt and a prop or a media opportunity! This government has committed over \$100 billion to rural and regional Australia since it came to power in 2013. In this budget alone, we have been able to invest \$21 billion in new initiatives, which I think is worth remembering. The \$7 billion for hubs will underpin our long-term economic growth as a nation. This is how we pay for our hospitals and schools. The reason we have a universal healthcare system that is the envy of the world and a high-quality public education system is that we do great things out in the regions. A lot of them are involved with resources and agriculture. We hope to do more of that. So it's \$21 billion in total. We've got a billion dollars to protect the Great Barrier Reef; 8,000 kilometres of new open access mobile coverage as a result of our investment; \$3.7 billion for faster rail to our regions; nearly \$18 billion of priority rail and road projects, which will support in excess of 40,000 jobs; and a \$120 billion infrastructure pipeline over the next decade.

As the emergency management minister as well, I want to highlight that we are planning to spend in excess of \$6 billion on the recent floods over 81 local government areas in Queensland and New South Wales. We're in for the long haul, and we know that won't be our last disaster. David Littleproud, our fabulous colleague, announced over \$600 million to help farmers and agriculture reach their goal of \$100 billion by 2030. So to cauterise our investment in the regions and our belief in the regions' potential to '\$7 billion over four hubs' is completely missing the point.

Senator Davey: Thank you very much. That's all from me.

Senator Mirabella: Just following up, you mentioned the Trailblazer Universities Program. Are you in a position to give me a thumbnail on that, firstly? Isn't this under Education?

Senator McKenzie: Yes, this is a program developed under the education portfolio. The trailblazer program is being piloted. There are a number of universities that have had to put in proposals to show how they do their research and development pipeline, and we're prioritising those universities who are really, really good at this stuff.

Senator Mirabella: And they're all regional?

Senator McKenzie: They're not all regional. My money will go to only regional universities, so there will be a separate regional accelerator round of the trailblazer program.

Senator Mirabella: Are you anticipating making any announcements in the near future?

Senator McKenzie: That'll be a decision for government. As a former lecturer in education, I am really excited about backing those universities that are connected with local industry and driving that next tranche of development, which, historically, Australia hasn't been great at. Nearly \$118 million of the \$2 billion will be going to support a regional trailblazer program.

CHAIR: As a regionally based senator, like you, I cannot tell you how excited I am about this nation-building funding. It's very exciting. We've only been talking about it for generations! So congratulations.

Senator McKenzie: I think there was a collective effort there, which you were a part of.

CHAIR: Thank you. Senator McCarthy, I think you have more questions.

Senator McCARTHY: I'd like to go to the Indian Ocean Territories. What's the current state of works for the replacement of the wharf crane and mooring systems in Flying Fish Cove and Smith Point?

Mr O'Neill: In 2019 government approved funding for the upgrade of the crane and mooring system in Flying Fish Cove. The approach to market has subsequently failed. We're currently in the process of recalibrating our approach for the replacement of the crane system. But, following the challenges we had recently with the Smith Point mooring system, we have had to shift our attention there to support the timely provision of fuel for civilian purposes and operational reasons. So that's where the focus is now—the upgrade and the integrity of the Smith Point mooring system.

Senator McCARTHY: I will come to that, but could you just clarify what you mean about the approach to market.

Mr O'Neill: I can give you exact figures in a moment for how much was allocated for the funding, but post-2019, due to the challenges we saw with the importation of materials and other domestic market factors, that approach to market went beyond the budget we were allocated for the upgrade of that essential infrastructure.

Senator McCARTHY: How much was the current budget that it went from?

Dr Bacon: I am sure my colleague Mr O'Neill will correct me if I am not right here, but in my brief I have a figure of around \$26 million. That was, I think, around the time that we were talking to the Parliamentary Standing Committee on Public Works around progressing the replacement of the crane and mooring system at Christmas Island. That was in February 2019.

Senator McCARTHY: Does Mr O'Neill want to confirm that, or shall we go with Dr Bacon's figure?

Mr O'Neill: I concur with Dr Bacon. It was \$26.2 million.

Senator McCARTHY: What's the current stage of the mooring system? How many moorings are operational and how many moorings are nonoperational?

Mr O'Neill: It's a very complex system. I don't profess to be an engineering expert on the mooring system. We have three of the five mooring buoys operational, but we need all five. What we had to do recently to support the supply of diesel to the island was engage a tug from Singapore. That enabled a safe and secure dispatch of diesel to the island.

Senator McCARTHY: When did that take place—that tug from Singapore to the island?

Mr O'Neill: From recollection, it was December. I will 100 per cent clarify that, but it was in recent months.

Senator McCARTHY: December 2021?

Mr O'Neill: Yes, December 2021, sorry.

Senator McCARTHY: So three of the five mooring buoys are operational. Is there a reason why there are only three?

Mr O'Neill: The cause of the breakdown of the mooring system was a very, very high swell season. While we are undergoing a process of unpacking the exact cause, it's very difficult. We are talking mooring systems that are 500 metres underwater and require expert divers and engineers to make that assessment. Therefore, we have formed the view—and this is a view we have gleaned from our experts through LINX stevedoring, who are responsible for port management—that natural causes and a high swell season were the underlying reason for the breakdown in the system.

Senator McCARTHY: Has there been a failed procurement process as well?

Mr O'Neill: For the mooring system?

Senator McCARTHY: That is correct.

Mr O'Neill: No, there has not.

Dr Bacon: I think what Mr O'Neill was referring to was that we had been to market in an attempt to find a proponent to carry out the project with what we thought was a reasonable budget for the particular project. That was for the crane and mooring system more broadly, rather than just the mooring system. To this point, we haven't yet had an outcome from that procurement process that is within the allocated budget for it. So I think that is what Mr O'Neill was referring to.

Senator McCARTHY: Is there a plan to have the mooring system replaced in the next 12 months?

Mr O'Neill: Most certainly there is. We are actively pursuing all options available to us. We acknowledge this is a crucial supporting infrastructure to support civilian purposes and operational agencies. We are going full steam ahead. It is difficult, just due to the international linkages we need to support the material and expertise. But there is a high degree of confidence that we have our commercial partners at the table, and key clients at the table as well, on island, and the right people identifying issues that will ensure a safe mooring system and one that's affordable.

Senator McCARTHY: Could you provide the committee with the key clients who rely on that system? Mr O'Neill, you can take that as a question on notice?

Mr O'Neill: No. I'm happy to outline that now. We have this process being coordinated by the port manager, LINX stevedoring. We have departmental officials actively at the table. Importantly, we have representatives from PRL, the mining company—the main employer on the island—that is engaged with us on a range of issues, and there is that confidence that all our stakeholders who have an interest in the mooring system are actively updated and kept abreast of what the plans are for the repair.

Senator McCARTHY: How are the stakeholders updated?

Mr O'Neill: I'm sorry, Senator. How have they responded? Is that the question?

Senator McCARTHY: How are the stakeholders updated? Is it just via email communication, or do you have regular meetings?

Mr O'Neill: Meetings are convened, on average, on a weekly basis. LINX stevedoring share the minutes and key decisions and deliberations of that meeting with all participants.

Senator McCARTHY: Has the crane replacement been put on hold?

Mr O'Neill: For the time being, yes, it has, while we shift our focus to upgrading and maintaining the integrity of the mooring system at Smith Point.

Senator McCARTHY: So you will actually wait for there to be greater stability before you do anything about the crane?

Mr O'Neill: That's one factor. It's also the unknown exact costs as to what will await us with the outcome of the mooring system. We'll need to await the confirmation of the costs of the mooring before we then shift our attention to the crane, noting that there'll be some differences in our allocation.

Senator McCARTHY: When I asked you before if there would be a plan to have the mooring systems replaced, did you mean all five or did you mean the two that are on operational?

Mr O'Neill: The whole system. It's a very complex array of cables, buoys and structures under and above water. But we're looking at every element to make sure that this does not happen again.

Senator McCARTHY: Given the current state of port facilities on Christmas Island, has the Commonwealth been monitoring any safety risks that need addressing?

Dr Bacon: We have a very significant focus on work health and safety. We have dedicated staff who focus on work health and safety issues, and it is always front of mind both for ourselves and for our contractors. Obviously, it depends on the kind of activity or the kind of work as to what the particular safety risks are and how we mitigate those. When it comes to the repair of these mooring systems, Mr O'Neill has explained that there are really quite difficult operating conditions with the climate on Christmas Island, as I'm sure you're aware. There's the depth of the water and the swell, and managing swell is a real challenge in this maritime environment. Whenever an activity is undertaken, including with the mooring system, we really need to have very robust safety plans and specialist skills to be able to navigate some of those issues.

Senator McCARTHY: Have you seen the waters there, Dr Bacon?

Dr Bacon: Sorry, Senator?

Senator McCARTHY: Have you seen the waters there?

Dr Bacon: Yes. I've been on boats from Christmas Island, yes.

Senator McCARTHY: Yes—very big water. Do the Royal Australian Navy and Australian Border Force vessels operate out of Christmas Island?

Dr Bacon: They do.

Senator McCARTHY: Due to the fuel shortage on the island, have the Navy and Border Force vessels been required to fuel out of Singapore or return to Perth?

Dr Bacon: I might ask Mr O'Neill to outline, for context, how the fuel supply operations work on Christmas Island. There's actually a commercial arrangement that's in place. We can't speak in detail to the operational movements of either Australian Border Force or Defence assets. But we could certainly, if it's helpful, outline what the commercial arrangements are for fuel provision to Christmas Island.

Mr O'Neill: Following on from Dr Bacon's comments, yes, the fuel arrangements, the supply, delivery and management on both islands—if I can just cover IOTs as a whole—is coordinated on Christmas Island by Air BP, and that is aviation fuel and unleaded. On Cocos (Keeling) Islands we have Viva Energy responsible for the supply and coordination on-island of aviation fuel and unleaded. So we have two major commercial partners there. There is no secret that over the past one to two years there have been some fuel supply challenges. However, that has brought to the surface the fundamental needs of ourselves—as the Commonwealth, as a customer—representing civilian interests on the island but also our partner agencies operating in that region—coming to the table with Air BP and Viva, to identify more streamlined options that can ensure fuel resilience across the region. It's not an easy fix. There are infrastructure considerations we are giving too. Our commercial partners, Air BP and Viva, may I add, have been very positive in acknowledging our concerns and those of the community. They are making quite encouraging steps that we believe will assist, in the months and years ahead, with greater fuel resilience on the islands. But there have been improvements in recent months and we think that the challenges of the past one to two years are likely to subside.

Senator McCARTHY: Can you give us an idea, or a time frame, of just what the longest period may have been without fuel on either of the islands—if that was the case?

Mr O'Neill: We were never out of fuel. We had to make some changes with Air BP and Viva. I'll just give a case study on Christmas Island. There was a point approaching late last year where we had to work with Virgin Airlines to redirect their passenger routes to resupply on Cocos (Keeling) Islands. Before I go on, that is—

Senator McCARTHY: They were redirected to Cocos to resupply? Or they had to go somewhere else?

Mr O'Neill: To Cocos. The reason was that the shipping—there is one shipping operator supplying aviation fuel to Christmas Island. Those schedules are on average every six to eight weeks. However, there were some challenges in the context of the international shipping arrangements and that had implications on us locally, which meant the ship was delayed a couple of weeks. We had to work with VARA and with on-island stakeholders to redirect to CKI, but we needed to make sure there was enough fuel there for medevacs and to ensure search and rescue operations. Therefore, those decisions were made in the interests of public safety and continuity, and we feel that in the circumstances we faced there was minimal disruption at that time, until fuel was delivered.

Senator McCARTHY: Who does the medevacs?

Mr O'Neill: We have an arrangement with WA Health whereby, if an individual is in need of emergency medical care, a plane will be activated to fly to either Christmas Island or Cocos Island to ensure that person can get timely medical treatment in WA.

Senator McCARTHY: Were there any issues with medevacs not being able to be conducted because of fuel concerns?

Mr O'Neill: No, there were not.

Senator McCARTHY: I understand too that, because of the concerns around the poor facilities and difficult seasonal sea conditions, it did put pressure on the air freight services in both those territories as business and the community use air freight as an alternative to sea transport. I understand that also the communities have been asking the department to work with its air service provider to provide additional freight flights to reduce freight backlogs for business, families and government services. Is there any consideration to provide freighter flights to reduce that backlog?

Mr O'Neill: This is clearly an important issue for a broad remit of the residents across both Christmas Island and Cocos (Keeling) Islands. We have seen a culmination of changing requirements in the flight domain. What I mean by that is VARA cannot land in Jakarta anymore. They need to use Learmonth as a back-up destination. That has had implications on fuel, noting it's a cyclone region. We've had changes in planes now having to carry 12.5 tonnes instead of originally 14.5. There are just some external factors there that have put some pressures on the arrangements that were in place before the pandemic commenced.

You would be aware, Senator, the flights are underwritten by the government and, where we have seen pressures on the passenger flights and where we've seen pressures on the freighters, we have done what we can to add additional flights to the region. By way of example, we've had an additional 41 flights, of which 20 were freighters, which were provided between 27 September 2020 and 4 March 2022. This ensured the continued movement of passengers and freight, noting there has been a big increase in tourism and recreational visits to that

region. Those extra flights have been put on to address the backlog and address the full flights. Where possible, we do as much as we can to support that.

But, going back to how we fix this into the future, again, it's not an easy fix. We've seen changes in consumer patterns. What I mean by that is there has been a large increase in Amazon Prime purchasing. Freight that would traditionally be put on a ship is now being put on a plane. That is putting pressures on the freight and passenger plane arrangements. So we've been working with the newly established business association on Christmas Island. We've been working with Virgin Australia Regional Airlines. The office of the administrator has been coordinating a range of community consultations, and that process has led to us identifying options that we can possibly put in place in the near future. One such example is that we are likely to recalibrate the criteria of freight that goes on planes. We believe—based on our analysis, based on community consultation—that will be the first step in many in potentially putting some easing on the pressures on the planes.

Senator McCARTHY: You say 41 flights between September 2020 and March 2022. That's roughly two extra flights a month. That's in addition to how many existing flights?

Mr O'Neill: The existing flight regime is twice per week for passengers and fortnightly for air freighters, pending of course cancellations due to weather. But that's the arrangements that we currently have in place through VARA and Toll logistics.

Senator McCARTHY: Twice per week for passengers and twice fortnightly for freight?

Mr O'Neill: Once per fortnight for freight.

Senator McCARTHY: How many of those 41 flights were done just in the last three to six months?

Mr O'Neill: I don't have those exact numbers in front of me but I can relatively quickly ask my colleagues in Perth to give me that data. I could come back to you later with that.

Senator McCARTHY: Alright. I'll go on to other questions.

Mr O'Neill: You wanted to know extra flights over the past six months?

Senator McCARTHY: Of the 41 flights that you've had over the two years, how many were done in the last six months?

Mr O'Neill: I'll try to get those answers back ASAP, maybe at afternoon tea break.

CHAIR: Thank you.

Senator McCARTHY: On Cocos, is the inter-island ferry service fully operational again?

Mr O'Neill: Yes, it is. Late last year it required regular maintenance which resulted in the ferry needing to go off-island. There was a replacement ferry commissioned to support the transportation of people between islands. I note it did hold a lower number of passengers than usual. However, from December 2021 the standard ferry is back operational.

Senator McCARTHY: What caused the delays in the restoration of the regular ferry service? Was it the weather there or was it the lack of facilities?

Mr O'Neill: It was purely the shipping schedule. It was delayed, I think, from recollection, approximately three weeks from its scheduled arrival back on CKI.

Senator McCARTHY: Regarding the boat ramp on Cocos West Island, is the Commonwealth aware of the problems with the ramp that's in its current location?

Mr O'Neill: This is a timely issue; I'm actually speaking to the CEO of the shire this Thursday about the boat ramp. It has only recently come to my attention so I don't have a lot of information to share today, other than the shire and our branch will be working through those associated issues.

Senator McCARTHY: I'll put some questions to you now, if your office want to take them: Is the ramp compliant with mainland standards for boat ramps? When the ramp was constructed, was an assessment as to its location being suitable undertaken? Does the capital have any plans to relocate the boat ramp, to ensure the safety of recreational boat users and protection of their vehicles, trailers and boats on the Cocos (Keeling) Islands?

Mr O'Neill: I can give you a response to the second question: all evidence we have is that the boat ramp is not the Commonwealth's responsibility. The boat ramp was built following a grant issued by the Cocos (Keeling) Islands shire a few years ago. We have limited responsibilities with the boat ramp; however, we take an active interest in working with the shire on a suitable outcome for the public.

Senator McCARTHY: Does the Commonwealth have any responsibility for maintenance and repairs?

Mr O'Neill: We have not, to date, no.

Senator McCARTHY: So what's the limited responsibility you have?

Mr O'Neill: All supporting civilian infrastructure, whether it's the shire or in our body of responsibilities, we would take an interest in and help the shire, where we possibly can, to fix it. Whether that's through suggesting alternative grant options, it's just making sure we continue to be a collaborative partner with them.

Senator SHELDON: I'll go to those Tasmanian projects that we were talking about before that are related to this matter, the Burnie shiploader.

Dr Bacon: Did you have a question about the cable car project earlier this morning?

Senator SHELDON: Sorry; you are right, yes.

Dr Bacon: I'll ask my colleague Ms Hibbert to come to the table. That project, as I understand it, is funded under the community development grants program. I think Ms Hibbert, given you flagged your interest in the project, has been able to get some information for you.

Senator SHELDON: Thank you very much.

Ms Hibbert: The Cradle Mountain cableway is under the Community Development Grants Program. It's managed by the Office of the Coordinator-General within the Tasmanian state government. We've been in regular contact with the Office of the Coordinator-General and they've requested a number of extensions to provide information to the department. So, as yet, we've not been able to undertake our value-for-money assessment.

Their delay in providing the information to us, we understand, is around some delays with various investigations, planning and approvals related to the project being located in the Tasmanian Wilderness World Heritage Area.

Senator SHELDON: In light of that, there isn't a design that's been carried out or a construction time frame that seems logical. Is that where we're at?

Ms Hibbert: That's right. The project's not contracted and we don't have information about the time line, costing or designs or anything at this stage.

Senator SHELDON: I'll go, then, to the Domain Highway planning study.

Dr Bacon: I think that might be a question for our IID colleagues, if we didn't cover it this morning. We have one colleague who looks after Tasmania available. Other colleagues from infrastructure division are no longer with us, but we do have Mr Bradley.

Senator SHELDON: If I remember correctly—maybe I have this mixed up, so I'm happy for the chair to pull me up—there was the suggestion that some of the details could be done by this group. I'll fire away if I haven't covered them all.

CHAIR: Yes. That was the discussion this morning, so keep going.

Senator SHELDON: When does the department expect the study of the Domain Highway to be finished?

Mr Bradley: The project is currently underway. These studies started on 31 March 2018 and we're expecting to finish mid this year.

Senator SHELDON: We may have actually gone through that—I think we talked about when the study recommended the projects to fix the intersections, which is a particular matter that was asked.

Mr Bradley: I think we answered questions about this one this morning.

Senator SHELDON: Yes, we covered that. Thank you very much. If I could go to the Latrobe flood levee?

Dr Bacon: We're not familiar with that particular project, Senator. I don't think it is one that we find either under our regional programs or under the Hobart City Deal, and I don't think our Infrastructure colleagues are familiar with it either. We might need to track down a bit more information on notice if there's anything you can provide about the nature of the project.

Senator SHELDON: I will come back to you about that. We may put something on notice.

Mr Bradley: Senator, I believe that's actually one that is through Agriculture. I believe Minister Littleproud put out an announcement about that project, so it might be a question for our Agriculture colleagues.

Senator SHELDON: I'll deal with that tomorrow then. Thanks for the help. I'd like to ask about the AAD move.

Dr Bacon: Is this in relation to the Antarctic and Science Precinct commitment under the Hobart City Deal, Senator?

Senator SHELDON: That sounds like it, yes.

Dr Bacon: Yes, we have officers here who can talk to that.

Senator SHELDON: How many consultants' reports have been done on moving the AAD from its current location in Kingston, Tasmania?

Mrs Karlsson: As part of the city deal, the commitment from the Australian government and Tasmanian government was a commitment to co-fund a business case. It was \$2 million in total, paid fifty-fifty by the two government partners. That was to examine the feasibility of the Antarctic and Science Precinct at Macquarie Point, and that's a Hobart City Deal project. In terms of the relocation, DAWE is currently updating the detailed business case that was completed in October last year as part of the city deal, and that includes relocation costs. Any decision on relocation is a decision for government, and that amended DBC will inform that decision.

Dr Bacon: Just to clarify, Senator, we have details and information that we can share with you around the Antarctic science precinct proposal and the detailed business case there that Mrs Karlsson was referring to. There may be other work that's been done within the Agriculture portfolio about the Antarctic Division more specifically, but questions would be more appropriately directed to that department when they come back to this committee, Senator.

Senator SHELDON: Thank you. Bear with me, and by all means steer me in the right direction if you think haven't got the material there or if somebody else is more appropriately able to answer the questions. Just so I am clear on the number of consultant reports that the department specifically has dealt with, if I've understood correctly, about regarding the AAD moving from its current location in Kingston—there are two reports that have been done. Is that correct?

Dr Bacon: What Mrs Karlsson was referring to is the detailed business case about the development of an Antarctic science precinct. There is a possible model for that precinct under which AAD may be tenants of such a precinct, but that decision is yet to be made, Senator. So we're familiar with the detailed business case for the precinct more broadly. We wouldn't necessarily be familiar with any other reports that may have been done in relation to AAD and its location specifically. I think they're the types of questions that might need to go to our Agriculture colleagues.

Senator SHELDON: Alright, thanks for that help. In that case, are you aware of the KPMG report and when that might be completed?

Mrs Karlsson: We know that the report is currently being prepared. We're not sure of the timing. So, that's probably one that's best directed to DAWE.

Senator SHELDON: Okay. I've got another question about that, but I'll go to ag about that as well. Do you know the total cost of the consultants reports and the [inaudible] assessment for the AAD? Is that something for ag, or can you help me with that?

Mrs Karlsson: The detailed business case that this department and the Tasmanian government committed to as part of the Hobart City Deal was \$1 million each from the Australian government and from the Tasmanian government.

Senator SHELDON: That was the \$2 million you referred in the answer to the first question that I asked.

Mrs Karlsson: That's correct.

Senator SHELDON: Thank you. Is the AAD aware of any plans to keep a Public Service footprint at Kingston if AAD jobs or resources are moved to Macquarie Point?

Dr Bacon: I think that is a question that's better directed towards the department of agriculture, when you talk with them.

Senator SHELDON: I'm happy to do that. And the other questions I'll leave for ag as well.

Senator MIRABELLA: I've got a couple of Victoria-specific questions. Some of the questions and answers today have caused me to focus on an issue—and I don't know whether it's an issue, but I'm asking. How many projects that you fund or are committed to funding or have budget commitments to in Victoria are federally 100 per cent controlled or state-federal joint or municipal? Do you have that kind of breakdown?

Dr Bacon: It's a really good question. In terms of our regional projects, if you look at the projects just under our regional programs, there are over 16,000 of them. So, we would be able to go through and look at the state breakdown program by program. We do have quite a bit of information that we could give you today saying, for example, that for this program there would be this many projects in Victoria. But given that we have over 16,000 in regional projects alone, there's probably a large number that would go to Victoria. Under some of our regional programs there's a requirement in our guidelines for matching funding from the grant applicant. Sometimes the

grant applicant will be a local council, so there would be a number of projects where there would be a co-contribution from a local government, for example.

And then if you're talking about infrastructure projects there are certain standard percentages, depending on the nature of the project, about Commonwealth-state co-contributions. For something like the Geelong City Deal, for example, there would be a well-integrated collection of projects that are all designed to achieve social and economic outcomes in a particular area—in the Geelong region, for example. And there would be combinations of projects, some of which would be led by one city deal partner, some led by another and some led jointly. So, it is a very good question. It is a very large and complex question.

Senator MIRABELLA: Actually where I'm going with this is that it seems to me—anecdotally, from what I'm hearing, certainly in some of the stuff we've heard about the Northern Territory—that there's essentially a correlation between lack of action on projects that are state led versus federal led. This gets to what Senator Davey was talking about earlier. Do you have metrics on this—on progress, on project commencement, on project completions, on who's doing a better job?

Dr Bacon: I don't know that we would be able to answer that question in the broad, because, as I indicated, there are so many thousands of projects across really quite different domains structured differently. We would be able to give you a sense—for example, in the Geelong City Deal—of the progress of different initiatives under that deal. And different initiatives might be led by one or other partner under the deal. But I think, as an overarching question, it would take an awful lot of work to be able to give you an analysis.

Senator MIRABELLA: I concede my interest in this is certainly going to need some refinement, but I recollect that at previous estimates there was a lot of attention on the congestion funding, car parks and so on. It seemed pretty obvious to me, certainly in Victoria, that the issue is actually with municipalities not commencing projects. I know this is not in your purview, but I've been looking lately at the intermodal hub at Beveridge, for example, where we've got the state government having different priorities—things just don't seem to start, and planning ministers don't seem to kick things off. I'll just conclude—I suppose this is a comment now—that I think I need to do a bit more homework for the next round.

CHAIR: I'm looking around the room to see if there are more questions for regional development, local government, regional recovery, territories or cities. No? All sold? Then we're going to excuse that part of the department and move to witnesses from the National Water Grid Authority, who I hope are not in a room very, very far away. We've not given them any notice that we were going to call them so quickly.

We will suspend for a few moments while witnesses for the National Water Grid Authority get here.

National Water Grid Authority

[15:37]

CHAIR: I now call representatives of the National Water Grid Authority. Senator Sheldon, I believe you have questions.

Senator SHELDON: Thank you, Chair. I want to go to the government's announcement of \$6.9 billion of additional funding for water infrastructure. Could you run me through how many years this funding is to be spent.

Ms Purvis-Smith: So there's an additional \$6.9 billion. Some of it is in the forward estimates and some of it is outside the forward estimates. Many of the projects are long-term projects and will go on for many years outside the forward estimates.

Senator SHELDON: So how many years is it stretched out to?

Ms Purvis-Smith: I think it's 12 years.

Senator SHELDON: Can you provide a breakdown of these funds for each year beyond the forward estimates?

Ms Purvis-Smith: I don't have that specifically. A lot of the detailed profiles for the long-term projects are also subject to conversations and negotiations with the states and territories, and then we put the processes for us to talk to the states and territories. Then we put that profile in a national partnership agreement and a schedule, and that is still being undertaken. I can take it on notice to see if we can get you some type of profile.

Senator SHELDON: That would be helpful. Thank you. On the same subject, are you able to say how much will be spent in the out years?

Ms Purvis-Smith: I do have a profile in terms of some of the out years. We're anticipating in 2021-22, \$244.4 million, in 2022-23, \$757.1 million, in 2023-24, \$552 million and in 2024-25, \$833.4 million. That is in total.

Mr Atkinson: That's for the total water grid.

Ms Purvis-Smith: That's the total water grid.

Senator SHELDON: Have these commitments been met with unallocated funds? How much has been repurposed into this announcement?

Ms Purvis-Smith: A lot of announcements in this budget were new money. I can tell you that there was an additional \$6.9 billion allocated to the water grid fund. That takes the water grid fund to—rounding—\$8.9 billion.

Senator SHELDON: So there are no other unallocated funds or repurposed funds that go along with this announcement? Is that correct, or am I misunderstanding?

Ms Purvis-Smith: That's correct. Some announcements were using the unallocated funds that were in the water grid. For the money that was over and above what was already in the National Water Grid, new money was allocated to fund those within the National Water Grid.

Senator SHELDON: How much was unallocated funds?

Ms Purvis-Smith: Do you mean currently or as at last estimates?

Mr Atkinson: Are you asking about how much was unallocated before the additional stuff came in the budget?

Senator SHELDON: That's correct.

Ms Purvis-Smith: From memory, I think there was \$1.5 billion unallocated. Bear with me; I will double-check that. Yes, my memory is correct.

Senator SHELDON: Are there any other unallocated funds beyond that amount?

Mr Atkinson: To be clear: those unallocated funds were before. They are all allocated now, so the totality of funding in the water grid is all allocated.

Senator SHELDON: Thank you. That's made it clear for me. Does that mean there have also been no funds repurposed in this announcement?

Mr Atkinson: I would describe it as unallocated funds having been allocated to individual projects and additional funds having been allocated to projects as well.

Senator SHELDON: Right. I want to go to a question about the National Water Grid advisory board, which, as we're aware from last estimates, has been abolished and the chair told about the abolition on budget night. Department officials said they would take notice when the decision was made to abolish the board. I go back to those questions. When was the decision taken to abolish the board?

Ms Purvis-Smith: I don't have that with me. We're still looking into that.

CHAIR: Can I clarify? That wasn't the board, was it? What was it?

Ms Purvis-Smith: It was an advisory body.

CHAIR: An advisory body, yes.

Senator SHELDON: It was the National Water Grid advisory board.

Mr Atkinson: It's not a board in the way a corporation's board is; it's an advisory group.

Senator SHELDON: Yes. I mentioned it as an advisory board. When did the National Water Grid Authority first become aware of the decision to abolish the advisory board?

Ms Purvis-Smith: As I think we discussed last week, the decision was made during the budget process.

Senator SHELDON: Have we got a date on that?

Mr Atkinson: No.

Ms Purvis-Smith: No, we don't have a date on that.

Senator SHELDON: Are we able to get a date on that on notice?

Mr Atkinson: I already took that on notice.

Senator SHELDON: I know. I'm putting a line underneath the notice. How's that?

Mr Atkinson: I will put a double line under it!

Senator SHELDON: You're being very efficient. Don't use too much ink! Did the National Water Grid board provide any advice about the abolition of the advisory board?

Ms Purvis-Smith: No. Can I clarify that you asking whether the advisory body provided advice on the abolition of the advisory body?

Senator SHELDON: No. Did the National Water Grid Authority provide any advice about the abolition of the advisory board?

Ms Purvis-Smith: We're involved in the budget process, and the decision through the budget process would have been through cabinet submissions. We're involved in the cabinet submission process.

Senator SHELDON: Thank you for that. What is the relationship between the National Water Grid Authority and the advisory board? I know we touched on this before, but can you step me through it again?

Ms Purvis-Smith: The advisory body, as I think I mentioned last week, is not a decision-making board. When it was set up it was set up to provide advice on issues as required by the minister. We had a subcommittee. It helped set up the science program within the National Water Grid Authority. We had a secretariat in the sense that the staff who work within the authority and do the day-to-day work also provided some secretariat body and relationship to the advisory body. The advisory body met on a quarterly basis. I met with them. We arranged agendas, facilitated people to come and talk to the advisory body and facilitated site visits. So it was a secretariat relationship with the advisory body.

Senator SHELDON: Can you explain to me why it was decided that budget night was the night to tell the chair of the abolition of the advisory board?

Mr Atkinson: We'd have to take that on notice. It was a decision of government. It's not unusual for people who are impacted by budget night measures to be told said measures on budget night.

Senator SHELDON: Thank you. Can you confirm that an expert member of the body, Stuart Khan, expressed concern that the government's funding announcements to build dams had been made for 'brazenly political purposes'?

Ms Purvis-Smith: I think I mentioned last week when we were talking—and I think someone might have tabled the *Guardian* article—that we don't have copies of the letters he references in that article. They weren't provided to the department, so we don't have them.

Senator SHELDON: If announcements were purely political, why was—

Senator McKenzie: Chair, that's an assumption being made by the senator. Officials have already said they haven't seen the letters that the article refers to. For the senator to now refer as if that's a fact I think is misleading to the committee.

CHAIR: Thanks, Minister. Senator Sheldon?

Senator SHELDON: Funnily enough, we're here asking questions about these very important items that have impacts on a very important area to our national interest. I think this is really quite a fundamental question. On the eve of an election we have an advisory board abolished, as it appears, without a completed business case or expert advice. It does seem to be purely political.

CHAIR: Is that a statement, Senator Sheldon?

Senator SHELDON: Yes, Chair. Has the National Water Grid Authority seen the letter from Mr Khan?

CHAIR: Senator Sheldon, I think they already said they haven't seen the letter. I don't mean to cut you off, but I'm sure you don't want to cover old ground.

Senator SHELDON: Has the minister seen a copy of this letter?

Senator McKenzie: Are you speaking about the minister responsible?

Senator SHELDON: Are you aware whether they have seen a copy?

Senator McKenzie: I'll take that on notice. I'm not aware.

Senator SHELDON: The committee tabled the media article last week in the hearing. I'll obviously ask the same thing. Can you take that on notice, in light of the article that was tabled in the hearing last week? My next question is regarding the funding for the Don Irrigation Scheme in Tasmania.

CHAIR: Senator Sheldon, if you don't mind, just before we leave the advisory body: when was that body set up?

Ms Purvis-Smith: It was set up in August 2020.

CHAIR: How many people comprise that advisory body?

Ms Purvis-Smith: There were seven members. Bear with me and I will get you that information.

CHAIR: Did they have terms?

Ms Purvis-Smith: They had three-year terms. There were seven members led by a chair, and they were set up in August 2020.

CHAIR: What was their purpose? If they weren't deciding projects, what was their purpose?

Ms Purvis-Smith: Their purpose was to provide advice to the minister for infrastructure and water on specific items as required by the minister. They were also to provide advice on the national water grid science strategy, and there was a science subcommittee that assisted the water grid to set up its science strategy, which will continue. They also investigated, as part of specific things they were asked to do, opportunities and barriers to private-sector investment in water infrastructure.

CHAIR: To clarify, they were an advisory board appointed for a period to advise the minister on projects, but they weren't a full assessment body. They were really giving the benefit of their expertise in various roles.

Ms Purvis-Smith: That's correct. They were not set up to provide advice on each project. They were not cleared to look at cabinet material, and so they were not a decision-making board or a board that provided advice on a project-by-project basis.

CHAIR: So the body of work or the advice they had been appointed to manage had come to an end. That's the sense I'm getting.

Ms Purvis-Smith: They had completed the overwhelming majority of the work that they had been tasked to do.

CHAIR: That makes sense to me, thank you. I'm sorry, Senator Sheldon, I interrupted you. I just wanted to understand a bit more about that advisory group.

Senator SHELDON: I have about five or 10 minutes of questions regarding the Don Irrigation Scheme in Tasmania. Given that tenders were closed to the project last year, could somebody explain what the additional funding is for? I understand that the government gave the irrigation scheme in the north-west extra funding as part of the 2022-23 budget. The additional amount was \$13.7 million towards the 4,750-megalitre project.

Ms Purvis-Smith: The Don Irrigation Scheme business case was initially completed in March 2021 and it was revised in February 2022. Tasmania went to a tender process, and after going through the finalisation of the cost around the project, and going out to tender, there was a final cost which was greater than the funding agreed. The government announced some additional funding for the Don Irrigation Scheme on 27 March to cover that additional final cost of the scheme.

Senator SHELDON: It appears that it was more than the state government had budgeted for, and the cost on this project seems to have blown out; is that an accurate description?

Ms Purvis-Smith: I think it was more than the cost was budgeted for. We take the cost from the business case, and then we go through a finalisation of the detailed business case. We work with the states and territories, and they go out to tender, and for a whole range of reasons that I think this committee has canvassed previously, the costs have changed, including around the labour market and availability of labour. The final cost came in and it was greater than what was budgeted for. We worked with Tasmania to provide that extra funding, and the government announced some additional funding for the project.

Senator SHELDON: That sounds like a cost blowout. When is construction expected to commence on the scheme?

Ms Purvis-Smith: I have in front of me it's expected to commence imminently, and that is one of the reasons why they were going to tender. They had a contract, and the costs were greater than expected because they went to tender.

Senator SHELDON: When you say 'imminently', does that mean in the next couple of months? Does it mean shorter or longer?

Ms Purvis-Smith: My understanding is that Tasmania were signing a contract with the provider. I don't have a date of construction, but I can take that on notice if you'd like.

Senator SHELDON: The contract has been entered into, but we haven't got the date for when the construction is expected to commence, have we?

Ms Purvis-Smith: I don't have the date yet. I can take that on notice, as I mentioned.

Senator SHELDON: Thank you.

CHAIR: That excuses you, Ms Purvis-Smith. Thank you for your time this afternoon.

Australian Rail Track Corporation

[15:57]

CHAIR: I now welcome representatives of the Australian Rail Track Corporation. Do you wish to make an opening statement?

Mr Campbell: No, we aren't going to make an opening statement today, thank you.

CHAIR: Thank you. Senator Sheldon, do you have questions for the ARTC?

Senator SHELDON: I do, thank you, Chair. Regarding the Inland Rail project, how many kilometres of track have been built so far?

Ms Pickering: We've had just under a hundred kilometres, 98 kilometres, built on what's called the Parkes to Narromine project. About six kilometres of that is in a new greenfield and 98 kilometres is a rebuild of existing brownfield. Then on the Narrabri to North Star project, which is under construction, we had 25 kilometres of that put into service on 1 November last year, so that's partially done. That's about 190 kilometres in total, and the first 25 kilometres have been done.

Senator SHELDON: If my maths is correct, that's roughly 15 kilometres a year for the life of this government. Is that correct?

Ms Pickering: We probably don't calculate it quite like that in terms of the construction rate per year. That's been done over much more intense bursts of activity.

Senator McKenzie: I don't think any government would actually use that metric, Senator.

Senator SHELDON: Well, it's an apt description.

Senator McKenzie: Kilometres per year in government.

Senator SHELDON: I appreciate the point you are making, Minister. The performance over that period varies from year to year, but in effect it averages out to be, by my mathematics, roughly 15 kilometres a year. It's not particularly acceptable, is it?

Senator McKenzie: Is that a question to me?

Senator SHELDON: Yes.

Senator McKenzie: It was outlined last week. This committee more than most would appreciate when building large projects, whether they be dams, roads or railway lines, the time frames and the considerations that need to go into getting to fruition. You know that better than most, and a trivial measure such as that doesn't take into account the types of approvals you need to get from federal, state and local government agencies et cetera. It might be good for a cheap headline.

Senator SHELDON: There is nothing cheap about it. A lot of money has gone into this from the ARTC to be able to run successfully. It's still only going 15 kilometres a year. At this rate, how long will it take to complete the full 1,800-odd 15 kilometres of track?

Ms Pickering: It's currently scheduled for completion in 2027. We are continuing to progress mainly planning approvals. That's the key phase that most of the project is at. That timing is dependent on the securing of those approvals.

Senator SHELDON: I didn't get the year for the 1,800 kilometres of track to be completed. What was the year?

Ms Pickering: It was 2027. The majority of the construction is still in the environmental approvals stage. We can't really commence construction on the bulk of the 1,800 kilometres until we've secured those approvals, which are due at various stages over the next coming couple of years.

Senator SHELDON: I appreciate there are number of ways of calculating the next stages and also what we have been doing over the last nine years, but if you were to build 15 kilometres of track a year it would take approximately another 110 years to finish the project. Does that maths sound right to you?

Senator McKenzie: That's why that's bad maths. I tried to point that out to you. The officials said it will be finished by 2027. Even you are laughing at that one!

Senator SHELDON: I was laughing at—

Senator McKenzie: I'm sorry, but that is incredibly bad maths. As you know, the officials have said the project is due to be completed by 2027, using regular project management rationale, rather than scratchings of paper in a senator's office. Fifteen kilometres a year—seriously? I hope we're in government for another hundred years. I hope the Australian people agree with that, too. But I think we'll get it done a lot quicker than that.

Senator SHELDON: Let's hope it is not 100 or 110 years, which is what it would take at 15 kilometres per year. I'd also like to ask about the process to appoint a permanent CEO of the Inland Rail area in the ARTC. Can you update me as to where the process is up to.

Ms Pickering: The process is still ongoing. We are not in a position at this point to be able to appoint a permanent chief executive for Inland Rail. We still are being ably served by Rebecca Pickering, who's the interim chief executive and doing a terrific job.

Senator SHELDON: How long will it take before we do actually have a permanent CEO of Inland Rail? I just hope it's not 110 years.

Mr Campbell: I hope not! It has been a long process, longer than we would have hoped for. The suitability of candidates and the amount of infrastructure work that is underway in Australia have meant that we have not been in a position to secure a permanent replacement for Richard so far. But we have a board subcommittee that is working very diligently to try and do that. I cannot give you a specific date at the moment.

Senator SHELDON: I'd like to ask about the Queensland areas of the Inland Rail project. As I understand, none of the sectors that are located within Queensland have approval to proceed from the coordinator-general. Can you explain to me how under those circumstances the government has announced a preferred tender for the Gowrie to Kagaru?

Ms Pickering: We have been progressing the environmental planning approvals in parallel with some of the reference design and the procurement processes. That is a fairly standard practice for infrastructure construction. At the moment, as you know, we have announced the preferred proponent for what is a public-private sector partnership for that Gowrie to Kagaru section, 128 kilometres, essentially from Toowoomba down towards the coast down near Beaudesert. At the moment we are currently going through rounds of public exhibition on the EIS. We won't actually finalise the contract with that preferred proponent until we secure those environmental approvals. So we are currently working on environmental approvals, updating them, responding to questions that the coordinator-general put to us and looking to resubmit those later this year.

Senator SHELDON: A question put on notice that is now overdue, SQ22000171. It was from Senator Chisholm, asking the ART to provide the estimated cost of the total PPP section, both the construction and the total cost. Are you able to provide that today?

Mr Campbell: I think we did provide a response to that. Where did that go?

Ms Pickering: I don't think it is out. I could find out.

Mr Campbell: Let's provide the answer now then.

Ms Pickering: At the moment, what we have done is announce the preferred proponent—that is, Regionerate. That was announced earlier in March. But we won't be releasing those costs because we haven't actually signed a final contract with the preferred proponent. We have narrowed that down. We still have a number of items, including things like environmental approvals, which are subject to the exact conditions that are applied to the projects. We will adjust some of the elements of the work, at which point we would finalise some of that cost and would be able to release that but at the moment that is still not solidified.

Senator SHELDON: In question SW2200318, Senator Ayres asked for the details of all contracts worth \$10,000 or more that ARTC has entered into with Inland Rail. Are you able to provide that information today?

Mr Campbell: Yes.

Ms Pickering: Just give me a moment.

Mr Campbell: The answer to the question is the details of contract are actually on the website.

Ms Pickering: Yes, that is correct.

Senator SHELDON: So the website will have all the details of all contract worth \$10,000 or more?

Ms Pickering: As at 8 March—there could possibly be a couple more now—there were 456 contracts listed on the website and that includes their award dates and aspects. That is all transparent.

Senator SHELDON: So it has the name of the supplier, purpose of the contract, the contract start and end dates?

Ms Pickering: That is correct, yes.

Senator MIRABELLA: I'm curious. In your reporting metrics, do you also report kilometres of repair, maintenance, refurbishment, reconstruction, re-ballasting?

Mr Campbell: I don't believe we do. In the annual report, the accounts would show the amount of money we spend. We will take that on notice and provide that.

Senator MIRABELLA: You don't have to, really, the question was pointed. It was in relation to questions about using the metric of 18 kilometres of new track construction as a measure of the organisation's total performance.

I live in north-east Victoria. Some months ago I was being bombarded on social media by requests to do surveys on behalf of ARTC. I did one of those surveys and I kept getting bombarded. These surveys were asking me all about my perceptions, positive and negative, of ARTC. Why does ARTC need to do that kind of research and what did you discover?

Mr Campbell: We will apologise if we were bombarding you. That shouldn't be happening. What should be happening, though, is that we engage in a number of surveys to get feedback for our organisation. We do that with customers and we do that with stakeholders, and that includes communities. It's important for us to understand how people are viewing our organisation so that we can make sure that we are contacting people who need to be contacted and resolving issues if they have them. Generally our surveys are designed to give us feedback from the community about how we are going. It's sort of one way that we are trying to help us understand. For example, we have had criticism in the past about consultation and not doing enough consultation. Part of our surveys in communities where we are operating or constructing something is to try and work out just what people's perception is, whether they are happy with ARTC, whether they have suggestions, how we might improve, that sort of thing.

Senator MIRABELLA: And what did you discover?

Mr Campbell: We discovered a mix of different feedback. It ranges from people who are only vaguely aware of ARTC through to people who know us very well. Some people have very good experiences of ARTC and what we do and how we might have operated in the community, and then there are some that are unhappy for various reasons. That gives us the ammunition, if you like, the ability to go and try and address those. So it is certainly a mixed bag. Again, we are happy to make that report or a summary of the report available, if that would help.

Senator MIRABELLA: I might consider that for the next estimates.

CHAIR: Thank you very much. I believe that brings us to an end of your questions today, ARTC. You are released with our thanks.

Proceedings suspended from 16:13 to 16:30

CHAIR: I now welcome representatives of the Civil Aviation Safety Authority. Ms Spence, do you wish to make an opening statement?

Ms Spence: Yes, I would like to. Thanks very much for the opportunity to make a few remarks. Before I begin providing you with an update on some of our activities over the past couple of months, I would like to speak briefly to the interim report of the inquiry into Australia's general aviation industry, which we received on Wednesday night. While we will support the department however we can on the government's response to the recommendations, many of the issues and opportunities highlighted are things we agree with and are actioning. I'd like to thank the committee for the work that you have done with the GA industry during the inquiry, and the recommendations you have come up with will add to the work and activity CASA already has underway.

As I've said to the committee before, a high priority for CASA management and our board is the GA sector. Preparations to publish a GA workplan by 1 May are well underway, and the work plan will clearly articulate the GA reform activities and time frames for their delivery, with many of the issues highlighted in the report on the work plan. This includes matters related to pilot licensing and flying training, flight examiners, maintenance personnel licensing and reforms to our aviation medicine rules. I'm very happy to provide more details of the specifics if the committee would find this helpful. We are actively engaging with the Aviation Safety Advisory Panel and relevant technical working groups to consider these policy reforms, as we value industry's views and contributions to ensure the policy settings are correct.

Excitingly, today we announce one of our first activities, which will provide relief to aerial work and private operators and reduce compliance costs. This initiative will exempt aerial work and private operators from the mandatory applicability of the Cessna supplemental inspection document requirements, or SIDs. After consultation with industry, it is intended to come into effect at the end of this month.

Mutual recognition is also a big focus of ours. We do already have processes in place to enable the recognition of pilots and licenced maintenance engineers who are trained overseas, and there are already many MOUs and bilateral agreements in place with a number of countries. Most recently, in the maintenance space, we signed an

arrangement with the Japanese Civil Aviation Bureau, which will enable reciprocal acceptance of aircraft parts maintained by Australian and Japanese maintenance organisations without the need to hold authorisations from both countries.

In terms of our current priorities, in December, the new flight operations regulations commenced, which was the biggest regulatory change CASA and the industry have conducted in one go. We didn't discuss this at our last hearing, and I would just like to recognise the efforts of the industry to support us to meet this milestone, and note that we are continuing to work with operators as we progress through transition. With such a significant change, it is not surprising that there will be some unintended consequences. Where these are raised with us, we are determining how we can quickly address the issues.

Aviation medicine continues to be a busy area, particularly in the first three months of this year, with around 600 applications received each week compared to the average of 400. We have increased staffing levels and made changes to processes to help address the backlog. We also have processes in place for people to escalate time-critical applications. As I mentioned before, we will soon be engaging with industry on proposed changes to our aviation medicine rules, which include options to develop a new, self-declared medical, which will directly benefit GA. Feedback I have received so far has highlighted the importance of these reforms.

We are also looking at the health of the organisation, and I'd like to draw to the committee's attention the recent decision to establish a people and culture subcommittee of the board, which will help us progress some priorities around workforce planning, diversity, inclusion and employee wellbeing, as well as looking at the overall culture of the organisation.

It's great to see industry return to more normal levels of activity. We will work hard to support them as they return and, for some, progress with their plans to expand their operations. We'll see a new domestic airline AOC application, and also significant changes to fleet reconfigurations of our major and larger airlines. So far this year I've met with almost 100 members of the industry, mainly from GA. With COVID restrictions having eased, I've been fortunate to get out onto the grounds and meet with grassroots aviation communities. I look forward to more of these opportunities. Thank you for the opportunity to make a few remarks. The executive team and I will be very happy to answer any questions.

CHAIR: Thank you. Senator Mirabella.

Senator MIRABELLA: Ms Spence, last time you were here I asked you a couple of questions about the certification of the Black Hawks donated by the Australian Army to the New South Wales Rural Fire Service. Do you recollect that?

Ms Spence: Yes.

Senator MIRABELLA: It was a brand-new issue to me, but at the time I made some intuitive comments to the effect that, as a former soldier and a current rural firefighter, I could not quite understand how it could be, with an aircraft designed and built to military specification, designed to be robust, designed to carry soldiers through shot and shell in all weathers, designed for hard landings, that CASA could not certify these to carry firefighters, because of risk. Do you recollect what you responded to me at that time?

Ms Spence: If it's alright, I might just give you a bit more background. We've been looking at this in more detail.

Senator MIRABELLA: Please, yes.

Ms Spence: I'll give you some high-level points, and then, following any questions, Mr Monahan can also assist. We're very prepared to work through how we can compare the military safety standard of a Black Hawk to what our regulations require in the civil system. It would be a first, internationally, and it will take time and significant resources. It will mean we require the cooperation of the manufacturer, Defence and the operator. Just for a bit of context, we are talking about aircraft that are 30 to 35 years old. Having been used intensively, they're now at the end of their military life. Through our restricted-category-type certificate pathway, which we talked about last time, these aircraft can be, and have been, approved to play an important role in our firefighting capability, through water bombing, firefighting equipment transfer and aerial surveillance. But this regulated pathway, under our civil aviation regulations, does not extend to using the aircraft to carry anyone other than the flight crew or other mission-essential crew for the operations in which the aircraft is engaged. Under the existing legislation, the laws under which we operate, this would only be possible if these aircraft were approved for transport operations, which would require full compliance with the civil airworthiness requirements. That's the work that I'm talking about to take it from a restricted-type certificate into an actual passenger-carrying operation.

We do have a civilian fleet of more than 50 helicopters on the register which can provide that service. But, that said, I'm very happy to assure the committee that we're working closely with New South Wales RFS and Defence

to get a better understanding of those aircraft—how they are, what their background is and the proposed uses—so we can then better understand what is doable under the existing regulations or potentially what changes to the regulations would be required to undertake the functions you're describing. That hopefully gives you a slightly more coherent description of where we're up to. It's not just risk; it is actually the way in which our regulations have been established.

Senator MIRABELLA: Last time, I think your response was essentially: 'Well, that's the rules.'

Ms Spence: It still is.

Senator MIRABELLA: But what you're telling me now is that you're now examining the question of the airworthiness or the wear and tear on the airframes?

Ms Spence: I'll probably get Mr Monahan to go into it, but it's a bit more than just examining the wear and tear. It is actually being able to say, 'We can say that these airframes can comply with the civil aviation regulations,' and working with Defence and noting that we can actually use these aircraft for other purposes, important purposes, for aerial firefighting. What we're talking about here is the transport of firefighters from point A to point B, noting that there are already aircraft that can do that. That's the context for you, but I'm sure Mr Monahan will provide a bit more detail.

Mr Monahan: Senator, as Ms Spence points out, and as you also did, they are designed differently from the beginning, so the work ahead is to compare the design and the airworthiness. There are two parts: the original design and what the mission was for the military; and how that maps across to where you can say you can effectively assess it against the civilian requirements that we're expected to use to certify an aircraft to carry passengers on. They're designed differently, as you point out. Some of them are more robust, potentially, in some areas, and perhaps not addressed in their design for something that would map with the civil side.

Perhaps a more succinct way to describe it is, if there are a hundred things in the civil requirement, it's pretty easy to map 50—this is very general, obviously—and about 25 might be something that helps us get to the RTC. In the last 25 we don't have information to inform us whether it assesses it or is designed for it at all. And it's what we don't know which is where the concern is for us, in order to be able to establish, to meet those requirements that we have to.

There is a process in the RTC process, which you've noted, that allows you to map some of that across, but it can be a labour-intensive process. But it's not to say of either one of them that they're designed differently. You're right when you mention that some of the elements we consider are how the aircraft is used in a military designed mission and then how it would be used. Depending on how they're used, they do fatigue in a different way, but that would be part of any proposition to us, to demonstrate what they know and how that would be mitigated, or it's not an issue.

Senator MIRABELLA: Alright. I have done a little research since we last spoke and I came across an article in a journal called *AirAttack*. Are you familiar with this?

Ms Spence: I'm not.

Senator MIRABELLA: I'll table this if you like. The original article runs to quite a lot of pages of colour pictures, so I've had my staff extract just the text. This is written by the editor, whose name is on the document, who would seem, to my inexperienced eye, to be a fairly well-credentialed aviator. I think the essence of it is in the opening lines: 'The UH-60 Black Hawk is one of the safest and most robust helicopters ever built.' The article describes a lot of the characteristics of the aircraft—its capabilities, its performance under crash testing and all kinds of things.

I read through this and I came away with a couple of distinct impressions. Again, I stress I am not an aeronautical engineer, and this guy refers constantly to FAA accreditation in the US and seems to imply that our accreditation is somehow based on FAA standards. My takeaways from this article were that, by any measure, the safety standards, the airworthiness—the whatever you like—of this aircraft far exceed most other aircraft used for these purposes. There's also a suggestion that the certification requirements are way out of date and so on. I'm not going to labour this, because I'm not an expert, but I'd commend this article to you. It's tabled, so it will be on the record.

Mr Monahan: I'm happy to review any additional information. One of the points I think we made last time—which most recently I think was last December 2021—was that the new Black Hawks, with the manufacturer and the FA, come with a restricted-type certificate but not a full-type certificate right now. So even a brand-new, out-of-the-box one hasn't been mapped across effectively for them to be able to issue one on a new aircraft yet. But I'm happy to look at what additional information they have in case there's something we've missed or can inform us more.

Ms Spence: I can assure you that we are working closely with Defence, because, essentially, they're signed off on very different arrangements and, as we've said, it's trying to map those across. We're not saying the Black Hawk is not a safe aircraft; we're simply saying what we would need to go through in order to approve it to carry passengers, whether it be mission-critical passengers who you might say, 'Well, that's just an expansion of the things that we're allowed to do under an RTC'—but, again, that would be a regulatory change for us—and just making sure that we work with Defence to better understand how the two systems are actually comparable.

Senator MIRABELLA: There seem to be some anomalies, though, in relation to the regulations. For example, in the United States under FAA regulations—the military version used by forestry services—the rules say they are allowed to carry loggers and timber workers.

Ms Spence: Yes, I think that's under their public use.

Senator MIRABELLA: Yes, because the interpretation is that timber workers are mission-critical workers for a particular task, but firefighters are not.

Mr Monahan: You're correct that the FAA has explicitly said firefighters are not in the mission, but there is the public use, which is a construct that doesn't exist in Australia. So the latitude that they can work under in the public use is: 'Is it larger and more expansive than we have available to us?'

Senator MIRABELLA: Okay. Well, having tabled that document, I'll leave it there.

CHAIR: I did get quite a bit of feedback about that after our last session too—specifically that concept of mapping the two military and civil regulations and requirements. I guess the thing is that everything is doable; it's just the speed at which it can be done, isn't it? I think we're getting the sense of: is there something that we can do?

Ms Spence: I do want to just emphasise, though, the number of aircraft that are available to do exactly what Senator Mirabella is talking about, and part of the feedback that Mr Monahan and I received was from those operators who do have aircraft that are authorised to do that. If there were a significant gap in the market, I'd be more concerned than about a process we can work through with Defence and the New South Wales RFS in the first instance.

Senator MIRABELLA: I'm just going to follow that up and conclude on outcome 2. My interest in this is because this affects me. I acknowledge that you have obviously taken steps down this path. As firefighters, we've never got enough aircraft, and, if the Australian Army is going to be handing over perfectly good helicopters, you know—

Ms Spence: Yes, we certainly want to make use of them.

Senator MIRABELLA: Before next summer.

CHAIR: Terrific. I want to ask you about part 61 RPL and PPL holders and medicals. This is something that's been going on for about as long as we've all been alive—possibly not that long, but it seems that long. I understand that we've got exemptions in place for the RA-Aus part of the industry but not for the main part of the industry. CASA has been talking about it for at least five years. I just want to understand why we can't yet move to that.

Ms Spence: I'll turn to my colleague in a moment, but that was one of the things that I did actually mention in the opening statement.

CHAIR: You did, yes.

Ms Spence: We're very pleased that we should actually be getting something out before the end of this month setting out some possible policy reforms that would go to the heart of the issues that—

CHAIR: But you're not consulting again, are you?

Ms Spence: I'd be criticised if I don't consult on them as well. We'll be putting out some policy proposals that we will move as quickly as we can to progress. We've been developing them closely with industry, so I'm not talking about: 'Let's give it another 12 months and see where we go.' Mr Marcelja?

Mr Marcelja: As Ms Spence said, we have been working, probably for the last four or five months, with an industry working group that's looking to develop what those potential reforms are. One of those is a similar scheme to what we have in RA-Aus, where you operate under a drivers licence medical with some restrictions. But over the last couple of years we have made quite a few reforms already, and I think some of them have delivered the benefits we'd hoped, but some of them have still got some prickles on them.

A couple of years ago we introduced a GP medical, which opened up the ability to go see any GP for a medical certificate, and that's working really well. If you've got no health conditions at all, they just do a black-and-white

assessment; it costs you \$10, and you walk out with a certificate. Where it gets trickier is if people have conditions that need to be managed. For those ones we're doing a very strong push to allow the decision-making to be made by the medical experts out in the field, rather than by CASA. So we've authorised all of what we call our 'designated aviation medical examiners' to conduct assessments for private pilots for class 2 medicals and issue those on the spot if there are not two or three excluding conditions. What we're finding is that about a quarter of our DAMEs have taken up that initiative, and they're actually doing that assessment. But the bulk of them are still referring issues to us, so we're working on that. We have a couple of streams of work that will get to the issue that I think you're raising, including the self-declared one.

CHAIR: So when you say they're still referring to you and they're working on that, what do you mean—that they don't feel confident to make their own decision, or they don't understand that circumstances have changed?

Mr Marcelja: It could be a combination of all of those. What we think is the issue—and we're working through that now—is that for some it's extra work, so it's easy to say, 'Refer it to CASA and they'll assess.' Sometimes we find people don't like to deliver bad news, so it's easier to say, 'Give that to CASA and they'll tell you that there's some bad news,' rather than doing it. Some of them are concerned about liability. We're working through those issues at the moment to find: how do we encourage more DAMEs to take the role on and do the assessment in the surgery? Like I say, it's 25 per cent at the moment. Our principal medical officer is working through a program at the moment for how we encourage them to do more. Our intention is, regardless of whether you go down a path where you self-declare or you see a GP or you see DAME, in that private flying space CASA really doesn't want to get involved unless there are some really serious or unusual circumstances involved.

Ms Spence: And that would be more around how we make sure somebody can fly rather than stopping them.

Mr Marcelja: Yes, with appropriate restrictions if need be. But the mantra here is: how do we find a way for you to fly safely, as opposed from stopping you flying? That's the mission that we're working under.

CHAIR: Other jurisdictions like the USA, the UK and others already made these changes over five years ago. Why is it that Australia is so special?

Mr Marcelja: Probably two or three years ago, when we made our last round of changes, we considered the US model in particular. The way that model works is you have to have passed a full assessment by a designated aviation medical examiner for your initial assessment and then your subsequent renewals can be down a simpler path. At the time we thought it would be more beneficial to go down a path where you don't need to see a specialist at all; you just go and see a GP, so we went down the path of enabling what we call a basic class 2, which is issued by any GP against Austroads standards. Like I say, at the time we thought that would deliver a greater benefit, and it has, for the people that don't have any kind of medical situation at all, but it hasn't delivered for the area where there needs to be some judgement about the risk involved. So we've been making incremental steps, and two or three years ago when we made that reform we thought that path was better than the one the US did, but we are looking at it again now, and the working group that's met about four or five times now has doctors on it and pilots on it. We're probably a couple of weeks away from putting some policy positions on the table for broader input.

CHAIR: Everybody in the industry has heard some challenging stories about re-obtaining medicals. There was a case where the expert witnesses were actually the people that CASA had used to write some of the standards and still argued that they were not qualified to make the recommendations that this particular pilot would be able to fly again. What assurance can you give the committee and the industry that you're genuinely in a framework where you're trying to get people flying, as opposed to having a very cautious approach?

Mr Marcelja: I'll absolutely give you that assurance, Senator. I invite anyone that has an issue today to let me know, to let our principal medical officer know, and we'll look at it, but the general principle we're looking down is for a class 2 we really don't want to be looking at them. We want DAMEs and doctors out in the field to be making those decisions. We've narrowed it down to only three conditions where we won't allow a DAME to make an on-the-spot certificate without referring to us, and they are dementia, epilepsy and psychosis. If you don't have one of those three excluding conditions, your DAME is empowered to make the call. Our job now is to encourage DAMEs to do that and to not refer them to us. And we've got to make sure—

CHAIR: Only 25 per cent are approved. Is this saying that 75 per cent of our pilots have a psychosis, epilepsy or dementia?

Mr Marcelja: No—

CHAIR: I'm just intrigued why they're not running towards it given—

Ms Spence: That's why we're working the way we are with the DAMEs to better understand what it is that's preventing them from actually using the power that sits with them. We have had some interesting examples only recently, like the pilot with type 1 diabetes, which is something we had never been able to approve before.

Mr Marcelja: For the first time in Australia—it was about a month ago, in the first week of March—we had a captain on a commercial airliner in Australia operating with type 1 diabetes and a class 1 medical. That's the first time we have ever been able to approve that, so that was a proud moment. The attitude to get people flying, like you say, is absolutely there.

CHAIR: It's been a long time coming. It has been a very, very far too long time coming. Congratulations on finally moving towards it. You reckon within a couple of weeks you should have something to industry to move towards some sort of equivalency—certainly for RAAus, but even the sort of commercial licenses that truck drivers have?

Ms Spence: That is what we have got with the basic—

Mr Marcelja: We have that today, yes. If you can qualify for a commercial truck driver's license, a GP can give you a medical on the spot, effectively. That's in place now, but you've got to be able to pass that without conditions. Absolutely, we're working on what else we can do.

CHAIR: I really hope that I won't now get flooded with people saying that isn't accurate. You're very confident, you are being straight, that these medicals are going to be in place, you are going to be back to industry within a couple of weeks, and we are going to see genuine reform of the medical system. I don't like being flooded with responses, and then we wait another six months, and then I pounce on you with something. Ms Spence and I have had a frank conversation about me not pouncing; it's not reasonable, so I'm trying very hard not to do that in future.

Mr Marcelja: Thank you. We're more than happy—anything that comes to you, Senator, I will give you my word that we will look at each individual case that you send us.

CHAIR: Well, we don't want to do that, do we? What a pain! How slow that would be for you. We want industry reform, not case-by-case reform.

Mr Marcelja: Agreed.

Ms Spence: We have had some awful stories as well, and it is really distressing when we have heard what some people have gone through. We are certainly very committed to try to make life a bit easier for people who want to fly.

CHAIR: My final question, then, on the basis that I am not going to get a whole lot of pilots now sending me messages about how this is not what's happening, is on Lismore. I understand that there was emergency airlift relief that was grounded during the emergency. I just wonder if you could talk me through that, please.

Ms Spence: I'm actually not aware—

CHAIR: The gentleman behind you looks like he might be aware.

Ms Spence: I am aware of some actions we took to support, but—

Mr Walker: I think you are referring to the fact that during the recent flood relief activity up around Lismore and northern New South Wales we granted a seven-day exemption to a particular operator to use the CH-47 Chinook helicopters. That exemption was granted under provisions that allow us, in a case where a state of emergency been declared, to modify their operating permissions. Specifically, that aircraft isn't designed to carry freight; the approvals it had in Australia were for firefighting. The water tank that was normally fitted to that aircraft for the fire season had been removed; the aircraft was being prepared to be transported back to the United States. An approach was made by the operator, we considered the approach and obviously the gravity of the situation, and we acted quickly within a period of about eight hours to make sure they had the necessary permissions, and that was granted to them to do that work.

Ms Spence: I am not aware of any activity where we precluded anyone from operating. That's the only example I can think of, where we actually used our powers in that way we hadn't done before to support activity in the area.

CHAIR: That's good. Did you send anybody up to any of the flood zones to understand what activities were happening and what was needed?

Ms Spence: We didn't send anybody up, but we did contact operators in the area to make sure we didn't inadvertently send someone off to do surveillance activity for someone who had been flooded out or anything like that. Mr Walker, do you have a bit more detail?

Mr Walker: In terms of our staff on the ground, as you'd appreciate, we've got a national footprint. A number of our staff were actually personally impacted by the flood situation, not just in northern New South Wales but also obviously in the Brisbane and South-East Queensland area as well. The role we took there was very much one of offering a hand of help to operators. A number of operators, a number of smaller aerodromes and aeroclubs, were impacted, and their members were impacted. A large number of aircraft have effectively been lost because of the floodwaters.

CHAIR: I didn't hear about that. That's no good.

Mr Walker: There are some fairly dramatic photographs getting around of, rather sadly, aircraft tails pointing out of the water. We've been very much forward leaning in trying to offer support where we can, including allowing people to operate from temporary bases where they've deemed it appropriate, and also just giving them as much latitude as we can to assist them to get back on their feet.

CHAIR: We had some questions earlier today with the department about approvals for airports and activities on airfields, and the department was talking about taking advice from various agencies about what's useful. And I just wanted to ask you: the airports that aren't covered by the Airports Act—those ones that are council and privately operated—who do I go to in order to find support for general aviation and encouraging small businesses, and flying schools and engineering businesses to remain on airfields? I understand that that's not CASA's role, if you're safety. Who is going to promote that part of the industry?

Ms Spence: As Ms Brown indicated earlier this morning, the department does take advice from a lot of different sources, and I would have thought that, while there might not be a government entity that's looking at that, there are things like the Deputy Prime Minister's initiative to have a general aviation advisory network—you've got a great source of different types of operators who can really talk about the things that are impacting on either preventing or providing opportunities for the GA sector. We use our Aviation Safety Advisory Panel. While they provide us advice on safety, if there is an issue that they can see that might be impacting on GA they will raise it with us, and we would pass that on to the department as well. There's the work that the department does with their state counterparts in the planning departments, which is the national aviation safeguarding framework, which, again, provides a way of actually making sure that planning decisions don't inadvertently impact on aviation activity. But that's probably as much as I can think of, I'm sorry.

CHAIR: I think it's something we all need to turn our minds to, and I appreciate that it's not necessarily your responsibility. But I will keep raising it with every agency until I get some wins. Finally, I have had somebody come back to me. It was about the Black Hawks that weren't able to operate carrying passengers during the Lismore floods.

Ms Spence: We certainly didn't get any requests to carry passengers. I think there was some activity which might have involved them doing—

Mr Monahan: The ones that they do have are fire-bombing. I'm not aware of any requests to carry passengers on them.

CHAIR: During the floods?

Mr Monahan: Correct.

CHAIR: Well, no doubt I'll get some more detail on that, and I'll be able to write to you. Finally, on the air operator's certificates, I'm getting a number of people coming through and saying that if you have multiple corporate entities underneath your air operator's certificate then you're having to apply for multiple air operator's certificates. They've engaged lawyers to try to read through the regulations and the circulars. How do we make it easier for people to not have to pay a solicitor in order to understand what's safe and what the regulations mean?

Ms Spence: We have had a few issues with the transition to the new flight ops regulations, with people having to submit what we've inadvertently created—a 35-page AOC application—which obviously we're looking at, to streamline. Once we've got this information in the first time around, it is going to be much easier going forward, but it's getting the data into our systems. We're looking at everything that we can do to streamline the systems that we have in place.

CHAIR: That we created with the new regulations?

Ms Spence: Again, it's a combination of the regulations and the new systems that we have. It is important that we've got the details about who operators are and what they do. Once we've got that into our system, it will be much easier going forward. But certainly, as I said, there have been some unintended consequences for the flight ops regs, and that's what we are working through with industry now.

CHAIR: How long do you think it might take to resolve that?

Mr Marcelja: While Mr Walker is coming up, I will say that the other thing we've done in the last couple of weeks has been to publish some sample operations manuals that operators can just pull off our website and adapt to their own operation. The feedback we're getting from operators is that that is making a huge difference in understanding what exactly they have to do. That was published literally two or three weeks ago.

CHAIR: That's very exciting, because one of the complaints I had is that people would get assistance to write their manual and then they'd have it reviewed by somebody else and CASA and be told, 'No, that's all wrong.' That's very good. Congratulations

Mr Marcelja: Thank you.

CHAIR: That's groundbreaking.

Mr Walker: Further to the responses, we're very much alive to the fact that it has become somewhat problematic for a number of operators. The way the cycle works is that the AOC is renewed on a monthly basis, depending on who the operator is. They're on a two-yearly cycle. We're doing a couple of pieces of work. One is to look at the periodicity of it—in other words, do they need to fill in more paperwork for us as regularly as they do? That will be a slightly slower piece of work. The more immediate thing that we're trying to do is to make sure that we don't repeat this on a monthly basis. So I am confident that we'll see improvement within the next month's cycle for AOC renewals.

CHAIR: So, if I had a company that had an AOC and then they had other entities around them, in which other people are employed underneath those other entities, we would not have to get multiple AOCs for those other people to fly on the first AOC?

Mr Walker: That's certainly not the intention. Obviously, we'd need to look at individual cases, and we are more than happy to assist where we can. But the intention is to make the process as straightforward as possible, particularly as we realise the industry has been in a challenging situation with the return to activity after COVID.

CHAIR: This is the space where you're most busy, isn't it? With the explosion of private jets and charters, this is the busiest space, isn't it?

Mr Walker: It is, yes. It obviously presents a challenge for us as well as industry. I can just reassure you that we're very alive to the fact that there are a lot of people trying to do a lot of things very quickly. It doesn't matter which sector or which part of the industry you're in. From the large passenger transport through to smaller operators, we're very much engaging now to try and get through our work as quickly as we can to assist them.

CHAIR: They're just not new activities, though.

Mr Walker: No.

CHAIR: It might be an organisation that's buying a new aircraft or trying to align under the new regulations. There's been thousands of dollars spent on lawyers to read the regulations. I'll bring you some specific ones, but generally, once again, the situation is costing industry money not to get a safer outcome but just to get more paperwork.

Mr Walker: Yes. Our intention is to very much put fresh eyes on a lot of these things that we have been doing historically and make sure that we are far more responsive and provide a better level of service to industry.

Ms Spence: One of the other things that we did in the lead-up to the flight ops regs, which again was new for CASA, was that, rather than put out reams and reams of material, we reduced what we called our differences tables, which really just said to industry: 'There are a lot of new regs that are coming into effect, but this table sets out the things that have changed and the things that you need to focus on, and they're the things you need to look at your manuals to update.' So we did try to make it as easy as possible for industry, and we actually had a technical working group set up under the Aviation Safety Advisory Panel to help us work out how best to communicate with industry. So we were testing it through that group. So I would not say, by any stretch of the imagination, that it is all perfect, but we have a team of people who really are looking for ways of doing things differently and trying to find ways to make it easier for industry to continue to fly.

CHAIR: I'm so pleased that you've read the general aviation inquiry recommendations. A lot of work went into them, and there were a lot of good issues. I look forward to working through them and seeing how we can progress them. I think that's it. Please, go with our thanks.

Airservices Australia

[17:10]

CHAIR: I now welcome Airservices Australia. Do you wish to make an opening statement?

Mr Harfield: No, Senator.

CHAIR: Alright. Senator Sheldon.

Senator SHELDON: Thanks very much, Chair, and thank you for joining us this afternoon. In an answer to questions taken on notice during the last round of estimates on 14 February, it was stated that not all of the phases or stages of the TRA process had been fully completed. My understanding is that a great deal of work in many of the key stages has now been completed. Would you on notice be able to provide me with the task resource analyses that have been undertaken, provisional or otherwise? Of greatest interest are the outcomes of the TRA operational risk assessment stage, provisional or otherwise. Can you take that on notice?

Mr Harfield: Yes, Senator.

Senator SHELDON: A key component of the TRA process is establishing the plausible worst-case scenario. In theory, the plausible worst-case scenario could occur at any time. Is that correct?

Mr Harfield: When we are doing any risk assessment, including doing something like a task resource analysis, we always have to take into account the worst possible situation and assess the risks associated with that.

Senator SHELDON: Of course, the basis of that is that it could occur at any time. Is that correct?

Mr Harfield: Yes. Anything that's plausible, yes.

Senator SHELDON: If the TRA operational risk assessments that have been completed identified higher extreme risks associated with the current staffing levels, would it be safe to leave that risk untreated?

Mr Harfield: If there were a risk, such as a high-level risk, coming out of one of our analysis or data-gathering phases, then we would put it through our normal risk management system, which we have across the organisation, to assess the validity of that risk and whether it is being appropriately controlled at the present stage and, if it's not, what controls we would have to put in place to mitigate that risk. With any assessment that we would do, regardless of whether it's a task resource analysis, whether it's making a change in the air traffic operations or whether it's making a further change to our aviation rescue and firefighting, we would do a risk analysis and ensure that that risk is being mitigated. Just because an exercise identifies a certain risk doesn't mean that it is not being treated. We would then assess it to ensure it has been appropriately mitigated.

Senator SHELDON: Who signs off on the risk assessments—particularly high or extreme risks, but also risk assessments generally?

Mr Harfield: It depends on the level of risk throughout the organisation. With our risk management system, depending on the classification of the risk, it's where in the organisation it can be signed off, accepting what would be called the 'residual risk'. For example, if something was identified as a high risk and, after we had applied the controls, would still be assessed as a high risk, then that risk would have to be signed off by a senior manager, if not an executive, to ensure that it's being managed at a level that is as low as reasonably practicable, or to be accepted. If they don't, it has to be further mitigated.

Senator SHELDON: Being mindful of the work that's been completed during the TRA process, with the findings in hand, provisional or otherwise, if the worst-case plausible scenario were to occur today in Sydney, for example, do you feel that Airservices would be at ease with the current risk appetite?

Mr Harfield: Regardless of the analysis, the worst-case scenario could happen today, whether we did a task and resource analysis or not. It is part of the current operations, and we need to ensure that every day. We are oversighted by CASA, and we have a safety management system to ensure that we are managing those risks and are in a position to deal with those particular issues. The current phase, phase 1, of the task and resource analysis, which has been done at all 27 of our fire stations, is on the data-gathering exercise. We're now going through phase 2, which is the data analysis and validation piece, where we're actually doing the analysis and working through the information that was gathered in the first phase. We expect to complete that by the middle of this year, in June. The further phase is the implementation of those validated improvements, and that would be completed by the end of this calendar year. The issues that may be recognised in this data-gathering exercise through the TRA would exist today, and we would be mitigating those risks and ensuring we're in a position to deal with them today.

Senator SHELDON: As an aside, but remaining on the question of minimum staffing, can I take this opportunity to request a copy of the safety case submitted to CASA which was used to qualify lowering staffing levels for category 10 ARFFS provision, on notice, please.

Mr Harfield: Yes, Senator. Just to confirm, was this safety case the one submitted to CASA recently, or was this the one that was back in around 2007?

Senator SHELDON: I understand it was recently.

Mr Harfield: Okay, I will take that on notice.

Senator SHELDON: On that point, the 2007 one would be helpful as well—for me, anyway, because I wasn't around then.

Mr Harfield: Understood.

Senator SHELDON: Neither of us were. I just want to go to the question about the cost upgrade of the fire station from category 7 to category 8. Have you done any work in relation to doing this in Hobart?

Mr Harfield: I'd have to take on notice whether we've done specific work with Hobart, but we are continually reviewing changes in aircraft activity across our entire network. We would continually assess category upgrades associated with the activity at the airport. When we would move from category 7 to category 8, we would apply the appropriate changes to do that. Our funding model is built around servicing the various category requirements, so, as a particular airport grows and the category increases, we would ensure that we are providing the right level of service. One of the things we are doing and have done at Hobart is started to look at what would be a new fire station at some particular stage as the airport grows. You may not be aware, but our fire station is right next to the terminal. So, if they want to expand the terminal, we would have to move the fire station anyway, and we would always build a new fire station that would cater for growth and increases of category.

Senator SHELDON: Who would pay for any upgrade?

Mr Harfield: We would, or we would through the airlines, through our fees.

Senator SHELDON: I want to go to some other matters. If I understand correctly, the current Brisbane flight paths are being ripped up and redrawn?

Mr Harfield: This morning we released the interim report from Trax International, as mentioned. I engaged Trax International to provide a review of the Brisbane flight paths that was independent of the normal management chain. Trax International have an international reputation, for doing flight path change around Heathrow and Gatwick. Because of the length of time in putting in the new runway in Brisbane and the flight paths, I wanted somebody outside Australia, to give a different view.

Their interim report, which we've released, comes up with 49 recommendations. It looks across a range of areas. To give you a framing for that, they're broken down into five particular categories. One is about maximising flights over the bay. The second area is about reducing noise impacts when overflying populations. The third is about optimising noise-sharing arrangements. The fourth is about supporting sustainable growth in the airport's operations. The fifth is about enhancing engagement coordination and governance processes.

There are a range of short-term initiatives, in this Trax report, which we are pursuing and which have been reported on through the Brisbane Airport Post Implementation Review Advisory Forum. There are some broader, longer-term changes that Trax will continue to work through, and they'll be out here in the next few months doing some further community engagement, with their final report due in June. The holistic nature of what we are proposing and pursuing is not tinkering at the edges. I wouldn't categorise it as ripping it all up.

Senator SHELDON: With the recent announcement about these measures we've just run through, I understand the flight paths were redrawn in 2020, following the opening of the new runway. Is my understanding correct?

Mr Harfield: It's not my understanding, but I'll ask Mr Curran if he can add to that.

Mr Curran: Just to clarify the question, if I may, are you referring to the deployment of flight paths associated with the initial operation of the new parallel runway in Brisbane?

Senator SHELDON: That's correct, following the opening of the new runway in 2020.

Mr Curran: It is the case that, to support that new runway, new flight paths were designed. They commenced operation on the date that runway was opened, in the middle of 2020. I don't recall the exact date.

Senator SHELDON: Will the community forum become permanent?

Mr Harfield: That's a matter for the minister and the department.

Senator SHELDON: What's the community's expression about making that forum permanent? What's your reading of the community's wishes on that?

Mr Harfield: I am unsure and can't comment on that.

Senator SHELDON: Is anyone else there able to comment?

Senator McKenzie: My advice is the forum's in place until September.

Senator SHELDON: Is it completed at this point, as it stands at the moment, or is it reviewed and potentially extended or does it come to completion in September?

Senator McKenzie: My advice is that it would require a decision of cabinet to become permanent, as they'd be quite significant appointments.

Senator SHELDON: Have there been any reductions to complaints since the trial in alternative departure procedures—for example, hydrofoil runway take-offs and increased operations over the bay—commenced?

Mr Harfield: We'll have to take that on notice because we haven't done our full analysis of our quarterly reporting on that. It's only been in since mid-February. I can take it on notice to provide that detail.

Senator SHELDON: Thank you for that; that's helpful. Can you explain why you've changed the flight paths prior to completion of the trial? I'm raising that because it then raises the question of whether we know the trial worked.

Mr Harfield: We're not changing any of the flight paths as part of this trial or around it. The trials that we're doing are a change to existing procedures—for example, extending the use of the simultaneous opposite direction parallel runway operations on the weekends by extending the hours of that or making all aircraft use the full length of the runway rather than using an intersection departure. There is no change to flight paths.

Senator SHELDON: Has Airservices Australia always had the ability to alter the flight paths? If so, under what circumstances can you make changes and do you?

Mr Harfield: Have we always been able to change or determine flight paths and, if so, how do we go about it?

Senator SHELDON: In particular, in the case of issues such as airport noise. But, yes, you've got it right. Thank you.

Mr Harfield: Simply: yes, we always have, as part of designing and managing the airspace. There is a full process and design principles that we utilise. There are certain design criteria that are published by the International Civil Aviation Organization, as well as other regulations that dictate the design of particular flight paths. When they are created and designed, there is a consultation process that goes along with it, which we are continuing to refine and improve on. In some locations where we have made the changes we haven't delivered them right and probably haven't consulted appropriately—those are some of the lessons over the years. There was a second part of your question, Senator.

Senator SHELDON: It goes to some of the reasons you change flight paths. Could you explain where the power lies—for example, in the case of airport noise. What authority does Airservices Australia have to make changes in relation to noise?

Mr Harfield: Changes are not made on a whim. There is usually an operation or a change. For example, in Brisbane a new runway was established. It was the first new runway at a major airport for 25 years. The previous one was the third runway in Sydney. That dictated a design of all of the Brisbane flight paths. Sometimes we might change a flight path because we're introducing a new take-off or landing procedure. That would not necessarily be a minor change, from the impact perspective, but it would be done rather than a redesign of a significant amount of flight paths—like, for example, the Brisbane basin. When we are doing the environmental assessment associated with a flight path, if it is classed as significant we have to refer it to the Minister for the Environment, under the EPBC Act, and deal with whatever instructions or caveats are put on it from that. But the authority to make the change, after all those processes have been completed, rests with Airservices.

Senator SHELDON: I want to go to a statement that I'm just getting my office to send over to the secretariat—bear with me, because the chair may be satisfied with the way that I'll handle it now. There's a joint statement by LNP representatives today, 4 April, headed 'Brisbane flight paths are being ripped up and redrawn'. In that statement, which is under the signatory of a number of MPs and LNP candidates, the member for Brisbane, Mr Trevor Evans, said that the issue transcends the election cycle. If so, why has it taken so long for the government to act on this issue and only make an announcement on the eve of the election? Mr Evans has made it quite clear that it transcends the election cycle, but they're making it on the eve of the election—considering flight paths. Is there an explanation for that, Minister?

Senator McKenzie: I'll have to take that on notice. Obviously, an explanation of this level of detail is not one I'd be able to supply as the repping minister, but I'll see what the minister has to say.

Senator SHELDON: Thank you, Minister. A more general question: does the process of redrawing the flight paths involve contracts being tendered for to write that up, or is that something that is done internally by Airservices Australia?

Mr Harfield: That's part of our core business that we would do internally and consult on.

Senator SHELDON: Going to this question of TRAX International, how much has the contract with TRAX International cost?

Mr Harfield: It's in the vicinity of \$500,000.

Senator SHELDON: Are there further costs for completion of the contracts? What's the full contract price for completion?

Mr Harfield: That \$500,000 is the full price for the delivery of the final report in June.

Senator SHELDON: Have we paid the money upfront, or what point are we at with progress payments?

Mr Harfield: It's progress payments.

Senator SHELDON: Are you aware how much has been paid so far?

Mr Harfield: I'd have to take that on notice.

Senator SHELDON: How long will it take to redraw the flight paths?

Mr Harfield: Based on the recommendations that TRAX made that we're continuing to work through, particularly those longer-term ones which require, and will require, community consultation and particular engagement with a range of stakeholders, and based on the fact that the assessment that's being done between now and the middle of the year is to make sure that they are feasible, what TRAX has currently recommended is technically feasible. But we need to make sure that it is what I'll call operationally feasible but also doesn't have an adverse impact on the community, as an example. From that point of view, it could take anywhere between 18 months and, potentially, two years, depending on the amount of consultation and work that's required. I'd rather overestimate than underestimate.

Senator SHELDON: Is there a review period once the decision is made?

Mr Harfield: We're currently going through a post-implementation review, which the TRAX work has partially overtaken, but there will be a post-implementation review and further assessment of whatever changes we do implement as a result, to make sure they're meeting the requirements that were actually set out to be achieved in the first place.

Senator SHELDON: Would you mind stepping me through how that time line and that review period might work once a decision has been made about the implementation of the redrawn flight paths?

Mr Harfield: Can I take it on notice to provide accurate detail on the time line, if that's suitable, or, if it's acceptable—

Senator SHELDON: You can give it to me broadly now and then in detail later if that works.

Mr Harfield: I'll ask Mr Curran to step through it very briefly. If that doesn't satisfy your requirements, Senator, we can provide more detail.

Mr Curran: Broadly as it relates to Brisbane, Trax International will complete their final report between now and June. In the process of completing that final report, they'll come and participate in community workshops and consultation activities in May-June. That will help inform and sharpen up some of the possible options that they've been exploring. Airservices will then take the final report and include it in the post-implementation review, which will include the possibility of a fairly significant redesign of the terminal air space around Brisbane and a range of other, nearer term activities.

In broad terms, we would undertake extensive consultation, first putting out a draft proposal of flight paths—this is assuming the larger scale redesign—that would involve extensive community consultation, as well as industry consultation, to understand the impacts of that change. It would involve targeted community information provision, local-level workshops, letterbox drops, and a whole range of social media and media tools to engage with community. We would then take that information and look to come to a final draft proposal. We would take that draft proposal and then make adjustments based on the consultation inputs that we've received, and then we'd reach a proposed final design. The proposed final design would then go out for community feedback so that there was a closed loop with community around the consultation that took place.

That whole process, as Mr Harfield said, can take between 18 months and two years, depending on the extent of the proposed change. But we're probably painting the most significant redesign scenario there.

Senator SHELDON: Thank you. The review period after the final analysis in 18 months to two years, and those steps being followed: can you roughly step me through the review period after that.

Mr Curran: Senator—if I understand the question correctly—having made a final proposal to the community we would then implement that change, pending any final feedback. Then, typically, our post-implementation review process requires a 12-month period. That's because we're looking to see operations taking place over all

seasons so we can understand what differences there have been between the forecast impacts and the actual impacts. So, typically, there's a 12-month period before the PIR commences, and we would then undertake a post-implementation review of that change.

Senator SHELDON: Thanks very much for that. That's very helpful.

CHAIR: I want to ask some questions on the same topic—Brisbane Airport noise—and to acknowledge the great advocacy of the local members, who drove the issue for local residents. The new airstrip was opened when?

Mr Harfield: The new runway?

CHAIR: Runway! I knew I had that wrong, but I thought I'd go with it and you'd know what I was talking about.

Mr Harfield: June 2020.

Mr Curran: I think June 2020 is correct. It was certainly mid-2020.

CHAIR: Just in time for the complete shutdown of the aviation industry—how devastating that would have been! It must have taken a little while for flight path noise to become an issue, because there wouldn't have been a lot of activity for the first six or nine months.

Mr Curran: That's the case, yes.

CHAIR: Once aircraft started travelling again, I guess freight would have been their biggest payload at that time.

Mr Harfield: Senator—just to add a bit to that—because it opened up in the middle of 2020 and the Queensland borders were shut around that particular time, a lot of the traffic was intrastate Queensland traffic. As a result, that traffic utilised the new runway because of the way it was operating—because it was going to the north. They used the newer runway, which meant there was more activity on that runway, and not on the legacy runway, at that particular stage. The other elements that did create what I'll call noise issues was because the capacity had shrunk, and instead of using the normal jet aircraft they were using the turboprop aircraft, which make a little bit of extra noise. We actually started getting noise complaints not long after the opening of the runway due to the very significant change in operations, and then as traffic picked up it created further.

CHAIR: When was the community forum appointed?

Mr Harfield: Off the top of my head, I think it would have been six months ago.

Mr Curran: In the last quarter of 2021, September-October 2021, is my recollection.

Mr Harfield: Yes.

CHAIR: So a bit over a year after the new runway opened. I assume that the Deputy Prime Minister, the minister for transport, arranged for that forum or organised for that forum to be appointed?

Mr Harfield: That's my understanding, yes.

CHAIR: No doubt that was in response to the advocacy for that appointment of local representatives, particularly Trevor Evans and Julian Simmonds.

Mr Harfield: I don't know what the major driver was.

CHAIR: Have those members of parliament been to see Airservices?

Mr Harfield: I have briefed Trevor Evans, as an example, and other candidates, not just on the government side but in the opposition, and local members.

Senator McKenzie: They're not candidates; no election has been called. He's a local member of parliament and a great assistant minister for this government.

CHAIR: I too am aware that local residents have been impacted by the new activities or the change to activities, and I applaud how quickly this has been identified and brought to a head with the forum making these recommendations, which have been responded to. I think the strong words that Senator Sheldon quoted about flight paths being ripped up and redrawn would be a response to the community's level of distress around noise concerns. I congratulate everybody for being responsive to those changes. One of the things that was raised was curfews for Brisbane. Sydney has curfews and Melbourne has curfews. What would it do to Australia's flights and freight routes and whatnot if we had similar curfews?

Mr Harfield: That's a policy position, and I would have to refer you to the department.

CHAIR: That's fair enough. I should have asked them when we had them here earlier. It's a great step forward that Airservices has responded to the community's concerns via the representatives, and I think that's terrific. I want to ask you a final question before we let you go. I'm not sure if you heard that earlier today I was asking

questions of the department and other agencies about advice provided to the Deputy Prime Minister as minister for transport around airfields and airstrips and airports and all those things. Can I assume that you were consulted about the 21 airports that fall under the Airports Act if a masterplan were brought forward?

Mr Harfield: Yes, senator.

CHAIR: When you provide advice to the minister, do you consider general aviation and the activities of the broader aviation sector, or is your focus commercial airlines and passenger throughput? What is the framework that you provide advice on?

Mr Harfield: In regard to our advice to the minister, it is a technical assessment that we do against the noise forecast that is in the masterplan that's there. We don't comment on whether the forecast is accurate or not, just the technical nature of the forecast that's put there. We, on our own volition, separate to that will get consulted by the airport on it, and it's around the provision of our services at that airport. That would be, for example, to make sure that if there's air traffic control there, or in future there is a location that's suitable for a fire station, for example, if it reaches the certain threshold; or if we've got a radar or navigation equipment, whether anything they're doing on the airport that will interfere with that; but nothing in the sense of what we would be doing for a forecast on growth.

CHAIR: So it's very functional, your advice, around activity and noise and footprint and whatnot.

Mr Harfield: Yes—the technical assessment of, not whether the forecast or what the airport is portraying will happen; it's the technical accuracy of what they've put forward.

CHAIR: My search continues for an advocate for general aviation within the agencies. We have heard information from the department about the GAAN and the advice that that provides, but we don't really have an agency that provides that kind of input and support to departments around master planning for those bigger airports and for the council operated airport separately. So my search will continue—the holy grail.

Senator SHELDON: I'm just wondering what the effect would be if the community forum was no longer temporary but permanent. The reason I am asking is because Labor last week committed to the forum being permanent last week. I am interested if you can tell us what the effect might be if there was a permanent forum?

Mr Harfield: That's a policy question. I would need to refer you to the department.

CHAIR: I believe that takes us to the end of our examination of Airservices, so please go with the committee's thanks. That concludes today's proceedings. The committee is due to recommence its examination of budget estimates on Tuesday 5 April 2022. I thank Minister McKenzie—not any other ministers who didn't have to come today, just Minister McKenzie—and officers of the Department of Infrastructure, Transport, Regional Development and Communications and all witnesses who have given evidence to the committee today. Thank you also to Hansard, broadcasting and the secretariat.

Committee adjourned at 17:47