

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates
Infrastructure and Regional Development

Question no.: 213

Program: n/a

Division/Agency: Aviation and Airports

Topic: On-Airport Planning

Proof Hansard Pages: 4-5 (20 October 2014)

Senator Heffernan asked:

CHAIR: I have a brief here on what has happened since World War II, when Commonwealth—only development was on airfields. That has given way now to a lot of private development. What generally are the lease arrangements for those private developments for the land?

Mr Wilson: We hold the lease arrangements for 21 of the airports in Australia. The ones you indicated before are ours: Moorabbin, Bankstown, Archerfield and the like. So we both regulate and are the lessee. The private sector leases that land from the Commonwealth.

CHAIR: What is the tenure on those subleases to the private developer?

Mr Wilson: It is 49 years, with an option for 50.

CHAIR: What is the protection for the aviation industry if some of those developments impinge on the safe operating capacity of an airfield? It happens by increments. Do you have the capacity to knock the building down without compensation?

Mr Mrdak: We control the development through the master plans and also the development plans. We are the building regulator on airport. In relation to developments on airport that may impinge on safety, then clearly we and the Civil Aviation Safety Authority have a role. With developments off airport, we are reliant on the powers of the state and local planning authorities in relation to developments that may intrude on some of the surfaces. There are some powers that CASA has in relation to immediate safety risks of certain structures. But largely we are dependent upon the planning and development powers of the state and local governments off airport sites.

Mr Wilson: We do have additional powers that enable us to ensure that developments around the airport do not impinge on the OLS or on PANS-OPS—so that they do not impinge on the safe operation of aviation around those airports. That provides us with the capacity to restrict developments. The responsibility for undertaking the process in regard to that development sits with the individual airport operator; so they would start the process. We at the end of the day, however, hold the delegation and the decision-making in terms of a development that would impact on aviation services.

...

CHAIR: This document has some serious propositions. Obviously it is a temptation for people; it is a lot of land. As long as it is done with maintaining a viable airport, okay; but, where that becomes blurred, it becomes a danger.

Mr Mrdak: We would be happy to provide a briefing to the committee. The on airport planning is a very transparent process, through the master plan process and the building control process. But I am happy to provide further details to the committee.

Answer:

Advice is being sought from the Committee Secretariat regarding the provision of a briefing.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates
Infrastructure and Regional Development

Question no.: 214

Program: n/a

Division/Agency: Aviation and Airports

Topic: Bankstown Airport

Proof Hansard Page: 5 (20 October 2014)

Senator Heffernan asked:

CHAIR: So the building up of a floodplain at Bankstown for a development purpose without an environmental plan was okay?

Mr Mrdak: That was assessed by our building and environmental assessment officers and was found to be consistent with the floodplain management requirements that—

CHAIR: This is the first time in history I have known of where, if you build up a floodplain, you do not flood someone who would not have got flooded, because you have pushed the water further out. They did not think that?

Mr Mrdak: My advice is that it was worked through and it was found to be an acceptable development.

CHAIR: That does not really answer the question. It is a known fact that, when you put a levee bank around north Wagga, the flood that goes through Wagga is higher because it has less route to go through. Bankstown airport will be precisely the same—we have blocked some of the floodplains, so obviously someone else is going to get a bigger flood. Anyhow, we will come to that in the briefing.

Mr Mrdak: We will come to that. We are happy to provide information.

Answer:

Advice is being sought from the Committee Secretariat regarding the provision of a briefing.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates
Infrastructure and Regional Development

Question no.: 215

Program: n/a

Division/Agency: Aviation and Airports

Topic: Archerfield Airport

Proof Hansard Pages: 16-17 (20 October 2014)

Senator Heffernan asked:

CHAIR: ... My understanding is that there is an appeal coming up with the AAT on the action plan for the Archerfield Airport Master Plan. As I am instructed, if permitted to stand unchallenged by the chamber representing the airport users, the Minister's approval would 'clear the way for Archerfield Airport Corporation to proceed with an irreversible and permanent downgrading of the critical aviation infrastructure that exists at Archerfield Airport. This includes the unacceptable loss of runway complex 04/22, the Archerfield Control Tower, the fuel farms and above all would obliterate many aviation businesses without compensation.' The correspondence I have here goes on about the 'land grab', which we are familiar with around airports. Is the department aware of this coming up as an appeal with the AAT; and is that your view of the consequences if it confirms the master plan, which was set up by a previous government?

Mr Mrdak: Certainly, we are aware of the AAT appeal against the minister's decision to approve the master plan. Certainly, our view is not—as you have outlined—that that has that impact on the general aviation industry. The master plan has been carefully assessed, and our advice and the advice of the aviation regulatory agency is that the master plan does provide for a continuation of aviation operations. We would not share the view expressed in your correspondence there in relation to the impact on general aviation.

CHAIR: So will the 04/22 runway remain or disappear and not be considered necessary? Is it a cross-wind runway?

Mr Mrdak: I think it refers to the grass strip at the airport, which has very limited occasional use.

CHAIR: Is it cross-wind?

Mr Mrdak: I do not think—

CHAIR: We have this problem at Bankstown. If you are a trainee pilot and a cross-wind comes up, you are jagged, because there is no cross-wind runway. We allowed some developer to put things—

Mr Mrdak: I do not believe this is the circumstance at Archerfield. I think it is a longstanding former grassed area. I do not believe it has that impact in relation to ceasing anyone's access to the site in cross-wind. I will take that on notice and get you some more detail when we come back and do a briefing for you and the committee in relation to Archerfield.

CHAIR: Thank you very much.

Answer:

Advice is being sought from the Committee Secretariat regarding the provision of a briefing.

Rural & Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates
Infrastructure and Regional Development

Question no.: 216

Program: 2.4 Air Transport

Division/Agency: Aviation and Airports

Topic: Victorian Government Aviation Fund

Proof Hansard Pages: 32-33 (20 October 2014)

Senator Conroy asked:

Senator CONROY: ... I noted in a report about some Victorian government money used for aviation infrastructure. What I wanted to be absolutely assured of is this: there is absolutely no Commonwealth government funds going into this Victorian government \$20 million regional aviation fund?

Mr Mrdak: No.

Senator CONROY: This is the fund where the minister has actually given money to the aero club that he is a member of and he stores his plane at, which is not in regional Victoria under any of the normal definitions, even though it is called a \$20 million regional aviation fund. Are you familiar with this fund?

...

Mr Mrdak: I am only aware of media reporting in the last few weeks in relation to the issue. We do not have any programs or any funding involved in that Victorian program.

Senator CONROY: You can guarantee there is no federal taxpayer money going to the aerodrome that is not even a commercial aerodrome where the minister in Victoria is a member and has his own plane stored?

Mr Mrdak: I am not aware of it. I will check whether any former regional programs contributed to any Victorian aerodromes. I am not aware of any involvement in that particular fund.

Answer:

The Department of Infrastructure and Regional Development has not contributed funds to the Victorian government's regional aviation fund and has not funded any project at Tyabb Airport.

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Question no.: 217

Program: 2.4 Air Transport

Division/Agency: Aviation and Airports

Topic: Remote Airstrip Upgrade Program

Proof Hansard Page: 140 (20 October 2014)

Senator Peris asked:

Senator PERIS: Just with what you said, that you have got 42 projects under way, they are out of the 363 communities that the RAS scheme provides two?

Mr Borthwick: The Remote Airstrip Upgrade Program is broader than just the RAS communities.

Senator PERIS: I just want to know about the Northern Territory specifically. Out of those 363 communities, how many of them are in the Northern Territory that receive that funding?

Mr Borthwick: I would have to take that on notice. I do not have those figures with me.

Senator PERIS: Okay. Thank you.

Answer:

The Government's Regional Aviation Access Programme (RAAP), through its Remote Air Services Subsidy (RASS) Scheme and Remote Airstrip Upgrade (RAU) components, provides subsidised flights for the residents of remote communities as well as funding assistance for upgrades to remote aerodrome infrastructure.

The RASS Scheme subsidises a regular weekly air transport service for the carriage of passengers and goods such as educational materials, medicines, fresh foods and other urgent supplies to communities in remote and isolated areas of Australia. The Scheme operates to 363 communities across Australia, including in the Northern Territory.

The RAU component provides grants to improve the safety and access of airstrips in remote and isolated communities in Australia. Under the current RAU grants round (Round Two), funding was approved for two projects in the Northern Territory Round. These projects, which were submitted by the NT Department of Transport, are at the Bathurst Island (Nguiu) and Maningrida community aerodromes. Neither of these aerodromes receive a subsidised air service under the RASS Scheme.

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Question no.: 218

Program: 2.4 Air Transport

Division/Agency: Aviation and Airports

Topic: Minimum Standards - ICAO

Proof Hansard Page: Written

Senator Sterle asked:

1. Are you aware that the International Civil Aviation Organisation (ICAO) is developing a multilateral agreement to liberalise air transport?
2. And this is via an Air Transport Regulatory Panel (ATRP), which has Australian involvement?
3. What is the nature of any involvement?
4. Who is involved?
5. Are you aware of concerns about Australian jobs that have been expressed as part of these discussions?
6. Is the Government open to considering establishing minimum standards for aviation workers as this process unfolds?
7. Is the Government proposing any safeguards or minimum standards in these ICAO discussions in order to protect thousands of Australian jobs in the aviation sector?
8. In theory there is no reason why a similar arrangement that is in place for international seafarers via the Maritime Labour Convention couldn't apply to aviation workers too, isn't there?

Answer:

1. Yes.
2. Yes.
3. The Department participates in meetings of the International Civil Aviation Organization (ICAO) Air Transport Regulation Panel (ATRP), provides input to the Panel's deliberations and participates in Working Groups established by the ATRP.
4. The Department is represented by the General Manager, Aviation Industry Policy Branch, Aviation and Airports Division.
5. During discussions in the ATRP, observers representing international aviation labour organisations (including those based in Australia) raised concerns about the potential impact of liberalisation on labour standards and labour-related rights.
6. This is a matter for the ATRP to consider in formulating a proposed multilateral agreement for consideration by the member States of ICAO. At this stage, the Australian Government does not believe there is a need for special arrangements to be put in place for the aviation industry.
7. See answer to Question 6.
8. See answer to Question 6.

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ANSWERS TO QUESTIONS ON NOTICE

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Question no.: 219

Program: 2.4 Air Transport

Division/Agency: Aviation and Airports

Topic: Australian International Airline Licences

Proof Hansard Page: Written

Senator Xenophon asked:

In relation to the corporate structures for applicants for Australian International Airline licences, please confirm that:

1. the effective control and foreign ownership tests applied by the Secretary are different from and entirely independent of the tests applied under Australia's Corporations Law and Taxation law;
2. that the Department of Foreign Affairs and Trade has no involvement in the application of such tests as may be required by our Air Services agreements, even though they are treaty documents; and
3. that there is no requirement for and no policy intention to provide the Australian public with any transparency in regard to applications for, objections to and reasons for granting of Australian International Airline licences?

Answer:

1. Yes.
2. Air services arrangements and associated regulatory requirements, including International Airline Licences, are administered by the Department of Infrastructure and Regional Development.
3. The Department of Infrastructure and Regional Development manages the International Airline Licence process in accordance with the *Air Navigation Act 1920* and associated regulations. The International Airline Licence process is subject to Commonwealth administrative law, including the *Freedom of Information Act 1982*.

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Question no.: 220

Program: 2.4 Air Transport

Division/Agency: Aviation and Airports

Topic: Virgin Australia Holdings Ltd

Proof Hansard Page: Written

Senator Xenophon asked:

1. In Question 238 from Budget Estimates May 2014, in regard to your response, you mention that "...Virgin Australia International Airlines Pty Ltd and Virgin Australia Airlines (SE Asia) Pty Ltd were assessed by the Department of Infrastructure and Regional Development to have met the tests and criteria" and also that "...Virgin Australia International Airlines Pty Ltd and Virgin Australia Airlines (SE Asia) Pty Ltd are variously designated to bilateral partners under the relevant air services arrangements...". You also set out the tests an entity is required to meet to be designated an Australian International Airline. However, my question was whether an entity that is purely a legal entity - in that it does not have assets or staff, for example - be designated as an Australian International Airline?
2. Additionally, in answer to QON 272, CASA advises that "... CASA has not issued an AOC to Virgin Australia (SE Asia) Pty Ltd...", yet the Secretary has designated that entity as an Australian International Airline. Does that mean that an applicant for the grant of an Australian International Airline licence is not required to hold an Australian AOC as prerequisite to exercising Australian air rights?

Answer:

1. The Department of Infrastructure and Regional Development manages the International Airline Licence process in accordance with the *Air Navigation Act 1920* and associated regulations. The process does not include an assessment of the value of a company's assets or the number of its staff.
2. Yes.

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Question no.: 221

Program: 2.4 Air Transport

Division/Agency: Aviation and Airports

Topic: Virgin Australia Holdings Ltd

Proof Hansard Page: Written

Senator Xenophon asked:

Virgin Australia Holdings Ltd announced on 17 October 14 their intention to "...secure 100 per cent ownership and full control of Tigerair Australia..." and further indicated their intention that "...Virgin Australia Holdings will consider deploying budget arm Tigerair Australia on short-haul international routes to destinations...", as stated in a report in the Sydney Morning Herald. Given that Virgin Australia Holdings Ltd is a majority foreign-owned company without constitutional or legislative limits on the level of foreign ownership, will the Secretary when considering the application for an Australian International Airline licence:

1. require divestment of around half of the balance sheet valuation; or
2. agree to another financial engineering arrangement such as the locking up of the voting rights and share register of Virgin Australia International Holdings Ltd?

Answer:

1. The Department will assess any application for an Australian International Licence against the relevant regulatory requirements.
2. See above.