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Official Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

ESTIMATES

(Additional Estimates)

TUESDAY, 9 FEBRUARY 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT

LEGISLATION COMMITTEE

Tuesday, 9 February 2010

Members: Senator Sterle (*Chair*), Senator Nash (*Deputy Chair*), Senators Heffernan, Hutchins, O'Brien and Siewert

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Humphries, Hurley, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Moore, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Abetz, Back, Bernardi, Bushby, Colbeck, Eggleston, Heffernan, Hutchins, Ian Macdonald, Milne, Nash, O'Brien, Parry, Sterle and Williams

Committee met at 9.00 am

INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

In Attendance

Senator Conroy, Minister for Broadband, Communications and the Digital Economy

Department of Infrastructure, Transport, Regional Development and Local Government

In attendance: Senator the Hon. Stephen Conroy

Executive

Mr Mike Mrdak, Secretary
Mr Andrew Wilson, Deputy Secretary
Ms Lyn O'Connell, Deputy Secretary
Ms Stephanie Foster, Deputy Secretary

Corporate Services

Mr David Banham, Chief Operating Officer
Mr Paul Wood, Chief Financial Officer

Infrastructure Australia

Mr Michael Deegan, Infrastructure Coordinator

Australian Rail Track Corporation Ltd

Mr David Marchant, Chief Executive Officer

Nation Building—Infrastructure Investment

Ms Carolyn McNally, Executive Director
Mr Alex Foulds, General Manager, South East Roads
Ms Cheryl Johnson, General Manager, North West Roads
Mr Neil Williams, General Manager, Rail and Intermodal
Mr Tony Carmichael, General Manager, Nation Building Coordination
Mr Rohan Wong, Acting General Manager, Major Infrastructure Project Office

Infrastructure and Surface Transport Policy

Ms Leslie Riggs, Executive Director
Mr Robert Hogan, General Manager, Vehicle Safety Standards
Mr Michael Sutton, General Manager, Maritime Policy Reform
Mr Stewart Jones, General Manager, Road Transport Policy Reform
Mr Joe Motha, General Manager, Road Safety and Programs Branch
Ms Donna Phillips, General Manager, Heavy Vehicle Regulatory Taskforce

Australian Maritime Safety Authority

Mr Graham Peachey, Chief Executive Officer
Mr Brad Groves, Deputy Chief Executive Officer, Maritime Standards Division
Mr Mick Kinley, Deputy Chief Executive Officer, Maritime Operations Division
Mr Yew Weng Ho, General Manager, Corporate Services Division
Mr John Young, General Manager, Emergency Response Division

Local Government and Regional Development

Mr Michael Pahlow, Acting Executive Director
Mr Brendan McRandle, General Manager, Strategic Policy Unit
Mr Richard Wood, General Manager, Regional Development Programs
Mr Marcus James, General Manager, Regional and Local Government Policy Unit
Mrs Karen Lindsay, Director, Regional and Local Government Policy Unit
Mr Gordon McCormick, General Manager, Local Government Programs

Office of Northern Australia

Mr Stuart Sargent, Acting Executive Director

Office of Transport Security

Mr Paul Retter, Executive Director
Mr Peter Robertson, General Manager, Aviation Security
Ms Jackie Raynor, Acting General Manager, Supply Chain and Screening
Mr Chris Appleton, General Manager, Analysis and Operational Support
Mr George Brennan, General Manager, Transport Security Operations
Mr Steve Dreezer, General Manager, Maritime, Identity and Surface Security

Aviation and Airports

Mr John Doherty, Executive Director
Ms Maureen Ellis, General Manager, Aviation Environment
Ms Karen Gosling, General Manager, Airports
Mr Scott Stone, Acting General Manager, National Aviation Policy
Mr Jim Wolfe, General Manager, Air Traffic Policy
Mr James Collett, General Manager, Sydney Aviation Capacity

Airservices Australia

Mr Greg Russell, Chief Executive Officer
Mr Jason Harfield, General Manager, Air Traffic Control
Mr Richard Dudley, General Manager, Corporate and International Affairs

Civil Aviation Safety Authority

Mr John McCormick, Director of Aviation Safety
Dr Jonathan Aleck, Executive Manager, Legal Services
Mr Peter Cromarty, Executive Manager, Airspace and Aerodrome Regulation

Dr Pooshan Navathe, Principal Medical Officer

Mr Terry Farquharson, Executive Manager, Office of the Director of Aviation Safety

Australian Transport Safety Bureau

Mr Martin Dolan, Chief Commissioner

Ms Kerryn Macaulay, Deputy Chief Executive Officer

Mr Peter Foley, Director, Surface Safety Investigation

Mr Ian Sangston, Director, Aviation Safety Investigation

Mr Julian Walsh, Director, Safety Data, Research and Technical

CHAIR (Senator Sterle)—Welcome. I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee. The Senate has referred to the committee for examination of the particulars of proposed additional expenditure for 2009-10 and related documents for the Infrastructure, Transport, Regional Development and Local Government portfolio. The committee has fixed Wednesday, 14 April 2010 as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by close of business this Friday, 12 February 2010.

Under standing order 26 the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance the secretariat has a copy of the rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *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).

(Extract, Senate Standing Orders, pp 124-125)

As agreed, I propose to call on the estimates in the order shown on the printed program. We will take a break for morning tea at 10.30 am. Other breaks are listed in the program.

CHAIR—Minister, do you or Mr Mrdak wish to make an opening statement?

Mr Mrdak—If I may, Chair.

CHAIR—Mr Mrdak.

Mr Mrdak—With your agreement, I would just like to make a brief opening comment just setting out some recent changes to our senior staffing and structure, if I may, which may assist the committee with its examination of the department. To start with, I am pleased to inform the committee that Mr Andrew Wilson has been promoted to deputy secretary of the department recently, following the departure of Mr Andrew Tongue. And Mr Wilson has taken up his role in the last couple of weeks as deputy secretary. His appointment is recognition of the senior role he has played within the department for some time in steering a number of reform agendas.

Just to let the committee know, after taking up the position of secretary of the department last year I commissioned a strategic audit of the department to assess our capabilities and our capacity to meet the government's agenda. That strategic order was undertaken by Mr Paul Forward, a principal with Evans and Peck, a major consulting firm with experience in infrastructure delivery across Australia and internationally. The audit involved a comprehensive review of the department's capabilities and particularly our strengths in

delivering the government's infrastructure agenda. And that review made a number of recommendations to me in relation to capability and structure for the department.

Following consideration of the audit findings I have made a number of structural changes to the department to reflect the outcomes of the audit and my views. Firstly, I have decided to form a strategic policy division of the department, which will incorporate the Bureau of Infrastructure, Transport and Regional Economics to give the department a greater strategic policy capability. I have recently recruited Mr David Williamson from the Department of Agriculture, Fisheries and Forestry to head that unit and he will commence with the department very shortly to head up both the bureau and that unit.

Secondly, I have also established a community engagement branch within the department, which will bring together all of our events management and communication activities which were scattered across a number of divisions. And that is a combined unit now which sits within our corporate division. And, thirdly, we have taken some steps to continue to strengthen our project management capability, particularly in our nation building division. And I have formed a major projects office which has responsibility for strengthening our project management systems and capabilities and also for monitoring and managing the major projects and investments of the Commonwealth government and implementing a number of changes as to how we manage and monitor projects with the states and territories and local government.

To finalise our changes, since the last hearing the department has farewelled Mr John Angley, former executive director of the Office of Northern Australia. He has joined Austrade. And we are currently undertaking a number of senior recruitment processes to fill Mr Angley's position and a number of other positions in the department. I look forward to assisting the committee with its work. Thank you, Chair.

CHAIR—Thank you, Mr Mrdak, and on behalf of the committee can I congratulate you, Mr Wilson, on your promotion. And before we do go to questions, the committee has agreed to a timetable set out today to hear from the agencies, of which we will be sticking to very strictly.

Senator IAN MACDONALD—Thank you, Mr Mrdak, and I am pleased to hear you are here to help the committee. In your strategic rearrangement who is in charge of getting answers to questions of this committee on time?

Mr Mrdak—Responsibility falls to the executive of the department, Senator. We have a process by which we take questions tabled at the hearings and follow-up written questions and we then prepare draft responses within the department according to a timetable and a process. Responsibility for that falls within our governance group within the corporate division and the executive of the department.

Senator IAN MACDONALD—Who is in charge of the governance group?

Mr Mrdak—The governance group is headed up by Mr Banham, who heads up our corporate division. He is responsible for all governance matters within our department.

Senator IAN MACDONALD—I notice you have a community engagement unit that you are upgrading. Have you had any thought about having a parliamentary engagement unit that

might interact with the people who ultimately employ you, which is the parliament and the people of Australia through the parliament and through the executive? Have you ever thought of getting a unit that might be helpful to the parliament instead of one which is completely unhelpful, as I will demonstrate shortly?

Mr Mrdak—Senator, we have, within our corporate division, our governance unit and our ministerial and parliamentary services unit which provide services in relation to handling all matters in relation to questions on notice and the like. So we certainly do have officers who undertake that role.

Senator IAN MACDONALD—Mr Mrdak, were you aware that questions on notice were due to be answered by 11 December, almost two months ago?

Mr Mrdak—Yes, Senator.

Senator IAN MACDONALD—Were they answered by then?

Mr Mrdak—Senator, I am very apologetic of the fact that the department's responses to a question on notice were not tabled until last week.

Senator IAN MACDONALD—On Tuesday, 2 February, no answers had been provided. Do you think, perhaps, in your rearrangement you could get a group that actually pays some attention to parliament who, as I say, are your ultimate employers?

Mr Mrdak—Senator, we do and will make every continuing effort to ensure we answer questions in a timely manner.

Senator IAN MACDONALD—Why were they not available as required by the elected representatives of the Australian public?

Mr Mrdak—Senator, there was a process involved. The department prepared draft answers and then those answers were provided to the minister for his consideration.

Senator IAN MACDONALD—Okay.

Mr Mrdak—That process has been a lengthy process.

Senator IAN MACDONALD—So I can read between the lines, Mr Mrdak, your department did everything it was supposed to do, but the answers have sat on the minister's desk for two months?

Mr Mrdak—No, that is not what I indicated.

Senator IAN MACDONALD—I know it is not what you indicated, but I can read between the lines and I do not want to embarrass—

Mr Mrdak—No, Senator.

Senator Conroy—Then take it up with me.

Senator IAN MACDONALD—I will take it up with you. It is either a question of inefficiency in the department, which from what Mr Mrdak has not said does not seem to be the case, or we have a minister who is so arrogant that he believes that he can just ignore the rules of the Senate and put in answers two months after they are supposed to be.

Senator Conroy—Is there a question there or is it just a comment?

Senator IAN MACDONALD—Do you agree with that, Minister?

Senator Conroy—No, I do not agree with your assertions.

Senator IAN MACDONALD—Can you tell me why the minister was so late in getting them?

Senator Conroy—It was not a question; it was commentary.

Senator IAN MACDONALD—Can you tell me why the minister took two months to sign off on the answers?

Senator Conroy—The questions, I think it was indicated, were tabled last week, so while that is outside the timeline I will happily raise it with the minister and seek his views. But the questions were all available well before the Senate estimates. It was the standard practice of your previous government—in fact, standard practice when you were minister, for questions to turn up on the morning of the estimates.

Senator IAN MACDONALD—Mr Mrdak—

Senator Conroy—While I enjoy the debate and the cut and thrust you have got the questions well in advance of Senate estimates, not within the timeframe, we accept.

Senator NASH—We are talking about this minister, not the previous minister, so I think perhaps we should stick to that.

Senator IAN MACDONALD—Just ignore that.

Senator Conroy—Welcome, Senator Nash.

Senator NASH—Thank you, Senator Conroy.

Senator IAN MACDONALD—Senator Conroy, you and the minister you represent are simply just ignoring the rules of the Senate. Is that what you are saying?

Senator Conroy—That is not what I said at all. I said I would seek his views, and if there was any information he wished to pass on, we will pass it on to you.

Senator IAN MACDONALD—There might have to be more firm decisions taken. Perhaps we will not deal with his legislation until we get some cooperation from the minister. Mr Mrdak, when did the questions go to the minister?

Mr Mrdak—Senator, the—

Senator Conroy—That is a question I asked many times in previous incarnations—

Senator IAN MACDONALD—I am not interested in your history, Minister. I asked Mr Mrdak a question.

Senator Conroy—and that sort of information was never made available to the Senate committee.

Senator IAN MACDONALD—Now, Mr Mrdak, when did the questions go to the minister?

Mr Mrdak—Senator, the first draft responses were provided in early December.

Senator IAN MACDONALD—Well before the 11th of December date, I take it. And are you aware when they were tabled in the Senate?

Mr Mrdak—Yes, Senator.

Senator IAN MACDONALD—2 February. Is that correct?

Mr Mrdak—My understanding is that the 197 responses were lodged with the committee on 3 February.

Senator IAN MACDONALD—Well, Mr Mrdak, I was very angry with your department, but I see my anger was misplaced. Your department has obviously done its job. Can you tell me how many of the answers submitted by the department to the minister came back with alterations required?

Mr Mrdak—I do not have that information.

Senator Conroy—We will have to take that on notice.

Mr Mrdak—I do not have that information, Senator.

Senator IAN MACDONALD—You would not have the notice in exact terms, but were there a lot, a few?

Mr Mrdak—I think—

Senator Conroy—We will take that on notice so that we can give that an accurate answer, Senator Macdonald.

Senator IAN MACDONALD—No, I am not after an accurate answer, thanks, Minister. Just an approximation will do. Is it a lot?

Senator Conroy—We would prefer to give accurate answers, Senator Macdonald, so we will take that on notice.

Senator IAN MACDONALD—You are here to answer questions, not indicate your preferences.

CHAIR—The minister has said he will take it on notice.

Senator Conroy—We said we will take it on notice.

Senator IAN MACDONALD—This minister, Senator Conroy, is simply so arrogant that he believes that he is not responsible to his own chamber. Obviously he has a huge majority, but it is a little bit different in the Senate, and perhaps you would do well to advise the minister you represent that the Senate will no longer put up with this arrogant ignorance of the role of the Senate. Mr Mrdak, can I refer you to question number CORP 01, *Hansard*, page 6, 20 October, where I asked why Mr Gray was appointed as parliamentary secretary for Western Australia and why there was not a parliamentary secretary for Queensland or New South Wales or somewhere else. The answer simply says, 'Here's a copy of the Prime Minister's media release.' That is not an answer to a question.

Senator Conroy—It is a perfectly straightforward answer to a question. It is just your opinion. You did not like the answer.

Senator IAN MACDONALD—The question was, ‘Why is there not a parliamentary secretary for Queensland?’ and the answer was:

He has been appointed for that. He has extensive knowledge of the west and Northern Territory and the particular challenges of the future.

It does not mention Queensland at all.

Senator HUTCHINS—The Prime Minister—

Senator IAN MACDONALD—I am not asking you, Senator Hutchins. Thanks very much for your help.

Senator HUTCHINS—I am just giving my observations.

Senator IAN MACDONALD—I am asking Mr—

Senator HUTCHINS—You used to when you were in residence.

Senator IAN MACDONALD—I am asking Mr Mrdak: where is the answer to my question? Why is there not a parliamentary secretary for Queensland if there is one for Western Australia?

Senator Conroy—There is a very straightforward answer to your question there in front of you, citing the Prime Minister’s press release.

Senator IAN MACDONALD—That does not answer why there is not one for Queensland, Minister.

Senator Conroy—Well, that is—

Senator IAN MACDONALD—You cannot be that stupid that you do not understand the question.

Senator Conroy—You have the answer to the question in front of you. Just because you do not like the answer does not mean it is not an answer.

Senator IAN MACDONALD—‘Mr Gray has got extensive experience in the west.’ That does not answer the question: why is there not a parliamentary secretary—any parliamentary secretary, it does not have to be Mr Gray—for Queensland or the Northern Territory or New South Wales?

Senator Conroy—As I said, there is a perfectly straightforward answer there. The fact that you do not like the answer does not mean it is not an answer.

Senator IAN MACDONALD—Minister, can I ask you again: why is there not a parliamentary secretary for Queensland, seeing Western Australia gets one? What is so special about Western Australia over Queensland?

CHAIR—Where do you start? Where do you want me to start?

Senator Conroy—If you want to insult the chair this early in the meeting, that is okay. He will give you lots of reasons why Western Australia is better.

Senator IAN MACDONALD—Unfortunately, the chair is not answering the questions, Minister.

CHAIR—I would like to.

Senator Conroy—As I said, you have got a perfectly straightforward answer here from the department, that points to the Prime Minister's media release, and the fact that you do not like the answer is entirely a matter for you.

Senator IAN MACDONALD—Why is there not a parliamentary secretary for Queensland?

Senator Conroy—The Prime Minister has indicated the allocations. They are identified. His reasoning behind what is in the press release is stated, and just because you do not like the answer does not mean it is not an answer, Senator Macdonald.

Senator IAN MACDONALD—So the Prime Minister has no interest whatsoever in Queensland. He is trying to curry political favour with Western Australia and simply ignores Queensland. Is that the answer you are giving, Minister?

Senator Conroy—No, that is not the answer I am giving. That is just a verballing of your perspective.

Senator IAN MACDONALD—There was another question, CORP 02: 'What is Mr Gray doing that others do not do?' And the answer is, 'Refer to the previous answer.' Now, is that an answer, Mr Mrdak?

Senator Conroy—Could I just take you, just on a random sample of answers to questions provided by the previous minister, to quite detailed questions and answers, which read along the lines of: 'AMB. See answers to Reg 20. Answer: AMB. See answers to Reg 20. Refer to answer to Regs 42. Details of the approved projects are available on the departmental website.'

Senator IAN MACDONALD—Minister—

Senator Conroy—These are all answers to questions—

Senator IAN MACDONALD—could you answer my questions, please?

Senator Conroy—These are all answers to questions—

Senator IAN MACDONALD—Mr Chairman, can we have the minister answer my questions, and not run off on a frolic of his own?

Senator Conroy—'A copy of the plant design specifications can be found at'—and it lists a website—

CHAIR—I think, in all fairness, Senator Macdonald, the minister is answering your question.

Senator IAN MACDONALD—He is not. He is talking about some questions that were asked ten years ago. I want the answers to my questions asked at the last estimates.

Senator Conroy—The questions are answered. They are in a format you do not like, and I am simply drawing to your attention that it is a standard format that was followed by the previous government.

Senator IAN MACDONALD—'What is Mr Gray doing that others do not do?' An answer to that is not, 'Refer to CORP 01,' which refers to a Prime Minister's media release. It is not an answer.

Senator Conroy—It is an answer; you just do not like it.

Senator IAN MACDONALD—Not even someone as dense as you, Senator Conroy, could assume that that is an answer.

CHAIR—Senator Macdonald, you might wish to review that statement. I do not think it is becoming of this committee.

Senator IAN MACDONALD—No-one as very dense as you, Minister, could fail to understand the difference.

CHAIR—Senator Macdonald, I do not think that is in the spirits of the performance of the Senate.

Senator IAN MACDONALD—Mr Chairman, we are trying to get answers to questions, and all we get is complete non-answers. Now, if the minister cannot understand that that is not an answer to the question, then I am afraid people will make their own assessment of the minister's mental capacity.

CHAIR—Senator Macdonald, in the fairness—I mean, I have also been in your position, in opposition, and it is very, very frustrating, but I do not think you have to cast aspersions upon the minister. I think it is unbecoming of the Senate, it is unbecoming of this committee, and I would ask you to withdraw that comment.

Senator IAN MACDONALD—Minister, do you understand the question?

Senator Conroy—I understand the question.

CHAIR—Hang on. Sorry, Minister. Minister, sorry to interrupt. Senator Macdonald, I am asking you, on behalf of the committee, to retract that statement that you made to the minister. I do not think it is becoming of this committee.

Senator IAN MACDONALD—It may not be becoming of the committee, Mr Chairman, but it is accurate.

CHAIR—That is your opinion, Senator Macdonald, and I am asking you once again, as the chair and a long-term member of this committee, to withdraw that statement.

Senator IAN MACDONALD—Mr Chairman, I cannot see that your ruling is accurate. I will withdraw it, only because I am not a regular member of this committee, and you will have a private meeting with the people here and prevent me from asking the rest of my very important questions. So on that basis, I withdraw it. Senator Conroy, I am sure, does not need your protection, Mr Chairman.

CHAIR—Thank you, Senator Macdonald. I have no intentions of calling a private meeting, because that is just time-wasting in this committee, and I do not take that lightly, if we have to call a private meeting. Thank you, Senator Macdonald.

Senator IAN MACDONALD—Mr Mrdak, if I refer you to question CORP 03, the answer to quite detailed questions was, 'The information is available on the AusTender website.' That may well be, but we are asking you for the answers. We are not asking for you to direct us to a walk around our computers. It is easy for your department, with—how many employees have you got?

Mr Mrdak—Just over 1,000 employees, Senator.

Senator IAN MACDONALD—It is very easy, with your department with 1,000 employees, to actually extract the information, photocopy it and put it in these things. You are aware that senators have a very minimal number of staff, continually cut back by this government. Can you actually take that question again and give me the answer? If it is on an AusTender website—

Senator Conroy—You have been given an answer.

Senator IAN MACDONALD—can you actually extract that for us.

Senator Conroy—You have been given an answer in the same format as the previous government—

Senator IAN MACDONALD—Would you please not interrupt me, Senator Conroy?

CHAIR—Sorry, Minister. I will just encourage you to allow Senator Macdonald to finish his question and then you can answer. Senator Macdonald.

Senator IAN MACDONALD—And, Mr Mrdak, bearing in mind that these answers were not given until 4 February, two months after time, could you take the question again and get the information and make it available to the Senate, as you are required to do? Can you do that for me?

Senator Conroy—I reject utterly your statement, which is not a question, that you have not received an answer. You have received an answer. You simply do not like the format of the answer. I again draw you, Senator Macdonald, to answers to questions that were provided by the previous government to questions which state things like ‘a copy of the plant design and specifications can be found at ...’ and a website address.

As indicated during the 22 May hearing, details of the consortium can be found on their website.

And on and on it goes.

The stage 1 evaluation of the RRP program was not put on the department’s website.

Senator IAN MACDONALD—Point of order, Mr Chairman. Do we have to allow this minister to waste our time by going into past history for no relevance at all? We are here to have our questions answered, not for allowing him to run off at the mouth on things that happened in the dim, dark past.

CHAIR—Senator Macdonald, I take your concerns here, and I would encourage all members of this committee and everyone on the opposite side, for the terms of getting through the program on time, direct questions and direct answers would be very, very helpful. Minister?

Senator Conroy—As I was saying, the questions are being answered in the same format that the previous government answered questions. So I am struggling to understand Senator Macdonald’s performance. He did not seem to have a problem when these answers were supplied in this form.

Senator IAN MACDONALD—Mr Mrdak, I ask you again, can you get some of your thousand staff to actually find the AusTender website and copy the website information and

make it available to members of this committee, as you are required to do under the rules of the Senate.

Senator Conroy—That is just a mislead of the Senate. I repeat: you have an answer. The fact you do not like the answer or the format of the answer is a matter for you. It is not a matter for Mr Mrdak.

Senator IAN MACDONALD—Mr Mrdak, I refer you to answer—and I expect an answer to that question, I might add.

Senator Conroy—No. You have got an answer to it, and I have indicated we are not taking it on notice, and you have an answer. If you would like to ask another question, that is fine.

Senator IAN MACDONALD—This will be a matter for the Senate to determine and, let me tell you, on these sort of things you do not have a majority in the Senate.

Senator Conroy—We do not have a majority in the Senate on any issue.

Senator IAN MACDONALD—Well, you do on many issues with your mates in the Greens, but on these issues the Greens will support us, and there can be repercussions, and I do not make idle threats, Minister. We want answers to our questions. We expect the department to provide them, and the department has an obligation, as an independent public service, to do that. Now, the question, CORP 04, the advertising and marketing since November 2007 and the justification. You said, Mr Mrdak, ‘We do publish those and I will get that information for you.’ And your answer is:

In 2007-08 the department spent \$260,000-odd on paid advertisements promoting the use and availability of Green Vehicle Guide.

Are you telling me that is the only advertising the department actually entered into since November 2007?

Mr Mrdak—Yes, Senator. As we indicated in the answer, that is excluding the normal recruitment and public notices that we provide in relation to information and discussion papers and the like. Where we have undertaken paid advertising, the Green Vehicle Guide, that funding was a former program to advertise and establish the Green Vehicle Guide.

Senator IAN MACDONALD—Can you give me the details of the public notice advertising, which is very often a euphemism for political campaigning by the Labor Party using department’s funds.

Senator Conroy—Are you going to ask a question or are you going to keep commentating?

Senator IAN MACDONALD—Can you give me details of the public notice advertising?

Mr Mrdak—Senator, the government has laid out very extensive guidelines in the definition of the term ‘advertising’ and has put in place guidelines since 2008 which set out a very defined definition and a process for approval of government advertising. I am happy to take on notice the amount of public notices that the department has published, but they are not advertising. They are notices in relation to regulatory changes, or where there are discussion papers and the like, seeking public comment. But I would not in any way characterise them as advertising in accordance with the definitions of the government’s guidelines.

Senator IAN MACDONALD—Thank you, Mr Mrdak, but can I have details on that for 2007-08 and 2008-09, please? Can I update the question on marketing for 2008-09 on just what was spent on public notice advertising as well?

Mr Mrdak—Yes, Senator.

Senator IAN MACDONALD—Mr Mrdak, can I refer you to CORP 12 question, a question asked by my colleague Senator Nash. We are asking for the discretionary grants, and you refer to the grants being published. We actually wanted you to provide them to this committee, and so I again ask could you provide them to this committee?

Senator Conroy—As the answer indicates, they are all available publicly. Perhaps you could ask the parliamentary library to research for you rather than try to use the department to do your research for you.

Senator IAN MACDONALD—Minister, under your government the parliamentary library and all the parliamentary support areas have been cut back in funding. We would like the thousand employees in this department to actually earn their money and provide information to the Senate.

Senator Conroy—As is made clear in the answer, they are published in accordance with Senate order 192. They are published.

Senator IAN MACDONALD—Well, they can be published again for this committee.

Senator Conroy—They are already publicly available.

Senator IAN MACDONALD—This committee has asked for them, and this committee expects the answers to be given, and saying that they have been published is not an answer.

Senator Conroy—You would have some credibility if, when your government was doing the same, giving exactly the same sort of answers, you would have objected then. You did not then, and the information is publicly available, Senator Macdonald.

Senator IAN MACDONALD—Mr Mrdak, how many pot plants in the minister's office?

Mr Mrdak—I am not aware there are any, Senator, but I am happy to take that on notice.

Senator Conroy—We will do a headcount for you.

Senator IAN MACDONALD—Could you take on notice how many pot plants are in the minister's office, what is the cost—

Mr Mrdak—I do not believe there are any, Senator, that are publicly funded, but I will check that.

Senator IAN MACDONALD—Well, that would be unusual.

Senator Conroy—By the department.

Mr Mrdak—By the department. Sorry. I do not believe there any the department has—

Senator IAN MACDONALD—Okay. That would be unusual, and very frugal if that is the case, but could you take on notice are there any pot plants paid for by the department and, if so, can you give us the financial details of those?

Mr Mrdak—As I say, we are very frugal in relation to these matters, Senator.

Senator IAN MACDONALD—Thank you. Can you tell me what the department and the minister's office spend—

Senator Conroy—We know there is a pot plant in your office.

Senator IAN MACDONALD—on hospitality for the year to date, and can you detail the date, location, purpose and cost of those events? And for each minister and parliamentary secretary's office, could you detail the total hospitality spend for the year to date and, again, giving me the detail—date, location, purpose and the cost—of those events?

Mr Mrdak—Certainly, Senator. I think there have been answers provided on notice to those questions.

Senator Conroy—Absolutely. They get tabled every six months. Publicly.

Mr Mrdak—I will check the detail, Senator, of that.

Senator IAN MACDONALD—Okay. Thank you. I would appreciate that. You mentioned before about your rearrangement of staffing. Can you tell me what is the permanent staff recruited since the last estimates and the level of those staff?

Mr Mrdak—I will get that information for you, Senator. It is a relatively small number. The department has been going through a restructure and a reduction in resourcing, as with all Commonwealth agencies, and there would be very few permanent appointments been made. But I will take that on notice.

Senator IAN MACDONALD—Have there actually been cutbacks because of the efficiency dividend?

Mr Mrdak—Yes. The department is subject to the efficiency dividend announced in the mid-year financial review by the government. We are working our way through that in terms of what implications there are for the department in that.

Senator IAN MACDONALD—Can you, either now or on notice, indicate where the staffing has come from; which particular areas?

Mr Mrdak—Thus far, the reductions in resourcing have been met through reductions across our divisions. We are making adjustments. At this stage, we have maintained our staffing levels, overall, at around the point they were towards the end of last year, but clearly we are reviewing future recruitment and we are making savings where we can through other parts of the operation such as supplier expenses.

Senator IAN MACDONALD—So what plans do you have for further staff reductions to meet the efficiency dividend?

Mr Mrdak—I do not have plans for reductions, per se, but within the organisation there are a number of my business divisions which will need to reduce numbers of staff to meet their budget for 2010-11. That is a process we are now going through. We will start our business planning process for 2010-11 very shortly, which will enable me to make some judgments about the allocation of resources across the department. That may result in some of my business divisions having reduced staffing, but that has not yet been finalised.

Senator IAN MACDONALD—Are these rearrangements having any impact on graduate recruitment?

Mr Mrdak—No. I have consciously maintained the level of graduate recruitment. Given the importance of the graduate intake for the future of the department and the APS, this year the department has taken on 29 graduates.

Senator IAN MACDONALD—And is that normal?

Mr Mrdak—That is a little bit above what we have done in the past.

Senator IAN MACDONALD—And what area are they going into—or do they go across the board?

Mr Mrdak—They go across the department. They work right across our business divisions. Each of our business divisions takes on at least one or two graduates.

Senator IAN MACDONALD—Have you received any advice from the minister or the minister's office on how to respond to FOI requests?

Mr Mrdak—The government made a major statement in relation to FOI reform and the expectations of handling FOI last year. Apart from that, I am not aware of any instructions.

Senator IAN MACDONALD—So, as far as you or your staff are aware, there have been no instructions from the minister or the minister's office on how to attend to FOI requests?

Mr Mrdak—No. We handle FOI requests in accordance with the legislation and the government's policy statement last year in relation to the expectation of government agencies in relation to FOI.

Senator IAN MACDONALD—How many FOI requests does the department receive?

Mr Mrdak—At this point in time? I would have to take that on notice. Mr Banham may have that with us.

Mr Banham—Yes, I can give that to you. Since 1 July, we have received 12 requests. Sorry, we had 12 requests on hand at 1 July. We have received 18 requests. Eight were withdrawn after discussion with the department. We have got eight on hand. Fourteen were resolved.

Senator IAN MACDONALD—How many conclusive certificates have been issued in relation to FOI requests?

Mr Banham—None.

Mr Mrdak—None. The government amended the act to remove the provisions for conclusive certificates, and since that time the government has had a clear policy position on that matter.

Senator IAN MACDONALD—Thank you for that. Do you have details of the cost of ministers' travel and expenses of community cabinet meetings, so far as your department is concerned? Do they involve many departmental officials travelling with the minister?

Mr Mrdak—No. Generally, either myself or one of my deputies will accompany the minister at community cabinet, but since my time in the portfolio I think we have had one additional officer attend a community cabinet meeting. But apart from that, no, generally just myself or a senior executive will attend with the minister.

Senator IAN MACDONALD—Could you, on notice, give me details of the costs of travel and otherwise of yourself and whoever else from the department goes? If you have ministerial costs that are paid for by the department, could we have a look at those, too, please?

Mr Mrdak—Certainly. We do not meet any of the ministerial costs. They are met through the normal provisions of ministerial officers by the Department of Finance and Deregulation.

Senator IAN MACDONALD—Thank you for that. Could you let me know what it costs the department. Can you tell me how many reviews are currently being undertaken in the portfolio?

Mr Mrdak—Do you mean in terms of formal process review? We constantly have a range of policy review activities under way.

Senator IAN MACDONALD—Reviews that come down from the minister or from cabinet, not internally initiated reviews.

Mr Mrdak—I suppose there are a number of activities we have under way. Probably the major one at the moment is that the minister has publicly announced that we are undertaking work in relation to future shipping reform policy in the light of the House of Representatives committee and the government's consideration of future shipping policy. That would be the major review we currently have under way.

Senator IAN MACDONALD—Who is conducting the review?

Mr Mrdak—I am reminded—apologies; I should know this because I am the chair of it—that we also have a review of the aviation capacity for the Sydney region, which was one of the initiatives announced under the aviation white paper. Apologies. They are the two major reviews under way.

Senator IAN MACDONALD—So you are in charge of the second one. Do you have outside help—consultants and that sort of thing?

Mr Mrdak—No, that has been a joint process which we and the New South Wales government are supporting. At this stage, it has a steering committee appointed by the minister, but it effectively is being resourced by us and the New South Wales government.

Senator IAN MACDONALD—Who is the steering committee?

Mr Mrdak—It is co-chaired by Mr Sam Haddad, the Director General of New South Wales Planning, and me. It contains Mr Les Wielinga, the head of New South Wales Infrastructure and Transport; Mr Warwick Smith; Dr Warren Mundy; Mr Chris Brown; and there is one additional member, whose name I will come back to.

Senator IAN MACDONALD—That is very good. Perhaps, on notice, you could give me the full list of that and the cost of the review to date—people being paid. I understand that public servant people on it will not be being paid, but what are the costs of that? Have any reviews been completed since last we met in this committee meeting in October?

Mr Mrdak—The major review which has been completed is a major initiative by the government—the aviation white paper—which was released on 16 December.

Senator IAN MACDONALD—I guess we will come onto that as we go through, but can you list for me reviews that have been completed prior to this that have not yet been responded to by the government? Perhaps the answer is nil, but do you understand what I am saying?

Mr Mrdak—I do and I will look at that for you. There is an additional review which I should have mentioned: the Northern Australia Land and Water Taskforce report, which has just recently been issued and which is being managed by our office in Northern Australia. The government is yet to respond to that review.

Senator IAN MACDONALD—Seeing it was only released yesterday—although I appreciate the government have had it for six weeks or more. But we have a lot of questions about that, obviously enough, and we will do that at the appropriate time.

Senator NASH—I am the eternal optimist, but obviously it is failing here. I raise the issue of the committee being referred to websites in answer to questions again. Senator Conroy, I think this is the third or fourth time we have been down this road, and each time you have very kindly offered to pass on the committee's request to the minister that we were not at all happy with being referred to websites in answers to questions. What form did the passing on of our request to the minister take?

Senator Conroy—The minister's office is watching intently and I know that the minister himself, when he has the opportunity, also watches. So he is actually getting it firsthand. He does not even need it to come indirectly—second-hand—from me. I raised a number of issues with both the minister and his office and sought some responses. As I indicated earlier, the minister is following the same pattern that the previous government followed, and I have quoted a number of examples—I am sure there are many more—where senators on this committee were referred to websites for information. So the minister is pointing clearly to this as a standard procedure by the previous government and previous ministers, and he is simply following the same format.

Senator NASH—Where did he make that comment?

Senator Conroy—Sorry?

Senator NASH—Where did he make that comment? Sorry, I might have misunderstood. I thought you said the minister just said that he was following the precedent of previous ministers.

Senator Conroy—No, I am saying to you that the minister has pointed to a number of answers from the previous government, and I am then saying he is following the previous procedure that the previous minister and previous government followed.

Senator NASH—It is not really an appropriate answer, though, is it? It is a bit like saying if the fellow next to me jumped over a cliff and hurt himself, it is okay if I jump over a cliff and hurt myself as well. It is not really a very sensible answer, really. I was just interested, though, in your view that it is being watched. But surely a more formal channel of request would be appropriate and, given your obvious sway within the government, Minister, I would have thought that perhaps a direct request from you to the minister—

Senator Conroy—Flattery will get you many places, but, in this particular instance it may not work.

Senator NASH—It is simply not good enough. This is the third or fourth lot of estimates where we have raised this. Mr Mrdak, you know this is not appropriate, and I am certainly very mindful of the fact that all of this is, of course, cleared by the minister—I am not indicating that the department has been lax in any way.

Mr Mrdak—The government has been very clear in its view that the department should publish information on its website in relation to its programs. The government has made that clear, and there is a great deal of information now available on our website, which has not previously been the case. As you know, with the government's reforms in relation to freedom of information, the government does see the website as something the department should use more and more to publish this type of information. So it is consistent with the government's transparency agenda and the way in which they ask us to release more information on the programs.

Senator Conroy—If I can, again, just demonstrate; this is from this committee at budget estimates May 2007, question regs 32, Senator O'Brien asked:

May the department provide a copy of a breakdown of all regional partnerships and sustainable region projects by electorate?

And the answer was:

Details of approved projects are available on the Department of Transport and Regional Services website.

And then it lists the website.

Senator NASH—Unfortunately, the return to previous ministers' ways of operating is getting a tiny bit boring, and one would have thought you wanted to improve on past practices and not merely maintain practices that you now say were utilised at the time but obviously are not optimum. As before, Mr Mrdak, I understand your discussion around the utilisation of the website for the public and for the department. I entirely agree with that. We are a Senate committee within the parliament and I think deserve the respect, when asking a question, that the department can do more than simply flick us to a website. Given your number of staff—how many staff in your department?

Mr Mrdak—Just over a thousand.

Senator NASH—Just over a thousand staff, and there is not one in that department who can hit 'print' and provide in written form for us the information that this Senate committee requires. I think that is fairly poor. I will ask again. Senator Conroy, perhaps—hopefully, the minister's office is watching, as you indicate—I could ask that next time you pass the minister in a corridor, you could impress upon him the fact that this committee is not impressed at all in the manner they are being dealt with in terms of being sent to websites. Mr Mrdak, perhaps you could have a discussion with the minister, indicating that one of your thousand staff might be quite happy to actually turn the website reflection into some written form for the committee.

Senator Conroy—I assure you, Senator Nash, I will raise these matters again directly with the minister, even if he has been watching as you have been speaking now.

Senator NASH—Thank you very much.

Mr Mrdak—Can I just add; we have put a considerable investment into revamping our website and making it more accessible, and so there is a great deal of information available on the website. I understand your point, but I would draw attention to the fact that the department's website has undergone a significant reconstruction in the last few months to actually provide a great deal more information than has ever been provided previously.

Senator NASH—Thank you. I do appreciate that, but when I am travelling, and I am on a plane and have a wonderful brief, which mostly you do with the answer to questions, it is very easy to read through a folder and it is not as easy to access a website.

CHAIR—I might get the website address from you, because there are four of them on the table here. If you send it to me I will flick it around to help everyone out.

Senator NASH—I will look forward to you doing that with every question that we get back from the department, Chair.

Mr Mrdak—If I might add a clarification where my memory failed me: Senator Macdonald, the additional member of the Sydney aviation capacity steering group is Jennifer Westacott from PricewaterhouseCoopers.

CHAIR—I lost the bet—I wondered how long it would take you to remember that. Well done, Mr Mrdak and thank you to the officials from corporate services I now call Infrastructure Australia.

CHAIR—Mr Deegan, welcome. Do you want to make a very brief opening statement or go straight to questions?

Mr Deegan—No, I am happy to take questions.

Senator WILLIAMS—Mr Deegan, good morning and thank you for your attendance and for getting back to me on a question on notice about the Barraba water supply. Are you familiar with the application for that area, for the town of Barraba?

Mr Deegan—In broad terms.

Senator WILLIAMS—So you cannot remember any specific details about it? Once the application has been lodged for a water scheme from Split Rock Dam, what is the process from there?

Mr Deegan—The process is that we have a team of people that looks at each of the applications that come through and there are three steps. The first step is to check against the themes and decisions of the Infrastructure Australia council about the national significance of a particular project. So we will work through that. The second step is to look at any detailed economic assessment, cost benefit analysis and other work. Then the system that we have devised is to try to make an apples with apples comparison about various projects. We then provide advice to the Infrastructure Australia council, who then make recommendations to the government about which particular projects they would recommend for funding.

Senator WILLIAMS—Do you take into consideration the future planning of the towns? I ask that question because we are seeing the Australian population grow by some 400,000 a year, including 160,000 immigrants. My concern is that we are stacking these people on top of each other in the cities while we have got plenty of room out in the country areas. In towns like Barraba, which could certainly do with an injection of population to help stimulate their local businesses, the two things you desperately need in this modern world are sewerage and water. So would your department consider the future growth of regional areas when looking at these issues?

Mr Deegan—It is very much part of our work and we welcome the submissions. A lot of the submissions are simply project focused, but, where the submissions look at the broader economic aspects, including settlement policy and other issues, they are the sorts of things that we encourage. So that is very much part of our assessment.

Senator WILLIAMS—I am using Barraba as an example.

Mr Deegan—Sure.

Senator WILLIAMS—There are many dry regional areas, especially with the drought from early 2002. I am lucky I live in Inverell, and many years ago they put the water on from Copeton Dam. We have never had water restrictions since. The bit the town takes out from these large dams as a priority for the people is miniscule compared to other uses. Do board members actually travel to the regions like Barraba when they see an application? Do they actually go up and look at the town and talk to the locals, talk to the local council—in this case Tamworth—and actually have a first glance at the proposed project?

Mr Deegan—The process we use is that we try to engage with the proponent, talk further about their applications and the detail and see how that might fit within the broader parameters. The council has a regular program of visiting parts of Australia. It tries to hold meetings in cities other than just Sydney or Melbourne, and it also looks to do regional trips. But with over a thousand applications in the first round, you can imagine that would be an extensive process; but they are very keen to engage in those sorts of issues.

Senator WILLIAMS—How much money is available for those thousand applications? Do you have any rough idea?

Mr Deegan—Last year, I think the Building Australia Fund was fully allocated. My understanding is that there is not a surplus available this year. That will depend on the budget.

Senator WILLIAMS—So what is the budget each year for this?

Mr Deegan—It is based on what surpluses might be available out of the budget. So we will need to wait until the Treasurer provides the budget.

Senator WILLIAMS—But there would be new money coming in each budget year, would it not?

Mr Deegan—That is a matter for Treasury.

Senator WILLIAMS—So last May there was a certain amount stipulated and you are saying that is fully funded now?

Mr Deegan—That is my understanding.

Senator WILLIAMS—In other words, what money the government put in the tin last May has all been taken out?

Mr Deegan—That is my understanding.

Senator WILLIAMS—And so you will have to wait until this May budget for another filling up of the tin, if I can put it that way?

Mr Deegan—We are not sure that the range will be all that appropriate. But we provide advice about the pipeline of projects into the future, because there are opportunities for different levels of government and, indeed, the private sector to invest in a range of the projects that we are looking at.

Senator WILLIAMS—Speaking of different levels of government, if we were to say look at a water program supply such as Barraba or any other regional town, is it the usual case that the state government gets involved in it as well?

Mr Deegan—Quite often, indeed.

Senator WILLIAMS—Yes, so a joint venture and funding basically.

Mr Deegan—Yes, we are trying to work at a collaborative level with local and state governments.

Senator WILLIAMS—Yes. So that application with Barraba, could we say it has just been acknowledged and it is basically on ice now awaiting for more funding, hopefully, in the May budget?

Mr Deegan—Again, we are reviewing all of the projects that came to us. We keep up to date. If there is any more information and new information, we have a list of projects that the council can consider and then give advice to the government.

Senator WILLIAMS—How much was that bucket of money in last year's budget for this?

Mr Deegan—I would have to check.

Senator WILLIAMS—Five hundred million dollars, was it?

Mr Deegan—No, it was \$7 billion-odd.

Senator WILLIAMS—And Barraba has missed out on the money from last year, obviously, in the budget, that is taken up. Would they be considered after next May's budget, if you get a new lot of funding and, hopefully, you will for this infrastructure? If they are being rejected now because there is no money, for example, after the May budget this year if there are more funds, will they then be reconsidered?

Mr Deegan—All the projects are under continual assessment, Senator.

Senator WILLIAMS—All right. And that continues. Good. Is there a priority list of projects? When you get the applications do you put them in priority?

Mr Deegan—Yes, Senator, we provided two reports to the government and then in turn to COAG and both are publicly available, a report in December 2008 and a report in May 2009, which is included with the budget papers.

Senator WILLIAMS—Do you know offhand what priority Barraba has been given?

Mr Deegan—Offhand I do not, Senator.

Senator WILLIAMS—I will be able to find out in those reports, will I?

Mr Deegan—It will list the projects that have received priority attention.

Senator WILLIAMS—Yes.

Mr Deegan—A number of the projects often did not include sufficient information. We have gone back to a lot of proponents seeking more information.

Senator WILLIAMS—The reason I have been questioning you about Barraba is that it is not all that far from Split Rock Dam. The New England north-west area is a growing region and if they just have a couple of hot, dry days, they are in trouble. It is really is a desperate situation. It is a big productive area. It is a big agricultural area. It contributes a lot to our nation and I would hope that some time in the near future it will get the tick and this program can proceed. Because, of course, the longer we leave it the more expensive it is going to be.

Mr Deegan—Yes.

Senator WILLIAMS—Just on general issues, national urban policies, the Major Cities Unit was developed in the national urban policy and according to the 2009 October estimates you hoped to have it completed by the end of 2009. Yet the department's annual report says the policy will be completed in 2009-10. Is that policy completed?

Mr Deegan—Work is continuing, Senator.

Senator WILLIAMS—So it is not completed as yet. When will it be completed?

Mr Deegan—Later this year, Senator.

Senator WILLIAMS—Later this year. Can you be a little bit more definite?

Mr Deegan—We have had a lot of feedback from a whole range of interested groups and parties and it has taken longer than we originally anticipated.

Senator WILLIAMS—Yes. The department's annual report states that focus group sessions were conducted across the major cities and a research roundtable was held in June 2009. Did the unit staff attend these events?

Mr Deegan—Yes, they did, Senator.

Senator WILLIAMS—What were the costs associated with these events? Example, travel, accommodation, catering, venue hire et cetera. Have you got any idea of that?

Mr Deegan—I will take that on notice, Senator.

Senator WILLIAMS—Thank you. And what cities were visited?

Mr Deegan—Again, I will take that on notice. It certainly would have been all the major capital cities. There will be others. I will check that for you.

Senator WILLIAMS—Any regional cities?

Mr Deegan—I will check that for you, Senator.

Senator WILLIAMS—You are not sure if they went—

Mr Deegan—I just do not have that off the top of my head.

Senator WILLIAMS—Right. I hope they did go to some regional cities. Those people are important as well.

Mr Deegan—Indeed.

Senator WILLIAMS—And what were the outcomes of these events? Were the outcomes published?

Mr Deegan—There is some internal work in developing the policy that we have referred to from comments made by a whole host of people. We have also consulted a whole range of industry groups, farmers federation, a whole host of people about the sorts of issues that will impact on the cities.

Senator WILLIAMS—So who attended these events; members of the public industry representatives, people like that?

Mr Deegan—That is right, normal consultative process.

Senator WILLIAMS—What is the annual budget of the unit?

Mr Deegan—The Major Cities Unit?

Senator WILLIAMS—Yes.

Mr Deegan—There is a budget of \$1 million per annum.

Senator WILLIAMS—Is that enough? It is probably never enough—silly question.

Mr Deegan—Thank you, Senator.

Senator WILLIAMS—Senator Conroy is not interjecting or pinning my ears back, so we will move on. According to the May 2009 estimates the unit has an annual budget of \$1 million. We have been into that. What is the breakdown of this? How much were wages, administration, et cetera? Do you know that?

Mr Deegan—I will get that for you. There are four staff engaged and I will get the breakdown for you.

Senator WILLIAMS—Good. And you have previously mentioned that 16 staff are shared between Infrastructure Australia and the Major Cities Unit and that the unit has four staff. Is this still the case?

Mr Deegan—Yes, Senator.

Senator WILLIAMS—Yes. Are these three staff managing with the unit's workload? Are they coping okay?

Mr Deegan—Yes, Senator.

Senator WILLIAMS—Good.

Mr Deegan—We have also been blessed by the allocation of a staff member from the capital city lord mayors, who is seconded as senior economist to the unit as well.

Senator WILLIAMS—All right. And you previously pointed out the four streams of work that the unit undertakes, governance and policy, engagement and consultation, research, benchmarking and best practice and pastoral project funding programs, what has the unit done under each of these four streams during the 2009-10 financial year?

Mr Deegan—Again, the process of consultation across each of those areas, dealing with a whole range of industry and community groups, meeting with state and local governments, a very extensive program of understanding the sorts of needs and issues affecting our cities.

Senator WILLIAMS—Right. Senator Nash, do you have any questions in relation to Mr Deegan?

Senator NASH—I do, thanks, Senator.

Senator WILLIAMS—Can I handball the ball to you?

Senator NASH—Thank you.

Senator O'BRIEN—It is the wrong state for rules, Senator.

Senator WILLIAMS—I grew up in South Australia and played Aussie rules in my younger life before I got old and crippled, Senator O'Brien.

Senator NASH—Thanks, Senator Williams.

Senator O'BRIEN—I am glad to hear it. There is hope for you yet.

Senator WILLIAMS—I played proper football and we were world champions at it, by the way.

Senator HUTCHINS—But you are so small.

CHAIR—So much for the frivolity. I am very keen to keep it going, but for the purposes of timing, Senator Nash.

Senator NASH—Thank you very much, chair. Mr Mrdak, we had some discussion last estimates around the actual building that the Major Cities Unit resided in and the floor space and the actual location. One of the questions you very kindly took on notice for me was I was interested to know what analysis the department undertook to determine what would be the average cost of floor space for a similar type of accommodation. We were just trying to ascertain where that building fit in with the level of, I guess, A to D and in terms of where it fitted in Sydney. And your response on the *Hansard* you said:

... my understanding is the department did do an analysis. I do not have that here, but I am happy to take that on notice to determine the analysis that was undertaken ...

So thank you for that. The answer, in all its glory, was:

The department undertook a thorough analysis in determining which of the available properties represented the best value for money to the government.

Now, having undertaken to answer the question, I understood in good faith, to give the committee some detail around what comparative analysis was done in terms of the value for money that was being provided by taking up that particular location, I would have expected rather more than one word of 'thorough' to come back to the committee. Can you, perhaps, enlighten us now about what the analysis was that was undertaken?

Mr Mrdak—Certainly, Senator. I might ask Mr Banham, if I can, who is the head of our corporate division, if I can grab him. Otherwise, Senator, yes, my understanding is the department did do a benchmarking exercise. It engaged external advice, did benchmarking against equivalent rentals in that location and established the benchmark rate for the building.

My understanding at the time was the building represented good value for money based on rental, but also because it contained fit-out from the previous tenants which enabled us to, effectively, move straight in without any fit-out costs required. I might defer to Mr Banham, if I can, Senator, who undertook that work for the department.

Mr Banham—I am not sure what Mr Mrdak has said. We engaged a united group. They are our property managers with the department. We gave them some criteria, basically the number of people at that location.

Senator NASH—How many staff are at that location?

Mr Mrdak—Seventeen, Senator.

Mr Banham—And they did an assessment of the market at that time, so that would be January 2008. It took them about four to six weeks. They came back with three recommendations and after doing an analysis, this was our preferred option.

Senator NASH—What were the other two options?

Mr Banham—In terms of address?

Senator NASH—You just said you were given three options, I think, by United. Did you say United?

Mr Banham—That is correct.

Senator NASH—So what were the other two and why did you discount those and choose this location in the Deutsche Bank building?

Mr Banham—One was slightly further down Phillip Street and one was in George Street. We initially went into negotiations with another one in Phillip Street. We were not able to get a satisfactory result because the terms of the lease basically precluded us from using it. The George Street one was considered too short a lease.

Senator NASH—Sorry; what were the terms of the lease that precluded you from using it?

Mr Banham—Essentially, they did not allow government tenants.

Senator NASH—Can I ask why United would have bowled that one up to you in the first place?

Mr Banham—We were not aware of this until we entered into negotiations.

Senator NASH—That is quite curious, isn't it? I am sure there is a reason for it, but why would a particular property—

Mr Banham—We did not find the answer to that.

Senator NASH—All government tenants?

Mr Banham—I think so.

Senator NASH—And the other one?

Mr Banham—The George Street one was only for about two years and there was no guaranteed extension. The Deutsche Bank building was the correct price, but the main thing for the Deutsche Bank building was that we could walk in there and essentially use the

complete fit-out. We think it would have saved us the best part of \$1 million. It is very expensive to do fit-out in the CBD area.

Senator NASH—What sort of fit-out do you need for an office building?

Mr Banham—We wanted a boardroom—

Senator NASH—It is not as if you are putting in a gym. Sorry, go on.

Mr Banham—Basically, accommodation fit-out to suit our purposes and which meets our criteria for staff.

Senator NASH—Okay. Would there be anything unusual, though, in the fit-out that you require? It would be a fairly standard sort of office plan type?

Mr Banham—Fairly standard, although we were looking for boardroom/meeting room facilities as well.

Senator NASH—And that was obviously included in it. Thank you for that. Can we just go to something else. I asked Mr Deegan some questions about this last time as well, and you kindly came back—thank you—on the question of how much per square metre the rental was. The answer coming back is that the cost per square metre is \$1,299. It does not indicate to the committee, though, what time frame that is. Is that over a year, six months, a quarter or a week?

Mr Banham—That is annual, per square metre.

Senator NASH—That is annual? All right. And what is the actual size of the floor space? How many square metres?

Mr Banham—I do not have that information to hand—

Senator NASH—I will ask you an easier question: what is the total annual cost, then, of that \$1,299 extrapolated out across the floor space?

Mr Banham—Ex GST, about \$950,000.

Senator NASH—Has the department occupied premises in Sydney before?

Mr Banham—We have offices at Rosebery.

Senator NASH—And what is the cost per square metre out there?

Mr Banham—I do not have that information. I can get that to you, Senator.

Senator NASH—If you could take that, as well, and the—

Mr Banham—But it is a very different level of accommodation.

Senator NASH—True, which leads me to the questions we had last time, which I just wanted to pursue again, because I do not think we got a very clear response from the department. The response was that the reason for spending nearly \$1 million a year in rental was so that the government could send, as Mr Deegan said, a clear message about their engagement with the cities. I just would like a bit more clarity—I suppose for the taxpayers that are footing the bill of nearly \$1 million for the 17 staff to have the harbour views in a very nice location—on why it is necessary to spend \$1 million for this ‘clear message’. I think

it is nearly \$1 million. We need a greater explanation of what the clear message the government wanted to send is.

Senator Conroy—I think you have had an answer to that, Senator Nash.

Senator NASH—No, I did not, Minister, actually. That is why I am raising it again. We had a quite roundabout, lengthy discussion last time and I think we might have run out of time, but there was no clarity in what that clear message was. I think there was an indication from Mr Deegan about having to deal with private enterprise, so the government wanted to send a clear message. But I think Senator Abetz was here at the time, and he also had the same lack of clarity—

Senator Conroy—Was he cutting across your questioning, as usual?

Senator NASH—No, he was adding a significant contribution to the questioning at the time, thank you, Minister. So perhaps, Mr Mrdak, the taxpayers could have a bit more of an explanation about what the clear message is that the government is spending \$1 million to send.

Mr Mrdak—Certainly. As the minister has outlined and Mr Deegan explained at the last hearing of the committee, the government, in forming Infrastructure Australia, has a very senior group of expert people in the Infrastructure Australia council. That group comes from a broad range of private and public sector experience in relation to infrastructure provision and the organisation. The Office of the Infrastructure Coordinator, which Mr Deegan heads, provides support to that team. The government made a conscious decision to locate Infrastructure Australia in Sydney, where a number of Australians work at financial institutions and—

Senator NASH—Sorry. If I can just pull you up there, Mr Mrdak, I do not have an issue at all with locating it in Sydney. It was the exact location in Sydney that we are trying to understand that the clear message came from.

Mr Mrdak—I think being located in the Sydney business district obviously has access availability benefits for Mr Deegan and his staff and for the council members, two senior people in the Australian finance and construction industry. It was also important to enable that to take place. Hence, as Mr Banham has indicated, the department sought a location which provided that level of access and accommodation for the council, and that was the site that was brought to our attention as providing the best value for money.

Senator NASH—Can you indicate to the committee, though: would Infrastructure Australia not be able to do the same work that it is doing now if it were located in, say, Sussex Street?

Mr Mrdak—As Mr Banham—

Senator NASH—What would be—

Senator Conroy—Surely you would not want me to move into the AFP building? I am sure that is not what you mean. Then you would have some real questions to ask.

Senator NASH—I certainly did not mean that at all. I was merely trying to use Sussex Street as, perhaps, an example of utilisation of the western corridor in Sydney.

Mr Mrdak—Senator, I think Mr Banham has outlined that when the department set out to find accommodation in the Sydney business district there were three options that were put to us by our property advisers at that time. In the period in which we were establishing Infrastructure Australia, before Mr Deegan's appointment, the department was offered three locations. It settled on a location which our advice and our understanding of the market indicated was the right location. As Mr Banham has indicated, at that time we had a range of properties in the CBD which met our requirements being offered to us.

Senator NASH—Except the one that did not want the government.

Mr Mrdak—Except the one that did not want the government.

Senator NASH—What criteria did you give United to send them on this search for premises for you?

Mr Mrdak—I think, as Mr Banham has outlined, we were looking for an accommodation space for staffing around the current level and significant conference boardroom facilities in which the council could meet and also for them to be able to undertake the meetings that they do with relevant stakeholders.

Senator NASH—In our discussion last time, I asked Mr Deegan:

Is the taxpayer paying what you would call average rental for the floor space in that building when it comes to city average costs?

I think taxpayers would be very keen to know that it was an average taxpayer and there was not, obviously, nearly \$1 million being spent when a rather lesser amount could, perhaps, be spent for the same outcome. Mr Deegan said, 'I can provide you with the detail.' Why did the department choose not to answer that question?

Mr Mrdak—Well, we have provided the detail in terms of the rental rate.

Senator NASH—No. I specifically asked: is it what you would call average rental for the floor space when it comes to city average costs?

Mr Mrdak—I think Mr Banham has indicated that the advice to us is that it represents very good value—in fact, better than the quotes that were available—

Senator NASH—No, I am not talking about value. In terms of value for money, you would have factored in, surely, the cost of the fit-out and everything else.

Mr Mrdak—That is right.

Senator NASH—I specifically asked how that related to average costs in that particular part of the city, and you chose not to answer it.

Mr Banham—The three bids were within five per cent of each other. The average of the three bids was \$1,233.

Senator NASH—I am not all that interested in just the three bids. I think I was indicating a rather broader look at what the average cost was across the city. I am just trying to get a benchmark. I understand what you are saying about the three bids. I certainly take that on board—

Senator Conroy—They may not have that information.

Senator NASH—But they did undertake to provide that detail, Minister, and chose not to; that is the point.

Senator Conroy—It may not have been easily available.

Senator NASH—Then I would have expected them to come back and say that they could not acquire the information.

Mr Mrdak—My understanding—and Mr Banham may correct me—is that, at the time the department was looking for that site, that represented around the average available in that city's CBD.

Senator NASH—All right. Thank you. When was the contract signed?

Mr Banham—The contract was signed, probably, in about April 2008. We commenced the process in January 2008.

Senator NASH—How long is the term of the lease?

Mr Banham—Seven years.

Senator ABETZ—What is the uplift factor in the seven-year contract lease per annum? Is it CPI or a centenary house type lease, nine per cent per annum irrespective of CPI?

Mr Banham—My understanding is it is four per cent. I will get back and correct myself—

Senator ABETZ—Irrespective of market movements?

Mr Banham—There would be a rent review midway through the lease, which would adjust things if the market has moved.

Senator ABETZ—Please let us know what the annual increase is and when the rent review is to take place. Minister, I now take you to two questions that were taken on notice. One is IA 09, where I asked:

Minister, will the government provide to the Australian people the modelling and analysis of each project that we are told does exist?

You said:

... happy to take it on notice ...

Then I got a wonderful answer which the portfolio minister loves, which just refers to the website. The answer tells me:

The Infrastructure Australia's methodology is publicly available on the Infrastructure Australia website.

Yes, we know that, but is it available for each project, as I asked?

Senator Conroy—I know you have been busy in another committee, so you probably have not had a chance to catch up. We have had quite a lengthy discussion with Senator Macdonald and Senator Nash about the answers. I indicated that the minister had pointed to a procedure that the previous government followed, whereby it gave answers to questions along the lines of, 'Details of approved projects are available on the Department of Transport Regional Services website,' with the web address. So the minister is following the procedure and practice set by the previous government. I am sure you yourself were never guilty of such an answer when you were minister.

Senator ABETZ—In fact I was not.

Senator Conroy—I accept that, but the previous Minister for Transport and Regional Services established a procedure that the current minister is simply following.

Senator ABETZ—Are you telling me that the modelling and analysis of each project is in fact available on the website? Mr Mrdak, is that the case or not?

Senator Conroy—There is a range of confidential information that would be revealed to give each individual project in terms of the details that you have sought. I know that you have used commercial-in-confidence as a reason for not producing information. Of that I am absolutely sure. In terms of the methodology and the way these projects have been considered, that is available on the website. In terms of individual information that—

Senator ABETZ—If I may interrupt, that is the general methodology.

Senator Conroy—The general methodology would be the specific methodology too.

Senator ABETZ—No, it would not.

Senator Conroy—There are two parts to the answer. The first is that the general methodology, which is the specific methodology, is publicly available. Other information of the detail and nature you are seeking is not available. There is a range of commercial issues and commercial in-confidence issues that preclude us from making that available.

Senator ABETZ—Is anybody at the table able to tell me why that answer could not have been provided by the minister, instead of this nonsense when I ask about each project? The average punter reading this would actually believe that it is all there on the website for people to read. Some of us then go and have a look at the website and say: ‘What am I missing? Why can’t I find it?’ Then you have to reread the question and the answer. I have asked about each project and I read it is ‘publicly available’ on the website, so I go and have a look to find it is not there. Then I realise it is Infrastructure Australia’s methodology, not the methodology for each project.

This minister has now a record unsurpassed by any other minister. He even surpasses Senator Carr for obfuscation in answering. It is not a good look for the government. Senator Conroy, in the light of Mr Kaiser’s appointment, you would be very interested in remembering that you had a *Restoring trust and integrity* policy at the last election. How nauseating does that sound when you now look at what they have done? I had occasion to read that policy the other night and on page 1 we were told:

... a pro-disclosure culture is a key component of the architecture of a healthy, vibrant democracy.

It sounds great in words but we do not see it in action, especially in this portfolio.

Senator Conroy—Do you have a question?

Senator ABETZ—Yes. You are now saying to us that modelling and analysis of each project does exist, but we are not allowed to see it. Is that the answer in short—because of commercial-in-confidence considerations?

Mr Mrdak—Individual project appraisals are not available for the projects that the Infrastructure Australia council considered last year.

Senator ABETZ—So it is not publicly available on the Infrastructure Australia website.

Mr Mrdak—That is correct.

Senator ABETZ—I then take you to question No. 11 and I asked:

What were the costs of developing the national public-private partnership policy?

I was told by Mr Deegan:

I will take that on notice. It would be part of our workload, but I will get that to you.

So we knew exactly what the question was: what were the costs? ‘I will get that to you,’ Mr Deegan promised. The answer was:

The National Public Private Partnership Policy and Guidelines were jointly prepared by the Commonwealth and State government agencies, with some private sector involvement.

Well whack-a-do! We knew all that before. The question was: what were the costs? I ask: what were the costs? Mr Deegan said, ‘I will get that to you.’ How is this answer responsive to the question asked? Is this also part of this pro-disclosure culture we were so nauseatingly lectured about in 2007? Who can tell me the costs?

Senator Conroy—We will see if there is any further information that we can find for you during the course of the morning.

Senator ABETZ—Is there a reason why these questions are not being answered?

Senator Conroy—As I said, we will seek some further information for you during the course of the morning.

Senator ABETZ—Yes, in relation to that specific one, and I thank you for that. But why is there this culture of obfuscation, especially in this portfolio area?

Senator Conroy—That is a matter of opinion you are asking people to comment on. Do you have any specific questions about the departmental estimates?

Senator ABETZ—I have and they are the costs, something that most estimates are about. Then I am told, ‘I will get that to you.’

Senator Conroy—No, I said we will see if there is any further information during the course of the morning.

Senator ABETZ—Mr Deegan, are you able to tell us about the costs?

Senator Conroy—I have said we will see if there is any further information available.

Senator ABETZ—And I am asking whether that information happens to be available at the table. If it is available at the table why can’t we be told now? If it is not available I accept that. But let us explore whether the evidence is actually ready to be given.

Senator Conroy—We will seek, during the course of the morning, if there is any more information that we are able to get for you, Senator Abetz.

Senator ABETZ—It puts Mr Deegan, I think, in a very invidious position because he says on the public record that he will get that information to me, in the *Hansard*, but, of course, Mr Deegan does not control the answer that I am actually provided because it goes through Mr Albanese’s office. I would assume, and this is just an assumption on my part, that Mr Deegan would not have made that promise lightly and may well have information available, but

whoever the smart Alec is—no, I withdraw that—whatever the person is in Mr Albanese's office thinks it is clever to provide these nonresponsive answers. The problem is: people that then read this assume that it may well be Mr Deegan's answer to something that he promised to provide and then does not provide. It puts Mr Deegan, I think, in a very unfair and invidious position.

Senator Conroy—As I said, we are chasing up some further information for you as we speak, Senator Abetz.

Senator ABETZ—I live in hope, don't I? If—not when—that information comes to hand, if the secretariat could be so kind as to let me know because then I will try to get here because I am in another committee as well.

Senator Conroy—We will keep you posted.

Senator ABETZ—Thank you very much.

CHAIR—Senator Nash, did you finish your questions?

Senator NASH—No, I have still got some more. If others have, I am happy to—

CHAIR—Senator Back, do you have any questions for Infrastructure Australia?

Senator BACK—No.

CHAIR—We have exactly eight minutes left before the morning tea break. Senator Nash.

Senator NASH—Thank you very much, Chair. If I can just refer to a speech that Minister Albanese gave at the Infrastructure and Investment Conference last year. He said, and I will quote:

So we have the knowledge, the technology, the options, the willingness to debate them, and the means necessary to make a difference. All we lack is the right leadership from government and business.

So does that mean, if things are not getting done in infrastructure, it is a result of bad leadership by the government?

Senator Conroy—Sorry, Senator Nash. I was just chasing up that matter.

Senator NASH—I will try again. Did you want to finish, or are you good?

Senator Conroy—No, it is okay. If you could repeat the question, Senator Nash.

Senator NASH—Minister Albanese recently, in a speech to the Infrastructure and Investment Conference, cited that the only public policy problem was the right leadership. He said:

So we have the knowledge, the technology, the options, the willingness to debate them, and the means necessary to make a difference. All we lack is the right leadership from government and business.

Does that mean, if things are not getting done in infrastructure, it is a result of bad leadership by government, or what did he mean?

Senator Conroy—I think he was referring to the past government. In fact, I am confident he was referring to the lack of leadership in this area, which was highlighted on 18 separate occasions by the Reserve Bank of Australia, the lack of attention to the infrastructure this country desperately needed.

Senator NASH—I do not think you are actually correct, Minister. He says:

Our disparate decision-making processes are producing sub-optimal planning, land use and settlement patterns.

Senator Conroy—I am sure he was referring to the previous government. When you take the choice between doing a port or doing Tumby Creek, the previous government took Tumby Creek, which, as you would know, I am sure, Senator Nash, actually in a bit of rain washed out and was not even needed.

Senator NASH—I have told you before, Minister, do not start me on that argument, because I will win and you know it. I must say, I am not convinced by the reference to the other argument, but I am sure you are not going to say that it is bad leadership by the government. Can I also take you to, the minister said, in an address to Partnerships 09 Infrastructure and Investment Conference on 7 August in 2009 that:

Implementation of the Regional Development Australia network will empower regional communities and ensure that the benefits of economic growth are shared across our vast nation.

Would you say that the regional communities are now fully empowered and how would you measure it?

Mr Mrdak—Certainly, Senator. The Regional Development Australia network is now operational and that has been a significant reform process of bringing together the Commonwealth and state processes in regional development. That network is now up and running, essentially, and the work of the RDAs is underway.

Senator NASH—How does it empower regional communities? What does that actually mean?

Mr Mrdak—I think the minister was referring to the fact that the combination of the RDAs and the strength and role of local government in regional forums like RDAs has given a greater capacity for regional leaders to undertake the sort of planning and advice to government that the government has been seeking.

Senator NASH—How do you measure that? It is a very genuine question. I understand what you are saying about that. I live in a regional area. I know what it is like and it is about having the ability to have those local leaders and regional people have that input, but how do you, as the head of a department, measure whether or not those projects are actually appropriate and being successful?

Mr Mrdak—I think, as you know, it is very difficult to quantify some of these areas. Certainly, in relation to the contact that the government has provided for local government and RDAs through both the local government forum and the RDA meetings that are taking place, it has provided a heightened level of access to government and senior ministers than has happened for some time for both local government and regional representatives. Certainly, we have seen that the impact of the government rollout of a number of community infrastructure projects has been a very positive impact on communities in relation to both investment and community facilities.

Senator NASH—Can I just go back to the Major Cities Unit as well and just around the position of Mr Deegan. How long is your term?

Mr Deegan—Five years.

Senator NASH—The remuneration per year?

Mr Deegan—Per year is available in the Remuneration Tribunal decision. I do not know the figure off the top of my head. It is in the order of a total remuneration package of about \$270,000.

Senator NASH—In the minister's release of June 2008, it says that the infrastructure coordinator, you:

... is charged with working closely with the 12 highly distinguished Australians serving as its inaugural members.

Can you just outline for the committee, perhaps, how often you meet with those 12 members, what the process is, agendas; what is the actual interaction between you and the members and what are the outcomes of those meetings?

Mr Deegan—Sure. The council meets on a regular basis.

Senator NASH—When you say 'regular', how often is that, Mr Deegan?

Mr Deegan—Well, it is dependent, in the first 12 months, there were a series of meetings every fortnight, then on a monthly basis. We are currently meeting, formally, on a two-monthly basis. Again, it depends on the sorts of issues that are coming through. The council has produced a series of papers that have been made public both to the government and, of course, to the community. Major documents produced in December 2008 were just their initial report to the Council of Australian Governments on infrastructure audits and a host of issues that they felt the government and community should consider, and then a major report released in the May 2009 budget that also provided advice about the prioritisation of infrastructure projects.

There is considerable interaction with each of the council members on a range of issues. We are dealing, as our annual report indicated, on ports, freight, water policy, energy policy, infrastructure in a broad sense, the application, potentially, of superannuation funds to further infrastructure funding, and a host of other associated areas. A lot of our work is on transport issues to do with the funding of infrastructure and the demand for further and further investment in that area.

Senator NASH—What are the terms for the members?

Mr Deegan—Three years. The members of the Infrastructure Australia council are engaged in the process for three years.

Senator NASH—What is the process of appointment for them?

Mr Deegan—Recommendations, as I understand, from the department, with a determination by the minister.

Senator NASH—How do you find these people, Mr Mrdak?

Mr Mrdak—The government put together a council with a blend of representation from the private sector and also the representatives from the state governments. There are three representatives who are state representatives, so there is a process that was developed by the

government and the states and territories as part of the reform agenda around the formation of Infrastructure Australia, headed by Sir Rod Eddington.

Senator NASH—Do they apply, or are they identified and asked to come forward?

Mr Mrdak—They are identified through a process between the Commonwealth and the states and territories.

Senator NASH—What is that process? How do they identify these people in the initial stages?

Mr Mrdak—It was identified through a process of ministerial discussions and advice from the department in relation to potentially suitable people who would meet the government's requirements.

Senator NASH—So these people are charged with the knowledge of identifying appropriate people?

Mr Mrdak—Certainly, as normally happens, the department would provide advice, as Mr Deegan has indicated, but consultations are also undertaken. This is part of the government's infrastructure planning reform agenda with the states and territories, and so discussions took place with the states and territories at ministerial and officer level in relation to suitable people who would be nominated for the council. The government made its decision.

Senator NASH—I am trying to drill down into where they come from. Is it a state minister who happens to know somebody they think might be good? Is that initial identification just a case of somebody knowing somebody who they think might be good on this board or is it more formal than that?

Mr Mrdak—No, I think it was a relatively targeted process. We were looking for people who had particular skills and expertise. Also, as I have indicated, there are representatives from state governments on the council. There are representatives from senior Commonwealth agencies on the council. So there is a blend of skill sets which were put together as part of the formation of the council, headed by Sir Rod Eddington.

Senator NASH—Thank you, Mr Mrdak.

CHAIR—Thank you very much.

Proceedings suspended from 10.31 am to 10.46 am

CHAIR—Welcome back, Senator Nash.

Senator NASH—What is the 2009-10 budget for the Office of Infrastructure Coordination?

Mr Deegan—Per annum, \$6.5 million for the Office of Infrastructure Coordination and \$1 million for the Major Cities Unit.

Senator NASH—The 2008-09 PBS said that the department would provide staff from 2008-09 to assist you. Is it 17 staff including you?

Mr Deegan—It is 16 staff, plus one secondee who is paid for the capital city lord mayors.

Senator NASH—And what is the overall cost of those 16 staff?

Mr Deegan—I will get that for you.

Senator NASH—Could you take that on notice for me?

Mr Deegan—Yes.

Senator NASH—Thank you. Can you give us an idea of their roles?

Mr Deegan—Sure. We have a number of band 2 officers, one of whom is responsible primarily for the work we are doing in attracting and engaging private sector funding into infrastructure—public/private sector partnerships, potential further application to superannuation funds and a host of areas to do with project delivery. This is a fellow with a broad experience in delivering projects, and a part of our assessment is that work. We have another band 2 officer who deals primarily with the process for prioritisation of the projects that we are looking at, plus some long-term infrastructure planning and thinking across the nation in the four sectors that we are dealing with, but primary focus in transport with some particular work going on in water. We have a band 2 officer dealing with the Major Cities Unit, and two band 1 officers underneath them.

Senator NASH—How long have they been appointed?

Mr Deegan—I was appointed 1 July 2008, and we have been engaged in a merit selection process.

Senator NASH—To accommodate my Senate colleague here, I will pass to him, and I will come back.

CHAIR—Senator Macdonald.

Senator IAN MACDONALD—Thank you, Mr Chair, and thank you to Senator Nash. I just have a 15-minute break from the other committee I am involved in. I have a few local issues. In regard to question number IA 03, you said, ‘Submissions regarding the port of Townsville eastern access rail corridor project were received by Infrastructure Australia in response to a call for public submissions. Responses to these submissions were provided on 21 January 2009.’ To whom did those responses go, and are those responses publicly available?

Mr Deegan—The responses went to the proponent, so whichever organisation had identified an officer responsible for that. A response would have gone back to the proponent. It was an acknowledgement that we had received their application. We subsequently generally offered people who wanted to provide us further information that opportunity, and that offer is still open.

Senator IAN MACDONALD—Are you aware of the proposal for a major road corridor to the south of Cairns, a duplication of the existing four-lane highway? Has that come TO your notice?

Mr Mrdak—Part of the government’s Nation Building Program includes a significant enhancement of the southern access to Cairns through the Edmonton area.

Senator IAN MACDONALD—That does not go through Infrastructure Australia?

Mr Mrdak—No, Senator. That is a part of the government's commitments in the Nation Building Program, and funding for those words are programmed in this five-year Nation Building Program.

Senator IAN MACDONALD—Mr Mrdak, you are aware that there is considerable controversy in Cairns about the design and the plans. There is a body of local opinion that believes the road should be split and there should be two separate roads in for safety, defence, national emergency and also to stop huge numbers of resumptions of businesses and houses along the way in the route being proposed by the Queensland government. Is the federal government aware of that controversy?

Mr Mrdak—I am certainly aware of the local—some elements of community concern there. I am not totally familiar with it, but we are certainly aware of that. I will check with my officers when the Nation Building Program comes on from the committee's consideration, and I will be able to provide you some more information. My understanding is that the process is still underway, and Queensland is still seeking views on the preferred route and settling that. So we are still some time off that, but I will check that information when we come back to you.

Senator IAN MACDONALD—I should come back to it then, but does the Commonwealth have any power when it comes to actual location, or do you just have to go along with the state government building authority and just fund whatever they propose?

Mr Mrdak—Certainly, the Commonwealth engages. Clearly, it is Queensland's responsibility to undertake those processes, as you know. But certainly the Commonwealth has, in the past, on projects, raised questions and issues and become involved in certain elements. I am not as familiar with the current circumstances as to whether the Commonwealth would do that on this occasion.

Senator IAN MACDONALD—Back to Mr Deegan, and this is in respect to answer IA 07 about the Abbott Point multi-cargo project. It took until last week to give me an answer that said:

Information regarding this project is on the Queensland Department of Infrastructure and Planning website and the North Queensland Bulk Ports Corporation website.

Why did it take that long to get that revealing piece of information to me?

Mr Deegan—I think the minister has indicated to the committee previously an answer generally about the timing of responses.

Senator IAN MACDONALD—So, again, you provided the answer in a timely fashion, but we have only just got it recently through circumstances beyond your control?

Mr Deegan—The minister would be able to better respond to that.

Senator IAN MACDONALD—Will Clive Palmer's announcement of a \$70 billion injection from the Chinese government help this project along? Are you familiar with that proposal—\$70 billion going into this project?

Mr Deegan—We saw that at the weekend, and there is clearly a huge interest in how that is played out, and we are seeking discussions with the Queensland government about the sorts of infrastructure requirements over and above the original application that was made. It

changes the game plan, so we will get further information on that. But it is a very exciting project.

Senator IAN MACDONALD—It is a very exciting project. With all that coal we are going to be producing in Australia, one wonders what all this climate change and carbon emissions is about. But, anyhow, that is a question for another time, I guess. You answered me in relation to questions about Horn Island airport. You said that Minister Albanese had generously approved—you did not say ‘generously’ but you said he approved—\$340,000, plus another \$100,000 from the Torres council, towards a \$12 million project. Is that something Infrastructure Australia has looked at?

Mr Deegan—I cannot recall that, in particular. I would have to check, but I do not think so.

Mr Mrdak—No, Senator. That is being considered under the government’s regional airport infrastructure program.

Senator IAN MACDONALD—The answer seems to have been given by Infrastructure Australia. Perhaps that is not right. Perhaps I am not reading that correctly. But, anyhow, you do not know anything about it, Mr Deegan?

Mr Deegan—Not in any particular detail.

Senator IAN MACDONALD—Finally, answer IA 13:

Submissions regarding the outback way were received by Infrastructure Australia in response to a call for public submissions for development of a national infrastructure priority list. The proposal was not included in projects identified in Infrastructure Australia’s May 2009 *National infrastructure priorities* report.

Could you tell me why?

Mr Deegan—In our reports of both December 2008 and My 2009, we outlined the process that we have undertaken to consider the various proposals. Clearly, when you are seeking to priorities, some receive a higher acknowledgement than others. The level of development of particular projects was an issue for us as was the extent to which economic analysis had been undertaken and a host of issues associated with the proposed application of taxpayers’ funds.

Senator IAN MACDONALD—This is a project that would really help local Indigenous people and their economic development and it would help tourism, transport, all of which I understand are in the principles of your operation and also, I might say, of the Northern Australia Land and Water Taskforce report, which was issued yesterday, and which this was not even mentioned in. Because of the Indigenous, tourism, and transport importance of this, does this not enter into your principles for priority?

Mr Deegan—It certainly does, and Infrastructure Australia has agreed to an assessment against those challenges and themes. The assessment looks for the best return for the taxpayer in terms of national productivity. There are a series of projects. Not all of them will get up in such a list. At the same time, we are also seeking further information from proponents. The circumstances may change. There is another opportunity to review those matters.

Senator IAN MACDONALD—When would there be another opportunity for the Outback Highway Development Council to—

Mr Deegan—At any stage. We would welcome any further information that they might have. We provided, again, to proponents and the public on our website, the minimum information requirements that we need to do the assessment properly. So a range of players have done a lot of work in the proposals, for others there has been less work done. But there is an opportunity for others to see how that might happen so we get more information to better make a decision.

Senator IAN MACDONALD—This is a tongue-in-cheek question—do not be offended—but there is a point to it. I was just going to say are you susceptible to inducements that if we got the Outback Highway council to actually drive you from Winton in Queensland to Laverton in Western Australia and showed you some of the things and the great food and the great sights and that, would that focus the mind of Infrastructure Australia on this great project?

Mr Deegan—We do seek to visit projects, where possible. I am very familiar with that part of Australia.

Senator Conroy—Do not be fooled by his flattery. He promised me my name on an airport and a runway in Queensland, and it never happened. So do not fall for the smile and the blarney there, Mr Deegan. Do not be sucked in.

Senator IAN MACDONALD—Just before you answer, Mr Deegan, can I tell Senator Conroy—and this is one of the better things he has ever done—next Wednesday, we are opening the airport. Unfortunately, I am not in government and I do not have any power. Now, I do not know what—

Senator Conroy—You promised me my name on the gate.

Senator IAN MACDONALD—I have made my submissions very clear, Senator Conroy. To me, it was always the Conroy International Airport—

Senator Conroy—I appreciate the thought.

Senator IAN MACDONALD—Mr Gray is going up next Wednesday. It is not too late to get the naming sorted out properly. I do not know what he is going to call it.

Senator Conroy—I expect to see you there with a texta, crossing out the name and adding mine.

Senator IAN MACDONALD—He may be calling it the Ian Macdonald Airport, but I will not accept that. I will insist—

Mr Deegan—I take up your offer in good faith, Senator.

Senator Conroy—I am not sure you should. Seriously—

Senator IAN MACDONALD—You mentioned you are familiar with that part of the world and you would know of the fabulous scenery. Anyhow, you and your board member might get an invitation.

Mr Deegan—Thank you, Senator.

Senator IAN MACDONALD—Just finally, talking about airports, in answer to IA 21 you said:

Airport projects were not identified as either priority projects or pipeline projects with real potential. Again, can I ask, in referring to Horn Island, why it was that these airport projects were not thought to be worthy of the priorities that Infrastructure Australia works under?

Senator Conroy—Because they did not meet the criteria.

Mr Deegan—The criteria established by Infrastructure Australia and recognised by the government are looking for the big-end infrastructure projects that can make a big difference to the productivity focus of the country. So we are looking at major sea ports, major transport routes, some of the water issues that are under consideration for developing parts of the country—a host of those. We did look very closely at a number of airport submissions, but the case was not yet strong enough for the criteria that we have established.

Senator IAN MACDONALD—What about social equity? There is one significant group of Australians whose only means of getting to the rest of Australia is effectively by this airport; social justice and equity is not part of your—

Mr Deegan—Senator, it is against a whole host of other projects that are put up. The people of Bunbury will argue that there are some social equity issues as well, and there is a very strong economic case in Bunbury. There are issues in Townsville and Cairns. It is, again, the conundrum that this committee and members of parliament are always faced with in making those choices. We provide advice on the criteria that have been established.

Senator IAN MACDONALD—Thanks, Mr Deegan, for the promptness of your answers—

Mr Deegan—Thank you, Senator.

Senator IAN MACDONALD—and you, Minister, for your timely intervention, and thank you to my colleague.

CHAIR—Thank you. Senator Nash, did you have any more questions?

Senator NASH—I do, just in continuation. I do just have a few more, but I will not hold up the officers very long at all.

CHAIR—Could I just indicate, then, that we are running ahead of schedule and maybe we might want to get the next witnesses ready soon.

Senator NASH—That is fine—unless we have a sudden dissension from senators who wish to ask questions. So, with those staffing levels, no-one has ceased? We were discussing the 16 staff that you have got working. So they have commenced work and there have been no changes since those 16 commenced?

Mr Deegan—That is right, and they are all wonderful people.

Senator NASH—I am sure they are.

Mr Deegan—As are the council.

Senator NASH—All those in the department are wonderful people and most helpful—mostly.

CHAIR—Mr Mrdak is giving you a really funny look there, Senator Nash, after the grilling you gave him earlier on.

Senator NASH—I did not give him a grilling. I am a very nice person. I very genuinely mean that. People in departments work very, very hard. Finally, I have some questions on the national freight network. I think the office was looking into national freight issues and the report says it intends to complete an overview of existing freight plans and national issues in 2009-10. So how is that progressing?

Mr Deegan—That is progressing well. We are seeking a further round of consultation with the industry and other players shortly and there is a substantial piece of work done on that. Clearly the operation of the ports and the freight has a lot to do with the way state governments plan and think about that. Coming out of the COAG decision about long-term planning, particularly in and around those major ports, there is considerable thought put in by the state governments as to how they plan the future freight networks and requirements of the cities and access to those major ports as well. So it is a substantial piece of work that is underway.

Senator NASH—When is that due to be completed?

Mr Deegan—Later this year.

Senator NASH—Given that sort of long-term, strategic focus from the states, have the states come to the Commonwealth to ask for funding for it, given that they are broke as badgers and they have not got any money? It is all very well to have a strategy, but you have to have some bucks to actually implement it, don't you?

Mr Deegan—I think the difference here is that we have, as a nation, spent money on projects without a strategy, without carefully thinking through where the best value is in some of the work that we might undertake. The strategic directions that we have been asked to work on from the government are about having, for the first time, a national freight strategy with an agreed national freight network.

Senator NASH—That is very, very interesting. That is not quite my question. I am just asking what the funding mechanisms are going to be to implement. If we are going to spend all this work, time and effort on this strategy—which, as you say, is a good thing if it is done appropriately—at the end of the day, there is going to need to be funding to implement it. The states are broke as badgers and the government has \$120 billion worth of debt, so I am just wondering what the process is, once this great strategy is in place, to actually fund these initiatives.

Mr Deegan—Senator, let me give you two answers. The first is that that is a matter for government. The second answer is that this may actually find other ways of resolving many of our freight tasks without necessarily the application of huge amounts of money. There are a lot of issues around the interoperability of our systems. We have had a focus on either truck or rail or air or sea. There are other options in the private sector in use of those modes. There is a different approach coming from industry about it. There are lots of issues about interoperability, particularly in IT systems, and that is particularly evident in and around our ports.

Victoria, for example, has a truck optimisation plan. It is better using the infrastructure in and out of the port of Melbourne so that empty containers are replaced by full containers, not just travelling each way. There are a host of these issues, including regulatory and pricing

reform, that do not necessarily need to cost money, but that provide better access and property rights for the freight operators of the country. So they are the sorts of big-ticket items that we are looking at. Particular infrastructure funding issues may well be addressed better by the private sector, and this is not just about government funds.

Senator NASH—I am just trying to get a sense of how you actually do this. When you are doing the overview, obviously, you get together the boffins who understand the various natures of freight and the systems that go with that, but is it roundtable discussion? Do you actually do on-site visits? Do your staff that are involved in doing this overview travel?

Mr Deegan—All of those. There is very heavy engagement with industry. Most of the freight reports done over the last 20 or 30 years have focused on supply analysis. We are doing a lot more work on demand forecasting—how many containers are likely to come in the next 20 to 30 years to the ports of Brisbane, Sydney, Melbourne, Fremantle et cetera? What are the big issues that will be associated with understanding better the demand? So the focus and process is dealing with a whole host of those players, both the suppliers and, more importantly, the customers—Woollies, Coles, the iron ore players, coal et cetera.

Senator NASH—So what is the cost of actually doing the overview? I am assuming that, if people are shifting around and business is being done, there has to be some sort of price tag attached to that. So do you have a general idea annually or of how long the actual process is going to run for from the beginning to the time it is finalised?

Mr Deegan—All up, we have been going for a solid six or seven months on it. It will be another five months or so. It is within our budget.

Senator NASH—Just for the committee, just so we have a bit of a ball park figure, do you have any idea of—

Mr Deegan—I will come back to you on that. I just do not have that off the top of my head. I do not want to mislead you.

Senator NASH—That would be fine. I would not like you to mislead us either, Mr Deegan. Once the overview has been completed, what is the next step there? What happens after that?

Mr Deegan—In other policy work undertaken for government, the advice is given to the Infrastructure Australia Council. They consider the matters and then provide advice to the Commonwealth.

Senator NASH—To the government. Thanks, Mr Deegan. I think that finishes me up, thank you, Chair.

CHAIR—Thank you very much, Senator Nash. Mr Deegan, thank you. I truly am envious of the work that you are doing. I think it is an exciting opportunity for Australia.

Senator NASH—He has got the view. Do not forget the harbour view.

CHAIR—I think that is a little bit low. That is unlike you, Senator Nash. You do not need to lower your standards to those of some others on your side of politics.

Senator NASH—Sydney Harbour is a beautiful, beautiful part of Australia.

CHAIR—It is a wonderful opportunity and Senator Hutchins and I would kill for that opportunity—wouldn't we, mate? Thank you.

Mr Deegan—It is a very exciting opportunity for the country, to have a national freight and port policy and a view on a strategic direction, and you and others would be very welcome to participate in our processes.

CHAIR—Fantastic. Thank you very much, Mr Deegan.

Australian Rail Track Corporation Ltd

CHAIR—There are a series of questions from other senators, and I know that I read with some excitement the announcement about the Western Australian-South Australian border improvement you did to the loop there. Would you like to expand/ In all fairness, I will go to the other senators first, because I think it is only fair that they get to ask their questions, but I would like to talk about that later, if I could, time permitting.

Senator HUTCHINS—Welcome back, Mr Marchant. It is always good to have the Rail Track Corporation here because I think it has been a bit ignored in how much of an impact it is having on the freight task in the country. I wonder if you could update the committee on the progress of upgrading the line from Melbourne to the South Australian border, which is funded totally by the economic stimulus package. That is that package the coalition has been critical of.

Mr Marchant—Yes, I am pleased to indicate that on 29 January we actually concluded concrete sleepers from the centre of Melbourne—the Dynon Port framework—through to the South Australian border and those areas that were not previously concrete sleepers. Effectively, the program was \$105 million. It was funded from the government's economic stimulus package and started in April last year and was concluded in January, and that included 401,000 standard-gauge sleepers that were impacted on the track between Melbourne and the South Australian border.

It incorporated concrete sleepers in all of the urban area within the urban framework of Melbourne on the freight lines through to the South Australian border. It included dual-gauge concrete sleepers for both broad-gauge and standard-gauge track through to Geelong. So it enabled, in fact, the domestic broad-gauge track to be connected up to Geelong port and essentially provided 270 kilometres of new concrete sleepers. The package was part of a broader package from the government stimulus package. The concrete sleepers were manufactured both at Geelong and in southern New South Wales at Wagga. Effectively it was fully completed last month.

It is good to have 401,000 concrete sleepers laid and 270 kilometres upgraded et cetera, but the essence of that is to provide four things, one of which is that it provides a respite from the Australian railways in that corridor suffering from heat restrictions and the rest. About 30 days a year, on average, that corridor suffers from heat restrictions brought about by high temperatures when trains actually have to be slowed down by 20 to 25 per cent of their speed, if not more, because, effectively, the steel of the track expands, starts to bend and move around. Timber sleepers allow that to happen and, therefore, to overcome derailment problems and the rest, massive restrictions are put on speed.

Now, that happens, on average, 30 days a year between Melbourne and the South Australian border and it affects every train during those speed restrictions by at least two hours. So every train travelling from Melbourne through to Perth, and vice versa, would normally be hit by heat restrictions during at least 30 days of the year on average by at least two hours per train. So, in a productivity sense, that is got rid of, so you do not have heat restrictions on that line. That is a huge productivity for rail operations and for moving goods and services.

The second thing that the concrete sleepers have done on that line is enable increase of axle loads so we can actually help to make our rail industry more productive, that is, carry more per wagon tonne. Thirdly, it produces a situation where the maintenance of that track will start to come down in cost because, effectively, we used to have to replace timber sleepers on that line every 20 years. Concrete sleepers have a life of 60 years and, therefore, the maintenance costs and the number of interruptions to maintain the track, which interrupts users of the track, is eliminated. It obviously has a by-product of not adding to any fire risk because the timber sleepers have a potential fire risk. Concrete does not.

And, lastly, it produces a situation where the ride on that track for goods and services is smoother. Why is that important? A huge range of products are now moved from Melbourne through to Perth that are glass and their like. In fact, the large bulk of beer drunk in Perth comes from the eastern states, not that I am a major procurer of that product, but the reality is that if you work on a basis that 10 per cent of the glassware gets knocked around, one bottle in every carton would get broken, on average. With concrete sleepers that does not take place. You do not have the roughness of ride.

So, the outcomes, apart from the increase in employment putting the concrete sleepers in and the rest, are that it makes our nation more productive. We actually have a better outcome with regard to what the rail is able to carry; it is able to carry it more smoothly; it is able to carry it with greater axle; and, it is able to carry it with greater reliability, all of which adds to the net productivity of the nation.

Senator HUTCHINS—Two questions there. The first is, what is the increase in the axle load in percentage—you said that was one of the by-products of being able to go from timber to concrete—and the second is, does that mean that the port of Melbourne is now connected by rail efficiently to the port of Fremantle?

Mr Marchant—Yes. In fact, it provides two things, one of which is the port of Melbourne, through Dynon, is now actively and reliably connected to Western Australia, as is the port of Geelong. There is another project to upgrade the port of Geelong, which will be commencing in the next couple of weeks, which will upgrade a whole range of access in there, even better than this process, to actually go into the port itself. But this process upgrades the track and it provides an increase in axle loads of, on average, 20 per cent over the medium term.

Senator HUTCHINS—So that is the increase, 20 per cent?

Mr Marchant—That is the increased load that an axle could carry under concrete sleepers that they could not carry under timber on that line.

Senator HUTCHINS—Thank you. The second question I have is in relation to the progress of the standard gauge line from the Queensland border to Acacia Ridge. Can you bring us up to speed on that?

Mr Marchant—Since the last time I was at this Senate estimates committee, which is 20 October, we have now concluded, on 15 January, the works of concrete sleepering from the Queensland border to Acacia Ridge, and the outlining of a new standard gauge track configuration to the major interstate terminal at Acacia Ridge. As part of that exercise, we entered into a 60-year lease of the Queensland government's standard gauge track which went from the border to Acacia Ridge, and, in addition to that, we actually also provided a narrow gauge connection for the first time from Acacia Ridge to Bromelton, which is a proposed industrial terminal development in South-East Queensland. That will enable narrow gauge rail from northern Queensland to go through to the new terminal configuration that the Queensland government is looking for in South-East Queensland.

So there are two exercises: (1) upgrading the standard gauge through to Acacia Ridge from the southern states to the western states; (2) we have put in a narrow gauge rail in a dual gauge track from Acacia Ridge down to Bromelton, which will therefore open up the South-East Queensland's major terminal configuration to narrow gauge traffic from the rest of Queensland. Lastly, we have upgraded the range of loops and turnouts along that corridor to provide more efficient movement of trains in the corridor. That project was \$55.8 million, and was also paid for in full by the Australian government's economic stimulus package. That project commenced mid-last year and was concluded and fully operational from 15 January.

Senator HUTCHINS—Do you know whether the equipment that was used was purchased locally, and were local firms involved?

Mr Marchant—The concrete sleepers for that came from a plant in Grafton, northern New South Wales.

Senator HUTCHINS—It is not China. That was Grafton, wasn't it?

Mr Marchant—Yes, the concrete sleepers came from Grafton; the steel was sourced from Australian Steel in Whyalla and elsewhere; and the configuration was undertaken, obviously, by a mixture of local staff and the rest. I would point out again, just to try and emphasise, over 105,000 concrete sleepers were laid during that exercise, and it was the conclusion that at the completion of that work on 15 January, the whole of the standard gauge corridor from Newcastle through to Acacia Ridge is now concrete sleepered.

The Melbourne-Geelong-South Australian border project actually means that the whole of the corridor from Melbourne through to Kalgoorlie is concrete sleepered, and the last part of that Melbourne project also enabled the last step of concrete sleepering between Melbourne and Sydney. So, each of those projects coming together were the conclusion of a broader base of upgrading the track as a whole, and more than 3.2 million, concrete sleepers have been put in place over the last three years.

In addition to that, the Queensland standard gauge framework sounds like an engineering piece. Yes, we have connected a nice standard gauge, upgraded it, narrow gauge down to Bromelton, but the outcomes for that in commercial terms are bigger than the outcomes in engineering terms. What it enables now is a situation where a rail operator who wishes to

travel from Acacia Ridge terminal, which is a standard gauge in a modal terminal in Brisbane, to Perth can now enter, essentially, one access contract where previously they had to have an access contract with Queensland Rail.

Where previously they had different safety rules between Queensland and New South Wales, they now have one set of safety rules under one system of rule books. Where previously they had to have different operating requirements for train configuration in Queensland compared to New South Wales and Victoria, that one leased operation enabled us to introduce from that night one standard set of contracts on the eastern seaboard framework and through. There is one standard set of operating rules, which means you only have to train your staff in one set of rules, whether it be on the Queensland side of the border or the New South Wales side of the border; and there is one set of operating and safety rules framework, which means your OH&S and your rail safety rules become common.

So, some of the outcomes of these things are not just the engineering, they are also outcomes which provide greater productivity and the basis of a national rail system where, in fact, when you go to a border of each state you do not actually have to change your whole operating processes to run a train on a national network. So, the outcome for that 105 kilometres of track is a broader one than just upgrading it and putting the frameworks in place. What they do is put the fundamentals in place to enable rail to be more competitive, and the costs of operating railways, from an above rail operation, becoming cheaper and more efficient.

Senator HUTCHINS—My final question Mr Marchant, and it is probably closer to home to some of the New South Wales senators here, is can you bring us up to date on what progress has been made on the Hunter Valley Coal Network Capacity Improvement program during the past six months?

Mr Marchant—The Hunter Valley is a big challenge for all of us. At the present time, the Hunter Valley exports about 95 million tonnes per annum of coal and you would be aware, Senator, it is the largest coal export port in the Southern Hemisphere and, in fact, probably the largest coal export port in the world at the moment. That is proposed to go to 200 million tonnes in the next four years. By any standard, that is a massive increase, and obviously that produces a massive increase on the pressure on rail as coal is moving further west of the old coalfields coming up to Ulan in the Gunnedah Basin and expanding in those areas.

Since the period I was here last, which was 20 October, effectively we have concluded a number of loops and a number of duplications in that period of time. For example, Aerosol loop, which is between Muswellbrook and Gulgong, was concluded on 17 December at a cost of \$15.3 million, which is a two-kilometre passing loop which included new turnouts, new rail, and around 3,100 new sleepers on the turnout framework and the loop. That will actually increase the number of paths on the Ulan line, which opens up the Ulan line to actually increase its capacity. Worondi, which is a second loop, which was completed on 3 December was a \$14 million project with a loop between Muswellbrook and Gulgong, also for the Ulan line, increasing further the capacity of the Ulan line to service down into the Hunter Valley port.

Braefield was a new loop completed on 28 November for \$11.1 million. It is 1,350 metres long, which enabled construction of 2,500 sleepers and two new turnouts with higher speed, so the trains can go into the loops at a higher speed. Where previously they had to go down 20 kilometres per hour, they can now go into the loop at 50 and out of the loop at 50, so that increases the number of trains turning through the process as we try and bring the headways down for coal in the Hunter Valley from 15 minutes to eight minutes and, therefore, increase the capacity. Effectively, the headways on the Hunter Valley will be the toughest headways for coal networks in Australia. There would not be a coal network in Australia that has headways of eight minutes between trains. The framework increases the capacity.

Newdell junction was upgraded during the 96 hour shutdown in November. That included the three major load points in the Hunter Valley, which, at \$15.7 million, have been incorporated into more efficient loop turnouts and a cross-border system with a new centralised train control system which automates the turnout frameworks and therefore makes it much faster to do. That was \$15.9 million. There were other loops on the Ulan line at Murrumbo and Baerami which were completed in October and November for \$29.3 million. We had a major close down on 17 and 20 November. It was the largest closed down work program in the Hunter Valley in its history, with over 70 individual projects knocked over in that three-day process, including upgrading Newdell junction, terminal connections, Whittingham third roads, Maitland junction and the conclusion of the new loops.

We close down in harmony with the loaders, so if there is a close down of the loader we close down the rail and we all work at the same time so you do not have separate close downs between the rail lines and the port loaders and, therefore, have more disruption. We harmonise our close downs and, therefore, we only have four close downs in the Hunter Valley to do our maintenance. But the one on 17 to 20 November was a \$20 million package, all of which was completed over 70 individual projects in that one weekend. So there has been a huge investment in the period since we have last met, including another, \$13.6 million loop at Mindaribba, which deals with the Dungog and northern coal.

Lastly, the big \$28 million duplication between St Heliers and Muswellbrook was completed at the end of October, which provided for a duplication of track which enabled an increase in capacity by nearly 50 per cent in that one area. So, since the October meeting, the progress in the Hunter Valley is churning forward. Rail capacity in the Hunter Valley is in excess of port capacity, and that is where we intend to keep it and effectively be part of an ongoing program. Every time we meet at Senate estimates, there will be another range of projects as we get through what effectively is a \$1.5 billion program going forward over the next three years.

Senator HUTCHINS—Thank you. You can be assured that I will be asking you to come back again and report on progress, because—I am sure I speak on behalf of the committee—it is a very impressive program you have been able to implement and something we as senators should be very proud of.

CHAIR—I cannot agree with you any more than that. Thank you, Senator Hutchins.

Senator NASH—I echo Senator Hutchins's comments, Mr Marchant; we have found your contribution to this committee very significant, indeed. Can I just talk about the Southern

Sydney Freight Line. I do not know a lot about this, so you might be able to clear up anything I have not got quite right. It was potentially to clear the bottlenecks between Macarthur and Chullora in Sydney, and I think this started under the previous government but ARTC is doing the work. Is that correct? Do you just want to give us a bit of a background?

Mr Marchant—The background is that the Southern Sydney Freight Line is funded by ARTC. There is not any Commonwealth Australian money involved in it, nor has there ever been. It is funded from the cash reserves and debt provision of ARTC as a company. It is not a Commonwealth funded project. The project is aimed at overcoming the bottleneck of the curfews in the south of Sydney and to, therefore, create a separate freight line from Macarthur through to Chullora that then joins up with a metropolitan freight line—which we are severing, by arrangement from RailCorp—from Chullora through to the port. Effectively, there will be a freight access route, unaffected by passenger trains, from the Sydney port through to Chullora, through to Macarthur and then through to Melbourne. The project we have got underway. We have slowed it down slightly, which I am sure is where you want to go.

Senator NASH—Yes.

Mr Marchant—We have slowed it down for a number of reasons, but the fundamental reason is that the window of opportunity to have signal changes made in the metropolitan Sydney network is through a system called ATRICS and we missed the window to have the algorithms and the measurements for those signals approved by RailCorp in October.

Senator NASH—I think that just did all of our heads in. So why is there a window just for that to happen? Could you explain in layman's terms for us?

Mr Marchant—Yes. The whole of metropolitan Sydney goes under an old signalling computer system called ATRICS, which is kind of like your pre-1970s computer systems. Effectively, the way ATRICS works is it is mathematically coded from the very southern end of the metropolitan passenger network to Newcastle. You cannot go in and make a single change in a particular area and then clock it into the system. The whole system has to be recalibrated for every new piece of rail that goes into the metropolitan rail network. You have to line up with every other project in Sydney to get into a schedule of works to change the ATRICS system. It is a complex system to change, because RailCorp has to recode all the signals from the north of Sydney to the very far south in a sequential coding method.

As you are probably aware, modern signalling computer systems enable you to go in and cut in and cut out; the ATRICS system has to be recoded from the very beginning to the very end, so you have to line up in a schedule of players who need to make changes, including RailCorp itself. The deadline for us to put in our algorithms and changes was October. Because of certain changes that were made to those signals in consultation with RailCorp, some of those adjustments could not be made in time and we missed that window. We are now aiming to try and hit a window for the changes to be able to be implemented for November; previously we were aiming for March/April this year.

Senator NASH—All right. So that lines up with a press release from government at some point that said it was meant to be done early 2010.

Mr Marchant—I think the press release is from ARTC. As it is not a government funded project, we tend to make statements about it. The government makes statements about government funded projects.

Senator NASH—Sorry, this goes way back to February at the beginning of last year, and it was the minister who said it was schedule to be completed. So he was obviously commenting on ARTC doing it.

Mr Marchant—Yes, commenting on it.

Senator NASH—At some point one of your releases said you were going to re-evaluate the most cost-effective way forward. Obviously you are talking about a logistical problem, but has that logistical problem led to financial issues?

Mr Marchant—Yes, absolutely. I will give you a background to it. Because we were aiming for March/April this year, we had three fronts working on the project at the same time. The project is 30-odd kilometres, but we had three separate fronts attacking the projects. So we had broken the project into three fronts, and we had every effort going at three fronts at once. That obviously is a very expensive exercise. Once it became clear that we were not going to be able to have the project online and operating by March/April, because the signals were not going to be changed to enable us to cut the signals across to work with the metropolitan system, we slowed down the project rather than working expensively on three fronts to try and get it done by March/April. We then looked again at the projects and looked at the more efficient way—which we are still doing—of getting it done by the least costly method through to November for opening in January/February. Operating on three fronts and getting it completed by March/April would have been entertaining but of no value, because you could not have connected it up. It would have been sitting there, unable to be used.

The second thing is that we did run into some problems with other services that were not identified by—as you are probably aware, we are on RailCorp land. We do not own the land. We do not even lease the land; we have a licence to use some of their land. There were a range of service provisions in there which became quite complex and were going to be difficult to use. We are taking time now to redo those services. So the project is still proceeding; we are just proceeding in a different frame. Because it has gone over a longer period of time, it will cost us more.

Senator NASH—Okay. The estimate in the beginning was a bit over \$300 million?

Mr Marchant—Yes. The last estimate was around \$380 million. It may end up being \$440 million or so, but we have not yet concluded exactly how we are going to complete it. In saying that, let me also indicate again that none of that is government money. There is no Australian government money—from any government present or past—involved in this project.

Senator NASH—That is very clear, Mr Marchant.

Mr Marchant—So the company is actually doing it and funding it. The second part of the framework which I wanted to point out is that even though we have slowed down and relooked at how our engineering goes and the processes and getting all those things more efficiently done over a slightly longer period, we also are concluding the projects that

interface with the community. So any of our road projects where we had to move roads to put tunnelling in, we are concluding those without any delay. Any of the passenger stations where major works were being done—such as Cabramatta and the rest, because we are rebuilding Cabramatta station and its interface, even though we do not have any passenger services, because we impact on it—we are still moving ahead with those because they had an interface with other people and we did not want anybody to be disturbed by that. So those projects are still proceeding.

Senator NASH—Thank you, Mr Marchant. Can I just ask you probably what is the obvious question: why is it that the ability was lost to fit in with the algorithms and the change in the network by October? You said that the window of opportunity was missed—

Mr Marchant—I think I mentioned—

Senator NASH—You might have said, but I just missed the simple reason of why it was not done when it should have been.

Mr Marchant—It was missed during June and July. Our people working on the ground and our project team working on the ground were liaising with RailCorp people and RailCorp people were making different suggestions about how we configure it, the signalling, compared to what was agreed to in the draft plan 12 months before. In June and July it was too late to meet the deadline in November, to get all the mathematics redone. We did not think that that would be a problem but it became a problem.

Senator NASH—Are you saying you had been given incorrect advice in the first place?

Mr Marchant—No, I said people had different opinions and wanted us to change. There were different risk assessments done in the cut-outs between RailCorp and the rest, and those different risk assessments had suggestions about doing it in a different way than had been agreed 12 months before.

Senator NASH—Okay. Again, from the layman's perspective, we just do not have the depth of knowledge you have on this. So ARTC was working on the understanding that this would happen in a certain way—

Mr Marchant—Yes.

Senator NASH—and halfway through the saddle on the horse got changed and—

Mr Marchant—A bit later than halfway.

Senator NASH—A bit later.

Mr Marchant—June and July was a month and a half before the schedules had to be in.

Senator NASH—But, basically, the goalposts shifted for you and you could not get through them in time?

Mr Marchant—Yes. The programmers, because it is a very complex programming framework that we employ to redo the programs, could not finish the last of the algorithms on time.

Senator NASH—So what did you say to RailCorp when this piece of information was brought to your attention, that you would no longer be able to meet the October window?

Mr Marchant—We were disappointed and worked on a way of collaboratively getting through it.

Senator NASH—That is a very nice way of saying it, Mr Marchant, I am sure. Thank you. So you expect later this year it will be—

Mr Marchant—We are still waiting for a window in November and that will require a decision by RailCorp and the New South Wales government about possessions on that time, because we have to fit in with RailCorp possessions for other purposes. I am hoping that will be confirmed by the end of February and, effectively, if that is confirmed then we should be able to redo the signalling in November and then eventually move to commissioning in February.

Senator NASH—Just finally on this, given that there is obviously going to be a significant cost blow-out to ARTC with 300 and something up to, possibly, 440, who is then actually responsible for that cost blow-out?

Mr Marchant—I and the board.

Senator NASH—No, I did not mean responsibility in terms of the money. I do not mean about the responsibility of the increased cost, but I should say: whose fault was it that there was a cost blow-out? That is a much better way of putting it.

Mr Marchant—A collaboration of everybody involved: the project teams, the RailCorp interfaces; it was a combined effort and that is one of the reasons why we are doing a fundamental review of how we move forward.

Senator NASH—Okay, so a bit of a collective stuff-up?

Mr Marchant—Yes, it was a unified effort.

Senator NASH—I did not mean to use the technical term there. Thank you. You have cleared that up very well. Thanks, Mr Marchant.

CHAIR—Thank you, Senator Nash. Now, in the remaining five minutes is Senator Williams.

Senator WILLIAMS—Thank you, chair. Mr Marchant, thank you for the good news you have given us here today. In answers to questions on notice from the October estimates you told me that two out of the 55 level crossings across New South Wales had been completed. Can you give me an update on those level crossings? Is that possible?

Mr Marchant—I will seek to give you an update on level crossings. My first update in a broad sense, just to make it easier, is that all level crossings will be completed by 30 June. So as a headline, regardless of what I am about to tell you about where they are at, I can tell you they are all programmed to be finished by 30 June.

Senator WILLIAMS—The whole 50, right?

Mr Marchant—In New South Wales that is 55 level crossings and in South Australia it is 28. Effectively our people will, in fact, be making certain that by 30 June the whole 55 and the 28 in South Australia are fully completed. At this point in time, and just to give you a feel, at the present time eight level crossings in South Australia have been commissioned out of 28, but the program for commissioning others is now going to just about every fortnight.

Senator WILLIAMS—Right.

Mr Marchant—A lot of work has been done. It is just going to commissioning and final signals.

Senator WILLIAMS—Yes.

Mr Marchant—That is in South Australia. And in New South Wales, as at this point in time, nine of the 53 have been commissioned and in every month—next February there will be eight. In March will be five, there will be 10 in April and 18 in May. And they will all be completed by 30 June.

Senator WILLIAMS—You also indicated the costs vary from site to site. Can you tell me the lower level and upper level of these crossings, just roughly?

Mr Marchant—I do not have the costings for each individual. I can tell you very quickly without a doubt the average cost is \$700,000.

Senator WILLIAMS—Right.

Mr Marchant—I can tell you that now. Each individual, where one is 550 and the other one is 800, I do not have in front of me, but I can tell you the average cost for those that ARTC is doing is around \$700,000.

Senator WILLIAMS—Could you also give me some more specifics on how the educational awareness campaign for motorists will run? Will it be television commercials, newsletters, newspapers, advertising? How is that planned to be run?

Mr Marchant—Effectively, for those locations that do not have level crossings there will be newspaper ads and the like. For those that already have level crossings and we are just upgrading them to bells and whistles, as distinct to stop signs, there will be just one lot of ads, because it will be obvious they have changed because the lights are blinking and the thing comes down.

Senator WILLIAMS—Yes.

Mr Marchant—So it is only in those locations where there was nothing in the past where there will there be a bit of an ad framework.

Senator WILLIAMS—Good. Just moving on to the inland rail, the Melbourne-Brisbane plan, I think you have two routes: (1) 1,880 kilometres, cheaper to build but longer for the train journey—27 and a half hours; (2) 1,690 kilometres, 22 hours—quicker but more expensive. Can you give us an update of how things are progressing on the Brisbane to Melbourne inland rail?

Mr Marchant—ARTC was asked to undertake a study on behalf of the Commonwealth of Australia, to report to Commonwealth of Australia on that study, to the minister. That study was divided into three phases. As you are aware, we have reported on phase one and two publicly.

Senator WILLIAMS—Yes.

Mr Marchant—We are coming closer to report on phase three, which I expect we will be able to report on in the course of the next couple of months, which would then provide a

reasonably conclusive range of options, costs and economic benefits to a proposed inland rail, on what they would look like and when. And we expect that will be concluded in the next two months.

Senator WILLIAMS—Right. Is it correct that you have three proposed commencement years—2020, 2030 and 2040? Is that correct?

Mr Marchant—For the purposes of the model we do. That is only for the purposes of the model.

Senator WILLIAMS—Let us hope it is before then. That is about it for me, chair. Thank you.

CHAIR—Thank you, Senator Williams. Thank you very much, Mr Marchant. We look forward to seeing you in the May budget estimates.

Mr Marchant—Thank you.

[11.39 am]

Nation Building--Infrastructure Investment

CHAIR—If I can indulge the deputy chair, Senator Nash, are you keen for Senator Back to kick off or do you wish—

Senator NASH—I am incredibly keen for Senator Back to kick off.

CHAIR—It is your dulcet tones, Senator Back. We are struggling. We have not heard them for about 12 hours, 13 hours.

Senator BACK—I do not know how you have managed to survive without it, chairman.

CHAIR—It is the inquisitive line of questioning. That is what gets us. It is riveting. It is the way you dissect it. You should have been a lawyer, not a vet. They say they pay better.

Senator O'BRIEN—Vets do a lot of dissecting.

CHAIR—That is so true. You get paid more as a lawyer.

Mr Mrdak—In your hands, Senator.

CHAIR—Thank you, Mr Mrdak. I also welcome Ms McNally and other officers.

Senator BACK—Thank you. I do have a number of questions in slightly unrelated areas. If can start with the first, the 'Nation building for the future' document, is it relevant to this discussion?

Mr Mrdak—Yes.

Ms O'Connell—Yes, it is.

Senator BACK—Thank you. In May of last year it refers to congestion in our capital cities and says it is estimated to rise to an equivalent value of \$20 billion per year. I quote:

Through its investment in Australia's metropolitan rail networks, the government is acting to ease the growing congestion.

Could you let me know what mechanism is in place and whether you will be making changes to the rail system to achieve this easing of congestion?

Mr Mrdak—The government announced last year a number of additional investments in relation to urban passenger rail systems. Essentially, the major project is the regional rail project in Victoria. There is also a major project for the Gold Coast light railway and—

Ms O'Connell—And the Noarlunga rail extension in South Australia.

Mr Mrdak—and the Gawler electrification.

Senator BACK—Can you give some estimate as to how much you think you will reduce that equivalent \$20 billion figure by?

Ms O'Connell—We have not done the predictive modelling in terms of what that might reduce by. We can certainly take it on notice to have a look at what modelling might have been done in terms of that reduction. I think it is fair to say that when all of these projects were assessed, they were assessed with criteria that did look at issues like reduction of congestion, as in each individual project, but we have not got an aggregate in terms of reduction of congestion.

Senator BACK—Sure. In that same document in May 2009 you made mention of a number of projects that I think were listed under the title of 'To be developed'. Could you provide the committee with an update on progress of some of these? For instance, the energy strategy—actions for a truly national energy grid?

Mr Mrdak—These are with Infrastructure Australia rather than with the department, but I can inform you that on all of those actions Mr Deegan earlier referred to work on the national freight and port strategy, and I understand the work on energy is also continuing with a view to the Infrastructure Australia Council providing advice to the government some time in the next couple of months.

CHAIR—Sorry to interrupt you, Mr Mrdak. We have a hum in your microphone. I do not know if you can hear it. Certainly the minister can, and we can up here.

Mr Mrdak—Sorry, Senator. I was just advising Senator Back that my understanding is that Infrastructure Australia Council is progressing that work and there will be some advice to government in the next few months.

Senator BACK—Does the planning of our cities fall into that same category? Is that one you can comment on: the national planning and investment framework?

Mr Mrdak—Certainly there have been two significant developments in relation to that. Firstly, the COAG reform agenda, which the Prime Minister and the premiers and first ministers agreed in December, which provides for a review of national city planning frameworks to ensure that there is a better linkage to national priorities in terms of linking investment and planning is underway. That will be assessed by the COAG Reform Council with a view that the Commonwealth will, post-2012, take its investment decisions based on the adequacy assessment of the state planning regimes for those major cities.

The second major piece of work, as Mr Deegan referred to today, is the conclusion of the minister's national policy statement on urban policy. That work is now continuing and the government is looking to finalise that this year.

Senator BACK—Just returning for a moment to the energy grid, are you able to comment on that or not?

Mr Mrdak—I am sorry, Senator. That is being handled by Infrastructure Australia.

Senator BACK—Okay. So you cannot.

Mr Mrdak—Mr Deegan has left us.

Senator BACK—The last one that is in that list of ‘To be developed’ that I wanted some comment on is the regional towns water quality review. Are you able to provide us with any advice on that?

Mr Mrdak—Again, I am sorry. Mr Deegan and the Infrastructure Australia Council are handling that. I am not familiar with it and the department has not been involved in that issue.

Senator BACK—Sure. Can I go to some specifics that have been put before me. On the Pacific Motorway upgrades, there was a commitment, I think, from the government in the election of 2007 to match a \$455 million coalition promise to upgrade the M1 between Tugun and Nerang. Then, I understand, the Queensland government confirmed this promise will be broken, with available funding already allocated to the northern stretches of the motorway in what I am advised are Labor-held seats. There is only a 4½ kilometre stretch from Nerang that has been slated for widening. Can you answer some questions on this particular project?

Mr Mrdak—Certainly.

Senator BACK—Thank you. The first is: how was funding of the upgrade project allocated and the priority areas identified in the original instance?

Ms McNally—The money was allocated originally through an election commitment and then there were also negotiations with the Queensland government in respect of their commitment. So the overall amount of work that is occurring on the Pacific Motorway is an around \$910 million package, of which the Australian government is putting in \$455 million. In respect to that particular section, that would be part of that overall commitment.

Senator Conroy—After 12 years of inaction on the Pacific Motorway, the opposition are now getting interested in this.

Senator BACK—I am particularly—

Senator Conroy—You were in government for 12 years and did nothing.

Senator NASH—So boring, this.

Senator IAN MACDONALD—Exactly.

Senator BACK—Can I just ask Ms McNally—

Senator Conroy—The facts may be boring to you, but they are still facts.

Senator IAN MACDONALD—Completely inaccurate.

Senator BACK—What data was used in allocating the priority areas, and can you table for us, or could you take on notice and provide to us, copies of that relevant data? Is that to Ms McNally?

Ms McNally—Yes, Senator.

Senator BACK—Thank you. Can you provide that or do you have it with you?

Ms McNally—I will provide it. Some of it is still the subject of detailed planning, so we can provide what we have available.

Mr Mrdak—Sorry, Senator. You are looking for a breakdown of projects that the Commonwealth funding is being provided to?

Senator BACK—Yes. I am looking for the data in terms of what prioritised the areas that needed work doing, and the order in which they were done and therefore the expenditure and what extent, if at all, the minister or staff of the minister took in determining those sections of the M1 to be funded in this particular tranche that you have spoken about. If you could provide me with that information, I would be appreciative. Also, was your department the federal department involved in identifying which were priority orders? The basis on which I am particularly interested to know that is from the perspective of accidents or, tragically, deaths that might have occurred.

Mr Mrdak—We will seek that information. We do not have that detail with us.

Senator BACK—Sure, but could you make that available to me. Finally, on this particular one, since I gave an introduction to my comments just by way of background about the involvement of the Queensland government, when was it that the federal government was informed by the Queensland government that the 18½ kilometres of the promised Tugun to Nerang section would not be upgraded? Can you give us any advice on that?

Ms McNally—I will have to take all of that on notice.

Senator BACK—Thank you. I appreciate that.

CHAIR—Thank you, Senator Back.

Senator BACK—I had not—

CHAIR—I am so sorry. I thought that was the last—

Senator BACK—I am quite happy to defer to others.

CHAIR—No. You keep going, Senator Back.

Senator IAN MACDONALD—If you have a series of questions—

Senator BACK—I have, and I am quite happy, if time is against you, Senator Macdonald—

CHAIR—Yes. If I could just interpose?

Senator BACK—No problem.

Senator IAN MACDONALD—Mine are relatively contained. In answer to question on notice NB1114 you advised me of projects listed to commence construction in Queensland; thank you for that. I asked about the progress of all of those many projects but there is no indication. Is there somewhere on the website to which you could refer me that I would be able to look at that or, if not, can you, on notice, run through all of those Queensland projects and just indicate whether they are started, half-completed, finished or opened?

Ms McNally—On the individual pages of the departmental website, there are commencement dates and completion dates. For the Gairloch floodway, we do not have a specific date yet because we have not received a detailed proposal from the Queensland government, and we are also still undertaking some detailed planning on the Bruce Highway between Ingham and the Cardwell Range. So there is still a lot of work to be done to fix the actual specifics of the work.

Senator IAN MACDONALD—You mentioned the Cardwell Range. This is an old problem, but is the Commonwealth in any way involved in the planning of that, or is it entirely the Queensland government?

Ms McNally—No. The Commonwealth provided \$5 million for work between Ingham and Cardwell Range. We are looking at flood immunity and the various other issues.

Senator IAN MACDONALD—Yes, but do you have any influence over the work that is done? That is a stretch of roadway on a bad highway from Brisbane to Cairns. That would be the worst section. There are a lot of deaths there. There was some suggestion that, because it cut through the rainforest, they were instead going to kill people and save animals and a few trees that are nowhere near unique. I am just wondering if the Commonwealth has any ability to say to Queensland: ‘Look, forget about your green mates in the leafy suburbs of Brisbane. Push the road through. Sure, we will kill some trees and some animals, but it is better killing them than killing people.’ All I am saying is: does the Commonwealth have any ability to push the construction of what is a desperately needed piece of infrastructure to save lives?

Ms McNally—Certainly, we can seek to have the rationale for those sorts of decisions addressed. There also is community consultation as part of these processes, and we can work closely with the Queensland government, and we do, to identify the sorts of issues that each particular road raises and the best outcomes for the community and others on that.

Senator IAN MACDONALD—Could you advise me, perhaps on notice, what, if any, submissions are made to the Queensland government in relation to that particular issue, and with what priority they are concerned about deaths there. If you would not mind providing a sort of general report on that particular issue, I will not ask too many other questions. Just another couple of quick ones. There is a desperately needed piece of urban infrastructure in Innisfail, North Queensland—the Jubilee Bridge crossing the South Johnstone River. Funding was applied for and was knocked back, I understand, just recently. Can anyone confirm that?

Ms McNally—I have not got that information with me. I would have to take that on notice.

Senator IAN MACDONALD—I thought one of your assistants behind you looked as if she might have known something about it.

Ms McNally—No, they have not got it with them.

Senator IAN MACDONALD—There was an application for funding. It really joins Innisfail. Innisfail is dissected by two major rivers, the north and South Johnstone. This bridge goes over one. It is quite an old bridge. It is the Jubilee. I am not sure which Jubilee it was, but it has been there for a long time. It is about to be condemned and cannot take heavy traffic. They applied for nation building and, as I understand it, they were knocked back. Could I get the reasons for that and any other information you could give me about it.

Ms McNally—Yes, I will see what we can do.

Senator Conroy—Senator, Jubilee Bridge is located on a state controlled road.

Senator IAN MACDONALD—Yes. Well, perhaps even a council controlled road, but it divides the town.

Ms McNally—We will see what we can do.

Senator IAN MACDONALD—It is in Mr Katter's electorate. I am not sure what influence he has with you. He seems to be very close to you these days, Senator Conroy. I would have hoped that you might have thrown him a few crumbs.

Senator Conroy—As has been speculated in the paper, sod will be turned in Mount Isa soon—the first major mainland piece of the National Broadband Network.

Senator IAN MACDONALD—That is excellent.

Senator Conroy—I know you will be right behind that, Senator Macdonald.

Senator IAN MACDONALD—Of course I will. I am just sorry that if OPEL had gone ahead, it would have all been completed by now, but I guess a sod turning is the next best good.

Senator Conroy—Unfortunately, OPEL failed to meet its own contractual obligations.

Senator IAN MACDONALD—We know the history, Minister. Just quickly, in Mackay, there was a project where the government announced \$14.4 million for a road project in January last year. In December of last year, there was a much celebrated opening of that project, but the funding was said to be \$12.3 million and we just wonder if you could, perhaps on notice, give me a brief explanation of the difference?

Ms McNally—We are happy to do that, Senator.

Senator IAN MACDONALD—Could I just, without again imposing on my colleagues too much, refer you to answer NBII49 about a railway project?

Ms McNally—It is about the inland railway?

Senator IAN MACDONALD—Yes, it is.

Ms McNally—That is an ARTC project.

Senator Conroy—Yes, it is a different program.

Senator IAN MACDONALD—Have we been through that, I think, have we?

Ms O'Connell—We have, Senator.

Senator IAN MACDONALD—Perhaps the secretariat can tell me. There was a study being done. When does that study report, or has it reported?

Mr Mrdak—Senator, Mr Marchant outlined just earlier that the third module of that study will be completed in the next few months.

Senator IAN MACDONALD—Okay. Similarly, can I ask—and perhaps I am out of order here—the Darwin Port Expansion project, which was subject to a detailed scoping study, when will that be completed? Is this the right section for that?

Mr Mrdak—It is. My understanding is that negotiations and discussions are continuing between Infrastructure Australia and the Northern Territory government in relation to that project. It is unclear when the information Infrastructure Australia requires will be provided, but we were hopeful that that would be over the next month or two, which would enable Infrastructure Australia council to provide advice to the Commonwealth government on the way that project should best proceed.

Senator IAN MACDONALD—So this is a nation-building project that is going through Infrastructure Australia?

Ms McNally—There are two projects. There is a \$3 million nation-building project, which is a feasibility study, and then there is also the actual commitment that is going to Infrastructure Australia.

Senator IAN MACDONALD—Subject to the feasibility study, no doubt.

Ms McNally—That is correct.

Senator IAN MACDONALD—So is the study into the viability the same thing as the \$3 million feasibility study you are talking about or is this a study that precedes the feasibility study?

Ms McNally—The feasibility study is around the overall port, and that is not due until the middle of the year. But there is also some work being undertaken with Infrastructure Australia on some port expansion, and they are still liaising with the Northern Territory government, and that information, in terms of that study, is being linked into those discussions.

Senator IAN MACDONALD—That is clear as—thank you for that.

Ms McNally—There was the announcement of funding for the Darwin port expansion that took place at the last budget, and then there is also the \$3 million piece of work, which is the feasibility study. So the two of them are linked in together, and Infrastructure Australia was required to come back to government with the outcomes of its deliberations with the Northern Territory government and with further information before any decisions are made to pursue any further work in that area.

Senator IAN MACDONALD—I started to ask about the southern approach to Cairns—wrongly—in the previous section. Can I just ask a couple more questions about that? Minister Arbib was at Yarrabah recently and he promised \$450,000 for a construction industry upskilling and employment project to improve the skills of 60 construction workers. Could I just ask, in considering the alternative southern access route that would go near Yarrabah—not to Yarrabah, and it does not have any impact—

Ms McNally—Is that the one through the wetlands?

Senator IAN MACDONALD—Yes. You are with me. My question is: would the government consider the ability to employ Yarrabah Indigenous people, as part of Minister Arbib's employment participation, getting them involved in the construction of that road? That road would go quite near to their town and would cut the time to get from Cairns city to Yarrabah. Currently, you have to do a huge loop around to get to Yarrabah. It takes about an hour and a half, whereas it could take 10 minutes. Is that being taken into account in considering this?

Ms McNally—Certainly, in the construction projects, a lot of the state governments have Indigenous employment targets. Some of them have, for example, 10 per cent, and they put in place Indigenous employment projects as part of the actual construction arrangements. Certainly, a number of the projects I have been looking at in Queensland, particularly along the Bruce and Ipswich, actually have Indigenous employment initiatives in place. So I imagine that the Queensland government—and certainly we can talk to them about whatever comes out of this particular study, in terms of where it goes and what the Indigenous employment opportunities are for Yarrabah.

Senator IAN MACDONALD—You are obviously familiar with the alternative route when you mention the wetlands aspect. Has that alternative eastern route been assessed?

Senator Conroy—In 2000, the *Southern Cairns integrated land use and transport study* considered and ruled out the option of a second highway for southern Cairns via East Trinity. An eastern corridor built across the Trinity Inlet was ruled out because there would be considerable environmental considerations, construction challenges and high costs.

Senator IAN MACDONALD—That is a state government report of 2000?

Senator Conroy—Yes.

Senator IAN MACDONALD—Thank you for that. That puts it in perspective, but it is now 10 years later and there are other considerations. People now have worked out how to build in these environmentally sensitive areas without impacting on the environment. There is the issue of Yarrabah, which I mentioned. Has the Commonwealth considered the number of resumptions that would be required if the preferred project goes through?

Ms McNally—Certainly that is looked at as part of overall studies, yes.

Senator IAN MACDONALD—Can you give me details of how many houses would have to be resumed, how many businesses would have to be closed down and how many schools would have to relocate or have major alteration to their entrances? Could you try and get that information for me?

Ms McNally—The study is still being undertaking.

Senator Conroy—Studies and planning have indicated that progressively upgrading the existing Bruce Highway is the way to go. We have \$150 million invested in it. We are getting on with the job. After 12 years of inaction, you seem now to be arguing for more studies and more delays.

Senator IAN MACDONALD—Minister, because at times I like you, I would just suggest to you that I would not get too fixed on a particular route at this time, bearing in mind Leichhardt is a very marginal seat. If I can get the answer to my question about how many people's homes will be resumed, how many people's businesses will be destroyed and how many thousands of people at the schools will be adversely impacted by the proposed route, then you might be as interested as I will be in the answers to that. So if we can get that—

Ms McNally—The detailed study is not due till the middle of this year and information relating to those resumptions will not be available until after that. So I guess the answer is we could take that on notice eventually.

Mr Mrdak—We will get you what information we can at this stage. But, as Ms McNally is indicating, the full details of those options and implications will not be available till the study is completed later this year. We will get you what information we can from Queensland at this stage.

Senator IAN MACDONALD—I appreciate that and I will await the accurate figures. I can assure you lots of people have done the numbers on just how many people's houses will be resumed. In instances like this, do you accept the Queensland government's assessment of environmental issues, bearing in mind that, for example, with the Traveston Crossing Dam the Queensland government had a certain view on the environment and the Commonwealth minister fortuitously had a quite different view? It is an almost reverse situation, but it lends little confidence to the Queensland government's ability to properly assess these issues. Does the Commonwealth in this road construction area do its own environmental considerations?

Ms McNally—We require all of the road projects to make a submission under the environmental protection act and to have a Commonwealth examination of any environmental issues.

Senator IAN MACDONALD—But you do not do it yourself.

Ms McNally—One of the other Commonwealth departments does it.

Senator IAN MACDONALD—I am not talking about the EPBC Act thing. I am talking about you, as a road authority. Do you have a look at that in terms of the EPBC Act?

Mr Mrdak—We certainly look at the planning studies that come back from the states and territories. We make an assessment in the advice that goes forward to the minister in relation to any issues arising. The answer is that we do look closely at those planning studies. As you are aware, essentially these are often planning decisions which are very much the responsibility of state governments. But the Commonwealth does take a view on a number of occasions as to the appropriateness of the work that is being done.

Senator Conroy—To clarify, you are not actually advocating that you want a brand-new expensive road through the middle of a highly sensitive wetland. That is not what you are advocating, is it?

Senator IAN MACDONALD—No.

Senator Conroy—Good. I just wanted to make absolutely sure.

Senator IAN MACDONALD—I am advocating an alternative to a brand-new road that is going to take people's houses, people's businesses, close schools and impact on literally thousands of school children and their parents. I am asking whether that can be looked at through an area that is of environmental significance but not of insurmountable significant environmental sensitivity. Let us have the argument about it. We have an election coming up sometime this year, and I would be pleased to enter into a debate on this. With the advantage of some information and facts, it would be a great debate.

Senator Conroy—I hesitate to extrapolate from what you said, but I got a very clear sense that in fact you are advocating we build a road right through the middle of that wetland.

Senator IAN MACDONALD—No. You said ‘a great big new road’. There is a great big new road, being an extension to an existing four-lane highway by another four lanes being proposed that will destroy the homes and livelihoods of thousands of people. Instead of putting it there, I am saying you can put it in another area, most of which goes through farmland and some of which goes through mangroves. Roads abound throughout Australia through mangrove swamps. It already happens, and the world has not come to an end. That is what I am advocating—sorry, I am not even advocating. I am saying it should be seriously considered.

Senator Conroy—It has been rejected before, but you are saying we should come back and do it again?

Senator IAN MACDONALD—It was rejected 10 years ago.

Senator Conroy—Have the mangrove swamps moved in the 10 years?

Senator IAN MACDONALD—I used to have this argument with Senator Faulkner when he was environment minister: you cannot stop mangroves. They will grow where they want to grow. It does not matter what human beings do. So do not worry about the mangroves.

Senator Conroy—So they have not moved. They are still where they were 10 years ago.

Senator IAN MACDONALD—There are probably more of them. It is a bit like the old Skyrail thing that your government tried to stop, and now it wins world awards.

Senator NASH—I want to talk about the Princes Highway east from Traralgon to Sale in Victoria. I refer to a commitment that was made in a media release of 27 November 2007 by the minister Martin Ferguson for \$140 million to start duplicating the Princes Highway east from Traralgon to Sale. Can you provide an update on that update?

Mr Mrdak—My understanding is that the construction contract for the Traralgon East section was awarded on 14 January this year to Fulton Hogan Pty Ltd. Construction of that section commenced on 1 February.

Senator NASH—I think the section of road is over 50 kilometres. Is the \$140 million figure correct?

Ms McNally—That is correct.

Senator NASH—As I understand it, there is a lot of single lane along those 50 kilometres. How much of that 50 kilometres is that \$140 million expected to address?

Ms McNally—We will have to take that on notice. It is 44 kilometres in total.

Senator NASH—Is there any commitment for future funding to deal with the last six kilometres, or is there a reason that is not being dealt with?

Ms McNally—I would have to take that on notice.

Senator NASH—How has the decision been arrived at about which sections of duplication will begin first? How has the department decided, ‘This is where we are going to start. This is what we are going to do’?

Ms McNally—The Victorian government will undertake detailed concept and design studies, including consultation with the communities and then they will put forward a detailed

project proposal, which we then assess. The information is provided in there as to the basis upon which they identified that particular stretch of road.

Senator NASH—Is the state government contributing to this as well, over and above the \$140 million?

Ms McNally—Yes, it is contributing \$35 million.

Senator NASH—The Princes Highway East apparently has the worst accident and fatality rates in regional Victoria.

Senator Conroy—There was no major funding in any of the 12 years that you were in government.

Senator NASH—If I can just quote for *Hansard*: ‘From 1 April 2004 to 31 March 2009, there were 314 crashes reported on the Princes Highway East, with 497 people injured and 28 people killed. During that same period, every other major highway in Victoria reported less than 220 crashes, with the Princes Highway in Western Victoria recording 134 crashes and 19 fatalities.’ Do you rely solely on the state government’s advice, as you were saying before, or does the Commonwealth take into account those sorts of alarming road statistics in terms of allocating the funding?

Ms McNally—The Victorian government is required to provide us that up-to-date information as part of their detailed project proposal.

Senator NASH—As part of that project proposal, you would be aware of those figures and take that into account in terms of the funding allocation?

Ms McNally—Yes.

Senator NASH—I understand there has been some interest in the local community for declaring the Princes Highway east of Sale as a road of national importance. What is the process for such a declaration and what is the likelihood of the highway between Sale and the New South Wales border meeting that criteria in the future?

Ms McNally—In terms of the declaration?

Senator NASH—Yes. What is the process for the declaration and what is the likelihood of it being declared a road of national importance?

Ms McNally—Basically, that is a government decision. We provide advice to the government on traffic volumes, links to freight routes, various other things, and then they make a decision about whether it should be part of the national highway.

Ms O’Connell—Just on that, there are specific criteria in the act and legislation as to what is considered in terms of whether a section of road is part of the national network.

Senator NASH—What is the process? You probably get this all the time: everyone thinks their road is the most important. If a local community believed that a stretch of road in their community should be considered under that criteria, what is the process for alerting the department to their belief that that is the case, or does the department identify these areas?

Ms McNally—There are a range of mechanisms. Sometimes it comes through from the state government, who have then been alerted from various people. Sometimes it comes

through from communities. Basically, anyone can make a submission. There is not a formal process. As Ms O'Connell said, there is the act and people just need to provide us the relevant information and we will have a look at that, but it is up to the government to make that final decision.

Senator NASH—Thanks.

CHAIR—Senator Abetz.

Senator ABETZ—This could be short; I have left my glasses behind.

CHAIR—No-one offer!

Senator Conroy—That is the best news this committee has had in months.

Senator ABETZ—I can understand you do not like my questions, which confirms that I am doing my job.

Senator Conroy—I do not think it will make any difference to the quality of your questions.

Senator NASH—They are excellent and they will remain excellent. It is hard to improve on excellence.

Senator Conroy—Whether you can read them or not.

Senator ABETZ—If Senator Hutchins over there could hold these bits of paper, that would be very helpful.

CHAIR—If it is true and the time is reduced, I am sure the minister will shout the lamingtons. Senator Abetz?

Senator ABETZ—In a similar theme to what I had earlier, in relation to question number 225, where I asked, 'Can a list be provided of all projects under the Nation Building Program'—

Senator Conroy—I am sure they are on the website.

Senator ABETZ—'and for each of those projects, can a breakdown be provided of the cost estimates and budget allocations for the following financial years' and then I listed six financial years. Is the spread of the six financial years on the website for each particular project?

Ms McNally—The start and commencement dates for projects are on the website and the amount for each particular project is on the website.

Senator ABETZ—But the amount spent each particular year on each particular project is not on the website, is it, Ms McNally?

Ms McNally—No, Senator.

Senator ABETZ—Why are we told, yet again, that this information that I have been seeking is on the website when it is not? What is the matter with Mr Albanese that he thinks that, no matter what the question, he can simply answer, 'Refer to the website,' even if the website does not contain the information being sought? I do not expect officials to answer that

question, but I do expect the minister to provide us with an explanation and, if need be, take it on notice.

Senator Conroy—We are happy to seek some further information over the course of the luncheon break to see if there is anything else available, but we would encourage you, as part of Web 2.0 and to provide all this information—

Senator ABETZ—Is this not great? Somebody listens to me. I have got my glasses. That is very kind.

Senator Conroy—Only because you pay them. Can we encourage you, Senator Abetz—and this has been a recurring theme for a while—and say there is an enormous amount of information available on the websites nowadays. They are not like websites in the past. We have conspicuously released more information than ever before, all available on our websites. We encourage you and your staff to become familiar with them, so that they are able to access this information. We encourage you to go digital and to do what you can for the environment with less paper.

Senator ABETZ—Thank you very much, Minister. Your officials have just confirmed that the information that I sought is, in fact, not on the website. Why does the minister mislead the Senate and himself in saying that this information is on the website? We actually do know how to use websites. We do know how to access these things. We search these things and then find the answer to be false. That is the matter of concern here.

Senator Conroy—No, I think that is a little strong. I think you are being a little over the top.

Senator ABETZ—I am willing to apologise, Minister, if you can confirm that a breakdown is provided of the cost estimates and budget allocations for each of the projects for the financial years, as I listed. I was told, ‘Go to the website.’ It is not on the website. So the answer is not false, it is what? What word would you use to describe that? ‘Incorrect’?

Senator Conroy—I think you are being a little over the top with your characterisation, Senator Abetz.

Senator ABETZ—I am willing to accept that. How would you categorise it, Minister, when I am told, ‘Look at the website for this information,’ and your own officials confirm it is not there. The is simply ignorant, mistaken, does not know or is it just that the minister thinks that every answer can be responded to by, ‘Look at the website’?

Mr Mrdak—Perhaps I may be able to assist somewhat. What is provided on the website, as Ms McNally has indicated, is the allocation of funding under the program and the start and commencement, and also project details of each, individual nation building project. What we can provide is details of actual expenditure to date that has taken place. What we are not able to provide you, which I think is the essence of your question, is the allocation of actual expenditure for the year ahead, because they are project details which are now being worked through with the respective state or territory government for each of the projects.

For instance, for the 2010-11 year, we will not determine the actual expenditure until we actually get closer to the budget this year as to what the cash drawdown will need to be for a project based on its construction schedule. What we can give you are details of expenditure to

date on a project, but not forecasts of what the actual cash expenditure would be in forward years because that is still yet to be settled for forward years with the respective jurisdictions.

Senator ABETZ—Mr Mrdak, I thought I was told earlier on that the full cost of the project is on the website—commencement date, scheduled completion date and the projected costs.

Mr Mrdak—That is correct; that is available.

Senator ABETZ—Right. Are you telling us that the department has made no analysis and has no indicative figures as to how much might be spent each individual year until you get to the completion dates?

Senator Conroy—I do not think that is what he said.

Senator ABETZ—In that case, explain yourself.

Mr Mrdak—What I was explaining is that we have a notional allocation within that total funding commitment for a project, but we—

Senator ABETZ—Per annum?

Mr Mrdak—Per annum in some cases. But in some cases the projects are still being worked through—in a number of cases—to actually do that detail. Where we do have that information, we do have some indicatives, but we will not be able to give you a definitive estimate of expenditure for 2010-11 for some time—until we work through that with the respective jurisdiction.

Senator ABETZ—But is that information on the website?

Mr Mrdak—That cash information projection is not.

Senator ABETZ—No—hence the minister's answer does not provide the information sought and—

Senator Conroy—I think what Mr Mrdak is indicating is that some of the information that is not actually available.

Senator ABETZ—And, if that is the case, do not tell us that it is available on the website. Tell us it is not available at all, full stop, for the reasons Mr Mrdak has advised, rather than having us senators looking at the website trying to find information. We cannot find it. We then ask here. We are told: 'Go back to the website. It is there.' So we have another look, only to have confirmed now that we have wasted two searches on the website for information that is not on the website. That is the problem with the answer, and I think Mr Albanese's office knows what he is up to and knows what he is doing. It does not reflect well on him or, indeed, the government. But can I move on to NBII01, a question on notice. If Senator Macdonald has asked this, that is fine, but Senator Macdonald asked for a short comment on where each one is at in being delivered, and we are simply referred to another answer—once again, another website. And I will just leave that at this stage.

NBII04 is another question on notice. Mr Mrdak, I thank you for that, because you said to me, 'I am happy to give you more detailed information.' There were 15 and you attached a list of 15, and these are the major infrastructure projects. Just in case there is something on the

website that is not on this document, can you just confirm that neither this document nor the website would disclose any Tasmanian projects in relation to the major infrastructure projects.

Mr Mrdak—That is correct.

Senator ABETZ—Thank you. In relation to NBII07, I asked whether we could have a split-up of the various projects as to which ones are specific election promises and which ones are not.

Mr Mrdak—Yes.

Senator ABETZ—And I was told, ‘We will take that on notice.’ Guess what the answer is: refer to another answer. Guess what that answer is: ‘The Nation Building Program projects can be found on the Nation Building Program website.’ Whack-a-do—we knew that. Does it tell us which ones of those are specific election promises and which ones are—

Senator Conroy—Our election promises—and we have had this argument for two years now, Senator Abetz—were publicly announced.

Senator ABETZ—Can we be told which ones were specific election promises and which ones had been developed as decisions by the government post election?

Senator Conroy—But, Senator Abetz, we announced election commitments before the election. We have discussed them at length and now you are asking the department to do your homework for you.

Senator ABETZ—No, because I am told it is on the website. All right: where on the website does it tell me which one is a specific election promise and which one is not?

Senator Conroy—We have published—

Senator ABETZ—Looking at the website I am not told that answer, am I, Mr Mrdak?

Mr Mrdak—The website contains the schedules to the memorandum of understanding with each jurisdiction, and that sets out a category of continuing projects—which were projects underway or commitments which the government is continuing—and then it sets out a schedule of, essentially, new projects which are commitments of this government. They are available on the website there.

Senator ABETZ—Yes, and there are commitments of this government which were of an election nature and ones which were determined after the election. Is that correct?

Senator Conroy—The full list is available and you just have to go and do a little bit of homework.

Senator ABETZ—No, that is not the issue.

Senator Conroy—Yes, it is.

Senator ABETZ—I was told, ‘Look at the website and it will tell you,’ and it does not. And this is where—

Senator Conroy—The full list is at www.nationbuildingprogram.gov.au/funding/projects. All the information—

Senator ABETZ—Talking about backslashes, I think you might get a backlash very soon from the electorate in relation to this obfuscation.

Senator Conroy—All of the information that you are seeking is publicly available, Senator Abetz.

Senator ABETZ—That may well be the case, but that is not the question. I have been told by the minister in an answer to this parliament that the information is on that particular website, and the truth is that it is not on that website. Therefore, it is a misleading answer. Whether it is deliberate—

Senator Conroy—No, I do not accept that—

Senator ABETZ— Whether it is deliberate or through ignorance, I will let the minister choose.

Senator Conroy—I do not accept that interpretation, Senator Abetz.

Senator ABETZ—All right. Where on the website, then, does it tell us which one is an election promise and which one is not? I think Mr Mrdak has confirmed it is not so delineated.

Senator Conroy—As you know, our election commitments have been published extensively and a full list is available on the website of all the projects. A simple bit of research by your office, rather than asking the department to do your office's work, would ascertain those two things.

Senator ABETZ—If it is so simple why can't the office do it? It is because it is such a muddle in the minister's office that he does not know which is which. Is that the problem? If it is so easy, why can't we be told where to find this information? Clearly—and I think it is agreed between us now—it is not on the Nation Building Program website.

Mr Mrdak—No.

Senator ABETZ—Right. If it not on the Nation Building Program website—

Mr Mrdak—Sorry, Senator; it is on the website. The schedule—

Senator ABETZ—Wait a minute. Mr Mrdak; be very careful here now. You were saying to me that the Nation Building Program website will tell me which project is a specific election promise and which one is not. Is that what you are telling this committee?

Mr Mrdak—Yes.

Senator ABETZ—All right. How is it delineated?

Mr Mrdak—It is delineated, from memory, in that the schedules that are published for each jurisdiction have a section of continuing projects, which were projects that were underway and continuing—

Senator ABETZ—Under the Howard government?

Mr Mrdak—under the former AusLink program, and a schedule of new projects which are commitments by this government of projects into the program.

Senator ABETZ—Mr Mrdak, be very, very careful, because you know that new projects can include both specific election promises and those which are not. If your evidence to this committee—

Senator Conroy—All of the projects marked ‘New Nation Building Program’ are election commitments.

Senator ABETZ—They are all election commitments?

Senator Conroy—All the projects marked ‘New Nation Building Program’ are our election commitments.

Senator ABETZ—So there are no other Nation Building projects that have been agreed to after the election? Is that right?

Senator Conroy—I am happy to confirm that, but that is the information I have been given.

Senator ABETZ—In that case, I did not have to sort them out, did I, Senator Conroy? You were telling me to go and do my homework and figure out which one was which. It was all there on the public record. All I had to do was a bit of homework.

Senator Conroy—No.

Senator ABETZ—Now we know that it is all in the one category.

Senator Conroy—No, I have not said that.

Senator ABETZ—You have to get your story straight here.

Senator Conroy—No, I have not said that.

Senator ABETZ—You have to get your story straight.

Senator Conroy—I said all of our election commitments are contained in that category.

Senator ABETZ—And they are now, we have discovered, only election commitments.

Senator Conroy—No, I did not say that.

Senator ABETZ—They are not only election commitments in the new category?

Senator Conroy—I did not say that. What I said was that all of the election commitments are contained in that category.

Senator ABETZ—In that category?

Senator Conroy—Now, whether that is—

Senator ABETZ—But it can also include commitments that were made after the election. Is that correct?

Senator Conroy—Theoretically, that is possible.

Senator ABETZ—Well, I am now asking which ones are which, and that is not delineated on the website, is it?

Mr Mrdak—Senator, the—

Senator ABETZ—Is it, Mr Mrdak?

Mr Mrdak—Senator, as the minister has outlined, the schedules—

Senator ABETZ—I am sorry to interrupt. Can you, please, tell us whether or not that delineation is there on the website?

Mr Mrdak—The website does contain all of the government's commitments. I can take you through them. There have been some changes since—

Senator ABETZ—Mr Mrdak, I am sorry to interrupt you again.

Senator Conroy—Let him finish his answer.

CHAIR—Senator Abetz, if you could just give Mr Mrdak the decency—

Senator ABETZ—All right. We will waste the time.

CHAIR—If it a waste of time then I would suggest, Senator Abetz, that you may want to pass on to one of your colleagues who may have some questions which they find might not be a waste of time, in your view.

Senator BERNARDI—It is the answer, sir, that is a waste of time.

CHAIR—Is that what you are saying?

Senator ABETZ—Can I suggest to you, you are in fact chair of the committee, not a barracker for the bureaucrats.

CHAIR—I am, Senator Abetz, but if you believe the questions you are asking are a waste of time, why waste our time even putting them up?

Senator ABETZ—It is your responsibility to get responsive answers.

CHAIR—So do not come in here, Senator Abetz and start running. You are not in the courtroom now. If you have questions, put them to Mr Mrdak.

Senator ABETZ—I do. I do, indeed.

CHAIR—If you believe they are a waste of time, go and annoy another committee. At least let Mr Mrdak finish.

Senator ABETZ—It is good to see an unbiased chair. Is it not great?

CHAIR—If you are not happy, Senator Abetz, there are two doors—help yourself; go and annoy someone else.

Senator ABETZ—You know what? You can do the same thing.

CHAIR—If you have a question, put it to Mr Mrdak.

Senator ABETZ—I do.

CHAIR—Mr Mrdak?

Mr Mrdak—Thank you, chair. Senator, as I was saying, the website contains the details of all of the government's commitments. Since the election of the government, there have been a number of projects added to the Nation Building Program.

Senator ABETZ—Thank you.

Senator Conroy—Can he finish the answer?

Senator ABETZ—Thank you.

Senator Conroy—Let him finish the answer.

Mr Mrdak—They are detailed as well on the website, and they are the 15 budget major projects that were announced in last year's budget. There are three changed Tasmanian rail projects which were announced last year.

Senator ABETZ—Thank you.

Mr Mrdak—And there are two studies, the Bells Line of Road study, the Maldon to Dombarton rail study, and a project on the Pacific Highway at Glenugie which are variations and new projects that have been added since the commitments made in the election process.

Senator ABETZ—It was not that hard after all, was it? Thank you very, very much, Mr Mrdak.

Mr Mrdak—Details of all of that are on our website.

Senator ABETZ—It is very, very good, but the sad thing is it has taken so many estimates and so many questions on notice to finally get an answer that could have been provided, and it now begs the question—and it is not for you to answer, Mr Mrdak, I ask the minister—why was that list not provided earlier on? Why the obfuscation?

Senator Conroy—I am assuming that is rhetorical question, Senator Abetz—

Senator ABETZ—No. This is very serious.

Senator Conroy—and that you are pontificating on one of those many questions that you like to ask—

Senator ABETZ—This is code of conduct by this particular minister.

Senator Conroy—so that you can answer.

Senator ABETZ—This is a conduct by this particular minister from a government which, I remind you, had a policy at the last election of a 'pro-disclosure culture' which is a 'key component of the architecture of a healthy, vibrant democracy'. Well, we saw it in action just then.

Senator Conroy—It is all there on the website, with a bit of research by your office.

Senator Conroy—A bit of research by your office.

Senator ABETZ—Which was at the hands of the bureaucracy, one would imagine, at all times and deliberately not provided. I now turn to NBII 06. I asked in relation to the MOUs that were signed with the states and territories. I was told by Ms McNally:

The list was finalised when the MOUs were provided to the states and territories.

I then asked:

And what date was that?

Ms McNally:

I would have to take on notice.

Quite reasonable. I am then told:

The Nation Building projects can be found on the Nation Building Program website.

Just press the button for the same answer. I actually want to know the date. I am not interested in the projects. I was asking about the date the various MOUs were provided to the states and territories. Can we be told that, please? What was the date?

Mr Mrdak—I will find that for you, Senator.

Senator ABETZ—Why have you not been able to answer this question, Minister, since October 2009? What is the difficulty here? Is the date of the MOUs on the website? I had a look, but when it told me about projects as opposed to dates in the answer—

Senator Conroy—I am not actually sure you are asking the same question, Senator Abetz, and maybe it is just an interpretation on this side of the table as opposed to how you think you are asking the question on that side of the table.

Senator ABETZ—Can you tell me what your—

Senator Conroy—We do not actually think you are asking the same question now. When you say, ‘Oh, it has taken 10 months,’ we actually think you are asking a different question. Your question has morphed a bit.

Senator ABETZ—No. I actually read that from the *Hansard*, Senator Conroy, and unless you are suggesting I am deliberately twisting the words of the *Hansard*, I would suggest that you reconsider your suggestion then. Ms McNally said:

The list was finalised when the MOUs were provided to the states and territories.

I asked:

And what date was that?

Ms McNally, quite reasonably:

I would have to take that on notice.

Answer:

... projects can be found on the Nation Building Program website.

All very interesting but it does not tell me the date. I ask again: what date was it, or the dates, that the MOUs were provided to the states and territories? Do we have that information?

Mr Mrdak—Not with us, Senator, but I will—

Senator ABETZ—Can you take that on notice yet again? I have a funny feeling, with due respect to the department, that they in fact do provide the information to the minister’s office—

Senator Conroy—That is one of those rhetorical questions you ask so that you can—

Senator ABETZ—and then fiddles with the answers to ensure that they do not get responded to. Can I then finish on NBII 20, which was taken on notice? That was the Northern Expressway, opening of bridges at Penfield Road and Heaslip Road—issues that Senator Bernardi has a very keen interest in. I asked:

Who was invited from the South Australian federal representatives?

So we are talking about invitees. And the answer is:

Details of the attendees will be advised once the bridge openings have taken place.

Guess what? I fully agree that you can only tell me who actually attended after the event. But I was not asking about attendees; I was asking about invitees—yet again obfuscation by the minister's office deliberately not wanting to answer, which is, I would have thought, a pretty easy and simple question.

Senator Conroy—Back then I do not think that Senator Bernardi was being invited by anybody to anything.

Senator BERNARDI—You would be surprised, Senator Conroy.

Senator ABETZ—There is yet again this culture of non-disclosure. Could I invite the department or the minister—I should say the minister—to, yet again, take this question on notice and tell us who they will be inviting for these openings? I accept that we can only be told the attendees after the event, because we cannot predict, but I did not ask about attendees; I asked about invitees.

Ms McNally—On that particular question, there were no major opening events for the Two Wells Road and Penfield Road structures as part of that Northern Expressway. There was something locally organised with the member for Wakefield, Mr Nick Champion, and the South Australian member for Light, Mr Tony Piccolo, for the Two Wells Road underpass on 18 December, which was largely just them attending. The Heaslip Road interchange will be opened on 18 February, and the member for Wakefield, Mr Nick Champion, is expected to attend on Minister Albanese's behalf.

Senator ABETZ—And I am asking who was invited to these events, and will be invited to the one that is about to be opened.

Ms McNally—The earlier two actually occurred at a local level. We were not involved in the invites for those. On the other one, I would have to—

Senator ABETZ—Sorry. Who funded these projects?

Ms McNally—Basically, the two—

Senator ABETZ—The Australian taxpayer did that?

Ms McNally—That is correct.

Senator ABETZ—Right.

Ms McNally—And there was—

Senator ABETZ—Sorry to interrupt, but just so I get this clear, so you are saying that the total organisation for the official opening celebration, whatever we call it, was left with a local member?

Ms McNally—No, Senator. There has not been an official opening.

Senator ABETZ—Just an unofficial one?

Ms McNally—No official one, Senator.

Senator ABETZ—Sorry?

Ms McNally—There has not been an official opening.

Senator Conroy—There was no official opening. That is the answer to the question.

Senator ABETZ—But there was something.

Ms McNally—It was a road underpass on 18 December.

Senator ABETZ—So what was that? What do we describe that as?

Senator Conroy—A gathering of like minds.

Senator ABETZ—A non-official opening, but people were there and the media were there and—

Ms McNally—It was essentially a photo opportunity, Senator.

Senator ABETZ—A photo opportunity? Right. And who decided that this was the appropriate time for the photo opportunity?

Ms McNally—That was decided at a local level, Senator. We were not involved in that.

Senator ABETZ—No, but you seem to know all about it. How come? How come you are so well-briefed on this if it was all decided without the department's involvement? How do we know that this occurred and how come you are briefed on it?

Ms McNally—We asked the questions and followed through.

Senator ABETZ—Oh, you asked the questions. Why would you ask a question about this local decision?

Ms McNally—We often ask questions in relation to road projects where things occur without us being notified prior to the event.

Senator ABETZ—Without you being notified prior. So if you were not notified prior, how would you know it—so you asked these questions after you saw it in the media?

Ms McNally—No, when we talked to local officials, Senator.

Senator ABETZ—So local officials from your department know about this unofficial opening?

Ms McNally—No, we actually work closely with the state government officials, Senator.

Senator ABETZ—All right. So the state government department officials.

Mr Mrdak—Who manage the project.

Senator ABETZ—On your behalf?

Mr Mrdak—That is right.

Senator ABETZ—And so you agreed with them that it be okay for the South Australian government to dine out on this as well?

Ms McNally—We did not—

Senator Conroy—I think that is a rhetorical question, rather than a serious question, Senator Abetz.

Senator ABETZ—Or the state government was involved in this photo opportunity?

Ms McNally—The state government is providing funding towards this particular part of the road.

Senator ABETZ—Yes, fine.

Ms McNally—\$112.8 million, Senator.

Senator Conroy—And as the officer said, she worked at a local South Australian level.

Senator ABETZ—And were South Australian senators invited to this photo opportunity?

Senator Conroy—Senator Bernardi was struggling to get an invite anywhere then.

Senator ABETZ—Were local senators—

Senator BERNARDI—Why are you so low as to do that, Senator Conroy?

Senator ABETZ—provided with an invite?

Senator BERNARDI—So grubby. Since you have hung out with Kim Carr you are getting grubbier—

Ms McNally—Not to our knowledge, Senator.

Senator ABETZ—Not to your knowledge? Right. What about the opening which is—Ms McNally, when is that about to occur?

Ms McNally—18 February.

Senator ABETZ—And whoever the local member is—

Senator Conroy—I am sorry, Senator Abetz. It is—

Senator ABETZ—Mr Champion?

Senator Conroy—It is hard to take you seriously—

Senator ABETZ—Mr Champion, is it?

Senator Conroy—It is very hard to take this line of questioning seriously.

Senator ABETZ—Chair, are we going to allow this interruption?

CHAIR—Minister, with much pain, I would encourage you to let Senator Abetz ask his questions, because the sooner he can ask his questions, we can get an answer and we can move on to others.

Senator Conroy—Are you soliciting an invite for yourself or for Senator Bernardi? Are you so desperate to come—

CHAIR—Minister—

Senator BERNARDI—Senator Conroy, why do you not just—

CHAIR—Senator Bernardi, you do not have to bite. You have got enough publicity, Senator Bernardi, with your shenanigans.

Senator BERNARDI—It is just so puerile.

CHAIR—I would not worry about biting. Minister, I have seen that devious gleam in your eye—

Senator BERNARDI—He is a schoolboy who has not gone out of the bathroom locker.

CHAIR—Senator Bernardi, ignore it and let your colleague—

Senator BERNARDI—You are right, he is easy to ignore. He is increasingly puerile.

CHAIR—ask his question in peace, and as soon as Ms McNally can answer it, hopefully we can move onto other questions, if Senator Abetz is finished.

Senator ABETZ—Exactly, because this is my last question in this area—

CHAIR—You said that 10 minutes ago.

Senator ABETZ—so let us hope that we can get an answer. So Mr Champion will be representing Mr Albanese?

Ms McNally—That is correct, Senator.

Senator ABETZ—So there will be an official function on this occasion on 18 February?

Ms McNally—I would have to take that on notice to confirm that, Senator. There will be a—

Senator ABETZ—Well, how can it be not official if Mr Champion is representing the minister?

Ms McNally—There will be a launch, Senator. I am not sure what you mean by ‘function’.

CHAIR—That is a fair answer.

Senator ABETZ—Whether it is going to be a launch, an opening, a photo opportunity—I can go through the range of things—how would you describe the events to take place on 18 February, Ms McNally?

Ms McNally—A launch, Senator.

Senator ABETZ—A launch? All right.

CHAIR—Fair answer.

Senator ABETZ—A launch. So we are absolutely clear. Now, at this launch—

CHAIR—I thought that was the last one.

Senator ABETZ—Mr Champion is representing the minister who runs your department. Is that correct?

Ms McNally—That is correct, Senator.

Senator ABETZ—Right. Now, that would make it an official launch, would it not?

Ms McNally—That is correct, Senator.

Senator ABETZ—Right. Now, who has been invited to this official launch?

Ms McNally—I do not have that information with me, Senator. I would have to take that aspect of the question on notice.

Senator Conroy—Is there anybody you would like invited, Senator Abetz?

Senator ABETZ—Can we then please be provided with that list? And I accept it will have to be taken on notice, but of course, that was the issue that we were trying to canvass in

October, and here we are—what is it—nine days before the launch, and we still do not have an answer, and undoubtedly, after. When I get the answer on notice, you will be able to tell me both the invitees and the attendees. And so—

Senator Conroy—Is there anyone you would like invited I can pass on to the minister's office?

Senator ABETZ—Thank you very much, Chair.

Senator Conroy—As I indicated, Senator Abetz, I think we will have that information on that question you were seeking—we were proposing to go to it straight after lunch, if that suits you.

Senator ABETZ—Will it be potentially in a written form? Because I anticipate it will be a figure, and if that is the case, then I do not need to take it any further, and if it can just be read on the *Hansard* then I do not need to be here. That is what I am suggesting.

Senator Conroy—That is okay.

Senator ABETZ—All right. Thank you.

Senator MILNE—I wanted to ask, in relation to Nation Building-Infrastructure Investment, about the decision of the Commonwealth to grant major project facilitation status to the Hancock and the Waratah coalmines in Queensland. So if we could go to the particular coalmining projects in Queensland, and if you could just tell me whether both the Waratah project, the Hancock mining and the Chinalco—I guess there are three projects—whether they have all got major project facilitation status. If so, when did they get it, and what does it actually mean?

Ms O'Connell—Certainly, Senator. In relation to the Waratah Coal project, yes, that has major facilitation status, that was issued in December 2009 and announced in a press release accordingly, late last year. I will just see if we have the information on the other projects that you have asked about.

Ms McNally—I have not got that with me.

Ms O'Connell—We do not have that with us. Perhaps we can come back after lunch with that information, in terms of the other projects. What major facilitation status means is that the program is designed to encourage private sector investment in projects that will take advantage of Australia's scientific, technological and human capital, and foster long-term productivity growth. Companies need to meet a number of criteria for major project facilitation status. So it has to be of some strategic significance to Australia, so for example, exceeding \$50 million worth of investment, or a significant contribution to economic growth, employment or exports. The project would need to require Australian government approval or significant Australian government involvement in it, and that the proponent has got sufficient financial resources to get through that approval process, and that the project has some commercial viability. The Waratah Coal project was assessed as meeting that criteria that I talked about above.

Senator MILNE—Okay. If we can just go to some of those issues for a moment, can you explain to me how it meets the scientific, technological and human capital criteria?

Ms McNally—Sorry, I was turning the pages. I did not quite hear the question, Senator.

Senator MILNE—I just heard from Ms O'Connell that for a project to get the major facilitation status it has to have scientific, technological and human capital ramifications. This is a coalmine, and I would like to know how that fits into that definition.

Ms O'Connell—Senator, the full criteria are strategic significance to Australia, so a project's estimated investment exceeds \$50 million or makes a significant contribution to economic growth, employment, exports or infrastructure.

Senator MILNE—Okay. So it exceeds an investment criteria?

Ms O'Connell—So that is an investment criteria that it meets.

Senator Conroy—It was granted back in October 2009.

Senator MILNE—Yes, I know that. I am just proceeding to understand what it means, now they have got it, and why they have got it. Yes, go on.

Ms O'Connell—The second criteria requires Australian government approval or significant Australian government involvement. And it will. The proponent must have sufficient financial resources to complete the approval processes. It was assessed as meeting that, and there must be demonstrated reasonable commercial viability of the project. So it is a commercially viable project and it was assessed as that.

Ms McNally—Senator, we have a pamphlet here that we would be happy to provide you about the requirements for the major project facilitation status.

Senator MILNE—Yes, I will have that if I can, but now I would like to know what it actually means in terms of what it frees up. According to the media releases, it gives basically a green flag through the approvals process. Can you just explain to me what exactly does getting major project facilitation status mean? What does the government do for a project once it qualifies?

Mr Mrdak—It is not correct to say it flags it for a green light. What it does do is make sure that our role is to facilitate their process through the various approval processes to make sure that the approval processes are coordinated, that there is an awareness across government of the various time frames involved and the like. That is the sort of process that is ensured from this. That does not mean that, in any way, they do not have to go through all of the approval processes and meet all the regulatory requirements of each individual process, including environmental assessment.

Ms O'Connell—So it does not provide any particular approval through any of those steps. It does not provide any sort of financial support either to the project. It is about a streamline process.

Senator MILNE—Who manages the streamlined process for the Commonwealth?

Mr Mrdak—That is a responsibility of our department with the proponents.

Ms O'Connell—How many people are employed in your department to be giving major project facilitation status or to manage this process?

Mr Mrdak—We have two people.

Ms O'Connell—Two staff members.

Senator MILNE—What does it mean in terms of federal government investment in this project because there is clearly not just the mine? There will be a railway line and there will be upgraded port facilities. What has the Commonwealth committed in terms of support for this project?

Mr Mrdak—The Commonwealth has an extensive investment program through the Australian Rail Track Corporation for the Hunter Valley rail system. That has been in place for some time and Mr Marchant, this morning, gave an update to the Senate in relation to the various investment that has taken place over the last year or so in the coal rail system. Apart from that investment, I do not think it indicates at this stage any further investment by the Commonwealth in any supporting infrastructure beyond what is already provided for in the ARTC program.

Senator MILNE—So at this stage the Commonwealth is not investing in the railway that will be needed to facilitate this project?

Mr Mrdak—A major investment program in the expansion of the Hunter Valley coal rail system—

Senator MILNE—Yes, that is the Hunter Valley.

Mr Mrdak—But nothing additional to what has already been announced as part of the ARTC program that I am aware of.

Senator MILNE—What about the other projects in Queensland?

Mr Mrdak—I am not aware of any additional investment specific to those projects beyond what is set out in our nation building program.

Ms McNally—The Major Project Facilitation program does not provide any investment specifically. It just facilitates a process.

Senator MILNE—Under the nation building project, what money has been set aside for the Northern Economic Triangle development? Is the Commonwealth investing in that in any which way under this Nation Building-Infrastructure Investment program?

Ms McNally—I will have to take that on notice, Senator.

Senator MILNE—So you cannot tell me right now if the Commonwealth is supporting the Northern Economic Triangle development with any cash?

Ms McNally—Not directly we are not, that I am aware of, Senator, but I would like to confirm that.

Senator MILNE—Can you tell me what volumes of coal we are expecting to be exporting from the Chinalco, the Hancock mining and Waratah Coal developments?

Ms McNally—I would have to take that on notice as well, Senator.

Senator Conroy—There was just one point that you raised earlier and I just wanted to absolutely make clear, none of this pre-empts the green light, as Mr Mrdak says. It does not pre-empt other approvals at all. If I could just make that point again, Senator Milne.

Senator MILNE—Just to go back to the issue I was just alluding to, there are not only railway lines but also gas pipelines, water pipelines, port facilities. So when you have a look at what Commonwealth support there might be for the Northern Economic Triangle development, I am interested in any of those Commonwealth programs to support any of the infrastructure associated with that. In terms of the assessment for a major project facilitation status, is the impact on greenhouse gases considered in terms of strategic significance or Australian government involvement?

Ms McNally—Senator, that would have to be considered as part of going through relevant approval processes. So any particular project that gets the status would have to go through any relevant approval processes and those issues are looked at as part of that process.

Senator MILNE—Infrastructure Australia ticks off on these projects; is that correct? What is the relationship between a major project that has got major project facilitation status and Infrastructure Australia?

Ms McNally—There is no direct link, Senator. The major project facilitation process is essentially helping the proponent work with other departments, making sure departments keep to time frames, making sure they understand requirements. So it is more of an introduction and a facilitation process. It is then up to the proponent to work with the relevant state government or Commonwealth government about seeking funding. So the two processes are kept quite separate.

Senator MILNE—You just said that the greenhouse gas emissions would be assessed under environmental project assessment. Can you tell me whether that actually occurs under the EPBC?

Ms McNally—I would have to take that on notice, Senator.

Senator MILNE—Because there is no greenhouse trigger under EPBC.

Mr Mrdak—That is an issue probably best raised with the environment portfolio, Senator.

Senator MILNE—I am very well aware of that, but it is interesting that we are talking about the strategic significance in terms of this because, if you consider the volumes of coal that we are going to put out there and, if you have one megatonne of coal gives you three megatonnes of CO₂ approximately, we are looking at exporting from these three mines virtually as much as Australia emits in a year. Is that not correct?

Mr Mrdak—We are not that familiar with that element of the project, Senator.

Ms O'Connell—Senator, the Department of Resources and Energy will, in terms of answering questions about the approval process for the coalmine. This is about a broad, major facilitation program, whereby a company making a significant investment in Australia is provided with some assistance, in terms of the processes and coordination across the processes.

CHAIR—You have three minutes.

Senator MILNE—Sure. On this multicargo port facility that is being proposed for North Queensland, can you just include that in terms of whether the Commonwealth has got any money in these port facility expansions for those coal developments. Thanks, Chair.

CHAIR—Thanks.

Ms O'Connell—Also, Senator, if I can just return to a question you asked earlier about whether the Hancock mine had major facilitation project status. It does have major facilitation project status.

Senator MILNE—Thank you.

CHAIR—Thank you, Senator Milne, and thank you, Ms O'Connell.

Proceedings suspended from 12.58 pm to 2.00 pm

CHAIR—We will continue with Nation Building Infrastructure Investment.

Senator BACK—I will draw the attention of the committee for a few minutes to a couple of projects in Western Australia. The first one relates to the funding agreement between the former government and the City of Wanneroo, which was signed in 2007. I understand it was a \$7 million grant to assist with the extension of the Ocean Reef Road from Hartman Drive to Gnangara Road north of the city. Are you aware of this project?

Ms McNally—No, I would have to take that on notice.

Senator BACK—I would ask you to take a number of questions on notice. First, there was an understanding that the project would be finished by June 2010 under that agreement, but it will not be. When will it be completed? Are the department and the minister aware of the delay? What is the involvement of the department and/or the minister in authorising that delay and the occasioning of it? What, if any, funding variations have been authorised in the project and by whom? So we cannot throw any more light on that one at the moment?

Ms McNally—No.

Senator BACK—I refer to an issue that has been the subject of some discussion in these estimates—that is, the Perth airport intermodal links project, which is a keen interest of all Western Australian parliamentarians. I am led to believe that a task force has been set up by the Western Australian government into this project. First, can you tell me what is the status of negotiations between the Western Australian government and the Australian government to fund the Perth airport intermodal link project?

Ms McNally—We are waiting for a draft transport master plan to be made available to us.

Senator BACK—From whom?

Ms McNally—From the WA government. We are expecting that in the next couple of months. We are expecting it to be finalised by mid-2010. We will have input once we receive that draft plan.

Senator BACK—At this stage would you be aware of the convening of this particular task force?

Ms McNally—I would have to check. There have been a number of meetings between us and the Western Australian government. I have not personally attended those, so I will check exactly which particular groups are getting together and what our knowledge is of those.

Senator BACK—Thank you. If you do that, I would also like to know whether or not to this point the Commonwealth has actually allocated any funding to the task force itself and, if

so, how much. Obviously we are all keen to know what will be allocated in the forward estimates for that particular project.

Ms McNally—I can answer now that \$3 million has been provided to Western Australia to develop the Perth airport transport master plan. A steering group oversees that. I am not sure if that is the same as a task force; sometimes they have a number of committees. So I will double-check that aspect.

Senator BACK—My recollection is that the overall project is about \$100 million, but you cannot tell me whether that figure has gone into the forward estimates or a figure similar to it.

Ms McNally—The Australian government has committed \$350 million to upgrade the Perth urban transport and freight corridor.

Senator BACK—Over what period?

Ms McNally—Over the estimates to 2013-14.

Senator BACK—Right.

Ms McNally—That \$100 million would be a component of that.

Senator BACK—Right, and that is still in there. I will look forward to those answers, thank you. Is grain rail freight transport part of nation building?

Mr Mrdak—Yes, it is.

Senator BACK—You would hopefully be aware of the parlous situation of much of the narrow gauge railway in Western Australia, especially in relation to transportation of grain from farms and sidings either to port or to the standard gauge network. I am of the understanding that the Western Australian government is prepared to put in \$43 million as its contribution to get started on that project. From my own knowledge of it, that would be a drop in the ocean. Can you tell me whether the Commonwealth is matching that contribution or providing a larger amount? I am particularly interested at the moment in the Northam-Avon Valley section of the line.

Ms McNally—The Australian federal government has required the Western Australian government to come up with a long-term strategic plan and solution and business case. We are still waiting for that information from the Western Australian government.

Senator BACK—Have you had discussions or have they sought any assistance from your department in preparing that submission?

Ms McNally—Yes, they have asked us what our broad requirements are and we have provided those.

Senator BACK—You have provided them?

Ms McNally—Yes.

Senator BACK—Is there any time frame that you would be seeking to have that response from the Western Australian government?

Ms McNally—We have sought to have it within the first quarter of this year. We are expecting to get something around March-April.

Senator BACK—Excellent. In a spirit of unanimity I return to the east coast and, in general, the Pacific Highway. The question of the duplication of the Pacific Highway has been raised before and its allocation of funding. I think the information available to me is that the government has committed \$3.1 billion towards the upgrade from 2008-09 to 2013-14. The New South Wales government has committed \$500 million over that same period, giving a total of \$3.6 billion.

I will quote you, Mr Mrdak, from past estimates committees; the figure of \$6.7 billion to duplicate the Pacific Highway seems to have come to the fore. I think you have said that that is an estimate. There have much higher estimates to complete the work. Therefore, there seems to be a shortfall of \$3 billion, at least. Can you confirm the updated estimate of the cost of the project to duplicate the Pacific Highway?

Mr Mrdak—I am sorry, Senator, we do not have any more accurate estimates of what will be required to complete the project beyond the current program at this stage.

Senator BACK—Is it the \$3.6 billion or the \$6.7 billion that you are saying you do not have an update on?

Mr Mrdak—The \$6.6 billion or whatever the additional cost would be over and above the \$3.6 billion.

Senator BACK—Right.

Mr Mrdak—As I indicated at the last hearing of the committee, the current program, as you indicated, runs to 2013-14. Work is now being undertaken by the state government in relation to completing all of the planning and environmental assessments, most of which are nearing completion. That will enable some degree of greater refinement of the cost estimate of what it will require. Obviously, some of that will depend on the time frame in which the remaining work is sought to be undertaken.

Senator BACK—Sure.

Mr Mrdak—That will very much drive the quantum of funds required.

Senator BACK—My next question is to the minister. I understand that prior to the last election in November 2007 the federal Labor Party issued a media release stating:

Under AusLink 2 the Labor Party would duplicate the Pacific Highway by 2016.

Does the government stand by that election commitment, Minister?

Senator Conroy—We stand by all of our election commitments.

Senator BACK—So you do intend to find at least the extra \$3 billion and to complete the project by 2016?

Senator Conroy—We are committed to the full duplication of the Pacific Highway by 2016, following 12 years of neglect by your government.

Senator BACK—To come back to my question, although we now think the figure is \$6.5 billion, of which we have \$3.6 billion committed, can we be sure that that extra funding is there to complete that project?

Senator Conroy—I have just said that we stand by our commitment. It will be fully duplicated by 2016.

Senator BACK—Excellent, I appreciate that.

Mr Mrdak—The decision on funding and the quantum will obviously be future decisions in future budgets.

Senator BACK—My understanding is that about 410 kilometres has been upgraded and another 411 kilometres—the other half—is still to be done. Is that about the figure you have, Mr Mrdak?

Mr Mrdak—No, we can give you a more accurate figure.

Senator BACK—Thank you.

Mr Mrdak—Bear with us.

Ms McNally—355 kilometres is complete and there is another 77 kilometres currently under construction. Another 50.3 kilometres is planned for construction. That will bring it to around 427 kilometres completed out of 677 kilometres. However, we expect the length of road to be shortened by 14 kilometres when it is fully duplicated.

Senator BACK—So when those processes are completed we would be looking at another 250 kilometres?

Ms McNally—That is correct.

Mr Mrdak—With the completion of the current program, the estimate is that about 63 per cent of the current highway will be duplicated.

Senator BACK—That is encouraging if those funds do turn out to be in place.

Mr Mrdak—Those funds for 63 per cent duplication are in place; they are in the forward estimates and have been provided for in the government's budgets.

Senator BACK—Based on current and recent costs per kilometre of projects of that nature, do you have any thought about the funding that you have in the forward estimates or committed not being sufficient for the 250 kilometres not yet commenced or planned?

Senator Conroy—That is asking for an opinion.

Senator BACK—It is not an opinion given what we know from recent road construction projects about the cost per kilometre, and it is increasing. We know that from projects around Australia. Rather than asking for an opinion, I want to know whether, by dividing the number of kilometres by the cost per kilometre, \$250 million is still a reasonable figure?

Senator Conroy—Senator Back, I know that you are a new senator and therefore you have the capacity to have amnesia when it comes to the previous government's record.

Senator BACK—I can assure you that, although I do suffer many issues, amnesia is not one of them.

Senator Conroy—In 12 years the coalition spent \$1.3 billion. We are investing \$3.1 billion over six years.

Senator BACK—It is not amnesia on my part. Chairman, can I—

Senator Conroy—That is twice as much in half the time.

Senator NASH—Surely the minister's staff should spend more time working for him and making sure he is getting it right rather than trawling through old records to bring up at estimates.

CHAIR—With all due respect, I tend to agree with what the minister is saying about the last 12 years of the previous government.

Senator NASH—I am not surprised, Chair, but it is not necessarily true.

CHAIR—Senator Back does have the call.

Senator Conroy—Numbers speak for themselves—\$3.1 billion in six years and \$1.3 billion in 12 years. That is twice as much in half the time.

Senator BACK—My question is not based on opinion but on simple division: will the 250 kilometres to be completed in the next phase be completed based on your current estimates of costs per kilometre for construction and the sum of money that you have allocated for the purpose?

Mr Mrdak—As I indicated, on the current project, based on the current program, we are confident that the funding that has been allocated until 2013 will enable the 63 per cent duplication to be completed. Beyond that, in relation to the remainder of the completion of the duplication, we are yet to see detailed cost estimates. I am unable to give you a precise answer. They will be matters for New South Wales. Once they have completed all of the engineering and design issues, they will be in a better position to know what the budget envelope required, from New South Wales and ourselves, will be to complete the duplication of the entire length.

Senator BACK—Thank you. I do have some questions on transport, but they probably come under surface transport policy.

Mr Mrdak—It would depend. If there are questions in relation to the investment program around rest stops and transport infrastructure, that is here.

Senator BACK—Right. Perhaps I will ask the question. It is my final question and it relates to the Newell Highway—no doubt a topic dear to some people at the committee table. Are there any plans to provide funding for rest stops, truck stops and overtaking lanes on the Newell Highway in the immediate future?

Mr Mrdak—There are two parts to that. I will ask Ms McNally to give you an update on the current program. There is a second tranche of funding made available by the government for heavy vehicle fatigue rest stops and the like, and those projects—the second tranche—are yet to be finalised. I will defer to my colleagues in relation to the first tranche of announced projects and whether any of them involve the Newell Highway.

Ms McNally—Several projects involve upgrades of parking bays and rest stops on the Newell Highway. I am just counting them. There are around 25 projects on the Newell Highway.

Senator BACK—25?

Ms McNally—Yes.

Senator BACK—Related to the areas I referred to?

Ms McNally—Which particular areas?

Senator BACK—Passing lanes, truck stops, rest areas.

Ms McNally—That is right.

Mr Mrdak—Truck stops and rest areas.

Ms O'Connell—Some of them are enhancements to existing rest stops. So there is a mixture of new rest stops and upgrades to existing rest stops in that number.

Senator BACK—Great. Thank you. I have some other questions, as do other senators, so I will defer to them until time permits.

Senator WILLIAMS—Mr Mrdak, last time you were here I questioned you about the duplication of the Pacific Highway. We are aware that \$3.1 billion has been committed to 2013-14 by the federal government and \$500 million by the New South Wales government, making a total of \$3.6 billion. Just to refresh your memory, when asked whether that would be enough money, you said: 'There have been estimates which are much higher to complete the work. Certainly, completion of forward duplication all the way to the Queensland border would take at least that sort of element.' We are talking about \$7.7 billion. Senator Conroy, are you listening?

Senator Conroy—I am always listening.

Senator WILLIAMS—Can the government confirm the accuracy of the secretary's statement that it will take at least \$6.7 billion to complete the duplication of the Pacific Highway?

Senator Conroy—I know you were either deep in concentration or bored out of your brain when Senator Back was asking his questions, but he just asked this exact set of questions.

Senator WILLIAMS—So it is \$6.7 billion?

Senator Conroy—We said we can complete it fully duplicated by 2016.

Senator WILLIAMS—No doubt you will have to tip another \$3 billion or \$4 billion into it.

Mr Mrdak—The exact costs are yet to be fully identified. As New South Wales completes the various design studies and the like, we will be in a clearer position about what the total cost envelope will be for full duplication. Then we will have to settle what would be the Australian government contribution and what would be the New South Wales contribution.

Senator WILLIAMS—With that design, do you know whether they are looking at a bypass around Coffs Harbour?

Mr Mrdak—A lot of work has been done, including various options around Coffs Harbour. I will check with my colleagues. There are options that look at that. Over a number of years various proposals have been put forward by various groups in the Coffs Harbour area, some of which are very expensive and more disruptive than others, as opposed to the expansion of the existing road link through there. But, yes, New South Wales has been looking at that issue.

Senator WILLIAMS—I want to take you to another area of the bypass on the New England Highway, this time in relation to Tenterfield. Have you had an application for funds for a bypass around Tenterfield?

Ms McNally—No, not that we are aware of, but we can double-check.

Senator WILLIAMS—If you could, that would be good. Tenterfield has a narrow main street and the New England Highway goes straight down the centre of the town. I thought the mayor, Toby Smith, had pursued some funding for a bypass for Tenterfield because it is a very busy road, especially given the transport on Highway 1. I would appreciate it if you could see if there is an application for a bypass for Tenterfield. I will ask some more questions the next time we meet, or you can take this question on notice and let me know if an application for a bypass has been lodged and, if so, whether it has progressed.

Mr Mrdak—We will check and if possible come back to you through the course of the afternoon.

Senator BUSHBY—I refer to answer to question on notice NB-II25, which relates to the Midland Highway duplication advice to the Prime Minister's office or Prime Minister and Cabinet. The answer to my question as to whether the Prime Minister, his department or office had received advice on the issues of upgrading Midland Highway in Tasmania to a dual carriageway was 'yes'. Without divulging the content of such advice, was it provided in the form of a proposal?

Mr Mrdak—Do you mean a Tasmanian government proposal for works or one from local government?

Senator BUSHBY—In any form. If that was the case and it was in that form, I would assume that the answer would be yes.

Ms McNally—The answer is yes.

Senator BUSHBY—And that proposal was from the Tasmanian government?

Ms McNally—There was not a proposal as such.

Senator BUSHBY—But it related to a proposal?

Ms McNally—It related to comments that were made in the press.

Mr Mrdak—To be on the safe side, we might just check the exact nature of the material provided and come back to you so we can be clear.

Senator BUSHBY—When would you be able to do that?

Mr Mrdak—We will try to do that this afternoon.

Senator BUSHBY—That would be fantastic. I am interested in knowing whether it related to a proposal or whether it was a proposal from the Tasmanian government or some other party.

Mr Mrdak—Let us try to come back as quickly as we can this afternoon with some advice rather than mislead you at this stage.

Senator BUSHBY—Has the Tasmanian government or any of its departments made a request or proposal for funding for the redevelopment of the Midland Highway beyond the funds that have already been publicly committed?

Mr Mrdak—Let us check again and we will come back to you as soon as possible.

Senator BUSHBY—In the question on notice that I referred to, I also asked a second question:

Is the Department aware of the basis on which the Prime Minister ruled out the provision of funding for upgrading the Midlands Highway in Tasmania to a dual carriageway?

The answer I got referred me to the minister's comments in the House on 20 October 2009, which was an answer to a question without notice. It constituted nothing more than a political diatribe trying to undermine the state Liberals' commitment to the Midland Highway and it really did not answer the question. It did not go anywhere near answering it; it was not illuminating at all about the basis on which the Prime Minister ruled out the provision of funding for upgrading the Midland Highway. Would you like to have another crack at answering that question now?

Mr Mrdak—I do not think I am in a position to add anything more to what the minister had to say in the House if you are asking me to comment on the minister's answer.

Senator BUSHBY—When I went and had a look at *Hansard* I found that the minister was basically referring to proposals of other parties, not the government. The question was about the Prime Minister ruling out the provision of funding directly, not whether other parties were putting forward proposals or what the government thought of those proposals. The answer did not go to the merits of the case; it was more about the format and the way that the proposals had been put forward by the other parties. I am interested in knowing on what basis the Prime Minister ruled out providing funding.

Senator Conroy—I am not sure the officer could possibly answer that. You have asked about the Prime Minister's motivations. We are happy to take that on notice.

Senator BUSHBY—I would have thought that the motivations of the government in making decisions are actually quite relevant for the people of Australia to know. It is not something that is a matter of opinion.

Senator Conroy—I said that Mr Mrdak would not be able to answer that question. We are happy to take that on notice for you.

Senator BUSHBY—If that is the case, I am happy. But that is what happened last time and I got an answer that was not at all illuminating.

Senator Conroy—But you acknowledge that you got an answer.

Senator BUSHBY—The third part of that question on notice was:

Is the Department aware whether the Prime Minister has actually travelled on that highway?

The answer was that is a matter for the Prime Minister. I would not have thought that is the case. The question asked if the department had any knowledge of whether the Prime Minister had travelled on that highway.

Senator Conroy—I am sure that there are many things that the department may want to talk to the Prime Minister about or raise with him, but asking him whether he has ever travelled on a particular road is probably an absurd question. You should put it to the Prime Minister and Cabinet, because it is about the Prime Minister's travel itinerary.

Senator BUSHBY—It was about the department's awareness and the answer is either yes or no. A simple 'no' if they were not aware would have sufficed. But actually saying it is a matter for the Prime Minister is avoiding question and not answering it directly.

Senator Conroy—Not at all. I think that is absolutely the correct answer. You have actually asked the wrong department about whether or not the Prime Minister has travelled on a particular road.

Senator BUSHBY—I did not ask whether the Prime Minister had travelled on it; I asked whether the department was aware whether the Prime Minister had.

Senator Conroy—That is an equally absurd question.

Senator BUSHBY—With respect, I disagree.

Senator Conroy—It is a completely absurd question. However, you have acknowledged you had an answer, so we can leave it there.

Senator BUSHBY—Finally, has the department received any further submissions from the Tasmanian government for infrastructure funding subsequent to the submission to the infrastructure audit?

Mr Mrdak—Not that I am aware of. They may have made a submission to Infrastructure Australia, and that process is being considered by Infrastructure Australia. However, to my knowledge—and I will check with my colleague—the department has not received any submission for additional projects in Tasmania.

Senator BUSHBY—Thank you.

CHAIR—I thank officers from nation building—infrastructure investment.

[2.27 pm]

CHAIR—The committee will now consider item 5 on its agenda. I welcome officers from infrastructure and surface transport policy.

Senator BACK—I want to go to the land transport regulations and the anomalies still existing across state and territory borders and to ask you a number of questions in that area. The government's regulatory impact statement *A national framework for regulation, registration and licensing of heavy vehicles*, dated May last year, cites the cost of conflicting transport regulation at \$2.4 billion. Are you familiar with that figure?

Ms Riggs—That is an estimate that the Productivity Commission derived during its examination that culminated in a report that it published in early 2007.

Senator BACK—From your perspective, do you see that as being a defensible, reasonable figure?

Senator Conroy—That is asking for an opinion.

Senator BACK—Do you accept that figure of the Productivity Commission?

Ms Riggs—It is the Productivity Commission's figure. I make no judgement about other than to cite its source.

Senator BACK—Did you contribute to that particular investigation by the Productivity Commission?

Ms Riggs—The department made a submission to that inquiry.

Senator BACK—I refer to the question of heavy vehicle driver fatigue and the reforms that were agreed to by transport ministers, I think, in 2007 and rolled out in 2008. Can you tell me which states and/or territories have agreed to adopt those reforms?

Ms Riggs—My understanding is that the Australian Transport Council has approved those reforms and that at this time laws relating to driver fatigue based on the model law developed by the National Transport Commission have been passed in Victoria, New South Wales and Queensland.

Senator BACK—Right. So we are about halfway there?

Ms Riggs—I simply reiterate that they have been passed in those three states.

Senator BACK—Where are they in the other states and in the Northern Territory? Do you have any advice for the committee about the status of the process of enacting?

Ms Riggs—No, I do not. I will take that on notice.

Senator BACK—Thank you; I would appreciate that. I understand that under section 47 of the National Transport Commission (Model Legislation—Heavy Vehicle Driver Fatigue) Regulations that a driver working standard hours must take a break of 5¼ hours. Am I correct in that understanding?

Ms Riggs—I believe that is correct.

Senator BACK—Also, drivers can make a defence against a breach of these provisions if they cannot find a reasonable or suitable place of rest on the highway and they find a rest stop after 45 minutes. Is that correct? In other words, if they are driving for 5¼ hours, the required time comes along and there is no suitable place to pull off, a driver can effectively keep going for up to three-quarters of an hour. Is that correct?

Ms Riggs—I regret to say that I am not sufficiently familiar with the detail of the model legislation. I will take the question on notice.

Senator BACK—When you do respond, would you advise me whether in Victoria and New South Wales the above premise is not a defence in the event that a driver has failed to pull up? Can you take that on notice?

Ms Riggs—We will examine how each of those states have implemented their fatigue laws.

Senator BACK—Thank you. Can you give us an indication of what the differences are between logbook requirements in the different jurisdictions?

Ms Riggs—That is a matter for the parliaments in each of those jurisdictions.

Senator BACK—I am sure that the legislation is a matter for the parliaments, but can you tell us what the differences are, if any?

Senator Conroy—That is a complex question across eight states and territories. I am sure you will understand if the officers would like to take it on notice to ensure we give you an accurate answer.

Senator BACK—I would appreciate that, because it certainly goes to the point of confusion or its reduction across the state borders for interstate and inter-territory truckies. I refer to the allowable three-metre width in Victoria that is regarded as over width in New South Wales. Has that anomaly been addressed?

Ms Riggs—No, I do not believe that either of those jurisdictions have changed their laws.

Senator BACK—So it remains the case that a farmer starting out in Victoria with a legal load of hay onboard would actually be illegal should he be over the 2.83 metres while going across the Murray?

Ms Riggs—If the numbers that you have cited have been provided to you in good faith, then it is certainly true—without my knowing the detail of them—that the width limits in those two jurisdictions do vary.

Senator BACK—And the department would have no capacity to influence state jurisdictions in terms of trying to remove those anomalies?

Senator Conroy—The department implements government policy.

Senator BACK—Perhaps you could advise me, Minister, whether it is government policy that there be an attempt to remove those anomalies?

Mr Mrdak—As you know and as the minister has outlined, the government's key reform agenda is around getting a single national regulator for these types of issues in the future.

Senator BACK—Right.

Mr Mrdak—And for some years successive government have worked with states and territories to ensure there is consistency. But, at the end of the day, as Ms Riggs indicated, individual jurisdictions retain and very much guard their ability to manage their own regulatory requirements for access to their road network. That remains the case. The example you have outlined sounds familiar to me; loading of hay trucks coming across the border has been raised which us in the past. New South Wales has a very some very firm views on the width, particularly on secondary roads in western New South Wales. My understanding is that they retain the view that they will not adopt the Victorian approach. That is something we are seeking to overcome through the government's reform agenda and moving to a single national regulator, which would set harmonised standards across the country.

Senator NASH—Do you have any kind of time frame for when that national regulator will be able to come to some kind of agreement so that we can have the national framework? I understand that the department is doing a lot of work around here, but at the moment it is all talk and no action. I think this is a really good—

Senator ABETZ—Like everything else.

Senator NASH—Thank You, Senator Abetz. It is a really good example of blatant stupidity in cross-border issues. It might seem like a very small instance, but it is creating some serious issues for the producers and the haulers.

Mr Mrdak—We agree. As you know, it has been a long process to get the states to agree to a national regulator. Up until 2008 we had been very focused on harmonisation. We were not able to get until 2008 any agreement even to move to a single national regulator. The decisions by COAG last year in June, July and then in December are significant reform agendas because previous to that the states' position had been to harmonise but at all times to retain their own discretion to impose additional requirements. That has been the case for well over 20 years with national heavy vehicle reform. The decisions last year to move to a single regulator are significant steps.

Coming back to the earlier question about the time frame, COAG has asked for a national reform agreement to be in place by the end of this year. That will be a significant negotiation process across the jurisdictions. The time frame is to have the national heavy vehicle regulator in place by 2012.

Senator NASH—Obviously this is under the cooperative federalism that the Prime Minister talked about very loudly at the beginning—now that we had Labor states and a Labor federal government he would be able to get some outcomes. Obviously they have not eventuated thus far in this area. Can you explain the mechanism the Commonwealth has, if the regulators is in place, to force either of the states to change their practices and to change regulations that apply?

Mr Mrdak—I come back to an earlier point. The decision to move to a single regulator is in itself a significant step forward from where we have been for a long time.

Senator NASH—But it is only significant if it can actually have the powers to make the changes. I agree that it is a good measure towards getting some sort of harmonisation, but it is only a good measure if it has actually achieved some outcomes.

Mr Mrdak—True. Although the significant step is that this is a single national regulator now achieving whole-of-nation regulations. It is not simply harmonising but actually laying down national regulation for the first time. What we have relied on through successive reform programs is to try to get harmonisation. There have been previous attempts through standard legislation—template laws and the like—to achieve that. There has been a lot of work done by the National Transport Commission and its predecessor, the National Road Transport Commission, over many years to try to get some standardisation on these regulatory approaches. We have made a lot of progress over many years, but we still have these sorts of disconnects that Senator Back has mentioned—things like widths and loading levels. The reality is that in 2010 a higher mass vehicle cannot cross from Victoria to New South Wales on the Hume Highway, and that remains a major issue for this nation. Moving to a single national regulator, although it will involve a difficult process to get that in place, is a significant step forward.

Senator NASH—Just so I am absolutely clear, would the Commonwealth regulation have a requirement that the states would have to agree with whatever the regulator determined was appropriate?

Mr Mrdak—That is the intention. It would not be a Commonwealth regulation; all governments would effectively enter into establishing a statutory body that would set regulations and enforcement policy for heavy vehicles nationally. It would be a single body

that would set all the regulatory requirements—be they for fatigue, vehicle loading and the like—across the jurisdictions.

Senator NASH—Or should we just get rid of the states? I should not ask you that. Perhaps I should ask the minister.

Senator Conroy—Senator Back, did you hear that? Did you hear what Senator Nash just said? She wants to abolish your state.

Senator NASH—It is a question that I absolutely should not say to a departmental representative.

Mr Mrdak—The reason—

CHAIR—Boy! Is your leader going to get you!

Senator NASH—It is just a question.

CHAIR—Barnaby was right.

Senator BACK—I draw members' attention to the Brisbane line, which is to be reconstituted—Brisbane to Adelaide. In future they will be defending everything to the north and west of the Brisbane line, where Australia's wealth is generated, and not worrying too much about that.

Senator Conroy—Senator Nash, consider yourself put in your place.

Senator NASH—It was a throwaway line, as the committee well knows.

CHAIR—If Senator Macdonald was attacking the parliamentary secretary for the office of Northern Australia and Western Australia I would be so happy.

Senator BACK—Senator Macdonald—

CHAIR—Senator Macdonald would be happy with that, of course, because it fits in. But Senator Williams did ask if he could jump in with a question.

Senator WILLIAMS—We have huge problems in Queensland when they bring cattle into New South Wales, for example, to an abattoir. They can volume load in Queensland, but when they get to the border at Goondiwindi they have to unload some of the stock to meet New South Wales rates. My fear is that when they arrive at an across-Australia agreement, they will go to New South Wales and the lighter weights and reduce that productivity instead of taking on the Queensland or the heavier weights.

Mr Mrdak—This is one of the key issues we are trying to work through. Coming back to Senator Nash's point about the timetable, think about the complexity involved in getting eight jurisdictions to agree on what should be regulatory provision. One of the real complexities that we will work through in the next year or so, which Ms Riggs is leading, is how we actually get states to decouple the regulatory requirements from what they believe is their right to regulate access to their pavement. We are going to have to convince jurisdictions to effectively say that, where the national regulator sets a permitted weight or width, the jurisdiction must allow that access onto the road network. This will be one of the more difficult negotiations that the Commonwealth and the states have ever entered into, because it goes to the heart of the control of pavement by state road authorities—and their asset

management practices. This will be a very complex negotiation. I think it comes to the point that Senator Nash is making, which is that, while two years seems like a long time, it will actually be a very difficult negotiation. Where do we set the regulatory requirement, given the divergences we have. We have come a long way in standardisation across a whole range of heavy vehicle regulations—licensing, fatigue and standards—but these issues of access are going to be very difficult to get through with a number of state agencies.

Senator WILLIAMS—It sounds like it would be easier to get a solution in Copenhagen than in this one.

Senator BACK—These people are actually allocated to the task.

Mr Mrdak—I think this is very positive. I pay due credit to Ms Riggs and the people who have worked on this thus far. Getting the decision on a single national regulator has been a very important breakthrough.

Senator BACK—If I could continue along that line—if you are finished, Senator Williams?

Senator WILLIAMS—Yes.

Senator BACK—I think there was an answer to this committee's question from last October—that the legislative basis of the heavy vehicle regulator will be a state based template model. Can you advise which state? Is it a specific state whose model is being contemplated?

Ms Riggs—No single existing state law is being contemplated as the template. Officials are currently developing from the suite of model law that already exists—

Senator BACK—So it is a suite of models rather than a single one?

Ms Riggs—They are currently devising advice for ministers to approve in due course about what that body national law should look like. Ministers are also in discussion about which jurisdiction will be host jurisdiction for that law. There is not a decision about that yet.

Senator BACK—Who will end up paying for the regulator? Will the Commonwealth pay or will there be an allocation to states and territories? How will that process work?

Ms Riggs—I think it is fair to say, at the moment, that the heavy vehicle charging regime, which is shared between the states and territories and the Commonwealth through registration charges and the vehicle excise, is calculated on the basis that it includes the recovery on a cross-industry basis of the cost of regulating heavy vehicle road use. That will not change into the future. The precise way in which the money flows will work will have to be negotiated once we know who the host jurisdiction will be.

Senator BACK—But the cost would be between the jurisdictions rather than an added impost on the actual trucking contractors themselves. Is that what you are anticipating?

Ms Riggs—The intention is that a move to a national regulator should not impose additional costs on the totality of the system.

Senator BACK—I am delighted to learn that. A COAG communique released in December last year indicated that, 'national partnership agreements for single national heavy

vehicle and maritime regulators' would be considered in 2011? Can you give us some indication of the form of that national partnership agreement or how it is drafted?

Ms Riggs—It is our hope that we will have national partnership agreements for both a single maritime regulator and a single heavy vehicle regulator available for COAG's consideration during the course of this year rather than next year.

Senator BACK—Right.

Ms Riggs—The process by which they are being negotiated is initially through officials and they will formally go through central agencies at appropriate points in their consideration. Ultimately they will go to transport ministers and then to COAG. That is the process. They will cover matters such as the purpose of the reform, the objectives, the responsibilities of each of the parties—Commonwealth and each of the states and territories—the nature of the financial arrangements, the arrangements for passing and amending the law, appointing the regulator and so on. They will cover those sorts of matters.

Senator BACK—Would they cover the action that might be able to be taken if a state or territory or states decide at some point in the future that they wish to revert to their own circumstances? Is there some mechanism available after doing this incredible and productive work that will ensure there is a prospect of it remaining intact?

Ms Riggs—They will have two provisions that I think go to the sort of issue that you are talking about in broad terms. The first will be a conflict resolution provision, and the second will be a requirement for the arrangements and their effectiveness to be reviewed after a given period—say, five years—and for COAG to be given a report about that, with appropriate consideration of what might be done.

Senator BACK—Sure.

Ms Riggs—I do not believe that we would necessarily contemplate drafting this early in the process a capacity for withdrawal from the agreement.

Senator BACK—The eternal optimist. All strength to your arm.

Senator ABETZ—It would not be this portfolio if I did not go to a question on notice. I refer to ISTP 01 from the last estimates hearings. Ms Riggs, you told the committee: 'I will seek to discover whether those numbers are easy to extract from the system that Centrelink runs on our behalf.' That was a very kind offer and I thought it was good of you. The answer was: 'The question is best referred to Centrelink.' If you were not going to do the work, I would have asked Centrelink on notice. You said that you would seek to discover whether those numbers were easy to extract. Did you seek to discover whether those numbers were easy to extract?

Ms Riggs—Yes, my staff did discuss the numbers that you sought with staff from Centrelink.

Senator ABETZ—Would it be easy to extract them from the Centrelink system?

Ms Riggs—Since we have made those inquiries of Centrelink they are now able to provide some numbers that go to the sorts of issues that your question sought to discover answers to easily.

Senator ABETZ—So they can now be obtained easily. When did you discover that?

Ms Riggs—I believe that I had numbers of a kind that went to some of those questions you asked given to me by my team earlier this year.

14:48:26

Senator ABETZ—Earlier this year. And you were not able to provide a supplementary answer or further information? The answer states that the question is best referred to Centrelink. It would seem to me that if you were monitoring this program you would in fact be very interested in this knowing what the numbers were. I am surprised that it seems to have required questioning at Senate estimates for this department to liaise with Centrelink to find out about the time it takes to assess claims. Were you aware of how long it was taking Centrelink to assess claims prior to my asking this question in October?

Ms Riggs—I believe that when we were here in October you and I might have discussed some consultations that I conducted in relation to draft ministerial directions.

Senator ABETZ—That was one of them?

Ms Riggs—Yes. My recollection is that I advised you at the time that I had been in Launceston for those discussions on 7 October. Certainly, one of the groups that we met on that day drew my attention at that time to what they claimed was a backlog of claims. Centrelink officials were also in those discussions and managed a major part of the dialogue about that rather than about the proposed changes to ministerial directions.

Senator ABETZ—So it was not my questioning but somebody a little bit earlier on. Until one of the stakeholders in early October drew your attention to it, did the department have any record or any analysis as to how long these claims were taking to be processed by Centrelink?

Ms Riggs—I think my staff had some idea that the time had become longer than we might have preferred. I would have to examine the record to see what form of data and analysis they had undertaken at that point.

Senator ABETZ—If you could take that on notice, and please do not tell me that the information is available on a website. I would appreciate a written answer. In relation to the specifics, how are we going with the ministerial direction? Has that now been finalised?

Ms Riggs—No, it has not. After we were here last we released a further draft and we had eight written forms of response to that further draft. The analysis of the changes we might propose to the minister is still underway. We have to put that advice to the minister and he accepts some final form. Of course, we will have to go through a proper process with Centrelink of getting it to implement those. That will not be a quick process. The resetting of the systems, for example, will take some months.

Senator ABETZ—Has your advice—and I do not want to know what it is—gone to the minister's office yet, or are you still in the process of consultation and preparing your recommendations?

Ms Riggs—We are still preparing our recommendations.

Senator ABETZ—When do you think they might be finalised?

Ms Riggs—Soon.

Senator ABETZ—Right. That is very definitive. I do not want to give you an artificial timeline that might come back to haunt you, but are we talking about a month or six months? It is on the *Hansard* record that I do not want to force you into a timeline that might come back to haunt you so, if I come back next time and you have told us four weeks and it happens to be six weeks, you can quote that back at me. However, the stakeholders want some certainty; they want to know what is happening. Can you give us a rough time?

Ms Riggs—I cannot. There are a couple of issues in it that are quite complex and I think we need some further internal discussion. If your interest is certainty for the stakeholders, I would take you back to what I have just said about the time it would then take properly to implement whatever the new arrangements are, which would be several months at a minimum. Given that stakeholders are currently operating within a system that already exists and has been in place for some time and that we will offer an appropriate, reasonable, not short, period of notice before we swap to the new arrangements, I think that is better certainty than my trying artificially to set a time on my advice to the minister.

Senator ABETZ—I think everybody would prefer you to take sufficient time to get it right rather than to rush a decision and potentially to get it wrong, so there is no objection to that. How much notice do you anticipate stakeholders will be given in relation to the changeover?

Ms Riggs—In discussion with Centrelink about what it means for them to change their systems, indicatively they are asking us to give them six months from the time a decision is made to the time of the introduction. So I would believe that we would be talking at least in those terms.

Senator ABETZ—So, if there were a change, chances are that it might be for commencement on, say, 1 January 2011.

Ms Riggs—I guess that at the end of the day the minister will have a view about that.

Senator ABETZ—I am thinking out loud.

Senator Conroy—You are asking the officer to speculate a bit.

Senator ABETZ—Well, a bit of speculation has been known to occur from time to time at these hearings. But we will not go there. I refer to the ministerial direction and the approach being taken by the department with regard to ABNs. Was there any concern about the ABN inclusion on the claim forms?

Ms Riggs—Not that I am aware of.

Senator ABETZ—All right. I do not want to verbal you, Ms Riggs, but you told us last time that a report had been prepared by the department. I want to get the time line right. As I understand it, consultations were had with Net Sea Freight, ANL container line, Toll Tasmania and Linfox Logistics about this time last year. Would that be right?

Ms Riggs—As you know, that was before I came into my present role.

Senator ABETZ—I think Michael Sutton was involved.

Ms Riggs—I acknowledge that Net Sea Freight was consulted at that time and a small number of others. I believe that Mr Sutton may have answered this question at an earlier hearing, or we may have provided those names in response to a question on notice.

Senator ABETZ—And a report was then prepared by the department following that; is that correct?

Ms Riggs—I believe that is correct.

Senator ABETZ—Is that report available? Can that be made publicly available?

Ms Riggs—I believe that may have been part of our internal considerations, so I would need to consult with the minister about that.

Senator ABETZ—It would be helpful if you could take that on notice. As I understand it, and correct me if I am wrong, the ministerial directions preclude freight forwarders from having involvement with the Tasmanian Freight Equalisation Scheme; is that correct?

Ms Riggs—I do not know in what context that would be. The ministerial directions preclude those who are responsible for or involved in the setting of freight rates from being claimants under the scheme. So, if freight forwarders generally are involved in setting freight rates, they would be precluded from being claimants under the scheme.

Senator ABETZ—That is what I thought. I think we are on the same wavelength there. You might need to check, but I have been advised that freight-forwarding companies such as Linfox were involved in consultations. In fact, Linfox does not have any involvement in sea transport to or from Tasmania. Why were they consulted as part of the ministerial direction consultations?

Ms Riggs—I will take some advice on that and take the question on notice.

Senator ABETZ—I accept that that occurred—

Ms Riggs—In advance of my being in the role.

Senator ABETZ—prior to your taking over the issue. However, I understand that Searoad Shipping was not consulted despite the fact that it is involved in sea transport to and from Tasmania. Another company, Southern Shipping, which is now in administration also was not consulted. I would like you to provide to us on notice the reason or rationale for some being consulted and others not—especially if the advice I have is right that, for example, Linfox is not involved in sea transport to and from Tasmania.

Ms Riggs—I will seek to discover those considerations and see what we can provide.

Senator ABETZ—Thank you. Ms Riggs, I think you drew attention last time to the fact that the scheme may be operating in such a way that direct visibility of the ways in which the assistance under the scheme flowed was not necessarily robust enough for the government to have confidence that the funding was directly benefiting those that it had been intended to benefit. Are you able to be more specific than that and provide information about a particular area of concern or a live issue that makes us think that the assistance is not flowing on the basis that it has sufficient robustness et cetera?

Ms Riggs—That is a pretty interesting sentence, Senator. I would like to think that it was not me who said it quite like that. However, if I did—

Senator ABETZ—Take the tip, never read your own words in *Hansard*. It never looks good, at least from my point of view. I am sure your words are a lot better than mine.

Ms Riggs—It is a reference to the work that, again, the Productivity Commission did on a reference to examine the operation of the scheme.

Senator ABETZ—In fact, you are right. It is the Productivity Commission report—

Ms Riggs—Thank you.

Senator ABETZ—You are right. Was it 2006?

Ms Riggs—Or 2007. That is, in essence, one of its conclusions.

Senator ABETZ—You are quite right. Thank you.

Ms Riggs—I did think I might not have quite used the English language like that.

Senator ABETZ—Is that a good or a bad thing?

Ms Riggs—Just different. As I understand it, part of that issue goes to the understanding that the intention is to support those who are the producers of eligible product that can be shipped with support under the scheme, or the importers of inputs to manufacturers that will be further transformed in Tasmania. They are broadly the two categories of eligibility. The lack of transparency, as I understood it, at least in part went to the issue of the group who now in the draft ministerial directions might be in the claims agent category. That is my understanding of what it was. As you know, that report also suggested that there were some other forms of clarification and administrative strengthening and tidying up that could be done around the scheme. That might also be said to go to that issue about whether the scheme was being administered in a way that created clear transparency between the objective of the scheme and the actual recipients of assistance.

Senator ABETZ—If the claims agents were to put on the form the name of the company on whose behalf they were acting, and even the ABN number, would that not be sufficient for the transparency?

Ms Riggs—I think we may have started a similar conversation to this in October. A number of things would need to go into a set of arrangements. First, we would need evidence—not every time—that the original producer or the recipient of the inputs to further manufacture had agreed that such and such a firm or intermediary could act as their agent. Centrelink would need evidence of that. Clearly there would need to be clarity about the shipper or recipient, the charge and the nature of goods. I think we have discussed this before and, as you know, the scheme is really quite complex in its eligibility and the way in which the calculation of the level of assistance is done. They might be two very obvious elements. However, I would need to be really careful about what is sufficient in these terms.

Senator ABETZ—Right. As I understand it, at the moment Centrelink are assessing each individual claim and not undertaking more of a risk management approach of, let us say, pulling out every tenth or twentieth claim and just going through it robustly. They are trying to do that with every claim. How many assessors does Centrelink have administering this scheme? Have you been told about that?

Ms Riggs—My recollection is that we have relatively recent advice that Centrelink have engaged an additional six staff for this team. I am not sure precisely what that means in terms of their final numbers in the team. My recollection is that, depending how you count the team

members, there could be anywhere from 11 to 15 or something in that order. There is team now—

Senator ABETZ—But are you paying more now to Centrelink?

Ms Riggs—We are currently discussing with Centrelink the nature of our payment to them.

Senator ABETZ—So Centrelink has engaged an extra half a dozen, but at this stage without extra cost to your department. Is that correct?

Ms Riggs—That is correct.

Senator ABETZ—Right. But you are currently in discussions. That is fair enough. Would you think that it is a reasonable aim to have these claims assessed within about 10 days?

Ms Riggs—The current agreement we have with Centrelink requests that they undertake processing in a timely fashion.

Senator ABETZ—In a timely fashion?

Ms Riggs—It does not further define that.

Senator ABETZ—Right.

Ms Riggs—It also further says that if Centrelink cannot process a claim because it is incomplete or inaccurate it should be returned to the claimant in a timely fashion.

Senator ABETZ—The particular example I have is interesting—and there are no prizes for guessing which one it is. They have provided me with a list of their claims that have been delayed. In fact, in October, which was when we had our last estimates hearing, the delays had stretched out 81 days, but have now fallen in November to 56 and in December to 35 days. Whatever happened as a result of your consultations in October or my questioning at estimates—I do not care who claims credit—it appears that certain things have been expedited. However, with respect, 35 days is still a bit long. Ms Riggs, did you hear the Minister's injunction to me earlier today about the importance of getting with it and using the web and electronic forms of communication?

Senator Conroy—I am glad you were listening.

Senator ABETZ—It is surprising that I was listening to you, Minister. It is one of those rare occasions that I did. Ms Riggs, is it true that under the TFES all the claims are still required to be lodged in paper form and that you do not allow electronic lodgement?

Ms Riggs—Not strictly, no. Claims can be lodged electronically, but supporting documentation cannot. The Centrelink system does not currently support an application that allows it to collect documents that are transmitted electronically, other than the purpose-built claim form.

Senator ABETZ—Right, I think I understand all those distinctions. In your discussions with Centrelink are you encouraging them or asking them to get with it, if I can use that term, and do things electronically? As I understand it, whilst you can lodge electronically, you still need to forward the original plus a photocopy?

Ms Riggs—I am not familiar with the requirement for a photocopy. We certainly ask for original documentation.

Senator ABETZ—It is fair enough that you do not know this detail. Can you take on notice whether the current system requires applicants to forward the original plus a photocopy? Centrelink then returns the original to the claim agent, who then has to return it to the original business.

Ms Riggs—I will inquire.

Senator ABETZ—Thank you. It seems highly bureaucratic and highly unnecessary. I would have thought that these days there would be the capacity for electronic lodgement, if it is good enough for the Australian Taxation Office with tax returns. By all means do your spot audit, and I encourage you to do so, to ensure that people are not having a lend of the scheme. However, it really is incurring a lot of red tape. I am sure my friends in Australia Post are absolutely delighted with this system, but it really does create a lot of extra paperwork. The Tasmanian paper industry would also be happy as well, I am sure, Senator Colbeck. From a business efficiency point of view it seems unnecessary for this sort of paperwork to be undertaken for these claims. Please take on notice whether what I have outlined is a relatively correct reflection of the process and then, if it is, what the department might consider to be a more streamlined approach to the lodgement and assessment of claims.

Ms Riggs—I will arrange to have that description confirmed or otherwise. I am also aware that, rather than using Australia Post, Centrelink is perfectly happy to accept lodgement of, as I said, the original of the invoice as supporting documentation at any Centrelink office in Tasmania. They then use their internal arrangements for transporting it to the Hobart processing office.

Senator ABETZ—But I do not think that most claims agents would bother to walk. What they save on postage they would probably spend on shoe leather. I accept what you say, but it still seems a very cumbersome process in this modern day and age, especially with the minister for the digital economy here at the table. I would have thought he would be horrified to know that these things still occur. Thank you very much, Ms Riggs.

Mr Mrdak—Senator Abetz asked for further details this morning of the costs incurred by Infrastructure Australia in the consultations with the jurisdictions of the national public-private partnership guidelines. Infrastructure Australia advises that the cost of the project work was \$862,537.

Senator ABETZ—Was that the Commonwealth components?

Mr Mrdak—That is correct. We met the costs of the jurisdictions as well. That is the total cost of the project.

Senator ABETZ—And of the private sector?

Mr Mrdak—No, that is the jurisdictions' costs.

Senator ABETZ—That was 'jurisdictions' plural, not singular possessive?

Mr Mrdak—That is right.

Senator ABETZ—The Commonwealth and the states?

Mr Mrdak—That is right. My understanding is that the work was done by Infrastructure Australia with Victoria and New South Wales.

Senator ABETZ—Thank you very much.

Senator COLBECK—I apologise if Senator Abetz has been over this, but I want to talk about this matter of invoices and requiring paper copies. My understanding is that a lot of this business is in fact transmitted electronically, so there are not in fact original paper invoices. I understand there are issues with the Centrelink system. I had some involvement with them when they were trialling new forms. That trial data was forwarded to players within Tasmania to have a look at and comment on. I know that they are a service provider to you and you do not necessarily have specific control. However, it does make it really difficult when they do not necessarily have original documents per se; it is all transmitted electronically.

Ms Riggs—I have asked my people to talk with Centrelink, particularly about the issue of documents, which in this modern business world are never produced other than electronically. At the moment, the claimant must, in effect, do a screen dump to produce an original document. Please understand, I am very sympathetic to the fact that this is hardly 2010 business practice. That one in particular is a very real issue and I have asked for some further advice about it.

Senator COLBECK—I am after some information about statistics for the King Island and Flinders Island claims and I would like to get some sense of the commodity groups. Is that information available yet? I do not necessarily need to know who is making the claims. I am just interested to get a sense of the general types of goods being moved.

Ms Riggs—Please forgive me, Senator, but I have not brought that information with me.

Senator COLBECK—I am happy for you to take it on notice.

Ms Riggs—You are interested in the categories of goods that are being supported under the Furneaux Group—

Senator COLBECK—The King and Flinders.

Ms Riggs—The supplementary arrangements?

Senator COLBECK—Yes. With regard to the current stats on the scheme are concerned, the current information on the website is only to 2007. Can you look at that?

Ms Riggs—I will certainly undertake to examine whether it is possible to update the website.

Senator COLBECK—Did Senator Abetz talk to you about the status of the review of administrative arrangements?

Ms Riggs—Yes, he did.

Senator COLBECK—We have done a fair bit of that. I will not go over that; I will have a look at the *Hansard* and if there is anything else that I need to add I will do so. In the initial review process there was some discussion about annual reviews of rates. One of the areas where I think we all got into trouble relates to the annual reviews. The assessment of those reviews was that the changes were only very marginal and therefore there was no need to amend them.

However, after, say, five years down the track, the cumulative effect of those marginal changes started to become a little bit more significant and that was starting to create some

distortions in the various elements of the payment parameters. From memory, one of the recommendations was that the annual reviews of those figures should be implemented, even if the changes were only very marginal. It is an issue that has been brought up with me again. What is the current policy setting?

Ms Riggs—There is certainly no current policy that says there will be an annual review and whatever outcome it produces will be implemented. If I am wrong I will ask Mr Mrdak to correct the record before the day is out. I think the bureau examines every two years whether the parameters are still appropriately set and its examination of the operation of the scheme is made public. Of course, the department then would provide some advice to the minister. That, as is normal, would not be made public. I think we currently have a government policy that, until it comes to another view, the current rates will apply, notwithstanding the bureau's two-yearly examination of the operation of the scheme.

Senator COLBECK—I recall that at the time the government announced its position on the review of the scheme a decision was made that the current rates would continue to apply because of concern about potential distortions or changes in returns available to different portions of the market based on the process that occurred. I understand that the government has made a decision on that process. I am starting to have some concerns about the fact that rates have not moved for a period of time. Cost pressures are obviously being felt within the system. The question I am getting is: when is there going to be some action with respect to rates? That is fundamentally my question.

Ms Riggs—I need to correct my earlier advice. The two-yearly examination of the rate of assistance is for the passenger assistance scheme, not the freight scheme. On notice I will draw your attention to any advice that is available about the operation of the scheme and the current rate setting.

Senator COLBECK—Thank you very much.

CHAIR—Thank you, Ms Riggs.

[3.22 pm]

Australian Maritime Safety Authority

CHAIR—I welcome Mr Peachey and officials from the Australian Maritime Safety Authority.

Senator BACK—I want to go first to the aftermath of the *Pacific Adventurer* oil spill off the Queensland coast about this time last year. I refer to an announcement in August 2009 that the Australian government has initiated proceedings at the International Maritime Organisation to increase the limit for shipowners' liability for clean-up costs. What is the current status of those proceedings?

Mr Peachey—We have raised this with the IMO. We have raised concern that the extent of the limitation is, in fact, too limited. We have been successful in putting that on the IMO's work program to reassess the extent of that limitation.

Senator BACK—What was your proposed increase in the liability?

Mr Peachey—There is a formula under the convention. The convention sets the maximum amount to which it can be increased. That is part of the discussions that will happen through the IMO process.

Senator BACK—In drawing it to attention, have you made a submission about what you think that increase in the limit should be?

Mr Peachey—I do not recall the precise wording of the submission. Our main aim, through our close working relationship with the IMO, was to get it addressed and considered and to bring the other member states along with that debate.

Senator BACK—What was the catalyst for you doing that? Did you feel that the liability was set at too low a figure?

Mr Peachey—That was the catalyst, yes.

Senator BACK—What was that figure, or what is it currently if there has not been a change?

Mr Peachey—I will have to take that question on notice.

Senator BACK—What consultation was undertaken and with whom was it undertaken in determining our proposal to the IMO?

Mr Peachey—Just as a general comment, we consult relatively widely on IMO matters. We canvass views of industry and our departmental colleagues about approaches. Obviously things that go to IMO represent a government view. It is incumbent on us to make sure that we reflect that properly at the IMO.

Senator BACK—Would that include onshore Australian shipowners and offshore shipowners?

Mr Peachey—I would be hazarding a guess as I was not directly involved in that. However, I am assuming that that was the case.

Senator BACK—Again, I would be most appreciative if you took on notice just who was consulted. Can you give us some indication from the IMO as to when this process will be finalised?

Mr Peachey—In my brief experience at the IMO, if I have learnt nothing else it is it takes a long time. You are talking about an international agency. It is a UN body representing worldwide interests and these things do take time to go through.

Senator BACK—So you are not hopeful of a speedy finalisation or a change in the limit of liability?

Mr Peachey—To date we have been successful. We got it on the work program at very short notice. It was through our very close network within the IMO arrangement that we were successful in doing that. The process that is involved in addressing that issue will take time.

Senator BACK—Let us go to the event itself. There was a compensation agreement between the Australian government, the Queensland government and the Swire group relating to the oil spill from the *Pacific Adventurer*. As part of that agreement, what recoup of extra

costs, if any, will be picked up by the Australian or Queensland governments, or is it entirely the responsibility of the shipowners?

Mr Peachey—The arrangement that was negotiated was that Swire agreed to pay some \$25 million. They paid into a court administered fund some \$16.9 million. They have provided an \$8.1 million donation to help improve the marine protection in the Queensland environment.

Senator BACK—Is that on top of the \$16.9 million?

Mr Peachey—Yes. We are finalising the assessment of claims that are coming forward.

Senator BACK—To date can you tell us what that incomplete figure is? Is it somewhere close to the \$16.9 million? Does it exceed the \$16.9 million?

Mr Peachey—The initial indications are that it exceeds that amount.

Senator BACK—How quickly do you think you will have the final costs in, given that it was 11 months ago?

Mr Peachey—I have an approximate figure, which is \$31.3 million. There is always room for extra claims and so on. That is the only reason I am providing some qualification on that.

Senator BACK—At the moment it looks like there could be a \$14 million shortfall?

Mr Peachey—No. \$16.9 million and \$8.1 million equals \$25 million.

Senator BACK—So you consider the \$8.1 million donation to be part of Swire's contribution?

Mr Peachey—Yes. The maths are: \$31.3 million, less \$8.1 million, less \$6.9 million, which leaves a balance of \$6.3 million.

Senator BACK—The donation was not so much a donation as a part of its overall contribution.

Mr Peachey—That is right.

Senator BACK—That is acceptable. You say the differential is about \$6.3 million?

Mr Peachey—It is \$6.3 million, yes.

Senator BACK—How do you envisage that that shortfall of \$6.3 million, or whatever it becomes, will be met?

Mr Peachey—It is customary practice for us to leave it to the industry to recover that amount.

Senator BACK—Right. This is the protection of the sea levy?

Mr Peachey—That is right, yes.

Senator BACK—What was it prior to the *Pacific Adventurer*? How is the levy allocated? Is it based on tonnage or is it based on visits to Australian ports?

Mr Peachey—The levy is set on net registered tonnes. The current rate is 11.25c per net registered tonne.

Senator BACK—Per visit, or per annum?

Mr Peachey—It is paid quarterly.

Senator BACK—I understand that it is paid quarterly, but if a vessel comes once to Australian waters does it pay the figure?

Mr Peachey—Yes.

Senator BACK—Does it pay if it comes each year?

Mr Peachey—If it comes once it pays once; if it comes twice in a quarter it pays once; and if it comes twice in two quarters it pays twice—sorry, it pays—

Senator BACK—At 11.25c, the fee for a vessel that came in each of four quarters is 45c?

Mr Peachey—Yes.

Senator BACK—How is that levy collected?

Mr Peachey—It is collected in a number of ways. We receive collections of industry levies through Customs, because obviously they have access to the ports, and we receive collections through ships' agents.

Senator BACK—Has it been adjusted upwards yet?

Mr Peachey—No.

Senator BACK—Presumably it will not be until you have a final figure?

Mr Peachey—The timing of the adjustment is not for me, Senator. All I am saying is that there is a shortfall and that customary practice is that industry will pay that amount.

Senator BACK—Sure. If and when there is an increase in the levy to meet that \$6.3 million or whatever, once it has been met would the levy revert to its current status? In other words, is it simply a penalty in consideration of this particular event?

Mr Peachey—In these particular circumstances my expectation would be that, in the event there was an increase, it would recover the costs that we have not got through this process.

Senator BACK—Yes. And once you have?

Mr Peachey—My expectation would be that it would go back to what it was.

Senator BACK—It would revert, yes. Excellent. I have no other questions regarding the *Pacific Adventurer* but I have questions relating to the Montara spill. Unless my colleagues have other questions?

Senator COLBECK—Mr Peachey, I want to go back to the discussions we had earlier with respect to the fishing industry. Last time you indicated to us that you had had discussions with legal representatives for the fishing industry who were more concerned about compensation than they were about other issues that we initially discussed. Has there been any further interaction with those legal representatives with respect to potential compensation?

Mr Peachey—Certainly not with me, Senator. I spoke personally to these fishing industry people and their legal representatives. I seem to recall that in that discussion I offered them an opportunity to talk further about these things with me and they declined. The conversation

ended at that point. We were able to explain the process and where they could intervene to sort out their issues. I have not heard anything since.

Senator COLBECK—Thank you.

Senator BACK—Thank you, Senator. I refer to the Montara spill. I recall from answers to questions in October that the Australian Maritime Safety Authority, or AMSA, was quickly onto the event and it quickly had resources there. In conducting your assessments of the situation were you able to forecast the likely time that any clean-up would take place, or when the well would eventually be capped? At that point were you able to predict the clean-up time?

Mr Peachey—Just to clarify, Senator, are you saying that once the event occurred we were able, within a certain period, to—

Senator BACK—I am not referring so much to the event occurring; I am referring to the time that the well was capped and leakage was stopped.

Mr Peachey—Sorry, I missed the question.

Senator BACK—The question is: from the time the well was capped were you able to predict what you believed would be the clean-up time?

Mr Peachey—Yes. The guys involved in it did some comprehensive analyses about what they called the ‘end point’—basically, when we would call off the troops and say that the job was done. That decision was based on the scientific analysis that was available at the time. This is not just something where we thought, ‘It is all capped and we can go home.’ We had to consider the impacts, the work and the involvement of our guys. So there were some thorough analyses behind that.

Senator BACK—What was the outcome of that analysis? At that time were they able to predict what they believed would be the time to effect a clean-up?

Mr Peachey—I do not know the precise details of that. All I know is that work was done to assess when they should stop the use of dispersants, the clean-up and so on. They reached a point at which they believed that no further work could be done and that is when the whole thing ended.

Senator BACK—And has it?

Mr Peachey—Oh yes.

Mr Kinley—The finalisation of our response phase was based on the predictions that were made once the oil stopped flowing and the modelling of where the oil was drifting to. Many surveillance flights were also made to find recoverable oil. There was not only the modelling; there were also the observations. We got to the point where no further oil was recoverable and no more dispersants would be effective. At that point the response operation was called to an end.

Senator BACK—Remind me of the intervals from the time that the spill was first detected to the time that it was capped. That was the first time period. What was the time period from capping until—to use your term—you no longer required the resources on site?

Mr Peachey—I will have a crack at the first part of your question and I will give Mick time to respond to the second part of your question. From memory, we were out there doing the clean-up work for 104 days. The time between the capping and the completion of the task—

Mr Kinley—Containment and recovery operations commenced on 5 September 2009 and continued until 30 November 2009, although no recoverable oil was located after 15 November 2009.

Senator BACK—That was the recovery phase. What was the date on which it was first detected? Do you remember?

Mr Kinley—It was first detected—

Mr Peachey—It was in late August, Senator. We started spraying dispersants on 23 August and we continued spraying dispersants until 1 November.

Senator BACK—Yes.

Mr Kinley—And oil flow was stopped on 3 November.

Senator BACK—By what process does AMSA take responsibility for the clean-up operation in offshore spills of this nature?

Mr Peachey—Sitting behind all this is what has been called the ‘national plan’. The national plan has its origins in an intergovernmental agreement. The national plan sets out areas of responsibility in such events, but it also goes to things such as training, preparedness for the future, stockpiles and the like. Quite a formal scheme is set out and it is tested regularly through training exercises with our counterparts. The authority we exercised was under the national plan. What happened in practice was that the company concerned—because it was an offshore oil rig—had the authority to take the initial steps. Under the national plan it found that it was wanting and needed assistance and it passed it to us, consistent with the plan itself.

Senator BACK—Sure. Would dispersants and other equipment such as booms et cetera be stockpiled at one location in Australia?

Mr Peachey—No. As I understand it they are all around Australia.

Senator BACK—What requirement would the company have had in relation to having equivalent equipment, dispersants and booms? Did it have any requirement at all?

Mr Peachey—There is an agency that operates on behalf of the company. I can never remember the name of it—AMOSC, I think.

Mr Kinley—Australian Marine Oil Spill Centre.

Mr Peachey—That centre, which is based in Geelong, is an industry funded centre. It has comparable equipment and it is ready. Obviously in this case we worked closely with industry, the company concerned and AMOSC. It was a combined effort to address the problems.

Senator BACK—Throughout the recovery process was there a time when the program was interrupted at all through a lack of equipment, facilities, resources or dispersants?

Throughout the recovery process—from the time when you were called in until early in November when you stopped using them—were you satisfied that you had sufficient equipment available and in place?

Mr Peachey—Yes, I was certainly satisfied that we did. When it first occurred we ensured that we were prepared. We had a stockpile of dispersants in Darwin but within the first few days we organised for that to be replenished, to be prepared for what was to be a long haul to finally address it. In relation to resources and so on, we were not alone on this. The national plan draws together all our counterpart agencies—agencies that have trained and qualified people. So we had access to considerable resources to address the issue. I think that at one stage the final count showed about 300 people out there working on this. This involved AMSA and state counterparts, and it also involved people from the industry itself.

Senator BACK—Does AMSA have any role in the monitoring of offshore rigs because of its compliance with requirements? I think I have asked you that question before.

Mr Peachey—No, we do not. We worry about things that float and move on the water rather than rigs.

Senator BACK—So you had no role in the surveillance monitoring of the Montara rig leading up to this regrettable event?

Mr Peachey—No, we have no regulatory role over that.

Senator BACK—Earlier you made the observation that 300 people were involved. What if any international advice, consultation or assistance did you call upon or use as part of this exercise?

Mr Peachey—From memory, in the very early days we talked to our counterparts in Singapore. There is an industry government oil spill centre. We had access to one of their Hercules, which we used for the first couple of days to drop dispersant on the oil. From memory, I recall that we were in touch with our scientific counterparts and, as I recall, they were helpful with the modelling and the like.

Senator BACK—Does AMSA benchmark itself against international standards from other oil-producing countries?

Mr Peachey—In relation to our response capability and what we do?

Senator BACK—Yes, in relation to your response capability.

Mr Peachey—Since that, I have discovered that the network of those people involved in this sort of work takes a particular interest in spills like this. Obviously there are discussions. We have a conference coming up soon—the so-called Spillcon, which is an international conference. We will be talking about this and we will also be getting people with a particular interest in this area. We are open to public discussion and commentary on it to see whether things can be improved, as you would expect.

Senator BACK—I certainly would. You are telling us that there is a free exchange of information, personnel and resources, as required, and we, in return, would offer the same?

Mr Peachey—Yes, that is it. Added to that, when these things occur, of course, we go public regularly. We do regular reports on the internet and we are freely available to the press and to parts of the media to discuss these issues.

Senator BACK—Having in mind East Timor, do we offer the East Timorese any particular assistance through AMSA, or is it still premature in the JPDA? Have we not yet reached the stage that has been reached by the East Timorese in producing wells?

Mr Peachey—I think we are straying into areas that are a bit beyond our reach. However, I know that discussions are going on there as that became quite topical, as you will recall.

Senator BACK—Yes. I want to conclude with some financial arrangements. Could you advise the committee about the cost of the clean-up? Has the final cost of the clean-up now been determined?

Mr Peachey—Not to my knowledge. The final costs obviously will involve the costs that we incur and also the significant costs that the industry incurred.

Senator BACK—Have the company PTEP met—or will they meet—the full cost of expenses relating to the recovery?

Mr Peachey—On the first day the company said that they would meet all the costs. I have just been advised that they have, in fact, met all the costs that we incurred through that incident.

Senator BACK—Thank you. I have no other questions, Mr Chairman, other than to acknowledge the work that this organisation did in that regard.

Mr Peachey—Thank you, Senator.

Senator COLBECK—Could I get an update on programs and consultations relating to the ‘tinny to tanker’ that we briefly talked about last time?

Mr Peachey—Yes, Senator. That is part of the unfinished business that we have. It has been around for about two years, or a bit over, as I recall. We are planning a further round of consultation in the near future. Do not ask me for the actual dates, but I think it is in the next month.

Mr Kinley—Yes, we have just added to our resources working on this project. We have been lucky to bring on someone from one of the state jurisdictions to ensure that we have that expertise, particularly in the smaller part of the industry. We are very keen to go off and do further consultations, in particular in the fishing industry, which we heard recently have some concerns.

Senator COLBECK—That is what they tell me.

Mr Kinley—Yes. We are very keen to address those concerns before we move ahead.

Senator COLBECK—Some of them tend to be quite industry specific. For example, the pearling guys have specific issues. I think we talked about them briefly last time. Has a revised draft version recently been completed as part of this consultation process, or are we still working on a—

Mr Peachey—We still have a draft. At the moment that draft is going through various iterations.

Senator COLBECK—Continuously?

Mr Peachey—As we consult with various interested parties, when we get close to what we think is a draft that is in good shape to go out and consult on, we will be putting it out publicly for consultations.

Senator COLBECK—I know that you cannot do this now but would you take this question on notice and give us a schedule of your proposed consultation once you have put that together?

Mr Peachey—Yes, Senator. We will have to take that question on notice, and we will be happy to do that.

Senator COLBECK—Over the last few estimates committee hearings we have had a couple of conversations about the under keel clearance management system. You were in the middle of a tender process when we talked about it in October. Can you give us an update as to where we are at?

Mr Kinley—The tender process was concluded and the successful tenderer from that process was OMC International. We are still engaged in final contract negotiations with that organisation, but we have also started a design with industry so that we can move ahead and get this system in place as quickly as possible. We have also started working with the pilots involved and with industry to finalise the design for the system.

Senator COLBECK—How many tenders did you receive?

Mr Kinley—I would not like to stray into commercial-in-confidence issues, Senator.

Senator COLBECK—I do not necessarily need to know from whom. If you do not want to do it now and you want to give it to me on notice that is cool.

Mr Kinley—I will have to take that question on notice because I am not exactly sure.

Senator COLBECK—So you are in post tender or final contract negotiations with OMC International now. Are any time frames stipulated as part of the contract documents for key progress points within the contract?

Mr Kinley—There are milestones in the contract but, again, I do not think I can go into some of those issues that may be commercial in confidence.

Senator COLBECK—I do not want anything commercial in confidence. However, I am interested to know about particular milestones that we can continue to follow through this process.

Mr Kinley—I will have to take that question on notice and come back to you. Our intention is to get the system running towards the end of this year.

Senator COLBECK—So you are trying to have it finalised by the end of this calendar year?

Mr Kinley—Yes.

Mr Peachey—Can I just add a note of caution? This is a priority for us and for the industry as well. We will not do anything until we are absolutely satisfied that all the requirements of the tender process are met. We have to be absolutely assured that the system will work and that it will not cause a risk to the Torres Strait. As you would expect, it is a very pristine environment.

Senator COLBECK—I think you might have misinterpreted where I am coming from. I am coming purely from an interest in following the process and having an understanding of where we are at, and what the key milestone dates might be so that I can follow it through the process. Effectively that is where I would like to go; it is not from any other perspective at all. I am interested purely in the process that we are going through with respect to calling tenders, awarding tenders and all that sort of stuff. I suppose that once the details of the system get out into the public arena they will speak for themselves. We can then deal with it at that point in time.

CHAIR—As there are no further questions of AMSA, thank you very much. I will now call Local Government and Regional Development.

[3.49 pm]

Local Government and Regional Development

CHAIR—Yes, Mr Mrdak?

Mr Mrdak—Earlier I took some questions on notice. Unfortunately Senator Williams and Senator Bushby have left the room, but Senator Williams asked about submissions for the Tenterfield bypass in New South Wales. We have checked and I can advise that the Tenterfield council had a number of projects funded under the strategic regional program. However, the Tenterfield bypass was not one of them. We have checked with the New South Wales Roads and Traffic Authority which advises that in 2007 Tenterfield council submitted a proposal to the New South Wales government for a bypass. Since then council has undertaken its own feasibility study, which was completed in July last year. However, no state or Australian government funding was provided for this study.

Senator Bushby asked about the Midland Highway in Tasmania. I am advised that the department is not aware of any submissions by the Tasmanian government for funding for the duplication of the Midland Highway. The department is not aware of the Prime Minister receiving any submissions on the duplication of the Midland Highway. The department has not received any submissions, of which it is aware, from other parties regarding duplication. However, we are aware that the Tasmanian government has recently written to the minister setting out a number of infrastructure priorities, including proposals that it has submitted to Infrastructure Australia. Thanks, Chair.

CHAIR—Thank you Mr Mrdak. I welcome officers from Local Government and Regional Development.

Senator NASH—I refer to the Better Regions Program. In addition to the 81 Better Regions projects that are listed on the website, are there other funding contracts that the government has entered into under the Better Regions Program?

Mr Wood—As of today I understand that 85 contracts have been entered into under the Better Regions Program. I think two additional contracts have been completed in the past two to three days. A number of other projects have also been approved but as yet they have not been contracted. Contract negotiations are ongoing.

Senator NASH—When did that occur? Are they up on the website? My apologies if they are.

Mr Wood—If they are not up on the website now they will be within the next few hours.

Senator NASH—They will now?

Mr Wood—It is in the process of being updated.

Senator NASH—Will you enlighten the committee as to what they are just in case they are not yet on the website?

Mr Wood—Certainly. One is in Queensland, it is the Murray Sports Centre in Townsville, and the second is the town of Kwinana in Western Australia—the construction of the Kwinana Community Resource Centre and revitalisation of the town centre.

Senator NASH—Are the other two of the four that you mentioned on the website?

Mr Wood—Those are two. Sorry, did you say that you had 83 or 81?

Senator NASH—I think I said 81 and you said 85.

Mr Wood—There are 85 in total for which contracts are in place, but two were previously contracted under the Regional Partnerships Program. They were election commitments but negotiations were already in place under the regional partnerships.

Senator NASH—Rather than trawling through all 85 now, and now that we know they are all up on the website, I will go to the website and have a look at all those projects. The minister will be excited about that. Of the 85 projects how many have been completed?

Mr Wood—Twelve projects have had their final payments made. They have been completed in relation to our involvement. The final report has been received and payments have been made. Others may have been completed, but the final reports and payments are yet to be finalised.

Senator NASH—Rather than trawling through them now could you provide the committee with a list of completed projects with their location and details?

Mr Wood—Certainly.

Senator NASH—Are all the projects that are incomplete—the remaining ones—progressing according to the terms of their funding agreement which was basically, ‘We’ll give you a bucket load of money.’

Mr Wood—The funding agreements have milestones attached to them. To the best of my knowledge, the vast majority of projects are proceeding in accordance with those milestones. However, as part of the ordinary project management of any grants program, some projects will have cause for a variation of some sort. There may be a time delay due to requirements for planning approval and those sorts of things, and there may be bad weather. So there will

be a number of projects where there are delays. Typically, they would be subject to a contract variation, which would be considered by the department or by the minister, as appropriate.

Senator NASH—I understand the vagaries of weather and that sometimes it gets in the middle of these things. Could you provide the committee with a list of those projects that have had a variation as a result of not hitting a milestone thus far?

Mr Wood—Yes, Senator.

Senator NASH—Did all of the project partners work within the terms of the funding agreement? There have been no breaches?

Mr Wood—Not that I am aware of, Senator.

Senator NASH—Outside the current ones that we were just discussing that have not managed to track on their milestones have any others sought any contract variation for any reason? Apart from not hitting a milestone is there any reason why a proponent would want a contract variation?

Mr Wood—In a small number of cases a proponent may request a variation to the scope or the original approval of the project as further work has been undertaken. The specific nature of the approval is bound to be slightly different from the work that the proponent wishes to undertake. In that case typically we would seek a variation, which would normally require the approval of the parliamentary secretary.

Senator NASH—Would you give us an example of the type of variation that would then have to go to the parliamentary secretary for a tick off?

Mr Wood—The Better Regions Program is over four years. For some projects we are funding one part of a project. It may be that, over time, because of the particular part that we are funding, the proponent thinks it might be better if some of our funding can be spent in an early part of the project and the proponent might wish to divert the Better Regions funding to that part of the project. I am thinking of multistage projects that have three stages. Better Regions funding was going to the second stage of the project and, for whatever reason, we wished to bring it forward either to an earlier stage or to a later stage as the project has been further developed.

Senator NASH—I understand that at the moment there are some variations because milestones have not been met. If there has been a variation and those milestones have still not been met what process do you go through?

Mr Wood—If a milestone is not met, a payment will not be made. That would be the norm.

Senator NASH—It is as simple as that. The minister might be able to help me out here. This question is not for you Mr Wood; I would not ask this question of you. Given the government's commitment, the minister at the table has said on many occasions, 'We will be fulfilling all our election commitments.' Given that all these Better Region projects are election commitments, if a milestone is not met and the officer has indicated that a payment would not be made how do you reconcile that, Minister.

Mr Mrdak—I think the minister is caught up at the moment, Senator.

Senator NASH—I will ask my rather lengthy question again.

Senator Conroy—Please do.

Senator NASH—I gave you the courtesy of indicating that my question was directed to you, Minister.

Senator Conroy—My apologies.

Senator NASH—That is quite all right, Minister; I will ask my question again. Mr Wood and I were having a discussion about the process that is followed in relation to projects that do not meet their milestones. Mr Wood indicated that if a project does not meet its milestone, payment will not be made and it will not be funded. Given your statements in the past, and other statements made by the government that all the election commitments will be fulfilled, how does the government fulfil an election commitment for which the department is precluded from paying? Obviously it simply would not go ahead. I am interested in the contradiction between those two things.

Senator Conroy—I am not sure whether there is a contradiction. If an organisation fails to meet its milestones obviously we have to have a discussion with it. But we will not pay. You are trying to draw a link between a statement that we are seeking to meet all our commitments and a failure on the part of an organisation to meet a milestone. You are suggesting that somehow or other that makes it a breach of that commitment. I think that is a silly comparison.

Senator NASH—I do not think it is silly. I am interested in your introduction of the new word 'seeking'. In the past you have said to this committee that this government would unequivocally fulfil all its election commitments. I am interested in how you will do that.

Senator Conroy—If an organisation fails to meet its milestones obviously we have to have further discussions.

Senator NASH—My question referred to the milestones after the variations had not been met. However, I know you were otherwise occupied at the time.

Senator Conroy—The point that you are trying to make is not valid, Senator Nash. We will meet all our commitments.

Senator NASH—What was that Minister?

Senator Conroy—We will meet all our commitments. In the process we will ensure that we do not give money to organisations that are not meeting their milestones, as we move towards meeting our commitments. Those statements are not inconsistent.

Senator NASH—I think they are very inconsistent statements, Minister. However, I will leave it there otherwise we will go around in circles. I refer to Regional Development Australia offices. How much money goes to each one?

Ms Foster—In total we have \$14.7 million in the 2009-10 budget for the RDA committees.

Senator NASH—How is that divvied up?

CHAIR—I apologise for interrupting, but we will suspend this hearing for 15 minutes.

Proceedings suspended from 4.00 pm to 4.15 pm

Senator NASH—We were just discussing Regional Development Australia offices, and how funding is divvied up and where that funding goes.

Ms Foster—In the budget \$14.7 million was allocated but an additional amount of almost \$300,000 was rolled over to make the total for this year just over \$15 million across the committees. We do not have with us the details of the allocation by committee, but Mr James can take you through the process that we used to arrive at those allocations.

Senator NASH—Could you also take my question on notice and provide us with the allocations for each committee?

Ms Foster—Certainly.

Mr James—The amounts have been based on negotiations with state governments and the memorandums of understanding that have been brokered in relation to this with virtually all state and territory governments. Consideration has also been given to cost sharing. As you are probably aware, there are some shared models for RDA as well as some population characteristics.

Senator NASH—When you talk about negotiations with the states are you talking about the overall amount of funding that goes to the states? I want to deal separately with the negotiations with the states. Is it a state decision or a federal decision to divvy up funding between each of those states?

Mr James—The Australian government has decided about its contribution to RDA in each particular state. In that process it has been taking into account a number of factors, including the state contribution, population characteristics, demographics, historical funding, obviously what is needed to fund an office as a viable unit, and some historical factors. I have referred to the broad picture but it varies from state to state.

Senator NASH—We have had some discussion about this before, so I apologise if in some areas we are traversing old ground, but it is important to get a perspective of where it is at now. What quantum of those funds goes to individual offices and how is that determined?

Mr James—Ultimately that is a ministerial decision.

Senator NASH—A federal ministerial decision?

Mr James—Federal, yes.

Senator NASH—Sorry if I am a bit slow on the uptake on this issue. There are discussions with each state about how much goes to each state, and that also takes into account any in-kind contributions that the states have to make along the way?

Mr James—Indeed.

Senator NASH—How many offices are there now?

Mr James—There are 55 committees around the country, but the number of offices will not be exactly the same because the arrangements vary from state to state.

Senator NASH—But it is still a determination to be made by a Commonwealth minister?

Mr James—For the Australian government contribution.

Senator NASH—To each of those offices?

Mr James—Yes.

Senator NASH—On what is that based? I guess that, at the end of the day, it comes back to the minister to decide, or does he receive advice from the department about how that process works?

Mr James—Clearly, the minister and the parliamentary secretary receive advice from the department on factors to take into account. However, ultimately they make the decision based on that information. As I mentioned earlier, it includes things like population, historical funding and state contributions.

Senator NASH—They are quite broad areas. On what sort of criteria does the department base its advice to the minister about how many bucks should go to each area?

Mr James—As I said, depending on a state's situation, it has been based on things such as state contributions, population, the region to be covered, remoteness—which I did not mention before—historical funding and—

Senator NASH—What is 'historical funding' and why is that relevant?

Mr James—It is just taking into account the fact that previously we contributed to ACCs through Australian government funding.

Senator NASH—Using that as a bit of a benchmark, if they had that amount of funding before, it is probably appropriate to give them that much again?

Mr James—Indeed. It is one of the factors. It has not been based on any one factor.

Senator NASH—But you use that historical knowledge, if you like, as part of the decision?

Mr James—Indeed. Because they have been operating for quite some time, it gives you some idea of what it takes to run a small organisation in a regional area.

Senator NASH—How much do staffing levels vary across each of the individual offices?

Mr James—As you know, we do not control staffing, as we are not the employer, and it will vary quite considerably around the new network.

Senator NASH—From your perspective do you have much knowledge—I am prepared for you to say no given that you are the Commonwealth department—and are you aware of strategies that are in place to ensure that people who are employed in the offices liaise with other state and federal departmental employees in an area? One of the things that have been raised with me was that out in the regions perhaps there is not enough cohesion happening between the various government agency employees. Is that something that has come to your attention at all or are you happy with how that is progressing? It seems to me that, if you could make all the different government agencies and the staff working together on the ground, particularly in the regions, more streamlined, it would be beneficial.

Ms Foster—One of their roles is to facilitate the most cohesive approach between federal and state agencies within a region. It is one of their explicit goals.

Senator NASH—Are you getting much feedback on that? How do you measure that?

Mr James—Many committees have identified it as an important area where they would like to make a difference. Whilst it is early days, it is an important priority. We are looking forward to getting information on that in due course. One of the areas of priority in looking at the performance of the network overall is the extent to which things are joined up—more joined-up government in regional areas. People know best where to go if they want assistance from any level of government.

Senator NASH—This is going to seem a very obvious question, but I think it will be useful for the committee and for those reading *Hansard*. What does Regional Development Australia do on a day-to-day basis? I have read all the big words and all of the aims and objectives, but give me an example of what an officer would do on a day-to-day basis. What does Regional Development Australia do?

Mr James—A whole range of things. They are charged with looking at developing opportunities for their regions; identifying the way forward; establishing what might be the strengths and natural assets in a region; working with other key players on regional planning to bring together various organisations from the government and non-government sectors and the private sector to think about ways forward and about what might be a 10-year plan for that region; addressing issues of social inclusion; looking at opportunities for youth in the region; meeting key stakeholders; and identifying programs.

Ms Foster—Senator, perhaps it might be helpful if we gave you some specific examples of activities.

Senator NASH—Yes, it would be.

Ms Foster—For example, RDA Illawarra hosted a state of the region conference in November last year to identify critical projects and strategies for 2010. The RDA in Northern Rivers is hosting 70 Innovative Development of Excellent Aged Services workshops to upskill the work force. The RDA Central West is partnering with Forests NSW and local councils to hold a timber forum in 2010.

Senator NASH—What is a timber forum and what does it do?

Ms Foster—Essentially they are saying that timber is a key industry sector for the region, and their goal is to ensure an ongoing and sustainable industry. So they are bringing together the people who can contribute to that and talking about how to make it happen.

Senator NASH—Okay. In an instance like that—and I am not targeting this particular project at all—how does the RDA determine the appropriate course of action? There might be a number of people in those communities—not me, but this is just an example—who think that timber is not important and that it is actually the last thing that a community should be doing. So who determines the veracity of the need for something like this?

Mr James—These are not government-run organisations, they are independent committees and they are often community-based. They will determine as part of their business plan the funds that are available and their consultation with key stakeholders in the region—what might be the best areas for that committee to focus on that are going to make a difference.

Senator NASH—Yes, I know, but that is my question. I am sure that the people you have on the ground out there do a very good job. I had a lot to do with people in the old ACCs and

they did a terrific job at a regional level. But I am trying to understand the appropriateness of the determination of the best use of the money. Do you have any guidelines or expectations? As I said, one group in the community might think that timber is fantastic and another group in the community might think that the last thing they want is a timber industry. I guess that an office will pick a certain direction. What checks and balances are there on the direction that an office might take, how they are progressing and how they are spending the money that flows through to them?

Mr James—I understand the question. They have all been asked to do a business plan, and those business plans come back to the department and, where the state is involved, to the state for approval. That will allow us to see the priorities that have been identified and allow an opportunity for feedback to be provided. Once those business plans have been agreed a set of performance measures will be negotiated, which will then be able to measure performance on the delivery of their business plan from year to year.

Senator NASH—So the determination of the worthiness of the project ultimately will rest with either the state or a Commonwealth department if it has to come back for tick-off?

Mr James—It will at least have to come back to ensure that it seems reasonable and consistent with the charter and the framework.

Senator NASH—There are checks and balances?

Mr James—Indeed.

Senator NASH—That is very interesting. How do the RDA offices differ from the old ACCs?

Ms Foster—I think one of the primary differences is that they are not playing a role in assessing and providing advice on grant applications for a regional program such as Regional Partnerships.

Senator NASH—Who does that for them? Mr James, when you were talking earlier you said it is about identifying programs where funding will come from for some of these, I would imagine, extremely worthy projects. If, as you said, those officers are not providing the advice, who is?

Ms Foster—There might be different things. We certainly would encourage the RDAs to work with both state and federal government agencies to understand what programs are available in their regions and to make sure that they are connecting with them and making the best use of them. The distinction I was trying to make is that they are not actually in the business of assisting individual proponents within a community to write a grant application.

Senator NASH—Exactly. Thank you for clarifying that. That is my point: a lot of the projects that have come up in the past that I have known about have been put forward by people who do not necessarily have the skills to write up their proposals. They need some assistance and guidance to get through what sometimes can be a quagmire. If, as you say, these officers are not helping them, what is in place to help people in these local communities develop a project proposal?

Mr James—Let me clarify that a little. Committees can assist with things, such as assisting communities to look for funding options for government and other programs. Ms Foster was

alluding to the fact that there is no role as there was for ACCs relating to regional funding programs in this portfolio where they would play an integral role in that process.

Senator NASH—Thank you Mr James; I understood that completely. Having taken that out of the equation, many local communities often have the best intent in the world and terrific ideas for project proposals, if these officers are precluded from helping them to develop their proposals and to have an input, what is available to them to obtain that assistance?

Mr James—They are not precluded from helping with identifying good ideas.

Senator NASH—No. Specifically, when the project proposal is being drawn up and all the things have to be ticked off, hoops have to be jumped through and the whole bit, if the officers are not able to help—Ms Foster just said that they no longer have that role—what is available to these proponents to get some assistance in that detailed work of developing their project proposals?

Ms Foster—As Mr James just said, they are no longer involved in that for programs within the infrastructure portfolio because the community infrastructure program is being funded through local governments.

Mr James—Often the project and economic development officers have their own capacity to assist with those sorts of processes.

Senator NASH—Are the proposals that are being drawn up always in concert with local government?

Mr James—Only local governments are eligible to apply as the formal applicant to the Regional and Local Community Infrastructure Program, or RLCIP.

Senator NASH—Fantastic; that was the missing link. You are saying that local government authorities will be able to assist.

Ms Foster—That gives an RDA the capacity to focus more strategically on trying to bring together various elements of the community and to work with them on the priorities for that community, for example, by developing a business plan in consultation with the community.

Senator NASH—How do you measure this? Of all the ideas or proposals that have been brought to you or to the state government, how many are up and running?

Mr James—We would have to take that question on notice and provide you with the detail. Ms Foster mentioned a number of examples of things that are already up and running or that are underway. We do not have that information at our fingertips.

Senator NASH—Could you take that question on notice? I refer, finally, to the Better Regions Program. When does that conclude?

Ms Foster—It is receiving funding over three years, Senator, and it runs until 30 June 2011.

Senator NASH—But as we discussed in the past, all that funding has been allocated?

Ms Foster—That is correct.

Senator NASH—After that funding runs out—and it already has—are there any discussions in the department about any further steps to be taken, or is that just a matter for government?

Mr Mrdak—It is a matter for government to consider those matters appropriately.

Senator NASH—Thank you, Chair.

Senator BACK—I wish to ask some questions about Regional Development Australia. Can the department confirm whether it has a conflicts policy with respect to Regional Development Australia committees?

Mr James—That is correct, Senator—conflict of interest guidelines for all committees.

Senator BACK—Is that common to all the RDAs?

Mr James—Yes, with perhaps some variation, depending on the arrangement with the state government about its requirements.

Senator BACK—Who administers the processing of these conflicts of interest? Who adjudicates them?

Mr James—If it comes up at a committee meeting, Senator?

Senator BACK—Yes.

Mr James—It would be a matter for the committee and the chair to manage that process and to ensure that it had appropriate rules in place. If they cannot resolve that, they would need to talk to us or to a relevant state government.

Senator BACK—To the state government or to you?

Mr James—Yes.

Senator BACK—I do not know whether this is the current policy:

Owing to the nature of RDA appointments and extensive contacts enjoyed by members it is inevitable that conflicts of interest will arise from time to time.

... risk to the standing reputation of the organisation

This is consistent:

No decisions we take are worth exposing an RDA to any accusation that members may be acting in self-interest ...

Who has the role of appointing the chairs of the RDAs?

Senator Conroy—I wish to make a couple of points. The appointments that are made are based on merit and they are balanced and representative. Local leadership and experience, geographical representation, gender and cultural backgrounds have been taken into consideration when appointing these volunteers. In New South Wales I am aware that it went through a New South Wales cabinet process. Let me give you a couple of examples of how independent these committees are. Dale Baker, a former Liberal Party minister from South Australia, has been appointed as a committee chair; Steve Perryman, a state Liberal candidate from Mount Gambier, has been appointed as a committee member, and Gavin Priestley, who ran as an independent candidate at the last federal election, has been appointed deputy chair of

a committee. That gives you a flavour of the way in which we go through the process. That also gives you some facts on it.

Senator BACK—Thank you. I again ask: who appoints the chairs and the deputy chairs of the RDA committees?

Mr James—The relevant state and federal ministers.

Senator BACK—Who is the relevant federal minister?

Mr James—It is Minister Albanese. In this case, the Parliamentary Secretary Maxine McKew has been handling most of the appointments.

Senator BACK—Following the Minister's very kind explanation, I note in the conflict policy—and I come to politics, it says:

The RDA must remain politically neutral at all times and must be especially vigilant when elections are called.

Is that an accurate clause?

Mr James—Yes.

Senator BACK—I refer to south-west Regional Development Australia in southern WA. Are you able to tell me when the chair of that RDA was appointed by the parliamentary secretary?

Mr James—I think so; I will just check.

Ms Foster—We will have to take that question on notice as it does not appear as though we have that information with us.

Senator BACK—You might be able to confirm—and I am quoting from your own RDA—

Mr James—Sorry, Senator, I have found it. It is dated 7 December for Western Australia.

Senator BACK—As I said, I have a lovely photograph from the RDA website of the parliamentary secretary and the state minister which I think was taken in early January this year. I ask the question because the person who was appointed as the chair on that occasion is a lady by the name of Jackie Jarvis who has a very impressive CV. The only thing is that she was endorsed by the Australian Labor Party at its state executive meeting on or about 16 December last year, which I think is about the time that you indicated she was appointed the chair of the RDA for the south-west.

Mr James—I do not know.

Senator BACK—I think you just told me that she was appointed around about the middle of December?

Mr James—Yes, in relation to that. However, I do not know about her subsequent relationship.

Senator BACK—I am quoting from ABC News of 17 December 2009, which states:

The Labor Party has named its candidate for the Western Australian seat of Forrest in the next federal election. Margaret River small business owner Jackie Jarvis was endorsed by the party's state executive on Monday.

I think that was about 12 December or 13 December—about the same day. I note that the conflict of interest clause states:

... the RDA must remain politically neutral at all times and must be especially vigilant when elections are called.

Would the department consider that to be possibly a conflict of interest, or could it be seen as a conflict of interest, Minister?

Senator Conroy—Let me be clear about this. The Nationals leader in Western Australia and the state minister ticked off the RDA WA appointments. It was ticked off by the Western Australian Nationals leader and state minister. I am happy to take the rest of your question on notice to see whether there is anything further we would like to add.

Senator BACK—I am not so much interested in what the state minister thought of the whole process.

Senator Conroy—We know what you think of the Western Australian Nationals, but you are a coalition partner, so try to keep your differences—

Senator BACK—I have no view at all. I refer again to the conflicts policy, which states:

Conflicts carry a significant risk to the standing and reputation of the organisation—

and, no doubt, in the eyes of the wider community. It continues:

No decisions we take are worth exposing RDA south-west to any accusation that members may be acting in self-interest, either pecuniary or otherwise. With this in mind it is better to err on the side of caution.

Armed with that knowledge, what action should be taken to satisfy the clause in the conflict policy relating to politics?

Senator Conroy—As I said, we will take on notice the issues that you have raised. If there is anything further that we would like to add we will get back to you, Senator Back. You have raised an issue and we are happy to seek some advice and to give you an answer.

Senator BACK—I would be delighted if you would. Will the department also take on notice another question? I am now reading in the same policy the personal information:

Individuals declare their interests in the nomination form. Where circumstances change members should inform the administration officer so that information on the register can be amended.

Would you take on notice whether or not the information officer was so advised? I notice that it refers also to ongoing conflicts:

The Department of Infrastructure, Transport, Regional Development and Local Government—

which is this department—

should be advised of ongoing conflicts.

Would you take on notice whether or not the department has been advised. I also ask you to take on notice the next reference, which is:

Where an ongoing conflict exists it may be necessary for the member concerned to resign.

Senator Conroy—To add some further information, I mentioned earlier a gentleman called Steve Perryman.

Senator BACK—Is he also part of the process in Western Australia, Minister?

Senator Conroy—No, he is a South Australian, I think from Mount Gambier. When he was appointed he was already the candidate for the Liberals in the South Australian state election.

Senator BACK—And?

Senator Conroy—I think he is a member. I am just making the point, as I wanted to ensure that—

Senator IAN MACDONALD—There is a slight difference, though.

Senator Conroy—Yes and no. I am happy to take the question on notice and to seek some further information. I wanted to ensure that Senator Back knew all the facts.

Senator BACK—I would be appreciate being apprised of those. However, I am particularly concerned about this statement that I read out earlier:

No decisions taken are worth exposing the RDA to any accusation that members may be acting in self-interest whether pecuniary or otherwise.

Senator Conroy—Mr Perryman clearly does not think he is acting inappropriately in any way by being a Liberal Party candidate while on that RDA.

Senator BACK—Sure. I am not so much interested in what happens there; I am interested in the south-west of Western Australia. I will be keen to receive the answers to those questions on notice.

Senator IAN MACDONALD—As you know, I came into this hearing late, so if you have answered these questions, please stop me.

Senator Conroy—Okay.

Senator IAN MACDONALD—I refer to Regional Development Australia. What money would the relevant state or territory governments put into each RDA office?

Senator NASH—I think the officers said that they would take that question on notice.

Senator Conroy—I make the point that the combined total budget for Regional Development Australia committees is larger than the previous government's allocation to the area consultative committees during any year. This is due to the federal government's new cooperative approach to regional development across all levels of government. For the first time, state and local governments are partners with the federal government in consulting with regional committees.

Senator IAN MACDONALD—Thanks, Minister. That was not what I asked, but thanks for the gratuitous comment. I am interested in what the states are contributing. Are they contributing about the same amount as the federal government?

Ms Foster—Senator, I think it varies from state to state. We can take that question on notice.

Senator IAN MACDONALD—As I understand it you already have.

Senator Conroy—You asked a slightly different your question. Your questions overlap a fair bit the questions asked earlier by Senator Nash. We just wanted to ensure that we understood your question exactly.

Senator IAN MACDONALD—I have a rough idea of what Senator Nash asked. I am not asking those questions.

Senator Conroy—You have to stop copying her questions.

Senator IAN MACDONALD—I should. However, this question was not one of her questions. I wish to ask a follow-up question and I appreciate your offer to take it on notice. I am interested to know whether, in all instances, it is about the same. Let me put it this way. I will put a proposition to you and you can tell me if I am wrong. My information is that the state governments are putting in very little at all. How would you respond to that?

Senator Conroy—We have taken that question on notice so that we can give you the exact details, Senator Macdonald.

Senator IAN MACDONALD—I wanted the answer to that question so that I could ask my next question. As nobody is denying it, I take it that that is the case.

Senator Conroy—You cannot verbal any of the officers or me. Because I used the words ‘we will take that question on notice’ does not mean that we agree with the supposition in your question.

Senator IAN MACDONALD—I asked someone to tell me whether I was wrong, and nobody has.

Senator Conroy—We said that we would get you the exact information. I have no idea what the answer to that question is.

Senator IAN MACDONALD—I know you do not, Minister.

Senator Conroy—I do not want to give you the wrong answer.

Senator IAN MACDONALD—It would not surprise me if you gave that answer to many questions.

Senator Conroy—I would not want you to be disappointed if I gave you some half-baked answer.

Senator IAN MACDONALD—I am quite sure that departmental staff know very well in rough terms that the states are really not contributing much at all.

Senator Conroy—This is a very efficient and professional department and it wants to ensure that it gives you an exact answer and not a rough answer.

Senator IAN MACDONALD—Let me put it this way: on the assumption that the states are not putting in anywhere near what the federal government is putting in, how can you call this a genuine partnership between state and territory governments and the Commonwealth when one partner is putting in all the money and the other partners are pulling the strings?

Senator Conroy—We are not in a position to comment on the veracity of your underlying assumption and implication. But, we are happy to take your question on notice, and give you

any further information that is available. It was really more of a rhetorical question, I suspect, than a pointed question.

Senator IAN MACDONALD—I trust, Minister, that we will get the answers before the day of the next estimates committee?

Senator Conroy—You got the answers to these questions before the day.

Senator IAN MACDONALD—You are right—two days before! Thank you. Could we get the answers at the time set down by the Senate so that we can—

Senator Conroy—As always, the department and the minister's office endeavour to meet the timetable of the Senate.

Senator IAN MACDONALD—We have established that the department does. We are waiting for the minister's explanations.

Senator Conroy—Let us not rehash the morning session.

Senator IAN MACDONALD—We just had the same session in the environment portfolio. I suggested to the secretary of environment department that she should take some lessons from this department, which is far more professional. I guess that I can say that in this room.

Senator Conroy—She should take lessons from this department?

Senator IAN MACDONALD—Yes, because I am aware that this department answered the questions in accordance with the Senate requirements. Anyhow, as you said, we will not go there. Is it a fact that the state governments principally are the organisers of Regional Development Australia, and they are the ones to whom RDAs most often will report? Their lines of communication will be through the state government. Is that right?

Mr James—No, Senator, that is not correct. It is an equal partnership. The states have their reporting and we have our reporting and we have ongoing management arrangements with all committees.

Senator IAN MACDONALD—Okay. Let me put it this way: if I, as an elected representative in the federal parliament, wanted to see one of the RDA committees, would I need to seek any approval from, in the first place, the federal government?

Mr James—No, Senator. It is provided for within the guidelines to committees that members can attend.

Senator Conroy—Only good taste could interfere in that decision, Senator Macdonald.

Senator IAN MACDONALD—I accept that, Minister.

Mr James—It is up to the committee, but within the guidelines provided in terms of interaction with federal and state MPs.

Senator IAN MACDONALD—I would not have to approach the state government department for permission to speak with the committees?

Mr James—No.

Senator IAN MACDONALD—And you say that is part of the—

Mr James—Guidelines for committees. It is reasonably consistent with the guidelines that were in place previously for ACCs.

Senator IAN MACDONALD—Would it surprise you to know that I have sought an appointment with one of the RDAs and have been told that I have to refer to the state ministers' office?

Mr James—I have no knowledge of that. I am sorry, Senator.

Senator IAN MACDONALD—No, would it surprise you if I told you that that was the case?

Senator Conroy—We should welcome Senator Heffernan to the room now and indicate to Senator Heffernan that this committee is running ahead of schedule, and that we would appreciate his cooperation in keeping it that way.

Senator Heffernan interjecting—

CHAIR—Senator Macdonald has the call. There is a question there.

Senator IAN MACDONALD—I am waiting for the answer.

Mr James—I am sorry, Senator.

Senator IAN MACDONALD—It would surprise you?

Mr James—Yes. I am not aware of that particular circumstance.

Senator IAN MACDONALD—Could you perhaps help me and other parliamentarians by referring me to the item in the partnership agreement that indicates that they are able to meet with parliamentarians, state or federal.

Mr James—We could take on notice the guidelines and provide them.

Senator IAN MACDONALD—Yes, so that next time this happens to me I can say, 'Have a look at clause 11.3. I don't need to get the permission of the state government.' I am sure that Senator Nash has very precisely asked the other questions, so they are all the questions I have.

CHAIR—Senator Nash has no more questions. In that case I thank officers from Local Government and Regional Development.

[4.52 pm]

Office of Northern Australia

CHAIR—Welcome, Senator Heffernan. It is good to see you. We missed you. Things have been running along swimmingly wonderful over the last couple of days, and there is no reason why that will change.

Senator IAN MACDONALD—Mr Sargent, you do look rather lonesome. You seem to have very big shoulders too: we heard this morning that you are acting executive director.

Senator Conroy—I need to confirm at the beginning that the Office of Northern Australia includes Queensland, parts of Queensland. Can I just double-check that with you, Senator Macdonald?

Senator IAN MACDONALD—Yes, thank you.

Senator Conroy—Thank you.

Senator IAN MACDONALD—Mr Sargent, we heard that you are the acting executive director, that the previous occupant of your position has moved on, and that a search is being undertaken within the department to get someone else. How long have you been with the office?

Mr Sargent—Since March 2009.

Senator IAN MACDONALD—Okay. That is less than a year. Can you tell me, regarding the report that was released yesterday, on what condition was the report made available to the *Australian*? This was released publicly at 10.30 yesterday.

Senator Conroy—Yesterday, yes.

Senator IAN MACDONALD—The *Australian* carried a full-page story on it in yesterday's paper, which was printed at 10 o'clock the night before.

Senator Conroy—I am not sure that Mr Sargent would be in a position to answer that. I am happy to see if he is, but I doubt it. I would have to take that on notice, but I suspect the answer is that Mr Sargent has no information on that issue.

Senator IAN MACDONALD—Who authorised the handing of a copy of the report to the *Australian*?

Senator Heffernan interjecting—

Senator Conroy—Senator Heffernan, we will take questions one at a time.

CHAIR—Sorry, we are going one at a time, Senator Heffernan. Your colleague has the call. You will get your chance when Senator Macdonald has finished.

Senator IAN MACDONALD—I well appreciate Senator Heffernan's expertise and enthusiasm, as he was the original chairman of this. In fact, it is really his baby, and I will be relatively brief before handing over to Senator Heffernan for half an hour or so later on. Who authorised its release to the *Australian*?

Senator Conroy—Look, I am not sure anyone at the table is in a position to give you any information on that, Senator Macdonald. Those pesky journalists in the gallery often have many ways of obtaining documents, but I am happy to take that on notice and see if there is any information that Minister Albanese, Parliamentary Secretary McKew or Parliamentary Secretary Gray have for you.

Senator IAN MACDONALD—Okay. Is it a fact that the department did not authorise the release of the report to the *Australian*?

Ms Foster—We have not.

Mr Mrdak—It is not a matter in which the department would be involved.

Senator IAN MACDONALD—Okay. I take that as an assurance that the department did not make it available to the *Australian*?

Mr Mrdak—Senator, neither I nor my officers have any knowledge of how the *Australian*'s story eventuated. Certainly I can assure you that neither I nor my officers were involved in any such issues.

Senator IAN MACDONALD—Okay. That sort of limits who might have leaked it.

Senator HEFFERNAN—I suggest you look at Mr Stuart Blanch, for a start.

CHAIR—Senator Heffernan, I suggest that your colleague has the call and you will get your chance.

Senator IAN MACDONALD—Mr Sargent, are you aware of whether there has been any inquiry conducted by the department as to how the *Australian* got hold of the story before its official release?

Mr Mrdak—No, Senator. There has been no review of that. That would be a matter for me, and I have initiated no such action.

Senator IAN MACDONALD—Okay. You have seen today's report in the *Australian* alleging what the task force was told. It says:

We weren't asked not to investigate them, but we were told that it wasn't necessary to investigate them. They were talking about dams.

Senator Conroy—What page are you quoting?

Senator IAN MACDONALD—I am quoting from the *Australian* article this morning.

Senator Conroy—I apologise. I have not read that one.

Senator IAN MACDONALD—It is an article by Asa Wahlquist and Lenore Taylor today, in which they quote Dr Richard Cresswell from the CSIRO. He said:

At the time of the study, all jurisdictions (the West Australian, Queensland and NT governments) had a no-dams policy, and therefore we did not investigate the opportunities for dams in the north.

We weren't asked not to investigate them, but we were told that it wasn't necessary to investigate them ...

Who would have told them not to investigate them, Mr Sargent?

Senator Conroy—I am not sure that you can ask the department to pass comment or give you any information on a story they do not know anything about.

Senator HEFFERNAN—That is crap.

Senator IAN MACDONALD—The department can read. Perhaps Dr Cresswell can deny the report that the task force was told that it was necessary. I am wanting to know who told them that.

Senator Conroy—That is just a story, an allegation, in a newspaper.

Senator IAN MACDONALD—I am asking whether anyone in the department told the committee that it was not necessary to investigate dams.

Ms Foster—Not to my knowledge, Senator.

Mr Mrdak—Senator, not to our knowledge.

Senator HEFFERNAN—What about the bloke in charge?

CHAIR—Senator Heffernan, Senator Macdonald does not need your assistance.

Senator IAN MACDONALD—Thank you. I very much do need Senator Heffernan's assistance—but later.

Senator Conroy—Senator Macdonald, if you had read the report—and I am assuming that you have since you are quoting from the media commentary on it—you would know that page 13 had a discussion around dams.

Senator IAN MACDONALD—Page 13 has what?

Senator Conroy—It has a discussion around dams, I am informed.

Senator HEFFERNAN—Is it the blue copy or the brown copy? It is the brown copy.

Senator IAN MACDONALD—Let me ask Mr Sargent about dam proposals, with which the parliamentary secretary is very familiar, on the Gilbert River and the Flinders River, to name just two. He is very familiar with those.

Senator Conroy—I refer you to the paragraph underneath the picture on page 13.

Senator IAN MACDONALD—Why is it that the report makes no reference, and in fact actually says in the forward scenario into 2030, which I thought was a bit unusual, that in 2030 there will be no dams. I just cannot put my finger right on it, but they are sort of saying that the last dam was built in Australia in 1988. Obviously this committee was not looking at dams.

Senator Conroy—The task force drew on advice from a large number of sources.

CHAIR—Excuse me, Minister. We are halfway through questions. Senator Heffernan, your colleague is directing questions to Mr Sargent. I would appreciate if you would just leave Mr Sargent alone so that he can focus on the question at hand.

Senator Conroy—Just to reiterate, Senator Macdonald: the task force drew on advice from a large number of sources. The Northern Australia Land and Water Science Review 2009 relied on input from no fewer than 80 scientists with expertise in Northern Australia land and water matters, 80 public meetings and consultations and more than 100 public submissions. Secondly, the task force rightly considered large-scale dams against the provisions of the National Water Initiative, and consistent with the National Water Initiative the task force concluded that large-scale capture and storage of surface water in Northern Australia to support irrigation through the dry season would not meet public cost effectiveness criteria. If the returns are inadequate for public investment, private investors are unlikely to invest in water infrastructure.

Senator IAN MACDONALD—Mr Sargent, I am aware that the task force inspected both the O'Connell Creek diversion dam and I think the Gilbert River green hills proposal. Why is that not even mentioned in this report? Do you have any idea?

Mr Mrdak—Senator, perhaps I should clarify this. The department provided secretariat services for the task force. The report is very much the work of the task force. You have asked opinions of my officers in relation to matters which are contained in the task force. I do not believe we can comment because they are decisions, judgments and views of the task force members.

Senator HEFFERNAN—Can I take a point of order?

CHAIR—On a point of order.

Senator HEFFERNAN—It is a disgrace that a report on Northern Australia, which in my view—

CHAIR—Senator Heffernan, this is not a point of order. This is your opinion.

Senator HEFFERNAN—I am sorry—

CHAIR—No. There is no point of order.

Senator HEFFERNAN—Why can I not ask why—

CHAIR—No. Senator Heffernan, if Senator Macdonald wants to give you the call, he will give you the call. Senator Macdonald, are you going to pass to your colleague? Senator Heffernan, you do not have the call. Do not come in here grandstanding. You have not been here. Wait your turn and you will get a chance. If you have a problem, go outside and take a pill or do something else. Your colleague has the call. You may not like it, but that is the process.

Senator HEFFERNAN—It is a bloody disgrace.

CHAIR—Tough.

Senator HEFFERNAN—You have got someone who cannot answer questions. He is only a stooge.

CHAIR—Senator Macdonald has the call.

Senator Conroy—Senator Heffernan, I think that is an unfortunate way in which to make a comment.

Senator HEFFERNAN—He is not answering the questions.

Senator Conroy—That is an unfortunate reference. I ask you to withdraw that comment.

Senator HEFFERNAN—All right. I withdraw 'stooge'.

Senator Conroy—Thank you.

Senator IAN MACDONALD—Minister, do I take it that any questions we ask about this task force report that was released by the parliamentary secretary yesterday will be met with the answer, 'The task force is its own body and we are not responsible for it'?

Senator Conroy—What other answer can you give when those facts are accurate?

Senator HEFFERNAN—Then why isn't the chairman here?

CHAIR—Senator Heffernan, if you continue—

Senator Conroy—Senator Heffernan, you were a parliamentary secretary once. This is the Senate's supplementary estimates. To call witnesses, you need to have called them at the previous Senate estimates hearings, to have asked them questions and to have placed questions on notice. That is the strict application of the rules. They are not here; the report was released yesterday.

CHAIR—Minister, I am sorry to interrupt. I will tell you now, Senator Heffernan, that if you make one more comment like that—invite it; do what you like—we will be call a private meeting and we will suspend the hearing.

Senator HEFFERNAN—Go for your life.

Senator IAN MACDONALD—Mr Chairman, I might ask just one more question and then Senator Heffernan can have a go and perhaps I will come back later. Can I ask the minister: is it accurate, as Dr Cresswell is reported as saying, that the Australian government has a no-dams policy? It is a policy issue.

Senator Conroy—I have never heard that. Mr Mrdak has never heard that.

Senator IAN MACDONALD—You would be the first to say to me, ‘It’s a policy issue; you can’t ask Mr Mrdak’, and nor should I.

Senator Conroy—No, but he may be aware of a government policy on that. I am not aware of one but I am happy to come back to the committee if that is an incorrect answer.

Senator IAN MACDONALD—Are you aware whether the Queensland government has that sort of policy, Minister?

Senator Conroy—Up until recently, it certainly did not, Senator Macdonald, but what its current policy is, I could not tell you.

Senator IAN MACDONALD—You are quite right in reference to Traveston Crossing Dam. Clearly they did have a dams policy. Could you shed any light on why the task force did not look at dam proposals of which they were apprised and on which submissions were made to them?

Senator Conroy—I think I read out to you the specific section about dams. I mean, it does not use the word ‘dam’; it talks about large-scale capture and storage of surface water, which could be a dam.

Senator IAN MACDONALD—No, not necessarily.

Senator HEFFERNAN—There are on-farm and off-farm dams, mate. There is a hell of a difference.

CHAIR—Senator Heffernan—

Senator HEFFERNAN—I withdraw, I withdraw.

CHAIR—Test it, Senator Heffernan; that is fine. When we are out here, you can use all the language you like.

Senator Conroy—You will have the call very shortly, Senator Heffernan. You are slowing down getting the call yourself.

CHAIR—Your colleague has already said you can have it as soon as he has finished this line of questioning.

Senator IAN MACDONALD—I think it might be easier for all of us if I do allow Senator Heffernan to ask some questions.

Senator Conroy—That is a serious misleading of parliament.

Senator IAN MACDONALD—Perhaps I will come back later.

CHAIR—Senator Heffernan, questions?

Senator Conroy—Not speeches, questions.

Senator HEFFERNAN—Mr Sargent, in the report it says that the maximum is an estimated 60,000 hectares of productive land potential in the north. Is that correct?

Mr Sargent—I will refer back to my colleagues, but I think that is—

Senator HEFFERNAN—He is going to have to look it up.

Ms Foster—Could you repeat the question, Senator.

Senator HEFFERNAN—In the report, it says the maximum productive capacity of irrigated country in the north is 60,000 hectares. Is that correct?

Ms Foster—It says up to 60,000, I understand, Senator.

Senator HEFFERNAN—Yes. Could you explain that to me. How come it is 60,000?

Ms Foster—That is the conclusion that the task force has reached.

Senator HEFFERNAN—Yes, but this man is representing the task force. If he is not, we want somebody here who is.

Senator Conroy—No, he is not. He is with the secretariat.

Ms Foster—No, he is not.

Senator HEFFERNAN—What is the point? If the MLA comes along, their guys come along; if Australian Wool Innovation comes along, their guys come along. This is a dodged-up operation. You do not know the answer?

Senator Conroy—Senator Heffernan, you are giving a speech rather than asking a question.

Senator HEFFERNAN—No, I am not. I am asking: what is the explanation of only 60,000 hectares of potential productive land in all of Northern Australia against the background of 80,000 hectares just in the Ord on its own if you get rid of the lead mine and you go to—

CHAIR—Your question, Senator?

Senator HEFFERNAN—I am asking: what is the explanation for stating that only 60,000 hectares are available for irrigation in northern Australia, for God's sake?

CHAIR—Put your question. We do not need speeches. Just put the question.

Mr Mrdak—The department provided secretariat services and commissioned work on behalf of the task force. As I have outlined, the judgments reached by the task force are matters for the task force, based on the scientific and other research that it commissioned and the consultations it undertook. I do not believe we, the department, can assist you in understanding those judgments that were reached.

Senator HEFFERNAN—So what is the point of today's hearing?

Mr Mrdak—We can certainly explain issues about the process that was undertaken and some of the issues about commissioning the research, but the judgments reached in the report matters for the task force.

Senator HEFFERNAN—All right. Let us go to the process then. Senator Macdonald may have covered this already but, in relation to the original allocation of the \$30-odd million that you withdrew and put into the Office of Northern Australia, what was the running budget of the task force? It was originally \$30 million, but you cut it back to \$2.8 million or something, didn't you?

Mr Mrdak—I am advised that, in relation to the studies, there was \$2.13 million to commission the CSIRO work, and the cost of the task force overall was \$842,000 in terms of the cost to the department in providing secretariat services.

Senator HEFFERNAN—All right. So we know that there is at least 100,000 hectares on the Douglas-Daly, without flood irrigation. Let us go to fertigation. We know that Carnarvon is 40 times more efficient with its water use than the Ord and 20 times more efficient than the Murray-Darling Basin on average. With 8,500 megalitres of water, which is 8.5 gegalitres, we know that in 2006-07, with 3,000 acres of irrigation at Carnarvon—which looks like a speck when you fly in there, doesn't it, Senator Macdonald?—they produce the same income as the Ord stage 1, which is 14,000 hectares and 335 gegalitres of water.

Senator Conroy—Senator Heffernan, if I could just interrupt for a moment: you are making an eloquent speech.

Senator HEFFERNAN—No, I am not. I am coming to a question.

Senator Conroy—No, you are making an eloquent speech.

Senator HEFFERNAN—No, I am coming to a question.

CHAIR—Come to it, Senator Heffernan.

Senator HEFFERNAN—Some information has to be put down around which the question is built. It takes 335 gegalitres of water and 14,000 hectares to produce the same income. The report says there is not enough water. Carnarvon's water use, with the latest Israeli and Spanish technology, is 40 times more efficient than the water use of the Ord.

CHAIR—Senator Heffernan, will you come to the question?

Senator HEFFERNAN—The Ord has the potential of 80,000 hectares if you take up the land and use the Carnarvon technology.

Senator Conroy—I am not disagreeing with anything you have said. I am not agreeing with it, but I am not disagreeing with anything you have said. But you are making a speech that is more suited—

Senator HEFFERNAN—I am trying to get someone who can answer the question.

Senator Conroy—No. You have come to debate the policy.

Senator HEFFERNAN—No, I have not come to debate the policy.

Senator Conroy—Unfortunately, this is not—

Senator HEFFERNAN—I have come to ask a simple question of the department.

Senator Conroy—Well, then, ask the question.

Senator HEFFERNAN—Surely there is someone in the department with enough brains to tell us: how come there are only 60,000 hectares of irrigation potential in northern Australia?

Senator Conroy—This was a conclusion reached by an independent committee. It was not a conclusion reached by the department. You cannot ask the department to justify—

Senator HEFFERNAN—Senator Macdonald and I have a high regard for the principle of the committee, right? But I am afraid that I am distressed, disappointed and disgusted—

Senator Conroy—Well, you should stand up in parliament at the appropriate time and do it.

Senator HEFFERNAN—No, I would like to get some answers. I thought today was an opportunity to get answers on the details of a report just put down by the government. That is what estimates are about.

Senator Conroy—It is put down by a committee—an independent committee.

Senator HEFFERNAN—So it is meaningless? It is of no interest to the government and of no interest to the department?

Senator Conroy—No, that is not what I am saying at all. But you have come along to have a debate about the findings.

Senator HEFFERNAN—Why are the people not here?

Senator Conroy—Because this is Senate estimates.

Senator HEFFERNAN—Why aren't the people from the department and the task force—and I know them—here to answer questions on the report? I am aware—

Senator Conroy—They are not—

CHAIR—Minister, I may be able to help here. Very clearly, when we at this committee asked who we wanted to hear from—and it was very clear—there was no mention of the members of the task force. With all due respect, Senator Heffernan, you were part of that process and you know the answer.

Senator HEFFERNAN—But I got this report that was put down yesterday. There was no prior notice.

CHAIR—You know the answer, Senator Heffernan.

Senator HEFFERNAN—And you know what yesterday was to me, mate. You know what yesterday was to me.

CHAIR—We respect that, Senator Heffernan, but you know the process. We have to just put the truth on the table.

Senator HEFFERNAN—I just want to get a couple of simple answers here.

CHAIR—Please.

Senator Conroy—Can I just clarify. Just to give you an example, Senator Heffernan, Bill Glasson, who I am sure you know of, did a report for my department that was an independent report to the government. There was no suggestion at any stage that the secretariat of that

committee, which was provided by my department, would be asked questions at estimates about the content of the report or asked to justify it.

Senator HEFFERNAN—Well, unfortunately—

Senator Conroy—And it is absurd for you to try to suggest that the secretariat of the committee should be asked to speak in support of, justify, or anything else—

Senator HEFFERNAN—Or answer anything? Is that fair enough? You do not know?

Senator Conroy—It has nothing to do with not knowing.

Senator HEFFERNAN—Mr Sargent, you do not know the answer?

Senator Conroy—It is not appropriate to ask them the question. It is a task force that consisted of Mr Joe Ross, Mr Richard Ah Mat, David Baffsky, Stuart Blanch, David Crombie, Kim Hill—

Senator HEFFERNAN—Thank you for your assistance. I am aware of that. Having been the chairman, I am aware of the input from the secretariat and the guidance to the task force, and I am aware that the task force bravely—bravely—took a decision for the department not to write the report, which was the option they were offered.

Senator Conroy—Yes.

Senator HEFFERNAN—You offered them the option, and they said, ‘No, we’re going to go up to Cairns’—or wherever it was—‘lock ourselves up for a weekend and write it ourselves.’ Correct?

Ms Foster—That is correct.

Senator HEFFERNAN—Correct?

Ms Foster—Yes.

Mr Mrdak—The report was produced by the task force.

Senator HEFFERNAN—Let us just hear it again.

Senator Conroy—She said, ‘That’s correct.’

Senator HEFFERNAN—‘That is correct.’ Righto.

Senator Conroy—So it is completely the wrong place to want to ask the secretariat.

Senator HEFFERNAN—So it is a waste of time asking questions about the northern task force other than, ‘Who wrote it’?

Senator Conroy—It is a waste of time asking about the content of their report, yes.

Senator IAN MACDONALD—Just on that point, Minister, you are indicating that the only person we asked to attend this was the executive director. If we had indicated we wanted the chairman, would he have been brought along to answer questions about this?

Senator Conroy—Your colleague is interfering. I am being chatted to by one of your fellow senators who is distracting me from answering your question. Could you repeat your question?

Senator IAN MACDONALD—You made a comment that, when we were asked who we wanted along at this hearing, we indicated we wanted the Office of Northern Australia. Are you suggesting that if we had indicated we wanted the chairman of the task force to come along and answer questions at estimates that you would have got him here?

Senator Conroy—I am not sure what the procedures are on inviting the chair of an independent task force that simply gave advice to the government. You can ask about the expenditure of public funds at Senate estimates if you want. My suggestion is that an inquiry by a references committee may be the appropriate body to call the chair or members of this committee to, but Senate estimates are about government expenditure. The committee is prepared to give you all the information about the expenditure around the task force but, in terms of asking the officers at the table to address or support or disagree or agree with the findings of the report, I just do not think it is the appropriate venue.

Senator IAN MACDONALD—Minister, I knew all of that. It was your comment. You said, ‘You asked who you wanted here.’

Senator Conroy—As I said, I think it is more appropriate to be directed to a references committee.

Senator IAN MACDONALD—We said the department. I am simply saying to you that I would have thought it was unusual but your comment suggested that, if we had asked for the chairman, you would get him here.

Senator Conroy—No.

Senator IAN MACDONALD—You are saying that is not right.

Senator Conroy—I do not think you should draw that conclusion. I am not saying you could not ask, whether or not this is the appropriate forum for a debate about the findings of the committee. Probably, on balance, I would think not, but I did not want to rule it out on the basis of my understanding. My point is that I am sure Mr Ross or other members of the committee would be willing to turn up for a discussion, and even a debate with Senator Heffernan and you, about the findings at a references committee.

Senator IAN MACDONALD—I understand the process. This is a report to government, which the government considers and then either accepts or rejects. The government sometimes might get around to giving a response to but there is no obligation for it to do so, so it might just disappear into the ether. I suggest that the report is so lightweight that is what is going to happen to it. Bearing in mind that a considerable percentage of the population of northern Australia is Indigenous and bearing in mind that many of the recommendations of the report really relate to Indigenous issues rather than northern development issues in the commonly accepted term, does the Office of Northern Australia have a view on the issue that is of paramount importance to Indigenous people in northern Australia—that is, their inability to use their own lands in Cape York because of Queensland wild rivers legislation? Does the department have a position on that?

Senator Conroy—The department does not have positions on things. The government has positions on things and the department implements things. The short answer to your question

is, no, the department does not have a position, because it is not its role to have a position. And you do know that, Senator Macdonald.

Senator IAN MACDONALD—Then let me got to you, Minister. Does the minister have a position on the issue of greatest importance to the Indigenous people in Northern Australia—that is, their inability to use their own lands because of Queensland government wild rivers legislation?

Senator Conroy—My understanding is that we are engaged in conversations with the Queensland government on these matters, but we have not anything to report at this stage. It is unusual for conservative senators to advocate, as Mr Abbott has been doing, that we should overturn state laws by using the federal parliament. I simply make that point. At this stage, that is my understanding. I am happy to get further information, but my understanding from a briefing I saw last week—although it could be out of date by now—was that discussions are taking place between the Commonwealth and the Queensland government. Senator Heffernan, will you please take your seat!

CHAIR—Order!

Senator Conroy—You will get the opportunity to ask questions, but you cannot keep approaching the chair and individually speaking to officers at the table. This is a committee and you should have respect for the rest of the members of your committee. So please stop approaching individual officers at the table while the estimates hearing is on. Senator Macdonald, I hope I completed my answer to you.

Senator IAN MACDONALD—You say the government is in consultation with the Queensland government on the wild rivers legislation.

Senator Conroy—As I said, I am advised that the Australian government's position is that the future of Queensland's wild rivers legislation is a matter for the Queensland government to determine.

Senator IAN MACDONALD—That does not accord with your previous answer.

Senator Conroy—My previous answer—

Senator HEFFERNAN—Was wrong.

Senator Conroy—No. As I said, I might be wrong. It was a briefing I saw over a week ago, so it may be wrong. But I do not believe that the two positions I have outlined are absolutely inconsistent. I did not indicate the tenor of the discussions.

Senator IAN MACDONALD—We are now examining the Office of Northern Australia. Northern Australia is very important to all Australians, very important to us who live there and very important to Indigenous people, given that the majority of the Indigenous peoples of Australia live there. You have heard that the wild rivers legislation in Northern Australia is a great impediment to Indigenous people.

Senator Conroy—I have heard you assert that.

Senator IAN MACDONALD—I am asking the minister, through the office, what is being done about these issues which are so very important to Northern Australia.

Senator Conroy—As I have indicated, the government's position is that the future of Queensland's wild rivers legislation is a matter for the Queensland government to determine. I also understand that there have been some discussions. I am not privy to what those discussions are, but the essential proposition is that it is a matter for the Queensland government.

Senator IAN MACDONALD—Does the Parliamentary Secretary for Western and Northern Australia have a view on this issue of vital importance to Northern Australia?

Senator Conroy—He shares the government's view.

Senator IAN MACDONALD—Which is a nothing view.

Senator Conroy—Which is that this is a matter for the Queensland government.

Senator IAN MACDONALD—I will ask the office: do you know if the chairman of the task force, Mr Joe Ross, has expressed a view to the Office of Northern Australia on the wild rivers legislation?

Mr Mrdak—Not that we are aware of.

Senator IAN MACDONALD—Could anyone shed any light on why a task force, which does fortuitously have a lot of people of Indigenous descent on it, does not make one reference to the issue of greatest concern to Indigenous people of Northern Australia—that is, the wild rivers legislation—

Senator Conroy—Given, as Senator Heffernan has correctly identified—

CHAIR—Minister, Senator Macdonald is still halfway through his question. It is only fair that we hear the question out. By the same token, it is only fair that you should be heard in silence when your answer is given.

Senator Conroy—My apologies.

Senator IAN MACDONALD—I might start again. Is the Office of Northern Australia in any way aware of what Mr Joe Ross, the chairman of the task force, might have wanted to happen in relation to the wild rivers legislation, an issue that is of the most significant importance to Indigenous people of Northern Australia, and also whether the task force, which comprises, fortuitously, a large number of people of Indigenous origin, did not even mention this issue in relation to Northern Australia, an issue that is of the greatest importance to the Indigenous people of Northern Australia?

Senator Conroy—As I think Mr Mrdak has already indicated to you, we are not aware of Mr Ross's views. As I think Senator Heffernan elicited from the committee, this task force took it upon itself to lock itself in a room in Cairns, apparently, and write its own report. So no-one at this table is privy to why the committee decided to write the report that it wrote.

Senator IAN MACDONALD—I ask the Office of Northern Australia: how many people on the current task force—and could you name them—were on the original task force? Tell me if I am wrong: were Mr Baffsky, Mr Crombie, Dr Johnson from the CSIRO and Mrs Terry Underwood the ones who were on the original task force?

Ms Foster—I believe so.

Senator IAN MACDONALD—And Mr Joe Ross, sorry.

Mr Sargent—I believe there were six removed and eight instated.

Senator IAN MACDONALD—Yes. Of those on the task force—

Senator Heffernan interjecting—

CHAIR—Senator Heffernan, your colleague has the call. He is halfway through the question.

Senator IAN MACDONALD—how many proudly claim Indigenous ancestry?

Senator Conroy—Sorry, Senator Macdonald, we are getting questions fired at us from all directions.

Senator IAN MACDONALD—I have asked the question. Mr Sargent is aware of it.

Mr Sargent—There would certainly be three.

Senator IAN MACDONALD—Mr Ross, Mr Ah Mat, Dr Hill, Ms Shirley McPherson, Mr Wunungmurra and Mr Kim Hill. Those people's CVs suggest that they do have Indigenous ancestry. Of the others, how many have an involvement in environmental activism?

Ms Foster—There was broad representation on the task force of different interests, some members with environmental background and some with Indigenous ancestry.

Senator IAN MACDONALD—Thank you for that. That is why I am asking these questions. We have gone through who were the originals, who proudly claim Indigenous ancestry, and that is fine.

Senator Conroy—So that I can absolutely clarify this, Mr Hill replaced one member due to illness.

Senator IAN MACDONALD—That is okay. I am now asking how many have an environmental activist background. Let us go through them: Dr Stuart Blanch, Dr Rosemary Hill from the Australian Conservation Foundation, Professor Wasson perhaps. Is Professor Wasson from the Wassons who are related to Mr Kim Beazley?

Ms Foster—I do not know.

Senator IAN MACDONALD—Okay. So this is a representative group. But with those people with an Indigenous background, can there be any explanation of why the wild rivers legislation did not even rate a mention in the report, even in their 2030 forward-looking indication, where they certainly expanded their minds into the future? Nowhere do I see that they are talking about Indigenous people being able to use their own lands on Cape York. Does that strike anyone as strange?

Senator HEFFERNAN—That is because they got rid of Mr Noel Pearson off the task force. He was originally on it, as you recall, Senator Macdonald. They just happened to get rid of him.

CHAIR—Senator Macdonald asked the question of the officers, not you Senator Heffernan. It sounded like an opinion.

Mr Mrdak—I do not think we can comment.

Ms Foster—No.

Senator IAN MACDONALD—I think Senator Heffernan did answer the question.

CHAIR—I have a suggestion: why don't Senator Heffernan and Senator Macdonald get in the backroom, sort it out among themselves, and we will get on with the questioning from other senators?

Senator IAN MACDONALD—Okay.

Senator Heffernan interjecting—

CHAIR—You keep tick-tacking across the room. Go outside and do it. I apologise, Senator Macdonald: I have lowered my standards to those of your colleagues. I do apologise.

Senator IAN MACDONALD—That is okay. Mr Sargent, can you explain this: next Wednesday we are having the opening of what I call the Stephen Conroy memorial airport at Karumba.

Senator Conroy—You are killing us, Senator Macdonald.

Senator IAN MACDONALD—The invitation has gone out for Mr Gary Gray, the Parliamentary Secretary for Western and Northern Australia—

Senator Conroy—He is a good friend of mine. He might be going to name it. You put in a good word for me with Gary, and I am still a chance.

Senator IAN MACDONALD—I am just wondering why we now find that in fact Mr Gray will not be the principal guest of honour. Mr Albanese is going up.

Senator Conroy—He is the cabinet minister.

Senator IAN MACDONALD—Is he a good friend of yours, too? It is not quite the same sort of friendship, I suspect, Senator Conroy.

Senator Conroy—No, let me be very clear. I think you are underestimating my friendships.

Senator HEFFERNAN—Too much detail.

Senator IAN MACDONALD—The Right-Left connection?

Senator HEFFERNAN—Too much detail. Tell them nothing and take them nowhere. That is really good advice.

Senator IAN MACDONALD—Mr Sargent, you cannot comment about that? You do not know who is opening it?

Senator Conroy—Mr Albanese is the ranking cabinet minister.

Senator IAN MACDONALD—Okay.

Ms Foster—Senator, we do not have any information on it.

Senator IAN MACDONALD—You do not have any information. Okay. I hope Mr Gray is still allowed to attend.

Senator Conroy—I hope both of them go. That will double my chances, with your help.

Senator IAN MACDONALD—Okay.

Senator HEFFERNAN—Are you going, Senator Macdonald?

Senator IAN MACDONALD—Certainly.

Senator Conroy—How did you get an invitation?

Senator IAN MACDONALD—I will be unveiling the Stephen Conroy memorial airport sign. It might only be me at that part of the ceremony.

Senator Conroy—I want the photograph tabled at the next Senate estimates hearing.

Senator HEFFERNAN—Mr Chairman, could I raise a point of order?

CHAIR—Yes, you can raise a point of order.

Senator HEFFERNAN—Relevance!

Senator Conroy—Oh, my goodness! I am glad you could not do that with a straight face.

Senator IAN MACDONALD—Mr Sargent, have you had any responses to the release of the report on sustainable development in Northern Australia? I mean, does the department monitor responses to the launch of its documents?

Mr Mrdak—Certainly, Senator, we are very aware of the press coverage today, in relation to the comments that have been made around the report. Clearly that is something that we will monitor and provide advice to government on.

Senator IAN MACDONALD—Apart from conservation interests, has anyone welcomed anything in the report?

Mr Mrdak—I am familiar only with what I have read in today's press. It is a range of mixed views, I think, expressed across the papers today.

Senator IAN MACDONALD—The mixed views are that the greenies think it is wonderful because it will lock up a third of Northern Australia and national reserves by 2030. The rest of the commentary seems to be all negative. But I do not want to enter into a discussion. I was simply asking a question of the department. Does your media area monitor these sorts of things?

Mr Mrdak—We do. We monitored and I have seen today's press cuts of today's coverage.

Senator Conroy—Can I give you an update?

Senator IAN MACDONALD—Yes.

Senator Conroy—I understand on the ABC *World Today*, David Crombie, who is head of the National Farmers Federation and who is a member of the task force—

Senator IAN MACDONALD—What did he really say?

Senator Conroy—He came out and said, 'I think the report quite sensibly takes a precautionary approach.'

Senator HEFFERNAN—In other words, 'I have nothing to say.'

Senator IAN MACDONALD—Is that all he said, Minister? I thought you—

Senator Conroy—No, I just paraphrased. He has given an extensive—

Senator IAN MACDONALD—I can imagine what Mr Crombie really said. But, anyhow—

Senator Conroy—No, as I said, he said that this is a precautionary approach and ‘I just think we need to generate more data on the groundwater and more data on the surface water’.

Senator HEFFERNAN—That is actually true.

Senator Conroy—I can read you the whole interview, but the headline on it from the ABC is ‘Farming leader backs food bowl report’.

Senator IAN MACDONALD—What?

Senator Conroy—‘Farming leader backs food bowl report’. That is factual. I am not giving commentary. That is what the heading is.

Senator HEFFERNAN—Is the department interested in the comment of Mr Stuart Blanch, who rang my office yesterday, by the way, in relation to fact that this puts the nail in the coffin of any development in the north and that the maximum potential was only ever 60,000 hectares, against the background of the realities?

CHAIR—Senator Heffernan, I will ask you to redirect the question. You did cut in on your colleague.

Senator HEFFERNAN—What is the answer?

CHAIR—I know you are old friends. I will come to you, Senator Heffernan, when it is your turn.

Senator HEFFERNAN—It is an insane position—

CHAIR—Senator Heffernan!

Senator HEFFERNAN—With the condition and state of the economy.

CHAIR—Senator Heffernan, I am asking you to come to order.

Senator HEFFERNAN—And our national debt.

CHAIR—You will ignore that question.

Senator Conroy—That is right.

CHAIR—Minister, just ignore Senator Heffernan.

Senator Conroy—I will do my best.

CHAIR—Because he does not have the call.

Senator Conroy—Stuart Blanch, I understand, is the chair of the—

CHAIR—He does not have the decency to even seek the call. He makes a habit of interrupting all the time. I will give you the call when you put your hand up and when your colleague has finished.

Senator HEFFERNAN—Thank you.

CHAIR—At this stage, Senator Macdonald has the call.

Senator Conroy—I am just finishing the answer: Luke Bowen, from the Northern Territory Cattlemen's Association, says:

Those who spent their lives and in some cases generations farming and running livestock in northern Australia are very well aware of the limitations and also the potential that the region still holds.

I think it is probably not telling us anything we didn't already know—

Senator HEFFERNAN—That is exactly right.

Senator Conroy—He goes on:

... that northern Australia isn't necessarily the food bowl of Asia, which it is sometimes referred to as—

Senator Heffernan interjecting—

Senator Conroy—And he says:

... it is often out of very well-meaning exuberance that comes from some of our southern producers or our southern systems that look to take the pressure off the Murray-Darling and a number of other areas ...

Senator Heffernan interjecting—

Senator Conroy—That is Mr Bowen, from the Northern Territory Cattlemen's Association.

Senator HEFFERNAN—You are never going to get—

CHAIR—Senator Macdonald, do you have any further questions?

Senator IAN MACDONALD—No.

Senator Conroy—I am just giving you updates as we go. You have asked about the commentary. I have given you some commentary.

Senator IAN MACDONALD—And thank you, Minister. That is the answer I was seeking. There has not been anyone who has enthusiastically endorsed the report.

Senator Conroy—No—

Senator IAN MACDONALD—Which means that it is a complete fizzer.

Senator Conroy—No. I am happy to give you some more.

Senator IAN MACDONALD—It will disappear into dustbins of history.

Senator Conroy—Let me give you some further updates from David Crombie. He said:

I don't think anybody expected that we were going to be transferring the Murray Darling food production system to northern Australia.

Senator HEFFERNAN—That is saying nothing.

Senator Conroy—He continues:

There are opportunities for greater intensification of agriculture, there's opportunities for more integrated development in the livestock sector ...

Senator IAN MACDONALD—And where is—

Senator Conroy—I have not finished. He said:

... there are opportunities for pastoralists and lease holders, and there are opportunities for indigenous communities,

Elaine Gardiner, head of the Ord Irrigation Co-operative, says:

I think anyone that's lived in the north has always realised that it was a bit of an urban myth so to speak or a northern myth that north Australia would be the food bowl either of Australia or the world.

We can make a positive impact on food-growing in the north but we certainly can't be the food bowl of the world.

Senator HEFFERNAN—Duh!

Senator Conroy—Luke Bowen I have already quoted.

Senator HEFFERNAN—This is all horseshit.

CHAIR—Excuse me. Senator Heffernan—

Senator HEFFERNAN—This is garbage.

CHAIR—You have your opinions, and I can mix it with you.

Senator HEFFERNAN—They are all meaningless statements.

CHAIR—Senator Heffernan, I am talking! I can mix the language with you, probably even better, but you are embarrassing not only the Senate and this committee but also your party. I urge you to withdraw that comment you made.

Senator HEFFERNAN—What, 'horseshit'?

CHAIR—Yes.

Senator HEFFERNAN—No.

CHAIR—If it makes you feel better.

Senator CONROY—Do you wish to throw to Senator Heffernan and let him loose?

Senator IAN MACDONALD—I would, but I have a phone call to make. Senator Heffernan can take over for a little while.

CHAIR—Senator Heffernan, you are in charge.

Senator IAN MACDONALD—Only for five minutes.

Senator HEFFERNAN—Right.

CHAIR—Can we have some questions.

Senator HEFFERNAN—Can I ask the department: is it a reasonable position for a department with serious gravitas that is overseeing Northern Australia—the task force is but a small part of the sustainability report, which is due in—when? Is it 2014?

Mr Mrdak—I am sorry; I will just check that.

Mr Sargent—The task force's work complements the work of the Northern Australia Water Futures Assessment—

Senator HEFFERNAN—And when is it to report?

Mr Sargent—which is due to report in 2011.

Senator HEFFERNAN—Righto. Do you think it is responsible—

Senator Conroy—You are asking for an opinion now.

Senator HEFFERNAN—No, no.

Senator Conroy—You are.

Senator HEFFERNAN—I am asking you this, Minister, realistically—I will not say otherwise.

CHAIR—Minister, allow Senator Heffernan to ask the question. If it is out of order, we will pull him up.

Senator HEFFERNAN—Is it realistic to have work put into—name the mob again for 2011?

Senator Conroy—It is not the department's job to have an opinion on whether it is responsible or realistic.

Senator HEFFERNAN—Could you just rename the 2011 task force?

Mr Sargent—Senator, it is the Northern Australia Water Futures Assessment.

Senator HEFFERNAN—Do you think it is realistic for the Northern Australia Water Futures Assessment—

CHAIR—You are asking for an opinion, Senator Heffernan. The question is out of order.

Senator HEFFERNAN—It disallows—

CHAIR—Senator Heffernan, you are asking for an opinion.

Senator HEFFERNAN—It disallows storing water.

CHAIR—You are asking for an opinion.

Senator Conroy—Senator, you are asking the opinion of officers at the table. It is not their role to have opinions on these matters.

Senator HEFFERNAN—Oh my God.

CHAIR—Do you have any other questions, Senator Heffernan?

Senator Conroy—Senator Heffernan, would you like to rephrase your question?

Senator HEFFERNAN—I will ask the minister. Do you think it is realistic for the Commonwealth government to go to all this trouble, even though they took \$30 million out of the budget of the task force and put it into rebadging the northern development office—which was already full of Commonwealth bureaucrats—for the Australian people to accept, as part of the input to where we are going to be reporting in 2011 on the future development of all the water potential of Northern Australia, to exclude building dams to store water?

Senator Conroy—We are in the process of consulting with the relevant jurisdictions, state and territory, before we give our response. When we give our response, it may cover the points you are asking about. But, at this stage, we just received the report yesterday.

Senator HEFFERNAN—Mr Chairman, I must say that the best way forward for me, because I am irritating this process here today—

Senator Conroy—They released it yesterday.

Senator HEFFERNAN—I will advocating a Senate inquiry into this process and the report.

Senator Conroy—And that is the absolutely appropriate way for you to take it up and have the argument with some of the issues in there, Senator. I congratulate you, and urge you to do so, Senator Heffernan.

CHAIR—On that note, Minister, and for the purposes of timing—because there are probably a host of questions that your colleagues wish to ask, Senator Heffernan—do you have any more direct questions before I go back to Senator Macdonald?

Senator HEFFERNAN—Mr Chairman, my difficulty is that there is no-one at the table. I am distressed that not even the chairman is here.

Senator Conroy—It is Senate estimates.

CHAIR—Senator Heffernan, we have explained. You know the process.

Senator HEFFERNAN—The chairman of the MOA turns up. The chairman of Australian Wool Innovation turns up. The people that are actually doing it turn up, not so the so-called, ‘We can’t tell you,’ people.

Senator Conroy—Senator, you have identified the correct mechanism by which to address the question.

Senator HEFFERNAN—I seek clarification, Mr Chairman. We have the capacity, do we not, to ask questions of the relevant bodies? The northern task force’s people could be sitting at that table and we could be asking questions at estimates.

CHAIR—I am going to answer you, Senator Heffernan. The answer is yes, but you know the process—

Senator HEFFERNAN—Yes, I know: ‘You didn’t want it’.

CHAIR—I will say it one more time for the record: we had the opportunity, when we went through this as a committee, two weeks ago, to—

Senator HEFFERNAN—Yes and, as you know, I was diverted to other things.

CHAIR—Senator Heffernan, I know you were last week, but we had that opportunity. It was not requested.

Senator Conroy—It is not a budget funded committee. I am not sure that this is the appropriate—

Senator HEFFERNAN—Well, it is.

Senator Conroy—It is not ongoing. It is dissolved.

Senator HEFFERNAN—It is an ex.

CHAIR—Can I help there? Senator Heffernan, you have made an announcement that, at the will of the Senate, you will be putting in a request for a Senate inquiry through a reference committee. The minister has acknowledged that. I urge you then, if there are other questions to Mr Sargent or the department to ask them.

Senator HEFFERNAN—He has not answered one question. He is not capable.

CHAIR—Senator Heffernan, I am not asking you that. I do not think that is a fair reflection on Mr Sargent. I have heard a lot of people say a lot of things about you, Senator Heffernan, that I do not think are fair, either.

Senator HEFFERNAN—The proof of the pudding is in the eating.

CHAIR—If you have questions—

Senator O'BRIEN—Relevant questions.

CHAIR—Thank you, Senator O'Brien. If you have relevant questions, put them to Mr Sargent, or I will flick back to your colleague, who has relevant questions.

Senator HEFFERNAN—All right. Go back to my colleague.

CHAIR—Senator Macdonald?

Senator IAN MACDONALD—Thank you. I will read you a report from the *Australian*, which refers to the report that is before us. It says:

The report also misquotes the CSIRO's Northern Australian Sustainable Yields 2009 report, the scientific platform for yesterday's findings on water, according to its chairman Joe Ross. That report estimated that one million gegalitres of rain fell across the north every year. But in yesterday's taskforce's report on page 11, it reads: "Approximately one million gegalitres (one billion litres) of rainfall is received each year across the north."

One billion litres is one gegalitre—and not one million—gegalitres. A million gegalitres is one million billion litres of rainfall.

Did the department proofread this report to pick up obvious errors like that?

Ms Foster—Senator, it was a typographical error. The primary text was correct: it is indeed one million gegalitres. There were explanatory brackets included, which erroneously said one billion litres. But the primary text is correct, so it is nothing more than a typographical error.

Senator HEFFERNAN—Can I get the details and the dates of those figures?

Senator Conroy—We have explained that it was a typo. That is all. It is a legitimate question about the function, but debating whether that is right or wrong is not a legitimate question.

CHAIR—Senator Heffernan, if you have a direct, relevant question—

Senator HEFFERNAN—Can I ask: does anyone in the department know how those figures were derived?

Senator Conroy—According to you, the committee locked itself in a room and produced the report itself.

Ms Foster—The task force—

Senator HEFFERNAN—There are no water people in the department who follow this stuff? There is no-one out in the anteroom who would know?

CHAIR—Senator Heffernan, I think Ms Foster is going to give you an answer—or attempt to.

Senator HEFFERNAN—There are 98,000 gigalitres of run-off. I do not know whether it adds up to your billion, but bear in mind that a lot of the measuring devices in the north have been washed away in floods and never replaced over a period of 15 to 20 years. I have had a long talk to Cresswell. He knows what he is up against. There are 98,000 gigalitres approximately that runs out of the gulf, right?

Senator Conroy—Is this a question?

CHAIR—Is there a question, Senator Heffernan?

Senator HEFFERNAN—And 85,000 gigalitres runs out of the north-east catchment and about 78,000 to 80,000 out of the Timor catchment. Where do you get the billion?

Senator Conroy—They did not get the million.

Ms Foster—The task force arrived at that conclusion drawing on the science review—

CHAIR—I am sorry to interrupt, Ms Foster. Senator Heffernan, you are thinking aloud and I heard it. I am sure that, if Hansard picked it up, everyone else heard it.

Senator HEFFERNAN—They know me.

CHAIR—I urge you to pull your head in.

Senator HEFFERNAN—Yes, yes.

CHAIR—Just pull your head in, Senator Heffernan. No-one wants to hear that language.

Senator HEFFERNAN—Fair enough.

Senator IAN MACDONALD—Can I ask whether you have totalled the cost of the task force, including printing of that quite useless report, since 1 January 2008?

Mr Sargent—Senator, the cost in 2008-09 was \$842,511.95. That is excluding staff costs. The Office of Northern Australia has budgeted \$214,000 for 2009-10.

Senator IAN MACDONALD—Those figures include all travel payments to the chairman. The chairman is paid; is that right?

Mr Sargent—Yes, Senator.

Senator IAN MACDONALD—None of the other members of the committee are paid, are they?

Mr Sargent—There is a sitting fee, Senator.

Senator IAN MACDONALD—Plus travel costs? So that is all in the \$842,000 plus \$214,000?

Mr Sargent—Yes, Senator.

Senator IAN MACDONALD—Is the printing of the two booklets in that as well, or do you not yet have the bill for that?

Mr Sargent—We will be finalising our accounts shortly, as all bills come in.

Senator IAN MACDONALD—Okay, but it is in the amount of \$214,000 that you have set aside for that?

Mr Sargent—That is what we have budgeted, Senator.

Senator IAN MACDONALD—Okay, so it is over \$1 million for a report which I predict will, as I say, be confined to the dustbins because it is so light and inconsequential. Could you tell me: is the work of the task force now completed?

Ms Foster—Yes, it is, Senator.

Senator IAN MACDONALD—The task force no longer exists? It has been disbanded?

Mr Mrdak—The task force has delivered its report to government. There may be some follow-up discussions that we engage in with the task force in relation to the responses that are received and we may do some work with the task force in relation to the government's response, but I think, effectively, they have delivered the report that they were asked to do.

Senator IAN MACDONALD—Yes. I notice it is referred to as the final report. So their work, in so far as it goes, seems to be completed.

Mr Mrdak—That is right. As I say, we may have some follow-up discussions with the task force in relation to clarifying certain issues in preparing the government's consideration of the task force report, but effectively they have now completed their work.

Senator IAN MACDONALD—If the government were minded, as a policy issue, to adopt elements of this report for inclusion in, say, a policy announcement for the next term of government, is it likely that they would seek advice from Mr Ross or anyone else on the task force?

Mr Mrdak—I could not comment. That may be a decision that the government reaches. As I say, we may well have—and I presume we will have—further discussions with Mr Ross and other members of the task force in relation to clarifying issues, but it would be a matter for government how it decides to frame any future policy commitments it wish would to make.

Senator IAN MACDONALD—Would you continue to fund travel and incidental and per diem expenses for any further work the task force is requested by the government to do?

Mr Mrdak—I would have to have that discussion with the minister and the parliamentary secretary as to whether they would wish to do that.

Senator IAN MACDONALD—You would have to have that, did you say?

Mr Mrdak—I would have that discussion with the parliamentary secretary in the first instance as to whether he wished to do that in terms of further engagement with the members of the task force.

Senator IAN MACDONALD—You are saying you would have those discussions.

Mr Mrdak—I would have those discussions before I would come to any view as to whether we would do that.

Senator IAN MACDONALD—I have a few other questions to ask about more general issues but before we move from this actual report and move on to perhaps non-related matters I wonder if Senator Heffernan or any other committee member would want to make any other comments before I go onto other matters.

CHAIR—Are there any other questions from any other senators?

Senator HEFFERNAN—The trouble is that we are not in a position to get any detailed questions answered here. They are not resourced, whether in their heads or in their departmental briefs, to answer questions. The extent to which you can answer questions is really only budgetary. You cannot answer policy. What can you answer?

CHAIR—It is Senate estimates, but I am sure Mr Mrdak can answer for himself.

Mr Mrdak—As I have outlined, Chair, we provide information in relation to the cost and the process involved.

CHAIR—Yes.

Mr Mrdak—I do not think we can provide any judgements in relation to the content, Senator.

Senator HEFFERNAN—Sorry that I got a bit stirred up.

CHAIR—And on that, we have full agreement. Senator Macdonald, the floor is yours.

Senator IAN MACDONALD—Thank you, Chair. Just finally on that, the report is very light on any solutions or any detail. It sort of says what you cannot do, but does not say what you can do. One of the recommendations was for the establishment of yet another committee, or meeting group, of the council of Northern Australia. We know that will be just another one of these talkfests without any result. When will the government be indicating if it is going to take up those recommendations for yet more analysis, more data, more committees and more assessments? Do you have any idea of when those decisions might be made?

Mr Mrdak—We do not have a specific time frame as yet. The government is working with jurisdictions in relation to a number of issues raised in the report. We will issue a response to the report. As you have outlined, there are a range of views about the task force's report. Certainly the underpinning work that has been done by CSIRO and others stands, and obviously parties will have a close look at all of that and the analysis in providing further reviews.

Senator IAN MACDONALD—Are there any time frames or deadlines set around the 15 recommendations in the report? Has either the task force or the government given an indication that, having spent \$1 million for this report that says practically nothing but gives 15 recommendations, there is an expectation of the task force, the department or the government that there be some time frame or some detail as to when those recommendations will be actioned?

Mr Mrdak—I think the parliamentary secretary obviously will be looking to respond as soon as is possible, but I do not think there has been an announced timetable at this stage.

Senator HEFFERNAN—The report places a lot of onus on various other levels of government. Is there any monitoring that the department will be putting in place to ensure that other levels of government action the committee recommendations, as recommended?

Mr Mrdak—Certainly I presume that, as part of the government's response, all of those issues will be covered off, including follow-up actions and monitoring of any initiatives the government wishes to pursue.

Senator IAN MACDONALD—Is there any indication from the interim reports and the discussions that the department has had with the committee of the extent to which local Indigenous people and elders were consulted about some of the recommendations in the report?

Mr Mrdak—Certainly, as I think Ms Foster has indicated, there was an extensive consultation process, including a number of forums in Northern Australia which involved Indigenous representatives. Certainly to my understanding the Indigenous issues were well canvassed in the consultations that were undertaken by the task force.

Senator HEFFERNAN—Can you table the details of all those meetings, observations and briefings and who attended, when, where and how?

Mr Mrdak—We can certainly provide that.

Senator HEFFERNAN—Face-to-face, phones, written, whatever—the whole lot.

Mr Mrdak—We can certainly provide detail of which consultations, where, and who attended.

Senator IAN MACDONALD—Do you know if any of those consultations took place in Cape York?

Mr Mrdak—I will just check with my colleagues. If I may I will take that on notice and come back to you as soon as possible.

Senator IAN MACDONALD—Okay.

Mr Mrdak—I am sorry, Senator; we do have some clarity.

Mr Sargent—There was a meeting in Weipa in April 2009 and there were Indigenous consultations as part of that meeting.

Senator HEFFERNAN—Can you tell us who attended that meeting?

Mr Mrdak—We will get that detail for you.

Senator IAN MACDONALD—Thanks for that. One of the recommendations is that all governments should ensure that northern Australian communities should have access to drinking water that meets relevant water quality standards. How is this going to be implemented and monitored?

Mr Mrdak—I think that is one of the areas which the government will pick up in its response.

Senator IAN MACDONALD—Do you have any idea when the assessment process will begin, or how that is going to be funded?

Mr Mrdak—The assessment process of the report is underway. That has been happening across agencies since it was received by government. As I outlined earlier, no time frame has yet been publicly announced for the government's response, but that assessment process is underway—not just by our department, but by other relevant Commonwealth agencies, including the agencies responsible for water.

Senator IAN MACDONALD—Did the task force suggest how that could happen? Did they give any consideration to the costing of that, or how it might be funded?

Mr Mrdak—I am not aware of that, but I think they certainly looked at that.

Senator IAN MACDONALD—You do not believe so. So it is just a bit of a wish list; it was not a serious recommendation from the task force. It was just something that it hoped might happen.

Mr Mrdak—I do not think you would characterise it in that way. I think the task force has made serious recommendations. What I cannot give you is any definitive view on the level of detail of the discussions that took place with the task force. But if there is anything we can add to our answers, we will do that as soon as possible. But I do not think you could dismiss these as lightweight views that were dismissed. They are the views of the task force.

Senator IAN MACDONALD—Well, they are fairly much without substance. That is a matter of opinion, I guess.

Mr Mrdak—I think that is right. That is a matter of opinion and judgement by parties as they read the report.

Senator IAN MACDONALD—Judging by the genuine reports on it, I think most people who are interested would agree with me. But, anyhow, let us not go there. The report discusses at length what they call sustainable tourism and the realisation of sustainable growth opportunities. I am just wondering to what extent that will include Indigenous communities and access to them, and to what extent the authors of the report consulted with these communities regarding tourism opportunities. Do you have any information that might help me with that?

Mr Mrdak—Certainly, I am very aware of the fact, from my discussions with the chairman, that this was a major issue for discussion, particularly with Indigenous communities in the forums that took place, given the importance of tourism for the growth and development of a lot of those Indigenous communities. I am not personally familiar with the actual details of those discussions or if there is anything further we can add.

Senator Conroy—The report found that there is a serious economic potential for the north's sustainable development by expanding agricultural production, by developing small-scale, widely distributed production units throughout the region and by intensifying production in the billion-dollar beef industry by irrigated fodder crops across the north. The report also identified the need to protect the north's natural ecosystems to ensure the long-term sustainability of the multibillion dollar tourism industry.

Senator Heffernan interjecting—

Senator Conroy—That is actually what the report found, as opposed to a whole range of other assertions.

Senator IAN MACDONALD—That second booklet in the two that were released yesterday was called *Science Review 2009*. If you have a look at that, it is really more about socioeconomic issues rather than scientific data. What was the purpose of that document? There is certainly no science in that second document. Can someone explain what that second book is all about?

Senator HEFFERNAN—Who is the author of it?

Mr Sargent—Senator, it is the *Northern Australia Land and Water Science Review 2009*. It was coordinated by the CSIRO. The blue booklet, which you probably have, is chapter summaries of two pages each of the 29 chapters. This that I have here is the full copy.

Senator IAN MACDONALD—I am sorry, I am not familiar with that booklet. There is another one but I do not have it with me: I think Senator Heffernan has it.

Ms Foster—What you have is a series of chapter summaries. The task force commissioned work by a group of scientists, with over 80 scientists contributing, which was headed by the CSIRO. The book that Mr Sargent just held up is the product of their work.

Senator IAN MACDONALD—When was that released?

Ms Foster—Yesterday, with the report. The small booklet that you have is a two-page summary of each of the 29 chapters.

Senator IAN MACDONALD—And they are all seriously about socioeconomic issues, rather than scientific issues—certainly in the small document. Can you alert me to any science?

CHAIR—Can I interrupt you there? Senator Heffernan has grabbed something off the table. Is it yours, Ms Foster?

Ms Foster—It is Mr Sargent's.

CHAIR—Mr Sargent, are you happy for Senator Heffernan to run and grab that? Is it out there in public land?

Senator HEFFERNAN—It is. It was released yesterday.

CHAIR—Senator Heffernan, I would probably just encourage you to ask nicely and certainly one of the committee's secretariat could pick it up for you if you needed it that badly. I am sorry to interrupt you, Senator Macdonald.

Senator IAN MACDONALD—I refer to that second book that Senator Heffernan was very interested in. It is the first time I have seen it. Is it publicly available?

Mr Sargent—I believe it is on our website.

Ms Foster—I think it is on the CSIRO website, but we can get you the website address.

CHAIR—I would like to clear that up because I just asked you if you were happy for Senator Heffernan to grab it, so I think we should clear it up. It is on your website?

Senator Conroy—But he is not entitled to walk up and take the officer's copy.

CHAIR—That is exactly right, but I just want to clear.

Ms Foster—It is publicly released.

Senator HEFFERNAN—But can we get a copy of that?

Senator Conroy—It is on the website.

Senator HEFFERNAN—Not from the website but in printed form.

CHAIR—Would you like to table it?

Mr Mrdak—We will follow that up.

Senator Conroy—I am happy to see if we can find some hard copies to make available to the committee.

Senator IAN MACDONALD—It is a bound volume, is it not? It is a properly printed volume?

Senator Conroy—Yes. It is hard copy.

Senator IAN MACDONALD—I must say that Mr Gray kindly made available this book here and the other little book to me. There was no suggestion that he was making the other one available.

Senator Conroy—For the record, the full science review is available on www.nalwt.gov.au.

Senator IAN MACDONALD—Given the way your government has cut back my printing allowance, I will not have the ability to print out that thick a volume.

Senator Conroy—I did not notice you voting against it.

Senator IAN MACDONALD—So if you could make a copy of that publicly available to those who might be interested, I would be very, very—

CHAIR—I think in all fairness, Senator Macdonald, it would assist if we could get a few hard copies.

Senator IAN MACDONALD—Yes.

CHAIR—So if it assists with rolling on with the questions in our allotted time, I would encourage that.

Senator IAN MACDONALD—The science book that we have just been talking about talks about how local communities and industries value Northern Australian waterways, and how all over the world Indigenous governance systems are being supported by Indigenous groups to participate in natural resource planning. This is in the science book. What sort of science is all that—social science, perhaps?

Ms Foster—It was a piece of work commissioned by the task force. The task force engaged the CSIRO to lead a consortium of research organisations to do some additional analysis and give it advice, building on the CSIRO study. It was jointly funded by the Office of Northern Australia, CSIRO and the National Water Commission.

Senator IAN MACDONALD—As I say, I have not had an opportunity to have a look at that booklet, so perhaps I should reserve my final comment until I do. They are all the questions I have on that. However, I was going to come back to Northern Australia without the task force.

Senator HEFFERNAN—Could I just ask the department—this is the brains trust of the department I am asking—about this report as in chapter 4—

CHAIR—Senator Heffernan, I do not think you have to throw in those sorts of comments unless you really, honestly believe, in your heart of hearts, that the most intelligent people in the department are here.

Senator HEFFERNAN—They should be complimented. You are the brains trust, aren't you?

CHAIR—I do not think anyone is impressed, Senator Heffernan. Just put the question.

Senator HEFFERNAN—The science review indicates that water in the north is fully utilised supporting the existing range of uses. This includes consumptive use in mining, agriculture, and non-consumptive. Does the department really think that?

Senator Conroy—The department does not have opinions. It implements government policy.

CHAIR—On that, Senator Heffernan, I think you will have a lot of questions that would probably be better suited to the Senate process of inquiry. Is that correct?

Senator Conroy—Just to finish, we will be working closely with three other Northern Australian governments and with other interested members on how we best meet the challenges.

Senator IAN MACDONALD—While you quite rightly say, and I accept this, that this is a report of an independent group that is making a submission to government, and that it is up to government whether it accepts it or not, does the same apply to the science book, which you say is a CSIRO publication?

Ms Foster—The work was actually commissioned by the task force. I am sure that you could ask questions of the CSIRO about the booklet that they produced.

Senator IAN MACDONALD—Thanks for that. Can I finally say thank you for your tolerance of Senator Heffernan and me. We would like to have addressed the issues in what we perceive as being a very lightweight, quite useless report, but I accept that it is not the department's or the government's yet and that will come later. So thank you for your tolerance. Can I come back to a question that I was dealing with this morning. Can someone tell me what Mr Gary Gray's responsibilities are?

Senator Conroy—There is a press release on the website.

Senator IAN MACDONALD—You will recall that when I asked about it during the last estimates the answer was, 'We will take it on notice and get you a response.' When we got the response, it said, 'Refer to the Prime Minister's media release.'

Senator Conroy—Ditto.

Senator IAN MACDONALD—It is where he says, 'I am appointing as Parliamentary Secretary for Western and Northern Australia Mr Gary Gray.' I ask again: what exactly are Mr Gray's responsibilities? What does he do?

Senator Conroy—I am sure there are administrative orders available for the public. They are on the website.

Senator IAN MACDONALD—Does he have administrative arrangements, duties or responsibilities in relation to any aspect of the department's operations? As Mr Mrdak might recall, if he has a very long memory, I was once a parliamentary secretary and actually administered a section of the department and signed off on it. I ask again: what exactly does Mr Gray do? What does he sign off on? Does he have any administrative authority?

Mr Mrdak—As I outlined at our last hearing, Mr Gray has responsibility for all of the portfolio's activities as they relate to Northern Australia. He has particular responsibility for the East Kimberley projects which have been announced by the government as part of the regional development for East Kimberley. He has responsibility for this work we have been discussing today in relation to the Northern Australia Land and Water Taskforce. He also has broad-ranging responsibilities across the government for coordinating all of the Northern Australian activities; for instance, as I outlined in October—

Senator Conroy—Including Queensland.

Mr Mrdak—He has responsibilities, for instance, in relation to the work that is being undertaken in the Employment portfolio in relation to workforce planning and participation in Western Australia in terms of resource development and also in relation to Queensland issues concerning resource development. So he has a broad spectrum of the responsibilities. The role of the parliamentary secretary is to promote the development of Northern Australia to ensure that all the activities across government are coordinated in relation to Northern Australia. The office in the department assists him to do that. It is a mix of program delivery and policy and facilitation tasks relating to Northern Australia. The Prime Minister's statement recognises—

Senator Conroy—He has not finished. You wanted an answer—you are getting one.

Senator HEFFERNAN—We surrender.

Senator Conroy—No, not yet. We want it unconditional with a white flag.

Senator IAN MACDONALD—I thought Mr Mrdak had finished, but I do not want to interrupt. Go ahead.

Mr Mrdak—All I was going to add is that, as the Prime Minister's statement indicates, Mr Gray has particular background skills in a number of these areas, and they are being drawn upon by the government across the range of activities of the government in relation to Northern Australia.

CHAIR—I certainly am impressed.

Senator Conroy—Mr Mrdak, that is the best answer we have had today.

Senator IAN MACDONALD—Apart from overseeing this quite lightweight report, what are some tangible things that you can quote me that Mr Gray has actually done in the two years?

Senator Conroy—Mr Mrdak has just given you a comprehensive set of Mr Gray's responsibilities.

Senator IAN MACDONALD—No, but I am asking him to give me just a couple of examples of some things that he has done, apart from overseeing this quite useless and lightweight report.

Senator Conroy—He cleaned up that mess that was the regional rorts program.

Senator IAN MACDONALD—What has he done?

Mr Mrdak—As I have outlined, one of the major activities that we have underway in our department is the delivery of the East Kimberley package, which is a major community

infrastructure provision program and which has major developmental opportunities for the Kimberley. It brings together a whole range of the government's activities in relation to social housing, Indigenous support, employment, infrastructure provision and economic development, so it is a major package.

Senator IAN MACDONALD—So he is the deciding minister—the decision minister for all those.

Mr Mrdak—He is the lead minister in relation to the East Kimberley package. As I have outlined, he also is leading the government work in relation to employment participation and issues relating to the resource sector in WA and Northern Australia.

Senator IAN MACDONALD—So he is the decision-making minister?

Mr Mrdak—He is the minister who is pulling that work together across government for the Employment portfolio.

Senator Conroy—There is a string of tangible things, Senator.

Mr Mrdak—They are two illustrations. Certainly where there are issues across government which have issues for Northern Australia, Mr Gray leads those activities for the government.

Senator IAN MACDONALD—So he will be leading the wild rivers initiative?

Mr Mrdak—The wild rivers initiative, I am not as familiar with, Senator.

Senator Conroy—Isn't that a Queensland government initiative?

Mr Mrdak—I think the minister has outlined the government's position on that.

Senator IAN MACDONALD—But I take it that Mr Gray will be in charge of the government's response to Mr Abbott's legislation, which no doubt is going through your department now subject to leadership from the lead minister?

Mr Mrdak—I think the primary responsibility for that legislation rests in another portfolio.

Senator IAN MACDONALD—I thought employment rested with another portfolio too.

Senator Conroy—Not if it is allocated across, but this one has not been allocated across, so it is a different portfolio.

Senator IAN MACDONALD—So the East Kimberley package is actually handled by your department, not by—

Mr Mrdak—Yes, it is, Senator.

Senator IAN MACDONALD—Okay. That is interesting. Perhaps you can just point me to where I would see the budgeted funding for that and the expenditure, and decisions made on expenditure?

Senator Conroy—It can be money from inside another portfolio, and Mr Gray can still have portfolio responsibility.

Ms Foster—In fact, in this instance the \$195 million, which was allocated to the east Kimberley development package, was part of the December 2008 stimulus package. That funding was allocated to our department to administer.

Senator IAN MACDONALD—Within your department Mr Gray is the decision minister for that?

Ms Foster—That is correct.

Senator IAN MACDONALD—How much of that \$180 million has been spent at the moment? This is for the extension of the Ord and the housing that went with it.

Mr Mrdak—That is right. The Commonwealth is funding the community and social infrastructure to support the economic and social development of the region.

Senator IAN MACDONALD—So how much of that \$180 million has been spent to date?

Mr Sargent—Senator, \$16.4 million has been provided to the Western Australian government.

Senator IAN MACDONALD—So it is not spent through the Commonwealth; it is given to the state government to spend—is that correct?

Ms Foster—There are three different groups of projects within the development package. There are about 21 projects which the Western Australian government is delivering on our behalf. There are six which the Shire of Wyndham, East Kimberley, is delivering, and there are two where the Office of Northern Australia has a direct relationship with an entity to deliver.

Senator IAN MACDONALD—What are those two?

Ms Foster—One is the Warringari Arts Centre, which we are refurbishing, and the second is an early learning centre in Warman.

Senator IAN MACDONALD—What is the cost of each of those in round terms?

Ms Foster—The Warringari Arts Centre is \$1.6 million and—

Senator IAN MACDONALD—On notice, will do.

Ms Foster—the Warman Early Learning Centre is \$600,000.

Senator IAN MACDONALD—So they are directly administered by the department at Mr Gray's direction?

Ms Foster—That is right.

Senator HEFFERNAN—Is that a competitive tender?

Ms Foster—I do not have with me the details of the tendering process.

Senator HEFFERNAN—Could you get the details?

Ms Foster—Certainly, Senator.

Senator IAN MACDONALD—And the money for the council goes through your department?

Ms Foster—Yes, that is an arrangement between us and the Shire of Wyndham, East Kimberley.

Senator IAN MACDONALD—Between the department and the Shire of East Kimberley?

Ms Foster—We have funding agreements in place for those six projects.

Senator IAN MACDONALD—And the same applies to the money going to the Western Australian government?

Ms Foster—We provide funding to Western Australia on milestones that were established in the national partnership. The projects that are being delivered by Western Australia are being done under a national partnership.

Senator IAN MACDONALD—And Mr Gray has oversight of that, does he?

Ms Foster—He does.

Senator IAN MACDONALD—And the money comes through your department?

Ms Foster—Yes, Senator.

Senator IAN MACDONALD—Apart from the East Kimberley, could you take that question on notice, as we have run out of time? Could you give me the other areas where Mr Gray administers the money as in the East Kimberley package? I think you mentioned one other but you gave them as examples. Perhaps there are others around.

Mr Mrdak—East Kimberley is the major package of investment. Additionally, we obviously have the delivery of other regional programs that the Office of Northern Australia is engaged in delivering in Northern Australia.

Senator IAN MACDONALD—Could you take my question on notice and tell me—I assume it is not a hugely long list—what the projects are and how much money is allocated to them? This is money that comes through your department that is oversighted by Mr Gray.

Mr Mrdak—We can do that.

Senator IAN MACDONALD—That is about all that I have.

Senator HEFFERNAN—Is that \$1.6 million for the art centre—and it might be an allocation to the state government, or whoever it is—based on a grant rather than a cost?

Ms Foster—The Commonwealth government and the state government worked together to identify what projects would be funded with the \$195 million.

The report went jointly to the Prime Minister and the Premier of Western Australia, who accepted those recommendations. That was the basis of the allocation of the money.

Senator HEFFERNAN—Fair enough. I refer to the \$1.6 million. Did the arts centre say, 'We need \$1.6 million,' or did the government say, 'We want to refurbish the place, go to tender and give us the cost,' or was it the other way around?

Ms Foster—Senator, we worked with both the state government and the individual proponents in the assessment process.

Senator HEFFERNAN—But was there any competitive tension in the process in relation to cost, or did the arts mob—great community that it is, no doubt—say, 'We need \$1.6 million

to do up this hall', or whatever it was? In other words, how do we know that it is value for money?

Senator Conroy—You should go and look on www.infrastructure.gov.au/regional/ona.ek.dp.asps.

Senator HEFFERNAN—Forget all that; I will not do that.

Senator Conroy—I appreciate that you have never sent an email in your life. You announced that publicly at a press conference that you once invaded.

Senator HEFFERNAN—I want to see hard copy of the paperwork.

Senator Conroy—I am hoping that one of your staff can send an email, and it is available there.

Senator HEFFERNAN—I am happy for you to supply me with the paper trail that arrived as a result of that decision.

Mr Mrdak—Let us come back to you, Senator, with details of how that was determined.

Senator HEFFERNAN—Was that a competitive tender? Who estimated the cost of the refurbishment? Did three locals apply, or a company in Perth or a Melbourne company, as they did with some of the Aboriginal housing? You will come back to the committee with that information?

Mr Mrdak—Yes, we will come back to the committee.

Senator HEFFERNAN—Cape York peninsula, which comprises 17.5 million hectares, is about the size of Victoria. The annual average wildfire is about 5 million, the biggest wildfire that—

CHAIR—Senator Heffernan, ask a question rather than embark on a Senate inquiry.

Senator HEFFERNAN—There is a question. According to the Queensland government and the Australian Wilderness Society, the wild rivers legislation is a procedural step towards World Heritage listing for a lot of the Cape York peninsula to take it completely out of production. Does the department have a role to play in the World Heritage process?

Mr Mrdak—To be honest, I am not familiar with the World Heritage listing process, Senator. I would have to take some advice on that and come back to you.

Senator HEFFERNAN—Will you come back to us?

Mr Mrdak—I am not aware whether or not our department has been involved in that process in the past. Let me come back to you.

Senator HEFFERNAN—Thank you for that. My question to the minister is: is the government in favour of a World Heritage listing for the regions taken up by wild rivers legislation which, to the great distress of Indigenous people in that region, is removing economic opportunities from them?

Senator Conroy—That is an excellent question, Senator Heffernan. I am sure you understand that I want to make sure that I reflect the minister's view on this. I will take that question on notice and provide you with any information.

Senator IAN MACDONALD—Can I help by saying that last night it was canvassed at some length in one department and again today in environment, so quite a lot has been done on it.

Senator HEFFERNAN—Thanks, Mac.

Senator EGGLESTON—Are we talking about the Office of Northern Australia?

CHAIR—We certainly are. We were finishing some six minutes ago, but please feel free to ask your questions.

Senator HEFFERNAN—There is no spare water in northern Australia.

Senator EGGLESTON—I am sure I could occupy this committee for six minutes. Is the Office of Northern Australia aware of the desire of some of the shires in north Kimberley—the shires of Halls Creek and Wyndham, East Kimberley—to upgrade the Tanami Road from Halls Creek to Alice Springs?

Senator Conroy—Tanami Road? Those roads are the responsibility of—

Mr Mrdak—We are certainly aware of the desire of a number of councils in that region to upgrade the roads in that area, in particular for all-weather access in all seasons. That has been a longstanding desire of a number of communities in the region.

Senator EGGLESTON—Yes, I agree that it has.

Senator Conroy—But it is not a responsibility of the Office of Northern Australia.

Senator EGGLESTON—In a generic way, nevertheless it is to do with northern Australia and with improved infrastructure.

Senator Conroy—There are a number of infrastructure projects and deliberations and determinations and a number of programs deal specifically with them.

Senator EGGLESTON—Of course there are. However, if that is the case I am seeking to establish why the Tanami Road is not regarded as an important infrastructure link as it is an east-west link between the Kimberley and Alice Springs.

Senator Conroy—You need to put that to the relevant program rather than to the Office of Northern Australia.

Mr Mrdak—Senator, these are issues on which the government is engaged. As you would be aware, the government provides considerable funding to local governments for roads. The Roads to Recovery Program, the general financial assistance grants and other programs are available to local government. I know that these are particular issues on which Parliamentary Secretary Gray is engaged, as are you, to establish the most effective investment in that part of the world.

Senator EGGLESTON—I know that he is interested in the Tanami Road. Of course, that links Alice Springs to the Kimberley and also serves a number of pastoral stations, mines and Indigenous communities. It has importance as a tourist road and it provides defence access from south-eastern Australia to the north-west coast.

Senator Conroy—Senator Eggleston, all these arguments are worthy arguments, but it is not the portfolio responsibility of the Office of Northern Australia.

Senator EGGLESTON—We just heard that it is a matter of interest to the Parliamentary Secretary for Northern and Western Australia, Gary Gray. I am simply seeking to establish how—

Senator Conroy—He is also interested in the West Coast Eagles Football Club and Fremantle, but they are also not the areas of responsibility of the Office of Northern Australia.

Senator EGGLESTON—Regrettably, they do not play in the Kimberley and they do not travel the Tanami Road, which is a major link between the centre and the north. There are only two east-west links, and those are the Eyre Highway in the south and the Great Northern Highway.

Senator Conroy—Do you have a question for the officers at the table?

Senator EGGLESTON—I do. My question goes to whether or not the Office of Northern Australia is prepared in some way to give consideration to the economic desirability of upgrading the Tanami Road.

Mr Mrdak—Certainly, Senator. As I have indicated, the government provides considerable funding for local government for road expenditure. I am not familiar with any recent proposals for upgrading the Tanami Road, but perhaps I could check with our relevant infrastructure area to see whether any proposals have been provided to us and I can then come back to you. Like you, I am very aware of the increasing traffic on Tanami Road—both tourist and business traffic traversing that area. There is no doubt that that road has had an increase in traffic.

Senator EGGLESTON—If it is acceptable to the committee, I might table an economics report by Cummings Economics prepared by the shire of Halls Creek on the economic impact of upgrading the Tanami Road.

Senator Conroy—You certainly may. We would love the committee to see it.

Senator EGGLESTON—I am grateful to you for your consideration. I know how important you regard infrastructure in the north of Western Australia. With that I would like to table this document.

Senator IAN MACDONALD—Mr Gray is the Parliamentary Secretary for Western and Northern Australia. Clearly, that comes within Northern Australia but also it clearly comes within Western Australia. Which department supports Mr Gray's Western Australian portfolios, whatever they are? There is at least an Office of Northern Australia that looks after his northern interests, but who supports him in his Western Australian interests?

Mr Mrdak—We provide support as he is one of our portfolio ministers. We provide general support, as we do to our portfolio ministers. When he is engaged on other activities, such as in relation to the employment task force, the support is provided by the employment department.

Senator IAN MACDONALD—But you do not have an Office of Western Australia as you have an Office of Northern Australia.

Senator Conroy—We have a combined office. It is in the press release of the Prime Minister and it is on the website.

Senator EGGLESTON—Presumably your office has interests in the north of Western Australia, even if it does not have a subsection for Western Australia.

Mr Mrdak—We certainly do, Senator.

Senator EGGLESTON—It would come under a global heading.

Mr Mrdak—Earlier we were discussing the rollout of the East Kimberley package. Through our office in Darwin and our offices here in Canberra we do a lot of work in that part of the world.

Senator EGGLESTON—Indeed. Do you have a specific focus on infrastructure?

Mr Mrdak—The portfolio as a whole has a specific focus on infrastructure. But in the case of the East Kimberley a range of social and community infrastructure as well as economic infrastructure are being provided for that package relating to the future expansion of that region.

Senator EGGLESTON—Does it include airports?

Mr Mrdak—Yes, Senator. The East Kimberley development package includes funding for the upgrade of aerodrome and port facilities, for instance, in the East Kimberley to provide for future development.

Senator EGGLESTON—In that case that might include the Kununurra airport and the port of Wyndham.

Mr Mrdak—It does, Senator.

Senator EGGLESTON—Can you discuss with us any plans, or indicate to us anything about the upgrade of Kununurra airport, which has a limited length of runway, which means that 737s cannot land there in hot weather in the summer time? Of course, the port of Wyndham is becoming much more active and is in need of considerable upgrade.

Mr Mrdak—As part of the East Kimberley development package, the government is funding an upgrade of the Wyndham port at a cost of \$10 million and is providing not a runway upgrade but a terminal upgrade for Kununurra airport, which was identified by the shire as the most immediate requirement, at a cost of \$5 million. In addition, \$400,000 has been provided for a patient transfer facility at Kununurra airport for the aeromedical service. Those are elements of the funding package for the East Kimberley.

Senator EGGLESTON—So the funding for the Kununurra airport terminal upgrade was federal?

Mr Mrdak—Yes.

Senator EGGLESTON—I did not realise that; I thought it must have been state money. I must add that it was a particularly bad decision to upgrade the terminal rather than extend the runway, because that would have provided greater access.

Senator Conroy—Mr Mrdak indicated that the shire's preference was for that.

Senator EGGLESTON—It was, I agree. I am simply saying that I did not think it was a very wise decision.

Senator Conroy—We will pass your comments to the shire.

Senator EGGLESTON—I have done that already, I assure you. So your program also includes upgrading of the port of Wyndham.

Mr Mrdak—That is right.

Senator EGGLESTON—I might seek further details from you about that at another time.

CHAIR—If there are no further questions of the department, we will now take an hour's break and be back at 7.30 on the dot with the Office of Transport Security.

Proceedings suspended from 6.30 pm to 7.30 pm

CHAIR—I welcome officers from the Office of Transport Security. We know Senator Macdonald has a host of questions. I call Senator Nash.

Senator NASH—He does indeed. I have some questions around the oversight of compliance at the ports. What compliance activities have been undertaken by OTS at our ports in the financial years 2007-08, 2008-09 and so far in 2009-10?

Mr Retter—In each of the financial years that you have mentioned, officers from the Office of Transport Security, and in particular our outposted officers in each of the capital cities, have conducted a range of inspections, which are compliance inspections to do with various aspects of the MTOFSA and the associated regulations. We examine the measures that have been put in place at the ports, we look at the measures in place at those ships that we regulate, and that occurs on a regular basis. We do those inspections and visits largely based on an assessment of risk—in other words, those areas which are assessed to be high risk get more effort and more attention than those which are low risk.

Senator NASH—How many of the OTS staff would be involved in undertaking these compliance activities?

Mr Retter—We have approximately 120 officers in total spread between the five outposted offices. I will check the exact number, but approximately one-third of those officers undertake maritime compliance activities on a daily basis.

Senator NASH—Between 2007 and 2008 and now, have the numbers of staff involved in those activities declined at all?

Mr Retter—I do recall that in last estimates you asked a similar question, and we have provided a response to that.

Senator NASH—I must be so interested, Mr Retter, that I just couldn't wait to ask it again!

Mr Retter—Those numbers, as you would know from our response, are largely the same and have remained reasonably constant. Having said that, the areas in which they may be focused will have changed depending upon how we have reassessed the risk in each of the areas.

Senator NASH—So in the event that there was any change, you are confident that those compliance activities have been carried out fully?

Mr Retter—Yes. Indeed, where we have found areas of concern, we have spoken and engaged with the maritime industry participants in terms of what needed to be addressed to rectify the problems that we identified.

Senator NASH—How do you determine which ports you are going to inspect and which ones you are not?

Mr Retter—As I said earlier, it is on the basis of our assessment of risk at those ports.

Senator NASH—That is what I was trying to get a little bit more information on. How do you assess that risk? I know you mentioned that before, but I would like a bit more detail around how you assess the risk.

Mr Retter—In the broad, it relates to the nature of the vessels that use the port, the amount of cargo that goes through the port, the nature of the cargo, whether that port is within a capital city precinct or whether it is a regional port. All of those factors, in a security risk sense, end up being analysed from an intelligence and security risk perspective and we come up with a relative rating in terms of what we believe to be those ports which are at higher risk of incident than those which are lower.

Senator NASH—Over the last three years did any of those inspections turn up a port that had not met the required standards?

Mr Retter—It would be fair to say that on many of our visits we find the odd issue that needs to be addressed, where there could well be some improvement required, but nothing which we have seen to be so noncompliant that we would take enforcement action of some sort.

Senator NASH—It would be worthwhile if you could the committee with details of where those instances have occurred. I take your point that obviously no further action was necessary, but it would be quite useful for the committee to understand the level of that noncompliance. With those where there have been, as you say, no significant levels of noncompliance, what is the process then for follow-up to ensure that compliance is met?

Mr Retter—Where we do find issues that need to be rectified, those issues are formally advised to the industry participant. We then work with each of those industry participants to rectify the issue. The inspectors on the ground and the regional directors from the Office of Transport Security report back to the general manager of the branch who deals with those issues to confirm that rectification has occurred. Indeed, when we go back and reassess, as we do on a periodic basis, we check to see that those things that needed rectification have been addressed. If they have not been addressed, then obviously that is a matter of concern.

You asked for some advice about what vulnerabilities or issues were found going around the ports. We can give you a rough break-up, but I would be concerned about providing details of which specific ports. That perhaps would not be in the transport security interest, if you understand where I am going.

Senator NASH—I understand, Mr Retter. I think the committee would be quite happy just to get a sense of the types of issues that you are referring to. Are you now confident that all of those issues that have been identified over the last three years have been resolved and have been through that follow-up process that you are talking about?

Mr Retter—The follow-up process is continuous. We review the follow-up program on a regular basis in terms of what issues have been uncovered as a result of inspections and audits and, as I said, we go back to look at those issues on a regular basis. I am unaware of any

unresolved issues at the moment but, if I can, I will check with my staff and come back to you very shortly in terms of the answer to that.

Senator NASH—Okay. Thanks, Mr Retter.

Senator XENOPHON—Mr Retter, I would like to ask you some questions in terms of the GHD report into Australia's maritime security industry card scheme. Is it correct that that was provided to Office of Transport Security in July last year?

Mr Retter—I cannot recall the exact date but around that period.

Senator XENOPHON—It was around that time. That was the subject of some front-page stories in the media, with headlines like 'Revealed terror threat on our docks'. You seem bemused by that. There were some strong headlines about the contents of that report.

Mr Retter—I do not always believe what I see in the media.

Senator XENOPHON—I'm much more trusting of the media, Mr Retter, than you! Can you advise whether it is intended to make the report publicly available?

Mr Retter—I will check, but my understanding is that the report has been made available to industry participants and it is publicly available.

Senator XENOPHON—Has it been released publicly?

Mr Retter—I will have to confirm that, but I will check. It has not been released publicly yet, to my knowledge; it has been released to industry participants.

Senator XENOPHON—And the media has got a hold of it.

Mr Retter—My understanding is that the media has reported on certain aspects of the report. I have no idea where they got it from.

Mr Mrdak—Some of those initial media reports were not focused on the GHD report.

Senator XENOPHON—Sorry, I cannot hear you, Mr Mrdak. Can you speak up a little bit?

Mr Mrdak—Certainly.

Mr Retter—I have just had some late advice, if I can correct the record. Under an FOI request, the report was released, so it is publicly available.

Senator XENOPHON—But it was released via an FOI, not by the department or your office actually releasing it publicly, saying, 'This is the report. This is what we are going to do about it.' It has not come to that yet, has it?

Mr Retter—In a sense, it is overtaken by events, in that it is publicly available now because it has been released.

Mr Mrdak—Perhaps if I can explain some of the process, that may make it a bit clearer.

Senator XENOPHON—Sure.

Mr Mrdak—The department commissioned work, as we do regularly, to review aspects of our security regime. This is one element of that. The department normally uses these reports to then undertake consultation with industry where there are measures being proposed or considered for enhancements to the regime. In this instance, some of the media headlines

were driven by other reports or perhaps unofficial commentary by some about some of the aspects of the maritime regime. Separate to that we were undertaking a consultation regime, as Mr Retter has indicated, in relation to the maritime regime. At the same time there was an FOI application which sought that material and that material was handled in the normal process as an FOI. We would be happy to make available to you a copy of that work.

Senator XENOPHON—If I could put that on notice and have that sent to my office.

Mr Mrdak—We will do that through the committee.

Senator XENOPHON—I just want to rush through these because I am concerned that other senators have questions.

Mr Mrdak—Yes.

Senator XENOPHON—Is it a case of recommendations made in that report being implemented, or are you simply consulting in relation to them?

Mr Retter—Minister—

Senator XENOPHON—No, I will never be a minister, I can assure you.

Mr Retter—In relation to the issue of recommendations in the GHD report, as the secretary has indicated, that was just one input into a range of inputs. We had literally 20 to 30 views on various aspects of where the MSIC issues being addressed in that report should go; in other words, the GHD report was simply one of the recommendations that we looked at. Some aspects of that report we agreed with, others we did not.

Senator XENOPHON—Do you see it as a significant input?

Mr Retter—I see it as one input.

Senator XENOPHON—You would not call it a significant input into security?

Mr Retter—It was significant in the sense that it provided a detailed view on a way forward. But, as I say, it was one input and there were a wide range of views on how we should move forward.

Senator XENOPHON—And you have consulted with the industry in relation to the GHD report.

Mr Retter—Absolutely.

Senator XENOPHON—At the Senate estimates hearings in October last year both the AFP and Customs did not seem to have been briefed on the findings of the report. That is what they told me. That is my recollection in terms of what both the AFP and Customs told me about this report. At what point did you go to Customs and the AFP about that report, since you have gone to industry?

Mr Retter—I can say that we have actually briefed them on the contents of the report. I am not sure precisely of the date.

Mr Mrdak—Normally on these occasions we would discuss it with Commonwealth agencies before we went out to industry consultation, so that would have been the normal process undertaken.

Senator XENOPHON—You go to the agencies before you go to industry.

Mr Mrdak—Yes. The GHD report, as Mr Retter has indicated, was commissioned by us to look at particular aspects of the regime which we hold under review. There was an input which our office then provided to Commonwealth agencies for their views before we went to industry to seek the industry views in relation to a couple of aspects, particularly given some of the commentary that had been in the national press around the need to tighten the eligibility criteria for MSIC regimes, where the industry held some particularly strong views.

Senator XENOPHON—Mr Retter, if you can help us with the dates or perhaps—

Mr Retter—Yes, I can. The department released the report to industry and government stakeholders and requested feedback on 18 September. We received six responses: five from industry, one from government.

Senator XENOPHON—It is just that when I asked questions of the AFP and Customs they did not seem to have been briefed on the report as of mid-October.

Mr Retter—I cannot comment on the AFP's advice there.

Senator XENOPHON—Perhaps on notice if you could provide some further details of the date upon which the AFP and Customs were provided with details.

Mr Retter—As I said, they were provided with the report on 17 September. I can advise whether we received a response from them.

Senator XENOPHON—But on notice can you provide who it was sent to and the covering letter? Would that be a difficulty?

Mr Retter—I am sure we can check and take it on notice.

Senator XENOPHON—Sure. Again, I am just concerned about time. The journalists that obtained the report under the FOI—and there were a series of those newspaper articles—wrote of the key issues highlighted by the GHD report: the presence of criminals at the airports, a lack of security. Given that these were the same concerns highlighted in 2003 by Alan Kessing in his report to Customs about airport security, which was subsequently leaked in 2005 in the *Australian* newspaper, would you say that the matters raised by Mr Kessing in that report covered similar ground to those raised by GHD?

Mr Wilson—I do not think it is appropriate for us to comment on the matters raised by Mr Kessing in his—

Senator XENOPHON—Why is that?

Mr Wilson—I do not believe that it is an issue that was raised with this portfolio at the time or since, so I do not believe it is appropriate for us to make a comparison between a document that I do not believe that we have in our possession and a GHD report.

Senator XENOPHON—But if Customs or the AFP prepare a report on airport security or any aspect of transport security, isn't there a flow of information between government agencies so that you share information in relation to concerns about security?

Mr Wilson—That is correct.

Senator XENOPHON—But you were not shown a copy of the report that was prepared by Mr Kessing in 2003, by Customs. You only became aware of it in 2005.

Mr Wilson—I would have to take that on notice. In 2003, I do not believe any of the officers sitting at the table were involved in the Office of Transport Security.

Senator XENOPHON—If we can move on then. You are familiar, of course, with the Wheeler review, which I think many would say was triggered by the former government as a result of the Kessing report. Nine of the 17 recommendations seemed to relate directly to the Office of Transport Security. Can you advise—and, again, you may wish to take this on notice because of time constraints—how many of those recommendations have been implemented and the manner in which they have been implemented?

Mr Retter—I think I could say with confidence that all of the recommendations for which we had responsibility have been addressed, but I would have to qualify that by saying that this is an environment where things change. As you have recently seen, we have had other incidents occurring in the aviation environment that tend to shape government policy. My view is that the Wheeler report was a valuable input at its time. As I have said, most of those issues were addressed. Policy moves on as the environment changes. We have subsequently had, in the case of the aviation environment, a government white paper which lays out a range of recommendations that pertain to a number of the issues that were touched on by the Wheeler review. Indeed, today we have had announcements of further changes in the security environment.

Senator XENOPHON—Which will be my final question.

CHAIR—Sorry, Senator Xenophon, I am going to have to just interrupt you for a second. We have gone over the allotted time, but I think it is important since today's announcement that Senator Abetz has a question—

Senator XENOPHON—I have one question in relation to that.

CHAIR—No, I just want to get this cleared up. What I am trying to lead to is that, if Senator Abetz gets the answers to his question in the affirmative, we will be extending time with this agency anyway.

Senator XENOPHON—With your indulgence, Chair, may I ask one more question?

CHAIR—Will it be one very quick one or will it be one long drawn out one? If it is a very quick one, Senator Xenophon.

Senator ABETZ—As far as I am concerned, I am happy for—

Senator XENOPHON—It will be medium, I think, Chair.

CHAIR—One thing I have learnt about your last two years here, that can mean anything, Senator Xenophon. So put your medium question and see how we go.

Senator XENOPHON—I am sure Senator Abetz will cover this more thoroughly. But in terms of the announcements made today by the government, which seem to be in part a response to worldwide concern about what occurred with the so-called Christmas Day bomber in Detroit just a couple of months ago, there was a criticism that there was a lack of liaison between various security agencies in the United States. Is that taken into account in terms of

what occurred? There has been a criticism that there has been an over-reaction in some quarters in terms of security measures, on the basis that, if there was an appropriate response by security agencies, the accused would never have boarded that plane at the time.

Mr Mrdak—I think this issue was covered today in the comments that the National Security Adviser, Duncan Lewis, provided today in terms of the total security framework and how that operates. I do not think we can add too much more to what Mr Lewis had to say today.

Senator XENOPHON—Thank you.

CHAIR—Yes, Senator Abetz.

Senator ABETZ—Thank you. I have a few questions about today's announcement. First of all, can we be told the number of detection dogs are currently in operation in Australia and the number of staff allocated by the AFP to oversee their operation at airports?

Mr Retter—Those numbers and the details of that would be better asked of the AFP and the Attorney-General. But, in broad terms, my understanding is that in the order of 42 dogs exist at the eight international gateway airports.

Senator ABETZ—How many more will there now be as a result of today's announcement?

Mr Retter—My understanding is there will be a 50 per cent increase.

Senator ABETZ—Is that 21? Is that right?

Mr Wilson—As Mr Retter has indicated, questions of detail in regard to programs operated by other agencies are best addressed to those agencies. We are not representing the AFP and I would be uncomfortable providing precise numbers in regard to their programs.

Mr Retter—If I may, the numbers I gave you were slightly incorrect. I think it is actually 34 dogs at the eight gateway airports and 17 would be the 50 per cent increase, but I would need to check. Indeed, the AFP is the best agency to answer that question.

Senator ABETZ—Unfortunately, I think that has escaped us for this round of estimates. Minister, when was it determined that this course of action, as announced today, would be undertaken?

Senator Conroy—I would have to take that on notice.

Senator ABETZ—Does Mr Mrdak possibly have—

Mr Mrdak—The government announced very quickly, in the wake of the Northwest incident on Christmas Day, its intention to review the policy settings, the security settings. The National Security Adviser, Mr Lewis, was tasked to do that by the Acting Prime Minister, and the government has had this under consideration since that time. The work has been done by the National Security Adviser.

Senator ABETZ—Yes, I am aware of all that. I want to know when the decision was made. Was this a cabinet decision, for example; was it a decision of whatever we call it—the security committee of cabinet?

Mr Mrdak—It is a decision of the National Security Committee of Cabinet.

Senator ABETZ—Thank you for that terminology. When did they last meet?

Mr Mrdak—I would have to take that on notice. I would have to take advice as to whether the government normally discloses the dates of cabinet meetings.

Senator ABETZ—So much for the culture of disclosure that we were promised by the government—

Mr Mrdak—We do not have responsibility for the security matters. I would have to take advice on that.

Senator Conroy—Do you have a question, Senator Abetz?

Senator ABETZ—I do, indeed. Noting the lack of pro-disclosure culture here, I would have thought that your department, being intimately involved in this, may have had some understanding of the processes. So if we can then take on notice when that committee last met—

Mr Mrdak—I will certainly take that on notice and seek advice from the National Security Adviser in relation to—

Senator ABETZ—That would have been the final sign-off then of the decision that was announced today.

Mr Mrdak—I will take advice in relation to the decision-making process from the National Security Adviser.

Senator ABETZ—And please do not tell me that it is on the website. You will give me a detailed answer.

Mr Mrdak—I can assure you that it will not be on the website.

Senator ABETZ—I would be most appreciative of that. Mr Mrdak, if you could help refer my questions—unlike the Centrelink question that we had from the Tasmanian Freight Equalisation Scheme—to the relevant department, be it Federal Police, Customs, justice et cetera, for the exact figures that Mr Retter gave me, I would be much obliged.

Mr Mrdak—We will certainly do that.

Senator ABETZ—And any other questions that might arise. I understand that Mr Lewis may have been before a Senate estimates committee yesterday.

Mr Wilson—Yes, yesterday.

Senator ABETZ—Yes, yesterday, as were the Federal Police. It just seems passing strange that this announcement is made today after those agencies, of which we would have been asking these questions, have already been and gone and, therefore, we cannot pursue these questions other than here this evening.

Mr Mrdak—We would be very happy to take them on notice and refer those to the relevant agencies.

Senator ABETZ—Thank you. If we can then be advised as to how many more AFP dog-handlers will be allocated to supervising and handling the additional dogs and whether the additional handlers are factored as part of the government's promise to provide an additional

500 AFP officers, if that could be referred. When was the department first notified that this announcement was going to be made today, Mr Mrdak?

Mr Mrdak—The department has been involved since Christmas Day in the review and the analysis for government of the issues arising from the Northwest incident.

Senator ABETZ—Can we please be precise with the answer. When was the department first notified that its minister would be doing a joint press conference with the Prime Minister at about 1 pm today, I think?

Mr Mrdak—Arrangements for the statement today were settled around yesterday afternoon.

Senator ABETZ—Thank you. That is when it was determined: yesterday afternoon?

Mr Mrdak—That is when we were advised that the likely statement timing would be today.

Senator ABETZ—Right. You were notified of that, but you would have been involved in that as a result of the National Security Committee of Cabinet—I will refer to it as ‘the committee’.

Mr Mrdak—Yes.

Senator ABETZ—When were you advised of the committee’s decision and that you might have to get things in place for this announcement?

Mr Mrdak—Again, I will take that on notice. Certainly, as I have mentioned, the government has been considering these issues for the last few weeks—

Senator ABETZ—We know that.

Mr Mrdak—in relation to this report. I will take on notice the government practice—which I am not familiar with, in terms of the National Security Committee—in relation to what information is provided on their meetings and when their conclusion of those is normally advised. I will take that on notice and come back to you as soon as I can.

Senator ABETZ—Can you advise us as to what internal considerations are given by your department to security measures that might be required at our airports, or do you rely solely on the committee?

Mr Mrdak—Our minister has responsibility for the administration of the government’s aviation security regulatory regime. Through Mr Retter and his officers, we undertake ongoing review of the aviation policy settings and the aviation regulatory settings. That is part of our core job. Clearly, the incident on Northwest 253 added an extra dimension, given a whole range of agencies across this, and the dimensions of the attack led to a broader government examination of security settings by the National Security Adviser.

Senator ABETZ—Does your minister sit on the committee?

Mr Mrdak—No. He is co-opted for particular matters.

Senator ABETZ—Thank you. You have pre-empted my next question: is he co-opted for certain matters? I assume he was co-opted for this particular matter.

Mr Mrdak—Yes.

Senator ABETZ—Thank you. As a result, you would be aware of when your minister went to those various meetings.

Mr Mrdak—Yes.

Senator ABETZ—Are you able to tell us when he went to those various meetings?

Senator Conroy—No, we are not. No-one is in the habit of releasing dates of cabinet meetings, particularly meetings of the National Security Committee of Cabinet.

Senator ABETZ—Even after they occurred? I would ask you to take that on notice—

Mr Mrdak—We will take it on notice.

Senator ABETZ—as to whether or not you can answer that. I can possibly understand into the future, but with meetings that have been and gone, I do not think it would necessarily create a huge security risk as to whether they met on Monday or Tuesday of a particular week.

Senator Conroy—Thanks for your opinion. We always appreciate it.

Senator ABETZ—You will find that cabinet meetings are often referred to, and I in fact asked questions on notice as to when cabinet met and the Leader of the Government in the Senate, Chris Evans, has given me answers as to when cabinet has met in the past to verify that an answer Senator Carr gave was inaccurate. We will not go there, but there is the precedent that this information is in fact made available.

Senator Conroy—The National Security Committee is a different entity.

Senator ABETZ—You did refer to cabinet, Senator Conroy.

Senator Conroy—I said we are not in the habit of doing it.

Senator ABETZ—If you are now limiting it to the committee, we can have a look at that as well. In relation to the minister's responsibility for the aviation security regulatory regime, has any consideration been given to a system of biometric identification of staff and workers in, at and around airports? I would have thought that that potentially is a very important security measure.

Senator Conroy—I do not know if you got a chance to watch the press conference in the lunchbreak earlier today. I was in my office and did get to see some of it. There were some questions that were asked about that, so perhaps we can get you the transcript of the—

Senator ABETZ—And the answers were?

Senator Conroy—As I said, I was not following it all completely. I was actually eating my lunch and having a discussion with my staff.

Senator ABETZ—Do you mean to say you were not standing there in awe of your Prime Minister, Senator Conroy? You shock me!

Senator Conroy—Always.

Senator ABETZ—But possibly the departmental officials might actually know—

Senator Conroy—We can get you the transcript of the—

Senator ABETZ—Yes, but these people—

Senator Conroy—We can give it to you first-hand.

Senator ABETZ—might actually know.

Senator Conroy—No, we can give you the information first-hand.

Senator ABETZ—If you can take that on notice. But I still ask what the officials here at the table know apart from the Prime Minister's announcement.

Senator Conroy—Minister Albanese was asked questions on this matter, so I thought it might actually assist you if you saw the transcript.

Senator ABETZ—One would assume that his answer will not be inconsistent with what Mr Retter is about to tell me.

Mr Retter—Of course not.

Senator ABETZ—Good. So, Mr Retter, what is the answer?

Mr Retter—I think the key point to make is that, as part of the investigation by the National Security Adviser into the Northwest 253 incident, there are a range of issues that have been announced today in terms of improvements that could be made to our existing regime. Specifically, the issue of biometrics did not come up in the context of the Northwest 253 and the subsequent announcements by the government today.

Senator ABETZ—Has it been considered in recent history over the past two years?

Mr Retter—I can say that, broadly, the government has been looking, as a policy, at the issue of biometrics for the last number of years whilst I have been in this job.

Senator ABETZ—And have you received any representations against biometric identification of staff that work at, around and in airports?

Mr Retter—It is fair to say that there has been a range of advice and opinions provided by industry and other stakeholders as to the benefits and the associated issues of biometrics in a range of environments across the national security environment.

Senator ABETZ—Thank you. Have you received any specific submissions against biometric identification of airport workers?

Mr Retter—I would have to take that on notice.

Senator ABETZ—All right, if you could take that on notice—particularly whether the Transport Workers Union may have provided any such objection and the extent of that objection. That would be most helpful, thank you. Will these extra dogs just be at the international airports?

Mr Retter—The eight international gateway airports.

Senator ABETZ—Gateway airports. Thank you very much. Moving on to the scanners, have we determined what kinds of body scanners will be purchased?

Mr Retter—No.

Senator ABETZ—We do not have a particular design or model?

Senator Conroy—My understanding from the press conference is that it is the latest technology and that it provides—I may be mischaracterising this—a stick figure—

Senator ABETZ—Sorry?

Senator Conroy—A stick figure. It will show the things that need to be—

Senator ABETZ—The body as a stick figure, I was told, without any—

Senator Conroy—Yes.

Senator ABETZ—other features.

Senator Conroy—Yes.

Mr Retter—I think it would be fair to say that the minister in his announcement today did indicate that we would look at the latest forms of technology related to body scanning. There are four manufacturers with various types of technologies that provide body scanning systems. The example used by the minister today—and I stress it was an example—that we would, as part of that process, also look at the privacy issues related to body scanners. Indeed, whilst during the trials in 2008 we successfully dealt with the issues that occurred at the time by working closely with the privacy commissioner and putting in a range of measures that addressed the concerns that a number of people had, technology has moved on and in many ways has, in some cases with manufacturers, alleviated some of those concerns.

I think the minister's comment at lunchtime today was to the effect that we would look at technologies, not only in terms of their detection capabilities but also in terms of their ability to address those privacy concerns. The example that the minister gave was the issue of stylised figures or stick figures as being one means by which you might actually ameliorate some of those concerns.

Senator HEFFERNAN—So they are pervert-proof, are they?

Senator ABETZ—Thank you for that, Senator Heffernan.

Senator HEFFERNAN—Well, that is a reasonable question.

Senator ABETZ—Moving right along—yes.

Senator HEFFERNAN—Is that the correct answer? They are pervert-proof.

Mr Retter—I think the answer is that they would address a range of the privacy concerns that have previously come to my attention during any trials that we have run.

Senator ABETZ—But it is not only about those that might be looking. It might also be about discomfort of the passenger having to go through the scan knowing that there would be a full disclosure of the body on the screen. So I would assume it is not only from the point of view of what Senator Heffernan raised, but also to provide as much comfort as possible to the travelling public in that regard. How will these privacy considerations be taken into account? Are we going to be given a paper, a document, a ministerial statement? How is that going to happen?

Mr Retter—Previously these issues came up during the late 2008 trial. The way in which we addressed those issues then was to work closely with the privacy commissioner, come up with a set of procedures that addressed the range of concerns, touched on by yourself and others at the time, in terms of what would be seen by whom. We addressed those by a range of measures, including the person viewing the image being separated from the screening point;

that image could not be stored; in terms of blurring of faces, there was a method by which we would blur the face so there was no clear understanding of who they were looking at. All of those measures were put in place, were signed off by the privacy commissioner and, indeed, were explained to all of those who engaged in the trial process.

Mr Mrdak—It is fair to say, I think, that the Prime Minister and the minister today in their comments made a great deal of the government's view that it wishes to protect the privacy of the individuals who are being screened and—

Senator ABETZ—Yes, I know that. I just want to know how it is going to be done.

Mr Mrdak—hence, as Mr Retter says, the government's preference is to move to modularised or stylised images that do protect that, and that is the government's strong position.

Senator ABETZ—It is a preference, but at this stage not—

Mr Mrdak—It is the government's decision to move towards that technology that is available.

Senator ABETZ—If possible. Or are they absolutely committed to it?

Mr Mrdak—They are committed to it but, as Mr Retter says, there are various technologies in the market. We need to go through those. But we are looking for the greatest possible protection for the privacy of the individual.

Senator ABETZ—So you have not determined yet the type of technology that will be purchased?

Mr Mrdak—We have certainly determined—the government has a strong view that, as the minister and the Prime Minister said today, we will be looking to adopt the technology that provides the stylised image that protects the privacy of the individual.

Senator ABETZ—Yes, but there are a number of those on the market, are there not?

Mr Retter—I think it would be fair to say that technology which provides the most robust and effective means of addressing the privacy issues will be considered in a more favourable light than those that perhaps do not address those issues.

Senator ABETZ—How many of these scanners are we going to get?

Mr Retter—At this stage the precise number has not been determined, but I would suggest to you that it would be sufficient to address screening requirements at the eight international gateway airports and, therefore, it would be—and this is an approximation because we have got more work to do, and I would stress that this is an initial figure—somewhere between 20 and 30 machines.

Senator ABETZ—Between 20 and 30 machines, right. Clearly, you have got more work to do because we have not even sought tenders. Have we had any indicative pricing on these machines?

Senator Conroy—The announcement was only made at one o'clock today, Senator Abetz.

Senator ABETZ—Have we had any indicative prices?

Mr Mrdak—We do have an indicative range of prices.

Senator ABETZ—And what do they vary between?

Mr Retter—The figures range between about A\$200,000 to A\$250,000 per unit.

Senator ABETZ—Somebody can do the maths. How did we arrive at the figure of \$28.5 million for this exercise, if we are not sure if we are going to get 20 or 30 of these machines if we are not sure whether they are going to cost \$200,000 or \$250,000 each?

Mr Mrdak—That figure includes a range of additional measures, including an expansion of explosive trace detection technology, as well as technology which enables the detection of material in liquids and the like, so it is not just the scanning.

Senator ABETZ—I know all that, but this is one component of the announcement that I have just explored in some detail, and it appears quite clear that on this important component of it we do not know how many, we do not know how much. We can then move on to the other areas, Mr Mrdak, and I would assume that we have the same sort of ill-defined figures in relation to those areas. I am just wondering how that figure of \$28.5 million was arrived at. Why wasn't it \$28 million or \$29 million, for example?

Mr Retter—There have been a range of assumptions made as we have prepared those figures for government and I would be very mindful of the fact that at this stage those indicative figures are a reflection of the prices being paid for various items in the marketplace at particular places around the world based upon particular quantities being purchased. It may well be that the Australian government, working with industry, can get a better deal than that figure, in which case that would be a good thing for the taxpayer, but at this stage—

Senator ABETZ—Of course it would, but once again it makes that figure rubbery one way or the other, that either less will be needed or more will be needed.

Mr Retter—I would suggest that those estimates that we have used in calculating the amounts that the government has announced today have been appropriate, given the fact that we are not yet in negotiations and that we need to complete further planning for precisely the right mix of technologies at each of the screening points that we are talking about. They are prudent figures in the absence of those defined outcomes.

Senator ABETZ—How many staff are needed to operate one full body scanner?

Mr Retter—It depends upon the precise manufacturer and item that you go for.

Senator ABETZ—Exactly.

Mr Retter—I have seen them operated with two staff. I have also seen them operated with three staff.

Senator ABETZ—So here we have another figure, where we do not know what scanner we are buying, and it is either going to cost us two staff or three staff.

Mr Retter—Those staff are not going to be paid for by the Australian government. They will be costs at the screening point which will be borne by industry, as all costs to do with staff are at the screening point.

Senator ABETZ—What about the cost of additional training for these people?

Mr Retter—That will be borne by industry.

Senator ABETZ—But the scanners themselves are borne by the taxpayer.

Mr Retter—The Australian government has announced a package of money which was designed to purchase a range of technologies at the eight international gateway airports and that money will be used for the capital acquisition of those items.

Senator ABETZ—So I think the answer to that is yes.

Mr Wilson—Yes, Senator.

Senator ABETZ—Thank you. We can make the answers a bit easier to follow. How many bottle scanners will be purchased and where will they be located?

Mr Retter—The bottle scanners will be purchased and used at the screening points, the same screening points I mentioned earlier. Again, we need to discuss this in detail with industry as we go forward, but our assumption has been, on the basis of our calculations, that approximately 30 of those will be required.

Senator ABETZ—Undoubtedly, we will buy the latest, newest technology, but we do not know which ones as yet.

Mr Retter—There are a range of items that we can choose from.

Senator ABETZ—And what are the price ranges?

Mr Retter—I will take that on notice.

Senator ABETZ—You do not know?

Mr Retter—I would have to go and check my figures and I have not got them in front of me.

Senator ABETZ—Are they there in the folders at all?

Mr Retter—No.

Senator ABETZ—You did have the price range for the big scanners—the body scanners—but not for the bottle scanners?

Mr Retter—It just escapes me at the moment.

Senator ABETZ—If it comes to mind later on in the evening, I am sure you will tell us. Minister, I suppose the point is this: whilst we all support appropriate and increased security measures, it just seems that this announcement came out of the blue today and, as one colleague described it to me, this was a weapon of mass distraction in relation to the government's current domestic woes. What better than to wheel out something in relation to national security? But we do not know what we are going to buy, how many we are going to buy, how many staff are going to be required to run them, and it is announced deliberately the day after the National Security Adviser and the Australian Federal Police have been before Senate estimates. But that is more a comment. I thank the committee for its forbearance and allowing more questions in relation to this area than were originally scheduled.

CHAIR—Thank you, Senator Abetz.

Senator BACK—I would like to ask a question related to the body scanners, please. In relation to the airports where these scanners or the equivalent are being used or have been

used, is there any record yet of any health impacts, particularly on those who are in close proximity to these scanners? How long have the scanners been in operation at airports elsewhere?

Mr Retter—Based upon the work we did back in late 2008 and, in recent times, further research, and in discussions with the Department of Health and Ageing and ARPANSA, which is the regulator that looks at these issues, there are no health issues that I am aware of related to the equipment, either for passengers or those who would use them. Indeed, the figures I have indicate there is a very low risk of any undue effects as a result of these technologies.

Senator BACK—Do you know whether personnel operating them would be required to have some sort of a monitoring device on them whilst they were in the workplace to be able to pick up levels of radiation?

Mr Retter—I am not aware of anybody who is doing that at present. Certainly if we found that there was a need to implement that, that would be a possibility, but I am unaware of anybody that has implemented that measure.

Senator HEFFERNAN—That is not a good answer.

Senator BACK—Do you have any understanding or knowledge of any circumstances overseas—

Mr Retter—I am unaware from those regulators and manufacturers that I have spoken to that that is a measure in place at other locations. If it is deemed after further research to be a prudent measure, obviously we would consider that.

Senator BACK—Thanks.

Senator HEFFERNAN—So you are happy to go through another Maralinga? There is radiation, right?

Mr Retter—In the case of backscatter there is a small amount of radiation, yes.

Senator HEFFERNAN—When you say a small amount of radiation, how does that compare to a dental X-ray or a medical X-ray where they go behind a screen to take it and take all sorts of—

Mr Retter—In the case of backscatter, you would have to go through the machine 400 times to have the same dosage as you would get with a chest X-ray.

Senator HEFFERNAN—But, as Senator Back points out, for the person operating the machine all day or on so many hours shifts, there is no provision for—

Mr Retter—I think you will find that there are requirements through ARPANSA for the shielding of this equipment that indeed were put in place for our trials here in Australia and we would ensure would occur for those operating the equipment for any future technology.

Senator HEFFERNAN—And the X-ray itself will not show body shape, size and bits and pieces?

Mr Retter—Depending upon the technology that is selected, there are various images that can be viewed by a screener as—

Senator HEFFERNAN—It could be a pervert's paradise.

Mr Mrdak—As I have indicated, the government has a strong position to ensure that the technology selected does not provide any issues in relation to personal privacy protection. The government is very firm on that.

Senator HEFFERNAN—All right. Who do I talk to about security contractors?

Mr Mrdak—Me, Senator.

Senator HEFFERNAN—I raised some questions here at the last estimates, and a lot of this information I have given to the National Crime Authority, so you can make the boundaries here. I have information here that says that a security firm is involved in procuring the following from their contractors: fraud, tax evasion, nonpayment of taxes, welfare fraud and general misleading of clients, including government agencies. These particular contractors also have the head contract, as I said earlier, for State Rail, the IAG, Queen Victoria Building, Channel 7, Grosvenor Place, TAFE, Sydney and Macquarie unis and Finger Wharf at Woolloomooloo. In the contract that is taken out for security at Sydney Airport, are there definitions in the security passes or does one pass get you anywhere?

Mr Retter—The pass that a worker is issued with—that is, at the airport, an aviation security identity card—is not per se an access card. It is a background checking card. Attached to that card will be varying degrees of access. If you are the airport security manager, you will have access no doubt across the airport and be able to access just about anywhere. If you are working in a particular airport location and have no need to get anywhere else, then your access will be restricted to those areas.

Senator HEFFERNAN—So when a 747 is being cleared for the crew to come on to man the plane and fill it with passengers and fly out, who are the last people and who are they employed by that clear the plane in a security sense? Are they SNP people?

Mr Retter—There will be a number of people around the airport—airline employees, security guards at various locations—who will have a range of jobs in relation to those aircraft.

Senator HEFFERNAN—I will rephrase it. What is the routine to security clear an aircraft before its staff and the passengers present themselves on the aircraft?

Mr Retter—That would rest with the airline and their responsibilities in terms of the clearance of the aircraft.

Senator HEFFERNAN—So as the correct, I suppose, government agency to oversee this—and I am aware that certainly at Sydney Airport, Sydney Airport and Qantas have some oversight of the security—are you interested in the head contract or the subcontract? Do you take an interest in that?

Mr Retter—The government's arrangements in a legal sense under the Aviation Transport Security Act and its regulations is with the screening authority at the airport. They tend to be the major airport authorities such as Sydney Airports Corporation and major airlines such as Qantas. They, however, have a further contractual arrangement with security providers, including screening staff and other people.

Senator HEFFERNAN—In terms of the contracting responsibility for Sydney Airport or Qantas or whoever, as the head agency do you have any contractual oversight?

Mr Retter—As part of the announcements made by the government in the white paper last year, there will be performance requirements for those security providers, and work is underway to initiate that particular requirement. We will also, as one of the announcements from the white paper, increase the quality assurance and training regimes that apply to those staff. The other issue, I suppose, is to note that anybody who accesses secure areas of the airport is subject to a background check by security agencies and law enforcement agencies in order to receive that aviation security identity card, so anyone who has concerns in terms of criminal and/or other security issues will be picked up as part of that background process. The final point that I would make is that, notwithstanding that I do not have a direct relationship with those contracted companies, my staff oversee, through inspection, audit and other measures, the work that they do at the airport on a daily basis. In other words, we are out there inspecting the quality of the work that they do in terms of meeting the requirements of the act and the regulations.

Senator HEFFERNAN—So in terms of getting reliable people that are security cleared, that have passed the test—even if they are given the answers to the test when they do the test, which is the practice—do you have any idea of pay rates? The subcontractors, I am informed here, are paid between \$22 and \$23.50 per hour flat rate and do not have any enterprise bargain agreements. As a result, the staff should be paid either state or federal awards. Do you have any oversight of that stuff?

Mr Retter—No.

Senator HEFFERNAN—You do not?

Mr Retter—I am aware of, broadly, the rates of pay.

Senator HEFFERNAN—What are they, broadly?

Mr Retter—As you indicated just a minute ago, they do vary, and indeed have been the subject of a number of issues with private agencies. But that is a private matter between the companies.

Senator HEFFERNAN—But there is a public interest here. So if the head contractor pays the subcontractors, he is contracting his people out at \$22 to \$23.50 and allows for a profit and administrative costs et cetera, what does that say to you the employee would be getting?

Mr Retter—I do not know.

Senator HEFFERNAN—I actually have a payroll here and it is from 10 January—I will not name the year. It is a week's payroll. The rates vary from \$14 an hour to a top of \$17 perhaps—\$17 an hour. I am reliably informed that a lot of these people on this payroll also get Centrelink payments. Further to this, in some instances the subcontractors further subcontract, so there is a subcontract to the subcontract. They work to sole traders who are not paying any workers comp or superannuation; there is no injury cover. The following person, who I will not name but who is named in this document, is one of the main contractors to SNP Security. This person is currently under investigation by the Australian tax office for evasion of taxes, has currently paid back millions of dollars in tax and there is still more to come. His assets

have been frozen. SNP Security know of these problems and continue to use his company's services. Does that trouble you?

Mr Retter—This issue which you raised with me at our last Senate estimates hearing resulted in me speaking specifically to Sydney Airport about the arrangements with SNP and any subcontractors. I am satisfied that those matters and some of the employment issues that you allude to do not directly impact upon aviation security.

Senator HEFFERNAN—What does that mean in non-morse code?

Mr Retter—It means that the nature of the duties of the subcontracted entity does not directly affect aviation security. In other words, some of those duties are not directly related to aviation security matters as pertains to the act.

Senator HEFFERNAN—You know, I am a wool classer and a welder. Does that mean these guys do not get onto the airfield?

Mr Retter—Excuse me?

Senator HEFFERNAN—Does that mean the people that this refers to do not have access to—

Mr Retter—At the time I asked those questions, I was advised that they did not have direct employment either in screening points or airside.

Senator HEFFERNAN—That begs the question: where the hell are they employed?

Mr Retter—That is a matter for the airport and SNP. As long as we have got assurances that they were not employed—

Senator HEFFERNAN—How did they give you these assurances? Did they show you the payroll and the people involved? There are further allegations of the dodgy requirements to get a qualification.

Mr Retter—These matters, I understand, are known to law enforcement officers and they are the subject of ongoing discussion and have been for some time.

Senator HEFFERNAN—Fair enough.

Mr Retter—And really I think that is a matter for them.

CHAIR—Senator Heffernan, your colleagues have questions too. Do you have many more?

Senator HEFFERNAN—I obviously do, but I will—

CHAIR—We are trying to work out timing issues, that is all.

Senator HEFFERNAN—Yes, that is fair enough.

CHAIR—Senator Macdonald just wants to ask a—

Senator HEFFERNAN—Can I put it to you in another way. Would it trouble you if some of the people on the contractors' and subcontractors' payrolls at sensitive institutions in Sydney are also on Centrelink payments?

Mr Retter—What essentially amounts to fraud is an issue that we should all be concerned about. But I do not see that it is relevant to aviation security insofar as, if there is evidence

that these people are engaged in illegal activity and law enforcement agencies are aware of it, that is a matter for them. I am unaware of any evidence to suggest that these people are engaged in unlawful activity and directly involved in aviation security screening or other issues related to the act and the regulations.

Senator HEFFERNAN—This brief I have here, which is a subcontractor with two corporate entities—Crown Security Pty Ltd and All Events Security Pty Ltd—goes through a particular gentleman's background and also his connections with Dubai, Lebanon and other places. I would have thought that you guys should take a keen interest in what—

Mr Retter—I take a keen interest. Indeed, I have had discussions with the people who employ these subcontractors. I have discussed those matters also with the AFP. If there is evidence that there is wrongdoing, they will take action, I am sure.

Senator HEFFERNAN—At some stage, in some convenient manner, could you report back to the parliament on what precautions have been taken? You may have to do that in camera to this committee.

CHAIR—On that, Senator Heffernan, I would urge that we roll on, because we have gone way over time.

Senator HEFFERNAN—Okay.

CHAIR—Thank you. Senator Macdonald.

Senator IAN MACDONALD—Mr Chairman, I had these questions down for Aviation and Airports.

Senator HEFFERNAN—I did not actually get an answer there, by the way.

CHAIR—I am sorry. That is fair enough!

Mr Wilson—Can we take that question on notice?

Senator HEFFERNAN—Right.

CHAIR—Thank you, Mr Wilson. Thank you, Mr Retter.

Senator IAN MACDONALD—I am not sure what Senator Abetz asked before I got here, but are the screening facilities in country airports like Barcaldine, Blackall, Blackwater and Cloncurry in Queensland your responsibility, or is that in Aviation and Airports? As a Queensland senator, I am interested.

Mr Retter—No, screening is our responsibility.

CHAIR—Senator Heffernan, I would strongly urge you to go through the secretariat. You know the rules better than anyone here. Let us just get some formality. Sorry to interrupt.

Senator IAN MACDONALD—Did Senator Abetz, before I arrived here, raise those issues?

Mr Retter—No.

CHAIR—He has not spoken of regional airports yet?

Senator IAN MACDONALD—No.

CHAIR—That was dogs and the personnel.

Senator IAN MACDONALD—What arrangements are being made for those small regional airports in my area of interest in Queensland, such as Barcaldine, Blackall, Blackwater, Cloncurry, Horn Island, Longreach and Weipa? Are they going to have to do the full upgrade?

Mr Retter—The issue of those airports that would be required to put in place screening measures will depend upon whether or not those airports continue to be subject to flights of aircraft that will be above or below the threshold of 20,000 kilograms in due course.

Senator IAN MACDONALD—They are served by Dash 8-400s. I understand that does require them to be done. Is that correct?

Mr Retter—Yes, the Dash 8-400 aircraft is above the 20,000-kilo threshold.

Senator IAN MACDONALD—Does the government have any strategy for assisting these airports with the cost of the upgrades? They are very small airports.

Mr Mrdak—Part of the government's announcement today is a \$32 million package to provide capital and assistance for those airports that are served by aircraft above 20,000-kilograms MTOW. The government announced its policy, as Mr Retter indicated, in the aviation white paper to set a more rational basis for screening, and the government has today announced a package of assistance measures for those regional locations to defray the cost of introducing screening and explosive trace detection and the like at those airports.

Senator IAN MACDONALD—So any airports that do have to be upgraded by this rule will get some form of assistance, but we do not know yet what the rules will be. Is that right?

Mr Mrdak—The rules have been set in the aviation white paper, and Mr Retter can take you through those. But the announcement today provides direct financial assistance to enable those airports to meet the costs of moving into that security regime.

Senator IAN MACDONALD—Does today's announcement say how much they will get?

Mr Mrdak—No. We will settle that with the airports. Mr Wilson may wish to comment.

Mr Wilson—We will work with the airports over the next couple of months to identify what is required at each of the airports that is served by aircraft over 20,000 MTOW and to settle how much each of the airports will then receive.

Senator IAN MACDONALD—Thank you for that. Finally, you will carefully assess which airports do take Dash 8-400s? The white paper named three airports which it said did not have them, but the Qantas website shows that they do. You will go through all of that, I guess.

Mr Wilson—I am fairly certain that any airport that gets an aircraft over 20,000-kilogram MTOW, if we missed it, would make itself known to us.

Senator IAN MACDONALD—I have some questions on the aviation white paper in relation to Brisbane Airport. Is that you, or is that the next group?

Mr Wilson—That would be the next group.

Senator IAN MACDONALD—In that case, that is all I have, Mr Chairman.

CHAIR—Thank you, Senator Macdonald. Senator Back.

Senator BACK—I do have a number of questions following from Senator Macdonald's but they are more specific and it would be best if I put them on notice. The one area I do want to address is the air marshal program. I refer back to answers provided in February of last year. The air marshal program was being reduced by an unconfirmed number, and the 2009-10 budget confirmed that there is not a commitment to continue that program. Is that correct?

Mr Retter—That is a matter better addressed by the Attorney-General's portfolio. They are not a capability that we manage and oversight.

Senator BACK—That leads to my next question. Did the department have any input into this decision if, as the budget paper suggests, there is no commitment?

Senator Conroy—That goes to advice to government.

Senator BACK—I am simply asking: did you have input into the decision?

Mr Mrdak—I am not sure that the statement that has been reported is accurate, and it is probably best that that question be referred to the Attorney-General's portfolio. They can give you an accurate picture of the program and the government's intentions.

Senator BACK—Sure. Can you tell me then how many air marshals we currently have?

Mr Mrdak—No. We do not have that information. That is a matter for the Attorney-General's Department.

Senator BACK—The Attorney-General's Department oversee the air marshal program?

Mr Mrdak—Yes, they do.

Senator BACK—In that case, that is where those questions will be directed. Thank you, Chairman.

CHAIR—Thank you very much, Senator Back. If there are no further questions, thank you, Mr Retter. We will now call Airports and Aviation.

[8.39 pm]

Aviation and Airports

CHAIR—I welcome officials from Aviation and Airports. There is no time like the present, so let us go straight to questions. Senator Macdonald.

Senator IAN MACDONALD—Thank you. Can I ask a couple of questions about Brisbane Airport. I did not see the whole announcement today. Brisbane Airport was not specifically mentioned today in the other announcements on airport security?

Mr Mrdak—It will be one of the eight international gateways at which the government will be working to upgrade the screening and the additional measures.

Senator IAN MACDONALD—In the white paper there was to be a steering committee set up in relation to the formal review at the Brisbane Airport. Can you tell me who will be on that steering committee?

Mr Doherty—I am not sure what you are referring to there.

Senator IAN MACDONALD—Page 214 of the aviation white paper where the government commits to a formal review at Brisbane Airport to inform consideration of the

next airport master plan in 2014. I understand the review is to start and finish in 2012. Its conclusions are to be part of the master plan. Does that ring a bell?

Mr Doherty—Yes, absolutely. It was your reference to a steering committee that—

Senator IAN MACDONALD—Is there no steering committee to guide that process?

Mr Doherty—There has been no structure set up for that review at this stage.

Senator IAN MACDONALD—Will the curfew at Brisbane Airport be part of the considerations?

Mr Doherty—I think the intention of the review would be to test whether a curfew is required or if there are other arrangements to manage the noise at Brisbane.

Senator IAN MACDONALD—Have there been complaints about the noise, apart from the member for Griffith? Is it something that you get a lot of complaints about?

Mr Doherty—My understanding is that noise has been an issue in Brisbane over a long period of time.

Senator IAN MACDONALD—Not according to the Premier of Queensland, Anna Bligh, who has condemned the suggestion that there should be any curfew. Does the minister, Senator Conroy, have any view on whether he agrees with Premier Anna Bligh or agrees with the member for Griffith on these things?

Senator Conroy—I will happily take that on notice and see if the minister has anything he would like to contribute on that.

Senator IAN MACDONALD—Thank you. I suppose then questions about a curfew on Brisbane Airport are reasonably hypothetical.

Senator Conroy—Extremely.

Senator IAN MACDONALD—When questions of curfews are raised, does the need for productivity improvements in Australia as advocated by the Prime Minister, amongst others, come into the consideration? Along the east coast north of Melbourne, if there are curfews, does the question of productivity come into decisions that are made in that area?

Mr Doherty—There are, I think, four curfewed airports at the moment: Sydney, Essendon, Adelaide and Gold Coast. Those curfews have been in place under legislative arrangements approved through parliament for a period of time, and I cannot comment on what the considerations were in those processes.

Senator IAN MACDONALD—I am more worried about Brisbane Airport. If it does become an issue, will questions of productivity be taken into account in considering other inducements for curfews?

Mr Doherty—I would expect it would be a broad review. But, as I say, at this stage there have been no detailed terms of reference established.

Senator IAN MACDONALD—Are you able to get me on notice the commercial value of late-night flights for Brisbane Airport?

Mr Doherty—I do not think we would have that information unless it was perhaps published in a master plan or something.

Senator IAN MACDONALD—Who would have that? The operators of the Brisbane Airport?

Mr Wilson—Correct.

Senator IAN MACDONALD—Do you monitor complaints of noise at various airports and the one I am interested in: Brisbane? Is that monitored by the department in any way?

Mr Doherty—Not directly.

Mr Mrdak—Noise complaints are handled by Airservices Australia. As part of the department's activities we certainly keep an active interest and, as necessary, monitor the statistics that are provided by Airservices Australia in relation to complaints. As issues arise, we do an analysis of them to try and manage some of those issues around airports.

Senator IAN MACDONALD—So if I want statistics I should ask Airservices when they come along next?

Mr Mrdak—Certainly. I think the statistics are generally provided to the meetings of the various consultative forums around airports and the like to guide discussion by airport operators and industry and community representatives.

Senator IAN MACDONALD—That suggests to me they would be readily available.

Mr Mrdak—It is a matter to pursue with Airservices. I am not sure what form is collected in Brisbane. That is a matter for Airservices.

Senator IAN MACDONALD—I will ask Airservices. I have some questions to put on notice.

Mr Doherty—I wonder if I could just clarify. It has been drawn to my attention that in fact at page 215 of the white paper there is a reference to a steering committee with broad representation being involved in that review, so we would certainly expect that to happen when it gets to the stage of setting up governance arrangements for the review.

Senator IAN MACDONALD—So no steps have been taken in that regard at this time?

Mr Doherty—No.

Senator IAN MACDONALD—Who would appoint the steering committee?

Mr Doherty—That would be a matter for government at the time.

Senator IAN MACDONALD—Thanks for that and thanks for coming back to me. The other questions I have on airports and aviation I will put on notice.

Senator BACK—I want to direct a couple of questions in the way of the Sydney Airport Community Forum. I understand that in January of this year the department wrote to the chair of the Sydney Airport Community Forum in response to questions that were raised about the funding of the aviation community advocate position, which is now terminated. Is that correct? The advice from the department concluded that residual moneys from the airport noise levy would be used to fund the ACA position, and the department has indicated it has sought legal advice on the matter. Is that legal advice now to hand?

Mr Doherty—I think we did obtain legal advice in the course of that process.

Senator BACK—Can you provide a copy of that legal advice to the committee?

Mr Doherty—We would not normally provide legal advice.

Senator BACK—Yes, but I am asking if you can.

Senator Conroy—The government as a rule does not release any legal advice. The previous government did not and no government generally does.

Senator BACK—So is that a no to the question?

Senator Conroy—Will we provide any legal advice to the committee?

Senator BACK—No, what I have asked is will the department provide a copy of the legal advice that it has obtained?

Senator Conroy—No.

Senator BACK—The rest of my questions do relate to that legal advice, Minister, so, in the event that you are unable to answer, perhaps we will take it through a different process. Chair, the other question that I wanted to draw attention to was the airport noise amelioration program at Sydney, but again because we are running short on time I am happy for those to be placed on notice. That would conclude my questions.

CHAIR—If there are no further questions for Airports and Aviation, thank you. We will now call Airservices Australia.

[8.48 pm]

Airservices Australia

Senator IAN MACDONALD—I have one question of Airservices, which is the one I tried to ask of the other people.

CHAIR—Why don't you kick off then.

Senator IAN MACDONALD—Mr Russell, I was just asking those questions about noise complaints at Brisbane Airport.

Mr Russell—I heard some of it, yes.

CHAIR—Welcome, Mr Russell. We are keen to get into the questions, so gentlemen from Airservices, thank you. Senator Macdonald, if you want to repeat that.

Senator IAN MACDONALD—Sorry, I was beating the gun. Do you have details of complaints received of noise at Brisbane Airport?

Mr Russell—Yes, we do.

Senator IAN MACDONALD—Are they publicly available?

Mr Russell—They are available on our website and they are published quarterly.

Senator IAN MACDONALD—And your website is airservices.gov.au.

Mr Russell—airservicesaustralia.com.

Senator IAN MACDONALD—Do you know where the forward slash is or will we be able to find that very easily?

Mr Russell—I can certainly get that information to you.

Senator IAN MACDONALD—Thank you.

CHAIR—Senator Back.

Senator BACK—Thank you very much. I have a question that refers to a couple of different dates: the first, just the other day, 2 February, in which residents in the Perth hills area of Stoneville noted planes flying overhead at two- to three-minute intervals between 7 am and 7 pm, with some being so loud that it was not possible for the person describing this to hear their television; and one example of a day of flight activity that is now typical in the area, residents describing it as psychological torture. Other residents in the same area have described that on some nights they do not get woken at all; on an average night they are woken half a dozen times. Does Airservices Australia have some type of gauge of what is or is not acceptable aircraft activity over inhabited areas?

Mr Russell—The noise decibel readings that we would regard as being acceptable are in the order of 60 decibels. I am not sure of the specifics of the incident that you refer to, but I am more than happy to take that issue on notice and we will provide an answer to you.

Senator BACK—60 decibels you would regard as being acceptable. What would you regard as being unacceptable—anything higher than that, or is it a doubling of that figure? Is it 100 decibels?

Mr Russell—60 decibels is the sort of conversation that you and I are having now. Closer to some airports, in terms of departures and arrivals, the decibel readings can be higher than that, but that is normally in the final stages of arrival and departing aircraft and normally around airports where there is vacant land rather than residential areas. But the rule of thumb that we work on is the 60 decibels.

Senator BACK—Can you advise what effects weather is likely to have? Not that I imagine weather conditions can alter flight arrivals and departures. Can you advise the committee what effect, if any, the weather has on noise affecting the inhabitants of homes under the flight paths?

Mr Russell—Weather affects the operations of airports, and it is one of the major effects. Clearly, aircraft need to land into wind. That influences the selection of runway ends at airports and, therefore, the flight paths that are used to arrive at those runway ends. So the short answer is: it does have a big impact, yes.

Senator BACK—Referring, again, to Perth airport, is there any consideration being given to some form of insulation program for residents as a result of airport noise similar, as I understand, to Sydney and Adelaide?

Mr Mrdak—Successive Australian governments have adopted a position in relation to noise insulation measures for residents falling within what are regarded as relatively high noise-affected contours of the Australian Noise Exposure Forecast. At this stage no consideration is being given to any such measures for Perth, as we do not have residences falling within those similar categories of contours as they do at other locations where insulation has been made available. But the government has set out in its aviation white paper,

released on 16 December, its forward strategy in relation to consideration of insulation matters where communities are potentially affected into the future.

Senator BACK—I actually did have one other question about curfews, but I think that probably is the group that has just left, is it? It related to Adelaide airport. There was a well-publicised event that took place recently, where an aircraft was one or two minutes late. Is it appropriate to be asked here or—

Mr Mrdak—We have just lost the people who deal with that issue—

Senator BACK—Have we?

Mr Mrdak—but we would be happy, if you would like to put that on notice.

Senator BACK—I really was wanting some background information on it, if it is possible to indulge the committee. My advice was that the aircraft was one minute late or two minutes late and had to return to Canberra—is that correct?

Mr Mrdak—I will see if Mr Doherty can answer that question. I am not personally familiar with it.

Mr Doherty—There are established arrangements in relation to requests for dispensation for potential breaches of the curfew. On this occasion, I cannot comment whether it was one minute or two minutes. I do not have that data available. I think part of the problem in this case was that a request was not made in advance and the aircraft was well on the way to Adelaide before the request for a dispensation was made and, therefore, the circumstances of having a dispensation denied were magnified for the passengers involved. But there are established criteria to use in considering an application for dispensation. They require unforeseen circumstances, unable to be met by alternative circumstances and, by and large, the airlines are well versed in being able to use those.

Senator BACK—I guess that would have to be the case, because it got so much publicity it would have to be the exception—would it not?

Mr Mrdak—Very much so.

Senator BACK—The inconvenience caused to everybody was just massive; it was just amazing. Thank god it did not get over the Perth airport, because it would have been very difficult to get back to anywhere.

Mr Mrdak—There are, unfortunately, circumstances where dispensations are denied because the guidelines are not met, and unfortunately they do often cause dislocation and inconvenience to travellers. We do, wherever possible, try and minimise that, and the airlines have very well-established processes—as Mr Doherty has indicated—for normally applying for curfew dispensations in accordance with the guidelines.

Senator BACK—Thank you for that.

ACTING CHAIR—Any further questions?

Senator NASH—I have a couple. The trial of the Unicom system—which I gather is an air traffic situation or awareness trial—I understand was to try and provide alternative arrangements for regional airports catering for the higher capacity jets now using aerodromes

in regional Australia without the expensive infrastructure associated with licensed traffic controllers and control towers. Am I right?

Mr Russell—Yes.

Senator NASH—How much did the trial cost?

Mr Russell—It cost Airservices \$650,000.

Senator NASH—We had some answers to questions on notice, I believe, that say Airservices have no current plans to roll out Unicom services—is that correct?

Mr Russell—We conducted a trial at five regional airports.

Senator NASH—Which ones were they?

Mr Russell—There was Wagga, Dubbo, Hervey Bay, Port Macquarie and Olympic Dam in South Australia. Our aim was to see whether there was a graduated safety mitigator that we could put in place to ensure safety at some of these busier regional aerodromes without the need to put in a control tower, which is quite expensive to operate.

Senator NASH—Yes.

Mr Russell—I come from a regional airline background and I am familiar with the economics of operating into these places. We completed that trial. The trial in Wagga and Dubbo was more extensive than the other two. We added a few more to it—the other three—and we completed a report on the Unicom issue and presented that report to the safety regulator earlier last year.

Senator NASH—From the fact that it is not going ahead, it was not seen to be the appropriate way forward?

Mr Russell—I think that is probably a question for CASA.

Senator NASH—I will do that. Thanks, Mr Russell.

ACTING CHAIR—If there are no further questions for Airservices, I thank the officers for their attendance at estimates tonight. The committee will now take a short break.

Proceedings suspended from 8.59 pm to 9.11 pm

Civil Aviation Safety Authority

CHAIR—I welcome Mr McCormick and officers from CASA.

Senator IAN MACDONALD—Thanks, Mr Chair. I want to raise a few issues about the report that appeared in the *Australian*—which I had been alerted to prior to that—about the guy involved with the Lockhart River thing and your actions there. As I understand it, you had refused permission and you had been overturned by the AAT. That is probably an indecent summary, but perhaps my first question should be: are you intending to appeal the AAT's decision?

Mr McCormick—The situation, as I understand it, is that the only right of appeal we have is on a point of law. We unfortunately have to abide by the tribunal decision. Outside of that, there is no point of law on which we have a right of appeal.

Senator IAN MACDONALD—Can you tell me the process by which non-scheduled flights operated by a foreign air carrier without an air operation certificate can receive permission to land in Australia?

Mr McCormick—Aircraft of the foreign air operators do not have a foreign air operator certificate. In the case here of medivac flights, which was the original proposal, they have to seek one-off permission to fly to Australia, from CASA, and we have available, 24 hours a day, phone numbers et cetera to contact to get that sort of approval. If the flight is one of mercy—and it has to be declared as a mercy flight, so it is life and death not just merely medivac or non-ambulatory cases—then they can carry out that flight, assuming permission from CASA.

Senator IAN MACDONALD—So it requires a phone call in a medivac flight. It does not need a phone call in an emergency.

Mr McCormick—A declared mercy flight does not need prior permission. That is correct.

Senator IAN MACDONALD—How frequently are permissions granted to foreign air carriers under the relevant section, which I assume is section 25. Is that right?

Mr McCormick—Do you mean ones that do not have foreign aircraft operator certificates?

Senator IAN MACDONALD—Yes.

Mr McCormick—The actual number I do not have in front of me. I do not expect it to be large. I can get that number for you, though, if you wish.

Senator IAN MACDONALD—If you could do that and tell me how many were granted in 2009 and in the last five years, if you are able to do that without too much rummaging. How many times will CASA grant permissions to a foreign air carrier to land in Australia in any period? Is there a limited number that you do, or is it unlimited?

Mr McCormick—No. Foreign air operations into Australia require a foreign air operator certificate. If they are medical or evacuation type flights, there is no limit to say that a dedicated medical company, or medivac flight company, cannot do, for example, two in a week or two in a month. There is no limit such as that.

Senator IAN MACDONALD—And if they keep requesting permissions, that does not raise any warning bells? I think Dr Aleck is trying to attract attention.

Mr McCormick—Yes, he most probably is. The short answer is no, but I will ask Dr Aleck to explain a bit more on our situation.

Dr Aleck—Thank you, Mr McCormick. The policy identifies eight as a number that CASA looks at. It is a policy. The idea is that an operator who is going to be conducting regular operations into Australia internationally should have an AOC, which gives us the basis to form a much better developed view of the nature of that operation. If it is an unscheduled operation—they are periodic and irregular and infrequent—to expect them to maintain that level of infrastructure around periodic approvals is not necessary. Permissions do require some scrutiny and they are not just handed out automatically. But what underpins that policy is a recognition that, at some point when someone makes inappropriate use of a permission

scheme and attempts to turn what is meant to be an ad hoc occasional device into a surrogate for a genuine AOC, we would look at that situation rather closely and say, 'If this is what you intend to do on a regular basis, you should be making an application for an AOC and go through that full process.'

Senator IAN MACDONALD—In the case of Trans Air, which was the airline involved in the incident reported in the *Weekend Australian*, that is an airline registered in PNG which does not have an Australian AOC but which does regularly request medivac flights into Australia. Is that right?

Dr Aleck—I do not know that I would say 'regularly'. I do not have those precise numbers and I do not want to speculate. It is not all that frequent, but it does happen irregularly but over a period of time. So you could not say they were coming—

Senator IAN MACDONALD—Let me put it another way: if someone rang up every day for permission, you would quickly come to the conclusion that this is an outfit that should apply for an AOC and all the requirements that go with that.

Dr Aleck—That is true. I should say also that this organisation has applied in the past for foreign aircraft AOCs.

Senator IAN MACDONALD—It does have?

Dr Aleck—No, it has applied to CASA for these over the years and has been refused.

Senator IAN MACDONALD—Is that what the AAT application was about?

Dr Aleck—The AAT application was about the most recent application, which we also refused.

Senator IAN MACDONALD—As a result of the AAT's decision, you have been forced to grant it or forced to go through the process of investigating whether they are suitable for an AOC?

Mr McCormick—No. We have been told to issue a foreign air operator certificate.

Senator IAN MACDONALD—Okay. So the normal checks that you do are not done because you are told by the AAT to do it?

Mr McCormick—We put our case for why we did not want to issue the foreign air operator certificate, and why we had refused the numerous attempts and the last one which led to this appeal. The commission themselves took on board what we had to say, took on board what they had to say, and came to the opinion that they were a company that was not going to be managed or, from a managerial point of view, have anything to do with this person who had been involved in the Lockhart River and the previous iteration of Trans Air in Australia, and thought that, because this person was only to operate as a pilot and not be a manager as such, there was a good possibility that they had the ability—that is, Trans Air PNG—to comply with our foreign air operator certificate requirements.

The initial order given to us was to redo the process and then to issue a foreign air operator certificate, but we had to go back to the tribunal and say that that would give us a great deal of difficulty, because obviously when we had done the process we came to the conclusion that

they were not suitable for a foreign air operator certificate. So in this case the tribunal has directed that we issue a foreign air operator certificate.

But to answer your previous question, if I could: three other medivac flights have been conducted by two foreign operators in the last 12 months—one on 14 May, another on 7 September and one on 6 November. So that will give you an idea of the sort of frequency of people who do not hold foreign air operator certificates requesting medivac permission.

Senator IAN MACDONALD—So it is fairly rare?

Mr McCormick—Yes, it is fairly rare.

Senator IAN MACDONALD—Are you aware if Trans Air—which is the company involved in this application—have ever landed in Australia without permission?

Mr McCormick—We believe they have.

Senator IAN MACDONALD—Have you got evidence of that or just a belief that that has—

Dr Aleck—They conceded that they had done, on the basis of the fact, according to Mr Wright, that he was under the impression that he had been given verbal approval or verbal authorisation some years ago. The tribunal did not accept that but did accept that Mr Wright probably believed that.

Senator IAN MACDONALD—Is it possible to land in Australia without a permission or without an AOC?

Mr McCormick—You mean legally?

Senator IAN MACDONALD—Well, is it possible? I mean, the wheels can hit the ground, so they have landed. I guess that is possible.

Mr McCormick—It is not actually in our portfolio, but Defence would perhaps agree with you. That is a very large coastline, with a lot of areas where people could possibly land.

Senator IAN MACDONALD—For example, if a flight flew out of New Guinea and landed at Cairns, would anyone as a matter of course know if it did not have permission—it did not have an AOC or once-off permission for a medivac flight?

Mr McCormick—Landing in Cairns, they probably would not know whether they had a foreign air operator's certificate as such, unless it was a CASA person or an inspector who was asking for that information.

Senator IAN MACDONALD—How do you enforce your rules, which say that you cannot land in Australia without a one-off provision or an AOC, unless someone is ticking off every aircraft that lands and checking it against the records and seeing whether they have something? How do you do that?

Mr McCormick—The actual record of people landing and taking off here is not actually CASA's responsibility, but taking the point of what you say—how do we know whether aircraft arrive with approval or not—it is not a loophole. A foreign air operator's certificate is issued to an airline—in this case a PNG based airline—on the basis of the air operator's certificate that they already hold. PNG, as with any country that is a signatory to ICAO, has to

maintain standards. We would, of course, go to the regulatory authority and see what they know about the operations when they come to our notice.

Senator IAN MACDONALD—You believe, and the owners of Trans Air confirm, that they landed without permits, their excuse being, as you have said, that they thought they had been given permission verbally. Is there no system in place that actually checks that? If someone does that, do you only find that out by coincidence?

Mr McCormick—A lot of it is discovery, but we did in this particular case look at that and we are not aware of any commercial operations by foreign-registered aircraft from PNG in the last 12 months that have been conducted unlawfully—in other words, by someone who did not have a foreign air operator's certificate—Trans Air exempted.

Senator IAN MACDONALD—Apart from Trans Air, are you saying?

Mr McCormick—Apart from Trans Air.

Senator IAN MACDONALD—Yes, okay. You did not really know that Trans Air had landed without the required permits until they admitted it in the AAT.

Mr McCormick—I am not sure. Does anybody have the answer to that?

Dr Aleck—I do not know the answer to that question. I do know that it was understood by the operational people that this was not the first operation that they had conducted. In fact, they had conducted several hundred unauthorised flights between 1998 and 2008. As I said, those flights were conducted, and they conceded that, and inquiries were made, I think, of people at airports. They were asked, 'Did you see an aircraft land with a PNG registration?'

Senator IAN MACDONALD—But wouldn't the question be, 'Why didn't you know that was happening?' Perhaps a less offensive way of asking is, 'Don't you have any procedures in place that would allow you to note that a guy is flying in quite regularly without any sort of permission?'

Mr McCormick—We do not have responsibility for border security and neither do we have responsibility for logging aircraft in and out. If we were to look at the bigger picture, that would require us to keep track of every aeroplane that had the ability to fly from somewhere in the world to Australia.

Senator IAN MACDONALD—But what is the point of you having these rules if you cannot enforce them? Who does have the responsibility for that?

Mr McCormick—Having read the AAT decision, I am wondering myself what the purpose is for having these rules, in some respects, but we have to abide by the law like everyone else. So we are in a situation where our rules say what they say—that it is illegal to operate into Australia without a foreign air operator's certificate—and we try to enforce those as best we can. We do it from discovery, from seeing the flights ourselves, from being told of the flights or from knowing of the flights, but we have no mandate or power to go and stand on airfields everywhere and watch people arrive and then go and ask them what their situation is. It is a practical impossibility. Then again, as I said, there are other portfolios that do have that responsibility.

Senator IAN MACDONALD—Sorry, which portfolios do have that responsibility?

Mr Mrdak—To describe the process, Airservices Australia would manage the traffic into controlled airspace. In your example, when they are entering Cairns airspace or the Australian FI—flight information—zone, they would be handled by Airservices Australia. Depending on the category of flight, they may have lodged flight plans and the like, which means they would be registered on the Airservices system. They would also be captured on the airport operator's system because of charging requirements. The border agencies then handle the aircraft after arrival from foreign ports to make sure they meet all of the—

Senator IAN MACDONALD—Customs and quarantine.

Mr Mrdak—quarantine requirements and the like. So those agencies are collecting data. I think what Mr McCormick is highlighting is that what this situation has evidenced for all of us is that we do not have effective systems which ensure that that is also then being captured in terms of CASA's regulatory requirements. All of those agencies are capturing that aircraft for their own management and border control purposes—Airservices, for instance, for charging, as would, say, the Cairns Port Authority—

Senator IAN MACDONALD—Yes, I get the point.

Mr Mrdak—but it is the question then of what CASA can access and how it does that. Apart from this operator, the essence of what Mr Aleck is saying is that on the whole most operators go through the right process, do get their foreign AOC and enter airspace legally. What we have here is a particular operator, and it was only when this was drawn to CASA's attention that this took place. But it does, I think, raise an issue more broadly for all of us involved in this space that we do need to look at this issue.

Senator IAN MACDONALD—That is the point I was getting to. You concede that there is a gap in the procedures somewhere?

Mr Mrdak—That is right.

Senator IAN MACDONALD—What the solution is I am not sure.

Mr Mrdak—You are raising a very valid point, which this case has highlighted for all the agencies involved in processing aircraft into our airspace.

Senator IAN MACDONALD—You do not as a rule even do spot audits on Airservices records of who is coming in—just once a month run through them and make sure that they have AOCs from Australia or from yourself.

Mr McCormick—Not as a normal pastime, no.

Senator IAN MACDONALD—I take it you are directing your minds to how to address this problem.

Mr McCormick—Taking into account what the secretary had to say, we do not think there is a large problem in Australia for this particular type of operation. But we are looking at it, obviously, because this has been highlighted to us. This particular group of people—this particular operation—is a problem, as I think you have seen. We do not consider that this is endemic by any means, but obviously we are looking carefully to see what we have got.

Senator IAN MACDONALD—Quite frankly, you would not know, though.

Mr McCormick—That is a possibility.

Senator Conroy—This has been the circumstance for the last 10 years at least, on the evidence we have been given so far.

Senator IAN MACDONALD—Minister, try and divide your mind between what is political and what is just trying to find some information in the interests of the Australian travelling public. You can understand from the nature of my questioning that I am not being aggressively critical. I am just saying that you have identified a problem and, I repeat—and, strangely, you did not answer this—you are directing your minds to how to address it, or have you just said, ‘Well, it’s not really a problem, we’re not going to bother’?

Mr McCormick—No, we are reviewing the AAT decision and the ramifications of that decision.

Senator IAN MACDONALD—Perhaps next time we meet we can follow this up, but it would probably help, if you do come to a conclusion within the next three months, if you on notice to this committee say that you have looked at that and the secretary has given you some more money and you have decided to do X, Y and Z so that it will never occur again. If that does occur, could you take this as a question on notice?

Mr McCormick—I am not really sure what the question is.

Mr Mrdak—It is the bit about the secretary and more money that just had me out of my chair, Senator!

Senator IAN MACDONALD—You should have seen how Mr McCormick’s face lit up!

Senator NASH—Yes, there was a light-up and a very big shake of the head.

Mr Mrdak—Very difficult, Senator.

Senator IAN MACDONALD—Anyhow, I do not want to be too light about what is alleged to be a serious issue. None of us are the sort of people who would say that the AAT got it wrong. That is our system of justice, and I appreciate you have to follow—

Mr McCormick—If I could say, in this particular instance here—your referential comment about the travelling public of Australia—we are not talking about flights that involve travel of Australians a la large-scale travel. We are talking medivacs. Of course, it is terrible that someone has to have a medivac flight, but they are a very small niche of the operation. Given the comments that Secretary Mrdak made, we would have difficulty coming out with a number to define how much the cost would be for us to check every flight that arrived into Australia on the basis of what the flight was doing, where it was going et cetera. But we will look at it, as I have said, and we will see what we can do.

Senator IAN MACDONALD—But I understand Airservices have that information as a matter of course. Wouldn’t it be a simple job just for you to push the button on your computer and push the button on Airservices to say, ‘Well, these are the ones we’ve got permits for. These are the ones that came in. Hang on, there’s a flashing red light there’?

Mr McCormick—It may not be quite that easy to do. I think there are a few other issues around the data and around what the flights are. As I said, we will look at it and we will see what we can come back with in the intervening period.

Senator IAN MACDONALD—The Lockhart River crash was in 2005. This AAT case was just very recently, I understand. I have a transcript here, actually—from January 2010. Yes, that is pretty recent. The AAT decision indicates CASA has an after-hours number that allows air operators to seek permission for unscheduled flights, but Trans Air says they were not able to make contact with you because telephone calls to CASA were not answered. Do you agree with that, and do you get many requests after hours?

Mr McCormick—Do we get requests out of hours? Yes, we do.

Senator IAN MACDONALD—Do you agree with Trans Air saying that they were unable to make contact with you because ‘telephone calls to CASA were not answered’?

Mr McCormick—It would be difficult for us to prove that they are wrong. However, we have no record of anybody else ever complaining about being unable to contact CASA.

Senator IAN MACDONALD—If I ask you how many permissions are granted after hours, you would say there were only three in the whole of last year, so the number out of hours would be three or less.

Mr McCormick—That is three in the last 12 months. Whether they were out-of-hours applications, I do not have that in front of me.

Senator IAN MACDONALD—Could you just find that out? Is the number staffed at all times? Does it have a follow-through thing on your phone so that—

Mr McCormick—To my knowledge, yes, it is. It is a hotline set-up so that it is always answered. As I say, we have had no reports of anybody else having difficulty in contacting us. If they are trying to contact us from a foreign country where perhaps the telephone service is not as good as what we expect in Australia, it would be difficult for us to prove that they had tried to get through to CASA and could not contact us. I do not think that we have had any situation where we have known at our end of the line it has been problematic.

Senator IAN MACDONALD—I will finish with this comment, as one who abides by the rule of law, which we all do, and we accept that AAT conducted a full and open inquiry in accordance with their procedures and they came to this conclusion, and us mere mortals cannot question it, but, and perhaps this is a question to the minister—accepting the right of the AAT of course; and accepting that at times people rightly or, I am sure, wrongly claim victimisation by CASA, which is where the AAT has a role to play—it does seem a bit unfortunate if CASA keep knocking back an outfit that they allege has indirectly been run by a guy who was partly responsible for that horrific Lockhart River air crash. The safety authority set up by the Australian government does not think they are safe to do it and yet a court system determines otherwise. It is a bit sort of scary, isn’t it?

Mr McCormick—I was somewhat surprised at the AAT’s decision as well. It is not my area specifically, but when I was made aware of the details of this—I think you are making a number of very valid points, Senator Macdonald.

Senator IAN MACDONALD—I had a glance through the AAT decision and, like any legal decision, the member has gone through very thoroughly all the arguments for and against and has come to a conclusion, but it is a difficult thing that I—

Senator Conroy—It is always possible to get a rogue decision.

Senator IAN MACDONALD—I have not been through it closely enough to even contemplate that. Perhaps I could put on notice to you, Minister, so that the department could just have a bit of a think about that: what is the situation where our safety authority says no but courts, acting on other very appropriate bases, decide yes? Could you perhaps give it some thought, Mr Mrdak.

Senator Conroy—That is a very valid question and we will certainly give it serious consideration when we take that on notice, Senator Macdonald.

Senator IAN MACDONALD—Okay. That is all I have for tonight, Mr Chair.

Senator NASH—Thank you, Chair. I raised a bit earlier—apparently CASA is the appropriate place—the trial of the Unicom system that we were informed was the \$650,000 trial. I got to the question about it being decided that it was not appropriate for that to go forward and I was directed to CASA to ask for a response. Could you give me one?

Mr McCormick—To what particular question?

Senator NASH—I am sorry. You probably were not listening, but I asked officers about this earlier—some \$650,000 had been spent on the Unicom system, and it was explained to me very clearly how at the regional airports it was a trial that was operating. But, in answer to one of the questions on notice, Airservices said they have no current plans to roll out the Unicom services. So I asked them, ‘Obviously the reporting or whatever was done indicated that it was not the appropriate way forward. Is that correct?’ and I was referred to CASA for an answer.

Mr McCormick—Unicom is a radio procedure from the ground, from someone who is not qualified. They are not licensed; they are not governed in any way. It is very common in the US system. Basically, that person on the ground does aid safety, because they can alert people to the presence of other flying traffic that they know of. So if they see two or three aeroplanes in the circuit area from their tower or wherever they happen to be sitting—they do not have to sit in the control tower—and they hear another aeroplane arriving, they can call and give traffic information and say, ‘There are three aeroplanes in the circuit.’ That is a good thing, and the basis of the system is along those lines: that it is a voluntary system provided by somebody on the ground. In the US it typically is provided by aero club type organisations, and some regional airlines provide it as well.

But it is not a system that uses strict radio procedures and has strict sets of standards. For instance, if an aeroplane is flying in with five people on board who have to leave the airport somehow and therefore need public transport, with Unicom in the United States, the pilot would call up and order five taxis and that would not be seen to be an unusual use of the radio. So it is a different type of service to anything that involves any sort of training or licensing or something, to which someone should perhaps listen more carefully. It is the lowest level of service that is provided.

In my own opinion, it is still a good service and it is something that has been encouraged for numerous years. This particular trial is looking at using that sort of service versus the next level up, which is called CA/GRS—Certified Air/Ground Radio Service. There are numerous certified air/ground radio services operating. There is one operating in Broome, for instance. The person who is on that radio now, on the ground, is no longer just a concerned citizen or an

aviation buff or someone who is employed by an airline; they are a licensed person. They have to, at the moment, have previously held an air traffic controller's licence and, although they do not provide straight-out separation as such, they have the ability to and are allowed to more clearly define where traffic is, so if they hear one aeroplane approaching from a certain direction at a certain distance they give that traffic to somebody else in a specific direction or a specific area.

That CA/GRS type system of course, as I say, is in use around Australia, but it does require a great deal more, particularly in the licensing of the individuals on the ground. On the Unicom trial, in our view—and this is CASA's view—the cost of the service is not supported by the benefits provided and, generally speaking, most of the respondents that came into the survey or the reports on the service said they did not see the value of it. I do not think we should just toss the Unicom idea in the bin. I think it is something whose time will come and, as we move on, it is a very appropriate type of service to be used in perhaps more remote localities, areas where it would be nice to know what the runway or the strip is like on the ground and where someone trained to talk on the radio and give that sort of information may be helpful. In the areas where they trialled it at the aerodromes—and I think Greg Russell ran through the aerodromes—

Senator NASH—He did.

Mr McCormick—it did not look like that was the appropriate type of service for those airfields.

Senator NASH—Thank you. Can you just enlighten me: from what you have said—and obviously it has been utilised in other countries and I suppose the next level up, being the more appropriate level, is comparable and it is not providing a good enough service—what was it that necessitated the \$650,000 study that you could not have determined just from the nature of its operation in other countries and how that would apply? Just listening as a layman, it would seem that there are pretty clear reasons why it would not be appropriate—because it was not good enough, not to use a technical term—so what was it about the trial that was going to provide the extra information that could not already be determined by really having a look at how it operates and seeing whether it would be appropriate here?

Mr McCormick—The actual costing and what we got for the \$650,000 is a question for Airservices. We were not involved in that side of it at all.

Senator NASH—It is like a ping-pong ball.

Mr McCormick—As far as what comes out of it, these things are not something that you can desktop model. You look at the procedures, look at what the idea is and really the only proof is when you actually do it. There is nothing else that you can benchmark it against when you are sitting there. We could benchmark it against the US, but of course in the US, with its vast amount of traffic compared to Australia, the results are very much flavoured. So I think they were right in trialling it. That was the only way to actually see what it did. It is low risk. It is something that is not normally there, so it is not as if it is going to increase the risk profile unmanageably as far as the rest of it is concerned, the actual implementation, with the 19 people I believe it employed—that is Airservices, not CASA, unfortunately.

Senator NASH—That is a little unfortunate. I would have asked them that, but perhaps I will do that on notice. Do you feel that there has been value in that \$650,000 from CASA's perspective in terms of what has been gained from the trial?

Mr McCormick—I would not be in a position to say either yes or no as to whether that was the appropriate amount of money to pay for the results that we have, but we have done the trial now.

Senator NASH—Who would be the appropriate body?

Mr McCormick—Airservices.

Senator NASH—It looks like there will be some questions on notice, Chair. There were some claims recently by the Licensed Aircraft Engineers Association, who said that CASA had ignored claims of air safety issues on flights that were operating domestically and returning from Asia—and please correct me if I am wrong; this is just what has been raised with me. It followed the release of a Civil Aviation Administration in Vietnam report which found that an Australian aircraft engineer was sacked for raising safety concerns with Jetstar Pacific senior managers. Apparently CASA—and again correct me if I am wrong—said that the safety issues concerning Jetstar Pacific were a matter for the authorities in Vietnam, where the airline is based. I just want to get a better understanding of CASA's position regarding those claims and, given that an Australian aircraft engineer raised the issues, is it appropriate for that just to be flicked back to Vietnam?

Mr McCormick—That is more than just one issue, I am afraid. The report—and I am just looking to see whether I have a translation of it with me—is concerning Jetstar's maintenance within Vietnam. That is under the control of the Civil Aviation Authority of Vietnam and is very much a Vietnamese issue and not one that CASA is involved in. We have no right to be involved in that and in fact we have no precedent to be involved in that. The actual Jetstar Australia, where we are concerned or where we would be concerned if there were serious issues raised, is when Jetstar flies to Ho Chi Minh City from Australia and then the aeroplanes are turned around in Ho Chi Minh, which requires routine refuelling, re-oiling, perhaps minor modification of acceptable defects or defects which are not going to require major maintenance, and then the aeroplane flies back to Australia. That operation we are concerned with and we are watching very carefully and they have approvals to conduct that service.

Jetstar themselves have decided that they will not use any of the maintenance that they have in Ho Chi Minh for those flights at the present time and they are flying their own engineers from Australia up there to turn the aeroplane around on the ground and then make sure it is flown back to Australia, dispatched by an Australian engineer. When Jetstar has had a chance to work its way through the CAAV report, we will look at what the ramifications are for the maintenance situation, but at the moment Jetstar are not using any Australian maintenance approvals overseas and so from our point of view there is no risk—

Senator NASH—Sorry, they are not using any—

Mr McCormick—They are not using any Australian maintenance approvals overseas in Vietnam, so we do not have a situation at the moment that requires us to intervene.

Senator NASH—Does it pose difficulties for CASA in the first instance you talk about when these situations do arise in another country and issues are raised with you by Australian staff but it is not your jurisdiction? How do you deal with that? Obviously, I am assuming that you do not just put up a Chinese Wall and pretend that there is no concern, but, given that you have not got any direct jurisdiction, how do you deal with trying to address the matter, or do you just simply leave it as the responsibility of the other jurisdiction?

Mr McCormick—I think you are right on the first part: if the other jurisdiction is a sovereign country, we have no authority to go to a sovereign country.

Senator NASH—I understand that. In the same way, it would work in reverse.

Mr McCormick—If they are a signatory to the International Civil Aviation Organisation conventions—and I think basically every country in the world is, other than the Vatican—they have certain requirements that they have to meet to keep the ICAO standard. We are required to look at those standards and accept them. What we would do is look at any country—and I do not want to pick out Vietnam in this example—

Senator NASH—No, that is all right.

Mr McCormick—If we pick any country, if there is something happening in that country, the first question that we come to is: what is the exposure of the Australian travelling public in Australia to that operation? There is no defined set of rules. It does come down to judgment, but that is why we are in this position: we are supposed to be making judgment calls about these sorts of things. If we are to ask, ‘Will we go and look at that maintenance organisation if it does do maintenance for Australian aeroplanes?’ we will always go and look. That does not necessarily endear us to the industry, nor sometimes to overseas entities, but that is what we have to do to discharge our duty.

Senator NASH—Is outsourcing the maintenance, which has been increasing, an issue? My question is: when it is happening here on Australian soil, of course, you do have responsibility within this country to do that, so is the actual outsourcing of the maintenance an issue or do you feel that, through the arrangements you have just been talking about, you can keep a good enough eye on it, even though you have no responsibility in those jurisdictions?

Mr McCormick—Outsourcing maintenance overseas is a function of all international aviation worldwide. There is no country in the world that does not send some of its aeroplanes overseas to have maintenance done somewhere else. That may be because the particular area they sent it to has expertise in that aeroplane. It may be a specific program. For instance, if you want to buy a 747 freighter aeroplane converted from a passenger aeroplane, if Qantas wanted to convert one of its aeroplanes, it cannot be done in Australia because the commercial agreements say it has to be done in Ho Chi Minh or China. That is a commercial reality that CASA has nothing to do with.

As far as overseas maintenance organisations, we oversee—not oversee as in ‘overseas’. We actually physically go and audit these maintenance facilities to make sure that they meet with the standards applicable to our regulation standards.

Senator NASH—Was that aircraft engineer sacked for raising concerns, or is that completely false?

Mr McCormick—I have no idea.

Senator NASH—All right.

CHAIR—Mr McCormick, thank you very much. I do not know if it is just me, but it is a breath of fresh air having CASA before this committee nowadays. I quite enjoy it. It seemed to be about the same time as you came in. How is that?

Mr McCormick—You are too kind.

CHAIR—And to your officials, thank you very much.

Mr McCormick—Thank you.

CHAIR—I now call Australian Transport Safety Bureau.

[9.48 pm]

Australian Transport Safety Bureau

CHAIR—Welcome, Mr Dolan and Ms Macauley. We will go straight to questions for Australian Transport Safety Bureau.

Senator NASH—Thank you very much, Chair. Thank you all very much. I know it is late in the evening but I will not keep you too long. There was a United Airlines flight that was redirected to Brisbane recently. Sorry; I do not have the date with me. It was a 747 from LA. It was looked at at Brisbane and it was found to have an engineering fault. It was apparently due to land in Sydney about eight in the morning but instead it was redirected to Brisbane. Another plane was sent to Brisbane to collect the passengers and fly them back to Sydney. Apparently it was stated by the ATSB that the airline would need to provide a report on the incident within 72 hours but not that there was a need for a formal investigation. Can you clarify if I am right so far.

Mr Dolan—The facts are correct.

Senator NASH—Thanks. I think the date was mid-January. Is that correct?

Mr Dolan—I cannot recall the exact date but I know the flight you are referring to.

Senator NASH—As long as you know the incident I am referring to. Has United actually given ATSB a report yet?

Mr Dolan—As I understand it, we have received a report, we have considered it and we have continued in our view that there is no significant safety matter to be investigated.

Senator NASH—What actually was the engineering problem?

Mr Dolan—It was a minor engineering problem. I would have to take it on notice for the details. It is one that was looked at comparatively quickly because it was minor. The aircraft originally, as I recall, was diverted to Brisbane for fuel related reasons because of headwinds and various things. It had no adequately safe guarantee of reaching Sydney and so landed in Brisbane. It was on the ground in Brisbane that the minor mechanical problem was found.

Senator NASH—Was it something that was likely to be an issue—I mean, obviously if it has been diverted for fuel reasons and then the problem is found. Is that unusual? Wasn't it something that had any kind of airborne trigger mechanism or—

Mr Dolan—I think I will have to get greater details of this to you on notice, if you do not mind.

Senator NASH—No, we would rather have—

Mr Dolan—Certainly my understanding is that the initial diversion to Brisbane was a fuel related matter. The mechanical issues came to attention upon landing, and there was nothing significant in the course of flight that was noticed that would have led to concern, but we will confirm that and make sure that we get the full details.

Ms Macaulay—Whenever we get any of these notifications, part of our decision-making process takes into account what are the other risk controls that are in place to ensure the continued safe operation of the aircraft. That might include awareness of the flight crew and appropriate procedures that they may have implemented to manage the situation, the assistance that they received from air traffic control et cetera. Without knowledge of the particular details of this incident, I imagine we made a decision based on knowing those circumstances. In particular, just for your information, we normally get notification of around 14,000 events a year, which translates to around 8,000 occurrences. So we have to make some fairly significant judgments on what we will and will not take on in terms of conducting a full investigation.

Senator NASH—Obviously, because it was regarded as relatively minor, there was no need for a formal investigation into that. You said 14,000 reports and 8,000 incidents.

Mr Dolan—There is a system that requires a defined set of incidents to be notified on a mandatory basis to the ATSB. That system essentially is designed to get some over-reporting of things that are genuine safety occurrences. We want to capture everything that people might view as possibly a safety occurrence. We then assess them and form the view that, roughly speaking, half of them actually are occurrences—that is, there is a safety matter tied up in this, however minor. With those, we then review them: ‘Is this something that requires further investigation?’

Senator NASH—That makes sense. So, in the essence of getting the detailed reporting of absolutely every possibility that might occur, around half of those are discarded as not being a safety incident at all. Is that correct?

Mr Dolan—Yes.

Ms Macaulay—There are some exceptions. The reporting culture in Australia is fairly healthy, so not only do we get reports of the matters that we prescribe in our regulations but we often get notification of events that are of an even less significant nature.

Senator NASH—Who predominantly reports to you? Who reports to ATSB when they have a safety concern?

Ms Macaulay—For the occurrences, there are requirements across the industry. There are more detailed requirements that are applied to air transport operations—passenger carrying and that kind of operation—versus a slightly lower requirement in terms of what needs to be reported in private operations et cetera. But generally nobody is immune entirely. Everyone has to report accidents and a number of serious incidents and then there is a demarcation

between the air transport industry and the smaller end of town in terms of the smaller incidents.

Senator NASH—So it is pretty much anybody involved with or working within the industry itself.

Ms Macaulay—Correct.

Senator NASH—Out of all of those thousands of reports, how many are, on a yearly average, investigated?

Mr Dolan—Eighty.

Senator NASH—Sorry; it is just a very small figure with the amount that come through.

Mr Dolan—We have—we would be happy to provide it if it were of benefit to the committee—a policy framework for assessing which are the most serious and therefore which would most benefit from a close look to see whether there are safety lessons to be learned and passed on more broadly to the industry. But it goes to the potential seriousness of the incident that was reported. There is another thing which I suppose shows how we keep these sorts of matters under review. We are conscious that, whatever the number is, it is always going to have some level of discomfort that we may miss something. What we have added as an additional string to our bow is a new level of investigation, which is to take an occurrence that would not merit sending out a team to look at all the details and go to the thoroughgoing one but to actually work with the reporting organisation to find more details and do a very short one-page report that means that over time we are getting visibility of more of them. So, in terms of where you perhaps feel a little uneasy, that is our response to that.

Senator NASH—No, I am getting more and more comforted by the minute. Sorry; it is very late. It is a very good contribution. Thank you. You did offer, I think, just then to provide the criteria that you use around that to the committee.

Mr Dolan—Yes.

Senator NASH—That would be quite useful. Has anything ever slipped through the net that you have thought was a serious misjudgment, if you like, of the things that needed to be further investigated and something was not, or is there some kind of audit or reporting mechanism if that does indeed occur?

Mr Dolan—I would say that as an organisation we are always actively uncomfortable that we may be missing something and so we do review our procedures and we check, and we have other lines of information from time to time, including capacity for confidential reporting if there are people out there that feel that something may have been overlooked or not reported. But I am certainly aware of one or two cases where the significance of an occurrence was understated in the initial reporting and it was actually our closer investigation that led to a more detailed report. We do try and follow up those where we are not quite sure whether it has been appropriately described.

Senator NASH—Err on the side of caution.

Mr Dolan—Indeed.

Senator NASH—Just finally, with the collision with the Sea Shepherd ship, I think the Maritime Safety Authority is looking into that. Do you have a role in that as well at all?

Mr Dolan—The short answer is no, for two reasons. The first is that, although we have some mandate in terms of maritime operations, both of the vessels involved were foreign registered and there is some level of debate at least as to where, in terms of a maritime mandate, they were actually operating. So the view was that it probably related more to the New Zealanders than to us. The second is that our job under the legislation is explicitly to look at what happened with a view to preventing a recurrence. So what we are looking at is, in this case, what is the safety lesson we may learn from a close examination of this thing—assuming we had a mandate to examine, which is questionable. Our assessment, to the extent that we turned our minds to it, was that the question was not about inadvertent issues with safety regulations; it was something that was more at the boundaries of it and more a regulatory matter than a no-blame safety investigation matter.

Senator NASH—Thank you very much for that, Mr Dolan and Ms Macaulay. That is it from me. Thank you, Chair.

CHAIR—Thank you, Senator Nash. We can relate to the Brisbane incident because this committee was travelling out of Brisbane once on an inquiry. This mob up here packed themselves, but I was as cool as a cucumber. So I can relate to that.

Senator NASH—Excuse me! That is a gross misrepresentation of the facts. I did not even notice.

CHAIR—Did my nose just grow an inch?

Senator Conroy—Goodnight, Senator Sterle.

Senator O'BRIEN—It was completely the opposite

Senator NASH—May I point out that it was the chair who was having kittens.

Senator O'BRIEN—He went whiter than the white bit of a Geelong jumper, I can tell you.

CHAIR—I apologise to the committee and the Senate—I fibbed. On that, can I thank the officers from the Air Transport Safety Bureau. Mr Mrdak, to you and your crew, thank you very much for today. Minister. Once again, to the hard-working staff in Hansard and Broadcasting, thank you kindly. It is much appreciated. Your effort is unseen. And I thank the secretariat. That concludes today's hearing. The committee now stands adjourned.

Committee adjourned at 10.02 pm